



Red Lobster's Wood-Grilled Seafood menu adds value with on-trend technique and little extras like flavorful glazes and sauces.

# 8 WAYS to Beat 2008

Strategies for using shifting economic forces to create new opportunities in the year ahead

BY DR. A. ELIZABETH SLOAN

The economic downturn hit the restaurant industry early. In October 2008, nearly half (47 percent) of Americans ate out less often than one year ago, reported the Center for Food Integrity.

Consumer belt-tightening isn't the only challenge facing the industry. More healthful lifestyles, the morphing of snacks and meals and, in some cases, boredom with menus that have changed little over the past 20 years are also hurting the bottom line.

Still, there is some good news. While diners cut back on courses, order cheaper menu items and trade down to less-expensive restaurants during tough times, they also look for more adventurous foods and flavors, treat themselves to little luxuries and splurge on premium ingredients here and there.

And, when industry drivers shift, enormous new opportunities open up. So, despite the challenges, nimble operators are using several strategies to stay viable in a volatile economy.

## 1. KEEP ON TREND

In a March 2008 survey, 37 percent of diners who had visited a restaurant in the past week did so to try a new cuisine, while 29 percent sought new flavors, reports Mintel's Attitudes Towards Dining Out report. Another 31 percent wanted greater menu variety. Adventurous menus have most appeal among young adults, who are the

most-frequent restaurant visitors; to members of higher-income households (\$75,000-plus); and to the 37 million adults who consider themselves "gourmets," notes Experian Market Research.

These "foodies" are enticed with new cuts of meat, such as Denver steak, pork flat iron or a bone-in Tuscan veal chop, and with unusual fish offerings. Branzino, Arctic char and barramundi were named among the "hot" seafood species for 2009 by American Culinary Federation (ACF) chefs surveyed in the National Restaurant Association's (NRA) October 2008 "What's Hot" survey (see table, page 14). Quinoa, grains like kamut and amaranth, lentils, couscous, polenta and steamed/grilled vegetables are among 2009's "must-menu" sides.

## 2. OFFER COMFORT

Nearly half of diners surveyed in Mintel's 2008 Menu Insights' Dining Out report went to a restaurant because they were too tired or time-pressed to prepare a meal at home. Not surprisingly, these consumers went looking for comforting, familiar and flavorful meals. Mintel also found that 46 percent of diners went to a restaurant because they wanted something they couldn't cook at home.

Attract comfort-craving diners with roasted and slow-braised meats, real turkey-and-stuffing dinners, Sunday-supper-styled dishes and classic casseroles like

## WHAT'S HOT for 2009

- 1 Locally grown produce
- 2 Bite-size/mini desserts
- 3 Organic produce
- 4 Nutritionally balanced children's dishes
- 5 New/fabricated cuts of meat  
(e.g. Denver steak, pork flat iron, bone-in Tuscan veal chop)
- 6 Fruit/vegetable children's side items
- 7 Superfruits (e.g. acai, goji berry, mangosteen)
- 8 Small plates/tapas/mezze/dim sum
- 9 Micro-distilled/artisan liquor
- 10 Sustainable seafood
- 11 Nutrition/health  
(e.g. low-fat, reduced-sodium, antioxidants, high-fiber)
- 12 Gluten-free/food-allergy conscious
- 13 Non-traditional fish (e.g., branzino, Arctic char, barramundi)
- 14 Artisanal cheeses
- 15 Exotic fruit (e.g., durian, passion fruit, dragon fruit, guava)
- 16 Culinary cocktails (e.g., savory, customized to specific dishes)
- 17 Micro-vegetables/micro-greens
- 18 Organic wine
- 19 Dessert flights/combos/platters
- 20 Free-range poultry/pork

SOURCE: NATIONAL RESTAURANT ASSOCIATION SURVEY OF AMERICAN CULINARY FEDERATION CHEFS, 2008

scalloped potatoes. Bistro, French-casual, American Southern and very old recipes are other strong, nostalgia-driven menu directions.

Technomic's December 2008 American Express Market Brief found that 46 percent of diners planned to order more comfort foods in 2009. And Schneider Associates' Most Memorable New Product Launch Survey reports that three of the five most-memorable products of 2008 were twists on familiar foods and drinks: Bud Light Lime, McDonald's Southern-Style Chicken Biscuit & Sandwich and Kraft Mac & Cheese Crackers. Mac-and-cheese with easy add-ins, spiced-up meatloaf and souped-up soup options are all ways to provide new comfort options.

### 3. STAY HEALTHY

Nearly two-thirds of families practice a healthy eating strategy, according to Food Marketing Institute's Shopping for Health 2008 report. Technomic's March 2008 Market Brief reported that 39 percent of consumers who cut back on quick-service restaurant (QSR) visits did so because they found too few healthy options; 13 percent said the same of full-service.

With nine in 10 Americans believing they eat more healthfully at home, and 65 percent trying to control their diets, according to Experian, healthier menu items are a must. In fact, Information Resources Inc. reports that healthy foods were one of the most recession-proof categories of 2008.

Market researcher NPD Group's 2008 National Eating Trends Survey found that 76 percent of consumers regularly eat low- or reduced-fat foods, 61 percent eat whole grains, 61 percent opt for lite or low-calorie foods, 50 percent no fat, and 35 percent no- or low-sodium foods.

### 4. TAKE UP SNACKING

With 54 percent of all growth in the restaurant business coming from snacks, according to 2007 research by NPD/CREST, focusing on smaller plates and less-costly portions is still a path to big profits.

Although first courses are frequently cut from consumer budgets during tight economic times, today's interest in sampling and flavor experimentation is keeping sales of mini-portions strong. From upscale amuse bouche to super-easy edamame, appetizer combos, shareable platters and appetizer salads, the ACF/NRA survey predicts more big moves with small plates in 2009.

This follows a trend Technomic reported in its Appetizer/Left Side of the Menu report of 2007, which showed 62 percent of diners want more combination appetizer plates. Additionally, 59 percent feel appetizer portion sizes should serve more than one person. Think big and think full-flavored variety when designing new starters.

Downsizing knows no bounds; in many cases, small starters make the meal. Appeal to those who might opt for appetizers instead

# FLAVOR PAIRINGS

## for 2009

- 1 Toasted sesame and root beer:** A traditional soda that has versatility as a cooking ingredient paired with the nuttiness of sesame seed
- 2 Cayenne and tart cherry:** Combining the heat of cayenne and sweet-sour tang of tart cherry
- 3 Tarragon and beet root:** Two fashionable flavors that make an unlikely pair
- 4 Peppercorn mélange and sake:** Japan's rice wine partnered with French peppercorns
- 5 Chinese five spice and artisan-cured pork:** Hand-crafted food merges with an Asian blend
- 6 Dill and avocado oil:** The mild attributes of avocado and clean, minty dill reflect the healthy associations that come with pure, natural ingredients
- 7 Rosemary and fruit preserves:** Fresh-picked fruit flavors fuse with aromatic rosemary
- 8 Garam masala and pepitas:** A spice blend from India and a prized seed popular in Latin America
- 9 Mint and quinoa:** The nutritious, whole-grain attributes of quinoa paired with the cool taste of mint
- 10 Smoked paprika and agave nectar:** Spanish and Mexican ingredients offer a smoky sweetness

SOURCE: MCCORMICK, 2008

of an entrée by offering smaller versions of main-menu dishes, such as sandwich sliders, personal pizzas, riblets, soup-and-salad pairings or half-sized versions of anything on your menu.

American-style finger foods are preferred by 63 percent of diners; 56 percent like Mexican-style; shellfish and seafood snacks hook 45 percent; 40 percent are enticed by Italian treats; and Asian-style appetizers capture 35 percent of diners, according to Technomic's 2008 survey of consumers' appetizer-buying patterns.

Ethnic appetizers, such as hummus and other pureed, boldly flavored vegetable dips, and fried appetizers with new dips and sauces are among the new starter directions. Appetizers on skewers or even variations on

the flaming, hibachi-warmed pupu platter provide a fun, interactive dining experience.

Morning snacks are a new, fast-growing restaurant opportunity, reports NPD/CREST. Offer mini-quiches or a variety of egg-and-protein-stuffed empanadas and reposition mini-desserts for an early-morning treat.

## 5. FIND HIDDEN VALUE

The trick to economizing is to cut costs and stay on trend without making changes apparent to diners. If you use more value cuts of beef, make up the difference with techniques like smoking and braising that people have no time to do at home. Grilling is another hot trend ACF chefs cited for 2009.

Red Lobster's new Wood-Grilled Seafood menu is sure to create some heat with dishes like peach-bourbon shrimp-and-scallop skewers and wood-grilled tuna with blackberry barbecue sauce. Slow rotisserie roasting and homey stews are other value-added ideas.

Introduce diners to new ethnic dishes made with less-expensive cuts of meat, such as barbacoa, tagines and Indian curries. To attract the high-spending older set, bring back classic meals that use less-expensive ingredients, such as coq au vin, beef bourguignon, beef stroganoff or duck leg confit. Stretch the protein by serving it over fresh pasta, exotic rice or julienned potatoes.

Create signature quiches, stuffed breads and casseroles baked in individual crocks. Devise a new vocabulary that signals heavy menu offerings: hearty, family feasts, rich, etc.

Less-expensive, simple menu items can be made exciting by customizing toppers or other add-on ingredients. Mintel reports one-third of diners would prefer more opportunities to customize their entrées. Build-your-own noodle bowls, burger bars and other customization options are sure to please.

Another way to curb costs is to focus on a single defining ingredient — specialty mushrooms, local cheese or a secret-recipe sauce — to create a signature item rather than carrying a large inventory of pricey items to garner attention.

## 6. CREATE OCCASIONS

In Mintel's 2008 Dining Out report, two-thirds of adults who went to a restaurant during the past week did so to celebrate a special occasion; 52 percent dined out to do something special for someone else; 44 percent to socialize; and 34 percent to have a good conversation with others.

Make the most of these celebrations by serving up some party provisions: shareable, family-sized, "party-sized" platters or themed samplers. Mardi Gras Mix-em's, with Cajun-fried oysters and crawfish, or globetrotting dumplings are sure to create a festive feast. Develop menu-driven special events, such as a parents' or kids' night out. Invite diners to embark on culinary adventures — an "Evening in Tuscany" or a "Jamaican Journey."

One in three adults orders meals or platters for meetings, parties and social occasions at least once a month, according to Technomic's September 2008 Parties Off-Premises report, meaning that catering and party platters are very big ideas. Au Bon Pain's catering business is enjoying double-digit growth, led by its new Harvest Rice

Bowls catered meals. Red Lobster delivers fresh seafood to your door, Boston Market will cater a black-tie affair or wedding and Rubio's Fresh Mexican Grill offers easy makings for a perfect fiesta.

On the more intimate side, create affordable but romantic prix fixe dinners for two with a classic "French l'amour" menu; appetizers made for two, such as an artisan fondue; and, of course, Champagne and his-and-hers dessert pairings.

## 7. MAKE IT EASY

A need for more convenient meals is the No. 1 reason consumers are willing to spend more money at restaurants, finds the Mintel 2008 Dining Out report.

Data from the U.S. Department of Labor's Bureau of Labor Statistics document the demographics feeding this need: over-scheduled dual-income families (57 percent of all families) and the 98 million "single" Americans, of whom 30 million live alone. Adding to those figures is the increase in single-parent households. All told, the

## QSR TRENDS for 2009

- 1 Energy drinks
- 2 Healthy options in kids meals
- 3 Organic items
- 4 Locally-sourced items
- 5 Flavored/enhanced water
- 6 Spicy items
- 7 Wraps/pitas/tortillas
- 8 Breakfast wraps
- 9 Flatbreads
- 10 Espresso, specialty coffees

SOURCE: NATIONAL RESTAURANT ASSOCIATION, 2008

Healthy, flavor-packed bites like these grilled scallop-and-watermelon skewers hit the target for adventurous snackers.



opportunities for convenient, affordable, healthful meals have never been greater.

With three in five consumers purchasing more supermarket meals than one year ago, according to Technomic's June 2008 American Express Market Brief, restaurants can compete by promoting globally inspired, boldly flavored, healthful meals for take-out, focusing on dishes that can't be made easily at home. Pizza Hut's home-delivered family-sized Tuscani Pastas have rung up \$500 million since their launch in 2008.

Guests using carryout from QSRs were more likely to take advantage of limited-time offers, according to the marketing and research firm Sandelman & Associates. Supermarket foodservice has met with great success by offering craveable family meals-of-the-day and plenty of nutritious, snackable options like sugar-snap peas and dip or yogurt-and-granola snacks.

Technomic's September 2007 Market Brief found that 59 percent of consumers find the idea of healthy meals delivered to their home extremely appealing.

Since breakfast is now the fastest-growing daypart, entice potential diners with worldly breakfast items like chorizo scrambled eggs, Belgian waffles or huevos rancheros. Seafood offerings like smoked salmon or crab cakes are another great idea, as are Southern options like Hardee's Pork Chop 'N' Gravy Biscuit breakfast sandwich.

Restaurants also need to target the brown-bag market of 8.5 million adults who carry lunches to work, according to NPD data. Offer affordable, pre-made lunches like salads,

sandwiches and soups in the early-morning daypart, so that customers can pick up lunch on the way to work or school.

## 8. EXACT A PREMIUM

Technomic's Consumer Pricing Strategy Report of October 2008 found that diners are willing to spend more on higher-quality menu items if they include premium ingredients.

Slow-cooked meats, including pot roast, prime rib and carne asada, as well as premium meats like Angus beef, grass-fed beef and cured hams are fueling specialty sandwiches. Watch for Greek, Cajun, American Southern and pan-Asian sandwich cuisines to take shape, especially Vietnamese banh mi, Cubanos, muffulettas and other hearty meals in sandwich-form.

Freshness and "clean cuisine" are cited by 76 percent as key to food selection, according to the Hartman Group's 2008 Organic Report. Pesticide-free is very/somewhat important to 48 percent of diners, followed in quick succession by antibiotic-/hormone-free, natural, certified-humane, locally grown, sustainable, USDA-certified organic, Fair Trade, free-range, organic, grass-fed and heirloom.

In 2008, freshly baked, squeezed, cut, brewed, sliced, chopped, grated, ground, mashed and grilled were the top fresh descriptors on menus, according to Mintel Menu Insights. After fresh, in descending order, the top menu claims were crispy, creamy, seasonal, crisp, house/house-made, prime, tender, garden-fresh, special, imported and classic. Menu items that can tout these quality-connoting descriptors make diners feel they are getting their money's worth in premium, wholesome meals.

Savvy operators who can put these recession-proof strategies to work will succeed in spite of the economic downturn, because their customers will keep coming back for healthful, innovative, flavorful food that offers convenience and value. ☺

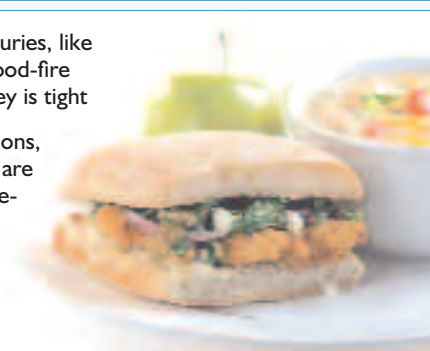
DR. A. ELIZABETH SLOAN, *president of the consulting firm Sloan Trends & Solutions, can be e-mailed at [lizsloan@sloantrend.com](mailto:lizsloan@sloantrend.com).*

### TAKE-AWAY TIPS

**INDULGE THEM:** Small luxuries, like specialty sandwiches and wood-fire grilling score big when money is tight

**EASE UP:** Grab-and-go options, take-out and anytime meals are ways to capture convenience-seekers

**RESIZE:** Small starters can make a meal, as can family-sized samplers



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