

# BREAKFAST BEAT

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incredible!



American Egg Board

## At Last!

In the 1993 movie, *Falling Down*, Michael Douglas tries to order breakfast at a quick service restaurant and is told he's a few minutes too late. His reaction, although over the top, has been felt by anyone who's ever hit the drive-thru at 10:33 a.m. and really wants a bacon, egg and cheese sandwich.

According to the National Restaurant Association (NRA), 72% of adults agree, saying they want restaurants to serve

breakfast throughout the day. "Consumer interest is definitely stemming from the blurring of normal meal periods," says Annika Stensson, research communications director for the NRA.

Now that McDonald's has satisfied its customers' #1 request the world waits to see the impact. Expected to increase the chain's current 25% of domestic sales represented by breakfast, the stakes are

high for every operator involved in all-day breakfast. Dunkin' Donuts has flourished selling breakfast throughout the day and White Castle just started its all-day program after a successful test. But adding McDonald's 14,000+ U.S. locations into that same space is a game-changer. Whether



chains add entire breakfast menus or selected breakfast items into their all-day menus, consumers can only win.

## Eggs in New Places

All-day breakfast didn't suddenly appear out of thin air. The precursors leading up to an increasing number of chains serving breakfast all day have been quietly multiplying for years.

It began when restaurants started adding eggs to burgers, adding flavor, high quality protein and texture to an American standard. Whether called a Brunch Burger, Breakfast Burger or something else, you can find egg-topped burgers in virtually every burger restaurant, including gourmet ones

like Chicago's DMK and L.A.'s Bachi Burger. Even chain burgers bring the two dayparts together in items like the Royal Red Robin at Red Robin and Steak 'n Shake's Royale Steakburger.

But egg-topped burgers were just the start. Poached eggs regularly crown salads as well as vegetable, pasta and grain dishes. New York's Gato serves an egg-topped Kale and Wild Mushroom Paella with artichokes, and the Poutine with marinated cheese curds, gravy and fried egg at One Mile



House in NYC is a consistent seller. Daypart blurring has been advancing for quite some time now. All-day breakfast is just the next evolutionary step.

## Who Wants All-Day Breakfast?



Another major factor leading to the rise of all-day breakfast is the continuing change

in economic importance of Boomers and Millennials. U.S. Millennials, numbering between 80 and 90 million, are expected to exceed Boomers in total purchasing power by 2018<sup>1</sup>. Menu developers have been ramping up for Millennial preferences by beginning to give consumers what they want, how they want it and when they want it. And all-day breakfast is a natural fit.

Millennial meals are not tied to traditional meal times or foods, the inclination being

to eat whatever, whenever. Midscale operations have served that desire for decades, offering entire menus 24/7, and a growing number of quick service (QSR) chains are moving to all-day breakfast or offering selected breakfast items later in the day. With 77% of Millennials saying they want restaurants to serve breakfast throughout the day<sup>2</sup>, McDonald's and other chains are smart to satisfy the group's need of having what they want, available whenever they want it.

# New Thinking

Taco Bell began serving breakfast this year despite operational hurdles and learning curves. The earlier hours and different menu items certainly caused staffing, menu changeover and back of house (BOH) challenges. But testing supported the plan and the rest is history.

The point is not what potential issues there may be to launching a new program like all-day breakfast, but what rewards are possible. Carhops were once standard at the ancestors of today's QSRs, but things change.

Serving breakfast at 3 p.m. does not always require new BOH equipment. The NRA suggests the following for taking advantage of all-day breakfast without disrupting operational efficiency:



- Offer breakfast-type items on lunch and dinner menus that use similar assembly methods to others on those menus (e.g., breakfast burritos or sandwiches).
- Offer later-day breakfast items with more protein and complexity to satisfy bigger, later-in-the-day appetites.

Whether going to all-day or adding breakfast items to a lunch menu, any operator can capitalize on the popularity of breakfast at untraditional hours. It's high time for rigid dayparts to go the way of the carhop.

# Data Digest

**37%** of survey respondents said they ate traditional breakfast foods for lunch or dinner more than once/month; **29%** said they did so more than once/week.<sup>3</sup>

**32%** of family dining restaurants cited breakfast as their most successful meal offering.<sup>4</sup>

**48%** of consumers strongly agree that they enjoy eating breakfast items beyond the morning hours.<sup>5</sup>

Accounting for **22-24%** of restaurant spending in 2013, Millennials will represent **40%** of restaurant purchases by 2020.<sup>4</sup>

**32%** of people who eat breakfast foods for lunch, eat that meal away from home vs. **17%** of those eating breakfast in the morning.<sup>6</sup>

**53%** of women and those aged 18–44 strongly agree they enjoy eating breakfast items at nontraditional times.<sup>5</sup>

# Chain News



**McDonald's** began serving a selection of its breakfast items throughout the day on October 6.



**Romano's Macaroni Grill** launched its new Breakfast Americana made with scrambled eggs, three bacon slices, crispy Parmesan potatoes and Parmesan crostino.

**First Watch** ran a Breakfast Taco summer LTO of 3 corn tortillas stuffed with scrambled eggs, Cajun chicken, chorizo and shredded Cheddar and Monterey Jack, topped with fresh avocado and pico de gallo.



**Dunkin' Donuts'** Tailgater Breakfast Sandwich combined egg, reduced fat Cheddar and a split smoked sausage topped with fire-roasted peppers, grilled onion mix and ancho chipotle sauce.



**Bruegger's** Back Bay Egg Sandwich tops a fresh egg with bacon, Swiss, tomato and pickled red onion inside a poppy seed bagel spread with smoked salmon cream cheese.

**Carl's Jr./Hardee's** offered a Cinnamon Swirl French Toast



Breakfast Sandwich with egg, cheese, choice of sausage, bacon, or ham, and maple glaze sauce between French toast.

**Cracker Barrel's** open-face Maple Pepper Bacon Breakfast Sandwich summer LTO was made with thick-cut hickory-smoked maple pepper bacon, sugar cured ham, leaf lettuce, tomatoes, Colby and two fried eggs cooked to order.



For more breakfast insights and information go to [AEB.org/Foodservice](http://AEB.org/Foodservice)

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## SOURCES

1. U.S. Census Bureau, Oracle Financial Services Research  
2. National Restaurant Association  
3. Instantly – poll of 10,000 adults, June 2015

4. National Restaurant Association's 2015 Forecast  
5. Technomic – U.S. Breakfast Consumer Trend Report, September 2013  
6. Datassential – MenuTrends Keynote Report: Breakfast, July 2014