

Restaurant business plan

[Business](#)



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0 Lead Conversion Plan * 10. 0 Service Experience * 11. 0 Marketing Calendar * 12. 0 Critical Numbers * 13. 0 Marketing Training Game Marketing Vision Carsten`s Classic Diner is a place for family togetherness organized around a common love of the traditional American diner and the simpler times of the '50s and '60s.

Carsten`s Classic Diner transcends a typical theme restaurant by putting real heart into customer service and the quality of its food, so that its unique presentation and references to times past are just part of the picture.

Goals CEO's Goals: * Reduce shift management time to 25% of time, devoting the remainder to marketing direction and strategy * Devote at least two hours per day to marketing activities Marketing Goals: * Achieve revenue of \$1. 8 million per year in year three * Open a second restaurant in 2015 Strategic Goals: * Become the top family restaurant in Whoville by end of year three Tactical Goals: Implement Carsten`s Classic customer loyalty program * Implement customer feedback system * Implement staff incentive system of monthly bonuses * Create Facebook page to extend website * Hold 24 theme nights over the next year Purpose Carsten`s Classic Diner seeks to create a comfortable, fun environment that brings the older generation back to the simplicity of the '50s and '60s, while letting them share it with their

children and grandchildren. The marketing exists to create and strengthen bonds across generations, with the tradition of American diner fare and culture as a touchstone. Picture

A new customer is often referred Carsten`s Classic Diner by an existing customer and visits the website to check it out.

There he finds images of the type of restaurant he thinks his family would enjoy. He visits with his wife, and they are excited by the ambiance, attention to the details of the era and the quality of the food. This inspires them to invite their children and grandchildren to the restaurant the next time they are in town. Throughout these visits, the customers will be treated carefully and respectfully by servers and staff, who always have smiles on their faces and stop at nothing to make sure the customers are happy.

This includes the cleanliness of the restaurant, the authenticity of their uniforms, and their behavior with customers. Gap Dashboard As many of the key personal, marketing, strategic, and tactical goals as possible will be tracked through the use of the Gap Dashboard.

Those that are not represented here (such as some tactical goals) will be tracked based on the schedule for development in the Milestones table. On a quarterly basis, the key marketing metrics will be entered into the Gap Dashboard to judge actual results against these goals.

Personal goals relate to limiting the CEO's time spent as shift manager and increasing the time spent on marketing activities. The primary marketing goals are to maximize revenue of the Carsten`s Classic Diner and reserve cash for the opening of an additional restaurant under the same brand in <https://assignbuster.com/restaurant-business-plan/>

2013. The strategic goal of becoming Whoville’s number one family restaurant will be measured by press mentions as a key indicator, but will be based on the rankings in the Whoville Post’s annual restaurant review.

The restaurant is currently at number five.

Tactical goals that can be measured quantitatively are represented here.

Gap Dashboard	Year 1	Year 2	Year 3	Personal			
Shift management time	852	500	500	Hours of marketing work	470	500	500
Business Revenue	\$1, 436, 332	\$1, 781, 567	\$1, 849, 786	Cash reserved for new restaurant	\$186, 917	\$295, 665	\$332, 661
Strategic PR mentions	171	291	300	Ranking in Whoville Post Annual Restaurant Review	5	2	1
Tactical Theme nights held	18	24	24	Carsten’s Classic Diner Points awarded	520, 451	890, 783	924, 893

When they are in Whoville visiting their son and his family (wife, eight-year-old daughter, five-year-old son, and 3-year-old son), the Joligons want to treat entire family to dinner at a special restaurant. The Joligons, Yonne and Rod, are a lawyer and a doctor, respectively, and can afford most options, although they don’t have a desire to spend a great deal of money just for the sake of spending it. They need a restaurant with a relaxed environment, where their grandchildren will not be a disturbance and, ideally, they’d like entertainment for the children. They seek what they think of as “ comfort food” — traditional American fare like hamburgers, milkshakes, fries, etc.

But they don’t want a fast food experience, like at McDonald’s or Burger King. The Joligons want to know that there will be a great deal of options for all of the family members, in order to serve their grandson’s current

pickiness about food, their daughter-in-law's health kick, and their son's allergies. Therefore, they need a restaurant with an extensive menu. Most importantly, they want the entire experience to be fun and colorful, so that their grandchildren will remember that going out to dinner with their grandparents is a fun time and something to look forward to.

Market Description Carsten's Classic Diner seeks to serve customers fitting the following characteristics: * 45-70 years old * \$80, 000+ household income * Have grown children and, often, grandchildren as well * Professional (white collar) occupations * Believe that the '50s and '60s represented a simpler, more comfortable time * Believe in the importance of the nuclear family and the value of family outings/entertainment * Seek traditional American cuisine * Are not highly concerned with health or calories at EVERY meal (although may be concerned overall) * Hold positions of respect in their communities

Remarkable Difference Carsten's Classic Diner is not just a food establishment – it is a nostalgic experience intended to transport diners to a different time through all aspects of its presentation.

Our core message is “ Your Way-Back-When Diner. ” Differentiators Carsten's Classic Diner goes beyond the packaging of most American-cuisine diners to offer a unique presentation of their options. While the food offered on the menu will be, at its core, the same as other diners (hamburgers, sandwiches, french fries, milkshakes, ice cream, etc. , all aspects of the restaurant, from the menu to the tables, to the bathrooms and decor, will use nostalgic names and images from the 1950s and 1960s. Every menu

item will be uniquely named with a colorful and appropriate logo and image on the menu.

Each meal will be served with napkins featuring trivia questions about the period. The restaurant theme will extend to specific theme nights and events with trivia games, door prizes, and performances. Core Strategy The external marketing message which Carsten`s Classic Diner wants to put across is family fun in a nostalgic, non-fast food environment.

The internal positioning goal is to promote fun and comfort for the customers, and authenticity of presentation by servers and the team. Results desired include: * Holding 24 theme nights or events over the next year * Achieving return visits by 25% of customers within six months of their first visit * Achieving an average per-person meal revenue of over \$20 before tax and tip * Averaging 75% capacity from 5 pm to 9 pm on Friday and Saturday evenings within two years * Core Branding Elements

The core message is “ Your Way-Back-When Diner,” which focuses on the personal connection that customers who were around in the ‘50s and ‘60s should feel at the diner. The brand identity of the marketing is fun and accessible to all ages.

The images used are more eclectic and diverse than a chain restaurant like McDonald’s or Burger King, but are all consistently from the era. The core elements include: * Website * Outdoor signage * Menus (interesting names and images along with each menu item) * Napkins (lists of trivia questions with answers at the bottom of the napkin) * Tabletops (covered with images of the era) Wall decor (photos and posters of the ‘50s and ‘60s) * Server

uniforms (authentic 1950s server outfits) * Advertisements (print, online, and radio) * Theme nights (events, performances, and games) The logo for the diner features a cartoon image of a Carsten`s Classic Diner server holding up a plate with a burger, fries, and a milkshake. The name and wording is featured in dark red and light blue, and in a consistent typeface wherever it appears. Product/Service Innovation Carsten`s Classic Diner attracts prospective customers by offering an exciting and unique dining experience.

High quality food, friendly and professional service, and an entertaining, fun-filled environment differentiate Carsten`s Classic Diner from its competitors. Our market can be divided as: Prospects: Anyone who has received a first-timer discount coupon or who has otherwise provided their contact information (via raffle, website, or mailing list).

Customers: At least one meal enjoyed at Neon Memories Diner. They've added their name to our mailing list, and anticipate returning to dine with us again. Premium Customers: They come in several times a year, bring friends and/or extended family, and plan ahead to attend theme nights.

They take part in the Neon Points program and refer others. The products sold by Carsten`s Classic Diner fall into the following categories: * Shakes: \$6 each * Cakes and pies: \$6 each * Sundaes: \$9 each, appropriate for groups as each serves at least two people * Sodas and Juices: \$2.

50 – \$3. 50 * Hot drinks: \$2. 50 – \$5 * Kid's meals: \$8 * Griddle meals (pancakes, waffles, french toast): \$10 * Egg meals (eggs, omelets, scrambles, etc.): \$9 * Quick breakfasts (cereal, granola, fruit salad, muffin, etc.): \$3 * Smoothies: \$6 * Starter soups and salads: \$2.

50 – \$5 * Other starters: \$5 – \$9 Meal Salads: \$13 * Burgers: \$10 – \$14 * Sandwiches: \$9 – \$12 * Hot dogs: \$8 * Blue plate specials (meatloaf, chicken pot pie, beef stroganoff, etc): \$13 – \$17 Items \$10 and under are often appropriate for one person trying out the restaurant with a small meal, breakfast, drink, appetizer, or dessert. Most customers are expected to purchase starters, meals, drinks, and desserts for each individual in the group. Premium customers will do this frequently. Price Rationale The pricing for Carsten`s Classic Diner is intended to set the restaurant well above a fast food establishment (\$20 for a meal rather than \$5-10).

The rationale is that coming to Carsten`s Classic Diner is a special event and customers will feel they can splurge (both calorie-wise and dollar-wise) on starters, drinks, and desserts because a visit to Carsten`s Classic Diner it is not an everyday experience. The pricing is about 20% higher than traditional diners without any specific theme or unique packaging.

As a unique and themed restaurant, this is the premium customers are willing to pay for all of the extra elements (beyond food) included in the Carsten`s Classic Diner experience.

Carsten`s Classic Diner has found over the past two years that this pricing is acceptable to customers, especially when the target customers are in the older age bracket (generally grandparents and older parents who were alive in the '50s or '60s). Coupons and first-timer deals will be relatively easy to find on the diner's website and in radio, print, and online ads, as well as local events. A standard first-timer deal will be a free drink or small starter with the purchase of a meal.

Generally, these type of deals will only be available to first-timers, and all customers will be tracked by name and address when they take advantage of these deals. Regular and premium customers will not generally have deals of this kind, but will be rewarded with Carsten`s Classic Diner Points when they register their information.

For every \$100 they spend at the restaurant, they will receive \$10 off their next meal. Marketing Materials While a printed marketing kit will not generally be used, it can be prepared based on the same items on the Carsten`s Classic Diner website.

The marketing kit will be used as a press kit and when seeking relationships with membership organizations which can provide referrals, although it will not be sent or provided to consumers. The press/marketing kit will include: *

- * Case statement – Covering the nostalgia for the “ good times” of the '50s and '60s and the need for a family restaurant spanning generations
- * Difference summary – Describing how the theme plays out in the restaurant
- * Ideal customer description – an actual story of a regular customer who brings his children and grandchildren to Carsten`s Classic Diner
- * Copy of menu and prices
- Description of previous year`s theme nights, with customer testimonials for each
- * List of upcoming theme nights
- * General testimonials
- * FAQs – with information on directions, parking, policies and rules, etc.
- * Selection of press articles

Testimonials will be requested on a card provided with the checks given to each table.

They will be sifted through once a week by the manager and the top 10 or so will be set aside for potential inclusion in the marketing kit and website. The marketing kit will be updated once a quarter.

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A cover letter will be tailored to individual prospects or press outlets as needed. Web Plan The Carsten`s Classic Diner website will serve the following purposes: * Educate prospects with an eye towards encouraging them to try out the restaurant * Inform customers about the upcoming events, menu, and key information about coming to Carsten`s Classic Diner Prospects will be encouraged through the fun, colorful, playful atmosphere of the website, which mirrors that of the actual restaurant.

A trivia section of the website will include the same questions printed on the diner`s napkins, and more.

A photo gallery will provide a visual tour of the restaurant to demonstrate its decor and atmosphere as well as actual customers in family groups enjoying the restaurant and its theme nights. Music from the era will play on the website for visitors with sound enabled on their computers. The first-timer discount coupon and code will be prominently displayed on the website`s homepage to encourage prospects to become customers.

Existing customers will be further encouraged to deepen their relationship with Carsten`s Classic Diner through information on the upcoming theme nights, along with the ability to forward that information directly from the website to their friends. Sign-up for the Carsten`s Classic Diner Points and referral programs will be available directly through the website as well.

Social Media Plan A Carsten`s Classic Diner blog will be shared between the managers and servers at the restaurant.

Before and after theme nights, they will write about the events, giving a bit of a review and a taste of what the evening was all about. Blog posts will also

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pose trivia questions based on the names of the food items, which are all drawn from the '50s and '60s. This will encourage user comments and answers while publicizing the menu of Carsten`s Classic Diner. Carsten`s Classic Diner will establish a Facebook page with links to the blog and shortened versions of its posts.

Customers will be encouraged to become fans of the Facebook page and then to share the page with their friends.

Lead Generation Plan Carsten`s Classic Diner will generate leads through the following means: Advertising: * Radio advertising – fun and playful ads with first-timer code for discount (distinct codes for each radio campaign and station) * Online pay-per-click advertising – text ads for “ family restaurant Whoville” and related keywords * Local media print advertising – fun and playful ads with first-timer code for discount (distinct codes for each print media outlet) Referrals: * Customer referrals * Membership organization referrals Direct mail campaign: 1, 000 suspects in the Whoville area chosen from a purchased list * Over a six month period, one postcard offering a first-timer discount will be sent to the list each month * Switch to a new 1, 000 suspects after six months Lead generation tracking will be through the POS system at the reception desk of the restaurant. The database will track customers by name and part of their address and will include information on the source of each customer. All customers who take advantage of first-timer discounts or sign up for Carsten`s Classic Diner Points must be registered in the system.

The system will be able to attach dollar values to the different sources of leads so that they can be evaluated periodically, and the campaigns can be <https://assignbuster.com/restaurant-business-plan/>

adjusted or ended if they are not yielding satisfactory results. Advertising Media Tracking Kits Requested Advertising Medium| Contact Name| Contact #| Distribution| Cost/Ad| Total CPM| Whoville Sun| Roger W.

| omitted| TBD| TBD| TBD| Whoville Times| Sharon G| omitted| TBD| TBD| TBD| Whoville Post| Betsy H. | omitted| TBD| TBD| TBD| WWHO local radio| Frank L. | omitted| TBD| TBD| TBD| WHSF local radio| Tanya O. omitted| TBD| TBD| TBD| Online local pay-per-click| John. J| omitted| TBD| TBD| TBD| Whoville University alumni & parents newsletter| Zach B.

| omitted| TBD| TBD| TBD| Referrals Carsten`s Classic Diner will seek referrals from returning registered customers after each meal is completed. The individual who is paying the bill, or other adults at the table, will be given coupons for first-timers marked “ courtesy of THEIR NAME”. They will be invited to pass these on to others who might enjoy the restaurant and who can take advantage of the coupon.

When a coupon is used, 50 Carsten`s Classic Diner Points will be awarded to the referring customer (equal to a \$5 value). Professional referrals will be sought through fraternal and community organizations such as the Lion’s Club and the Shriners, through college alumni and parents associations (Whoville University and Horton College), and through local professional organizations (bar association, Whoville accountants, Whoville medical association, etc.

) These organizations have older and upper-income memberships which fall into the target market for Carsten`s Classic Diner.

Membership first-timer discount offers will be sent to these organizations, which can be advertised to their members through their newsletters, websites, or mailing lists. Lead Conversion Plan Leads will be developed by distributing coupons to targeted groups at events such as WHSF-FM's annual Rockin' Sock Hop at the Whoville Community Center, Parents Day at both Whoville University and Horton College, and local professional organizations meetings and events. We will have a booth at The Whoville Celebration held in early September.

Several employees in full '50s gear will be on hand at all times, attracting Celebration attendees. A small area will be cleared for dancing to '50-era music, and free bumper stickers and pins will be distributed.

Anyone providing their name/email address will be entitled to first-timer discount coupons. We will also hold raffles for free t-shirts throughout the three day event, with entrants only required to provide their names and contact information. Other leads will be brought in through referrals from regular customers, and through interaction with the Carsten`s Classic Diner website.

Prospects, defined by Carsten`s Classic Diner as customers who have received a first-timer discount, will all be treated as potential regular customers. Prospects who receive discounts via the website will have provided their email address to obtain their first-timer discount code. From that point, they will receive all the mailings the regular and premium customers receive.

Those who enter the drawing at the Whoville Celebration will also provide their contact details to be added to the mailing and promotion list.

Prospects attempting to use a discount or coupon will be required to provide their information (name, email address, mailing address) in order to move forward. Walk-ins or those who come in without a discount and are trying the restaurant for the first time will be enticed by their servers to join the mailing list for the following reasons: * To stay updated about upcoming theme nights * To receive coupons that they can pass on to others * To join the Carsten`s Classic Diner Points program * To be entered into a drawing for a free dinner

The final option may entice those who did not see themselves being regular customers, but are interested in the excitement of a drawing. The next step of lead conversion is a mail and email campaign which is directed at those who are already registered customers. Quarterly postcards will be sent to the mailing list of registered customers, with information on upcoming theme nights and coupons they can pass on first-timers. Monthly email newsletters will be sent to all registered customers with valid email addresses (all customers who register will be required to provide an email address).

Once prospects are converted to customers, the goal will be to promote them into premium customers who return a number of times a year for meals and theme nights. Service Experience Customer loyalty is encouraged and rewarded through both financial means (Carsten`s Classic Diner Points which translate into coupons for \$10 off a meal) and qualitative means (ongoing theme nights held approximately every other week, which provide many different experiences for customers). All customers are encouraged to <https://assignbuster.com/restaurant-business-plan/>

provide feedback at every meal on their survey cards and on the website through comments emailed to the company.

All email comments will be answered appropriately with at least a form letter thanking them for their suggestion. The goal of these connections with customers is to make customers feel that the Carsten`s Classic Diner is “their” place.

Loyalty Product/Service Offerings The Carsten`s Classic Diner theme nights are primarily focused on premium clients. Each theme night will feature a performance by a live musician, comedian, singer, or impersonator, a restaurant-wide trivia game, or other entertainment.

There will be no additional cost to attend a theme night, although reservations will be taken to encourage attendees to plan ahead and invite additional family or friends. Accommodations will be made to seat large groups together at theme nights. The Carsten`s Classic Diner Points program also directly involves loyal customers in the process of building the customer base by inviting them to refer customers and earn 50 Neon Points for each customer they refer.

WOW Process Carsten`s Classic Diner WOW process includes the following elements: * Customers will be asked to name and rate their server on the survey card provided to each table.

This will not be seen by the server directly. Customers will drop it into a box as they leave. These cards are dated so that the experience can also be tied to that night`s kitchen staff. * Manager will review the survey cards each

night and flag any unsatisfactory remarks for discussion with the server and kitchen staff. They will review how to handle the situation in the future.

* Three problems with the same server in one month period will call for discussion with the manager and then a period of supervision to determine how to rectify the situation.

Servers who don't have their heart in it will generally quit rather than being subject to observation of this type. Servers who are eager to improve will accept feedback, and managers will be able to spot specific areas they can improve from this observation period. * Manager personally stops by each table as they are finishing their meals to ask about the food and experience.

* Written cooking and preparation guidelines for each item on the menu are given to all kitchen staff and posted in the kitchen at the preparation stations. Servers and kitchen staff with consistently excellent results will be rewarded with a monthly bonus, as well as consideration for promotion from within as positions open.

Marketing Calendar Daily marketing activities include the following: * Review staff reviews and customer suggestions from the previous day – first thing in the morning * Devote one hour to the marketing “ theme” of the month activity – 8 to 9 am * Devote one hour to other marketing activities (newsletter, advertising, direct mail, PR, professional referrals, etc. – 12 to 1 pm The monthly marketing theme focus will be broken into four weeks of actionable steps for a total of 20 hours devoted the marketing theme each month. This breakdown will be done one week before the beginning of each month. Monthly Months| Marketing Theme| 1| Membership organization referrals| 2| Theme night planning| 3| Advertisement planning and revision| <https://assignbuster.com/restaurant-business-plan/>

4| Direct mail campaign| 5| Email newsletter| 6| Customer referrals| 7| Website revisit/revision| 8| PR program| 9| Social media tools| 10| Marketing kit revision| 11| Carsten`s Classic Diner Points program| 12| Customer feedback program|

Milestones| | | | | Advertising| Start Date| End Date| Budget| Manager| Implemented by| Radio spot writing and recording| 2/1/2010| 2/15/2010| \$2,500| CEO| Ad Firm| New print ad design| 1/15/2010| 2/1/2010| \$1,000| CEO| Designer| Total Advertising Budget| | | \$3,500| | | PR| Start Date| End Date| Budget| Manager| Department| Redesign marketing kit| 2/15/2010| 2/28/2010| \$500| CEO| Designer/CEO| Create target press list| 3/1/2010| 3/15/2010| \$0| CEO| CEO| Send first round of press releases for theme nights| 3/15/2010| 3/31/2010| \$0| CEO| CEO| Total PR Budget| | | \$500| | |

Direct Marketing| Start Date| End Date| Budget| Manager| Department| Direct mail list development and card design| 2/1/2010| 2/15/2010| \$1,500| CEO| CEO/Designer| Design customer postcard mailing template| 3/15/2010| 3/31/2010| \$250| CEO| Designer| Second list development| 8/1/2010| 8/15/2010| \$500| CEO| CEO| Total Direct Marketing Budget| | | \$2,250| | |

Web Development| Start Date| End Date| Budget| Manager| Department| Website redesign| 2/1/2010| 3/31/2010| \$5,000| CEO| Designer| Facebook page design| 4/1/2010| 4/30/2010| \$500| CEO| Designer| Email newsletter template design| 4/1/2010| 4/30/2010| \$500| CEO| Designer| Total Web Development Budget| | | \$6,000| | | Other| Start Date| End Date| Budget| Manager| Department| Marketing training, planning ; curriculum writing| 5/1/2010| 5/15/2010| 100| CEO| CEO/Managers| Begin monthly bonus program| 6/30/2010| 7/31/2010| \$100| CEO| CEO/Managers| Customer
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feedback system implement (print cards, create box, train employees, create database to track)| 4/1/2010| 4/30/2010| \$250| CEO| CEO/Managers| Total Other Budget| | | \$450| | | Totals| | | \$12, 700| | | Critical Numbers Critical numbers will be tracked through the CRM system of the marketing. This system incorporates data from the POS system, which tracks customer sales as well. All of the key marketing metrics, as well as customer transactions and the source of each customer, will be entered into this system.

Servers will enter transactions as they occur and the manager will enter the total testimonials and PR mentions on a weekly basis. The system can generate a custom report of the key marketing metrics upon request. Sales Forecast Sales forecasts are based on the first-timer meals increasing 5% each month due to the renewed and increased marketing efforts, regular meals increasing 3% per month and smaller meals increasing 2% per month. First-timer meals are an important contributor to regular meals, as many of these customers will be converted to regular meals.

The top-line revenue is the same for both types, but there is generally a high discount for first-timer meals which is accounted for as a direct cost of sales.

Smaller meals are also more costly than regular meals. Growth will begin to slow in the third year as the restaurant sales reach the maximum for the location's capacity. In this year, management will plan for the addition of a second diner to increase capacity to grow. Sales Forecast| | Year 1| Year 2| Year 3| Unit Sales| | | First-Timer Meals| 23, 876| 30, 786| 31, 402| Regular Meals| 42, 576| 52, 324| 54, 940|

Small Meals, Drinks, Desserts| 13, 412| 14, 920| 15, 368| Total Unit Sales| 79, 864| 98, 031| 101, 710| | | | Unit Prices| Year 1| Year 2| Year 3| First-Timer Meals| \$20. 00| \$20. 00| \$20.

00| Regular Meals| \$20. 00| \$20. 00| \$20. 00| Small Meals, Drinks, Desserts| \$8. 00| \$8.

00| \$8. 00| | | | Sales| | | | First-Timer Meals| \$477, 514| \$615, 722| \$628, 037| Regular Meals| \$851, 522| \$1, 046, 481| \$1, 098, 805| Small Meals, Drinks, Desserts| \$107, 297| \$119, 364| \$122, 945| Total Sales| \$1, 436, 332| \$1, 781, 567| \$1, 849, 786| | | | Direct Unit Costs| Year 1| Year 2| Year 3|

First-Timer Meals| \$8. 00| \$8. 00| \$8. 00| Regular Meals| \$5. 00| \$5.

00| \$5. 00| Small Meals, Drinks, Desserts| \$3. 20| \$3. 20| \$3. 20| | | | Direct Cost of Sales| | | | First-Timer Meals| \$191, 006| \$246, 289| \$251, 215| Regular Meals| \$212, 880| \$261, 620| \$274, 701| Small Meals, Drinks, Desserts| \$42, 919| \$47, 746| \$49, 178| Subtotal Direct Cost of Sales| \$446, 805| \$555, 655| \$575, 094| Marketing Expense Budget The marketing expense budget is approximately \$43, 000 for 2010.

This encompasses external marketing efforts as well as internal activities such as marketing training.

It does not include one-time design and development costs as detailed in the Milestones chart. Marketing expenses will increase with inflation in 2011 and 2012, projected at 4%, with the exception of the loyalty program expense which will grow faster along with sales. It also includes increased costs in September for materials associated with the Whoville Celebration. Each of

the major areas described under lead generation and conversion will be funded significantly and consistently to pay for services required.

Labor will be provided by the company's CEO and the cost of that labor is not included in the expense budget, as it is part of general salaries.

Marketing Expense Budget	Year 1	Year 2	Year 3
Advertising	\$7,500	\$7,800	\$8,112
Public Relations	\$4,000	\$4,160	\$4,326
Web Development	\$6,000	\$6,240	\$6,490
Direct Mail	\$12,000	\$12,480	\$12,979
Referral Program	\$3,000	\$3,120	\$3,245
Marketing Training	\$3,000	\$3,120	\$3,245
Loyalty Program	\$7,440	\$13,505	\$14,045
	————	————	————
Total Sales and Marketing Expenses	\$42,940	\$50,425	\$52,442

Percent of Sales| 2.9%| 2.83%| 2.84%| Key Marketing Metrics Referrals, testimonials, and PR mentions are expected to ramp up significantly once systems are in place (customer referral offers, survey cards with every order, and press releases for every theme night). The average customer will return every other month leading to a transaction rate of .5 each month.

This is expected to increase slightly over the next two years, as will the average transaction per customer. Between the direct mailing and efforts and targeted dispersal of first-timer coupons, 1,000 prospects should be able to be considered qualified leads each month.

As marketing efforts take hold, lead conversions should increase. The CEO will review the key marketing metrics report on a monthly basis against these goals. Key Marketing Metrics| | Year 1| Year 2| Year 3| Revenue| \$1,436,332| \$1,781,567| \$1,849,786| Leads| 12,000| 13,000| 15,000| Leads Converted| 6.

42%| 7.00%| 8.00%| Avg. Transactions/Customer| 0.50| 0.

55| 0.60| Avg. \$/Customer| \$18| \$19| \$20| Referrals| 1,362| 4,266| 4,394|
PR Mentions| 171| 291| 300| Testimonials| 4,844| 8,602| 8,860| Other| 0| 0|
0| Marketing Training Game

All staff will go through training in the following areas, in addition to training specific to their role at the diner as delivery person, server, receptionist, and kitchen staff: * Core message and positioning * Marketing kit materials * Website * Marketing efforts * Neon Points program and referral program Management will hold five, 90 minute marketing training sessions with all new staff members. Ideally, it will be held for at least two new staff at one time, although it will be held with one new staff member if there are not two new staff at the time. Ongoing training will include a marketing refresher day held every other week.

Morning staff will have their own session at the beginning of their shift and evening staff will have a session at the beginning of their shift. Although not all staff will be present each time, the scheduling of the marketing refreshers will be varied so that every staff person is part of a refresher once a month. The refresher will be organized by the manager and will consist of a one hour meeting featuring the announcement of monthly bonuses, discussion of suggestions and comments from customers, updates on the marketing programs and processes, and discussion of suggestions from the staff.