

MENU ENGINEERING

Smart menu design strategies can alleviate worry that your price increases will be off-putting to customers. Here are a few things our pizza industry experts can do to shift focus, resulting in increased check averages for your restaurant.

EXAMPLE

Nested pricing:
Pricing tucked behind descriptions encourages people to order with their appetite instead of their wallet



No dollar signs:
This helps to draw attention away from the price

Highlighting profitable items:
Subtle icons or artwork draws the eye to certain dishes

72% of operators said raising their menu prices had no impact on traffic compared to two years ago. 14% said that traffic is up!

(Technomic, Value & Pricing Consumer Trend Report, 2019)

MENU PRICING

It's important to evaluate your menu prices against your costs at least twice a year to ensure you are priced right for profits, especially if food costs have gone up.

The examples below show how to maintain your profits when you increase pricing, both when food costs increase or stay the same. If you are concerned that a price increase will affect your revenues, you can actually sell fewer pizzas to maintain your profits.

| EXAMPLE FOOD COST ANALYSIS OBJECTIVE: MAINTAIN PROFITS | | | | | | |
|--|-----------------|----------------|---------------|-----------------|-----------------|--|
| Cost/Price Scenario | 16" Pizza Price | # of Pies Sold | Total Revenue | Total Food Cost | Profit Estimate | Results |
| Current Base Food Cost | \$14.00 | 100 | \$1,400 | \$400 | \$1,000 | Baseline |
| \$1.00 Menu Price Increase | \$15.00 | 91 | \$1,365 | \$365 | \$1,000 | You can sell 9 FEWER pies to maintain profit |
| Food Cost Increase \$0.70/pizza | \$14.00 | 100 | \$1,400 | \$470 | \$930 | Total profit decreases if same number of pizzas sold |
| No Menu Price Increase | \$14.00 | 108 | \$1,512 | \$508 | \$1,000 | Need to sell 8 MORE pies to maintain profit |
| \$1.00 Menu Price Increase | \$15.00 | 97 | \$1,455 | \$456 | \$1,000 | You can sell 3 FEWER pies to maintain profit |

Contact your Grande Sales Associate for help pricing your menu for maximum profits.