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Five Ways to Grow! A Guide for Restaurant Owners

Growing sales and profits in your restaurant becomes a lot easier when you remove all the complexity and break it down to five key areas of focus –

- New or first time customers
- Increasing the frequency existing customers buy from you
- Increasing the average size of the sale
- Increasing the party size
- Increasing the seat turn

Once you understand these four areas it becomes a lot easier to develop a sales and marketing strategy for your business. You can then direct your message to one of these key areas.

1. **New or first time customers** – most existing restaurants make the mistake of putting most of their marketing dollars here. While I am not saying this is wrong this can be a very expensive customer acquisition strategy costing you more than seven times the cost of marketing to your existing customer base. Basically you are asking the first timer to come and try you out and so not only do you have the “special offer costs” but the higher costs of advertising and promotion to simply get them in the door.

There are literally thousands of ideas and ways of doing this but the key is to have an effective system to capture the details of all new visitors to your restaurant so you can then market to them so they re buy.

2. **Increasing the frequency existing customers buy from you** – building loyalty with your existing customers through regular communication and making your existing customers feel special is so important. This is the cheapest and most effective way of growing your sales. Developing a regular email newsletter promoting special nights and promotions can often be more cost effective than traditional advertising.

Your strategy needs to focus on how you increase the number of times the customer returns to the restaurant. For this reason you need to be able to recognise a returning customer so that you can acknowledge them accordingly. This could be as simple as asking them have they eaten with you before when they are making a telephone booking and marking the booking accordingly so when they arrive they are recognised.

- 3. Increasing the average size of the sale** – this means simply to have a strategy of offers to encourage each diner to enjoy another course, or to have wine, or a better wine with the meal. An offer could be something like a free coffee or desert wine for those having desert. Training the wait person in the art of up selling and making the irresistible offer is a critical success factor but once mastered can make a significant difference to your profitability.

Of course you could increase prices but in a competitive market place this is often a dangerous strategy unless the regular customer perceives greater value for the dining experience.

- 4. Increasing the party size** – this is an obvious but often overlooked strategy. What strategies do you have in place that will encourage a larger party sizes?

Do your customers dine alone, in twos, threes or fours? Once you know this you can develop an offer that encourages the party of say two to bring two friends and immediately your sales for that table double. The offer could be just dine with four and we will give you a free bottle of wine.

- 5. Increasing the seat turn** – introducing “Happy Hour” type offers can double the number of diners served in an evening. For years we have seen these sort of offers in tourist areas – “Dine between 5 – 7.30 pm and receive a free glass of wine, 25% off the bill, or a free desert” and these could well be introduced in other restaurants on selected heavy dining days to encourage an extra sitting for dinner.

Finally, to be effective all these strategies need careful and thought out implementation. Essential to your success is a proper monitoring system so you can test and measure your results and change the timing of offers to meet the specific requirements of your market place.

When applied in conjunction with your specific unique buying advantage your business will become unstoppable!

About the Author:

Alistair Gray is a Marketing and Profit Improvement Specialist who works with small to medium sized businesses that have the potential to be turned into market leaders often resulting in sales and profit gains of 45-60% within 90 days or less, with the goal of expanding, selling, licensing or franchising the business at a huge profit within 3 years or less.

You are invited to meet Alistair for a confidential; no obligation free discussion on how you may achieve significant sales and profit growth in your business. At the same time he will give you a **FREE copy of Peter Sun’s bestselling book “Maximum Profits in Minimum Time”**.

You have absolutely nothing to lose so call now on **02 9739 6755** or **0438 752 596** to arrange a mutually convenient time to meet.

By the way Alistair is paid on results and provides all his customers with a written results money back guarantee. How many other consultants do you know who are prepared to do that.

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