

Let's Get Happy

The Modern Case for Happy Hour Promotions

For some operators, "Happy Hour" conjures cheap drinks and food, and patrons who have no more interest in the restaurant beyond getting a grain buzz. Approached strategically, however, Happy Hour promotions can build guest loyalty and increased sales in today's market – particularly with younger patrons.

By Howard Riell

Happy hour promotions – generally offered at a restaurant's bar/lounge from 4p.m. to 7 p.m. to encourage business before the major dinner hour rush – offer operators and patrons alike a basket full of benefits, which explains their enduring popularity.

The enduring charm of happy hour, like all of hospitality itself, is rooted in human psychology.

"Happy hour is a mindset," says Arlene Spiegel, FCSI, a veteran restaurant operator and consultant, and President of Arlene Spiegel & Associates in New York City. "The expectation of the experience is one of social connection with friends, colleagues and the hopes of meeting some like-minded strangers. It's a place that encourages connections."

She adds, the lighting, music, seating, and even what's playing on the TV "set the stage for making conversation and social connections. A good bartender also plays a role in creating conversations and making introductions to make people comfortable."

Focus on Food

"There are some guests that will only be in the restaurant for happy hour," Spiegel finds, "and it is a good opportunity to tempt them to stay for dinner if the food at the bar is delicious as well as fun."

Happy hours are "very attractive to small groups that are more interested in the 'social' aspects than a specific food offering," say Spiegel. "Sharing plates such as sliders, wings, dips and charcuterie platters are fun, and should be highly seasoned to encourage drinking."

"Liquor and wine distributors also play a part of the happy hour deal through promotions that they sponsor," Spiegel says. "I've seen Italian Peroni and Pizza Parties, and sports event promos with tee-shirt giveaways."

Each state has its own rules about the ratio of drink to food that must be offered at happy hours, notes Spiegel. "Some states ban happy hour completely. The State Liquor Authority (SLA) in each state should be consulted."

Build Loyalty, Not Bargain-hunting

Operators often discount their food and drinks too much during happy hour, which many believe cheapens the overall brand position. "If the happy hour is only attracting bargain hunters then be prepared to lose these guests to the next restaurant offering a better deal," Spiegel warns. "Bargain hunters are not loyal, they are just cheap."

Another mistake is not offering the full menu, or at least the full appetizer section of the menu, to happy hour guests. By only offering the bar food, Spiegel says, "if forces guests to spend very little. By offering the entire menu, guests can actually order a full meal if they want. Even if they don't, they will see what the restaurant has to offer."

Done right, happy hour promotions can generate fun, build community, spur trial, inspire loyalty, and ultimately boost business. Restaurant operators who take them lightly risk losing out on all those benefits.