



TAKEOUT TAKES OFF ; Time-pressed Americans' push for more food to go is reshaping the way restaurants do business

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Author: Bruce Horovitz

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Stuart Kroll recently pulled his 83-foot yacht into the marina in St. Simons Island, Ga., and did what any good yachtsman would do: He ordered out.

Not just any takeout, mind you. A gourmet dinner of fresh grouper, vegetable medley and fine wine was wheeled to his boat from Coastal Kitchen Seafood & Raw Bar, an upscale marina restaurant 400 feet away. Dinner for two: \$150.

"Our boat is our waterfront restaurant," says Kroll, an investor who, with his wife, Ginny, divides time among East Coast marinas. "Why eat out?"

Most Americans don't own yachts -- or even dinghies -- but the couple are part of a growing majority of consumers who often buy restaurant-made meals to eat elsewhere. Restaurants used to be where folks went to sit and eat. But in a nation whose citizens are increasingly too busy, too impatient and perhaps even too lazy to sit down and eat a meal out, more restaurants than ever are evolving into something few could have predicted even two decades ago: packaged-goods emporiums.

America not only has become a takeout nation, it's increasingly picky about what it brings home. Takeout lunch or dinner no longer is limited to the neighborhood McDonald's or Pizza Hut, the supermarket deli or the prepared-food section of an upscale grocer such as Whole Foods. Now, in a trend that's reshaping the \$537 billion restaurant industry, consumers are demanding takeout from casual and even fine-dining eateries.

Well over half of the meals purchased at the nation's estimated 935,000 restaurants are gobbled up at home, back at the office or in the car. Twenty-five years ago, far more people ate restaurant food in eateries than took it out. By 2006, the typical American ate 81 meals inside restaurants but ordered 127 to go, reports researcher NPD Group.

So, faster than you can say, "To go," the restaurant industry is reinventing itself with double-lane drive-throughs, curbside pickup and takeout-only counters. The very notion of eating out is being redefined.

"People used to go to restaurants to eat," says Harry Balzer, food guru at NPD Group, who has been tracking the trend for more than two decades. "Now, they go out to get food to go."

Industry shifts toward takeout

The numbers keep growing. More than nine in 10 family-dining and casual-dining restaurants offer takeout, as do three-quarters of fine-dining locations, reports the National Restaurant Association. And 47% of casual-dining operators recently surveyed say their takeout business will grow in 2007.

"The industry used to say it was America's dining room," says Hudson Riehle, the group's senior vice president of research. But as the takeout side of the business explodes, he says, "It's becoming America's family room."

A generation of Americans is eating out in an entirely different way than did the generation before it. In 1955, about 25% of the money Americans spent on all food purchases -- including groceries -- was at restaurants. Today, it's 48%, the restaurant trade group says.

It's a trend that's changing American society -- for good or bad.

"The meal is not something that Americans see as primary in their lives," says Darra Goldstein, editor in chief of *Gastronomica*, a food and culture journal. "Eating is something they do while they're doing something else."

'I don't want to cook'

It's also affecting the way restaurants, plain or fancy, do business:

*Twice a month, Gail Christiansen of Tarpon Springs, Fla., hops in her Toyota 4Runner with her yellow Labrador retriever to fetch her family dinner from a nearby Outback Steakhouse -- at the restaurant's curbside pickup.

"It's usually because I don't want to cook and don't want to go to the grocer," says the mother of two teenagers. The meal for four typically costs her and her husband, Mark, about \$70.

She loves curbside service -- she calls ahead, and the food is brought to her car when she arrives -- because she can bring her 9-year-old dog, Mia. Outback employees often greet Mia with a dog biscuit.

"And I don't even have to put on shoes," Christiansen says.

For Outback, which was among the first to offer curbside pickup for casual restaurants, the takeout business has been huge. It will account for nearly 12% of sales in 2007, or \$300 million, up from less than 3% of sales about a decade ago, says Paul Avery, chief operating officer of parent company OSI Restaurant Partners.

The concept was created by Jeff Smith, now president of Outback, in 1994, when he was a franchisee in a suburb of Orlando. He started to block off parking spaces in the lot specifically for takeout and had hostesses run meals out to cars.

Takeout quickly took off.

Today, all 801 Outbacks offer curbside pickup. Each restaurant has an area set aside for takeout and three employees who do nothing else: a food runner, a phone order-taker and a meal bagger. Closed-circuit cameras aimed at the curbside parking area let employees know when a takeout diner pulls up.

The takeout business has been so successful that next month Outback will begin online ordering for curbside pickup. Smith says that may help boost Outback's takeout business to 15% of sales.

*Old Ebbitt Grill, a historic, white-tablecloth restaurant near the White House, has served dignitaries from Alexander Hamilton to Theodore Roosevelt to Bill Clinton. Now, it's serving people on the go: about 100,000 takeout meals a year.

It's where Jeanne Schlegel, who works at the U.S. Department of Veterans Affairs, heads for lunch each day. Not to Old Ebbitt Grill -- where she rarely eats -- but to the Ebbitt Express takeout behind it.

On a recent Friday, she buys the popular garlic cream chicken pasta before rushing back to her office. There, she says, she plans to spend her abbreviated lunch time paying bills and making a few personal phone calls.

"When else am I gonna do this stuff?" she asks.

Clearly, executives at Old Ebbitt Grill understand Schlegel's time crunch. That's why they opened the Ebbitt Express in 1994.

"There was a void," explains Kyle Gaffney, general manager of both restaurants. "People wanted takeout, but they didn't want junk food."

Now, at Old Ebbitt Grill, every menu item is available for takeout.

"We've had to get much more serious about containers that will hold the heat," Gaffney says. "Customers are driving long distances and want to eat it right out of the box."

*Even Starbucks is getting into the act. The coffee kingpin hasn't made this public, but when it revamps its lunch program at 4,400 (about 70%) of its domestic outlets nationwide on June 26 with two new, chilled salads, it'll do so with

takeout in mind.

"This is the grab-and-go generation," says Michelle Gass, Starbucks senior vice president. "Customers who come in for a morning latte can now create a brown-bag lunch, to go."

Among the salads being launched nationally: a Southwest-style Fiesta Salad and Tomato Mozzarella Insalata. Regional markets also will offer up to three more varieties; prices will range from \$5 to \$6. And, increasingly, folks will be able to buy salads at Starbucks without walking into a store.

Starbucks, which built its first drive-through in Vancouver, Wash., in 1994, now has them in 2,000 stores and counting.

*McDonald's has done for takeout meals what Apple has done for portable media players: made them ubiquitous. McDonald's doesn't break down exactly how much of its business goes out the door. But 60% of its sales are via drive-throughs, says Jan Fields, chief operations officer.

Since opening its first drive-through in 1975 in Sierra Vista, Ariz., the company has opened nearly 12,000 more. That includes 1,000 units with two drive-throughs.

As a result, says Bob Marshall, senior vice president of operations, one of the first questions McDonald's asks before creating a product is: How will it travel? Equally important: Is it driver-friendly?

That's the reason its new mini-cinnamon rolls, Cinnamon Melts, were designed in small, finger-friendly pieces so folks can snack and drive, Fields says.

*Known as much for its long lines as its big portions, Cheesecake Factory began offering curbside pickup at more than 100 of its 124 restaurants during the past year.

Without being advertised, takeout meals have zoomed to 8% of the chain's business, says Howard Gordon, senior vice president of business development. It may surpass 10% in the next year or two. The most popular takeout items: salads. That's one reason the chain recently expanded its lunch-size salad offerings.

When folks eat inside Cheesecake Factory, they usually order the same meal each time, Gordon says. But when they order takeout, they tend to try different items.

"We don't know why," he says.

*P.F. Chang's China Bistro, the upper-end Chinese chain, snubbed its nose at takeout a decade ago. Back then, Chang's essentially discouraged customers from requesting takeout.

"But the reality was, that's the way a lot of people look at Chinese food," CEO Richard Federico says. In fact, the top complaint the chain received was for its poor takeout service, he says.

Things have changed.

Chang's now has a dedicated takeout area in each location. It has a person on staff who does nothing but handle takeout. And it redesigned its takeout packaging to keep food hotter. With no marketing of the service, takeout now accounts for 13% of the chain's sales, Federico says.

On top of that, the chain created the Pei Wei Asian Diner concept, a more casual chain that does 40% of its business by takeout.

Chang's newest problem: Its takeout business might be growing too fast.

Some Chang's outlets now do 20% of their business in takeout. That has created a need to design restaurants with less space for tables and more space for meal preparation.

"It presents an operational challenge to our kitchens," Federico says.

'When you add it up ...'

Jennifer Siegel says she buys takeout for one reason: her sanity.

The group fitness director from Westfield, N.J., is renovating her kitchen. That means daily takeout for her family, which includes three children under age 10.

Even before the construction began, takeout was common by necessity, she says. Asked what she spends on takeout monthly, Siegel pauses for a long breath, then answers hesitantly: about \$600.

The number seems to startle her even as she says it. That's \$7,200 a year -- enough to buy an ultrafancy fridge for her new kitchen.

"When you add it up, it's scary," Siegel says. "But what the heck -- it makes life work."

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Abstract (Document Summary)

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