

DAYPARTS

31.1 Daypart Spending and Traffic

According to the Bureau of Labor Statistics (www.bls.gov), distribution by daypart and occasion of consumer spending at restaurants is as follows:

- Dinner: 43%
- Lunch: 31%
- Dining while traveling: 10%
- Breakfast: 9%
- Snacks: 7%

According to The NPD Group (www.npd.com) and *Nation's Restaurant News* (March 16, 2009), distribution of total restaurant traffic, including takeout and delivery, is as follows:

- Morning meal: 20%
- Lunch: 33%
- Dinner: 31%
- P.M. snacks: 16%

The average per-person check for various daypart occasions during March through May 2009 was as follows (source: The NPD Group; change from previous year in parenthesis):

	Quick-service	Full-service
• Morning meal:	\$3.89 (1%)	\$ 9.65 (13%)
• Lunch:	\$5.61 (3%)	\$12.60 (6%)
• Dinner:	\$6.18 (4%)	\$14.73 (1%)
• P.M. snacks:	\$3.53 (2%)	\$ 7.79 (1%)

31.2 Dinner

According to The NPD Group, the average U.S. consumer purchases 64 dinner or supper meals from restaurants each year, a decline from 67 in 2005. The loss of dinner traffic is coming directly from an increase in dinner meals prepared and consumed at home.

“Historically, supper is the meal that leads the restaurant industry out of recessions, but that won’t be the case this time. Supper is the restaurant industry’s largest sales generator but has been the weakest performing meal period for the past decade.”

Bonnie Riggs, Analyst
The NPD Group, 2/17/10

According to *Getting A Grip On The Supper Market*, a February 2010 report by The NPD Group, the number of annual supper meal occasions per capital, by age demographic is as follows (change between 2001 and 2009 in parenthesis):

- 18-to-31: 66 (-13%)
 - 32-to-43: 63 (-7%)
 - 44-to-51: 60 (-7%)
 - 52-to-61: 56 (-7%)
 - 62 and older: 49 (1%)
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“The fact that older consumers make up a larger portion of the population – and are lighter restaurant supper users – is part of the explanation for the slip in per capita visits, but not the full explanation. Whereas younger consumer groups had and continue to have the highest usage frequency of restaurant suppers, their pullback on usage has narrowed the frequency gap – and the sheer number of aging Boomers has increased the importance of more mature adults to the supper occasion.”

Bonnie Riggs, Analyst
The NPD Group, 2/17/10

The primary challenge for restaurant dinner traffic is overcoming losses due to consumers who are increasingly eating their evening meal at home. A recent survey by The NPD Group found the following were the primary reasons people were eating more dinners at home:

- Financial, less expensive
- Ambiance/more leisurely
- Nutrition/health
- Homemade tastes better
- Family time
- Quicker at home
- Food at home is safe
- Back to the 'old' way
- Home now, have time
- More exotic meals

31.3 Lunch

Lunch traffic at restaurants is distributed as follows (source: The NPD Group):

- Hamburger: 28%
- Other sandwich: 10%
- QSR pizza: 7%
- QSR Mexican: 5%
- Mid-scale varied menu: 4%
- QSR varied menu: 4%
- Casual-dining bar and grill: 3%
- Chicken: 3%
- Convenience stores: 3%
- Deli: 3%
- QSR Asian: 3%
- Casual-dining varied menu: 2%
- Family style: 2%
- Bakery sandwich: 1%
- Casual-dining Mexican: 1%
- Gourmet coffee/tea: 1%
- Grill/buffet: 1%
- Mid-scale Asian: 1%
- All other: 17%

With nearly 150 million Americans on the job each day, workday dining habits have a major impact on the U.S. restaurant industry, particularly during the lunch daypart. A recent survey by the National Restaurant Association (www.restaurant.org) found that 59% of full-time workers had bought lunch from a restaurant or other foodservice location at least once during the previous week.

Restaurant lunch traffic declined in 2009 compared with 2008. According to The

NPD Group, during March through May 2009, restaurant lunches were ordered as follows:

	Distribution	Change from 2008
• On-premises:	38%	- 3%
• Carryout:	38%	- 2%
• Drive-thru:	20%	- 2%
• Delivery:	4%	-11%

Locations where restaurant lunches were eaten were as follows:

	Distribution	Change from 2008
• On-premises:	39%	- 3%
• At home:	29%	- 2%
• In car:	17%	- 2%
• At work:	11%	-11%
• Other:	4%	-11%

The decline in lunch traffic is attributed, in large part, to workers having less time for lunch during the workday. A recent survey by The NPD Group found that 81% of workers had less time for lunch because of their work schedule or increases in their workload.

A June 2009 survey by *Working Mother* found that 60% of working moms work while eating or run errands instead of eating lunch. Two-thirds (66%) bring lunch from home and 69% eat at their desks. Among those who go out for lunch, the most important factor in meal selection is as follows:

• Convenience:	37%
• Nutrition:	27%
• Taste:	20%
• Price:	16%

Among those who bring lunch, the meal is as follows:

• Sandwich, salad, or home-assembled meal:	40%
• Leftovers:	27%
• Pre-packaged meal (frozen entree or soup):	18%
• Variety of items to eat throughout the day:	15%

31.4 Breakfast

According to Braun Research (www.braunresearch.com), 61% of adults consume breakfast on a daily basis. Nearly three-quarters would prefer a good breakfast as opposed to 15 extra minutes of sleep. Almost half feel they are in a better mood and are more productive after consuming a hot breakfast.

Technomic reports that the average American goes out for breakfast 32 times during the year. Restaurant breakfast sales are distributed by menu item as follows:

- Coffee: 35%
- Eggs: 12%
- Other beverages: 9%
- Breakfast sandwiches: 8%
- Pancakes: 6%
- Juice: 5%
- Pastries: 4%
- All other: 21%

According to The NPD Group, breakfast sales at restaurants jumped by 64% during the five years before the recession. However, breakfast traffic fell by 4% once the unemployment rate reached 10%.

“Typically, if you’re unemployed, you’re not getting up at six and not going through the drive-thru. There is a direct correlation between unemployment and breakfast sales.”

Jeffrey Bernstein, Analyst
Barclays Capital
The Washington Post, 3/4/10

With the exception of McDonald’s, Burger King, Dunkin’ Donuts, Hardee’s, Krystal, and a few others, relatively few restaurant chains are competitive in the breakfast market. Chains that serve breakfast, however, are doing well with the daypart. One analyst recently estimated that McDonald’s draws 25% of its sales and 35% of its profit from breakfast. Burger King derives 15% of its sales from the morning meal and up to 60% of sales for Dunkin’ Donuts come from breakfast.

According to *Breakfast Consumer Trend Report*, a December 2009 study by Technomic, 46% of consumers would like to see full-service restaurants offer breakfast throughout the day, and 32% would like breakfast offered all day in limited-service restaurants. Women were significantly more interested in breakfast items for lunch or dinner than were men.

The following are other findings of the study:

- One out of four consumers (25%) often treat themselves to a large, traditional breakfast on the weekend.
- Forty-three percent (43%) say they visit their preferred restaurant for weekend breakfasts because the food tastes really good, while weekday breakfast visits are driven by inexpensive offerings (45%) and convenience of location (38%).

- More than three in five consumers (63%) say they expect their breakfast purchases at restaurants and convenience stores to remain about the same in the coming year.
- Consumer interest in breakfast sandwiches has grown since 2007. More than three-quarters of today's consumers (77%) purchase breakfast sandwiches sometimes or often during weekdays, compared to 73% in 2007. Breakfast sandwiches fared even better on weekends, increasing from 61% two years ago to 70% today.
- Consumers report an increased interest in premium coffee. Roughly a third of today's consumers (34%) prefer premium coffee, compared to 29% of consumers surveyed in 2007.
- Leading fast-casual restaurant chains are adding new entrees and side items to their breakfast menus faster than any other restaurant sub-segment.

31.5 Snacks

The snacks segment is assessed in chapter 39 of this handbook.

DINING WITH ENTERTAINMENT

32.1 Overview

Combining entertainment with dining is not new, yet the popularity of jazz clubs and other types of restaurants that offer music and entertainment with dining is as strong as ever. Dinner theaters and comedy clubs also remain popular 'eatertainment' destinations.

“As the industry continues to get more competitive, entertainment really does become a differentiating component.”

Hudson Riehle, Sr. V.P. Research
National Restaurant Association

32.2 Live Music and Dining

Restaurants featuring all varieties of live music are popular across the country. The following three chains operate music venues with restaurants:

- House of Blues (www.hob.com) is a home for live music and southern-inspired cuisine in an environment celebrating the African-American cultural contributions of blues music and folk art. The first location opened in 1992. There are now clubs/restaurants in Anaheim, Atlantic City, Boston, Chicago, Cleveland, Dallas, Houston, Las Vegas, Myrtle Beach, New Orleans, Orlando, San Diego, and West Hollywood.
- Dick Clark's American Bandstand Grill (www.dickclarkproductions.com) has seven units in the United States, all with show business memorabilia and featuring live entertainment. The first restaurant opened in 1993. Locations are in Branson, Cincinnati, Indianapolis, Kansas City, Newark, Phoenix, and Salt Lake City.
- Hard Rock Live (www.hardrock.com) has locations in Hollywood (Florida), Orlando, and Mexico City.

The following are some of the top jazz clubs across the U.S. noted for their cuisine:

- Baker's Keyboard Lounge (Detroit, www.bakerskeyboardlounge.com)
- Birdland (New York City, www.birdlandjazz.com)
- Blue Note (New York City, www.bluenotejazz.com)
- Blues Alley (Washington, D.C., www.bluesalley.com)
- Catalina Bar & Grill (Los Angeles, www.catalinajazzclub.com)
- Dakota Jazz Club & Restaurant (St. Paul, Minnesota, www.dakotacooks.com)
- Dimitriou's Jazz Alley (Seattle, www.jazzalley.com)
- Iridium (New York City, www.iridiumjazzclub.com)
- Snug Harbor Jazz Bistro (New Orleans, www.snugjazz.com)
- Tula's (Seattle, www.tulas.com)
- Yoshi's at Jack London Square (Oakland, California, www.yoshis.com)

32.3 Theme Restaurants

Theme restaurants, primarily Hard Rock Cafe and Planet Hollywood, were the rage of the early 1990s. As with most hot trends, interest shifted and the theme restaurant segment began to fade. Theme restaurants that have survived in the business have done so by finding their own niche in the market and by placing a priority on their food quality.

Both Hard Rock Cafe and Planet Hollywood have survived by downsizing, changing with the times, and capitalizing on international appeal. And both have used their brand reputation to expand into the casino market.

Hard Rock, founded in 1971, now has 138 locations in 42 countries. Three locations offer live music. There are four Hard Rock casinos, in Las Vegas, Florida, and Mississippi. The Seminole Tribe of Florida owns the chain.

Planet Hollywood has downsized to five U.S. units – Honolulu, New York City, Niagara Falls, Las Vegas, and Orlando – and 9 international restaurants.

The tropical jungle-themed Rainforest Cafe, developed by Steve Schussler and launched in 1994, was sold to Landry's Restaurants in 2000. Today, Landry's operates 25 Rainforest Cafes in the United States and nine abroad, with average unit volumes of \$8.5 million, according to the company.

Mr. Schussler also developed the vision for the dinosaur-theme T-Rex in Kansas City and Yak & Yeti, an Asian-theme concept, which opened in 2008 in Disney's Animal Kingdom. Both T-Rex and Yak & Yeti are also owned by Landry's.

Mr. Schussler's firm, Schussler Creative (www.schusslercreative.com) has formed a partnership with Levy Restaurants with plans to develop and operate the menus for 10 new theme concepts, ranging from an American roadhouse with truck stop decor to a magic-theme concept.

One of the most successful theme restaurant concepts is 31-year-old Chuck E. Cheese's (www.chuckecheese.com). The child-friendly pizza chain has more than 500 locations.

Successful sports-theme restaurants include seven-unit ESPN Zone (www.espnzone.com), owned by Disney Regional Entertainment, and six-unit Fox Sports Grill (www.foxsportsgrill.com).

The following are other theme restaurants operating across the United States:

- At Harley-Davidson Cafe (Las Vegas, www.harley-davidsoncafe.com), a giant three-dimensional sculpture of a Harley-Davidson motorcycle is integrated into the structure to appear as if it is bursting out of the northwest corner of the building. On the Las Vegas Strip, where land values are estimated at \$13 million an acre, the Harley-Davidson Cafe is the last remaining freestanding restaurant; all others are affiliated with hotel casinos.
- Mars 2112 (www.mars2112.com), located in the Times Square district of New York City, is a restaurant version of the red planet, where the surroundings are out of this world. The menu includes everything from Mariner pizza and smoked-duck quesadilla to sushi.
- Max and Thelma's Restaurant, located at the Grand Canyon Railway Hotel (Flagstaff, Arizona, www.thetrain.com), is appropriately railroad-themed. It features a miniature train that runs around the ceiling of the restaurant, lots of coppers, pictures of trains, and a late-1800s map of the Santa Fe Railroad.
- NASCAR Sports Grill (Hampton, Virginia; Orlando, Florida; and Shelbyville, Indiana, www.nascarsportsgrill.com), a gathering place for racing fans, combines memorabilia, a 37-foot media wall with plasma screens and audio, and dining.
- Country music star Toby Keith has branded restaurants in Oklahoma City and Tulsa. Toby Keith's I Love This Bar & Grill (www.tobykeithsbar.com) restaurants display the singer's music memorabilia and host concerts.

32.4 Experiential Restaurants

Some restaurants provide an entertainment experience with the meal. The following are some notable examples:

- Dave & Buster's (www.daveandbusters.com) combines upscale dining with the largest chain of amusement arcades in the country. The concept was launched in the late 1970s in Little Rock, Arkansas, when two side-by-side establishments, Slick Willy's World of Entertainment and Buster's Bar & Grill, combined operations. There are now 44 locations.
- Dinner in the Sky (www.dinnerinthesky.com) hoists up to 22 guests on a platform 18 stories above the ground for dinner. The experience is offered in Las Vegas, New York City, and Seminole Casino Coconut Creek (Florida), plus several cities in 31 countries.

“We get a lot of people who are afraid of heights and want to overcome their fear. We give them the opportunity to liberate themselves. Plus, once the adrenaline drops off and they realize they’re safe up there, the senses are enhanced, and everything tastes better.”

Michael Hinden, Proprietor
Dinner In The Sky
Dining Out, 4/10

- The decor of Jekyll & Hyde (New York City, www.jekyllpub.com) includes gargoyles and coffins. The ghoulish entertainment includes live skits, animatronics, and interactive puppets.
- Medieval Times (www.medievaltimes.com) is a nine-unit chain with restaurants set inside a faux 11th century castle. Guests experience all of the feasting, pageantry, tournament games, and exciting sword fights that characterized the best of life a millennia ago. Locations are in Atlanta, Georgia; Buena Park, California; Dallas, Texas; Hanover, Maryland; Kissimmee, Florida; Lyndhurst, New Jersey; Myrtle Beach, South Carolina; Schaumburg, Illinois; and Toronto, Ontario.
- Dining at Opaque - Dining in the Dark (West Hollywood, California, www.darkdining.com) is precisely what the name implies. Customers are led into a pitch-black dining room where they dine on a three course meal, relying on their other four senses during the experience. The waiters are legally blind. Launched in 2005 as a Saturday-only concept, dining expanded to include Friday evenings. Locations opened in San Diego and San Francisco in 2007.
- The first uWink (www.uwink.com), a video game-themed restaurant, opened in a suburb of Los Angeles in 2006. Nolan Bushnell, the creator of the Pong video game and founder of the Chuck E. Cheese’s restaurant chain, is behind the concept. The 300-seat restaurant and bar combines food and drink with ubiquitous interactive media. Touch-screen monitors, installed at every table, booth, and barstool, allow diners to place food orders, play some 70 different video and trivia games, and take instant pop culture polls. The monitors at the tables are two-sided so that two people, or two couples, are able to play video games against each other. Customers can order food from computer consoles at their table, then challenge strangers to table-to-table trivia tournaments while waiting to be served. There are no waiters at uWink, only ‘runners’ who bring diners their food. The restaurant reports annual revenue of \$2.2 million.

32.5 Mystery Dinner Theaters

There are approximately 200 mystery dinner theaters across the U.S.; the Orlando area alone has six. The following are some of the more prominent mystery dinner theaters:

- Agatha's A Taste of Mystery (Atlanta, www.agathas.com)
- Bistro Romano Mystery Theatre (Philadelphia, www.bistroromano.com)
- Haunted Dinner Theater (Williamsburg, www.haunteddinnertheater.com)
- Murder by Chocolate (Houston, www.murderbychocolate.com)
- Murder Mystery Train (Lansing, Michigan, and Toledo, Ohio, www.murdermysterytrain.com)
- Mystery Cafe (Boston, Minneapolis, and San Diego, www.mysterycafe.com)
- Seminole Dinner Mystery Train (Ft. Myers, Florida, www.semgulf.com)
- Sleuths Mystery Dinner Show (Orlando, www.sleuths.com)
- The Dinner Detective (Los Angeles, www.thedinnerdetective.com)

32.6 Dinner and a Movie

Attendance at movie cinemas has been on the decline since 2002, largely because of increased competition from digital downloads, video on demand, and DVD rent-by-mail; combined with increasingly theater-like home-entertainment technology. Hoping to lure moviegoers back to the cinema, several new ventures put a new spin on the 'dinner and a movie' concept, offering a combination of reserved seating, alcoholic beverage service, made-to-order dinners, and theaters that include leather seating, all while projecting the latest films via state-of-the art digital projection systems. The following are a few of the operations:

- Cinebarre (www.cinebarre.com), a unit of Regal Cinemas, opened its first location in 2007, had five locations at year-end 2009, and plans to rollout 20 theaters nationwide by 2012.
- Movie Tavern (www.movietavern.com) opened its first location in 2007 and had 14 locations by year-end 2009.
- At 12 of its locations, Muvico (www.muvico.com) offers seating connected to its Premier Bistro & Bars.
- Studio Movie Grill (www.studiomoviegrill.com) had nine locations at year-end 2009 and plans to open several more in upscale lifestyle centers.
- Gold Class Cinemas (www.goldclasscinemas.com) had four locations at year-end 2009 and is opening two additional locations in 2010.
- Alamo Drafthouse Cinema (www.drafthouse.com) has eight units and plans to expand throughout Texas.
- Cobb Theatres/Cine Bistro (www.cobbtheaters.com/cinebistro.asp) had three locations at year-end 2009 and is opening five locations in 2010.

“Strong movie ticket sales and sliding real estate prices are turning cinema-eating venues into businesses with blockbuster potential.”

Nation's Restaurant News, 11/9/09

32.7 Speakeasies

While most restaurants and bars work to enhance their public visibility, a handful strive to keep their locations secret. The following are among those with hidden doorways and coded access:

- In Atlanta, Prohibition (www.prohibitionatl.com) is a swanky club with the feel of a 1920s underground speakeasy. Guests ask around at nearby bars for a secret phone number and step into an antique phone booth to call for entry.
- Prohibited, the bar at Symphony 8 (www.symphony8boston.com) in Boston, is entered via a cast-iron stairway hidden behind a bookshelf. A password, posted daily on Prohibited's Facebook page daily, is required for entry.
- In New York City, guests enter PDT [Please Don't Tell] (www.pdtnyc.com) through a phone booth in Crif Dogs, a hot dog shop.
- In Alexandria, Virginia, the entrance to PX (www.eamonnsdublinchipper.com) is marked only by a pirate flag and blue light. Reservations may be made only online. Upon arrival, guests knock, a small window in the door opens, and their reservations are confirmed before entry.
- At Safe House (www.safe-house.com), a spy-themed restaurant and bar in Milwaukee, guests must recite a password for entry. The staff is really into the espionage mission, holding James Bond screenings and talking in spy lingo. International Exports Ltd., on North Front Street, is in fact a craftily contrived 'front' for the Safe House.
- In Miami, the entrance to Bardot (www.bardotmiami.com/lounge) has no sign and is hidden in a back alley.

32.8 Novel Restaurants

The following are some other unique concepts in restaurants:

- Miami's South Beach is one of the most popular trendsetting districts of the United States, and B.E.D. (www.bedmiami.com), where customers dine in beds, is at the leading edge. The reservations waiting list is reported to have been as long as two months. Guests at B.E.D. lounge on platform-style mattresses arranged against the

wall at different heights and separated by a low partition. The average meal, including drinks, is approximately \$100. B.E.D. restaurants have also opened in Atlanta and New York.

- Duvet Restaurant and Lounge (New York City, www.duvelny.com) has 22 beds draped with satin sheets, a 15-foot jellyfish tank, a 90-foot handmade glass bar, brilliant lighting that changes color every few seconds, and a frosted glass amuse bar serving tapas, caviar, and sushi. Duvet can seat up to 40 at the amuse bar in addition to groups of eight dining on luxurious beds. For less adventurous guests who don't want to dine in bed, tables are available. A full lounge with a private entrance on the bottom floor showcases seven private bedrooms, a DJ, and specialty cocktails.
- Encounter Restaurant & Bar (www.encounterlax.com), housed in the flying saucer-shaped Theme Building at the center of the Los Angeles International Airport, has a decor like something out of a sci-fi movie. Cinematic and surreal, the entrance to the restaurant looks extremely 1961 (the year the building opened). Bartenders dispense drinks from cosmic, laser-like taps.
- Firehouse Grill (Evanston, Illinois, www.firehousegrill.net) maintains much of the original interior of the old fire station it replaced.
- Forbes Island (www.forbesisland.com) is a floating restaurant built on a barge in San Francisco Bay. Patrons access the restaurant by boarding a boat from Pier 39 on Fisherman's Wharf. It took 10 years to obtain permits for the project, which includes the only privately built lighthouse in the United States.
- Garage (Seattle, www.garagebilliards.com) is located in a cavernous old auto repair shop. The restaurant includes a billiards hall and bowling alley.
- In a concept that originated in Japan, meals at Hadaka Sushi (West Hollywood, California, www.hadakasushi.com) entail a colorful array of sushi placed on banana leaves and served on the body of a model. Patrons are typically seated on the floor around the model and dine directly off of models' bodies.
- Hangar One Steakhouse (www.hangaronesteakhouse.com) is perfect for Wichita, which is dubbed the "Air Capital of the World." Servers dressed like flight attendants serve aviation-themed menu items in a makeshift airplane hangar.
- Last Meal Cafe (Ashburn, Georgia, www.jailmuseum.com), co-located with The Crime and Punishment Museum, carries on the long-standing tradition of death row inmates requesting their last meal be a lavish one.
- Locanda Vini e Olii (Brooklyn, New York, www.locandavinieolii.com) is a former drug store that retained much of the authentic decor, including the service counter, old cabinets, and medicine bottles.
- Outer Limits Restaurant (Gila Bend, Arizona, no website), attached to Best Western's Space Age Lodge, features a neon-lit rooftop UFO. Inside there is a floor-to-ceiling outer-space theme, along with a menu of American and Mexican fare.
- In Las Vegas, Luxor opened in 2007 a brothel-themed restaurant with an upscale lounge called CatHouse (www.luxor.com/dining/dining_cathouse.aspx). The dining and dancing venue is a modern interpretation of a 19th century French bordello.

- The decor at Space Aliens Grill & Bar (Bismark, North Dakota, www.spacealiens.com) features a 30-foot-high domed ceiling that displays a view of outer space. The dining room, bar, and arcade showcase alien sculptures along with an extensive menu.
- Station Restaurant (Ithaca, New York, www.ithacastation.com) is among the most authentic of several restaurants located in old train depots. Diners eat in an old baggage room, the original waiting room benches are still used, the old ticket counter is now a bar, and the restrooms feature marble partitions and a tile floor dating to 1885.