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POP CULTURE

Fat-free pizza breaks all the rules

A high school teacher launched Pizza Free 15 years ago with his former wife. Sales slumped. And then along came the Internet.

BY CANDACE GOFORTH

Knight Ridder News Service

Rule No. 1: If you want to sell a product, you must tell people about it. That means investing in marketing and advertising.

That's the kind of rule Steve Neid likes to break. He based his company on this bit of defiance: Eat America's favorite junk food and lose weight.

So he's not afraid to flout the cardinal rule of commerce and entrust his business to buzz marketing, mainly the referrals and testimonials of satisfied online customers.

Neid's highly risky business model seems to be working.

The high school economics and history teacher launched Pizza Free 15 years ago with his former wife. The couple, both fitness enthusiasts, came up with a way to make fat-free pizzas. They knew they'd find a market with others like themselves who wanted to eat healthfully without betraying their cravings.

INITIAL EFFORTS

They sampled fat-free cheeses, doughs and sauces from various suppliers until they hit upon the right recipe. They called the product Pizza Fit'n Free, and marketed it under the company name Pizza Free.

Initially, they put their 7-inch pizzas in grocery stores. But the slotting fees, and the retailers' requirements that the tiny company participate in and pay for in-store marketing campaigns, made the arrangement a losing proposition.

Neid tried placing ads in bodybuilding and fitness magazines. Those placements garnered a few sales, but not enough to justify the considerable cost.

The company went through a two-year slump, when not a single pizza was made or sold. Pizza Fit'n Free existed in name only.

HOME SWEET HOME

Then, in 1997, one of Neid's students suggested he put his product on the Internet, a venue he knew little about.

It turned out to be exactly the home Neid wanted for Pizza Free.

Neid started making pizzas again.

Business started to grow slowly. Then, about four years ago, sales of 40 to 50 six-packs of pizza a week jumped to 150 six-packs a week. It was his first real glimpse at the power of buzz marketing.

'We saw a spike in the business, and we thought, `What is going on?' " said Neid. 'Someone said, `You are all over the Weight Watchers website.' We went [to the site] and there was strand after strand about the pizza.'

The company found itself in another rough patch a few years ago, as low-carb dieting put low-fat in the shadows. But Neid said that downturn is firmly in the past, as dieters return to more traditional methods of losing weight.

The fact that Pizza Fit'n Free's core market is diet- and fitness-conscious women makes it an ideal candidate for buzz marketing, said Ellen Garbarino, assistant professor of marketing at the Case Weatherhead School of Management in Cleveland.

These women tend to move from support group to support group, taking diet tips and product recommendations with them.

CREATING A BUZZ

Still, no matter who its audience might be, a company will not succeed with buzz marketing without a quality, unique product, Garbarino said.

"Some of the very successful Internet sites live on buzz, the chatter of other people," said Garbarino, who specializes in e-marketing. ``But [the product or site] has to be buzzworthy. Buzzworthiness is scarce. Most things have lots of easy substitutes, and even if you have a buzzworthy item, it has some randomness to it. Some of it is outside of the marketer's control. You have to kind of get lucky."

SITE UPKEEP

In addition to buzz-driven traffic, Neid and Moore work to constantly update the company's website, <http://www.pizzafree.com/>. Doing so helps it maintain a high placement on Internet search engines.

In other words, if a potential customer goes online and types "fat-free pizza" into a search engine like Google or Yahoo, Pizza Fit'n Free will come up in the list of sites.

Until recently, Pizza Free didn't have much of a storefront.

But in February, the company moved into an Akron, Ohio, shopping center, right across the street from the high school where Neid teaches.

The small space serves as a manufacturing facility, furnished only with a stainless steel table for assembling the pizzas, a walk-in cooler and ceiling-high stacks of white foam coolers used to ship the pizzas, six to a package, all over the world.

Against the wall, a computer, desk and chair serves as the company's customer service department, marketing department and national sales division.

At first, Neid was concerned about the transition, which placed the company inside the shopping center's newly renovated arcade.

But in the first few weeks, he started getting something he hadn't before: walk-in business.

Still, Neid doesn't expect bricks-and-mortar sales to ever rival the online business, which is fed by buzz like the type found on Hungry-girl.com, a website on food and dieting trends for women. The site features the pizza in its product reviews and in postings from readers.

The message boards on the Weight Watchers website are busy with postings for Pizza Fit'n Free. And they're not all glowing.

But Neid said this sort of unsolicited, unpurchased publicity is better than slick, four-color

advertisements not just because it's free, but because it's credible.

"We like the fact that we aren't out pushing ourselves down people's throats," Neid said. "It's our customers who already buy the product who are pushing it for us. And that's the best of both worlds, really."

GETTING COMPLAINTS

Neid said he values the bad buzz as much as the good. If he sees a negative posting or hears a complaint, he works to fix the problem.

'Last year, the thing [people were saying] was, 'The pizzas are great, but they're too expensive,' " he said. "Even though the Post Office raised their rates, we cut deeper into what we make and now charge less than four dollars, which is comparable to what you'd pay in the store."

That sort of responsiveness is vital, especially for a company whose reputation is its only marketing material.

Neid estimates that 70 percent of his business is made up of return customers. And nearly all of them came to the company through the Internet.

Garbarino said no matter how loud the buzz may be, companies that rely solely on that for their marketing can expect their growth trajectory to top out well below what it would with more traditional marketing efforts.

Neid's experience has reflected that.

He declined to discuss specific revenue details, but he said the company, with one full-time employee and several part-time student workers, sends out 400 to 500 six-packs of pizza per week at \$16.95 per pack plus an \$8 per pack shipping fee.

Once the company reaches a certain point in sales, he might consider traditional marketing efforts, such as an advertisement in Weight Watchers' Magazine, Neid said.

But, he said, there are good reasons to put off buying that sort of exposure.

"What we're doing now is flying under the radar," said Neid, who is one of nine investors in the company. "We're constantly concerned about [competitors] coming in and having to defend ourselves, which is costly. If we start advertising, we will put a lot of light on us. People are aware of us, but I don't know if they know how much business we're taking from them."



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