[**Happy hour**](http://www.businesspundit.com/encyclopedia/marketing-and-advertising/happy-hour/)

In the context of marketing, the term “happy hour” refers to the period of time during a pub or bar’s operating hours wherein special rates for drinks and other items on the menu are offered. This period may be as short as an actual hour or may extend to three or four hours, depending on the establishment.

The primary objective of introducing happy hour in an establishment is to encourage the generation of revenue during times of the day when business is likely to be slow. For establishments which mainly offer alcoholic drinks, one of these periods is that between late afternoon and early evening, as people are more likely to come in after dinner. Offering a happy hour encourages people to come in earlier and thus fill in the period which would be otherwise empty. During happy hour, discounts may be offered on both drinks and bar snacks.

While happy hour is usually associated with bars and pubs, restaurants and other similar establishments may also offer their own version. For instance, some restaurants may offer a discount on meal sets or other specific menu items during the period right after lunch and before dinner. This helps ensure that there is a relatively steady flow of income all throughout the establishment’s operating hours.

Offering discounts during off-peak periods is a strategy which is not confined to food and beverage establishments alone. Other businesses often employ pricing strategies which involve the introduction of discounts during off-peak seasons. Hotels and travel agencies, for example, may offer lower rates during slow months. While such strategies are implemented quite differently from happy hour, they are similar in the sense that they encourage business activity during periods which would otherwise be inactive.

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