

Restaurants start to phase out '2 for 1' deals

Consumers used to downloading a money-off voucher before they visit their favourite high street restaurant may soon have to start paying the full price again as operators seek to wean customers off discount deals.

Horizons' Voucher Tracker, which monitors the volume and type of on-line money-off deals issued by restaurants, has noted the first signs of operators withdrawing customers' reliance on discount offers by limiting their availability and changing the nature of the deals.

Kids Eat Free vouchers, which in 2010 were offered by high street restaurants throughout the year, have this year been issued during the school holidays only, dropping off sharply when the schools went back in September.

Since the economic downturn many of the UK's high street restaurant operators have used vouchers and money-off deals to boost customer footfall, particularly in traditionally quieter periods. Many of the vouchers are downloaded via the internet from sites such as [vouchercodes.com](#).

However, while discount deals may fill seats they risk eroding the value of a restaurant's brand image, and in some cases have a negative impact on operating margins.

The proliferation of discount deals over the past two years has meant that the pricing points of many restaurants has effectively been reduced as customers get used to paying far less for their meals because of the vouchers. Returning to standard pricing by withdrawing vouchers, without losing price-sensitive customers to the competition, is one of the biggest challenges currently faced by high street restaurant operators.

Peter Backman, managing director of foodservice consultancy Horizons, commented: 'In September our Voucher Tracker research noted a shift away from discounting, particularly family-orientated discounts. Two-for-one deals and money-off vouchers are now being replaced by offers such as 'free dessert/starter with every main course' or discounts available at restricted times.

'It seems that we are at last seeing operators trying to wean themselves off the discount deals, which are expensive for them to run, but which consumers have become very reliant on.'

This August Voucher Tracker noted brands such as La Tasca, ASK, Ember Inns and Loch Fyne limiting their Kids Eat Free vouchers to the summer holidays, while Frankie & Benny's and Whitbread brands Beefeater, Brewer's Fayre and Table Table opted for a 'Free Kid's Breakfast' offer.

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Editor's Note

Horizons provides fresh insights into the foodservice market, based on longstanding involvement and knowledge about the market and its supply chain. The company provides facts and reports, guidance and learning, workshops and networking for operators, manufacturers, distributors and investors in the UK and across Europe.

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