

Adapting Dining Service to the ‘New Reality’

Recession has changed the rules of the game for on-site dining services

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The recession may have technically ended, but its aftereffects and a slow recovery have changed the way people view spending, including for meals in the company or campus café. Dining and conference service operators need to face the “New Reality.”

The likes of the 2005-07 boom times may return, but we’ll have to wait, probably five or more years, for the next burst of irrational exuberance. Waiting isn’t a plan.

Factors that indicate times have changed for on-site services – dining and conference services among them – include:

Tight Money

Consumers have learned they can survive in reasonable comfort while paying down accumulated debt and spending less on everything, including meals at work. This also includes the goods and services companies make, distribute and sell, and the companies that support them. That means less hiring and fewer customers for the company dining center.

Colleges also may feel the pinch, as parents may not be overly generous with funds for meal plans and spending money.

Mobility Hurts

The mobility of both employees and students will continue to increase. Employees working from home or on the road and students taking classes on line don’t need meals at the work place or campus.

Live conference and meeting activity is affected by the growth of virtual conferences, webinars and travel budget restrictions, reducing catering revenues.

New Expectations

There’s increased interest in ethnic dishes especially Asian and Latin, that may be unfamiliar to American chefs. Diners from those regions will know whether your offerings are authentic. Along with interest in ethnic foods, many campuses and companies have more people from other countries and ethnic minorities of all kinds.

The Gen Y folks now entering college and the workforce, and its immediate predecessor, Gen X, have different expectations and lifestyles from prior generations. The emphasis on sustainable operations, reduced energy usage and increased interest in organic, fresh and local foods, healthy meals and wellness in general means many operators have to adapt to unfamiliar, new expectations.

Drawing from a Smaller Pool

The starting point for adapting to the new reality is to take a clear-eyed view of your own circumstances. No two companies or campuses are the same; the new factors affect each differently to a degree.

With a smaller pool of potential customers, corporate dining service operators need to increase their participation rates, now averaging well below 40% of the available population. *(See story, “61% of Company Food Services Lost Money in 2009.”)*

Colleges with a commuter population face a similar challenge. Many of these students are on campus for a few classes per day, four days a week and don't necessarily come to the dining center for meals.

Recapturing Lost Customers

Mobility and time pressures have more people grabbing food at a c-store on the way to work or class. The dining service needs to recapture some of this business. More attractive, varied and better-packaged grab-and-go foods, located conveniently, are a part of the answer.

A kiosk featuring coffee, fresh fruit and breakfast pastries, located at an entrance used by people coming to work or class, may prove more convenient than stopping at the convenience store on the way in.

The cost of installation is low and the labor commitment – one server for two to three hours, who then moves to the café for lunch – is minimal and will add some new dollars to both the top and bottom lines. The kiosk also can be used to market daily lunch features, perhaps bringing a few more customers into the dining center.

Promote Wellness

Green is the new color of society, and it's becoming more intense and won't fade away, especially among younger folks, who have been made aware of sustainability and related issues since childhood. This includes awareness of the value of local and organic foods and healthy meals.

While burgers, subs and pizza have a very substantial following, many people who are concerned about their wellness have taken to bringing their own food to work or campus. If you are going to win them back to the dining center, you'll have to provide these foods – and let them know about it through creative marketing and merchandising.

People from other countries often prefer their native cuisines and bring their favorite foods from home. To win them over, it's necessary to offer some of these foods. Having a cook from that country or region making their favorite dishes at an action station in the servery shows you're interested in them and their business.

If your dining facility is big and your population is small, it will pay to renovate it to an appropriate size, saving space, energy, labor and other costs.

Clarion can help your dining and hospitality services overcome the challenges of the New Reality. To learn how, contact Tom Mac Dermott, 603/642-8011, Angela Phelan, 973/544-6223 or Ernie Wilder, 904/940-1208.