



Hospitality Has a Pricing Problem. The Answer Can't Always Be Another Price Rise.

There is probably no industry where setting a price has become quite as difficult as hospitality.

Venue owners are being squeezed from almost every direction. Food, wages, electricity, insurance, rent, rates, compliance and countless other operating costs have increased. In New Zealand, restaurant meals and ready-to-eat food were another 3.1% more expensive in June 2026 than a year earlier.

At the same time, customers have their own cost pressures.

Mortgages, rent, groceries, insurance, fuel and household bills are competing for the same discretionary dollar that pays for dinner at a restaurant, Friday drinks or Sunday brunch. The Reserve Bank has specifically noted heightened consumer price sensitivity and weaker discretionary spending, with hospitality among the sectors finding it difficult to pass further costs on to customers.

That creates a very difficult equation.

Your costs go up.

The obvious response is to put your prices up.

But your customer's costs have gone up too.

Eventually they start saying no.

There is a limit to what the customer will pay

For several years hospitality businesses have had little choice but to increase prices.

But continually putting another dollar on the coffee, another two dollars on the beer and another three or four dollars on the main course cannot be the long-term answer.

The Restaurant Association's own research highlights the problem. New Zealand hospitality sales reached a record \$15.99 billion in the year to June 2025, but overall growth was only 1.4%. Cafés and restaurants grew by just 0.3%, while operators continued to face increasing food and labour costs. The Association's conclusion was particularly important: **hospitality cannot simply pass costs on to customers.**

Customers still want to go out. They still want great food, a drink with friends, somewhere to celebrate and places that make them feel welcome.

But increasingly they are asking another question:

Is it worth it?

Value does not necessarily mean cheap. A customer may happily spend \$150 on a fantastic evening and resent spending \$70 on a mediocre one.

The challenge is therefore not simply how much a venue can charge.

It is how much value it can create.

Perhaps we need to change the equation

Imagine a restaurant with 100 seats averaging 50% occupancy.

One strategy is to keep increasing the average spend of those 50 customers.

But there is another question worth asking:

What would happen if we could regularly get another 10, 15 or 20 people through the door?

Many hospitality costs are already committed before the customer arrives.

The rent is still due.

The lights are already on.

The kitchen is operating.

Much of the staffing structure is already there.

The insurance, software, compliance costs and rates don't disappear because table 14 is empty.

So an additional occupied table can have a very different economic impact from the first table of the day.

Of course, additional customers create variable costs and at some point require additional labour and capacity. But within the existing capacity of a venue, increasing utilisation can help spread fixed and semi-fixed costs across a larger revenue base.

That makes **occupancy a pricing strategy**.

And perhaps that deserves far more attention.

Before asking "Can we put the price up?", ask "How do we fill another table?"

This changes the conversation.

Instead of automatically looking at the menu whenever margins tighten, look at the empty capacity.

What are you doing with Tuesday afternoon?

What are you doing with the empty tables at 5pm?

Could someone work from one of those tables during the day?

Could you create an event?

Could you promote tonight's available tables?

Could you run a quiz, tasting, special menu or local promotion?

Could you give customers a reason to bring friends?

Could you connect with tourists who are already in your area?

Could you collaborate with another local business?

Could you proactively tell people that you actually have availability?

Could you turn a quiet period into an offer rather than simply accepting that it is quiet?

This is where I think hospitality technology needs to change as well.

The traditional booking system is largely passive

There is nothing wrong with a booking system.

But fundamentally, most traditional booking systems wait.

A customer decides they want to visit your restaurant.

They find you.

They choose a date.

They select a time.

They make a booking.

The software records it.

Useful? Absolutely.

But it doesn't necessarily solve the bigger commercial problem:

How do I create demand for the tables that nobody has booked?

That requires something much more proactive.

That is the thinking behind Hailatable

I have increasingly come to believe that hospitality software needs to move beyond simply administering the customers a venue already has.

It should help venues find the customers they don't yet have.

That is why **Hailatable** is being built around interaction rather than simply transactions.

A venue should be able to promote availability, specials, events and experiences.

Customers looking for somewhere to eat should be able to signal what they want.

Venues should be able to respond.

Quiet tables can become work-from-venue opportunities.

Local events and tourism can become reasons to visit.

Staff, menus and the personality of a venue can become part of its marketing.

Venues can create experiences, games and promotions rather than simply waiting for somebody to click **Book**.

And the information available to the venue can be used to think strategically about what is working, what isn't and where opportunities exist.

The objective isn't technology for technology's sake.

It is **occupancy**.

It is **turnover**.

It is **customer engagement**.

And ultimately it is about giving an operator more options before the only remaining lever is another price increase.

Hospitality needs more levers to pull

Pricing will always be important.

Sometimes prices genuinely have to increase. No business can continually absorb costs and survive.

But price shouldn't become the only strategy available.

If we can increase customer numbers, improve utilisation, encourage repeat visits, create reasons to visit during quieter periods and make better use of capacity that already exists, we give ourselves another way to absorb increasing costs.

That is a much healthier equation:

Better engagement → more customers → higher occupancy → greater turnover → better cost absorption → less dependence on price increases.

Hospitality has spent several difficult years asking:

"How much more can we charge?"

Perhaps one of the most important questions for the next few years is:

"How much better can we get at filling the tables we already have?"

That is the shift Hailatable is designed to help make.

Don't just manage bookings. Create reasons to be booked.