

Here Today, Here Tomorrow

How Upscale Concepts Adapted to Off-Premises Service and Why It is Likely to Remain Essential to Their Business Models

By adapting to off-premises service, fine-dining restaurants were able to stay in business during the pandemic. Delivery and take-away remain important to their brand appeal and revenue stream.

By Lindsey Danis

When the pandemic shut down indoor dining, Rainbow Lodge, an upscale seafood and wild game restaurant in a 100-year-old log cabin in Houston, Texas, like so many other independent concepts, added take-out service in order to stay in business. While take-out and delivery traffic are down from around 40 percent at the height of the pandemic to 15 percent of business now, Rainbow Lodge has no plans to discontinue their off-premises dining service.

As Marc Borel, the concept's beverage director says, "it really helped us with the bottom line; but more than that, it gave folks a taste of what we do, in their homes. There are still people who want to eat outside or don't want to come inside to eat, so we're happy to send something to their tables."

As you might imagine, fine-dining restaurants were slow to embrace takeout and third-party deliv-

ery. There were practical concerns. How would the food – let alone the guest experience – travel across town in plastic containers or paper boxes? That's not why operators launched upscale restaurants. As Borel says, "For the longest time, it was seen as something that was almost beneath a restaurant of this caliber." Simply put, says Borel, "We don't do that." Yet, many upscale restaurants found a silver lining in diversifying service to delivery and takeout. Not the least of which were increased sales and customer loyalty.

Not That Kind of Place

Rainbow Lodge is "not the kind of place where we would normally do a lot of take-out," Borel told Restaurant Startup & Growth in an August 2020 feature on fostering off-premises liquor sales. As COVID cast its pall over the industry, Rainbow Lodge responded with take-away food and cock-



Even with seats filled on-premises, the concept has been able to refine operations to work seamlessly with off-premises orders. This includes deploying the restaurant's hosts to manage the flow of business. In addition to the important role of greeting and seating dine-in guests, they also process phone orders and hand off to-go orders for guests or delivery drivers.

tail kits. The restaurant assembled to-go wine flights for at-home tasting parties.

Worth mentioning is Rainbow Lodge had adapted to take-away and third-party delivery before COVID. But its experience with off-premises dining was only part of its success factor. "There aren't any places in town that offer our type of menu," explains Borel. Off-premises upscale provides the business more than a \$15 take-away check, "It could be a sale of several hundred dollars we're delivering to someone's house."

Not everything on Rainbow Lodge's menu is "optimized for takeout," says Borel, adding. "It could be difficult to send out a creme brûlée for example." That said, much of the menu, which leans heavily on center-of-the-plate protein, presents and reheats well," says Borel, explaining this gives the concept an edge over other upscale concepts that are not as carryout-friendly.

Pandemic-era dining shifted consumer attitudes and expectations regarding off-premises dining. "People are much more familiar with the online ordering process and third-party delivery," says Borel. That has made it easier for concepts all along the service spectrum to get in the game. The acceptance of third-party delivery services has also benefitted restaurants beyond pizza and wing concepts. Borel estimates third-party delivery comprises 80 percent of Rainbow Lodge's off-premises business, which in turn comprises 15 percent of total sales.

Be True to the Brand

Upscale off premises dining requires upscale presentation. Rainbow Lodge has purchased a wider variety of containers to accommodate everything on the menu, both in presentation and portion. For example, right-sizing food to-go containers can prevent servings from looking skimpy.

A LOVE-HATE RELATIONSHIP

The Brennan family has created one of the most respected restaurant dynasties in America, with concepts including the famous Commander's Palace in New Orleans. Alex Brennan-Martin grew up in that world, working in the back and front of the house, the front office, and on the front line.

While so much focus today is on restaurant delivery and takeout, Alex believes "there will always be a demand for fine dining," adding, "holidays and family events require a culture that is more than serving guests. We are in the business of making memories." Still, Brennan-Martin had to "pivot" to off-premises to serve its loyal patrons.

"We've had a love-hate relationship with to-go sales," says Brennan-Martin. "We've always done some of our items that travel well as to-go offerings in individual and larger formats, but it's always been more of a service to our guests rather than a profit center. Much of our food doesn't travel well. During our pandemic shutdown period, we pivoted to take out only, which was a bit of a shock, but our loyal guests came

through for us, so we modified our services to accommodate them."

Last Easter, Brennan's of Houston filled more than 500 to-go orders, averaging more than four entrees each. "It was no small feat," he says. "As business began to return to in person dining, we found to go orders requests declining significantly. Staffing limitations have also played a primary role. We still cannot fully staff our restaurant, so we must allocate the labor we do have available to our dining room."

As for the future, he notes, "We've returned to our previous model, but we continue to offer our items that travel well to-go and continue to look for ways to increase our offerings as we rebuild our staff."

**Learn more from
Alex Brennan-Martin in the
Corner Booth podcast:**



The concept has paid attention to off-premises branding, including customization of the bags in which the containers are placed with an ink stamp of a log cabin that "matches our vibe," Borel says. Ink-stamping the bags allows the restaurant to customize their plain bags rather than paying a premium for pre-printed bags.

As part of its accommodation of increased online business, Rainbow Lodge upgraded its POS system to meet PCI DSS compliance, which builds trust with customers and prevents data breaches, among other benefits.

Other POS upgrades, says Borel, included an improved online ordering

module that will make it even easier for customers to order directly from their website. The new system will send orders directly to the kitchen, leading to a more efficient workflow.

On-Premises and Take-Away Under One Roof

Rainbow Lodge is enjoying the current indoor dining renaissance as pandemic restrictions have eased. "We are experiencing quite high volumes and we sell out almost daily," says Borel. "People are starting to embrace the idea that you have to make a reservation, maybe a few weeks in advance," Borel says.

Even with seats filled on-premises, the concept has been able to refine operations to work seamlessly with off-premises orders. This includes deploying the restaurant's hosts to manage the flow of business. In addition to the important role of greeting and seating dine-in guests, they also process phone orders and hand off to-go orders for guests or delivery drivers. Back of the house staff are relatively unaffected, other than being much busier. Kitchen staff only know some orders are packaged for off-premises delivery, and others are plated for dine-in service.

DRINKS TO GO

Marc Borel is the beverage director at Rainbow Lodge, a 44-year-old wild game and seafood restaurant situated in 110-year-old log cabin in Houston. Rainbow Lodge tends to be a special events restaurant, says Borel. In the past, there was typically, “a [marriage] proposal every day.”

While Texas relaxed its laws to allow for individual sales to-go, as well as bottles and cans of wine and beer, operators can't sell wine or draft beer by the glass. That shaped how Borel conceptualized the drinks to-go program. In addition to individual mixed drinks and bottles of wine or beer, Rainbow Lodge offers cocktail kits, which are designed to serve six servings – “half-bottles of liquor to create drinks like Martinis, Manhattans, Bloody Mary's, Palomas and the like.”

Texas also requires that patrons purchase food with to-go drinks, something that's mandated by other states, including New York. Rainbow Lodge's menu is varied enough that diners of all palates and budgets can find something to eat with their drinks; Borel says the chicken fried quail bites appetizer is a popular pick.

For the cocktail kits, Borel really wanted to give people the experience of having one of their signature drinks, like the hibiscus margarita, in their home. The kits provide a half bottle of liquor with all the garnishes needed to serve the drink as it would be presented on-premises. For the Old Fashioned, for example, the kit includes “ver-

mouth, cherries, [and an] orange peel all together, so you measure what you need, throw in the bourbon and it's great,” says Borel, adding that customers were more willing to pay more when the product presentation matched their expectations.

Texas law requires to-go cocktails to be packaged in a sealed container, then put in a plastic bag that's sealed with a zip tie. This packaging helps decrease the risk of drinking and driving by making alcohol more difficult to access.

Rainbow Lodge uses lidded cups for the to-go drinks. Noticing that customers were ordering several different cocktails in a single takeout order, staff at the Rainbow Lodge started labeling each drink with a graphic label that features the drink's name, which is applied over the straw holder to prevent diners from drinking from the cup.

Drinks are then packaged in cellophane bags that have a slight shimmer and sealed with “nice zip ties, so the presentation is really nice.” These extra steps helped Borel feel like the restaurant was doing everything possible to make the takeout experience mimic the care and attention of dining in. “We want to make sure when you bring the Lodge home to you, it's pretty,” he explains. While the to-go cups were purchased by the chef from their existing suppliers, Borel says he shopped for the stickers, cellophane bags, and zip ties on Amazon. He created the graphic stickers himself and prints them onsite.

Borel is pleased by the return of dine-in business; however, he encourages other upscale concepts to embrace off-premises service. “It's not going away,” he says. Speaking for his own concept, “I think it's such an integral part of our business model now, it's almost as if it were a separate business on its own.”

A Paradigm Shift

Tempus is a St. Louis, Missouri upscale restaurant that placed sixth on USA Today's Readers' Choice list of top ten new restaurants in the United States. The concept never planned to offer take-out. But the fall 2020 timing of their opening said otherwise. The upscale concept had to be takeout-only, if it wanted to open at all.

“When Covid hit, we went dark for a while, and as it continued to drag on, we came to the realization we had to do something,” says Tempus's Chef Ben Grupe, a 2018 semi-finalist for the James Beard “Best Chef Midwest” Award.

While the decision to open in takeout-only mode was a paradigm shift, the Tempus team leaned in to “repli-

cate the experience we would have wanted to offer in a takeout format,” says Grupe.

Grupe and his culinary staff considered every guest touchpoint of the takeout experience, starting with packaging. They didn’t want flimsy paper containers that struggled to stay closed and provided no insulating properties. Instead, they paid more for “nice plastic ones made of a thicker weight,” Grupe explains.

Mindful of the environmental impact of these decisions, Grupe hoped the plastic containers would be reused by customers to minimize the waste-stream of off-premises service. To match the quality of the food, Grupe eschewed cheap plastic carry-out bags in favor of a boutique bag in pastel gray with ribbon handles.

The takeout pickup guest touchpoint received similar attention. Tempus assigned reserved parking spaces with a white tent placed over the pickup window with a view into the kitchen. Even though the restaurant was new, and no one had dined in, guests could get a feel for what the experience would eventually be like through the care and attention to detail exhibited in the takeout experience.

Leaving nothing to chance, the Tempus team tested the delivery of their menu items to ensure they would be in good shape when they arrived in their guests’ kitchens. “We would make all the dishes, put them in the boxes, let them sit for 15 minutes, then taste them,” Grupe says.

They already knew fried foods didn’t travel well. After sitting in the box for 15 minutes, their country ham and olives croquette would arrive soft and unappetizing. The culinary team modified the items and their packaging to help them travel better. They changed the croquette breading to remain crispy during its commute and did not package the item until the delivery driver arrived for pick up, to avoid steaming the item in the bag. They revised their menu items to avoid cremes and sauces “that wouldn’t sustain themselves in a to-go format,” says Grupe. In short, adapting the menu to takeaway tested the kitchen staff’s culinary skills to make their menu more transit proof.

Advises Grupe “If you’re a high-end restaurant, you hold the to-go experience to the same standard as you would have for someone in the dining room. For us, that’s attention to detail and creating an experience for our guests.”

Tempus works with Food Pedaler, a bicycle third-party delivery service in St. Louis. Grupe found the company attentive to both the restaurant and its guests and offered lower fees than the major third-party delivery companies.

Post Pandemic Service

With Tempus’s indoor dining business ramping up post Covid, demand for takeout and delivery has scaled back.

Grupe and General Manager Drew Lucido estimates they fill as few as two takeout orders on a weekday and five on weekends.

As on-premises dining returns, upscale concepts will never compete with quick-serve and casual concepts for takeout business, if only due to the price point. When guests are considering a premium-priced meal, they are more likely to want to enjoy the experience on premises.

Nevertheless, even though the volume of off-premises sales has waned, Grupe emphasizes why upscale concepts should not abandon take-away dining in their business plan. Says Grupe, takeout and delivery have lower costs. Food is made, packaged, and out the door with no need for a server to touch tables. “A \$75 off-premises meal is more profitable than the same meal served in house,” he says, adding, “the order doesn’t need front of house staff to run, serve, or bus tables.

Like Rainbow Lodge, Tempus has learned to juggle between on- and off-premises orders. They have a system to limit the number of takeout orders they process at any given time during normal operation.

Grupe encourages other operators to be willing to experience and imagine their concepts in non-traditional ways. “None of us [in the fine-dining sector] ever thought we would be doing a to-go platform for the style of food and service we want to execute,” says Grupe, “but we realized with enough time, thought and attention to detail, we can execute a great to-go service. It can be done in a way it doesn’t have to be delivered in a plastic to-go bag with a smiley face. We had lots of feedback from guests who told us it was the best to-go food they ever had.”

The Forecast for Upscale Off Premises

The National Restaurant Association estimates that 80 percent of both fine dining and casual restaurant owners strengthened their takeout program during the pandemic. This was, of course, a necessary response to limited on-premises operations. Operators invested in online ordering platforms, contracted with delivery partners, and put together curbside pickup stations to meet the needs of the moment. They did so assuming that when things went back to normal, so would their business model. The Food Institute declares off-premises “here to stay” and suggests operators prepare for a hybrid model of offsite and onsite service.

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