

SELLING VALUE

Raising Sales

5 Keys to Crafting a Successful Value Meal

In a year of sluggish restaurant sales, global market research firm NPD Group reports that one segment of restaurant traffic is up 14%: deal-based sales.

Deals and coupons draw cash-strapped customers, especially in lean times. But cashing in on that cost-conscious segment without losing your shirt can be tricky.

The answer? A well-crafted, strategically priced meal deal. According to NPD Group, packaged deals attracted the segment's heaviest buyers, those aged 18 to 34. Both adult-only parties and parties with kids took advantage of meal deals.

With meal deals, you can cater to discount-seekers without lowering your regular prices. And because packaged deals drive larger orders, they are often more profitable than other discount offers.



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Value and Perception

What makes a good value meal offer?

1. The secret is to create the perception of a discount.

You do this by highlighting the fact that the full meal costs less than the individual menu items. Whether you call it a Crowd Pleaser, Family Feast, or Create Your Own Combo, the key is the perception of value. “What’s so appealing about the bundle is its ability to give a sense of value without sounding cheap,” said Fern Glazer in a Nation’s Restaurant News article, quoting industry consultant Richard J. George, a professor of food marketing at St. Joe’s University in Philadelphia.

2. Create value without sacrificing profit by paying close attention to margin and food cost.

Profitable deals bundle high-margin menu items such as salads, breads, or soft drinks, and limit expensive ingredients such as meats, out-of-season veggies, and seafood.

That’s the basics. But don’t stop there.



Profit from Value Meals: a Step Further

3. Next, build add-on sales into your order process.

Some point of sale systems will allow you to add a complete value meal with one button, or build combo meals with interactive choices. SpeedLine POS works this way: If your lunch combo includes a choice of five dips and a side of salad, fries or coleslaw, SpeedLine walks staff quickly through the choices—including upsizing and suggestive prompts: “Make it a large salad for \$1 more.”

4. Plan your strategy.

Want to promote carry-out or increase dine-in traffic? Try restricting a meal deal to a certain order type. Battle a mid-week sales lull with a Wed-Thursday lunch deal—or capture the after-work crowd with a happy-hour deal on Friday.

Consider a date-night special or family-night pizza deal: in a report on Q3 2009 restaurant sales, NPD found that weekend deal traffic was up 49 percent, compared to 13 percent on weekdays. While people are eating out less often, they don’t want to give up every little luxury: NPD analyst Bonnie Riggs suggests that package deals give cash-strapped people an incentive “to go out and treat themselves” on the weekend.

Why fight it? Design a deal to capitalize on this extra weekend traffic to offset your slower weeknights.

5. Volume drives profits—so promote, promote, promote.

Feature meal deals prominently in menus and mailers, with a clear focus on value—and reinforce your messaging with signage. Advertise your deals on your Web site, on Facebook, and by Twitter.



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