BREAKFAST BEAT

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On May 24, representatives of *QSR* magazine, Denny’s, Kimpton Hotels and Datassential Research discussed using innovation to drive breakfast business during a National Restaurant Association (NRA) Show session sponsored by the American Egg Board. In “Create New Menu Winners: Breakfast Innovation Success Stories,” panel members shared trends they see, including:

- Lunch and dinner-inspired breakfast foods – e.g. panini and ciabatta sandwiches
- Unique or higher-end ingredients – e.g. sun-dried tomatoes and flavored spreads
- Increased consumer interest in Hispanic and Asian breakfast items
- Need for something for everyone – hungry or nibbling, indulgent or dieting, lingering or on-the-run
- Create-your-own combo meals with customers choosing 3-4 items for a set price
- Better-for-me or the perception of it – e.g. adding fruit to a heavy pancake meal offers a “healthy halo”

One surprising trend shared by the panel was their observation of egg use throughout the day – on burgers, pizza and risotto, inside grilled cheese sandwiches, and even fried eggs on top of omelets!

**DID YOU KNOW?**

- Eggs are a good source of the highest quality protein.
- Eggs are an excellent source of choline, which is essential in memory and brain development. Choline, an essential nutrient, is found in the egg’s yolk.
- Egg yolks contain 45% of the egg’s protein, numerous minerals, and the majority of the egg’s vitamins.
- The nutrient content of eggs is determined by the hens’ feed.
- Research shows that eggs from conventional systems have lower shell bacteria levels than eggs from cage-free or free-range eggs.

**Fast Food, or Food-Fast?**

According to Technomic, the definition of fast food has expanded to include fast-casual for 41% of your customers. (1)

Fast-casuals are aggressively working the “food fast” angle during the morning daypart, combining improved delivery speed with an emphasis on value, flavor and quality.

Technomic suggests that Quick Service Restaurants (QSRs) can benefit from adopting tactics from the fast-casual approach:

- Offer higher-quality ingredients – e.g. natural cheeses, flavored spreads, and specialty breads
- Create more made-to-order or customizable meals, such as Subway’s breakfast sandwiches
- Evaluate the feel and comfort of dining areas to better fulfill diners’ shifting expectations

**Value Menu Secret**

Deep discounts, Buy-One-Get-Ones (BOGOs) and $1 breakfast menus have become the QSR norm, but as the economy improves operators are weaning customers from inexpensive items to exciting, must-have innovations.

In a recent study of recessionary consumer behavior, The NPD Group forecasts (2) that operators will wean consumers away from steep discounts with:

- More combo meal and value menu offers
- Higher-priced menu creations to excite customer interest
- Limited time offers (LTOs) to increase the sense of urgency to buy the new items

Dollar menus get customers through the door, but they also often purchase higher margin items like coffee, breakfast sandwiches, and LTOs.
News to Watch

Jack in the Box (JIB) launched its Grilled Breakfast Sandwich in April. Available all day, it includes two fried eggs, two pieces each of ham, bacon and American cheese on artisan bread, and replaces JIB’s Ultimate Breakfast Sandwich.

Hardee’s added a Double Loaded Biscuit ‘N’ Gravy to its menu in April. It is made with two folded eggs and two sausage patties and is served open-faced on a buttermilk biscuit, covered in gravy.

Bruegger’s Bagels launched a summer promo, “4 under $4,” in May. Available all day, it features four sandwiches - Western; Egg White & Sundried Tomato; Classic Egg & Cheddar; and Bacon, Egg & Cheddar.

Caribou Coffee is testing breakfast sandwiches in 45 markets and plans to add 100-150 stores this fall. The full rollout is expected early in 2011.

Subway breakfast items are fully customizable; any of Subway’s sandwich toppings can be added to any breakfast sandwich and made on any of the chain’s breads, flatbreads or muffins. The chain’s advertising theme is “Build Your Own Breakfast.”

By the Numbers

• 83% of breakfast sandwiches found on all Q4 2009 menus included eggs, a 13% increase from those found on menus four years earlier.

• Sandwiches account for 59% of all breakfast items menued by the Top 250 chains.

• 38% of females say they would be highly likely to purchase QSR breakfast foods at other times of the day.

• While 2009 sales at the Top 500 chains fell by 0.8%, sales at chains focusing on breakfast rose: Panera (7.1%), Dunkin’ Donuts (3.7%) and McDonald’s (2.9%).

• U.S. Hispanic consumers were responsible for more than 50% of the growth in the restaurant industry between 2005 and 2008.

More of a Good Thing

As one of Technomic’s five leading menu trends for 2010, all-day breakfast offers a great opportunity for differentiation and excitement. Forward-thinking chains have introduced special brunch menus and hours as a way to test the potential of breakfast served outside the usual hours in their operations. A number of full-service chains have recently launched brunch as a concept, most notably Ruby Tuesday’s and Cheesecake Factory, but Burger King is the chain forging ahead in QSR:

• Currently testing in Massachusetts and Florida

• New item – Ciabatta Breakfast Sandwich with egg, cheese, tomato, ham, bacon, and smoky tomato sauce

• New beverage – non-alcoholic Mimosa

• Old favorite – The Whopper

R U Geolocating?

Social media feeds and education were everywhere at the NRA show this year. Some food for thought:

• McDonald’s recently named its first social media chief and is partnering with Facebook on its new geolocation tool.

• Twitter is adding “Prompted Tweets,” with Starbucks being an early adopter of the advertising tool.

• Foursquare is a points/rewards system currently in test by several foodservice chains.

Why should you learn more about these communication options? Answer: Because your competition probably already has.

See what’s up at AEB at http://twitter.com/eggs4FoodServ

incredible!

American Egg Board
aeb.org/foodservice

Sources
2. The NPD Group, Light at the End of the Tunnel…What Can We Expect, 2010
3. Caribou Coffee, Earnings Call Transcript
4. Mintel data
5. Mintel, Menu Monitor
7. Technomic data