

Casual Dining: A Fresh Perspective

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Restaurant industry studies and reports have brought much attention to the shift in consumer choices and the flattening of year-over-year same store sales growth that the Casual Dining segment has been experiencing in recent years. However, there are still many exciting growth opportunities and ways that Casual Dining can flourish.

Overall the restaurant industry is on the rise, with sales for 2017 expected to peak at around \$800 billion according to the National Restaurant Association's 2017 Outlook report. While Full Service (which includes Casual Dining) is seeing a decline in sales growth the Full-Service category still comprises the largest industry service segment making up nearly one third of the restaurant industry's total sales. In fact, sales are greater in Full Service than both Quick Service Restaurants (QSR) and Fast Casual segments combined.



With projected sales of more than \$260 billion for 2017, the Full-Service sector may have flattened in system growth, but it is not going away. Companies are being challenged to seek new ways to remain relevant, and to take advantage of the narrowing gap between the value, price, and service propositions for Casual Dining vs. Fast Casual.

Key areas that we are seeing Casual Dining Operators focusing on to narrow the gap include:

- Intensified focus on food quality and freshness, farm-to-table offering, made from scratch, health-conscious menu choices and environmentally friendly offerings.
- Adjusting and broadening menus to meet varying customer dining occasions including better understanding consumer needs for each day-part and offering more diversity, variety, and smaller portion sizes.

Summary

Companies are being challenged to seek new ways to remain relevant, and to take advantage of the narrowing gap between the value, price, and service propositions between Casual Dining vs. Fast Casual

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- Adapting service models to meet the changing and diverse needs of consumers, such as adding differentiating service strategies based on the different day-parts. For example, breakfast and lunch offerings, lunchtime speed of service, carryout, and delivery.
- Leveraging the diverse and profitable separation from Fast Casual by providing superior drink offerings, both in the alcoholic and non-alcoholic space.
- Leveraging FOH, BOH and customer facing technologies that enhance speed of service, quality and customer satisfaction.
- The use of customer loyalty programs, increased spend on social media, mobile platform consumer engagement, online marketing and shifting away from traditional advertising.

Casual Dining leaders are also implementing new strategies to meet the changing needs of their consumers. Here are just a few examples of Companies that are finding success through these new opportunities:

- Cheesecake Factory is partnering with DoorDash as its exclusive delivery partner.
- Dallas-based TGI Fridays introduced online take-out orders a year ago and has seen sales grow by 30%.
- Bloomin Brands has invested in take-out and delivery for diners who don't want to leave home.
- Applebee's offers appetizer and entrée dinner menus for two at a fixed price of \$20 / \$25 providing customers a variety of new flavor choices focused on customer value and ordering convenience.
- Chili's Bar and Grill has continued to evolve its tabletop technology by offering many new features to improve service times and the overall guest experience including: tabletop ordering, self-cash out, drink re-ordering, check-splitting, loyalty points tracking and redemption and carryout ordering.

These are just a few examples of tremendous success stories where Casual Dining is finding new traction and driving incremental sales and traffic. The recipe for Casual Dining to remain the most viable and competitive customer choice for many years is to couple creative new strategies, together with an unwavering commitment to great service, great people and great food (all of which never go out of style).

About **Bill Conn**



Bill Conn is Senior Vice President at HVS Executive Search based in Atlanta. His 15 years of experience in financial services, hospitality-related business development and sales management coupled with 10 years in executive search allows him to bring a multi-dimensional approach to his work at HVS. Bill views his role as that of a strategic partner helping his clients achieve their business goals. Bill takes a great deal of pride in the fact that he has built a vast network of strong relationships over the course of his career. The foundation of those relationships is trust and staying connected. Bill serves as an Advisory Board Member for Flow Corporation, a cloud-based platform for creating Internet of Things solutions. He is a graduate of Skidmore College in Saratoga Springs, NY with a Bachelor of Science degree in Business with a minor in Economics. Bill enjoys mentoring recent Skidmore graduates. For more information please contact at +1 (516) 248-8828 Ext. 215 or [\[email protected\]](#)

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Greg Palmer is Senior Vice President at HVS Executive Search based in Orlando. Greg's career in Human Resources, Executive Search, Organizational Development and Training spans over 30 years with a specific emphasis in people-centric service businesses. A cum laude graduate of West Virginia University with a B.S. in Business Administration and Organizational Behavior, coupled with graduate studies in Industrial Relations and Organizational Theory served as a strong foundation for Greg's career. His early start was in the retail sector before joining PepsiCo where he held progressively more responsible roles in both Leadership Development and Human Resources ultimately serving as Division Director of Human Resources for Pizza Hut. Greg's career also includes holding senior and c-level human resource leadership positions in both public and private companies. To compliment his corporate experience Greg has accumulated over 12 years of additional expertise in senior level retained executive search. For more information please contact at +1 (516) 248-8828 Ext. 251 or [\[email protected\]](#)