

After holding a series of senior marketing positions at Molson Coors including insight director and head of market analysis Chris Holden set-up Ashdale Business Consulting Ltd in 2012. Ashdale provide marketing strategy, insight and analysis to the licensed trade through bespoke consultancy as well offering a range of eLearning business and marketing training for trade employers and employees.

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# Is eating out no longer a treat?

*If eating out is no longer a treat, what does this mean for operators?*

For many people, booking a table in a restaurant or even a pub was once reserved for special occasions. It was a way to honour major family events, celebrate milestone birthdays or other significant moments in time. But those days are no longer the main reasons why people choose to eat out.

As we enter 2017, dining out has become a far more routine and frequent occurrence compared to what it was say 10 to 15 years ago. According to Greene King, the average household spend for eating out was up 6% in 2015; after the EU referendum the same leisure tracker saw quarter three sales in 2016 up 8%.

For many consumers, eating out is now considered in the same way visiting a pub would have been for previous generations. As a result, and in particular for generations such as millennials, it is no longer being considered the treat it once was.

For those operating in the sector, this all sounds great news, but is it? Research from a variety of studies has shown that customers are prepared to spend more on what they deem to be special occasions compared to more regular visits where price and convenience play a greater role.

#### Spoilt for choice

Reading the various articles and news items throughout this magazine and its sister publication Pub & Bar, one can't but marvel over the number and variety of new openings which are happening up and down the country. Where once it was only London or perhaps Manchester who would see innovation when it came to new restaurant styles or offers, now a new format or operator is as likely to be seen opening in areas such as Nottingham, Leeds or Milton Keynes.

While this innovation is great for the trade and also for customers, a by-product of this is that new openings are no longer the big events they once were. The increase in casual dining options means that with a few exceptions at the higher end of the sector, most people can get a table at their chosen venue without much trouble. In fact, if you are looking at mid-week, booking is no longer a requirement. This availability is just one of the reasons why many people no longer consider eating out the special event it once was.

#### Understanding your customers

No matter what you do, for some customers, their eating out experience is always going to be quite functional. For others, providing the right level of service and physical and emotional cues can elevate a normal occasion to something more special. The key is to understand what is driving your customers to come to you on any given occasion. By knowing this you can decide whether or not there is an opportunity to 'trade them up' to a more special and ultimately profitable experience.

Choosing to eat out, special occasions notwithstanding, can come about for many reasons, not least due to people's current stage in life. As well

socialising with family and friends, there are a number of lower energy drivers which will bring people to eat in your outlet rather than at home.

Unless you are going down the ready meal route, cooking at home can take quite a bit of preparation for many people. This doesn't work for everybody, especially those who prefer to decide on what they'll eat five minutes before meal time. These customers have probably decided to go out on the spur of the moment and are usually looking for something quite functional. There are therefore limited opportunities to trade these types of customers up.

Along a similar vein are those who are looking for a convenient option without all the hassle of cooking and washing up afterwards. In part driven by people's jobs as well as technology, we are increasingly operating in 24/7 mode. Many people who eat out these days simply see restaurants as places to re-fuel before getting on with whatever they see as being important at the time. They don't see them as somewhere to eat, drink and relax. Again, these customers are probably quite functional in terms of what they are looking for.

Of course, one of the great things about going out to eat is that someone else is doing all the hard work and you are just left to enjoy the experience. There is a growing view that one of the drivers for people eating out more often is due to the fact that we are becoming an increasingly service-led economy. As a result, there is a sense that people like to be on the other side of the commercial equation once they have finished work. They welcome the chance to be the customer for a change and have others serving your needs. For this group of customers, it is not just about re-fuelling but also about the experience. These customers offer more potential when it comes to turning a routine event into something more special, and are more likely to trade up if they are treated in the right way.

Another great thing about eating out is it usually provides customers with an opportunity to have more than one or two courses. Very few households these days serve up multiple courses at meal times. Eating a meal out may offer the chance to have a starter and/or dessert, whereas if they were at home they probably wouldn't be bothered. Managing customers through this process is something which many operators leave to chance. Over-sized starters or main courses often mean customers are too full to consider higher margin desserts or finish off their meals with tea and coffee. Customers who are driven by more functional needs are less likely to want to order more than a main course, whereas customers who order more than one course can often be tempted to trade up to a third.

#### Eyes wide open

Spotting the different customer types is not always that easy. However, with the right training you should be able to teach your waiting teams what signs to look out for. In that way you can better ensure that those diners who want to be in and out as soon as possible can do so and those who prefer a more leisurely experience aren't rushed. ☺

"Understand what is driving your customers to come to you"