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How Major Brands Can Serve Up Effective, Restaurant-Level Customer Relationships Online

A Restaurant Industry Brief from Digital Element

The Local Dining Experience Often Starts Online

The Internet has not only revolutionized the way consumers shop, but has also changed the way they eat out. Just as technology-savvy consumers have flocked to online shopping, they, similarly, are increasingly turning to the web to start their dining experience.

Fifty-eight percent of consumers ages 18-24 and 44 percent of those ages 25-34 admit to using the Internet at least once to find a new restaurant in the last month. With that in mind, major U.S. restaurant chains have given their online channel new attention. However, most have taken a near-uniform approach to localizing their web presences. Invariably, each brand's home page features a "locator" element in which a site visitor enters a postal code or city/state. The site then responds with a display of basic restaurant information, typically address, phone number, and hours of operation. Presenting this information is the equivalent of an online, basic Yellow Pages listing.

Some sites take it a step further, adding a link to a map and driving directions. That's on the right track to furthering the user experience, but it does little to entice the visitor to actually choose that particular restaurant for dining.

In both cases, information is delivered in the most impersonal way: Give us some keystrokes (the consumer's location) and we'll give back some basic info (the restaurant location).

In the competitive online marketplace, this can put a chain's individual restaurants at a significant disadvantage when compared to non-chain dining establishments. While the chain enjoys the advantage of brand-name recognition, the online experience does nothing to foster a meaningful relationship between specific restaurants and their customers.

In contrast, someone visiting the site of a restaurant that exists only in his or her locality typically gets a completely localized online presentation. There's no need for the visitor to enter any data at all, and there's much more presented about the restaurant than merely its "location"—pictures of the specific establishment, its own unique menu, and such timely information as daily food and drink specials, featured entertainment, local group meetings, coupons, and anything else the restaurant employs to build customer relationships within its community.

Major restaurant chains have always understood the importance of taking their bricks-and-mortar presence to the customer, but have been put at a disadvantage with non-local online presences. What chain restaurants say online to customers is: "Here's our brand, and if you'll tell me where you are, I'll tell you where to find us." What savvy local competitors say online to customers is: "We're as local as you, and here are all the reasons you should visit us."

Technology exists to easily correct this situation for restaurant chains that see value in interacting with customers at a local level. Digital Element's IP Intelligence, with its strong geolocation capabilities, empowers major brands to know precisely where each web site visitor is located. Information can then be immediately tailored for that visitor to localize it to any degree the company deems advantageous in helping turn a web site visitor into an actual customer.

New Business Intelligence Is Made to Order for Restaurants

IP Intelligence is a non-invasive, privacy-sensitive technology that provides comprehensive information about an online user such as geographic location (country, region, state, city and postal code), as well as connection speed, Internet Service Provider (ISP), language, domain name, demographics, and more—all based on a user's IP address.

In the earlier days of the Internet, there was no way to reliably extract information about online users other than asking them to provide it. Each visitor was otherwise simply anonymous, and could be connecting from anywhere in the world. Using third-party databases and other such methods to gain customer insight have proven less than accurate. Some widely used techniques such as cookies, which plant a small file on the user's computer to trace online activity, are considered extremely invasive by a growing number of Internet users who routinely clean them out or turn them off altogether, meaning that they are once again completely anonymous when they return to the web site.

Restaurants that adopt IP Intelligence gain the means to actively reach out to a previously unidentifiable online audience—unregistered visitors—and begin to build a solid relationship by offering dining options, promotions and other useful information that appeal to consumers where it matters most: close to home. With IP Intelligence, restaurants have a much better shot at automatically targeting the consumer in a way that is relevant, beginning with the very first visit, by delivering localized menu items and promotions; community-based information on events; catering and delivery services; and, if the user is identified as having a high-speed connection, rich media content such as cooking demonstrations and interactive wine selections.

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155 Technology Parkway, Suite 800
Norcross, GA 30092

+1 678.258.6300 PHONE
www.digital-element.net

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IP Intelligence Gives Hungry Online Consumers What They Crave—More Relevant Interactions

The geotargeting capabilities of IP Intelligence represent the antithesis of the "valid at participating restaurants" clause so common to generic online chain promotions, delivering value in several key areas:

• Targeted online advertising. IP Intelligence offers the ability to automatically geotarget ads as granular as the postal code-level worldwide, allowing restaurants to create and deliver coupons and discounts to promote items (slow movers or those with the highest profit) at a specific location.

• Content localization. Because restaurants have an estimated eight seconds to make a good impression online, they need the ability to present visitors with customized content on the fly to help simplify and enhance the dining experience. As more restaurants move to online ordering systems, IP Intelligence can upsell local dishes or the "hottest" menu items in that particular location. Similarly, when web site visitors try to locate the closest restaurant to place an online order for delivery, IP Intelligence can automatically present locations in their area based on their postal code. For chains that operate internationally, the site can automatically switch to local language and currency. And, as restaurants continue the trend of building social networks within their web sites, they will need a mechanism to deliver customized content (i.e. information, menu items, coupons, promotions, etc.) that resonates within these socialized communities as well as locally based dining groups.

• Enhanced analytics. IP Intelligence is the perfect complement to online analytics applications. By leveraging geographical and other IP Intelligence data within analytics packages, restaurants can further segment and gain deeper insight into diners' behaviors—the true benchmark for critical assessment of online marketing and services.

Today's Web Site Is Tomorrow's Hostess

IP Intelligence is an extremely powerful technology that can make a tremendous difference in any restaurant's ability to connect with its customers. For players in the chain restaurant industry especially, it can offer dramatic differentiation in the online experience, separating adopting companies from local competition and from competitive chains that are content with supplying only simple location information to users who enter their postal codes.

While the online channel is simply one piece in the development of long-term customer relationships, it is becoming increasingly important as more and more consumers turn to the Internet to get information about or actually participate in the dining experience. According to Forrester Research, despite only a few restaurants having online ordering capabilities, nearly one in three U.S. consumers say they have ordered food online. That number is only predicted to grow as restaurants focus more on their sites' usability, "dine-ability" and perceived local sense of community.

By using IP Intelligence to more effectively reach this key consumer segment—the local diner—in new and meaningful ways, restaurant brands can gain a "first-touch" advantage and begin building a solid relationship based on delivering relevant promotions and content, ultimately turning today's web site into tomorrow's hostess.

About Digital Element

Founded in 1999, Digital Element is the industry pioneer of IP Intelligence, a non-invasive, privacy-sensitive technology that automatically uncovers geographic information, connection speed, domain name, ISP, language and other characteristics about online users based solely on their IP addresses. This knowledge enables online businesses to customize content for more accurate and profitable online interactions, making it ideal for targeted advertising, content localization, geographic rights management, local search and enhanced analytics. Digital Element's patented IP Intelligence solution with its exceedingly accurate geolocation capabilities is used by industry-leading advertising networks, web publishers, search engines, social networks, e-tailers, and analytics platforms around the world to revolutionize the way people experience the Internet.

Digital Element is a business unit of Digital Envoy, part of Dominion Enterprises, a leading media and information services company. For more information about Digital Element, visit www.digital-element.net.

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