

Shaking Things Up

by Jeremy Schoolfield

HOW A FEW SMALL CHANGES MADE A BIG DIFFERENCE IN GRACELAND'S FOOD AND BEVERAGE OPERATION



Sometimes, all it takes is a fresh set of eyes. That's what Joe King discovered last year when he allowed two IAAPA members to get a look under the hood at his food and beverage operation at Elvis Presley's Graceland in Memphis, Tennessee. The idea was simple: Let consultants make suggestions, then share the results at a seminar during IAAPA Attractions Expo 2007 in Orlando.



From left: Ken Whiting of Whiting's Foods, Joe King of Graceland, and Lenny Freund of Cox Concessions

"Everybody thought that was a great idea," recalls Ken Whiting, then-chair of the IAAPA Food & Beverage Committee and owner of Whiting's Foods in Santa Cruz, California, "but ..."

"Who was going to be the guinea pig," finishes his friend and fellow committee member, Lenny Freund, of Cox Concessions in Newman, Georgia.

King says he was inspired to volunteer because of a memo from Graceland Operations Director Mike Gates entitled "Dare to Be Great," challenging employees to entertain any and all opportunities to improve Elvis' home. Food service manager for Graceland since 1989, King says it's easy to get focused on capital-intensive projects and miss the little things. The goal of this project was to look for small, inexpensive changes King could make to his operation, providing some real-world examples of principles other operators could incorporate into their businesses.

"All credit goes to Joe and the staff at Graceland," Whiting says. "There's a vulnerability to have somebody come in and take a look under the hood and be willing to share information. It's not easy."

"It wasn't an overall makeover," King says. "It was what we could do with a little money and just tweaks the operations a bit." As you'll see in the following pages, those "tweaks" turned into major financial growth for Graceland.

Less Is More: The Importance of Streamlining Menus

Since there is absolutely no food allowed on the grounds of Graceland Mansion, the

attraction's dining options are located across Elvis Presley Boulevard at Graceland Plaza, along with the Elvis Automobile Museum, Elvis' Custom Jets, the Heart-break Hotel, and several gifts shops. The three F&B locales at Graceland are as follows:

Chrome Grille, offering Southern-style plate lunches and Memphis barbecue in an automotive-themed experience. Rockabilly's Diner, a traditional 1950s-era feel—right down to the jukebox selections on the tables—features burgers, hot dogs, and Elvis' favorite, a peanut butter and banana sandwich.

Shake, Split & Dip, an old-fashioned ice cream parlor.

When Freund arrived at Graceland for the start of this project in March 2007, the first thing he did was head over to the Grille for lunch. It was good timing (from a certain point of view), because two packed busloads of visitors had arrived just ahead of him so Freund got to see the restaurant under its most stressed circumstances—"the place was just mobbed," he recalls, leaving the line somewhat backed up.

"One of the biggest things I see as I travel around is the menus are just too cluttered—there are too many items," Freund says. "The first day we met [at Graceland] we went through one food line, looked at the beverages, and I thought, 'I understand all this stuff and I'm not even sure I know what drink I want.' There were quite a few choices, and I think making it simpler for the guest made it better and simpler to operate."

Freund and Whiting adhere to the "less is more" philosophy regarding menu options; if an item doesn't make up at least 5 percent of total sales, they recommend cutting it.

"During slow periods, everyone wants to add things to the menu," Whiting says. "But in this market you make your money when it's busy. If you're not set up to take advantage of peak sales periods, you lose. Everybody loses—customer service goes down, your employees get beat up, and you can't control your inventory."

Dining in the amusement industry is largely impulse driven, Whiting says, so the key for operators is making it as easy as possible for guests to come to those impulsive decisions (not to mention cutting down on excess inventory). The less on the menu, the quicker the decisions, the faster the line moves, the more volume is sold. This principle certainly held true at the Chrome Grille; after King chopped out his weakest items, sales were up 25 percent, with a 12 percent rise in per cap spending.

"The guests are here for the Elvis experience; they're not here to stand in line for food," King says. "They want quick, friendly service and to be on their way, so that's what we try and do."





Sell the Sizzle: Turn Food into a Show

Cleaning up and clearing out the menu served King well at Rockabilly's and the ice cream shop, as well, where he also employed another of Freund's trusted mantras: "Sell the sizzle." Because at Graceland, it wasn't necessarily just what was being sold, but how and where.

Case in point: Graceland makes fresh waffle cones for ice cream every day at Shake, Split & Dip, so Whiting and Freund suggested moving that operation from the back of the parlor out to the front counter. The idea, King says, was to "let the guests see the performance of the employees making the cones." Not only does this entice guests inside the shop to buy a waffle cone, but the process catches the attention of passers-by, too.

"Sell the sizzle," Freund says. "You put on a show. You walk by, it looks like something; you walk in, it smells like something. Now suddenly you want to upgrade your purchase to a waffle cone."

A similar operational shift was made over at the Rockabilly's dessert counter. In the past, the restaurant sold funnel cakes that started out frozen and were cooked in a pizza oven. Whiting and Freund suggested switching to a funnel cake fryer and putting it in plain view of customers—yummy smells ensue and fill the restaurant, drawing hungry customers like moths to a flame. After implementing these simple changes, King saw sales increase at Rockabilly's by 32 percent, with per-cap growth of 19 percent; the ice cream parlor experienced similar growth, at 22 percent and 11 percent, respectively.

Selling the sizzle also extends to the use of signature items, these food experts say. It may be something simple, but giving the dish some special importance makes it more appealing to customers.

"A signature item helps define your operation and separates you from the competition," Freund says. "It's a cornerstone to the leisure food and beverage industry. You're doing something special, and you're creating something that becomes synonymous with your park. A facility is remiss if they don't find something to hang their hat on and do better than anyone else in the business."

Graceland already has one signature item in its grilled peanut butter and banana sandwich, one of Elvis' favorites. King is also in the process of turning the Chrome Grille's meatloaf dish— another Elvis fave—into a heavily promoted signature, while adding a banana pudding and peanut butter split to the menu at the ice cream parlor. “You want to create a ‘wow’ item,” Freund says. “When you walk away with that item, other guests say, ‘Wow, where did you get that?’” (For more on signature items, see How To on p. 29.)

Let Them Do the Work: Leveraging Vending and Brands

One of Graceland's most successful tweaks didn't even occur inside a restaurant— instead, the money was waiting right there on the sidewalk in the form of slushy ICEE drinks.

Shake, Split & Dip already had an ICEE machine, but Freund and Whiting suggested adding a cart outside, as well— again, making it easier to accommodate those impulse decisions. Previously Graceland had an old-fashioned Pepsi truck in the plaza serving bottled drinks and snack food; adding an ICEE cart to that location led to phenomenal returns, with sales growth of 153 percent and a 133 percent per cap increase. This year, King hopes to add an ICEE bear in an Elvis jumpsuit to draw even more attention.

Also new this year will be a “vending destination” of six machines, up from the previous three. The idea is to group the machines together and use signage to make it appear more than just, well, a bunch of machines. King plans to add sport drinks, flavored water, and energy drinks to the bottled soda and water he already sells.

Whiting sees a lot of growth opportunities in vending as technology on the units continues to improve. Now machines accept credit cards and sell multiple types of merchandise in one spot; he's even seen units offering iPods. “The technology, merchandising, and availability of products through vending have improved and increased a lot,” he says.

Come in from the Cold: The Benefits of F&B Networking

In the end, King spent \$8,500 on improvements leading into summer 2007, and Graceland's F&B sales rose 33 percent, with per caps up 19 percent—a tremendous success.

“Our part was pretty easy; Joe's the one who had to do all the work,” Freund says with a chuckle. “But it doesn't have to be a total revamp. There could be just a few simple things that could equal some pretty big dollars. We didn't have a lot of money to spend here, but we certainly got some very good results.”

The three men are also quick to point out that this project wouldn't have worked if they hadn't gotten to know each other so well over the years through IAAPA. They all speak to the importance of networking and sharing ideas, especially for people in their line of work.

“A lot of food service people in the industry either inherited it or got drafted into it,” Whiting says. “Don't be afraid to ask for advice, and don't be afraid to take advantage of networking you've done within the industry.”

“Everybody's come up with an answer, and we've all screwed up over and over again,” Whiting adds. “To be able to call on people who do the same thing as me is huge.”

“We see food and beverage as a big part of the experience when a family comes to your venue for the day,” Freund concludes. “There’s a lot of money being left on the table.”

Three Easy Upgrades from Lake Compounce

Jon Vigue, food service manager at Lake Compounce in Bristol, Connecticut, gives FUNWORLD four easy and inexpensive changes he’s made to his operation that led to significant financial success.

Creative Packaging - When Vigue’s sno cones weren’t selling well, he switched from a plain white cup to a colorful, flowery container. The kids ate it up, and Compounce went from selling 30 cones a day to more than 250.



Super Size It - Originally Vigue only sold two sizes of MiniMelts, and the majority of customers went with the “small” and less expensive option. By simply adding a “large” option to the menu, the majority switched to the “medium” size which, of course, used to be the old “large” size.

Carts Lead to Cash - Vigue experienced tremendous success by setting up carts in places that previously didn’t offer any food or beverages. A simple beer cart at the north end of the park (where beer wasn’t available otherwise) led to great returns because “draft beer is very cheap to sell, and it has a high markup,” Vigue says. “All we had to do was build a little cart that covered a keg.”

Also, at about 4:30 p.m. each day Vigue moves a small snack cart out next to the park’s exit to give visitors one last option for food before they leave for home. “We knock people dead with that cart,” Vigue says. “At the end of the night people are looking for something simple to go home with, maybe something to bring home to a family member who couldn’t come to the park.”

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More Easy Moneymaking Ideas from Mark Wijman, Food and Beverage Manager for Kongeparken in Norway

Change Soft Drink Sizes

Our park’s target is mostly families with kids up and until 12 years old. I found most fountain drinks were not completely finished at the end of a meal in the park; therefore in 2007 we decreased our drink sizes park wide. We had large (0.8 liters/28 ounces), medium (0.5 liters/17 ounces), and small (0.4 liters/13 ounces). We dropped the 0.8L, converted the 0.5 into “large,” and the 0.4L became “medium” as we added a 0.3 liters/10 ounces size for our new “small.” The price levels from 2006 were kept the same, and after the same attendance level we finished the year with a saving in fountain drinks of 22.5 percent a beautiful result!

Change from ‘Menus’ to ‘Combos’

We feature a souvenir drink cup program that allows our guests to buy souvenir

cups for 69KR (US\$10.98) and have complimentary drinks for the rest of the season. (We do not feature a season pass, hence this option also increases a second visit during the season). We found that many more guests would be interested in buying a souvenir drink cup if they could use it as a “saving” for their main meal during the day. For 2008 we will change from menus to combos. This also allows us to focus more on up selling to the larger drink sizes or to a souvenir cup with the combo meal.

I talked to some colleagues in Europe who have opted for this and have seen a tremendous increase in sales. One specific park added an option in the combo to choose between salad and fries and had staff specifically ask guests each time what they wanted. It turned out that almost 50 percent of his guests chose to have both fries and salad, with the burger, therefore increasing sales even more.

Don't Forget the Small Things

At the exit of our bobsled we have a small outlet that mostly sells on ride photos. There was a nine foot long wall there, which was not really selling anything. We decided to turn this into a “candy wall.” We put in some small decorative items and bought 40 glass jars. In the jars we put small single packed candies with a maximum price of 5KR (US\$0.80). At the beginning of the summer season, the ride photo system was down, but the sales of the outlet remained on par with the previous season an excellent return on an investment that was no more than 1.100KR (US\$175).

Change Candy Offerings

Our main candy store, where we sell loose candy guests can pick themselves, was underperforming. When we investigated, we discovered the offerings were quite similar to the offerings the local grocery store had. I found a supplier of special candies that taste and look the part think three inch pink and white colored jelly hearts, six inch long boa snakes, tri colored two inch teddy bears and was able to negotiate a good price. I put in my first order based on last year's sales and decided to order the same amount for the first two weeks as I had done the previous year for the whole month. The Sunday afternoon of the opening weekend, the store (and the storage) was empty of products! In the overall season we more than tripled sales at that outlet.