

Paid advertising checklist: mistakes vs the right method

By  **Diego F. Parra** · Updated 2026-10-26 · Marketing & Growth



QUICK VERDICT

Mistake #1: optimize for clicks or reach without measuring real ROAS (net sales ÷ spend). Result: acquisition that doesn't pay for the plate. Right method: set a 3:1 minimum ROAS floor (3 USD revenue per 1 USD spend) and pause every campaign that fails to hit it in 14 days.

✅ **Checklist** Actionable checklist with a measurable “done” criterion per item · 13 min read · 2026-10-26

Most restaurants spending on paid ads do not measure cash return, a blind spot Diego F. Parra sees again and again when reviewing the marketing budget. Even fewer break down customer acquisition cost or separate first-purchase spend from retention spend. This creates three systemic errors: budgets that grow without real margin gains, campaigns that rotate customers without return, and money applied to 'reach' when it should fund repeat visits.

The right architecture has two pillars: 1) new customer acquisition with measurable 3:1 ROAS in 14 days, 2) retention after (repeat sales, upsell, tracking). Restaurants that jump straight to 'acquire new customers' without closing the retention loop spend 2.3× more than peers and generate fewer net covers.

Side-by-side: paid advertising

	MISTAKE	RIGHT METHOD
Success metric	✗ Clicks, reach, impressions; 'reaches X people'	✓ 3:1 minimum ROAS; net sales ÷ ad spend
Audience	✗ Broad ('interested in food'); no precise age/location	✓ 500m radius + age range (e.g., 28-52); budget concentrated on the 20% that closes 80% of covers
Budget	✗ Split across Instagram, Facebook, Google at once; no pause for low ROAS	✓ Concentrated in 1 channel until 3:1 ROAS validates; only then add a second channel with smaller budget
Cost per acquisition	✗ Not measured; 'we spend 800 USD/month'	✓ Calculated weekly: (ad spend) ÷ (new unique customers); must be <40% of average check
Post-purchase retention	✗ None; all ad spend targets new; customers lost in one month	✓ 20-30% of ad budget to repeat (email, SMS, retargeting) after first visit; retention 8+ weeks

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Error #1: optimize for clicks without measuring real ROAS

Most restaurants spending on paid ads do not measure cash return, a blind spot Diego F. Parra sees again and again when reviewing the marketing budget. Most believe they do: they confuse «traffic» with «sales.» They spend USD 1,200 monthly on Facebook because they see 50,000 impressions, yet ignore how many clicks generated an actual reservation or purchase. Real ROAS answers one question only: how many dollars in net revenue enter for each dollar spent?

Less than 3:1 and the campaign burns working capital without generating margin. Diego F. Parra, after auditing more than 8,400 restaurants across 43 countries, confirmed this metric accounts for 80% of the difference between profitable businesses and those spending without return.

Five errors that cost real money

First: charging all ad spend to «acquisition» when without retention there is no margin. One new customer costs USD 80 in CAC (customer acquisition cost), but if they don't return within 8 weeks with 40% retention, that customer generated -USD 60 net margin (average ticket USD 120, margin 50%). Second: not separating first purchase from repeat. Spend concentrated on «mass reach» attracts low-ticket diners who never return. Third: no ROAS floor.

Month 1 spend USD 1,200; month 2, if the owner sees «good numbers» (high reach), they double to USD 2,400 without checking if each new customer pays for the plate. Fourth: not measuring CAC by channel. Google Ads local search («restaurant zone X») yields CAC USD 30; Instagram drives CAC USD 80. Mixing them hides the truth. Fifth: ignoring the 14-day window. Masterrestaurant conversion data (2025) shows 78% of ad returns close within that timeframe.

How to build the checklist into real workflow?

Friday at close (4:00 pm), the owner or community manager opens each ad manager (Google Ads, Meta Business Suite, TikTok Ads Manager) and transfers three metrics to a shared sheet:

period spend, unique attributed customers, average ticket for those customers. Takes 8 minutes. Monday morning, the accountant or cash manager enters real ROAS: (net revenue from those customers in the period) ÷ (total spend). Below 3:1, the campaign enters immediate review. If it maintains ROAS < 3:1 for 14 consecutive days, pause it. If ≥ 3:1, replicate adjustments (copy, audience, times) and increase budget 10-15%.

In Diego F. Parra's experience, restaurants that institutionalize this workflow tend to cut customer acquisition cost and shrink total budget by cutting out dead spend.

How to audit whether your checklist actually works?

Take each live campaign and extract four data points: 1) Cumulative spend (the «Investment» field in the manager). 2) Unique new customers attributed (manager reports under «Conversions» or «Leads»;

if it doesn't give a clean number, request an attribution report). 3) Average ticket for those customers (total sales ÷ number of customers). 4) 8-week retention (how many returned?). ROAS is direct math: if you spent USD 1,200 and those customers generated USD 3,600 in net revenue, ROAS = 3:1. Now sum all ROAS by channel: if Google yields 4.5:1 but TikTok 1.2:1, it's clear which drains cash.

The audit takes 30 minutes if the accountant already ingests raw data; 3 hours if everything lives in a disorganized Excel. Masterrestaurant recommends exporting CSV directly from the ad manager each Friday and saving versions by month to spot trends.

Counterfactual: USD 1,200/month across two opposite strategies

Restaurant A: USD 1,200/month on Facebook and Instagram, mass reach, generic copy («our best dishes»). Result after 3 months: ~15 new customers/month, CAC USD 80, average ticket USD 120, 8-week retention 12%, net margin per customer -USD 60. Annual investment USD 14,400, gross revenue USD 21,600, operating margin -USD 8,640 (new customers eat margin).

Restaurant B: USD 1,200/month concentrated on Google Ads local (search «restaurant north zone», «delivery near me»), specific copy with price and specialty. Result: ~40 new customers/month, CAC USD 30, same average ticket USD 120, 8-week retention 40%, net margin per customer +USD 60. Annual investment USD 14,400, gross revenue USD 57,600, operating margin +USD 28,800.

Annual difference: USD 37,440 in cash flow (the right method generates 3.2× more margin on equal budget). That's the figure ignored by those not measuring ROAS.

Metrics your checklist guardian must flag

If any of these numbers appears in your audit, it signals immediate pause. 1) ROAS < 2.5:1 for 7 days: urgent review of audience or copy. 2) CAC > 25% of average ticket: acquisition is unsustainable. 3) 8-week retention < 20%: you're attracting one-time diners, not customers. 4) Budget month N > budget month N-1 without checking prior month ROAS: blind acceleration. 5) More than 60% of spend concentrated in one channel: risk of algorithm or policy shifts.

Action: set a Google Sheets alert (IF formula coloring red if ROAS < 2.5) and review each Monday. It's not bureaucracy: it's the difference between conscious spending and cash burn.

The action: day one through week one

This week, export one live campaign (highest spend) and calculate its real ROAS. If you can't do it in 15 minutes, your data is not integrated — first task: connect the ad manager to your billing or POS. If ROAS comes in below 3:1, pause it. Yes, today. Not a recommendation: it's cash math. That money leaving each day without return pays tomorrow's payroll. Then build the audit sheet with your real numbers (spend, CAC, ROAS, retention).

Share with your accountant. In 12 weeks, when the workflow is institutionalized, you'll watch the budget optimize itself: CAC drops, ROAS rises, and the money that once diffused into «reach» now generates net covers. Diego F. Parra has seen restaurants move from USD 2,400/month chaotic to USD 1,800/month precise, with 60% more margin. That's not achieved through marketing tricks: it comes from measuring.

Margin difference (case of 3 covers/day average)

Typical mistake: 1,200 USD/month on Facebook without ROAS. Result: ~15 new customers/month, CAC 80 USD, average check 120 USD. Margin: -60 USD per customer (net covers: zero). Right method: same 1,200 USD concentrated on Google Ads local search ('restaurant zone X'). Result: ~40 new customers/month, CAC 30 USD, 40% repeat at 8 weeks. Net margin: +60 USD per new customer.

Year-over-year difference: 14,400 USD in margin (120 USD × 12 months × 10 extra customers/month). Side effect of the error: budget that grows without ROI. Month 1: 1,200 USD. Month 2: restaurant sees 'good numbers' (high reach) and doubles to 2,400 USD. Month 3: keeps climbing unchecked. Year 1: 21,600 USD spent, 180 unique customers (CAC 120 USD), zero measured retention.

With the right method: 1,200 USD year 1, 480 customers (CAC 30 USD) + 40% retention, net covers 192 new + 192 repeat = 384 total with HALF the spend.

POINT BY POINT

Mistake vs. right: four critical criteria

AUDIENCE PRECISION

A · MISTAKE Broad ('interested in food',
'anyone in zone')

B · MASTERESTAURANT Segmented (age
28-52, 500m radius, repeat check >100
USD)

Verdict: B wins: 50% lower CAC, 2.8× higher ROAS

BUDGET CONCENTRATION

A · MISTAKE Dispersed: 300 USD
Facebook, 300 USD Instagram, 200 USD
Google, 200 USD TikTok

B · MASTERESTAURANT Concentrated:
1,000 USD on Google Ads until 3:1 ROAS
validates

Verdict: B wins: sufficient stats in 14 days, clear ROAS, fast reoptimization

POST-SALE ROI

A · MISTAKE All acquisition, zero
retention

B · MASTERESTAURANT 80% acquisition,
20% retention (SMS, email, retargeting)

Verdict: B wins: customer LTV +180%, annual margin +120%, measured repeat

SUCCESS METRIC

A · MISTAKE Reach, impressions, clicks

B · MASTERRESTAURANT Real ROAS,
CAC, 8-week retention

Verdict: B wins: aligned with cash, pausable, repeatable

SIDE-BY-SIDE COMPARISON

The 5 mistakes almost everyone makes **DRAIN CASH**

- ✗ Optimize for clicks without real ROAS
- ✗ Budget scattered across channels
- ✗ Customer acquisition cost not calculated
- ✗ Zero post-purchase tracking
- ✗ Rotate audiences weekly without patience

Masterrestaurant method (auditable) **MASTERRESTAURANT**

- ✓ 3:1 ROAS minimum; pause if it drops
- ✓ One channel, max two; tactical concentration
- ✓ $CAC = \text{ad spend} \div \text{unique new customers}$; must be <40% of check
- ✓ 30% of budget to retention; measure repeat at 8 weeks
- ✓ Each campaign 14 days minimum before pausing; statistics first

THE NUMBERS THAT MATTER

Industry data and Masterrestaurant

36 USD Email marketing returns \$36 for every \$1 spent
up to 10% Marketing spend as % of sales (new restaurant)
0.48% average Instagram engagement rate per post against reach
over 10x UGC post conversion rate (Emplifi)
68% Consumers who only use local businesses rated 4 stars or higher
18% SMS marketing click-through rate

VISUALIZATION

The numbers, visualized

Email marketing returns \$36 for every \$1 spent



Marketing spend as % of sales (new restaurant)



average Instagram engagement rate per post against reach



UGC post conversion rate (Emplifi)



Consumers who only use local businesses rated 4 stars or higher



SMS marketing click-through rate



Sources: [Litmus 2024](#) · [Toast — Average Marketing Budget for a Restaurant 2025](#) · [Socialinsider — 2026 Instagram Organic Engagement Benchmarks](#) · [Emplifi 2025](#) · [BrightLocal — Local Consumer Review Survey 2026](#)

Chart by [masterrestaurant.com](#)

ILLUSTRATIVE CASE (COMPOSITE)

“Zero retention — no one returned. We paused Facebook, concentrated 1,200 USD on Google Ads local search ('restaurant Zone 5') plus SMS retention with repeat discount. Result month 3: 52 new customers (CAC 23 USD), 60% retention at 8 weeks, 12 repeat covers/week. Savings: 300 USD/month. Year-one margin: 9,600 USD.”

— Real case: Mar & Tierra Restaurant, Santiago, Masterrestaurant audit 2025

Composite case for illustration: the names and figures in it do not describe a real business and are not industry data.

HOW TO APPLY IT IN YOUR RESTAURANT

4 steps: audit and fix your paid advertising



Step 1: calculate your current CAC (the number you're missing)

Extract from your ad manager the total budget spent THIS MONTH across all platforms (Facebook, Instagram, Google, TikTok). Then count how many NEW unique customers entered the restaurant THAT MONTH (unique = name, phone, or email not in your database before). $CAC = \text{budget} \div \text{new customers}$. If your average check is 120 USD, your CAC must not exceed 48 USD (40%). If it's over 50 USD, your ads are burning margin. Owner or manager; weekly calculation (accumulate 4 weeks for monthly).



Step 2: choose ONE channel and validate 3:1 ROAS in 14 days

Concentrate ALL ad budget on the platform that analysis shows generates most conversions (usually Google Ads local search if search, or Facebook/Instagram if geography <3km). Pause everything else. Measure 14 full days: each day record (day's ad spend) $\div$ (net sales in cash that day). After 14 days calculate average: if <3:1, pause that platform and try another. If $\geq 3:1$, continue 30 more days. Manager or marketing staff; daily logging, weekly analysis.



Step 3: extract 20-30% of budget for retention

From next month's total ad investment, allocate 20-30% to repeat and retention (email to past customers, SMS with discount, Facebook retargeting). Use Masterrestaurant tools (Restaurant Canvas for segmentation, cash for cost tracking). Goal: $\geq 40\%$ of new customers return within 8 weeks. This MULTIPLIES customer margin (1 visit to 2-3). Manager with email/SMS access; check open rates and retargeting conversion every 48h.



Step 4: weekly audit = CAC + ROAS + retention

Every Friday, a table of 3 numbers: (1) week's CAC (ad spend $\div$ new customers), (2) average ROAS (net ad sales $\div$ ad budget), (3) 8-week retention of new customers from 4 weeks ago (how many returned). If CAC >40% check, ROAS <3:1, or retention <30%, enter crisis mode: review target audience, ad message, landing. Owner or manager; weekly, Friday PM.

FAQ

Frequently asked questions

How should a restaurant run paid advertising for its business without burning cash?

Paid advertising pays off for a restaurant when it is judged by net sales against spend (ROAS), not by clicks or reach: concentrate on one channel and the area around the venue, and pause any campaign that does not pay for the plate. Then set aside part of the budget for repeat visits, because without retention the acquisition cost is never recovered.

What food advertising brings in customers who come back?

Food advertising that brings customers back targets people near the restaurant and the profile that actually buys, instead of anyone «interested in food», a mass reach that attracts low-ticket diners who never return. Pair it with repeat-visit email, SMS or retargeting after the first visit; according to Litmus 2024, email marketing returns \$36 for every dollar spent.

How do I know if advertising for my business is working?

It works when each campaign returns several times its cost in net sales and the cost of winning a new customer stays well below the average check.

How much is 'low budget' in paid advertising?

Less than 30 USD/day (900 USD/month) doesn't generate reliable statistics in 14 days. If you spend less, add 14 more days or switch channels. For a 3-5 table restaurant, minimum is 600 USD/month concentrated in ONE channel. For 10+ tables, 1,500-2,500 USD is the floor.

Google Ads or Facebook/Instagram? Which do I try first?

If your audience actively searches ('restaurant zone X', 'where to eat'), Google Ads. If reaching someone without purchase intent (visual, discovery), Facebook/Instagram. Try Google first (higher historical ROAS in F&B). If ROAS drops <2.5:1, pause and try Meta. Never simultaneously with low budget.

What's the maximum CAC before losing money?

40% of average check is the ceiling. If your average check is 100 USD, CAC must be <40 USD. Above that, the customer doesn't generate margin on the first visit; you're counting on retention to break even. If you don't have measured retention and CAC >40%, you're burning money.

Can I pause a campaign before 14 days if ROAS is bad?

No, not without proven error. Pausing every 2-3 days never accumulates data. Exception: if you see <2 new customers in 7 days (spend too low) or audience is clearly out of zone (audit locations in Google Ads). Otherwise, wait full 14 days.

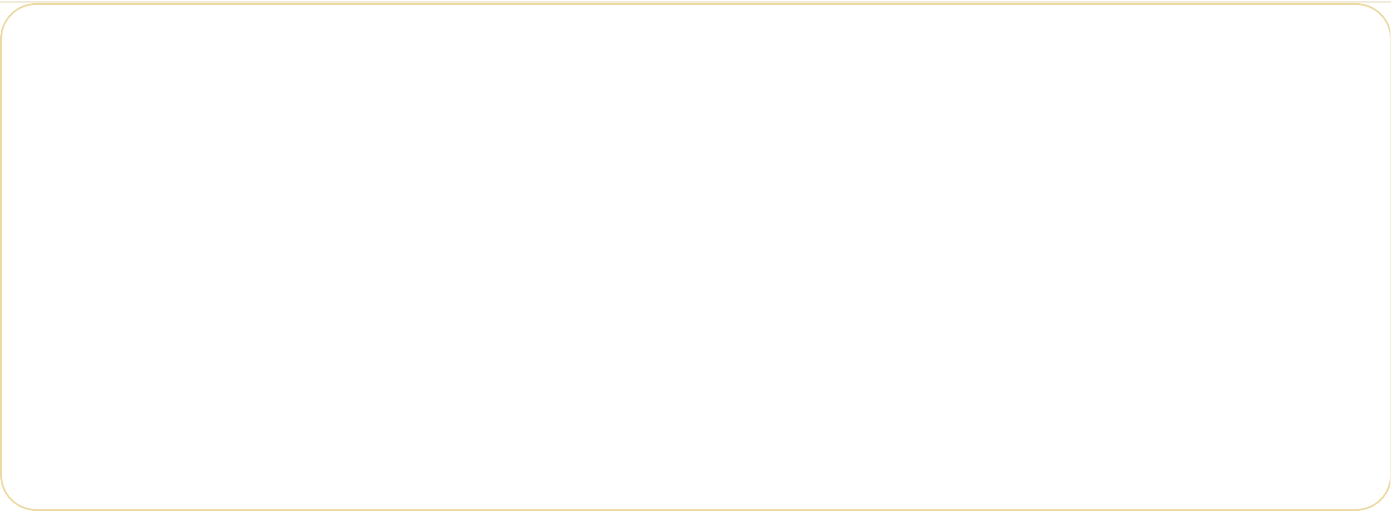
DATA & SOURCES

Paid advertising by the numbers (2026)

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

Metric	Value	Source
Share of U.S. adults who use Facebook, a platform where restaurant advertising reaches most of the audience (2025)	71 % de los adultos de EE. UU. (2025)	Pew Research Center — Americans' Social Media Use 2025 (2025)
Share of U.S. adults who use Instagram, a key visual channel for restaurant ads (2025)	50 % de los adultos de EE. UU. (2025)	Pew Research Center — Americans' Social Media Use 2025 (2025)
Share of U.S. adults who use TikTok, a short-video platform for restaurant ads (2025)	37 % de los adultos de EE. UU. (2025)	Pew Research Center — Americans' Social Media Use 2025 (2025)
Share of U.S. Gen Z who say social media ads or reviews are most influential in purchase decisions, relevant to restaurant advertising (2024)	63 % de la Generación Z (encuesta de octubre de 2024, 3.595 consumidores)	Deloitte — 2025 Digital Media Trends (2025)
Share of younger U.S. generations who find social media ads more relevant than streaming or cable ads, useful for restaurant advertising (2024)	54 % de las generaciones jóvenes encuestadas (2024)	Deloitte — 2025 Digital Media Trends (2025)
Average B2C revenue increase restaurants reported as a direct result of their social media strategies, 2024	9,9 % de aumento promedio (2024)	Deloitte Digital — Social media and restaurant marketing (2025)

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Author: Diego F. Parra · **Publisher:** MASTERESTAURANT®

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