

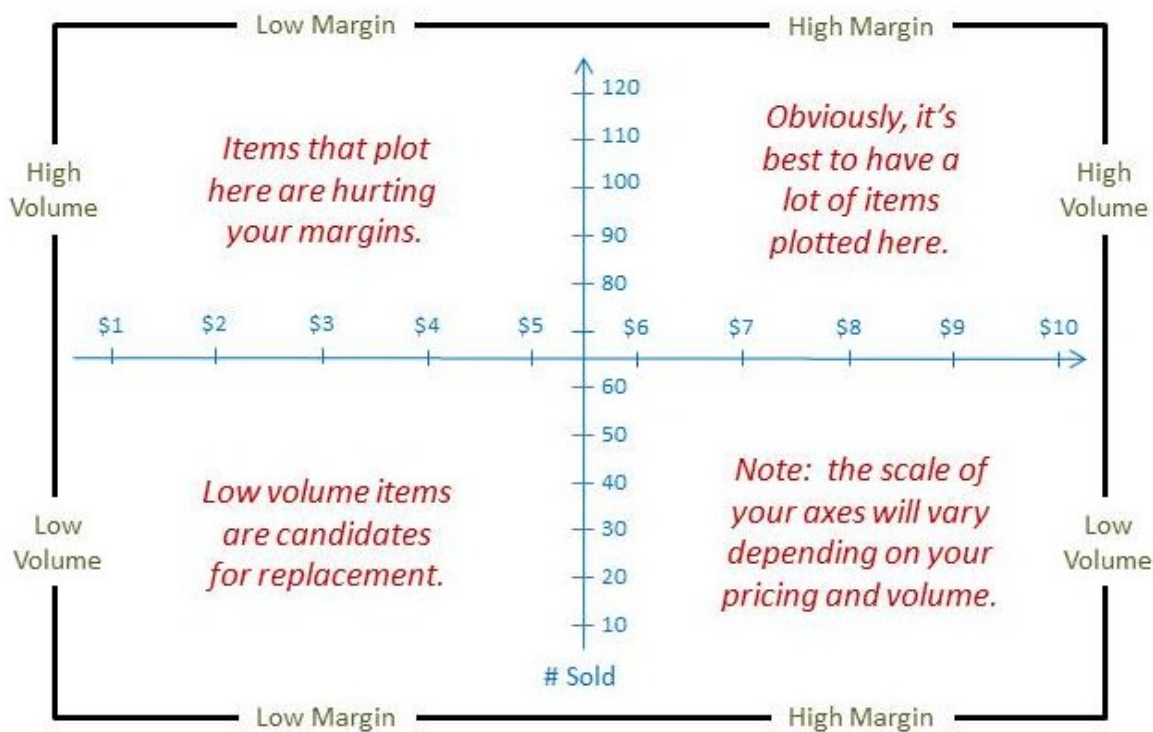
Menu Sales Mix Analysis

One of the most important things you can do to better understand the dining preferences of your customers/guests/members is to analyze your menu sales mix every month, for not only food sales (appetizers, soups, salads, entrées, and desserts), but also for alcoholic beverage sales by beer, wine, and liquor by brand or label. The information to do this is easily obtainable from your point of sale system which, when properly set up, will give you the number sold and total sales for each item.

At its most basic these numbers tell you what sold well and what didn't. It also gives an indication of your diners' preferences for beef, chicken, seafood, salads, pasta, heart healthy, expensive vs. inexpensive, desire of appetizers, and how much of a sweet tooth they have. Additionally, when you track specific beverage sales, it will indicate whether your customers prefer house or premium liquors, domestic or imported beers and wines, and which brands you should replace as not selling well.

But the most important thing these numbers will tell you is which items contributed the most to your profitability and which ones made for a higher food cost and lower margins. Based on your ingredient costs and the prices you set for each item you serve, they will have varying margins. If you sell a lot of low margin items and few with high margins, your food cost will be high and your overall margin low. Conversely, high volumes of high margin items will yield lower food cost and more profitability.

An excellent way to monitor menu item sales contribution to margins is to plot your number of sales per item against the difference between price charged and cost for each item. When plotted on a graph as the sample below shows, you get a graphic representation of what's contributing to your profitability and what's not.



Menu item sales mix analysis will help you ensure that you improve your menus and maintain your margins by constantly monitoring what is selling and what isn't.

Ed Rehkopf, Hospitality Resources International