

# GUIDE TO OPENING A RESTAURANT OR CAFE



## **Abstract**

Opening a restaurant or café is a dream for many aspiring entrepreneurs, but success in today's competitive food industry requires more than just passion for good food. This comprehensive guide is designed to walk you through every essential step of launching your own dining venture in 2025. From choosing the right location to crafting a unique concept and designing a menu that resonates with modern diners, this guide covers the foundational elements of building a strong food business. It also highlights the importance of obtaining the correct licences, setting up efficient operations, and developing marketing strategies to attract and retain customers.

With the food industry evolving rapidly, we also incorporate insights from “Key Food Business Industry Trends to Follow in 2025” to ensure your restaurant or café aligns with emerging consumer preferences and technological advancements. Whether you're starting from scratch or transitioning from a food truck or home kitchen, this guide offers practical advice, real-world examples, and trend-based strategies to help you build a future-ready business. If you're ready to take your culinary vision to the next level, this guide is your roadmap to creating a memorable and profitable dining experience.

## **Getting Started**

Starting your own restaurant or café is an exciting journey, but it begins with a solid foundation. Before diving into menus and interior design, it's important to ask the right questions: What kind of experience do you want to offer? Who is your target customer? What's your budget? Begin by researching the local food scene, identifying gaps in the market, and choosing a concept that reflects both your passion and demand in the area. Next, develop a basic business plan covering your vision, budget, and initial setup requirements. This will help guide your next steps—from securing a location and applying for necessary licences, to estimating startup costs and hiring staff.

Incorporate insights from 2025's key food industry trends to ensure your business idea is future-focused. Think sustainability, tech integration, and customer experience. Taking the time to plan thoroughly at the beginning can make all the difference in building a thriving and resilient food venture.

## **1. What Should You Consider Before Choosing a Location?**

Choosing a location is one of the most important aspects of starting a brick-and-mortar business and ensuring its long-term success. Location is particularly crucial for retail stores and restaurants that rely on foot traffic, accessibility, atmosphere and the right clientele. We'll share how to analyze your requirements and options to choose a space where your employees, customers and business will thrive.

## How to choose the right business location



When you're starting a business, selecting the right location can be the difference between success and disappointment. If you've already completed your business plan and chosen an awesome business name, take the following steps before signing a commercial lease or buying commercial real estate:

1. Set a budget for your business location: Pinpoint how much of your business budget you can spend on a commercial lease or building purchase. You don't want to fall in love with a location you can't afford.
2. Outline your business's specific needs: Your business type and industry will inform your location's specific needs. For example, if you're starting a restaurant, your needs will be very different from a sales office that requires an office layout with ample conference room space and private offices. Will your parking area need to accommodate many employees and customers? List your requirements to avoid wasting time evaluating properties that won't fit the bill.
3. Determine crucial tax implications: Consider any prospective area's state and local tax implications. Depending on your industry, it may be wise to seek a location inside or outside a specific zone or municipality to enjoy tax benefits.
4. Research government incentives: Federal and state incentives for small businesses exist in some industries. Choosing a specific location may qualify you for certain incentives. If so, it behooves you to focus your location search on a specific area or business-friendly state.

5. Research your target audience: Where do your customers live and work? It's crucial to choose a location your target market can easily access or frequently visit. Understanding your customer base will inform your location decision. If you're partial to a specific area but aren't sure if it's a match for your target audience, thoroughly research the area's demographics to gain a clear picture of product or service demand and disposable income levels.
6. Research an area's specifics: If you've found an area in your budget that's amenable to your target audience, dig deeper. For example, understanding the area's zoning laws is crucial. Look at zoning maps so you understand what business activities are allowed. If you're a retail store or restaurant, considering commercial zoning proximity to residential areas can be essential to ensure direct access to foot traffic. Make it your business to know an area inside and out.
7. Plot competitors' locations: If you want to move forward in a specific area, perform a competitive analysis to assess the competition's presence and gauge demand for your offerings. You don't want to move in next door or across the street from a fierce business rival. However, you may not be able to avoid the competition entirely. Understanding your situation is key.
8. Analyze individual properties: Once you've settled on an ideal area and found individual properties to consider, start comparing their pros and cons. Vet specific properties' qualities, including office or building size, furniture, parking lot size, amenities, lease terms and more. Is the actual building or space somewhere your team and customers will enjoy spending time?

## **Factors to consider when selecting a business location**

Before signing on the dotted line, numerous additional factors will influence your business location decision. Some may not apply to your specific industry, while some will be crucial determinants.

Consider the following factors before making your business location decision.

### **What other businesses are nearby?**

Beyond understanding where your competitors are, it's crucial to consider other nearby businesses. Specific business types may complement your offerings, especially if you're a retail location or restaurant. You may share customers with similar demographics or your neighbors may be excellent allies.

For example, choosing an office location near a deli and a dry cleaner can provide conveniences for your employees. If you're a florist, nearby proximity to a baker may lead to customer overlap. Collaborating with other businesses in your location is a bonus that can help create a prosperous economic environment for all.

### **Does the location provide good foot traffic?**



Excellent foot traffic can be the crown jewel for specific small businesses, including retailers and restaurants. Foot traffic can boost the success of your local marketing strategies and help your business grow. Assess your chosen location's foot traffic by visiting the area at various times to see how the crowds ebb and flow. Will your business benefit from the foot traffic level? If you're weighing several great business locations, foot traffic may become a deciding factor.

### **Is the location convenient for vendors and suppliers?**

If your business relies on frequent inventory infusions, proximity to your vendors and suppliers can be critical. An inconvenient location may lead to frequent delays and unhappy customers who can't get the items they want.

### **Is your location accessible to employees and customers?**



Customers and employees must be able to access your location — particularly if you're operating a retail brick-and-mortar store. Evaluate any potential location's on-site parking and accessibility to highways and major roads.

### **How crucial is your business location?**

This may seem like an obvious question but consider how the location will impact your business. A retail store's location may be much more critical than a company's office headquarters. Consider your customers and employees and how the business's location will impact them. If the specific location doesn't matter as much, you can place more importance on things like building amenities and affordability.

## **Why your business's location is important**

Your location is critical to your business's success for many reasons:

- **Visibility:** Depending on your chosen location, you might make your company more (or less) visible to its target demographic, directly impacting your revenue.
- **Customer connections:** Additionally, operating a business in a convenient location can help you connect with more customers and develop lasting relationships with them.
- **Employee satisfaction:** Despite the rise of remote work, many businesses have in-office employees who must spend a great deal of time at the office. A convenient site with an excellent atmosphere and location can help keep employees happy.
- **Professionalism:** Your business location will speak to clients. A professional, attractive location can improve your reputation and how customers see you. However, a shoddier office in an inconvenient location won't do you any favors.

According to Statista, in-store and brick-and-mortar retail accounts for 85 percent of total retail sales, demonstrating the importance of foot traffic. If your retail store is in an inconvenient or inaccessible location, you could be missing out on a huge chunk of potential sales.

## **2.How Do You Define Your Restaurant or Café's Concept and Menu?**

If you're reading this article, we can assume that you have a food business idea in mind that you're interested in starting. That's great! While interest is the number one step in starting a business, you also need to take a good hard look and assess your skills and assets before jumping into starting a business.

Passion can get you a long way, but when it comes to how to start a food business you're also going to need hard work and business smarts. While many first-time business owners don't know everything off the bat, they know how to seek out resources for help when they bump into something they don't know how to do or don't understand. That's a lesson you should learn quickly.

Defining your restaurant or café's concept and menu is one of the most important steps in turning your food business dream into reality. It sets the tone for your brand, influences your target market, and determines the direction of your interior design, marketing, pricing, and even staffing. A well-thought-out concept not only gives your business identity but also ensures consistency in everything you do—from the dishes you serve to the way customers experience your service.

### **Start with Your Passion and Vision**

Every great restaurant or café starts with a strong vision. Begin by asking yourself: What kind of dining experience do I want to offer? Your personal passion for a certain cuisine, culture, or theme can shape the soul of your concept. Whether it's a cosy vegan café with a rustic vibe or a

modern sushi bar with minimalist interiors, your concept should reflect your personality and long-term vision for the business.

Think about what inspired you to start this journey. Was it travel? A family recipe? A desire to promote healthy eating? Your story can form the foundation of a memorable and authentic brand.

## **Understand Your Target Market**



Once you have a vision, the next step is to match it with what your potential customers want. Who are you serving—busy professionals, students, families, or health-conscious eaters? Conduct market research to understand local preferences, competition, price expectations, and lifestyle trends. This will help you define a concept that not only excites you but appeals to the needs of your community.

For example, if your café is near a university, a budget-friendly, fast-casual concept with plenty of takeaway options might work well. In contrast, a fine dining concept may suit a central business district with a more upscale clientele.

## **Stay Aligned with Food Industry Trends**

Incorporating current and emerging food trends is key to staying relevant. As highlighted in “Key Food Business Industry Trends to Follow in 2025”, consumer preferences are leaning towards

sustainability, health-conscious options, tech-enabled service, and global fusion cuisines. Including such trends in your concept and menu can help you stand out.

For instance, many diners are now seeking plant-based, gluten-free, or organic options. Adding a few of these dishes to your menu—even if they're not your main focus—can broaden your appeal. Also, consider how technology like digital menus, online ordering, or contactless payment can enhance your concept and improve the customer experience.

## **Design a Menu That Matches Your Concept**

Your menu is where your concept comes to life. It should be cohesive, focused, and manageable. Avoid the temptation to offer too many items just to please everyone. Instead, concentrate on a few signature dishes that highlight your concept. If you're opening an Italian café, feature authentic pasta dishes, fresh salads, and espresso-based drinks, rather than a mix of global cuisines.

Menu design also matters. Think about names, descriptions, layout, and pricing. A well-written menu should be easy to understand, visually appealing, and reflective of your brand's tone—whether that's playful, elegant, rustic, or modern.

Don't forget to factor in seasonal ingredients and supplier availability. Offering a rotating seasonal menu not only keeps your offerings fresh but also shows commitment to sustainability and quality.

## **Test and Get Feedback**

Before your official launch, test your concept and menu with a soft opening or pop-up. Invite friends, family, or local influencers to sample your dishes and give honest feedback. Use this input to fine-tune the menu, adjust portion sizes, and improve presentation.

Defining your concept and menu is a creative and strategic process. When done right, it lays the foundation for a strong and recognisable brand. Make sure it reflects your passion, appeals to your target audience, and stays responsive to trends shaping the future of the food industry. With a clear concept and a well-crafted menu, your restaurant or café can attract loyal customers and stand the test of time.

## **3. What Licences and Permits Are Required to Get Started?**

When you're embroiled in the excitement of starting a new business, it's easy to ignore the need for licenses and permits. Sure, getting licenses and permits is about as fun as visiting the dentist. But failing to do so—and doing it right from the beginning—is one of the most common mistakes new entrepreneurs make.

Following are some of the most common licenses and permits homebased small-business owners may need and where to go for more information.



## Business License



Contact your city's business license department to find out about getting a business license, which essentially grants you the right (after you pay a fee, of course) to operate a business in that city. When you file your license application, the city planning or zoning department will check to make sure your area is zoned for the purpose you want to use it for and that there are enough parking spaces to meet the codes.

You can't operate in an area that is not zoned for your type of business unless you first get a variance or conditional-use permit. To get a variance, you'll need to present your case before your city's planning commission. In many cases, variances are quite easy to get, as long as you can show that your business won't disrupt the character of the neighborhood where you plan to locate.

Because you're planning to start a business in your home, you should investigate zoning ordinances especially carefully. Residential neighborhoods tend to have strict zoning regulations preventing business use of the home. Even so, it's possible to get a variance or conditional-use permit; and in many areas, attitudes toward homebased businesses are becoming more supportive, making it easier to obtain a variance. Visit the Zoning section of this article for more information.

## State Licenses

In many states, people in certain occupations must have licenses or occupational permits. Often, they have to pass state examinations before they can get these permits and conduct

business. States usually require licensing for auto mechanics, plumbers, electricians, building contractors, collection agents, insurance agents, real estate brokers, repossessioners, and anyone who provides personal services (i.e., barbers, cosmetologists, doctors and nurses). Contact your state government offices to get a complete list of occupations that require licensing.

### **Federal Licenses**

In most cases, you won't have to worry about this. However, a few types of businesses do require federal licensing, including meat processors, radio and TV stations, and investment advisory services. The Federal Trade Commission can tell you if your business requires a federal license.

### **Sales Tax License**

There are two reasons you need a certificate of resale (in other states, this may be called a "seller's permit" or a "certificate of authority"). First, any homebased business selling taxable goods and services must pay sales taxes on what it sells. The definition of a taxable service varies from state to state. Depending on individual state rulings, both the parts and labor portions of your bill may be taxable.

Sales taxes vary by state and are imposed at the retail level. It's important to know the rules in the states and localities where you operate your business because if you're a retailer, you must collect state sales tax on each sale you make.

Before you open your doors, be sure to register to collect sales tax by applying for each separate place of business you have in the state. A license or permit is important because in some states it's a criminal offense to undertake sales without one.

### **Health Department Permits**

If you plan to sell food, either directly to customers as in a restaurant or as a wholesaler to other retailers, you'll need a county health department permit. This costs about \$25 and varies depending on the size of the business and the amount and type of equipment you have. The health department will want to inspect your facilities before issuing the permit.

## **4. How Can You Budget and Plan for Initial Setup Costs?**

If you're starting a business, it's crucial to begin with careful financial planning and precise accounting. Unfortunately, many new businesses make the mistake of not properly estimating and budgeting for startup costs. This approach can lead to poor results or even the business's failure. Instead, take the time to make a budget. Here's what you need to plan for.

### **Understanding Common Business Startup Costs**

Startup costs are the expenses a new business faces during its creation.

"It's important to carefully consider start-up costs, conduct sound research, and build a contingency fund to cover these unpredictable expenses and ensure that your business can

maintain smooth operations during its early stages," says Jo Madison, director of the Small Business Development Center at the Urban League of Greater Cleveland. "Careful budgeting and flexibility will give you the financial foundation needed to navigate the challenges of starting a new business."



A business will incur different types of startup costs depending on its nature of operations. For example, online businesses, such as e-commerce websites, often have lower initial capital requirements than brick-and-mortar businesses, such as restaurants. This difference in startup costs is because online businesses typically need less physical space and fewer employees compared to brick-and-mortar operations.

Despite these differences, several expenses are common across most types of businesses. These typically include costs related to legal or attorney fees, licensing, initial inventory, market research, and marketing efforts to launch the brand.

## **The Business Plan**

Creating a business plan is crucial for starting a business, as it provides a detailed roadmap and prompts careful consideration of various startup costs. Underestimating these expenses can lead to an inflated expectation of net profit, which can be detrimental for a small business owner. "Creating a comprehensive business plan can involve market research, financial projections, and professional assistance," Madison says. "An individual expert fee structure can range from \$300-\$1500 depending on the complexity of the business plan."

## **Research Expenses**

Before launching a business, it's crucial to thoroughly research the industry and target consumer demographics. Some business owners opt to hire market research firms for this purpose.

Hiring a market research firm is essential for companies wanting to excel in competitive markets. These firms offer key insights into customer preferences and industry trends, using both qualitative and quantitative data to inform strategies ranging from product development to marketing. Their analysis helps businesses make informed decisions and identifies potential risks and opportunities.

For business owners who choose to follow this route, the expense of hiring these experts must be included in the business plan.

## **Borrowing Costs**

Starting up any kind of business requires an infusion of capital. There are two ways to acquire capital for a business: equity financing and debt financing. Equity financing usually entails the issuance of stock, meaning the company offers shares of its ownership to investors in exchange for funds. However, this doesn't apply to most small businesses, which are proprietorships and don't issue stock.

For small business owners, the most likely source of financing is debt in the form of a small business loan. Business owners can get loans from banks, savings institutions, and the U.S. Small Business Administration (SBA). Like any other loan, SBA business loans come with principal and interest payments that need to be carefully planned for when starting a business, as failing to make these payments can result in severe consequences.

## **Insurance, License, and Permit Fees**

Many businesses are expected to submit to health inspections and authorizations to obtain certain business licenses and permits. Some businesses might require basic licenses while others need industry-specific permits.

"Business insurance (e.g., general liability, property, workers' compensation) is essential to protect the company against unforeseen events and legal risks," Madison says. Carrying insurance to cover your employees, customers, business assets, and yourself can help protect your personal assets from any liabilities that may arise.

## **Technological Expenses**

Technological expenses include the cost of a website, information systems, and software, including accounting and point of sale (POS) software, for a business. Some small business owners choose to outsource these functions to other companies to save on payroll and benefits.

## **Equipment and Supplies**

Every business needs equipment and basic supplies, which are crucial components of startup costs. When planning these expenses, you must decide whether to lease or buy the equipment.

The state of your finances will play a major part in this decision. Even with sufficient funds to purchase equipment outright, it might be more practical to lease initially, with the option to buy later, especially if other unavoidable expenses arise. However, it's important to remember that, regardless of the cash position, leasing isn't always the most beneficial option depending on the type of equipment and the lease terms.

## Advertising and Promotion



A new company is unlikely to succeed without promoting itself. However, promoting a business entails much more than buying ads online.

It also includes marketing—everything a company does to attract clients to the business. You might consider paying for a marketing consultant or firm.

## Employee Expenses

Businesses planning to hire employees must plan for wages, salaries, and benefits, also known as the cost of labor. This includes not only direct payments but also any additional benefits that contribute to employee compensation packages, including health insurance, retirement plans, and bonuses.



Failure to adequately compensate employees can result in low morale and potentially bad publicity, which can tarnish a company's reputation and be disastrous for the business.

## **Contingency Fund**

The trickiest part of calculating start-up costs is estimating contingency costs. "These are costs that can arise unexpectedly but are critical to account for when preparing a budget," Madison says.

"The main challenge in calculating start-up costs is ensuring you factor in all of these unpredictable, hidden, or variable expenses," she adds. "A comprehensive budget needs to include a contingency fund—usually 10-20% of the estimated start-up costs—specifically for dealing with unexpected expenses."

## **Additional Startup Cost Considerations**

The most expensive element of your business will depend on the nature of your business, and your industry.

It's wise to set aside some extra money for any overlooked or unexpected expenses. Many companies fail because they lack the cash (or cash flow) to deal with unexpected problems. "The time it takes for customers to pay invoices could result in delays in receiving payments to cover operational expenses before revenue starts coming in," Madison says. "Setting up a cushion or cash reserves (liquidity) may be overlooked as it is not viewed as a start-up cost, however, [it] should be viewed as a start-up necessity."

It's also important to note that the startup costs for a sole proprietorship differ from the startup costs for a partnership or corporation. Some additional costs a partnership might incur include the legal cost of drafting a partnership agreement and state registration fees.

Other costs that may apply more to a corporation include fees for filing articles of incorporation, bylaws, and terms of original stock certificates.

Understanding and planning for startup costs is crucial for any new business. These costs include pre-opening expenses, like market research and a business plan, and post-opening expenses, such as marketing and employee salaries. Every business has unique costs, but common expenses often involve legal fees, permits, equipment, and technology.

Accurately estimating your startup costs is key for any new founder. Realistic figures can help secure funding from investors or banks and ensure smooth operations. Keeping detailed records from the start can also help you in financial planning and maximizing tax benefits.

## **5. What Strategies Help Attract and Retain Customers from Day One?**



It often takes five to 20 times the amount of resources for businesses to obtain a new customer than to retain an existing one. Despite this, customer retention often gets ignored in favor of plans geared solely towards brand-new shoppers. While casting a wide net works well for fishing, one-time clients will not keep a company from treading water. With that in mind, this article shares 14 must-know customer retention strategies that will work in 2025.

### **What Is Customer Retention?**

Customer retention refers to customers who deliberately pay for your products or services more than once over a period of time. A single loyal customer making several purchases over a year is ultimately more influential than several shoppers that buy once and never again. You can rely on the business of a retained customer far more than a new one—if you make the happiness and loyalty of your existing buyers the priority.

### **Why Customer Retention Matters**

If you look around your desk or room, you will likely find a product created by a major brand, a business near the forefront of its industry. It is doubtful that it was able to reach such a status by relying almost exclusively on the one-time purchase of customers in passing. After all, returning customers spend 67% more over time than first-time customers.

Successfully retained customers signify a meeting or exceeding of expectations to an exceptional degree. Customer retention matters because it forms the foundation of ever-increasing earnings and enables you to boost brand recognition and industry authority. These concepts are essential for building strategies to keep your company in business.

## **Understanding Your Customer Retention Rate (CRR)**

One necessary component of developing sound strategies is knowing your customer retention rate, or CRR. Your CRR represents the percentage of existing customers your company successfully retains over a specific window.

Calculate your customer retention rate using the formula  $CRR = [(E-N)/S] \times 100$ . “S” refers to your starting customers, and “E” represents the number of customers you have at the end of the period in question. Meanwhile, “N” stands for the number of new customers gained during this period.

For instance, If a company began the year with 80 customers, added 20 new customers, and ended the year with 60 customers, the calculation would look like  $[(60 - 20)/80] \times 100$ . Its CRR would be 50%. Smaller businesses typically aim for a CRR rate of at least 20%. Meanwhile, a major insurance or media company would expect its CRR to stay above 79%.

Once you know your customer retention rate, developing long-term strategies to increase its percentage becomes easier.

## **14 Effective Customer Retention Strategies**

In the following section, we discuss various approaches to help businesses strengthen their customer retention goals.

### **1. Build Customer Loyalty Through Shared Values**

Is your company eco-friendly? Do you donate a portion of your earnings to a specific charity? Is it associated with wealth and affluence or youth and TikTok trends? Not only should your company have its own easily identifiable values, but you should also aim to share them with your customer base. When customers understand and relate to your values, it helps them identify with you and feel connected.

### **2. Frequently Ask for Feedback**

Do not be afraid to ask your customers how you are doing, even if the answer is not as pleasant as you would hope. Even if positive feedback feels good, it is often the negative feedback that is more important. If customers aren't happy, they will not buy from a business again. If polled, these dissatisfied buyers get asked about their decision before departing; their answers should help to improve lackluster service, making it easier to retain customers in the future.

One thing to avoid is having a single survey or poll and then using those results forever. Times change, and so do the needs and wants of shoppers. Make it a point to ask questions periodically and compare the nature of the newest results to previous requests for feedback.

### **3. Get Customers Excited About a Change—Or the Decision Not To**

If the percentage of repeat customers drops because of boredom with your brand, one way to revitalize your consumer base is by changing things up. It can be as simple as giving your store or website a makeover. Even if your brand has not changed beyond looks, it can still feel to customers like they are experiencing a new store. Be mindful not to change too much or too fast, or you could lose customers.



The successful failure of “New Coke” remains a talking point decades later. Coca-Cola hoped to excite consumers enough to buy the new product. Instead, its attempted flavor change led to massive backlash, followed by appeals not to change the beloved recipe.

While Coca-Cola’s new product ultimately failed, the publicity generated by the event was its own success. The situation demonstrated that sometimes the best way to get customers excited about change is to decide to change nothing.

To a lesser extreme, McDonald’s has allowed the McRib to be an enduring favorite by occasionally changing its menu to bring the sandwich back for a limited time. These limited-time offerings lean into the fear of missing out, but promising to bring a popular product back can also mean guaranteeing returning customers who are excited to experience the item again.

### **4. Treat Customers As Humans, Not Data**

It is no secret that customers are not fans of AI chatbots, as a common complaint is that these bots do not understand them. AI typically reacts to keywords and specific scenarios instead of

the individualized human experience. They cannot offer the empathy that a customer may seek and only get from talking to a human. With this in mind, it is important to remember that customers are people, not data.

Analysis may help you understand things hypothetically, but through direct and empathetic interactions with customers, you gain the most accurate insight into their happiness or displeasure. Customers want to be related to and feel heard. Treating them as people and not just numbers on a screen can go a long way towards encouraging them to become repeat purchasers.

### **5. Be Easy To Understand**

It is easy to assume that having the best product on the market automatically assures dominance, but this is not necessarily true. A rival company may outsell your business with an inferior product because customers find their explanations and marketing materials easier to understand. Ultimately, the more accessible you make the nature of your business, the faster they can decide if they want to shop with you.

A convoluted, over-explanation may drive shoppers away, while those who know precisely that your business serves their needs will feel more comfortable buying from you again and again.

### **6. Provide Quick Delivery Options**

While many customers wait a few weeks to receive a product, some may want or need an item as soon as possible. Providing the option to get something days or weeks sooner may encourage some customers to return because they know they can get products faster from your company than they could from your competitors.

### **7. Make Returns and Refunds Easy and Reasonable**

While mistakes happen, one way to assure a customer never buys from you again is to make returns nearly impossible and refuse to offer refunds. The returns and refunds process is a branch of customer service. Therefore, making the process pain-free and reasonable is crucial. If customers know that they can count on you to treat them fairly beyond the sale, rather than disregarding them after receiving their money, they will trust you with future purchases.

### **8. Foster Word-of-Mouth Support**

It is easy to associate the impact of word-of-mouth advertising with gaining new customers. However, it is crucial to note word-of-mouth customer advertisement can be used for customer retention. After all, good word-of-mouth discussion about your products or services builds consumer confidence.

For instance, a customer hears from a friend who repeatedly buys from you that they are happy. In that case, this not only has the potential to bring in new business but create a domino effect of retained customers spreading positive word-of-mouth messages about your brand with friends, on social media and more.



You should actively encourage word-of-mouth support however you can. Share positive feedback from customers through retweets on Twitter, or encourage customers to share their thoughts on TikTok and Instagram. The more visible and acknowledged your loyal customers feel, the more likely they will use their own online and in-person channels to share impressions about your company.

### **9. Make Customers Feel Good About Getting Associated With You**



Though it might not get openly admitted, there are brands with which the public may want to be associated, while others would bring them embarrassment. In addition to sharing values with customers, another good strategy for retaining customers is to make them feel good about associating with you.

Suppose shoppers know that a portion of their purchase will go toward fighting childhood cancer or rebuilding the Amazon rainforest. In that case, it can provide a long-term feel-good factor that incentivizes future purchases.

### **10. Offer Direct and Empathetic Customer Service**

Some companies are infamous for terrible customer service. A big part is how hard it is to speak with a representative directly. For example, it might be due to an overreliance on AI chatbots and phone services, or customers cannot easily navigate to the correct department.

Excellent customer service is a cornerstone of customer retention. When you offer customer service that is empathetic, easy to navigate and direct, it can go a very long way to helping you create a lasting, positive relationship with consumers.

Some approaches may work better than others depending on the type of company you own, for instance, a brick-and-mortar location versus an online store. What is important is developing the right customer retention strategies for your business.

Whether you build a profile, lean into gamification or vastly overhaul your customer service, these steps are essential for improving customer experience. Satisfied customers come back; dissatisfied customers do not.

## **6. How Can Trends Help Future-Proof Your Café or Restaurant?**

Food is the most delicious and satisfying need of humans. Great businesses thrive on capitalising on the cravings of food lovers who love dining out. Several small and big brands serve gastronomic delights from across the country and overseas to cater to their taste buds and earn significantly. There are 31,790 licensed food ventures operating in the state of Queensland alone. The combined revenue generated from the food and agribusiness industries contributes \$16.8 billion to the state's economy.

The food business sector is highly diversified encompassing retail, hospitality, food processing, beverage manufacturing, transportation and distribution and health and community services. Food entrepreneurs operate in a highly competitive environment, including various players, such as food trucks, restaurants, cafes, farmer's markets, confectioneries and ready-to-eat meals. Thus, they must build their uniqueness by adopting the latest innovations to exceed customers' expectations. Here are the key food business industry trends that must be followed in 2025 to stay ahead of the competitors.

### **1. Rise of Cloud Kitchens**

Cloud kitchens are modern food preparation and delivery businesses that operate virtually. They are also known as ghost kitchens because they do not have a physical storefront or dine-in area. These kitchens prepare food only for deliveries, allowing them to operate from home or any small kitchen, which is cost-effective and highly rewarding. The cloud kitchens use online food delivery apps like DoorDash, Menulog, Uber Eats and Deliveroo to receive orders and deliver food.

Some restaurants also lease their kitchen space to third parties to run cloud kitchens, or they can use food delivery apps themselves to expand their reach. This reduces the cost of servicing customers inside the restaurant, which requires manual labour and more leased space. Thus, many passionate individuals looking for a food business for sale in Brisbane consider owning a cloud kitchen.

### **2. Contactless Ordering and Customisation**

Restaurateurs introduced contactless ordering after the pandemic when social distancing was mandatory. It involves downloading a restaurant's mobile application to place an order or

scanning a QR code to browse the menu and complete the transaction online. These apps allow customers to customise their orders according to their taste preferences, increasing satisfaction levels and engagement.



Food business owners can use the purchase data history collected through the app to identify individual choices and provide appropriate recommendations. Hyper-personalisation aids in increasing customer loyalty because customers feel valued and recognised. These customers can easily turn into brand advocates and bring more customers through word-of-mouth publicity.

### **3. Food Waste Management**

Food waste is a big problem for businesses in the industry because it adds a burden to landfills and creates pollution due to greenhouse gas emissions. A lot of this waste comes from leftovers in restaurants, spoiled and expired food in storage, and food peels and scraps. However, things are changing as businesses are embracing sustainability and eco-consciousness.

Food waste management will be integral to businesses in the future because it improves inventory management and protects the environment. Individuals looking for a food business for sale Brisbane must embrace the circular economy principles to reduce waste. They can implement packing leftover food, stocking as per demand, donating extra food and conducting audits to reduce waste.

### **4. Introduction of Robotics**

Robotics has already penetrated manufacturing in various industries to reduce manual labour and increase efficiency. It is now becoming a part of the food industry, with robotic chefs and waiters to maintain staff requirements during peak hours and when staff is scarce. A few restaurants have already started using robots to serve food and clear plates from tables.

These robots can complete 10-hour shifts and reduce the manual labour involved in serving customers. The restaurant industry has been facing a staff shortage after the pandemic, and employee turnover is quite high. Many workers quit due to the stressful working conditions in the kitchen and on the floor. Thus, robotics helps solve the problem.

## **5. Use of Tech for Food Safety**

Perishable food items can quickly get spoiled and cause losses for the business. In addition, storing food at inappropriate temperatures or in unhygienic conditions can lead to infections and diseases. Since food businesses have to follow strict food safety regulations, they must rely on tech to ensure optimum hygiene and storage. The Internet of Things (IoT) can be used to track the temperature and humidity of freezers and refrigerators.

In addition, blockchain technology can be used to identify the origins of food ingredients and how they are transported and prepared for consumption. This increases transparency and makes customers trust the brand. Aspiring food entrepreneurs looking for businesses for sale in Brisbane must adopt these technologies to build a solid customer base.

## **6. AI for Improved Customer Service**

Artificial intelligence is one of the best technologies for improving customer service, which is a must for food businesses. They can install AI-enabled chatbots on their websites to answer customer queries and handle orders during rush hours. This reduces dependency on support staff and increases the rate of customer response.

Predictive analysis can help business owners manage optimum inventory by predicting the volume of sales and the requirement of ingredients and raw materials. AI can also help optimize the menu by analysing customer preferences and tracking trends. AI allows food entrepreneurs to reduce overheads, improve productivity, reduce food waste, and enhance customer satisfaction levels.

## **7. Demand for Plant-Based Protein**

Veganism is not a passing fad. Many people are making a conscious decision to switch to plant-based meat to reduce their impact on the environment. The consumption of plant-based protein rose by 28% from 2020 to 2023. It is a healthier and environmentally friendly option. This niche segment has created agrifood opportunities for entrepreneurs, and the rising number of health-conscious Australians is propelling its growth.

The government is also supporting businesses involved in the manufacturing and sale of plant-based protein. It has been predicted that spending in this segment will reach \$1.6 billion by 2033. Thus, driven individuals looking for business opportunities in Brisbane can leverage this trend to grow quickly in the cluttered industry with a niche offering.

## **Wrapping Up**





The food industry is evolving fast and using the latest technology to create innovative solutions that allow businesses to serve customers effectively. All small, medium and big businesses can take advantage of the trends mentioned above to grow successfully.

## **Bottom Line**

Opening a restaurant or café is an exciting venture, but it comes with its own set of challenges. The bottom line is that success in the food industry relies on more than just a passion for cooking—it requires planning, research, and a clear vision. Defining your concept and menu is the foundation of your business. It helps shape every decision, from branding and interior design to customer service and pricing. You must also understand your target audience, stay updated with industry trends, and remain adaptable in a fast-changing market.

Consistency, quality, and customer experience are the three pillars that keep your business thriving. Whether you're opening a trendy coffee spot or a full-scale restaurant, being prepared, knowing your numbers, and staying true to your concept are crucial. Use this guide to walk through each step of the process thoughtfully and strategically. The restaurant or café you open should not only reflect your vision but also meet the needs and expectations of your customers. With the right mix of creativity and business sense, you can build a food business that not only opens strong but grows sustainably. Stay focused, stay flexible—and enjoy the journey.



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