

Responding to Market Changes: The Fast-Food Experience

As consumers' tastes have changed, fast-food chains have expanded their once-limited menus to include a wide spectrum of foods. Installing the necessary systems to serve all these new menu items has sometimes been difficult for the local store managers. Here is how seven chain operators have met the challenge of changing consumer tastes

by Regina Robichaud
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CHANGING consumer tastes are a fact of life for the restaurant industry. The "healthy dining" concept is a major turning point for the industry and one of the biggest menu developments in the food-service industry in many years.¹ Today's menus reflect a marketing approach that looks at wholesomeness and variety of foods. Several writers have noted that seafood and chicken are perceived as being "light" and healthy.² Not surprisingly, many major food-service chains have developed chicken products for their menus. On the other hand, one survey proclaimed

fish the fastest growing category in take-out foods, after recording a 91-percent increase in fish sales between 1981 and 1987.³ The NRA/Gallup survey found also that people are turning away from deep-fried items in favor of broiled, grilled, or baked items.⁴ Another food item that is making substantial headway in chain-restaurant sales is pasta. Since the complex carbohydrates found in pasta have come back into favor among consumers, pasta salads, pizza, and Italian-style items have appeared on many menus.

This article assesses the impact of menu changes on the individual food-service outlets. Our chief method is anecdotal; we interviewed seven unit managers to de-

termine the effects of the changes required by these new menu items. We selected units located in Virginia affiliated with the following chains: Arby's, Burger King, Long John Silver's, Marriott Hotels (a hotel restaurant), McDonald's, Wendy's, and Western Sizzlin' Steak Houses.

Core Issues

The way a restaurant produces its meals is its core technology. Most chain restaurants use a mass-pro-

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¹D. Long, "Food Trends: Menus for the '80s," *Restaurant Business*, 85, No. 16 (June-July 1986), pp. 35-38.

²For example, see: J. Kochack, "Seafood Operators Take a Fresh Approach," *Restaurant Business*, 84, No. 10 (July 1985), pp. 93-108.

³"Seafood Is Catching On," *Cooking for Profit*, October-November 1987, p. 15.

⁴B. Hoyt, "Nutrition Continues to Affect Restaurant Choices," *NRA News*, 6, No. 6 (June-July 1986), pp. 35-38.



Photo: Wendy's International

Wendy's introduced its Super Bar to meet customer demand for variety and healthful foods. Installing the hot-and-cold bar required substantial modifications to the original unit floor plan.

duction approach to food. Unlike the small operators who prepare a batch of food at a time to order, the chains have created a production system in which nearly every job has been broken down to its essentials and made routine. This system has been put under substantial pressure as menus have grown larger. The increased popularity of fresh foods, for instance, has made purchasing a greater challenge. Fresh foods require more control, stiffer purchasing standards, and different kinds of storage than packaged or frozen foods. Some operators are even growing such things as herbs and bean sprouts to guarantee a sufficient supply.

Core technology is manifested in the equipment installed in the restaurant. Some chains have made much of the differences in this technology. During the heyday of the battle of the burgers, for instance, Burger King pushed its flame broiling as an alternative to McDonald's grill. That same technology, however, put Burger King at a disadvantage when the chain wanted to enter the breakfast com-

petition. Burger King's broiler may yet be an asset, however, if the public demands broiled food over grilled food.

Breakfast in fast-food shops is only one example of how market changes can affect core technology. Consumer demands for nutritious menu items and variety put an extra burden on food-service operators, because consumers "crave change and diversity in their dining experience."⁵ Once embarked upon a strategy of pursuing the customer who wants fresh, light food, the restaurateur must consider how to maintain the consumer's interest. Ethnic foods are one vehicle for satisfying customers' need for diversity. Ethnic foods, however, present their own challenge in the areas of product development, training of production people, and operation.

The "neighborhood bakery"

⁵Among them: J. Lang, "The Ethnic Food Explosion," *Restaurant Business*, 85, No. 10 (July 1986), pp. 142-149; J. Kochack, "A Heavy Demand for Light Alternatives," *Restaurant Business*, 84, No. 6 (April 1985), pp. 125-126; and Mary H. Tabacchi, "Targeting the Health-Conscious Consumer," *The Cornell Hotel and Restaurant Administration Quarterly*, 28, No. 3 (November 1987), pp. 21-24.

concept has affected the core technology of several chains. McDonald's, Burger King, and Wendy's have all experimented with biscuits or croissants. These and other frozen or fresh-baked items require working space, equipment, and employee training.

The increase in the number of chicken items on menus has affected the purchasing specifications for chicken. Before 1980, boneless chicken products accounted for only one in 20 pounds of chicken purchased.⁶ In 1985, that figure was down to one in every seven pounds. The National Broiler Council predicts that, by 1990, boneless chicken will be one in three pounds of all broilers sold.

Cooking. The kitchen has felt the greatest impact from the changes in consumers' tastes. With the rise in popularity of grilling and broiling, many restaurants have changed their cooking methods. In 1956, when Phillips Crab House, a Maryland-based independent chain, opened, virtually all its

⁶R. Raffio, "A New Test for An Old Sole," *Restaurant Business*, 85, No. 4 (March 1986), pp. 99-107.



To offer customers broiled entrées, Long John Silver's had to install ovens in unit kitchens and provide limited table service for these cooked-to-order dishes.

entrées were fried. Today, however, half of the entrées are steamed, broiled, or sautéed. Long John Silver's has added broiled entrées to its menu, although 80 percent of its volume is fried fish.⁷ Another seafood outlet, which three years ago served fried food almost exclusively, reported remodeling to allow for baked, broiled, and sautéed items.

Kitchen layout and equipment have been greatly affected by these trends. With limited space and limited capital, many operators are selecting multi-use equipment that allows them flexibility. They are installing such equipment as movable griddles, tilt-fryers that steam and bake, conveyor cookers, and microwave ovens.

Local Impact

Menu redesign is the key issue in meeting the consumer demands for nutrition and variety. Of the managers we interviewed, however, only those at Western Sizzlin' and Marriott actually created products at their local establishment. Variety and nutrition were the bases for the introduction of new products.

Western Sizzlin', for instance, introduced a trio chicken-beef-shrimp dish, prepared by grilling and sautéing the three ingredients.

All the establishments we surveyed had introduced new items within the last few years. Arby's had introduced four new menu items in three years, including the Roast Chicken Club, Great American Beef, and stuffed potatoes. For breakfast, Arby's introduced a croissant with fresh mushrooms and cheese. McDonald's new additions were its much-touted salads—Taco Salad, Chicken Salad Oriental, Chef Salad, and Garden Salad. The salads are prepared in-house from fresh products, except for the meats, which are frozen. Long John Silver's introduced pasta salads containing shrimp or crabmeat. McDonald's, Long John Silver's, Western Sizzlin', Wendy's, and Marriott managers all reported that their salads and salad bars were popular.

Several of the chains had introduced ethnic-style food. McDonald's Taco Salad and Chicken Salad Oriental have an ethnic flavor. Western Sizzlin' offers tacos on its salad bar. Marriott

has introduced an Italian pizza. Wendy's ethnic entries, Mexican and Italian food, are part of its Super Bar.

Purchasing

Needless to say, these new menu items have modified purchasing procedures. Storage and inventory control have become a greater preoccupation for the operators. At Arby's, for example, there was no dry storage space for potatoes, and the manager had to find space somewhere in the kitchen. The unit also needed additional refrigerator space for such new items as cheese and bacon and freezer space for roast chicken. The new salads at McDonald's required substantially greater stock. As a result, the staff has spent more time verifying orders and monitoring order procedures. The unit now uses a classifying system to accommodate the new items. The Long John Silver's manager expressed concern over limited freezer space with the addition of new kinds of fish (e.g., catfish). The unit also must install a new oven to accommodate baked and broiled fish. At Burger King, the manager expressed even greater concern for storage space, because the unit is an older store and does not have the space for expansion. To create extra storage for chicken, the Wendy's outlet attached a storage facility to the back of the store.

Reorganizing the Kitchen

Menu changes have had the greatest effect on the kitchen, where space is at a premium. Arby's staff, for example, had to adjust to the new roast-chicken item, since thawing time and holding time had to be calculated. Arby's also had to bring in a grill to serve bacon and eggs. Arby's had to order potato boats to serve its baked potato, and the unit needed a potato bar to hold the ingredients.

At Long John Silver's, management installed a microwave oven to

⁷Kochack, pp. 93–108.

cook fish scraps for chowder, in addition to the new oven required for baked and broiled fish.

The McDonald's unit installed a salad rail with a refrigerated unit on top to hold ingredients during preparation. This device is positioned so that customers can see that the product is freshly prepared. Both Arby's and McDonald's now have biscuits on the menu. Arby's are made from scratch, while McDonald's are prepared from a mix. Both, however, require personnel training and additional space. Several years ago, McDonald's put in an oven, food warmer, and egg rings to serve breakfast.

Western Sizzlin' also has introduced a baked product—fresh-baked rolls that require a large mixer and new ovens.

The Burger King outlet had no kitchen space for new breakfast equipment, so a rolling grill like the one shown here was installed. It was rolled in for breakfast and put back out in a hallway when not in use.

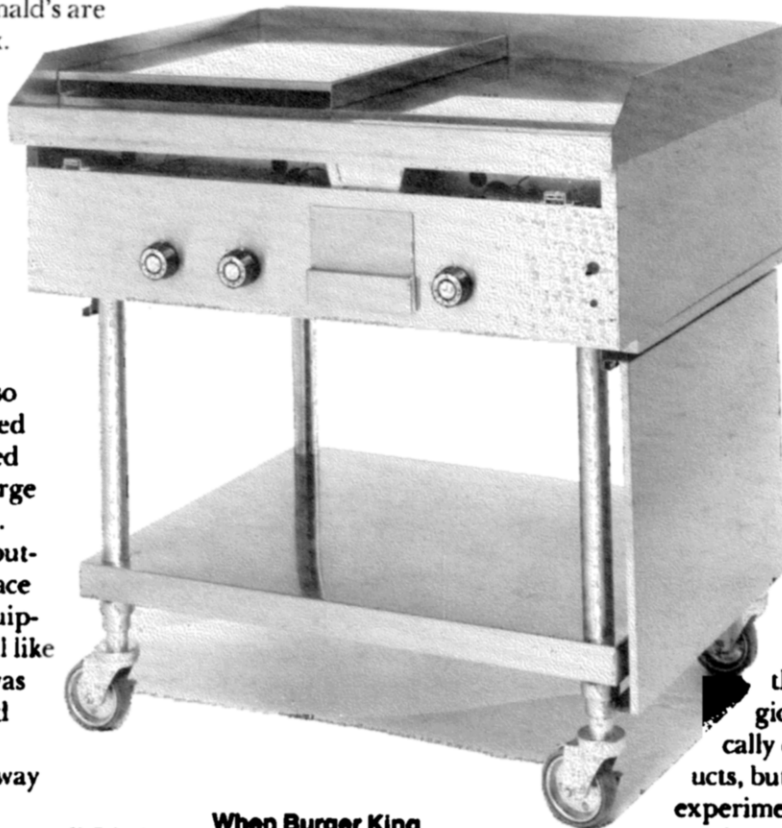
Striking oil. For almost all fried food, the restaurants that previously used animal fat have changed to vegetable fat. The Marriott outlet, for instance, fries in olive oil or clarified butter. The exceptions are McDonald's and Burger King, which have one fryer of animal fat for french fries and another one of vegetable oil for other products. Since the fryers are automatically controlled, having two vats of fat is not seen as creating extra work.

Staffing. The operators had to redefine production tasks as new menu items were added. The introduction of salad bars and hot bars

required that more employees be assigned to the front of the house. Each new product also meant that the manager and, frequently, one or two employees went to a training session for its preparation.

Service

The burst of new menu items has slowed fast-food down to a crawl in some instances. More time is needed to explain the many menu



When Burger King introduced its breakfast menu, units with limited kitchen space were provided with portable grills like the one shown here that could be rolled out of the way when the breakfast service was finished.

items to customers, to take the order, and to assemble and deliver it. At Long John Silver's, the addition of made-to-order broiled fish required limited table service. As has been the case at Ponderosa for many years, customers are given the food that is ready and are instructed to take a seat. The food items are delivered to the table as

they come up from the kitchen. Some 20 percent of the food orders at Long John Silver's are now delivered to the table.

Redesign. Salads have had more effect on restaurant design than any other menu item. The salad bar-hot bar occupies a major space in the center of the Western Sizzlin' dining room; Wendy's lost some seating capacity when it introduced and expanded its salad bar.

McDonald's added a refrigerated display case for salad to its counter.

Centralization

Fast-food chains are characterized by a high degree of centralization. Our interview with the operators at McDonald's, Arby's, and Wendy's, for instance, revealed a great deal of centralization. In these chains, new menu items and the rules for serving those items emanate from a central office.

At Western Sizzlin', on the other hand, the regional managers periodically discuss trends and products, but each unit manager experiments with his or her local market. We believe more chains should take this regional approach, so that their menus will mirror consumer tastes more closely.

Since the demand for variety in menu items will continue to grow (and so will the costs of equipment and construction), operators must be given more flexibility. These operators will have to be creative in their menu design, but the new menu items they create must not demand too many radical changes in the operation. Each bit of menu diversification must take into account the restaurant's core technology. □