Great Expectations

Is there any lingering doubt that breakfast continues to hold the key to QSR growth? Besides Mintel pronouncing that “this year is being defined as the year of breakfast,” more and more major chains are devoting significant resources to securing their piece of morning revenue.

• In September, Burger King introduced its largest slate of new items (nine) at one time—all for breakfast. (See “BK’s Strategy” article below.)
• Wendy’s continues to test its new breakfast items, consistent with its quality positioning.
• Taco Bell continues to test “a traditional breakfast at Taco Bell value prices” in select markets across the country, with an anticipated national launch in the very near future.(3)

Bk’s Strategy

In August, Burger King restated its commitment to a “barbell” strategy, balancing premium products and value items.(3) This approach offers something for every taste and budget, and is evident in the chain’s 2010 breakfast launches:

• Breakfast Bowls for an all-in-one experience – eggs, potato, sausage, peppers, cheese, and a smoky cheese sauce
• Breakfast Ciabatta Club Sandwich for convenience - eggs, tomatoes, ham, bacon, American cheese, and smoky tomato sauce
• Ultimate Breakfast Platter for big appetites - scrambled eggs, sausage, hash browns, biscuit, and pancakes
• Mini Blueberry Biscuits with vanilla icing for a sweet tooth

Breakfast Creativity

Who doesn’t like egg & cheese breakfast sandwiches? In 2010, chains have really revved up the creativity, complexity and diversity of their new breakfast items:

• Through December 26, Tropical Smoothie Café has an LTO of three Ciabatta sandwiches and two grilled flatbreads. All items include eggs, but use four different cheeses and a variety of ethnic flavors including pineapple, jerk, marinara, pesto and buffalo sauces.
• Just introduced by Jack in the Box is the Breakfast Pita Pocket, made with scrambled eggs, bacon, ham, and cheese in a pita with fire-roasted salsa on the side.
• Dunkin’ Donuts has added Huevos Rancheros Wake Up Wraps to its menu, made with eggs, a blend of cheeses and refried beans.

DID YOU KNOW?

• Due to the recent recall, you may be wondering if eggs are safe to eat. Yes they are, because thoroughly cooked eggs are thoroughly safe eggs. (see back article, “Eggs: Still Incredible” for more information)
• The nutrient content of eggs is not affected by whether hens are raised free-range or in floor or conventional operations; the feed is the sole determinate.
• Eggs are a good source of Vitamin D and one of the few foods that naturally contain this nutrient.
• Egg protein is of such high quality that it is often used as the standard by which other protein foods are measured.
• Eggs provide many vitamins and minerals. With a few exceptions, these nutrients are largely contained in the yolk.
Eggs: Still Incredible

Just like any other protein, eggs are safe when properly handled and thoroughly cooked. As a quick refresher:

• Eggs should be cooked until the whites and yolks are firm.
• For egg-containing dishes (like sauces, casseroles, etc.), cook until an internal temperature of 160°F or above has been reached.
• Store eggs at 45°F or below, but do not freeze.
• Take eggs out of refrigeration only for immediate use.

Go to http://www.aeb.org/foodservice-professionals/egg-safety for complete egg handling and safety information, as well as copies of reference and training materials for foodservice operators.

SPECIAL OFFER: Until the end of 2010, single copies of AEB’s egg safety DVD, “The Special of the Day: The Eggoceptional Egg,” are being offered free-of-charge while supplies last.

By the Numbers

• 25% of McDonald’s revenue comes from the breakfast daypart, while Burger King’s breakfast accounts for 12%.\(^1\)
• Breakfast represented nearly 60% of the restaurant industry’s traffic growth over the past five years.\(^2\)
• For the year ending March 2010, U.S. restaurants served an estimated 12 billion morning meals, with 80% of those served by QSRs.\(^3\)
• The foodservice breakfast market is expected to grow 13% through 2014.\(^4\)
• Research suggests that breakfast sandwich servings will jump 14.6% between 2009 and 2019, climbing to 14.1 servings per capita.\(^5\)
• In the March-May 2010 quarter, foodservice servings of eggs were up 6% vs. the same three months of 2009.\(^6\)
• Despite being included on value menus, the average price of breakfast sandwiches increased 14% between Q2 2008 and Q2 2010, due to more expensive items being added.\(^7\)
• In July 2010, 37% of adults ate breakfast at a QSR.\(^8\)
• Servings of eggs at QSR were up 12% during the period of March-May 2010 vs. prior year, same period.\(^9\)

Industry’s First Kids Meal for Breakfast

In a timely response to health advocates’ criticism of meals marketed to children, Burger King has introduced a breakfast meal that conforms to strict nutrition criteria on calories, fats, sodium, and balanced nutrition for meals it advertises to kids. Coming in at just over 400 calories, the meal contains an egg and cheese muffin sandwich, apple fries, and calcium-fortified apple juice.

Correction: The August issue incorrectly listed Jack in the Box’s Ultimate Breakfast Sandwich as no longer being on their menu. This item is still on the menu at Jack in the Box. We apologize for this error.

On the Right Track

Subway’s April breakfast launch is already being called a success by the chain, and no wonder – morning sales have not only increased revenues system-wide, but outperformed original expectations.\(^10\) In fact, lunch sales also received a boost due to consumers buying not only their breakfast sandwich, but an additional one to be consumed later.

With its full menu available from 7 a.m. until closing, Subway continues to add hearty new breakfast items with daypart-blurring appeal. Recent additions include:

• The Steak, Egg & Cheese sandwich, including an omelet made with shaved steak, American and Monterey Cheddar cheeses, on a choice of breads and topped with a choice of veggies and sauces
• The Sunrise Subway Melt®, made with egg, turkey, crisp bacon, and Black Forest ham, topped with melted cheese

Both new sandwiches are available in a filling $5-Dollar Footlong™ version.

For more breakfast insights and information go to...

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incredible!

American Egg Board
aeb.org/foodservice

SOURCES
1. Mintel, Quick Service Restaurants – US, August 2010
2. The NPD Group, 2010
3. Mintel Research, reported August 2010
4. The NPD Group, The Future of Foodservice, 2010
5. The NPD Group / CREST®
6. Scarborough Research, 2010
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8. Burger King, Quarterly Analyst Call Transcript