
Identifying Your Promotion's Potential:

On your "Market **Potential** Worksheet," you identified the quantity of target guests out in the market at your competitive facilities. Involving your creative team, identify the number of guests you believe you can attract conservatively for the first week only of your promotion.

Starting with week one, have your team agree upon what conservative percentage of *existing* out-in-the-market guests is reasonably attainable for that first week of your promotion. Review each competitor individually and identify specific tactics you can use to get their guests to come to your promotion its first week. Be conservative!!!

Once you have identified the quantity of the target guests you believe you can achieve from all the competitors *conservatively*, insert that quantity as indicated on your "Building Your Tactics Worksheet." (on page 32)

Next, you must establish your revenue potential (average expenditure per guest) for each of the *revenue opportunities* you identified on the "Building Your Tactics Worksheet." Using your quantity of guests, follow the formulas below to establish a revenue potential for each line item.

- The forecasted number of guests X 90% of your average expenditure per guest (as indicated on your "Market Potential Worksheet") equals your beverage and/or food revenues for that night.
- Establish the quantity of guests who will pay a cover/door charge and list that amount. Consider those who arrive early, free passes, etc.
- Assume that 17% of your guests will buy 1.5 beverage specials each. Use this formula for each beverage revenue plank.
- Assume that 5% of guests will participate in other revenue planks...no more!

Using the above formulas, insert a cash value for each revenue plank on your “*Building Your Tactics Worksheet.*” When finished, insert the total “Forecasted Beginning Potential” as indicated. You have now established the starting revenue for your promotion’s first week.

Determining the growth rate for your promotion in advance is risky at best. As the results of your promotions are tracked in time you will have historical week-to-week growth rate information, which will help you forecast future promotional programs. For your first effort, use the following growth rate as a reference.

Week 1	Starting point
Weeks 2 & 3	08% increase
Weeks 4 & 5	09% increase
Weeks 6 & 7	14% increase
Weeks 8 & 9	05% increase
Week 10	02% increase

Using the above table, calculate the full value of your promotional program for every week and insert your “Promotion Revenue Potential” as indicated.

