

The NRN 50: Target fans of your brand

Marketing to the right niche can develop a loyal customer base

JANUARY 26, 2009: In 2007, Dallas-based **Pizza Patrón** made news by accepting pesos, the Mexican currency, at its 84 locations. The move touched off a heated debate over immigration, but Pizza Patrón says the promotion tried to infuse the Latino lifestyle into the American pizza segment by employing marketing initiatives meant for its core Hispanic customer. Today the chain remains committed to using similar kinds of marketing tactics that engage that consumer base.



Pizza Patrón, based in Dallas, is offering \$1 coupons designed to look like Mexican pesos that are distributed at locations of Dollar Express, a chain many immigrants use to transfer money.

local-store marketing than to traditional media, Gamm says, preferring to keep brand visibility high in its main trading areas.

To that end, Pizza Patrón recently agreed to be the sole pizza provider of the American Airlines Center in Dallas, home of the National Basketball Association's Mavericks and the National Hockey League's Stars. The partnership allows the chain to serve more customers outside its Hispanic base, Gamm says, while the Dallas Stars can work with a brand that could help it attract more Latinos, who typically aren't huge hockey fans.

Restaurants don't need to start out ready-made for one demographic to target a narrow audience effectively, says Linda Duke, chief executive of Duke Marketing and author of "Recipes for Restaurateurs: The Four-Star Restaurant Marketing Cookbook" www.marketing-cookbook.com

"Most brands don't set out to be geared toward a specific niche," Duke says. "Many operators want to be all things to all people, but clearly an advantage can be developed after a brand is developed and consumer behavior shows a clear niche, like being known as a favorite place to take kids. Then you can market that as one of your brand attributes."

Vaughan Lazar, co-founder and president of **Pizza Fusion**, started his 16-unit, fast-casual chain three years ago to target an underserved niche: organic pizza from an environmentally conscious business.

The chain quickly became popular with the small, tight-knit community of green consumers that spread word of the organic pizzas delivered in hybrid vehicles. While the organic, eco-friendly consumer is still the core demographic for the Fort Lauderdale, Fla.-based Pizza Fusion, Lazar says the brand's traction with the wider dining public stems more from what the chain stands for, not to whom it markets.

"Try not to limit yourself to the niche you think you're marketing to," Lazar says. "We thought we'd have to go after only the organic customer, and we learned early on it's just a small part of it. People are making connections to companies that have an identity. Let people know who you are."

In its latest promotion, the Pizza Peso, the chain offers \$1 coupons resembling the Mexican peso that are handed out in the Dallas area at the 70-plus locations of Dollar Express, where many immigrants transfer money to relatives back in Latin America. Though English dominates the coupon's text, the company still manages to keep it accessible for its non-Hispanic guests.

"This is the tightrope we walk with this brand: maintaining a strong connection with our Hispanic customer base without excluding our non-Hispanic customer," says Andrew Gamm, director of brand development.

Despite the challenge of not alienating certain customers, Pizza Patrón and other restaurants benefit from strong ties to key demographic groups, company officials say. Even more important than a well-executed niche promotion, Gamm adds, is to follow up with strong local-store marketing.

"The bottom line for our niche marketing is that you must be fully committed to that target audience to have any hope of developing long-term loyalty," he says. "Local community involvement is the glue that holds all of our advertising efforts together and makes them effective. If you are not visibly active within the neighborhood, you don't stand a chance against the larger chains."

Pizza Patrón this year will allocate more of its marketing budget to