



## Primecard asks consumers, merchants to 'Groupoff' in its largest campaign ever

*Founder shares details on \$1.2M plus campaign, largest in company history*

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Twenty-five year-old Primecard launched its first large scale marketing campaign earlier this month to take advantage of the group buying's industries struggles.

Titled "[Groupoff](#)," the new promotion conjures Groupon but Ric Roth, founder, president and CEO, said Primecard isn't targeting the struggling daily deal site specifically – he wants to initiate a debate around the failings of the entire group buying industry.

"We've been watching the model for about five years now," he expressed. "When we first saw the model we wondered where it would go because we saw inherent weaknesses from the perspective of the consumers, merchants and the group buying companies themselves...We didn't quite see the daily deal model working out in the long run and we stuck by our guns. We continued to focus on our business model, and time has proven that several of our thoughts were correct."

The \$1.2 million plus integrated campaign, focusing on the company's core South Florida and New York Metro markets, includes cable TV, Hispanic focused TV, billboards, online, transit, spot radio, traffic radio and print ads.

"We're also running back lit kiosks in about 500 locations in malls and supermarkets through a company called [Terraboost](#)," Roth stated.

Outdoor ads are featured on more than 20 billboards and 25 buses in Florida's Dade and Broward Counties. Print ads are running in local magazines and newspapers like the Biscayne Times, Community newspapers, NY Observer and Playbill Magazine.

More than 15,000 TV spots on Comcast and Time Warner Cable will run throughout

Primecard's core markets.

Primecard's sister company, [IGT Media Holdings](#), developed the strategy and media plan for "GroupOff."

Carlos Pena, the owner of Miami-based [Pumped Inc](#), developed print and out-of-home creative. He also provided input for the TV and radio production.

TV production was created on a "low budget" by Miami-based [Rocketfuel Films](#).



Pembroke Pines, Fla.-based [Ink Link Marketing](#) assists with Primecard's public relations.

Primecard, with more than 100,000 members and 1,000 merchants, hasn't marketed itself directly in a long time, but the company decided to promote its

"better mousetrap" to consumers and merchants. Roth said the goal of "Groupoff" is to increase merchant awareness and generate about 20,000 new card members in Metro New York and South Florida, but Primecard has to be careful not to add too many members.

"Our philosophy is that our business can only be successful if we represent incremental business to the merchant," he continued. "Anytime a model gets too big and the restaurant starts filling up with discount customers, where they have to displace their full paying customers, it's a bad model. So, we're very conscientious about the number of card holders we add in a given market relative to the number of merchants. Many people may have a goal of adding a million customers, but I have no goal to do that with this campaign. In fact, if the campaign is too successful, we may close membership down."

Because Primecard doesn't want to make too many cards available, the company has grown mostly through members referring other members.

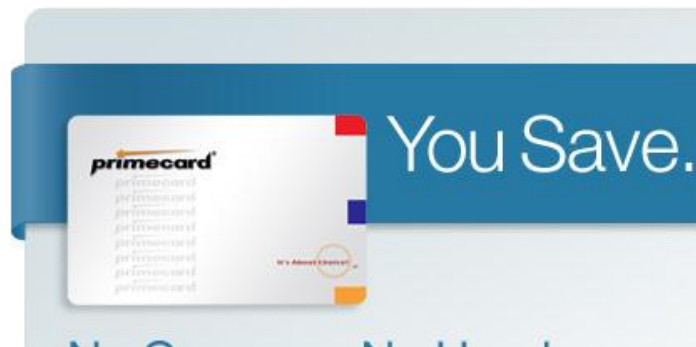
"The upside is that daily deal companies made awareness of discounting and savings much, much greater than it ever was," Roth expressed. "That's a big reason why we're able to launch our campaign at this time."

Roth credits improved communications for Primecard's 20 percent increase in sales and transaction volume last year. This includes advancements across social media, e-mail blasts and Prime Magazine, which comes out quarterly.

“I also attribute this growth to daily deal fatigue,” he expressed. “People who may have strayed to group buying propositions are coming back because Primecard is easier to use and offers more benefits.”

For consumers, Primecard works just like a credit card, so they don’t have to print a coupon or prepay for a meal. Consumers select from any of Primecard’s partners, present their card when it’s time to pay and then sign the charge slip reflecting the full menu price. They’re given the up to 50 percent discount on their monthly statement.

“The savings with Primecard aren’t limited to a certain dollar amount,” Roth explained. “For instance, if you buy a \$25 group buying coupon for \$12.50 but you spend \$100 at a restaurant, your savings are limited to only that coupon. There are no expirations or restrictions on Primecard offers.”



Membership is free for the first year and renewals are \$9.95 annually. New members are required to sign up with a credit card on file for auto-pay.

For merchants, Primecard’s two pronged “[client reinvestment program](#)” delivers greater revenue and return business compared to group buying companies, Roth said.

With the advertising model, partners receive advertising in exchange for the same value in food. Primecard then markets the food credit to card holders, offering an average 25 percent discount.

Under the cash model, Primecard pays restaurants 50 percent in advance for food and beverages and then markets the restaurant to customers.

“The group buying models typically pay the restaurants 24 percent after the group deals are sold to the consumer,” Roth said. “At our worst case scenario, we pay restaurants 50 percent well in advance of us ever marketing to the consumer. So, we are truly partners with the merchants because we’ve invested dollars into their stores with the idea that we can remarket the food credits we buy to our Primecard holders. We also fund the discounts, whereas the group buying companies don’t, and we reimburse the restaurants 100 percent for tax and gratuities. The group buying companies typically include those in the coupon amount.”

Primecard also differentiates itself in the way that it generates return business for partners.

“Our card holders can use their Primecard at merchants anytime as long as they’re participating in the program,” Roth stated. “By virtue of the design of our model, we actually create regular business for the restaurants versus coupon hoppers.”

The company expects to launch iPhone and iPad apps in the next 90 days.

“It’s sorely needed to communicate with people who are using their mobile devices more,” our source acknowledged. “It will have geo-location capabilities to point users to restaurants nearby too. It’s probably two years past due, but we’re almost there.”

Roth said Primecard and its sister companies always explore opportunities, so marketers should feel free to get in touch.

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