



# OPTIMIZE MENUS, MAXIMIZE SALES

Menus that are both streamlined and more flexible build profits



# THE INCREDIBLE SHRINKING MENU

Operators are downsizing menus to make them more efficient and profitable.

## OVERVIEW

# The Incredible Shrinking Menu

## SLIMMED-DOWN, MULTITASKING MENUS BOOST MARGINS AND MAXIMIZE EFFICIENCY

Operators are downsizing menus and transitioning to simpler operating models to make them more profitable and efficient in the post-pandemic era. But a smaller menu means that every single item needs to work harder. A streamlined, multitasking selection of mix-and-match offerings allows individual items to perform double and even triple duty. The strategy also leverages such sales-building categories as “left side of the menu” add-ons and beverages, new dayparts, and retail opportunities.



For more information on the foodservice industry's response to the pandemic, including important food handling & safety tips, see the [Top 2021 Foodservice Trends Report](#).



### TABLE OF CONTENTS

- [Appetizers and Snacks](#)
- [Drink Up](#)
- [Soups, Salads, and Sides](#)
- [Sweet Treats](#)
- [Daypart Opportunities](#)
- [Meal Kits, Retail, and More](#)
- [Conclusion](#)

Menus are shrinking, and that's a good thing. Many operators were making course corrections even before 2020, grappling with overly complex menus that had started to drag down prep and ticket times, become more inventory-intensive, and even confuse customers. Changing lifestyles and tastes pointed to less-structured menus—where side dishes could be appetizers, beverages could be snacks, breakfast could be dinner, and everything could be shared.

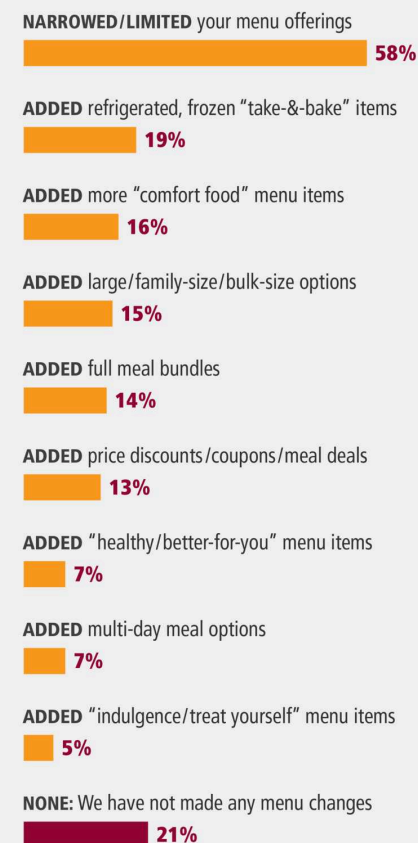
Then the pandemic arrived and kicked the trend into high gear, as takeout and delivery became the only game in town. Restaurants and other food and beverage operations that remained open pared back their menus to items that traveled well and wouldn't tax understaffed kitchens. Now that the industry is returning to the new normal with on-premise dining, smaller and more operationally friendly menus still make sense in many locations.



Slimmed-down menus can help boost margins and maximize efficiency, and work better for takeout. But smaller menus also mean each individual food and beverage item must work harder to earn its keep. In addition, revenue opportunities can be created by introducing new menu categories and dayparts, or offering items like gourmet groceries or grab-and-go meal kits.

## CHANGING TIMES CHANGING MENU

Have you made any changes to your menu in response to COVID-19?



Source: Datassential COVID-19 Special Report, #29 (July 2020)

## An effective menu optimization strategy works on multiple fronts:

- Focus on guest favorites and other familiar items that can be executed with pared-down, socially distanced back-of-house staff
- Use specials and LTOs (limited-time offers) to add variety and seasonality
- Seek to remove items with higher food costs or lower profit margins
- Revamp complex recipes to make them easier and quicker to execute
- Offer value alternatives to attract new business and encourage repeat orders
- Consider adding easy-to-execute items like shrimp cocktail or a ready-to-bake pot pie
- Fine-tune takeout and delivery items to maximize portability
- Plan menus to account for product availability and inventory (SKU) rationalization
- Rewrite the menu itself to encourage more free-form dining, for example grouping together smaller-portion items that can be ordered as starters, sides, shareables, or light meals
- Evaluate menu items for multiple daypart potential, such as brunch specialties that can also be used for lunch, or all-day favorites like sandwiches and salads
- Pay attention to party size (such as family-style takeout or bulk items) and what works with larger orders
- Utilize convenience and speed-scratch products where possible to cut down on prep and account for fluctuations in traffic
- Look to what Technomic calls the left side of the menu—appetizers, soups and salads, side dishes—plus beverages and desserts to boost check averages



There are other advantages to a simplified menu. Fewer choices mean reduced labor due to more efficient prep. There can be less reliance on hard-to-source ingredients, and less food waste. Making regular changes to the selection or adjustments to the menu mix is less time-consuming. And customers can navigate the menu more easily—a win-win that leads to less frustration for guests and speedier ticket times for the house.

But customers do still want variety. According to Datassential, one in three diners feels it's most important to have a mix of different price tiers and the ability to customize. Fan favorite dishes, comfort foods, and healthful options are also “must-haves” for some. One in four want to see new items occasionally rotated in for variety. And that makes for many additional opportunities to build sales.

Source: 1. Technomic, Planning Program 2020.

#### OPERATOR SPOTLIGHT

Reducing the menu to focus on customer favorites at the start of the pandemic helped **Applebee's** meet the demand for Carside To Go, pickup, and delivery orders. Moving forward, the smaller menu addresses the challenges of current safety guidelines (such as distancing in the kitchen), supply constraints, speed of service, and prep complexity.



#### “DON’T LIMIT ME TOO MUCH”

Customers still want options, even with limited menus.

Which are most important to you?

RANKED IN TOP 3

- **OFFER** a mix of different priced options **35%**
- **OFFER** some comfort food (classic, traditional) options **34%**
- **OFFER** the most popular/fan favorite dishes **32%**
- **ALLOW** me to customize **31%**
- **OFFER** some healthy options **29%**
- **OCCASIONALLY ROTATE** new items in for variety **28%**
- **OFFER** new/interesting options **26%**
- **OFFER** a mix of smaller (appetizers, sides) and larger dishes (entrées) **24%**
- **OPTIONS** that travel well for takeout/delivery **24%**
- **OFFER** dishes that are hard for me to cook myself at home **21%**
- **OFFER** some meatless/vegetarian options **14%**

Source: Datassential COVID-19 Special Report, #31 (August 2020)



## APPETIZERS AND SNACKS

Starters not only boost average checks, they're excellent menu multitaskers that can help guests have a more satisfying experience.

## CHAPTER 1

# Appetizers and Snacks

**IT'S THE LITTLE THINGS THAT COUNT, WITH SMALLER-PORTIONED MENU ITEMS THAT CAN ROUND OUT A FULL MEAL, OR DO DOUBLE DUTY AS SNACKS, LIGHTER OPTIONS, SHAREABLES, OR EVEN KIDS' MEALS**

Starters, small plates, and snacks have long been reliable check builders in many foodservice segments. Now, with pared-down menus and takeout/delivery carrying the day, appetizers are multitaskers that can address between-meal, light lunch, group dining, and children's portion needs.

Growth is still occurring in many already-familiar appetizer categories, and when they're made available in multiple formats or menued as offerings for a variety of different dining occasions, these can be welcome add-ons for customers.



**35% of consumers** are strongly likely to order either appetizers or small plates as a midafternoon snack.<sup>1</sup>

**Boards (+45.1%)<sup>2</sup>**—Like an antipasto with an upgrade, curated collections of cured meat, smoked fish, cheese, spreads, olives, marinated vegetables, and other premium ingredients make great shareables, snacks, and light meals; the individual components can also be packaged in simple meal kit form, with mix-and-match elements.

**Wings (+4.8%)<sup>3</sup>**—This perennial favorite lends itself to crave-worthy best-in-class versions including global flavor profiles (like Calabrian chile or Korean gochuchang); distinctive dipping sauces; and oven-roasted and boneless versions. Wings of all kinds also work well for family and group meals, and kid-friendly offerings.

**Meatballs (+14%)<sup>4</sup>**—From familiar beef and/or pork with marinara to signature variations made with lamb, poultry, or niche proteins, meatballs are versatile appetizer/snack items that also can be stuffed, skewered, tucked into sandwiches, or sliced for pizza toppings. Glazes and sauces can travel all over the globe, from hoisin to yogurt and dill, and there are even vegetable-based recipes.

**Specialty Breads (N/A)**—Highly portable and supremely appealing, bread-based appetizers such as bruschetta, crostini, flatbread, garlic knots, naan, and pretzels are excellent for ingredient and prep utilization (particularly with toppings) and are versatile enough to support specials and seasonal variations—as snacks, shareables, and light meals as well as more traditional starters.

**Sliders (+10.3%)<sup>5</sup>**—One hundred years after White Castle introduced them, mini-burgers have evolved into a favorite little format for sandwiches as varied as Sloppy Joes and BLTs, fried chicken and pulled pork, and turkey clubs. In fact, anything that can be put in a small bun or between two slices of downsized bread can be marketed as a starter, snack, lunch, or children's entrée.

**Dunkables (+4.8%)<sup>6</sup>**—Led by popular items like hummus, spinach-artichoke dip, queso, and simple chips and salsa, dips of all kinds accompanied by bread, crackers, crudité, pita crisps, etc, are becoming more common. Hot dips add value and drama to group dining situations, while plant-based varieties appeal to flexitarians.

**Global Appetizers (N/A)**—The growing popularity of Mexican, Mediterranean and Middle Eastern, Asian, Indian, Italian, South American, Japanese, and other ethnic cuisines has led to increased demand for appetizers as varied as tacos, kabobs, dim sum, edamame, samosa, arancini, empanadas, sushi, and many more global finger foods, particularly on mainstream menus.

**55% of consumers** typically share appetizers with others in their dining party.<sup>1</sup>



**The average price of appetizers** on all menus is \$7.10, ranging from \$6.56 for QSRs to \$15.25 for fine dining.<sup>7</sup>



### OPERATOR SPOTLIGHT

The menu at **Casa Pernoï**, an Italian restaurant in Birmingham, MI, includes more than a dozen items to accompany housemade bread, including Sicilian caponata, roasted peppers, marinated artichokes, housemade ricotta, mortadella, 'nduja, roasted olives, giardiniera, roasted garlic purée, and mozzarella with tomatoes and basil. Priced at \$5 to \$9 each, these mini-appetizers are meant to be mixed, matched, and shared.

Sources: 1. Technomic Consumer Trend Report, Starters, Small Plates and Sides (2019). 2. Datassential SNAP! Charcuterie (2020). 3. Datassential SNAP! Chicken Wing (2020). 4. Datassential SNAP! Meatball (2020). 5. Datassential SNAP! Sliders (2020); 6. Datassential SNAP! Dip (2020). 7. Technomic Ignite, Appetizers (2020).





## DRINK UP

Beverages of all kinds are a classic upsell, but sometimes they need a nudge to reach their full profit potential, especially with takeout and delivery.

## CHAPTER 2

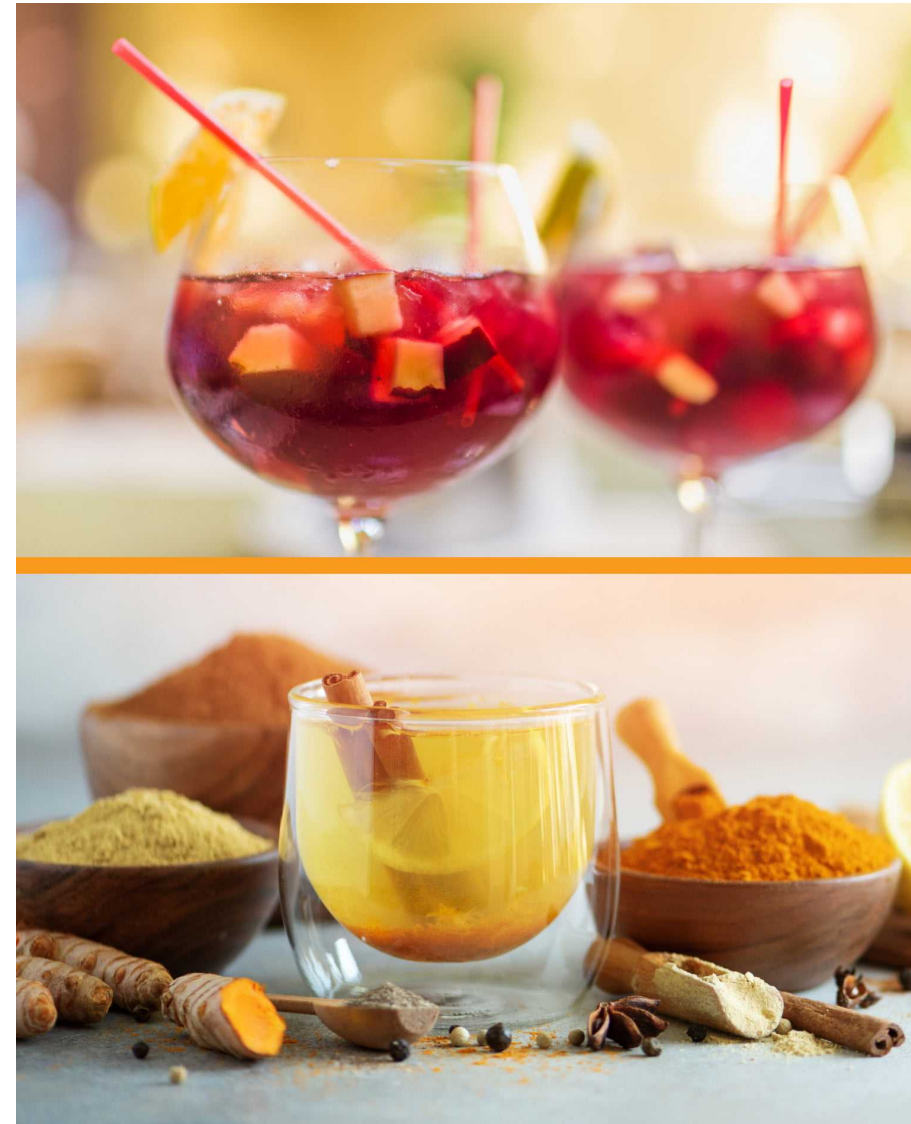
# Drink Up

### **MAKE SURE ALL OF YOUR BEVERAGES, BOTH ALCOHOLIC AND NON-, ARE SPECIAL ENOUGH TO ENTICE CUSTOMERS AWAY FROM TAP WATER**

Most customers drink something with their meals, or when they're simply thirsty. Your job is to trade them up to à la carte beverages—one of the most profitable categories on any menu.



**The average price** of nonalcoholic beverages on all menus is \$3.00; for specialty drinks such as cocktails, it's \$14.30.<sup>1</sup>





Flavored tea and lemonade, blended beverages such as smoothies and freezes, signature juices and juice blends, premium coffee, and so-called functional offerings (enhanced waters, kombucha, energy drinks) show special promise in the current market. The reason: Many of these items are out of the make-it-at-home wheelhouse and speak to indulgence and a more complete dining experience. These beverages are also appropriate as snacks or even meal replacements, in addition to more typical before- and during-meal consumption.

**Beverages of all types** have enjoyed four-year growth of **15.3%** on U.S. menus, and are expected to outperform **92%** of all foods, beverages, and ingredients over the next four years.<sup>2</sup>

- **Maximize blended beverage sales** with ideas like a 50/50 chocolate milkshake with orange juice, coconut milk-and-juice shakers, frozen nonalcoholic versions of indulgences like margaritas and piña coladas, and old-fashioned malts
- **Flavored lemonade and iced tea** represent an opportunity to offer a premium nonalcoholic signature or even an on-trend cocktail. Layer tea with juice, add yuzu and pomegranate to lemonade, add texture with boba “pearls,” or spice things up with cayenne pepper
- **Consider seasonal lemonade and iced tea flavors**, such as lavender for spring and green apple for fall
- **Go beyond popular orange and grapefruit juice** with such newly appealing flavors as mango, cucumber, beet, and blends of both fruits and vegetables, as well as additions such as ginger and turmeric
- **Cross-utilize juices in large-format pitchers** for groups, cocktail mixers, and marinades, or mix with club soda for a refreshing sparkler
- **Consider offering dairy-free blended beverages**, such as slushies and plant-milk shakes, in addition to traditional shakes and smoothies

- **Make sure your coffee program is top-shelf**, including espresso-based beverages such as high-growth lattes, Americanos, and macchiatos
- **Remember that iced coffee is appealing year-round**, especially in warmer climates as a liquid snack. This includes not only iced coffee and cold brew but also specialty chillers like iced latte, Vietnamese iced coffee, and coffee frappes
- **Expand a cocktail program** to include one-of-a-kind signatures, top-shelf classics, and seasonal offerings
- **Canned wine and cocktails** are also on-trend with younger consumers, and they fit well with takeout beverage programs where allowed by law
- **Join the growing cadre of operators** offering DIY cocktail kits and self-branded bottled cocktails where local regulations permit; these can be paired with ready-to-eat dips and other easy “cocktail party” fare to build sales and address any regulations requiring beverages to be served with food
- **Look to such “progressive” beverages** as cider, CBD infusions, small-batch spirits, lower-ABV “session” beers, and sparkling wines such as Prosecco to build interest, especially among Millennials and older Gen Z customers

Above all, however, make sure the entire beverage selection is easy to find at every point of customer contact—on or with the menu or menu board, online, and on ordering forms for off-premise consumption.



#### OPERATOR SPOTLIGHT

**Furious Spoon**, a hip ramen shop with two locations in Chicago, offers a variety of multi-drink cocktail packages for groups of three or more dine-in patrons, as well as DIY cocktail kits (\$10–\$40) and beer and sake tastings for takeout/delivery. Specialty cocktails and nonalcoholic signatures such as Spicy Lemonade and Grapefruit Fizz round out the beverage program.

## To Your Health

The pandemic has accelerated an already growing trend of health awareness among the public, including the high-growth category of functional beverages (which includes energy drinks, immunity boosts, fortified juice, sports drinks, and dairy alternative drinks, as well as enhanced water products, ready-to-drink tea, and coffee).

Although many of these beverages are marketed in CPG packaged form, operators can create their own health-affirming offerings by incorporating beneficial ingredients such as superfoods (berries, coconut water, kale, turmeric, honey), vitamins and mineral supplements, and nutritional boosts (activated charcoal, matcha powder, baobab) into juices, blended drinks, and even cocktails.

Another possibility is upgraded kombucha, such as turmeric-ginger or mango pineapple. Datassential puts four-year growth of this fermented, slightly fizzy tea beverage at 317%,<sup>3</sup> and plant-focused and locavore menu makers in particular are putting their own stamp on the beverage with added ingredients like passionfruit, pear, and cayenne.

Sources: 1. Technomic Ignite, Nonalcoholic Beverages (2020); Technomic Ignite, Specialty Drinks (2020). 2. Datassential SNAP! Beverage (2020). 3. Datassential SNAP! Kombucha (2020).





## SOUPS, SALADS, AND SIDES

These profit makers build out a meal experience, and they represent a robust source of add-on sales.

## CHAPTER 3

# Soups, Salads, and Sides

### THESE VERSATILE MENU CATEGORIES CAN BE OPTIMIZED WITH INNOVATION AND A FEW SIMPLE MARKETING TECHNIQUES

Consider all the ways that a bowl of soup, a crisp salad, or a comforting side dish can function as a sales builder and a guest satisfier. Soup can be an appetizer, a sandwich companion, or a light lunch or dinner specialty. You can start a meal with a salad or build it out into a healthy entrée option. And side dishes add interest to center-of-plate items, create opportunities for sharing, and are a boon to vegetarian and vegan diners as an appetizer or part of a plant-forward meal.

#### OPERATOR SPOTLIGHT

Cult-favorite salad chain **Sweetgreen** has tapped trendsetting chefs to collaborate on signature salads, including David Chang (sweet potato and kelp bowl); Dan Barber (roasted Koginut squash, organic spinach, wild rice, pears, fennel, basil, and goat cheese); Danny Bowien (kale Caesar with chicken, chickpeas, and Sweetgreen's hot sauce); and Missy Robbins (arugula, baby spinach, crushed red peppers, and balsamic vinaigrette).



## SOUP'S ON

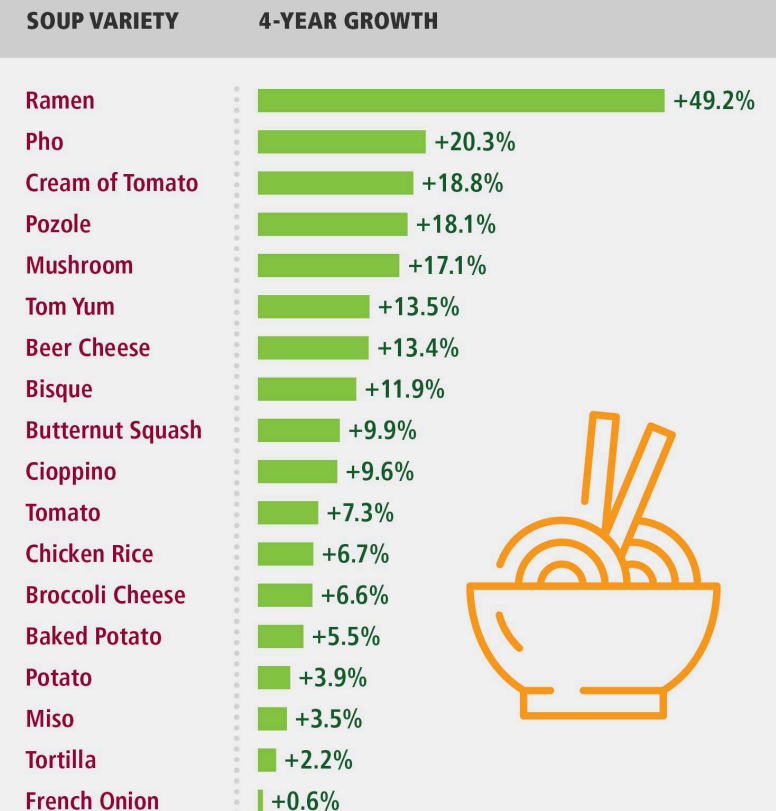
Despite its almost universal popularity—80% of consumers either like or love it,<sup>1</sup> according to Datassential, across all demographics—soup may not be living up to its full potential. Although operators rightly consider menuing soup for its seasonal appeal and cross-utilization benefits, the category could easily support more innovation.

**The average price of soup** on all menus is \$6.40, and rises to \$7.76 for upscale casual dining, and \$10.03 for fine dining.<sup>2</sup>

A few strategic upgrades can transform soup from an afterthought into a signature item that does double duty as an entrée as well as an appetizer. These ideas go beyond a soup du jour program or soup-and-salad combo.

- Menu soup by the cup as well as the bowl to make it more appropriate as a starter
- Pair with a complementary accompaniment, such as housemade oyster crackers, mini-calzone, or a caddy of different DIY garnishes (croutons, grated cheese, toasted pumpkin seeds) to create a premium presentation
- Offer soup for a group, by the tureen when dining in, or the quart for family-style takeout meals

## ON THE UPSWING



Source: Datassential SNAP! Soup Varieties (2020)

## SALAD DAYS

From locally grown boutique greens dressed in a delicate vinaigrette to hearty protein-packed entrée salads, the salad category provides tremendous menu versatility. Salads are perfect for plant-based menus, DIY platforms, and better-for-you options, and they're also excellent vehicles for local and seasonal ingredients. Salads that can be prepared ahead or on the pantry station also take pressure off the line.

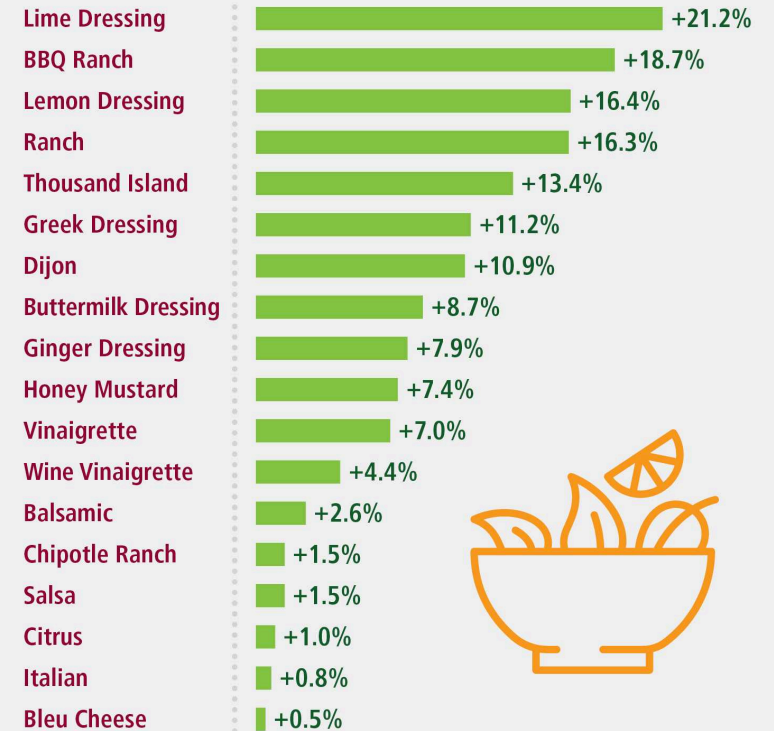
**The average price of salad** on all menus is \$9.10, but casual, midscale, fast-casual, and fine-dining restaurants support prices ranging from \$10.03 to \$13.44.<sup>3</sup>

- Look into global salad specialties, such as grain-based Middle Eastern tabbouleh, French *salade* Nicoise with tuna and string beans, and Bulgarian *shopska* (marinated tomatoes with cucumber, scallions, and peppers)
- Include a high-value main course salad or two among the entrées to appeal to those who see them as a lighter option, such as a cooked-to-order steak and Gorgonzola cheese salad, Asian noodle salad, or warm roasted vegetables with garbanzo beans
- Incorporate on-trend vegetables like kale, Brussels sprouts, cauliflower, squash, and sweet potatoes to add heft and textural interest to salads, as well as nuts, seeds, and grains

## DRESSED TO THRILL

### SALAD DRESSING VARIETY

### 4-YEAR GROWTH



Source: Datassential SNAP! Salad Dressings (2020)

## SIDE HUSTLES

In many cases, a side dish will sell the entrée—think of the appeal of an accompaniment like mashed potatoes or onion rings. Some side dishes, including risotto or twice-baked potatoes, are famously comforting, which makes them especially appropriate for today’s menus. A more elaborate side, like crispy Brussels sprouts or corn fritters, can do double duty as an appetizer or as part of a meatless meal. And offered as part of a “choose two” platform or uncoupled into à la carte selections, side dishes spell customization for guests. Sides can also be menued as snacks to expand between-meal dayparts.

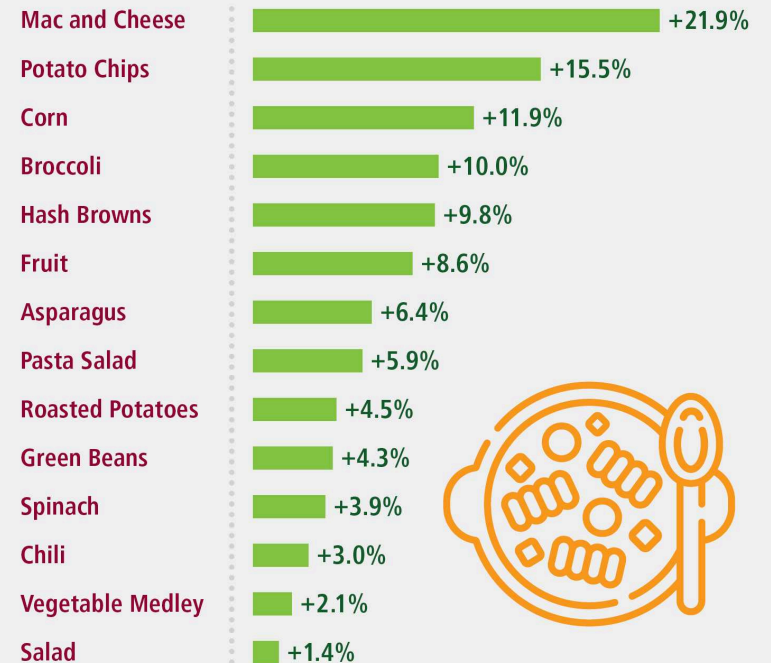
**The average price of sides** on all menus is \$4.00, but a premium side dish in an upscale casual restaurant or fine dining can fetch \$7.39 or \$15.08, respectively.<sup>4</sup>

- Offer family-style portions of popular sides or signature accompaniments for parties to share, whether dine-in or takeout
- Elevate favorites; for example, treat fries to flavor with dusts, grated cheese, seasoning salts, specialty coatings, or premium sauces such as sriracha aioli or umami ketchup; or swap in sweet potatoes, tots, or even polenta or zucchini “fries”
- Look to lesser-known ingredients to add interest—forbidden black rice, delicata squash, sugar snap peas, multicolored beets, bok choy—and play up taste, texture, and value with the addition of olives or capers, spicy honey, dates, branded spirits, yogurt, chiles, or citrus fruit

Sources: 1. Datassential SNAP! Soup (2020). 2. Technomic Ignite, Soup (2020). 3. Technomic Ignite, Salad (2020). 4. Technomic Ignite, Sides (2020).

## SALES ON THE SIDE

### SIDE DISH VARIETY 4-YEAR GROWTH



Source: Datassential SNAP! Sides (2020)



## SWEET TREATS

Desserts can enhance the patron dining experience and add another profit center. They're also popular as standalone snacks, especially midmorning and midafternoon.

## CHAPTER 4

# Sweet Treats

### **SWEETS OF ALL KINDS, INCLUDING POPULAR FAVORITES LIKE ICE CREAM, COOKIES, BROWNIES, CHEESECAKE, AND DONUTS, ARE EASY TO MERCHANDISE AS ANYTIME INDULGENCES**

Room for dessert? According to Technomic,<sup>1</sup> 41% of consumers report eating dessert after a meal at least once a week, driven by younger patrons who tend to be less calorie-conscious and more interested in seeking out unique experiences. Furthermore, menu claims of “made from scratch” and “real” (both cited by 67% of those surveyed) and “premium” (61%) are most likely to increase purchase intent and are also closely associated with freshness and quality in the minds of consumers.



**93% of consumers** ate a dessert within the past week, including 55% who enjoyed one that day.<sup>2</sup>



**Tapping those patron sweet spots is important, especially when it comes to selling dessert items as snacks. Some trends and customer preferences to consider:**

**Cookies**—From mega-size chocolate chip cookies to cookie crumbles as an ingredient in sundaes, shakes, and cakes, cookies are on a roll. Individual cookies of all sizes and flavors—snickerdoodles, macarons, black and white, chocolate chunk—are particularly portable and sturdy for takeout.

**Updated Classics**—Nostalgia and sweets go together, especially for stressed-out Millennials. Chocolate Peanut Butter Pudding Pie. Homemade donuts with fresh strawberry jam. Poundcake Bread Pudding. Boston Cream Pie Cheesecake. You get the idea.

**Seasonal Ingredients and Flavors**—Incorporating seasonality into desserts with flavors like rhubarb, lavender, peach, mint, apple, pumpkin pie spice, and peppermint is a smart strategy for making desserts and sweet snacks more interesting. This works particularly well with ice cream and newly trendy soft serve.

**Savory Touches**—Herbs such as basil, lemon thyme, and bay leaves; touches of spiciness with ginger and chile; vegetables including sweet potatoes, avocado, and beets; alcohol such as whiskey; and of course bacon have all made their way into desserts.

**Global Influences**—Many worldly desserts are finding their way onto mainstream menus:

- Mexican churros, sopapillas, and *paletas*
- Japanese mochi, crepes, and *daifuku*
- Italian gelato, cannoli, and panna cotta
- Indian *kheer* and *kulfi*
- Middle Eastern baklava, halvah, and *muhallebi*



## MENU ADOPTION CYCLE: DESSERT VARIETIES

### INCEPTION

fine dining • mixology • earliest stage

affogato alfajor bombe  
bomboloni budino  
dessert gnocchi galette  
gluten free granita halva  
kheer kulfi macaron  
mille feuille olive oil cake  
pain au chocolat paleta  
pavlova pot de creme  
profiterole rolled ice cream  
semifreddo zabaglione

### ADOPTION

trendy restaurants • specialty grocers

baklava banana foster  
beignet biscotti churro  
chimichanga cream puff  
crepe crostata custard  
dessert pizza donut eclair  
empanada fried ice cream  
frozen custard gelato  
italian ice mochi souffle  
mash-ups (ex: cronut, doughscuit)  
panna cotta rice krispie treat  
rice pudding sopapilla tart  
truffles vegan whoopie pie

### PROLIFERATION

chain restaurants • mainstream grocery

blondie bread pudding  
cannoli cobbler  
creme brulee dessert bar  
flan mousse sorbet  
skillet dessert tiramisu  
turnover

### UBIQUITY

find it just about anywhere

brownie cake cheesecake  
cinnamon roll cookie  
coffee cake cupcake  
float frozen yogurt  
ice cream ice cream cake  
ice cream sandwich malt  
milkshake mini/jumbo dessert  
pie pudding sherbet  
soft serve sundae





Sources: 1. Technomic 2019 Dessert Consumer Trend Report. 2. Datassential Keynote Report, Dessert's Sweet Spot (2019). 3. Technomic Ignite, Dessert (2020).

### OPERATOR SPOTLIGHT

At **Morrison Living Centers**, the 10 a.m.–2 p.m. Time to Groove snack cart features such sweet but healthy items as chia pudding, granola bars, and yogurt parfaits. At **Morrison's Heritage on the Marina**, in San Francisco, a recent offering of Italian bruschetta showcased tomatoes, the superfood of the month.

The average price of **dessert** on all menus is \$5.20, but upscale casual and fine-dining restaurants average \$9.69 to \$11.39, respectively.<sup>3</sup>





## DAYPART OPPORTUNITIES

Changes in daypart usage—when customers frequent restaurants and other foodservice outlets—warrant a new look at menu offerings and hours of operation.

## CHAPTER 5

# Daypart Opportunities

### CHANGES BROUGHT ABOUT BY LIFESTYLE SHIFTS MEAN LESS DEMAND FOR BREAKFAST AND LUNCH, BUT ALSO MORE OPPORTUNITY FOR DAYPART TWEAKS

What happens when office buildings empty, schools pivot to remote learning, and adults and kids are home more? Meal needs change.

A recent consumer survey by Revenue Management Solutions (RMS) revealed that 33% of respondents have changed their breakfast habits, and 44% have changed lunch habits, with more cooking at home.<sup>1</sup> And while dine-in traffic was still down as much as 60%–70% year-over-year for some brands, drive-thru traffic—with its promise of low-contact pickup—was up significantly, enjoying year-over-year growth of as much as 20%.<sup>2</sup>





**27% of consumers** are snacking more often overall, including **37%** of Gen Zers and **31%** of Millennials.<sup>4</sup>

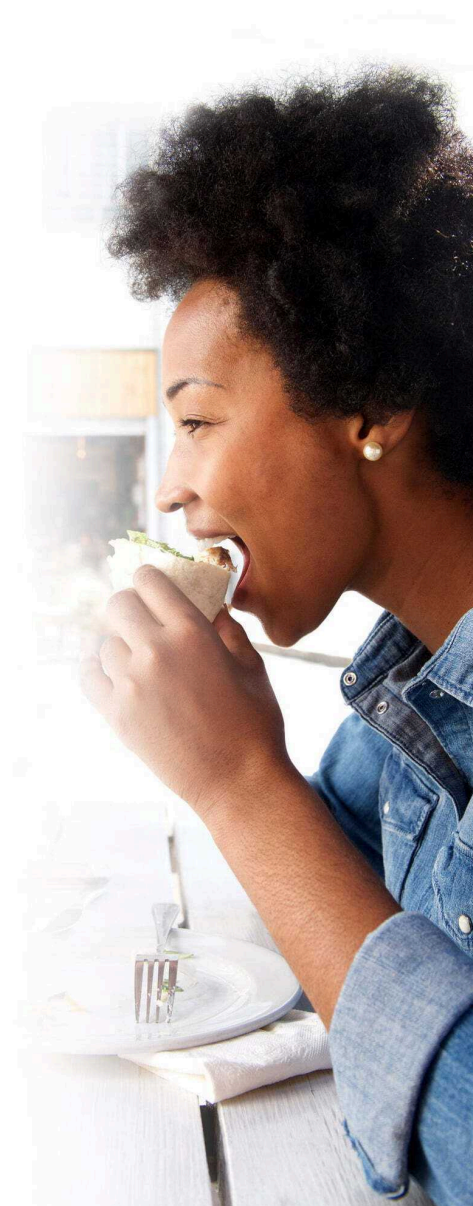
In addition, ordering behavior is different, according to RMS. What guests order, for whom, and how have all changed. Group or family orders, picked up curbside, have replaced a family night out, for example. And while traffic might be down, check size is growing to meet the new occasion. In fact, checks below \$10 were on the decline, while checks totaling \$15 and more have grown.<sup>3</sup>

This had led to a number of industrywide changes, like McDonald's eliminating its longstanding all-day breakfast menu and Outback Steakhouse shaking up its menu with lower prices and bigger portions across a single all-day menu.



**Job one for operators is to reach out to customers who are now cooking more at home, by offering additional meal solutions and creating opportunities in nontraditional dine-in time slots.**

- Consider paying more attention to weekend breakfast and brunch (with later hours of operation), when patrons will be out and about more, and people are more inclined to meet friends
- In some areas, a “second breakfast” daypart is emerging during midmorning, when people who are working from home may venture out for something more substantial after early-morning coffee and toast
- Also investigate the midmorning daypart for selling baked goods, breakfast sandwiches, and specialty coffee beverages
- Many guests, especially younger Gen Z and Millennials, still crave breakfast foods like pancakes and egg specialties, which can be offered throughout the day and for dinner and late-night dayparts
- Add better-for-you options throughout the day, for those who have adopted healthier eating patterns
- Implement more flexible menu formats that include items that can be ordered as snacks, such as appetizers, side dishes, desserts, and satisfying beverages including juices and smoothies
- Continue to promote or expand contact-free dining options including takeout, delivery, curbside pickup, drive-thru, and pickup windows
- Adjust the menu to provide more multipurpose items that can work for more than one daypart, such as grain bowls and hearty sandwiches
- Look to the post-dinner time slot for special late-night menu items, price reductions, and snacks
- Take advantage of families’ increased need for convenience and flexible options with services like online ordering/payment, kids’ menu items and portion-pricing structures, and incentives such as BOGO (buy one get one) and off-hours discounts
- Offer a loyalty program to encourage direct-order takeout and delivery, rather than third party
- Investigate meal kits as a way to bridge the gap between traditional restaurant meals and cooking at home. Innovate around options like a week’s worth of breakfasts, planned leftovers, afterschool snacks, or kid-friendly options
- Create pay-one-price family and group-size meals and multiportion menu items that are appropriate for groups
- Introduce carryout or dine-in group and family menus for the many special occasions that people celebrate together, from birthdays to gamedays to holidays





### OPERATOR SPOTLIGHT

In downtown Nashville, **Union Teller** implemented a new all-day menu to respond to changes in local office-building populations, as well as reductions in its corporate catering business. The new selection is organized around versatility for takeout and delivery, offering not only all-day breakfast, but also salads, sandwiches, and soups available throughout more limited operating hours.

Sources: 1. Revenue Management Solutions, Restaurant Consumer Report, Q3 Update: Delivery Edition (September 2020). 2. Revenue Management Solutions, COVID-19 Impact Report (September 2020). 3. Revenue Management Solutions, COVID-19 Impact on Restaurant Consumers: Family Edition (July 2020). 4. Technomic 2020 Generational Consumer Trend Report.

## CHANGING DAYPART NEEDS

- Schools closed
- Work-from-home policies alter commuting patterns



### WEEKDAY BREAKFAST

Convenience

Indulgent



### WEEKDAY LUNCH

Convenience

Off-premise lunch



### SNACK & BEVERAGE OCCASIONS

Convenience

Cravings



### HAPPY HOUR

Near workplace

Off-premise/  
at home

■ PREVIOUS COMMUTER DAYPART PATTERNS ■ NEW DAYPART OPPORTUNITIES

Source: Technomic, Planning Program 2020



## MEAL KITS, RETAIL, AND MORE

Other selling opportunities can make a big difference, including pop-ups and other special events, mobile locations, grocery and retail sales, branded products, DIY meal and cocktail kits, and partnerships with mail-order specialists.

## CHAPTER 6

# Meal Kits, Retail, and More

### FOODSERVICE OPERATORS HAVE PRODUCTS CUSTOMERS WANT TO BUY—AND MULTIPLE WAYS TO MERCHANDISE THEM

If there's anything the foodservice industry has demonstrated over the past 15 months, it's the resilience to be innovative when it comes to squeezing every bit of sales out of a location. And it turns out that there are many ways to build food and beverage sales that don't depend upon the traditional dine-in or even takeout model.

**19% of family households** reported using meal kits more or much more, versus **6%** of single households.<sup>1</sup>

**33% of consumers** would "definitely try" to-go cocktail kits, while **32%** "might try" them.<sup>2</sup>



Consumers, for their part, seem to be hungry for new options, which offer greater variety, a more complete dining experience, and enhanced safety and convenience. These include the following:

- **DIY meal and cocktail kits** allow customers to create their own restaurant-quality experience at home
- **Pop-ups** pave the way for chefs or purveyors and operators to collaborate, or for an establishment to experiment with a new menu concept or service style without compromising its core premise
- Selling **groceries and fresh foods** started as a way to provide a service to communities, manage inventory, and help out suppliers, but is becoming part of a new “general store” model
- **Branded merch**, including sauces, marinades, dressings, and bottled cocktails, as well as items like t-shirts, calendars, logoed glassware, and cookbooks, provides not only sales but also brand exposure
- Offering **special-event group menus**—whether for takeout or dine-in—mean guests can celebrate everything from gamedays and family birthdays to holidays
- **Mail-order sales**, whether handled in-house or via a third party, act as a brand-building form of event marketing and catering
- Taking the show on the road with a **food truck, barbecue wagon, kiosk, or other mobile unit** provides another point-of-sale and can be taken to socially distanced outdoor venues and other special events



**72% of consumers** say they'd be willing to purchase groceries from restaurants, and **53%** say they'd be willing to purchase meal kits.<sup>3</sup>

Big Tree Foods, which operates restaurants in Portland, ME, and Boston, has launched Big Tree Grocery to provide weekly grocery pickup for items like signature meal kits; pantry items such as sourdough starter and Asian sauces; specialty dairy; fresh pasta; proteins including seafood, chicken, pork, and lamb; and bulk side dishes, dressings, and marinades.

In Asheville, NC, the owners of the fine-dining Vivian garnered an initial following with the Salt & Smoke pop-up in a local brewery. Now, with Vivian operating at partial capacity, old Salt & Smoke specialties like fried chicken and Hot Wings have been added pop-up style on certain nights.

Chick-fil-A has focused on several different ways to serve guests, including Chicken Parmesan Meal Kits; 8-oz bottles and tubs of such signature sauces as Chick-fil-A, Polynesian, and honey mustard (which were already available in individual packets); new Family Meal bundle options; and the Nightly Nuggets video cooking series showing easy-to-make recipes using Chick-fil-A menu favorites.

The Momofuku line of branded “secret ingredients” for home cooks has expanded to include seasoned salts, chili crunch, and umami-rich kombu soy sauce, tamari, and cold-pressed sesame oil.

Daniel Boulud has partnered with the upscale mail-order delivery aggregator Goldbelly to provide a curated selection of classic Lyonnaise bistro meal kits, including Red Wine Braised Beef Short Ribs and Bouillabaisse (priced at \$275 and \$350 for four, respectively), as well as ready-to-cook Wagyu beef cuts and flavored butters, a collection of branded smoked salmon, and macaron gift boxes.

Sources: 1. Revenue Management Solutions, COVID-19 Impact on Restaurant Consumers: Family Edition (July 2020). 2. Datassential COVID-19 Special Report, Back in the Game (2020). 3. Datassential COVID-19 Special Report #31 (August 2020).





## CONCLUSION

Now more than ever, operators must maximize every sale in order to prosper.

## CONCLUSION

# Simplified Menus Are an Idea Whose Time Has Come

The challenges of the last 15 months have amplified many of the problems food and beverage operators were already grappling with: increasing competition, rising costs, labor shortages, and large, unwieldy menus that were becoming harder to execute.

The silver lining is the wisdom of the streamlined menu, where menu categories are more flexible and check builders like appetizers, desserts, side dishes, and new dayparts and sales opportunities work harder to build profits.

## OPERATOR SPOTLIGHT

In South Portland, ME, **North43Bistro** has introduced the Hello43Bistro menu for at-home meals for pickup. The centerpiece is \$18–\$35 ready-to-cook proteins for two (molasses-marinated sirloin, lemon-olive oil chicken breast, salmon filet); à la carte additions include a packaged salad kit and ready-to-heat starches and veggies (sweet potato gratin, rice pilaf with spinach, roasted Brussels sprouts), plus desserts and specialty breads, each portioned for two. The minimum order is \$40.



There are provisos, of course:

- **Customers still want variety**—Subtract items with sensitivity, and use specials and LTOs (limited-time offers) to add more choices
- **Sourcing can be challenging**—Use menu engineering and SKU rationalization to avoid shortages
- **Dining patterns have changed**—Optimize for quicker service times, takeout and delivery, and demand for options like meal kits and family meals
- **Operations have also changed**—Take into account the need for leaner kitchen staff, fewer tables, and reduced hours of operation

In addition, there is the question of pricing and value. As Technomic points out, many consumers need to play the tradeoff game when deciding what and how much to order. Offering items that are lower in food costs as well as price point, creating pay-one-price meal bundles, and focusing efforts on dayparts that are traditionally more affordable (such as brunch or late-night) can pay off.

Focus on how different kinds of meals are ordered. For instance, larger parties may order more add-on items if they are offered in family-size portions, such as a platter of chicken wings, iced tea by the pitcher, or a communal side dish.



## THE PRICING PUZZLE



**ADD-ONS** like appetizers, sides, and desserts help to round out meals and make them feel more complete, but consumers are often forced to cut back on these favorites in order to **KEEP THEIR CHECK TOTALS DOWN**.

Items consumers cut back on most often when trying to keep the cost of a meal down:

1. Desserts
2. Appetizers
3. Beverages

Percent of consumers who purchase the following at least once a week:

41%

**DESSERTS**  
after a meal

35%

**SIDES**  
from foodservice

29%

**APPETIZERS**  
from foodservice

Percent of consumers who say they sometimes cut back on add-ons to save money:

**48%**  
**FAMILY STYLE**

Among these, **47%** of their visits include cutbacks

**47%**  
**FAST CASUAL**

Among these, **50%** of their visits include cutbacks



**46%**  
**CASUAL DINING**

Among these, **54%** of their visits include cutbacks

**44%**  
**QSR**

Among these, **55%** of their visits include cutbacks

Source: Technomic Consumer Food Trends (2020)

# About Nestlé Professional

Nestlé Professional is dedicated to being an inspiring growth partner that delivers creative, branded food and beverage solutions, enabling foodservice operators to delight their consumers. From *Minor's*®, *Stouffer's*®, *Chef-mate*®, *Sweet Earth*®, *Nature's Heart*®, and *Trio*® on-trend culinary items to innovative beverage systems under *NESCAFÉ*®, *Nestlé*® *Vitality*®, and *Coffee mate*® brands, Nestlé Professional meets the needs of foodservice operators while satisfying the tastes of the out-of-home consumer. Nestlé Professional is part of Nestlé S.A. in Vevey, Switzerland—the world's largest food company—with sales of over \$98 billion. For more foodservice product news and information, visit [www.nestleprofessional.com](http://www.nestleprofessional.com).

*The information provided is based on a general industry overview, and is not specific to your business operation. Each operation is unique and business decisions should be made after consultation with appropriate experts.*



Thank you for reading

# Nestlé Professional

