

Tailoring concessions to increase revenue

Extra money could be spent on field improvements

BY JOHN UHL

Whenever a ball team negotiates a new stadium contract, you will find that concession rights are always an integral part of the contract terms. The next time you attend your local state or county fair, festival or flea market, take a closer look at the food vendors. All of them have paid for the opportunity to be there.

There are two main reasons why event promoters and operators arrange for food concessions at their events; first, it rounds out the event. Watching a baseball game without a hot dog and a drink just isn't right! Food concessions are a complimentary and integral component of any large public event or gathering. If you offer food and drink, people will tend to remain at the event for a longer time than if you do not.

The second reason is revenue. Admission prices to any event can only be so high before people find other forms of entertainment. Many smaller events or activities charge no admission charge at all. So where does the money come from to pay for electricity, rent, trash pickup, security, insurance, or any of the many things that must be provided? Revenue can be generated by any extra service that is provided over and above the entertainment value of the event. This can take many forms, depending on the facility or the event, but the one universal constant is some form of food service, which can range from vending machines to a sit-down meal.

Why should public recreation be any different? Revenue from taxes will only go so far in building, staffing, and maintaining facilities. It is not appropriate to charge admission at many public facilities. At facilities

where it is appropriate to have an admission charge, such as a public pool, it is often only a nominal charge that does not come close to covering the operation expenses. How do you make up the difference between what it is costing to operate a facility and the money that you are currently receiving?

One solution is to look at an appropriate food service operation.

Like any other program, food service must be carefully evaluated and planned if it is to be successful. Start by determining the number of potential customers, who will oversee and run the operation, the items or menu to be offered, times of operation, and the facility in which it will be housed. Volume and margin are the keys to a profitable concession operation. These are easy concepts to grasp but are often much harder to implement.

In assessing the potential sales volume, determine how many people pass through the facility on any given day, and at

what time of day. Do these people typically stop for something to eat before or after visiting this facility, or do they bring a snack or a meal with them? How long are people likely to stay at the event or facility during a single visit? Are the majority of people participating or watching?

The more people that you have in attendance and the longer they stay, the more chance you have of a successful concession operation. The type of event has a major impact on concession activity. With some activities you can expect a relatively constant, steady flow of business throughout the day as people come and go. With other activities, you have spikes of high volume sales for limited time periods with only limited sales in the interim periods.



A concession operation must be structured accordingly. Stadiums and arenas are often faced with events where the majority of the business is accomplished within very narrow time windows. Aware of these time opportunities, commercial concession operators will anticipate the sales and produce and hold enough product to handle the rush. During lulls

in sales, they will rebuild inventories to prepare for the next rush. Often they will also resort to taking products to the people, when the people will not come to them. Having enough people at an activity does not necessarily assure success. It is critical that the concession operation is structured for buying patterns encountered.

Fish on a stick?

Menu selection is extremely critical in producing both sales volume and profit. Menu development requires the utmost care with regular monitoring and periodic refinement. For success, the menu should be simple to prepare, limited in variety, appropriate for the activity and preferences of the group being served and have an adequate margin between cost and selling price.

Items requiring simple preparation offer several benefits. The first is that the fewer the steps, the less equipment required to store, prepare, and merchandise the item. The skill level required for the operators is reduced significantly when the steps required to prepare and serve an item are kept to a minimum. Higher product quality, product consistency and speed of service are enhanced with a simple menu. One of the challenges faced by many recreation departments is that they often depend on seasonal labor, which may change each year. The more simple the item, the easier it is to staff and train the operators and expect them to do a good job.

Carefully thought out and executed food concessions are a compliment to an event or activity while generating needed revenue. For success, it must be appealing and convenient to your customers and easy to staff and operate. Do it professionally and keep it simple.

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