

Restaurants Attracting Stimulus Dollars - By Joe Dunbar

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Based on a very unscientific survey of local restaurants, I have noticed a pickup in mid-week traffic. Parking lots have gone from nearly empty in March to spotty on slower nights. Weekends are still jammed here in Northern Virginia.

It helps to offer patrons a lower check average. Operations are getting a bigger share of mid-week diners if they are perceived to be "budget conscious". The newly frugal NOVA consumer is all about value.

Our local traffic jams are legendary and they provide an excellent opportunity to observe vehicles. The fleet seems to be changing in composition from SUV dominant to a more fuel efficient mix. Lots of Toyota Prius drivers here with special treatment in the HOV lanes (single drivers of hybrids are allowed).

I asked a few of my local contacts how business is right now. Most say its the same number of diners as this time last year. In terms of dollars, patrons are spending less. Budget specials are a requirement.

With food cost % skyrocketing due to commodity market volatility (strong upward bias), its tougher to keep costs in line. Offering budget specials which fit the current cost model is key. Pizza seems a tough segment. Lots of coupons for 2-for-1(pizzas) and special low price options (sides). This comes as flour, cheese and now fresh tomatoes are hitting record prices.

The overall restaurant market here is certainly not vibrant but weekends are packed and mid-week patrons have returned to spend those tax refund checks.

Joe Dunbar

Dunbar Associates

P.O. Box 579

Fairfax, VA 22038-0579

800-949-3295

<http://www.joedunbar.com>

jdunbar401@aol.com

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