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How Much Are Food-Allergic Diners Worth?

AllergyEats Founder Calculates the Power of the “Veto Vote”

BOSTON, MA (January 4, 2011) – For the past year, AllergyEats founder Paul Antico has encouraged restaurants to better accommodate food allergic and intolerant diners because it’s the right thing to do. Now, the financial expert is demonstrating another benefit to catering to the food allergy community: it can significantly increase restaurants’ profits.

Antico, a former stock fund manager with 17 years at Fidelity Investments, leveraged his financial analysis background to determine how much economic power the food allergy and Celiac disease community can influence.

“Millions of Americans – or roughly 5% of the general population – have known food allergies or gluten intolerance, and restaurateurs should recognize the tremendous spending power of this community,” Antico explained.

Assuming that 20% of the food allergic population will never feel comfortable dining out, while another 20% will try to eat anywhere, that still leaves 9 million food allergic diners that can be won over by allergy-friendly restaurants. Yet this number dramatically underestimates the true economic value of serving the food-allergic population, given that most diners eat out with other people.

“A key factor for restaurants is the ‘veto vote.’ If one person in a party has food allergies, the entire group will likely go to a restaurant that can accommodate that one individual. The food allergic diner will ‘veto’ restaurants that won’t cater to his or her specific needs,” Antico explained.

“I’ve made a conservative assumption that the average party dining out includes only three people, two of whom do not have food allergies. This estimate is especially conservative given the greater prevalence of food allergies in children, who often eat out with a party of four or more. Therefore, the “winnable” food allergic diner community – 3% of the total US population – actually translates into a 9% or greater potential increase in business for an allergy-friendly restaurant,” Antico continued.

As an example, the casual dining chain Chili’s averages roughly \$3 million in sales per restaurant annually. On each sales dollar, Chili’s earns about 15c in profit. Since restaurants have considerable fixed overhead (rent, staff salaries, etc.), it’s reasonable to assume that every *additional* sales dollar generates 25c (or more) in profit.

Therefore, a 9% increase in sales at a typical Chili’s would equate to approximately \$270,000 per year. That translates into an additional \$50,000 or more in annual profits for an “allergy-friendly” Chili’s versus a similar but “allergy-unfriendly” restaurant. Even if a restaurant is

already at or near capacity during weekend prime times, by becoming more allergy-friendly, they can still increase their profits by tens of thousands of dollars annually.

Savvy restaurateurs understand the financial benefits of providing an allergy-friendly environment. Many restaurant owners are wisely taking extra precautions to accommodate food allergic and intolerant guests, having their employees trained in allergy safety, creating gluten-free menu options, providing ingredient lists, and seeking industry certifications.

“As the father of food allergic children, I avoid restaurants that won’t accommodate my sons’ special dietary requirements. I’d rather take my family of seven to an allergy-friendly establishment instead. Others within the food-allergy community feel similarly,” Antico explained. “The feedback is clear – if a restaurant doesn’t have food allergy protocols in place, these dining parties will take their business elsewhere.”

“From a purely business perspective, it’s in restaurants’ best interests to accommodate the food allergy population, as it can lead to significantly higher profits,” Antico continued. “The objective, peer-based feedback on AllergyEats makes it easier for the food allergy community to find allergy-friendly restaurants and avoid those that don’t measure up.”

AllergyEats is a free, user-friendly website that provides valuable peer-based feedback about how well (or poorly) restaurants accommodate food-allergic customers. Antico started AllergyEats after dining out with his two food-allergic children and becoming frustrated by the inconsistencies in restaurants – some were willing and able to accommodate food-allergic diners and some were not. He created AllergyEats as a resource that offers restaurant feedback specific to food allergies.

AllergyEats lists well over 600,000 restaurants nationwide, which food allergic diners can rate. The site also offers information on restaurants’ menus (including gluten-free menus), allergen lists, nutrition information, certifications, web links, directions and more.

AllergyEats, which launched in February 2010, is experiencing tremendous growth, as word spreads about this valuable resource. Tens of thousands of visitors now use the site monthly, and more than 2,000 social media “fans” follow the site, participating in discussions and posting comments. The overwhelmingly positive response to the site demonstrates that AllergyEats is meeting a tremendous need in the food allergy community.

AllergyEats has received a number of endorsements from highly-respected food, health and allergy organizations, including the Asthma and Allergy Foundation of America, Gluten Intolerance Group, and the Massachusetts Restaurant Association. Additionally, AllergyEats is forming exciting partnerships with other organizations, including restaurant chains, established food allergy non-profits and more.

For more information, please visit www.AllergyEats.com.

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