

New Study Finds Dollar Signs Reduce Sales

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An academic study by faculty members at The Culinary Institute of America (CIA) and the Cornell University School of Hotel Administration has found that restaurant customers spend more money when no dollar sign precedes prices on a menu.

Sybil Yang, a former CIA instructor and Ph.D. candidate at Cornell, Sheryl Kimes of Cornell, and CIA Associate Professor Mauro Sessarego conducted the research in 2007 at the CIA's St. Andrew's Cafe in Hyde Park, NY. Lunch guests at the on-campus restaurant were randomly given one of three menus: prices in a \$xx.xx format, prices with just the number and no dollar sign, and prices spelled out (e.g., "twenty dollars").

Using a statistically significant sample of 201 dining parties of various sizes and demographics, the researchers found that menus "without an overt reference to money" resulted in an 8.15% increase in average spending per person. Their second finding was that there was no real difference in spending between the menus that used the word "dollars" or the "\$" symbol.

The study's authors concluded that seeing repeated references to dollars may have "acted as an unintentional prime and activated concepts of cost or price, initiated a pain of paying, and subsequently caused guests to spend less." While the authors acknowledge there are other ways for restaurateurs to increase sales, dropping the dollar sign "is easy to do, and there is very little downside to form a typographical strategy for the menu."

Support for the project came from the CIA's Menu Research and Flavor Discovery Initiative (menuscience.ciachef.edu/research/mrfdi). The research paper will appear in an upcoming issue of the International Journal of Hospitality Management.

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