



incredible!

BREAKFAST BEAT

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Where Are We Going With This?

It should be no surprise that QSR breakfast is one of the few areas of foodservice that isn't declining. Here are a couple of things to keep in mind as you contemplate your own breakfast program:

- Tasty food is as important as ever, but healthfulness is increasingly affecting more consumers' choices and chains are responding.
- Portability and convenience continue to be of great importance in the minds of consumers. According to The NPD Group, for the quarter ending May 2009, servings of breakfast sandwiches grew by 8%.
- Dunkin' Donuts locations are often open 24/7, but no other chain serving breakfast wants to be left out of the action:
 - Many McDonald's locations are open 24/7 and most that are not, are open by 5:00 a.m. or earlier.
 - Approximately 13% of Burger King stores are open 24/7



- and most locations that are not are open by 6:00 a.m.
- Chick-fil-A locations are usually open at 6:30 a.m.

DID YOU KNOW?

- Eggs contain the highest-quality protein available.
- Your customers demand eggs, making them the leading breakfast protein by a 2-1 margin. (Technomic, 2007)
- One large egg has only 72 calories.
- Eggs are a nutrient-dense food: lots of nutrients for relatively few calories.
- Eggs provide many vitamins and minerals. With a few exceptions, these nutrients are largely contained in the yolk.
- Consumer concern over cholesterol is at an all-time low. (Russell Research 2008)



Value Menus, a Sign of the Times

Value used to mean good quality at a reasonable price, but value has now become a critical factor for diners when deciding whether or not to "eat out." QSR chains are focusing on the value meal like never before, and that includes marketers that have traditionally avoided them.

- Burger King announced in June that it would focus communications on value items to counter discounts/coupons from other QSR chains.
- McDonald's is well-positioned with its popular Dollar Menu.
- Wendy's "3conomics" promotion offers three sandwiches at .99 cents each.
- Starbucks began its \$3.95 "breakfast pairings" in March, saying the concept was more brand appropriate for it than a value menu.

Industry watchers don't expect things to end up with Whoppers and Big Macs selling for \$1 because chains are focusing much of their value menus on new items instead of their signature products. But there are chains that still avoid discounting and coupons. CKE Restaurants (Carl's Jr., Hardee's) state that discounting trains customers to buy only discounted items and they plan to continue to avoid that strategy.



America Runs to Dunkin' ... for Breakfast Sandwiches

Dunkin' Donuts has introduced two new breakfast sandwiches this year, beginning with a LTO in February/March to debut its Waffle Breakfast Sandwich. With cherry-wood-smoked bacon, scrambled eggs, and American cheese between two maple-infused waffles, the oven-toasted sandwich is similar to McDonald's McGriddle.

The chain's most recent addition is the Egg

and Cheese Wake-Up Wrap selling for 99 cents, because Dunkin' believes we should start our day with "Breakfast, not Brokefast."

Dunkin' is committed to breakfast sandwiches in a big way – there are no less than 35 different versions shown on the Dunkin' site, and every single one of them includes eggs. They must know what sells.



Buddy, Can you spare a Meal?

U.S. unemployment hit 8.5% in March, with Americans losing a total of 5.1 million jobs since December 2007. So what better time to make an emotional connection with your customers than when they're down and need a hug?

The grand slam (ahem...)

of all free meal promotions was Denny's giveaway of its Grand Slam breakfast on February 3 of this year. Besides serving 2 million free meals, Denny's received 40 million hits on its web site and thousands of calls to its 900 number to thank them.

Many other operators across the country have offered "bailouts," and free drinks or meals to those who have lost a job or their home. They say it's not just being a good neighbor; it's also good business.



Food for Thought

In a survey of full-time workers, 23% said they eat breakfast at their desks every day. (Harris Interactive Research for Careerbuilder.com)

Among those surveyed on their 2009 travel plans, 61% who said they intend to reduce their leisure travel also said they'll be looking for good deals on meals. (Harris Interactive)

Consumers are much more likely to dine on a QSR breakfast during the week, but switch their thinking on weekends when they prefer a more leisurely sit-down meal. (R&I's 2009 New American Diner Study)

More casual dining chains are offering curbside pick-up, which helps them compete against QSR convenience and gives them an advantage over competitors who don't offer that option.



Feeling Left Out? Get Social!

If social networking sites aren't already part of your marketing plans, what are you waiting for? Shrewd marketers are already out on that dance floor!

Facebook users' web pages include whatever the user wishes to say and allows registration of "friends." Burger King tapped into the friend "frenzy" with "Whopper Sacrifice," the motto of which was "Friendship is strong, but the Whopper is stronger." BK fans were asked to de-friend 10 of their Facebook friends in exchange for a coupon for a free

Whopper. In just three weeks, nearly 224,000 "friends" were sacrificed, 20,000 coupons delivered, and 35 free media impressions generated. ⁽¹⁾

Carl's Jr. asked some acknowledged YouTube "stars" – those who are prolific video creators with huge online followings – if they would create their own video of how to eat a Carl's Jr. burger. An important benefit of using social media is the personal endorsement of its established stars.

BRIEF NOTES

Panera Bread cited the success of its new Share the Warmth breakfast program after posting a 40% rise in first-quarter net income.

Hardee's added a line of Texas Toast Breakfast Sandwiches in March made with egg, American cheese, and choice of sausage, bacon or ham.

Starbucks introduced a line of \$3.95 pairings, including a Tall Coffee with their new Artisan Bacon (or Ham) Sandwich, made with a Parmesan egg frittata, and Gouda cheese with bacon or cheddar cheese with ham.



American Egg Board
aeb.org/foodservice

For more recipes and information go to...

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SOURCES

1. Reported in Adweek 5/26/09, per Crispin Porter + Bogusky for Burger King