

Casual dining operators should 'refine their price architecture'

Casual dining operators, particularly those specialising in American and French cuisine, could do more to broaden their customer base by offering increased price differentiation.

That's the message from Charlie Nelson, restaurant analyst at market research firm Allegra Strategies. The company has produced a comprehensive survey of prices for a variety of dishes and drinks

charged by the best-known casual dining operators in the country.

The survey showed that the average price for a starter in February 2011 across all restaurants and cuisine styles was £4.77. Mains typically commanded £9.14, while the average for desserts was £4.20. Meanwhile, a small glass of wine was £4.38 on average and a bottle came in at £17.34. Soft drinks typically cost £2.01.

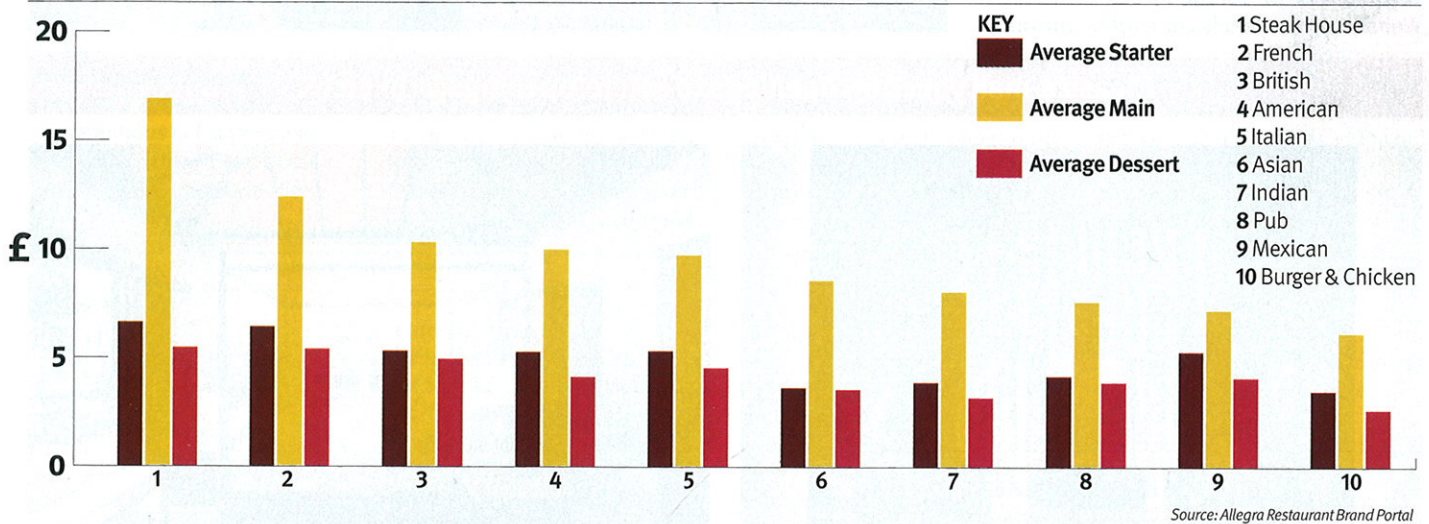
"It's clever that restaurants serving Italian or Indian food can offer premium options and quite low-cost entry options, so you offer a lot to the customer. That means customers can trade up when they feel like it, or they can have a relatively low spend and that lets them appeal to a wider audience," Nelson said.

"But many restaurants serving American food are offering quite

high price points and aren't offering a very big span. American and French restaurants do appear to be limiting themselves in particular."

Allegra warned that some operators risked appearing like a high-cost option. "Operators need to ask themselves how they can refine their price architecture in order to both broaden appeal and to optimise revenue generation," Nelson said.

AVERAGE TYPICAL PRICE FOR STARTERS, MAIN COURSES AND DESSERTS FOR KEY CUISINE TYPES



HIGHEST AND LOWEST PRICES FOR MAIN COURSES ACROSS ASSORTED CUISINE TYPES*

