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A Sweet Deal: How to Market and Merchandize Desserts to Boost Startup Sales and Profits

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Desserts courtesy of The Sweet Guy, Parkville, Missouri



By Dave Pavesic, Ph.D., FMP

How to Market and
Merchandize Desserts
to Boost Startup
Sales and Profits

A Sweet Deal

We've said it before, and we'll say it again, daily success in the restaurant business is measured in dimes, nickels and pennies. Take a cue from retailers. They understand this concept well. Even in the checkout line at the grocery store, you are barraged with rows of impulse items. They want you to make that last purchase before exiting. Consider desserts your opportunity to boost a check 5 percent to 10 percent. What if you could do that with just a quarter of your customers? How would that affect your total sales?

Merchandizing your desserts can result in a profitable, check-average-building part of your internal marketing strategy. But marketing desserts is often overlooked completely or is given only minor menu billing in many restaurants. Fine dining, casual and family restaurants have the best opportunity to market and sell desserts.

More often than not, the entire dessert marketing process is left to the server between clearing the entrées and presenting the check.

Consider that nearly all of your customers will order an individual entrée. An entrée may include a sandwich at lunch or a steak at dinner and it amounts to one order per person. Also, nearly all of your customers will order a nonalcoholic beverage such as a soft drink, coffee or iced tea. If you serve beer, wine or liquor, perhaps half or more will order at least one alcoholic beverage with their dinner. Typically, your server will suggest an appetizer with the beverage and around 33 percent to 45 percent of your guests may order an appetizer. The add-on sales of high gross margin beverages helps pay for operating overhead expenses like insurance premiums, repairs and maintenance, and utilities. Typically, the food cost of soft drinks and iced tea is in single-digit percentages, e.g., 4 percent to 9 percent.

Selling Harder is Not Enough

Too many businesses disregard the relationship between marketing, merchandizing, and selling. If check averages are lackluster, they tell the servers to sell harder. Selling is an important skill for your servers, but it is made more effective when supported by effective marketing and merchandizing. Enticing dessert menus and table tents are part of your in-house promotion efforts. They whet the appetite, and set the stage for the customer's decision to order dessert at the moment of truth, when the server pops the question. As the saw goes, "you don't have to push the water, when you break the dam."

The classic dessert cart or display case is part of your merchandizing effort. It is one thing to describe Black Forest cake and another to see it. And, of course, two of the most important aspects of marketing are choosing the right products and pricing them well. The wide availability of sumptuous pre-made desserts places the independent restaurateur on near equal footing as to concepts that hire pastry chefs. As far as pricing, as we will discuss, there are plenty of sources of data — courtesy of the large chains, which are experts at marketing desserts.

When you employ solid marketing and merchandizing techniques in your restaurant, the servers will not have to push so

hard to get diners to top off their meals with sweets or drinks.

The 25% Solution

Getting just one in four guests to order dessert can also have a significant effect on your sales and gross profit return. Assume that the average price of a dessert is \$4.95 and your average customer count is 150 covers per night. If 25 percent of those covers ordered a dessert, you would sell 38 desserts and bring in an additional \$185 per day, \$1,295 per week, and \$67,340 per year! You can calculate the effect of selling a dessert to 25 percent of your customers in your own restaurant by plugging in your customer counts and average dessert price.

The importance of beverages and appetizers in the sales mix is reflected in the marketing efforts placed on these items. Special menus are often printed, table tents are used, and servers are trained to "suggest" them to every table. However, as the Restaurant Doctor Bill Main says, "Suggestive selling can be dangerous if customers are made to feel pressured by the servers." He recommends that your servers give "personal recommendations." Have them use phrases like, "Have you ever tried our four-layer chocolate cake? Or "I can personally recommend our Triple Chocolate Brownie with French vanilla ice cream." I am a strong advocate of using a

printed menu to merchandize and market my menu items, especially if I am offering signature dessert items. Separate menus provide adequate space to allow the restaurant to use descriptive menu copy for its signature desserts. The same attention and emphasis should be given to your menus for desserts, dessert beverages, and after-dinner drinks. Whenever full-color photos can be used, dessert sales will increase dramatically compared with plain menus or server verbal suggestions.

Even the Health-Conscious Enjoy an Occasional Treat

Even in these diet-conscious times, most American diners can be enticed to purchase a dessert as a reward for dieting all week long. Fruit and cream pies, chocolate layer cakes, cheesecakes and ice cream continue to be the most popular of dessert offerings. In addition, low-calorie and low-fat desserts can overcome the reluctance to indulge in a sweet dessert. Marketing desserts includes alternatives to simply listing desserts on the main menu. Consider that the menu is not around when the entrée is being cleared. However, having the host or hostess comment to guests as they are being handed menus to "Save room for one of our fantastic desserts," can increase dessert sales 30 percent to 50 percent.

Consider the use of dessert trays, dessert carts, dessert displays, and table tent menus to merchandize your dessert selections. The restaurants that have the highest ratio of desserts sold to guest counts are those that have separate dessert menus or use dessert carts or trays that are brought to the table for the customers to see. This has been shown to significantly increase the percentage of customers ordering dessert compared with only suggestive selling on the part of the server. However, when carts or trays are employed, it is generally limited to displaying baked items. If you have ice cream desserts or those that need to be refrigerated, a separate menu or table tent with full-color photos can be very effective. Cakes, pies, cheesecake and ice cream continue to be the most popular dessert items with chocolate far and away the most appealing and best-selling flavor.

One very effective way to merchandize desserts is to offer a sampler plate of three



Enticing dessert menus are part of the in-house promotion efforts at LongHorn Steakhouse.

to five different desserts. Two- or three-bite portions offer guests the opportunity to taste more of your desserts and give them variety as well. This merchandizing technique has been used with appetizers, and with beverages and beers in brew pubs where two 2-ounce glasses of different wines are served or four 5-ounce glasses of beer are offered in a flight.

If you have a pastry chef, imaginative desserts are a way to build a reputation for specialty desserts that can only be ordered at your restaurant. This offers both product and pricing advantages for your restaurant. The more creative you can be with your dessert menu, the more desserts you will sell. As to how many desserts you should list, depending on the type of restaurant, it can range from as few as five to as many as 20 or 25. The Cheesecake Factory offers more than 60 choices. However, for most restaurants, five to seven specialty desserts will be enough. Of course, it depends on whether you make your desserts from scratch or you supplement with any of the fine convenience desserts that are available from your suppliers. If you go the convenience route, the number of dessert offerings can be quite extensive. However, as with your entrée selections, you should have one or two house specialty desserts that are your signature desserts. With such items you have a competitive distinctiveness over other restaurants and you enjoy the ability to price those desserts more toward the high end of the pricing continuum.

Premade Selections Boost Dessert Menu Choices

Realistically, most independent restaurants cannot justify the salary of a pastry cook let alone a pastry chef, to prepare delicious creative dessert offerings. But there are more than a few companies that can provide you with sumptuous signature desserts that few restaurants could prepare from scratch in their kitchens. The use of “convenience” or ready-made desserts by a restaurant is considered acceptable and cost-effective whereas this would not be the case with many convenience entrée items. At the 2004 National Restaurant Association Show in Chicago, there were 90 companies exhibiting premade dessert items. Choices included cookies, pies,

cakes, cheesecakes, ice cream and pastries. Many of them were unique and could be used as signature desserts.

In my research for this article, I came across an ad for a company that will design and produce new specialty desserts for client restaurants. For those of you who have a particular need for such a dessert to help build a reputation for your dessert menu, a company called Love and

sell. Like all other menu items, desserts will differ widely in cost, popularity and profitability. Subsequently, the price points of your desserts need to take your average check and average entrée price into consideration. If your restaurant runs an average-per-person guest check for food of \$13.50, your dessert prices should not exceed \$4.95 for them to be considered by your regular customers. As a rule,

Desserts courtesy of Nick & Jake's, Parkville, Missouri



Quiches Desserts offers this kind of service. They can become involved in the entire process, starting with the initial dessert menu brainstorming, competitive market analysis, product development, and production to designing point-of-sale table tents and menus.

Their dessert creations for clients are designed to make an impression by creating a dessert that is “crave-able” and will have customers coming back for it again. The focus today is on “trend-responsive” desserts with a plate presentation that has awesome eye appeal and offers a “taste thrill.” They are called “wow” desserts because that is the reaction of the guest when the dessert is brought to the table. When you offer signature desserts, customers will start to request desserts instead of the check at the end of the meal.

The prices of your desserts will have a significant influence on how well they

if you run an average food check of less than \$15 per person, at least 75 percent of your desserts (and appetizers) need to be priced within 33 percent to 35 percent of your average entrée prices. If your average food check per person is higher than \$20, your desserts should be priced to be between 25 percent and 33 percent of your average food check. Finding the ideal price point is not easy. Indirect cost factors must be considered along with competitive factors.

For Prose and Pricing, Look to the Chains

Chain and independent restaurants have been increasing their attention to desserts. A study of chain restaurant menus found that there were more than 100 new items added to dessert menus and they accounted for over 10 percent of all new menu items added to chain menus.

Your menu is the most important marketing tool in the house. It's worth the expense to have a separate dessert menu, if only to allow the server to broach the subject smoothly.



Chocolate is by far the most popular flavor ingredient for desserts, as is indicated by the number of desserts containing chocolate on chain and independent restaurant dessert menus. Here is a selection of what I found on the Internet along with a selection of the menu descriptive copy. Dessert menu prose like that which follows will tempt the most diet-conscious customers to go off-the-wagon and indulge themselves:

- Chocolate Meltdown Cake — \$5.14 (Chi-Chi's).
- Three Layer Chocolate Cake — \$4.49 (Lone Star Steakhouse & Saloon).
- Chocolate Stampede — \$5.99 (LongHorn Steakhouse). Here is the menu prose on this item: "Two peaks of chocolate cake packed with six types of chocolate including chocolate mousse, fudge icing, chocolate shavings — served with vanilla bean ice cream, fudge sauce and whipped cream."
- Triple Chocolate Brownie — \$4.99 (Mimi's Café, Los Angeles). "Baked fresh daily, Mimi's own recipe, with dark chocolate, milk chocolate and white chocolate melted into the batter, served with warm (sic) vanilla bean ice cream."
- 12-Layer Chocolate Cake — \$5.99 (Spaghetti Warehouse). "Layer after layer of moist chocolate cake and rich

creamy frosting, served with vanilla ice cream drizzled with chocolate and topped with pecans. Plan to Share."

- Chocolate Rush — \$4.29 (TGI Friday's). "Layers of rich chocolate fudge, dark chocolate mousse, white chocolate mascarpone mousse, chocolate cake and rich chocolate ganache, topped with shaved white chocolate and served drizzled with raspberry sauce. Two Slices."

Pies, cakes and cheesecakes are the most popular types of desserts. Traditional dessert favorites that remain popular with the public even today include apple and cherry and key lime pie, strawberry shortcake, brownies, and ice cream. Cheesecake is perhaps the No. 1 specialty dessert offered by the most restaurants and is made in dozens of different flavors. According to a 2003 menu census conducted by one of the restaurant trade magazines, 24 percent of the surveyed restaurants offered cake as a dessert item. More than one-third of fine-dining and family restaurant segments listed cakes on their dessert menus. Almost all of the cheesecakes used by these restaurants are purchased and not made from scratch in-house:

- Dulche de Leche Cheesecake — \$3.99 (Applebee's)
- Pecan Praline Cheesecake — \$5.50 (Copeland's)

- White Chocolate with Raspberry Sauce — \$5 (J. Alexander's)
- Café Latte Cheesecake — \$5.25 (Romano's Macaroni Grill)
- Carmel Apple Cheesecake — \$5.99 (Marie Callender's Pie Shops)
- Coffee Heath Bar Crunch — \$6.95 (Cheesecake Factory)

Of course the quintessential cheesecake selection is found at the Cheesecake Factory. Thirty-four varieties were counted on a recent menu. Prices range from \$5.75 to \$6.95 per slice. In addition, their menu offers nine other cakes such as Black-Out Cake, Carrot Cake, and Linda's Fudge Cake priced between \$5.95 and \$6.95. Add to this four different "ice cream delights" and 15 espresso and frozen drinks. That adds up to a choice of more than 60 different items. Menu sales wisdom says that you don't need that many choices because 70 percent of those selected by the customers will be confined to eight to 10 items. However, the extremely high customer counts and sales volume that the average Cheesecake Factory unit realizes (estimated to be around \$2.3 million) is the exception to this rule. In fact, desserts and dessert beverages account for almost 50 percent of all Cheesecake menu offerings. This demonstrates the importance of desserts to the overall menu sales mix to this highly popular and financially successful restaurant chain. It is something that most restaurants can improve upon and help their overall financial results.

Drinks Are Part of Your Dessert Menu

After-dinner beverages are components of your dessert menu. Starbucks is largely credited with the "coffee renaissance." The popularity of hot and cold coffee beverages, teas, and smoothies has created the need for every restaurant to expand its beverage selections. Every operation from family dining to formal white-tablecloth has expanded its offering of dessert wines, liqueurs and cordials. Specialty dessert beverages are also very popular. Keep in mind that this option will appeal to the customer who may pass on a rich, decadent dessert. Specialty coffees and teas, and after-dinner cordials or liqueurs can also build dessert sales. Specialty coffees can be enhanced with a variety of alcoholic and nonalcoholic ingredients.

Desserts and drinks go together like love and..., well you know the rest. While not every patron at the table wants to top off the meal with sweets, nearly everyone will go for at least a cup of decaf. Don't forget the extra spoons.



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Nonalcoholic dessert beverages are being seen more and more on casual-dining menus. The Rainwater restaurant in Alpharetta, Georgia, serves a vanilla cola float. During cooler months it serves a rich hot chocolate topped with marshmallow fluff. It also serves hot apple cider. In the spring the Rainwater serves a snow cone topped with black-raspberry-flavored liqueur in a martini glass.

The popularity of dessert beverages is attributed to the comfort-food trend, says Rainwater's Chef Todd Ennis. He says customers view his desserts as appealing, "classic, old-fashioned drinks" that they remember from their childhood.

Coffee desserts are still an important item that should be considered for your menu. Selections like warm café latte with a scoop of vanilla ice cream served in a tall glass, topped with whipped cream, dark chocolate shavings and whipped cream.

Accompaniments with desserts enhance appeal and value to guests. At Rainwater, hot apple cider is served with fresh-baked miniature spiced muffins.

Casual-dining operations like TGI Friday's and the 11-unit Bubba Gump Shrimp Co. also use dessert beverages to boost bar sales. Friday's has three dessert drinks with familiar ingredient names like "strawberry shortcake," "ice cream sandwich" and "banana split."

While these drinks are labor-intensive to make, it helps them gain a competitive distinctiveness from the other casual-dining chains vying for the same customers.

Bubba Gump serves drinks dubbed "Mama's Favorite," with accompanying descriptive copy that reads, "Better than a box of chocolates." The ingredients are coffee liqueur, nonfat vanilla yogurt, chocolate syrup and amaretto. They also serve a variety of smoothies and feature brand flavors like Oreo cookie and Snickers. (See "How to Build After-Meal Drink Sales," *RS&G*, October 2004.)

Market, Merchandize, and Sell

Remember that your menu is your most important internal marketing tool and it should be fully used to market your dessert offerings the same way you use it to sell your entrees and appetizers. If you have spectacular signature desserts, give your dessert menu the same design and production attention you give to your regular menu. Use "menu psychology" techniques to emphasize the desserts you want to sell the most. Don't leave it to random chance. While suggestive selling is an important skill, a well-designed printed dessert menu will deliver a more consistent sales effort than a server can accomplish verbally. **RS&G**