Restaurant Trends

I don’t know if it is the time of year or what is influencing potential small business CEOs to be interested in starting a restaurant, but SCORE mentors in the area that I serve have been getting a lot of clients that are asking for help on this topic. One of the opening discussions for these sessions usually include “what is happening in the restaurant industry lately” and “is this a good potential business”?

Actually the data indicates that in general, now is a great time to be a restaurateur. U.S. restaurants posted some $782 billion in sales in 2016, accounting for 4 percent of the GDP, according to Gallup. But the bigger issue is how do you keep your restaurant ringing up sales?

The SCORE website has some insights into this. Here are a few trends you should be aware of:

1. Millennials matter. If you hope to position your restaurant for growth, you need to appeal to customers aged 18-34. Millennials eat out far more often than any other age group: 70 percent do so at least once a week, Gallup reports. While more affluent Millennials are more likely to dine out (nearly eight in 10 Millennials with incomes of $75,000 or more eat out at least once a week), 60 percent of those earning under $30,000 still eat out weekly.

2. Competition can come from unexpected places. Nontraditional competitors are moving in on traditional restaurants’ territory, Gallup cautions. Meal preparation services that ship ingredients to customers’ homes, smartphone apps that make it easier than ever to order takeout food, and upscale grocery store food bars are all fighting for the same customers you are.

3. Snack time is sizzling. Nation’s Restaurant News says afternoon snack was the strongest-performing meal occasion of 2016 (although morning and late evening snacks are also hot). The most popular afternoon snack food is a burger; French fries, ice cream, potato chips, candy/candy bars and chicken sandwiches are close behind. However, the breakfast sandwich (dubbed "Food of the Year" by hospitality consulting firm Andrew Freeman & Co.) tops them all as the most popular snack of any time of the day. Nation’s Restaurant News says there's a great opportunity for restaurateurs to reposition or promote existing menu items as snacks or add new snack items to their menus.

4. Vegetable-based meals. As vegan and vegetarian options become more mainstream, restaurants are adding animal-free food products, such as vegan cheeses and plant-based proteins, reports Andrew Freeman & Co. Consider offering customizable menu items, such as grain bowls, that let diners pick their own ingredients to suit everyone’s preferences.
5. Ethnic cuisines. Authentic ethnic foods are becoming more popular nationwide, says the National Restaurant Association. Southeast Asian food—including lesser-known cuisines, such as Laotian, Taiwanese, Malaysian, Filipino and Indonesian—is especially hot, while Americans’ love of spicy foods is inspiring menu items incorporating African and Middle-Eastern spices.

6. Authenticity and transparency. From house-made condiments to heirloom produce to authentic ethnic dishes, the National Restaurant Association says diners are seeking more authentic everything. They want to know where the food they’re eating came from, how sustainable it is and how it’s prepared.

7. Vibe dining. Consumers weigh the overall experience carefully when spending their dining dollars. Put as much thought into the look and feel of your restaurant, the music you play and the attitude of your staff as you do your menu, advises Andrew Freeman & Co. Locating near "experience-oriented" businesses, such as shopping, movie theaters and entertainment venues, helps boost your restaurant’s entertainment factor.

8. Throwback dining. Going back to the past is one experience that's hitting a chord with diners. Andrew Freeman & Co. predicts 2017 will see greater emphasis on “immersive experiences” that transport diners into a different place and time. If you don’t want to go to those lengths, adding some nostalgic, comfort-food items to your menu can have a similar effect.

9. Cafeteria-style dining. According to Andrew Freeman & Co., cafeteria-style restaurants are growing in popularity as part of consumers' desire to customize their meals. Think of how you can incorporate a cafeteria-style feel into your restaurant to attract a wider variety of diners.

10. Mobile dining. Mobile apps and busy customers are spurring a rise in food delivery. In fact, Americans are spending more money at restaurants, but less time actually eating in them. If you can offer delivery affordably while still keeping your food quality high, now’s the time to do so.

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