

Catering to Changing Lifestyles



Consumers have been cutting back on dine-in restaurant occasions and opting for takeout instead. The obvious reason is economic: food costs the same, but there's no tip, and beverages and add-ons can be sourced elsewhere at lower cost. However, takeout aligns with today's lifestyles in other ways as well. As work blends into the rest of life, a company meeting is increasingly likely to be a working breakfast or lunch; even the holiday party may be held on-premise rather than at a restaurant. After work hours, the predictable urge toward "cocooning" in uncertain times is intensified by new temptations—the high-definition TVs and video games that make "staying in" more inviting than it once was.

The takeout share of the foodservice dollar has been growing for years, particularly in full service, where innovations such as "curbside to go" programs have built a significant revenue stream. Now, having mastered takeout, restaurants are increasingly turning their attention to large-order catering for both business and social events.

Catering for All—and for All Seasons

Social catering is a potential revenue stream for just about any type of restaurant that can handle the extra business, from a fine-dining venue to an ethnic eatery to a fast-food burger joint. And although high-volume catering is a year-round business, now is a good time to inaugurate or upgrade a program, as the fall and winter holidays will soon be upon us.

Technomic research shows that among consumers who have bought prepared foods for group gatherings on holidays, the most popular occasions include Christmas (66%), Thanksgiving (61%), New Year's Day (48%) and New Year's Eve (47%). There are holiday opportunities in other seasons as well; more than half of consumers (53%) had purchased prepared foods for a Fourth of July party, 47% had made a purchase for an Easter occasion and 43% had done so for Mother's Day.

Of course, the holidays themselves aren't the only focus for seasonal catering. Consumers also indicate that they often rely on party platters or catered foods on the day before a major holiday, when they're busy prepping for the big day and don't want to cook yet another meal for a large gathering of family and houseguests.

One premium ice-cream chain offers three different types of catering service—a sundae bar, an ice-cream social and a "portable slab" of ice cream.

And, while four out of five of catering customers place orders for social occasions, corporate catering is another potentially profitable channel: Technomic has calculated that business and medical markets represent something on the order of an \$18 billion opportunity for restaurants.

What Catering Customers Seek

When catering customers were polled about catering attributes, the critical drivers named both by those who placed business orders and those who placed orders for social occasions were:

- Quality
- Taste
- Order accuracy

For consumers who placed business, medical and group orders, other top characteristics were:

- On-time delivery
- Ease of ordering
- Availability of delivery

And for consumers who placed orders for social occasions, other top-ranked factors were:

- Price
- Familiarity with the food
- How well the food travels
- Who will be eating the food
- Whether the food "looks as if I made it myself"

Strategies for Success

- **Offer options in menu offerings.** These might include individual box meals, platters, family-style bowls or salads, and individual and bulk beverages. Most business orders are for lunch or breakfast, and the most popular orders are for platters and hot prepared foods; buffets and individual box lunches are other frequent formats. Meat and cheese platters allow attendees to build their own sandwiches. Vegetable and fruit platters are also popular.
- **Be true to your menu positioning.** For a pizza operator, a business lunch option could include pizza, pasta, sandwiches and dessert—a single order that will be likely to satisfy most of the group. Mexican restaurants have found success with platters that include such traditional fare as tacos, burritos and

quesadillas, as well as self-service formats such as “build it yourself” tacos or fajitas. One Mexican chain recently made a play for the breakfast catering business with a make-it-yourself breakfast burrito bar.

- **Get creative with platters.** One sandwich concept added a collection of “Piccolo” mini-sandwiches to its catering menu to align with the small-plates trend. A “healthy” chain offers a Sweet and Salty Tray featuring assorted snacks such as pretzels, sesame sticks and nuts.
- **Evaluate your online ordering system.** The availability of online ordering is increasingly important—even essential—to catering customers. There should be an easy-to-find group-orders option on your concept’s website; the site administrator can set order limits (minimum number of people, minimum dollar order). Make it easy with a web portal that allows order-placers to choose the size of their party, then bring up suggestions for orders. An optional connection to a live operator is a welcome feature. Don’t forget a confirmation e-mail to customers who have placed orders. Sysco’s iCare partner, Snapfinger, can help you connect with the 92% of consumers who are online daily. More information can be found at <http://www.syscoicare.com/ServicesLibrary/Snapfinger.aspx>
- **Go mobile.** Mobile-phone ordering is increasingly important for a major segment of the customer base. If you expect frequent orders from repeat customers, consider a downloadable app that allows users to locate restaurants, view restaurant and catering menus, place an order (or repeat a previous order) and make a secure payment via credit card. The Snapfinger mobile ordering application allows you to create a mobile

access point for your menu and offers another convenient method for customers to place orders.

- **Consider delivery.** For companies that want to capture frequent orders, delivery is an important service that customers are willing to pay for. Delivery options can be driven by group size. Consider contracting with an outside service if you’re not ready to go into the delivery business yourself.
- **Think about a food truck.** These trucks rolled into Los Angeles, New York and other big cities a few years ago as trendy alternatives to “land-based” restaurants, but now traditional restaurants are co-opting the fad with their own trucks, bringing their brand to corporate and private gatherings (including office meetings, sporting events and parties) as well as community fairs.
- **Offer options for service style.** Some restaurants make their orders available with either disposable plates or the option of renting real china. Others that send staff offsite offer family-style catering for small groups—food is delivered and set up, complete with a table cover, and the staff then departs—as well as catered buffets with service staff and linens.
- **Be flexible about advance order requirements.** Operators that structure their offerings for larger groups, with longer lead times, limit their potential market share. One chain guarantees pickup orders ready in an hour, and delivery and setup

Databases that store previous orders and payment information are great for any restaurant with a substantial catering business.

orders ready within three hours of the order being placed. Last Christmas season, a barbecue chain advertised on its website that it would be open and accepting catering orders until 7 p.m. on December 24.

- **Packaging is important.** Items should be individually labeled, and disposable packaging should look upscale. Utensils, plates, napkins and beverage cups should be included with orders. “Green” containers that are recyclable or compostable are increasingly important to consumers.
- **Accuracy, accuracy, accuracy.** Implement an order confirmation system. At one fast-casual sandwich concept that does a lot of catering, each order is checked by three people—manager, assembler and validator—and managers place follow-up calls to the customer.
- **Offer payment options that make it easy for customers.** One home-meal-replacement chain’s all-inclusive catering includes the delivery fee and driver gratuity and streamlines the payment process; the person receiving a prepaid order doesn’t have to scramble for tip money.
- **Let people know that you cater.** Use local store marketing to let your customers know that you will cater their social and business occasions. Reach out to nearby businesses, perhaps offering first-time specials or discounts to build a relationship. Price-point promotions for Administrative Professionals’ Day or Nurses’ Day are attention-getting ways to appeal to decision-makers at corporate or medical offices. To build social catering business, offer promotions around holidays, major TV viewing-party occasions (such as the Super Bowl or Oscar night), yearly milestones (such as graduation season) and summertime picnics.

Catering is one of the most viable areas in which independent restaurants can compete effectively against chains, but having backup support from a corporate powerhouse certainly can’t hurt.

Sysco has the talent and reach to go beyond the needs and expectations of our customers. Sysco Marketing Associates, and the array of Sysco experts that back them up, can help with advice and assistance on catering menus, pricing, operational logistics and marketing. Sysco also offers the industry’s largest and most capable staff of Quality Assurance professionals who make sure that Sysco Brand products are as safe and as wholesome as possible. Sysco’s iCare suite of services provides restaurateurs with connections to business partners that help them compete effectively; partners can assist with operational, financial, human resources, marketing and “green” services.

For more information, contact your Sysco Marketing Associate, or visit the iCare website at www.syscoicare.com.



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