# What Every Restaurant Manager Should Know: Top Five Revenue-boosting Secrets

Have you ever wondered how some restaurants stay in business, thriving for decades, while others seem to disappear within the span of a couple of years? You would think that the basics (good food and good service) would be enough to keep a restaurant open year after year. However, the hospitality industry is a complex milieu where such things as consumer psychology and menu engineering contribute to a restaurant's success as much as food quality and personnel professionalism. Restaurant managers who are knowledgeable in these subtleties can be the key to whether an establishment stays in business or whether it fails. Read on to find out the secrets of effective restaurant management:

**Patrick Schmidt** is the **Director of New Business Development** for a hospitality company, **HK Hospitality Group**, which encompasses several American bar/restaurant establishments, as well as a twenty-seven-room boutique hotel/guest apartment facility in the Midtown Manhattan area. Their hospitality group as a whole generates over $12M annually in an extremely competitive market. They have been in the bar/restaurant industry for over 20 years and have a combined 50+ years among their proprietary assembly.

"In the NYC market, you cannot afford to maintain [the status quo]," says Schmidt. "We utilize several technology-based and online media platforms to expose our brands to new clientele on a regular basis. We keep up with current industry trends regarding menus and specials to ensure we offer our guests the best product possible at all times."

HK Hospitality Group places a great emphasis on their online presence through social media. Facebook, Twitter, Pinterest, and Instagram pages are monitored continually and are always up to date with fun, interesting information relative to their business, as well as their industry as a whole. Additionally, their business profiles on Yelp, Trip Advisor, and Foursquare, which all allow guest interaction and feedback, are updated and responded to regularly.

"Whether [the feedback we receive is] good or bad, it is very important to acknowledge the guests' feedback and grow from it internally," says Schmidt.

HK Hospitality Group currently employs several means of gathering feedback from their guests including QR code scannable cards that go into all of the check presenters. When scanned, the link sends guests to a quick survey that is monitored through an online database accessed by management staff. They constantly evaluate themselves from within and demand that their venue

managers continually focus on driving business. "It also allows us to reach out to the guest directly if need be," says Schmidt. "We have utilized partnership programs with marketing platforms including Restaurant.com, Thrillist Rewards, Amazon Local, and the Rewards Network, which all provide insights and reviews from our customers' experience. This information is very valuable and we use it to strategically analyze upcoming marketing portfolios."

Other platforms, such as Constant Contact, Fishbowl, Open Table, and Triple Seat allow them an extended reach to their target clientele, based on location and demographics.

Understanding and utilizing all of these useful tools to their full capabilities has allowed HK Hospitality Group to stay ahead of the trends and above the competition in an ultra-competitive market.

**Gary Elsmore** runs **The Stadium Bar and Grill** operations with three locations in the Boston area, one being downtown in Faneuil Hall. Gary comes from the Boston Garden with a ton of experience and a seven-page document entitled "Menu Engineering." This document outlines what is necessary to make the menu a sales tool. He recently re-engineered The Stadium Bar and Grill's menu with a formula that included making sure prices don't have $ (dollar) symbols in front of them and are not bold, in addition to many other things to make the menu work for the restaurant as a sales tool.

"When it comes to menu engineering and how it applies to seeing a surge in business, the first thing to do is to identify consumer eye-movement," says Elsmore. "When scanning over a menu, a consumer looks first at the right-top of the menu, then the middle-top, and then to the left. Therefore, it's important to identify the items that will drive sales and strategically place those at the top of the menu."

There are four item categories:

THE STARS: items that sell a lot and are most popular

THE HORSES: items that drive sales, based on their price, and are there to generate revenue

THE PUZZLES: items that sell OK but it is up to the business to keep on the menu. These are placed in the middle

THE DOGS: items that do not sell well, which means the business needs to replace them with a Star item.

"It's all about positioning items that will build sales and profitability. Menu engineering improves sales 10-15%," states Elsmore.

A couple of other techniques:

For a menu of quality, make sure to use words like "home-made" and "traditional" in the description of popular traditional dishes, e.g.: Grandma's homemade pie.

Always end prices with an odd number: 5 and 9 being the most popular.

"You want them to focus on the food, not the price," says Elsmore.

http://www.stadiumbars.com/

SUMMARY OF TOP FIVE THINGS THAT DRIVE RESTAURANT REVENUE

1. Menu Engineering

2. Use marketing platforms such as Restaurant.com, Thrillist Rewards, Amazon Local, and the Rewards Network

3. Keep business profiles online updated

4. Gather customer feedback with scannable QR codes

5. Social media networking, including Facebook, Twitter, Pinterest, and Instagram pages