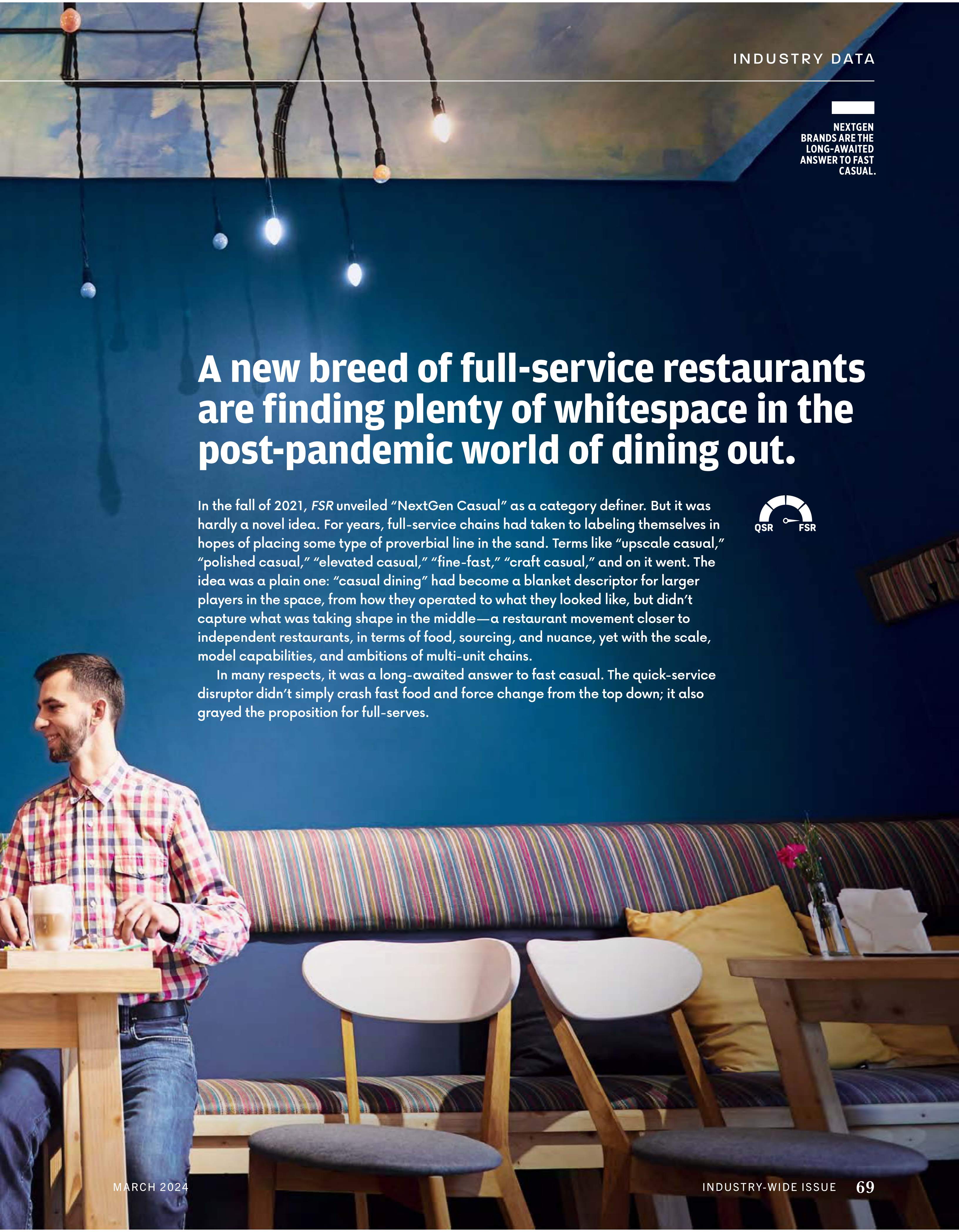
Here Comes NextGen Casual

/ BY DANNY KLEIN



NEXTGEN BRANDS ARE THE LONG-AWAITED ANSWER TO FAST CASUAL.

A new breed of full-service restaurants are finding plenty of whitespace in the post-pandemic world of dining out.

In the fall of 2021, *FSR* unveiled "NextGen Casual" as a category definer. But it was hardly a novel idea. For years, full-service chains had taken to labeling themselves in hopes of placing some type of proverbial line in the sand. Terms like "upscale casual," "polished casual," "elevated casual," "fine-fast," "craft casual," and on it went. The idea was a plain one: "casual dining" had become a blanket descriptor for larger players in the space, from how they operated to what they looked like, but didn't capture what was taking shape in the middle—a restaurant movement closer to independent restaurants, in terms of food, sourcing, and nuance, yet with the scale, model capabilities, and ambitions of multi-unit chains.

In many respects, it was a long-awaited answer to fast casual. The quick-service disruptor didn't simply crash fast food and force change from the top down; it also grayed the proposition for full-serves.

Was the food quality in sit-down establishments materially better than fast casual? And if the answer wasn't so clear all of a sudden, then how could operators justify the added cost of table service? Even before COVID-19, brands had started to solve the riddle through a combination of experience, accessibility, agility, hyper-focused menus, technology, and differentiated designs. The pandemic sped the cycle, and it's only solidified in the aftermath. Picture higher prices across the foodservice industry and a growing divide between transactional brands and those that are hospitality-driven. As challenging as the dynamic is, it's uncovered opportunity for brands that lead with the latter to reframe value as "what it's worth" versus "what it costs."

All said, though, what "NextGen Casual" means going forward remains fluid. Just like fast casual when it landed, or "better burger," etc., how a brand gets credit for stepping into a fresh space comes down to what guests care most about. And so, *FSR* and *QSR* this year commissioned a consumer study with consulting firm King-Casey to develop an understanding of diner wants/needs for the next generation of full-service restaurants. The answers won't just matter to sit-down chains, however—everybody will be paying attention.

To begin, we set out to assess the relative appeal of five alternative benefit themes for differentiating NextGen Casual restaurants from existing concepts: *menu differentiation; technology; health and the environment; non-chain experience; and convenience and comfort*.

Nearly 630 people were polled who eat at/from restaurants at least once per month (64 percent visited weekly) and had annual household incomes of $35,000-plus (30 percent reported $100,000 and above). Each survey covered restaurant usage behaviors, reasons for visits and priorities, overall response to one of five NextGen Casual concepts, diagnostic questions to assess attitudes, and relative degree of influenced sponsored by varied attribute/benefit nomenclature.

Here were the results.

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BRANDS HAD STARTED TO SOLVE THE RIDDLE THROUGH A COMBINATION OF EXPERIENCE, ACCESSIBILITY, AGILITY, HYPER-FOCUSED MENUS, TECHNOLOGY, AND DIFFERENTIATED DESIGNS.

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The Takeaways/

RESTAURANT USAGE BEHAVIORS AND PRIORITIES

Age affects frequency of restaurant use, chain preferences, and types of food consumed in past year. Based on frequency of use, 55- to 69-year-olds are the least desirable segment.

Reasons for restaurant visits, though, are largely independent of age. Consumers have mainly visited establishments for a relaxing meal, to celebrate special occasions, to socialize, avoid cooking and/or to have a particular type of food.

Consumers do not exhibit much, if any, exclusive loyalty to either types of restaurants, specific chains or to specific types of foods. On average, they have, in the past year, visited more than six of the chains studied, consumed more than eight types of foods and have visited fast casuals and quick-service restaurants as well as full-service venues.

Although quick-serves foster the most frequent visits, full-service restaurants earned the highest levels of satisfaction. Interestingly, fast casuals are no more satisfying than quick-service brands.

Providing a relaxed, comfortable atmosphere with physical menus, meals prepared to order, and popular pricing for everyday dining are, by far, the most important considerations for choosing a restaurant to visit. Those benefits are far more broadly desirable than many of the current "hot buttons" for the NextGen themes like technology, health, and the environment and/or limited menus. Nonetheless, there are significant minorities of consumers who find those NextGen themes to be desirable.

A quick editor's note on the above: Much of the NextGen movement isn't necessarily tied to recreating what guests expect of full-service dining—it's to take the hallmarks and do them better/more consistently. That's where fast casual first threw the quick-service game into chaos. Chipotle reset the bar by taking the pillars of the category (speed and convenience) and bringing them forward with reimagined food quality and more customization than ever. You don't always have to reinvent the wheel to spin it.

RESPONSE TO NEXTGEN CONCEPTS

Consistent with the earlier findings that consumers like to visit different chains and different restaurant formats, all five of the NextGen concepts studied enjoyed high levels of positive response. On average, more than four of five consumers liked the ideas and would visit them if conveniently located. Largely, broad interest in the concepts can be traced to their common prom-

IMAGE CREDITS FOR PREVIOUS SPREAD: ADOBE STOCK / ANATOLIY_GLEB, GAUGE ICON: ADOBE STOC K / EMIL' CREDIT. THIS PAGE, TOP DOWN: ADOBE STOCK / ANATOLIY_GLEB, ADOBE STOCK / PUHHHA, ADOBE STOCK / RAWPIXEL.COM ise of highly desirable benefits—new, full-service restaurant that offers a varied menu with great tasting food, comfortable seating, table service, and a relaxing atmosphere.

Consumers were most attracted to the idea that emphasizes convenience and comfort—satisfied—well-fed and comfortable, better food, and convenient service at affordable prices; in a hurry, want to relax, order ahead, have your order delivered. Almost two-thirds of consumers liked that concept a lot (61 versus 39–51 percent) and more than half claimed they would definitely visit (53 versus 36–47 percent). This concept was particularly associated with dinner meals and was disproportionately appealing to 55- to 69-year-olds.

RESPONDENTS HAD ANNUAL **HOUSEHOLD INCOMES** OF **$35,000+**

/

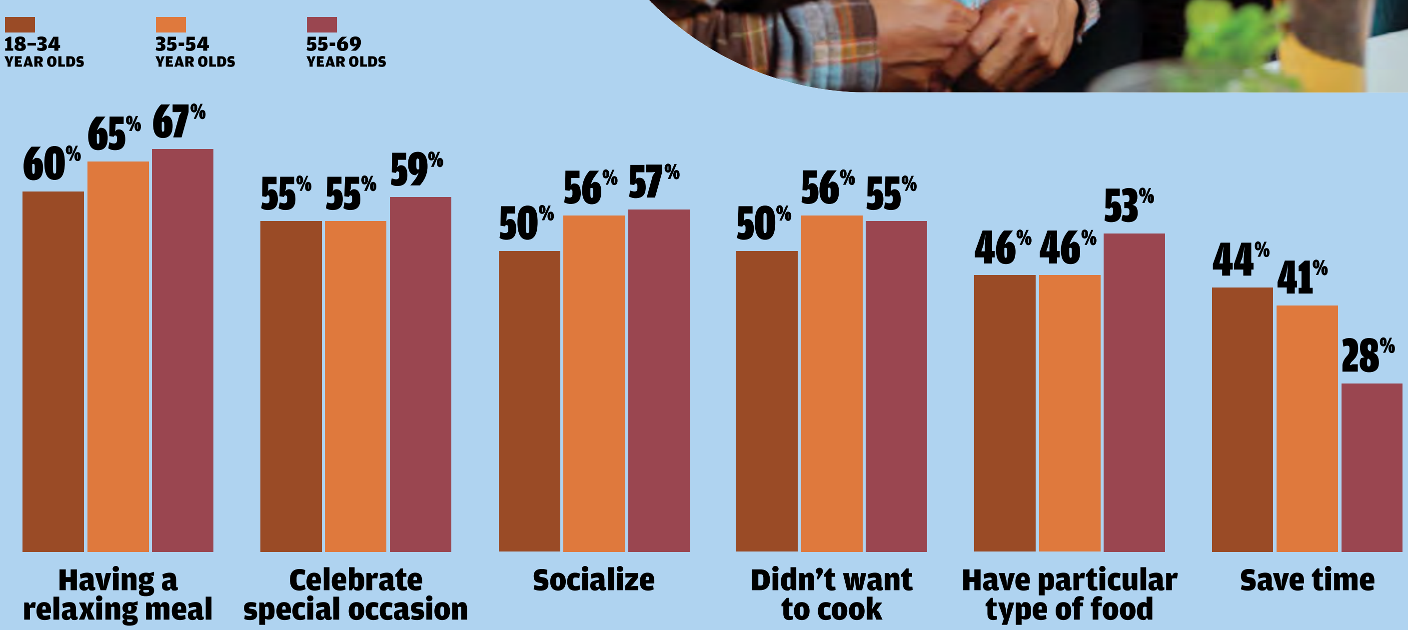
30% REPORTED **$100,000** AND ABOVE

A slightly narrower appeal was expressed for the concepts that promised menu differentiation (the most innovative, chef-inspired creations) or a non-chain experience (we don't look, feel, or operate like a chain restaurant). Menu differentiation was also associated with dinners and, particularly, special occasions. Interest in a non-chain experience was particularly expressed by women and consumers with higher incomes.

Least appealing were the concepts that focused on technology or health and environment. It is important to note, however, those concepts still had strong levels of appeal, but to a smaller audience. Notably,

The Charts

Reasons for visiting restaurants in the past year/



ADOBE STOCK / PRINS PRODUCTIONS

both of these concepts were disproportionately associated with dining alone and particularly attractive to men. Interest in the technology theme was skewed to 18–34 year-old single Black men. The health and environment theme was particularly appreciated by 35- to 54-year-old married men with kids living at home.

Another note: One of the secret weapons of NextGen concepts is their ability to flex technology by fit. Customers generally aren't going to say they want tech in their sit-down experience unless it's supplementing what they expect of the brand. That's generally on the restaurant to figure out. So a brand like bartaco and its QR code ordering complements the approach with a team of customer-experience providers in the dining room, running food and answering questions. Other chains might have pay-at-the-table tech and tablets to enable servers to cover more ground and have information at the ready, or KDS systems in the back to boost consistency and open them to a wider labor pool that can train faster. Tech can be invisible, or not, but NextGen concepts find ways to deploy innovation to improve the experience rather than take something away.

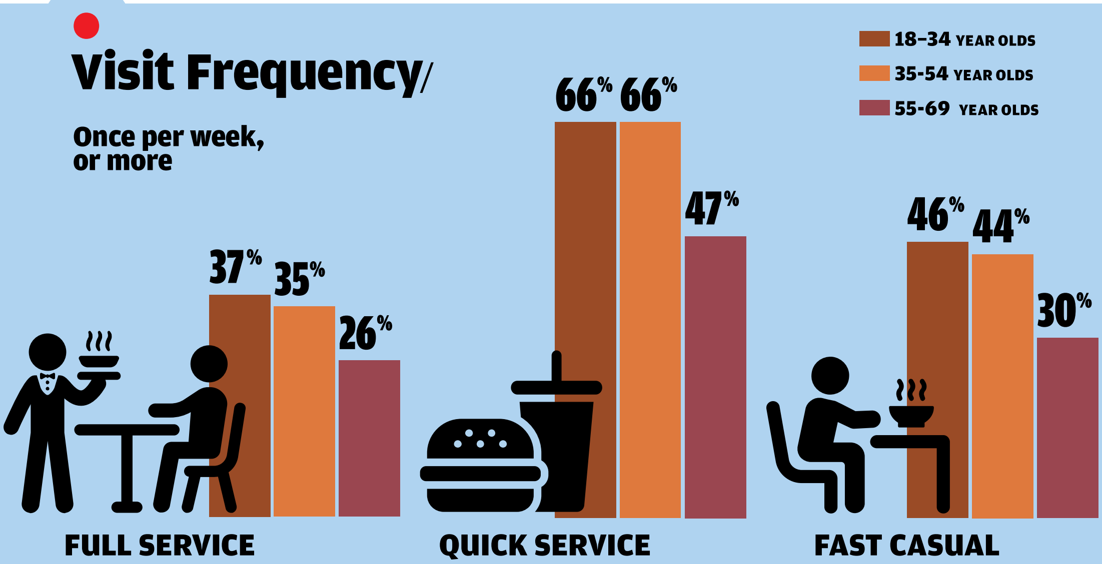
ON AVERAGE, MORE THAN **4 OF 5** CONSUMERS LIKED THE IDEAS AND **WOULD VISIT** THEM IF CONVENIENTLY LOCATED.

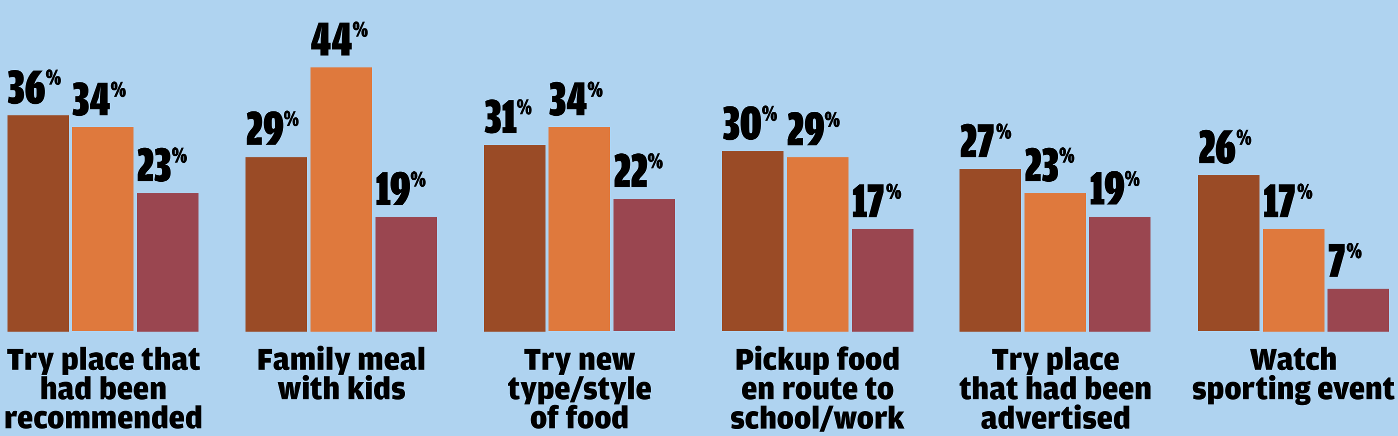
CONSUMERS WERE **MOST ATTRACTED** TO THE IDEA THAT EMPHASIZES **CONVENIENCE** AND **COMFORT**

For several of the concepts, specific words/phrases evoked positive consumer attention and disproportionately led to interest:

"Convenience" and "comfort"–reasonable prices; freshly prepared foods; foods I crave; good wait staff and/or the promise of saving time.

Menu differentiation–customized food order; foods made-to-order; freshly prepared foods; choices you can't get elsewhere; limited, but great choices.





RESTAURANT ICONS: ADOBE STOCK / ICONS-STUDIO

Health and environment—healthy items; environmentally conscious/sustainability; organic ingredients.

Although most people (84 percent) were suspicious of the concepts in one or more ways, only a fear of prices being too high (45 percent) was articulated by more than a third of consumers. At lower levels, to varying degrees by concept, consumers, on average, were concerned with portions being too small, the restaurant being too noisy/busy, bland food that doesn't look appetizing, etc.

Independent of the concepts studied and totally consistent with the foregoing findings, consumers would be far more influenced by words and phrases related to fresh preparation of their meals and/or unique recipes than to the use of healthy, good-for-you ingredients. Here again, however, these data points do not mean that there is not a market for restaurants that cater to the health conscious. But rather, that there would be far broader appeal in flavorful descriptions than to those related to healthful ingredients.

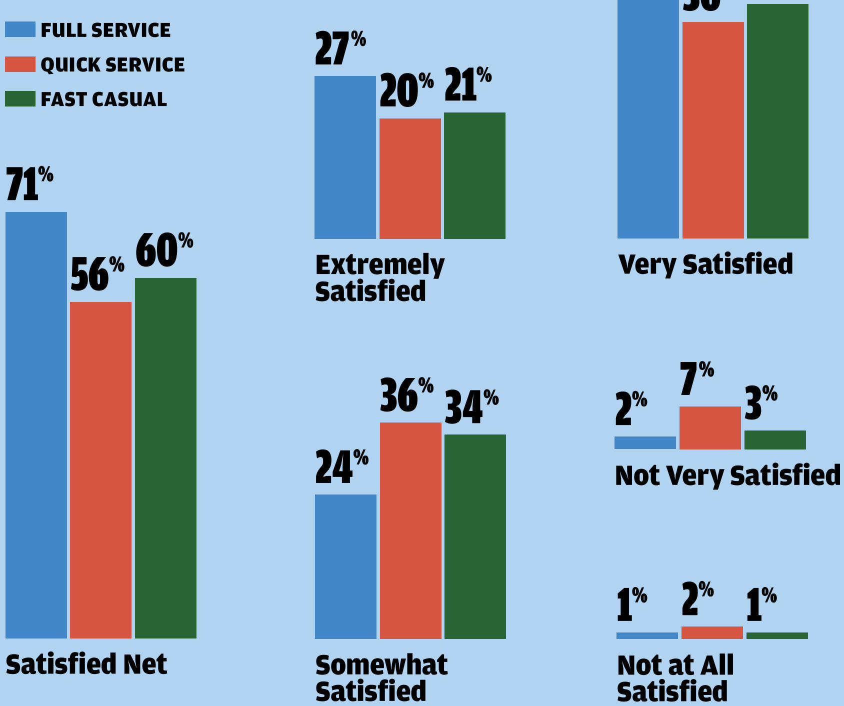
84% WERE SUSPICIOUS OF THE CONCEPTS IN ONE OR MORE WAYS

WITH MORE THAN A THIRD OF CONSUMERS SAYING **FEAR OF PRICES BEING TOO HIGH**

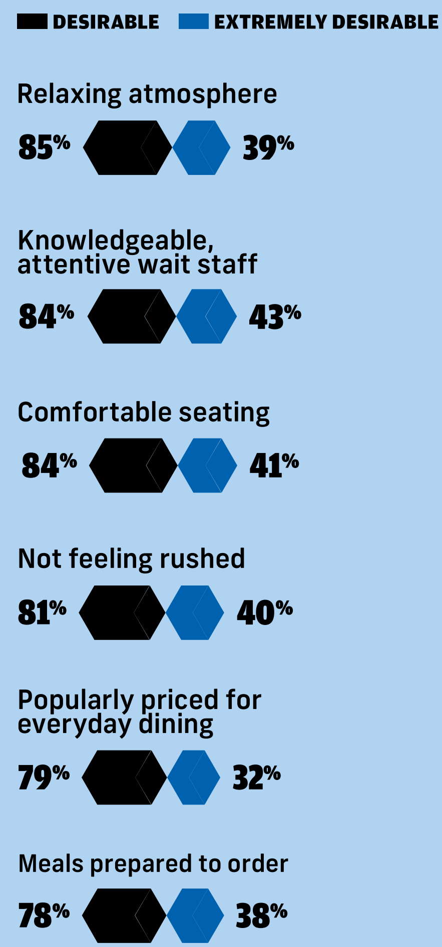
RECOMMENDATIONS AND CONSIDERATIONS

There is definitely an opportunity for a NextGen class of full-service restaurants built around a common theme of great tasting food with comfort in a relaxed atmosphere. Consumers are ready and willing to try almost any type of new restaurant concept because they like varied

Satisfaction/



Most important considerations for restaurant selection/



ADOBE STOCK / GIRAFCHIK

experiences as well as varied menus.

Under that overall umbrella there are numerous opportunities that appeal to varying numbers of consumers based on their differential priorities. The broadest opportunity is for full-service restaurants that combine the promise of a relaxed on-premises experience with the convenient efficiency for those in a hurry or with takeout needs—and all at affordable prices. Whether or not this triple-benefit restaurant can be successful from an operations and financial perspective must be carefully evaluated.

Lower, but not insignificant opportunities, exist for new full-service restaurants that focus on menu differentiation or a non-chain experience or technology and/or a healthy, environmentally conscious theme.

CONSUMERS ARE **READY** AND **WILLING** TO TRY ALMOST ANY TYPE OF **NEW RESTAURANT** CONCEPT BECAUSE THEY LIKE **VARIED EXPERIENCES** AS WELL AS **VARIED MENUS**

There is some evidence that the alternative themes can be disproportionately used to attract specific demographic groups.

Taken together, it is likely that the Next Gen era of full-service restaurants will *not* be a single-minded, homogeneous group, but rather niche oriented clusters of restaurants targeted to specific/unique consumer need/benefit segments rather than trying to broadly appeal to the masses.

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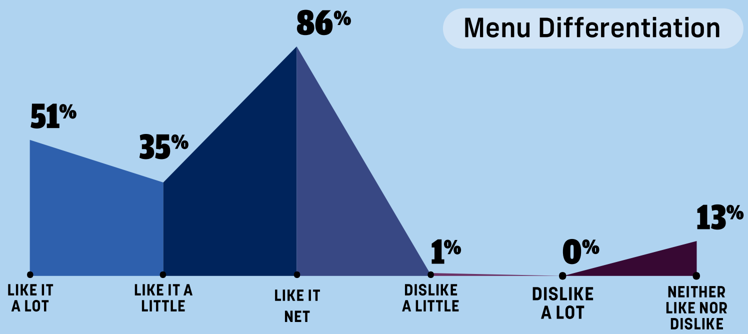
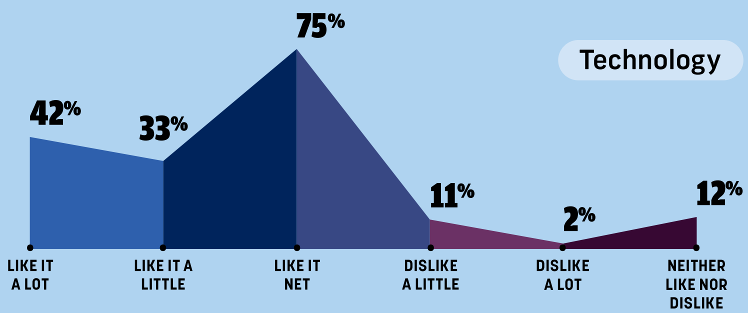
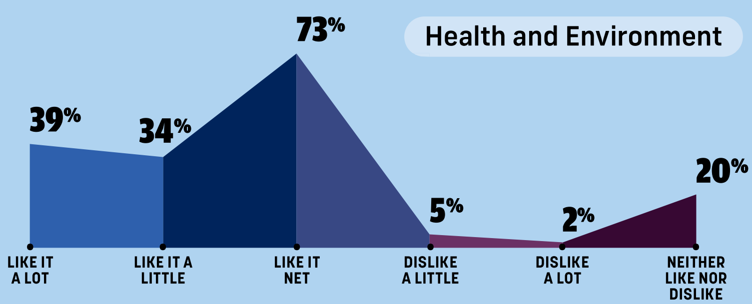
The lesser considerations/

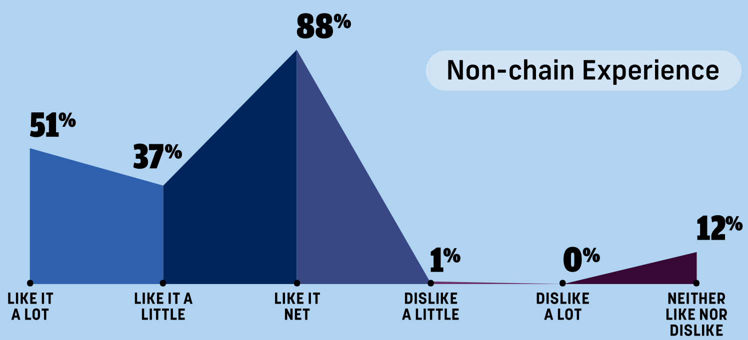
	DESIRABLE	EXTREMELY DESIRABLE
Can customize ingredients in order	72%	33%
Physical menus to hold and read	72%	32%
Entrees under $12	71%	36%
Entrees from $12–$24	70%	29%
Easy to get meal in short amount of time	70%	29%
Menus with detailed descriptions	61%	24%
Able to get in/out quickly	61%	23%
Many unique items/recipes	60%	22%
Some locally inspired menu items	59%	23%
Electronic paying at table	56%	23%
Offering alcoholic beverages	55%	26%
Menus with pictures of every item	52%	22%
Not having look/feel of a chain	52%	17%
Modern, contemporary atmosphere	50%	19%
Décor consistent with type of food	47%	17%
Simple menu (not too many choices)	47%	13%
Soft background music	44%	17%
Traditional, classic décor	43%	13%
Kid friendly	42%	19%
Sustainable to-go packaging	42%	19%
Environmentally sensitive plates, etc.	39%	16%
Lots of low-calorie/low-fat items	40%	14%
Electronic ordering at table	39%	16%
All/mostly organic ingredients	37%	17%
Modern, high-tech décor	37%	14%
Live music/entertainment	35%	13%
TV monitors	35%	13%
Lots of gluten-free items	25%	11%

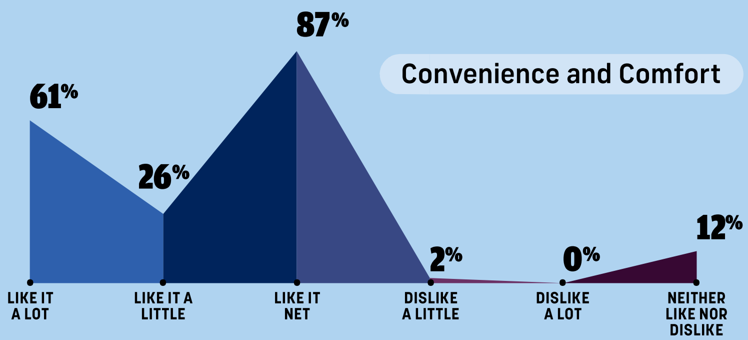
Overall opinion of concept/



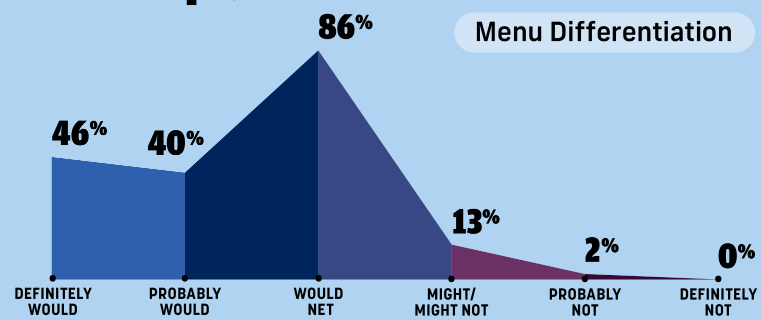


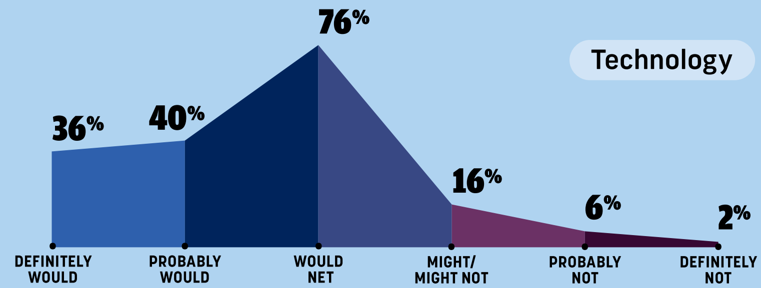


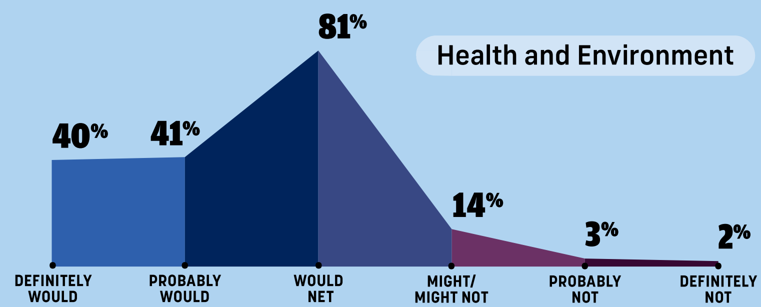


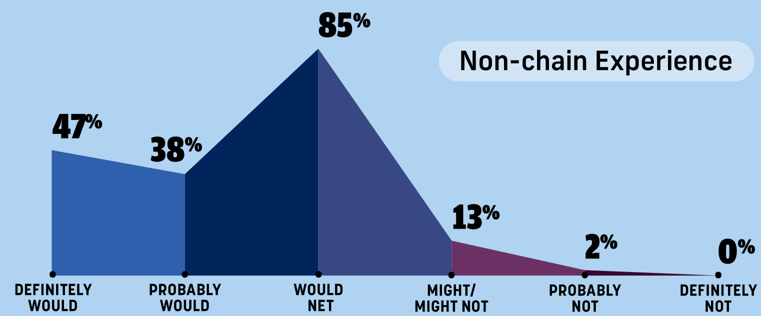


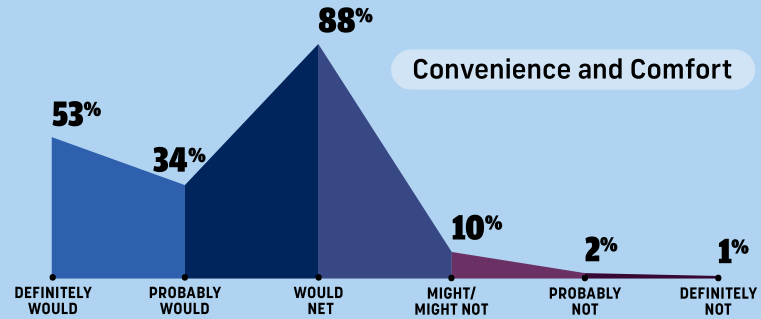
Likelihood of visiting restaurant due to concept/





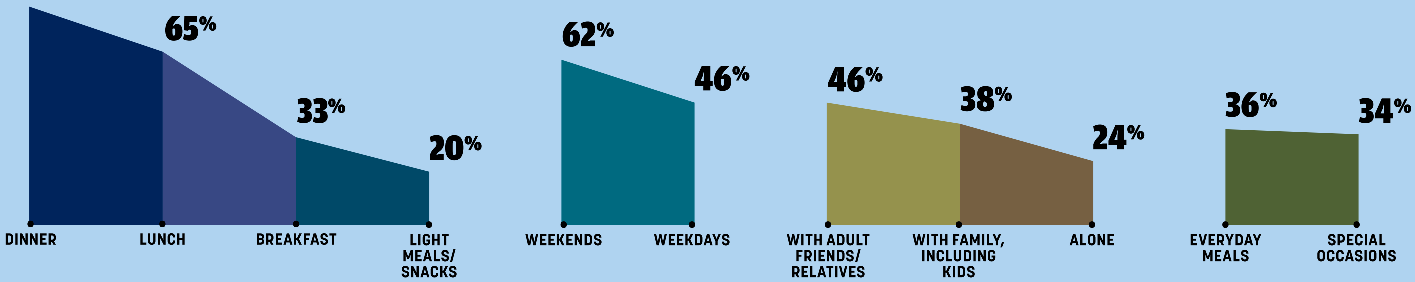




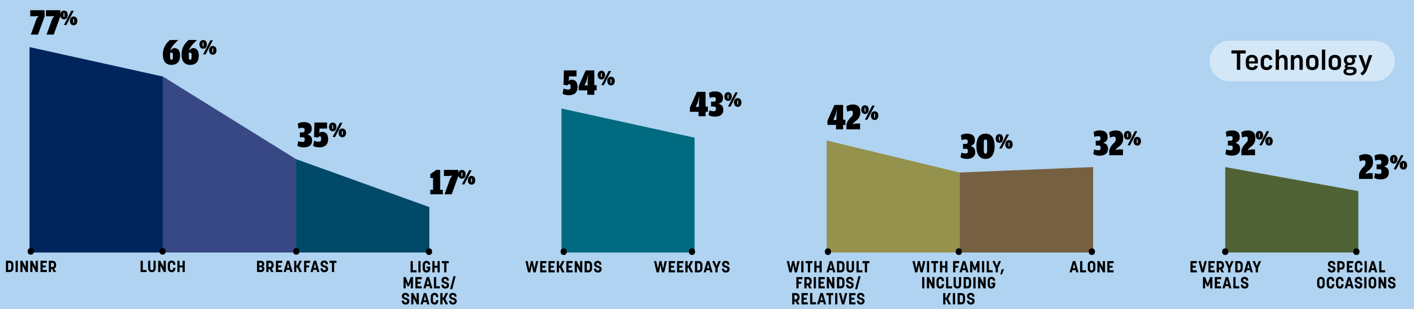


Occasions/

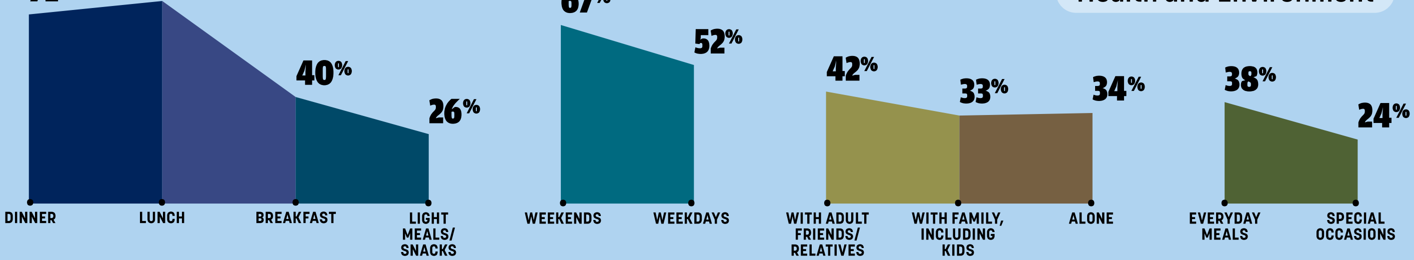
Menu Differentiation



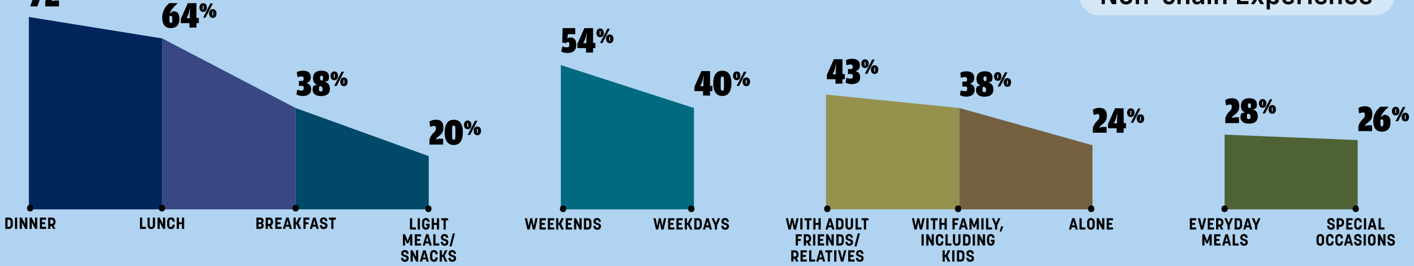
Technology



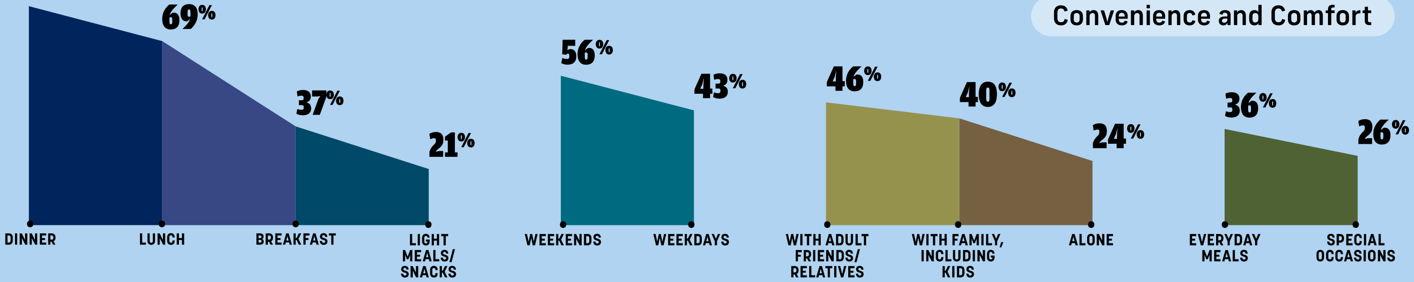
Health and Environment



Non-chain Experience



Convenience and Comfort



RESTAURANT ICONS: ADOBE STOCK / BRO VECTOR

Reasons for interest in restaurant/

TOTAL	
50%	They have good food
50%	Reasonable prices
42%	Freshly prepared foods
41%	Relaxing atmosphere
40%	Food is made to order
38%	Customize food order
37%	Foods I crave
34%	Friendly, helpful, courteous personnel
34%	Located near home/work
33%	Wide variety of entrees
33%	Consistently good/well prepared
29%	Saves me time
29%	Unique foods/recipes
26%	Choices you cant get elsewhere
25%	Menu has healthy items
23%	Menu has limited, but great choices
21%	Foods that are better for you
18%	Environmentally conscious/sustainability
17%	Uses organic ingredients
14%	Closest source when time limited
9%	Lots of off-premises options

Reasons to not dine/

TOTAL	
45%	Prices too high
32%	Small portions
29%	Too noisy/busy
26%	Food is too bland
23%	Food doesn't look appetizing
22%	Entrees not freshly prepared
22%	Tables too close together
20%	Food not hot enough when served
20%	Not enough variety of entrees
17%	Menu is too complicated
17%	Not enough variety of sides
16%	Menus are not easy to read
13%	Not enough variety of healthy choices
13%	Pre-orders not ready upon arrival
13%	Takeout packaging doesn't keep temperature right
8%	Too many food/beverage choices

ADOBE STOCK / RAWPIXEL.COM

Most influential characteristics and terms/

Term	Influential	Greatly influential
Made fresh daily	96%	39%
Hot, fresh, and delicious	95%	69%
Fresh-baked breads	93%	60%
Customizable	93%	54%
Premium meats	91%	55%
Seasoned to perfection	91%	55%
Local favorite	91%	49%
Fast service	90%	47%
Authentic	90%	52%
Craveable	89%	50%
Bold flavors	89%	46%
Down-home cooking	88%	51%
Special sauces and seasonings	88%	44%
Original recipe	87%	44%
Chef-inspired recipes	87%	44%
Clean ingredients	86%	47%
Signature recipes	86%	44%
Wholesome goodness	85%	39%
Marinated	85%	39%
Quick preparation	84 %	39%
Healthy choices	83%	40%
Secret family recipe	82%	38%
Slow cooked	82%	33%
All-natural	81%	42%
Hand breaded	80%	35%

Less influential terms/

Term	Influential	Greatly influential
Hand-cut/diced	79%	34%
Succulent	78%	38%
Grain-fed meats	74%	31%
Whole grain breads/rolls	73%	28%
Free-range	72%	31%
Hormone-free meats	70%	34%
Organic ingredients	69%	31%
Superfoods	69%	25%
Curated	69%	20%
Non-fat and low-fat options	67%	24%
Non-GMO options	61%	26%
Vegetarian options	47%	20%
Gluten-free options	47%	16%

The Now of NextGen Restaurants

Backed by recent data and insight from restaurant leaders, the emerging category is defining itself with chef-inspired menus and fresh ingredients, top-notch hospitality, and more as it evolves and grows into the future. And it's all happening today.

/ BY CALLIE EVERGREEN

A STUDY BY KING-CASEY SHOWS MOST GUESTS ARE DRAWN TO FULL-SERVICE CONCEPTS THAT COMBINE DIVERSE MENUS AND COMFORTABLE ATMOSPHERES.

GINGER BRANDS HOSPITALITY GROUP; GAUGE ICON: ADOBE STOCK / EMIL'

It's no surprise consumers are flocking to restaurant concepts where the guest experience is the primary focus, which is why the emerging NextGen Casual segment continues to be a winning formula for success. Combining the best of the full-service sector's focus on hospitality with the technological advantages, comfort, and convenience seen in quick-service and fast-casual concepts, the category has become synonymous with constant evolution, improvement, and sustainable growth.

A recent consumer report by King-Casey (page 68), a leader in restaurant and foodservice business data analytics and consumer insights, reveals the evolving preferences of diners have significantly shifted toward full-service restaurants that blend the allure of diverse menus with the comfort of a relaxed dining atmosphere.

One revealing outcome: Though quick-serves foster the most frequent visits, full-service restaurants earned the highest levels of customer satisfaction, surpassing fast casuals as well. The net satisfaction score of quick service was 56 percent, fast casual 60 percent, full-service was 71 percent.

"To see that full-service restaurants create the highest levels of satisfaction suggests that full-service brands have reinvested appropriately in the guest experience following the deep staffing challenges of the pandemic in 2020," says James O'Reilly, CEO of Ascent Hospitality Management—whose portfolio includes more than 600 Huddle House and Perkins restaurants.

"It's also reassuring to see that guests continue to value great tasting food, a comfortable relaxing environment, and affordable prices," he continues. "While this is a difficult balance to strike sometimes in a highly inflationary environment, it reinforces my belief that a renaissance for family dining is on the horizon, which we intend to lead at Ascent."

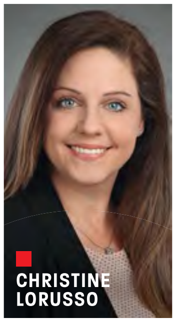
When consumers are deciding where to dine, the most important considerations are a relaxing atmosphere, knowledgeable and attentive wait staff, comfortable seating, and not feeling rushed, which were all rated desirable by more than 80 percent of study respondents.

"These usage behaviors and priorities ring true at Firebirds," says Christine Lorusso, senior director of digital marketing at NextGen Casual concept, Firebirds Wood Fired Grill. "We cater to guests looking for a relaxing meal at a decent price point, as well as those who are celebrating everything from birthdays to engagements. Our goal is to create extraordinary experiences, no matter the reason for dining, so that guests continue to make us their restaurant of choice."

Firebirds kept innovation at the forefront following the pandemic, where many brands fizzled on initiatives after COVID. The classic chain found a way to blend technology that speeds up operations while balancing hospitality and the guest experience. Examples include fully integrating third-party delivery and training delivery service providers to use Flybuy, a dashboard platform where workers can see incoming orders all in one place. Wait times dipped as low as 30 seconds while increasing repeat visits, and it also cut down carbon emissions by 11,857g each month by keeping cars from idling in the parking lot, *FSR* previously reported.

Another illuminating statistic is Firebirds' customer visit frequency. Before the pandemic, patrons frequented the brand about six times

"WE CATER TO GUESTS LOOKING FOR A RELAXING MEAL AT A DECENT PRICE POINT, AS WELL AS THOSE WHO ARE CELEBRATING EVERYTHING FROM BIRTHDAYS TO ENGAGEMENTS."


CHRISTINE LORUSSO

FIREBIRDS KEPT INNOVATION AT THE FOREFRONT DURING COVID.

FIREBIRDS GUESTS VISIT THE RESTAURANT 10 TIMES PER YEAR ON AVERAGE, UP FROM SIX TIMES PER YEAR PRE-COVID.

FIREBIRDS WOOD FIRED GRILL (5)

FIREBIRDS WOOD FIRED GRILL

per year. Currently, this figure has risen to more than 10 visits annually, which can be attributed to offering more diverse dining options, such as family meals, feasts, and takeout services.

While a relaxed and comfortable dining environment and attentive staff were the keys for consumers per the study, "hot button" NextGen themes like a limited menu, health, the environment, and technology fell further down on the list. But, it's worth noting there are significant minorities of consumers who find those NextGen themes to be desirable.

"It doesn't surprise me that 'hot buttons' fall a little bit lower on the priority list," Lorusso says. "Themes like technology, sustainability, and chef-inspired menus should enhance the experience, not overshadow the importance of food quality or service."

Liz Moskow, a food futurist and principal at Bread&Circus Ltd. says, "when asked, most consumers will tell you they want to make more sustainable choices for the planet and be early adopters of technology to enhance convenience, but when it comes to dining, and food consumption in general, this data only confirms what hospitality experts with restaurant experience already know to be true; emotions rule the day when choosing what to eat and where to eat it. This is the core of hospitality; precisely catering to human needs and paying attention to what drives people to motivate, act, choose, purchase, eat, return."

Ginger Flesher-Sonnier, owner and CEO of the Ginger Brands Hospitality Group, agrees. "People say they flock to Throw Social because we provide

GINGER FLESHER-SONNIER

a casual, comfortable, relaxed vibe with plenty going on if they choose to participate," she says. A math teacher turned entrepreneur, Flesher-Sonnier founded the experiential hospitality group that includes brands THRōW Social, Escape Room Live (sold in 2021), Kick Axe Throwing, and coming in 2024, Yacht Club Social.

"They love that they can spend two to four hours—or more—with us and never feel rushed to leave, but know that they can pop in and out if they just want a quick bite. In particular, having music and games combined with fresh and tasty food seems to be a winning ticket," she says.

"The NextGen customer wants fresh-made food in a comfortable setting. They also want it to be quick and convenient. Staff engagement matters a lot as well. It is important to strike the right balance of convenience and hospitality," adds Scott Lawton, CEO and cofounder of bartaco.

Meanwhile, the largest potential concern for customers when trying a new restaurant was a fear of prices being too high, which was articulated by more than a third of consumers. At lower levels and to varying degrees, consumers were concerned with portions being too small, the res-

"THEY LOVE THAT THEY CAN SPEND TWO TO FOUR HOURS—OR MORE—WITH US AND NEVER FEEL RUSHED TO LEAVE, BUT KNOW THAT THEY CAN POP IN AND OUT IF THEY JUST WANT A QUICK BITE."

GINGER BRANDS HOSPITALITY GROUP (3)

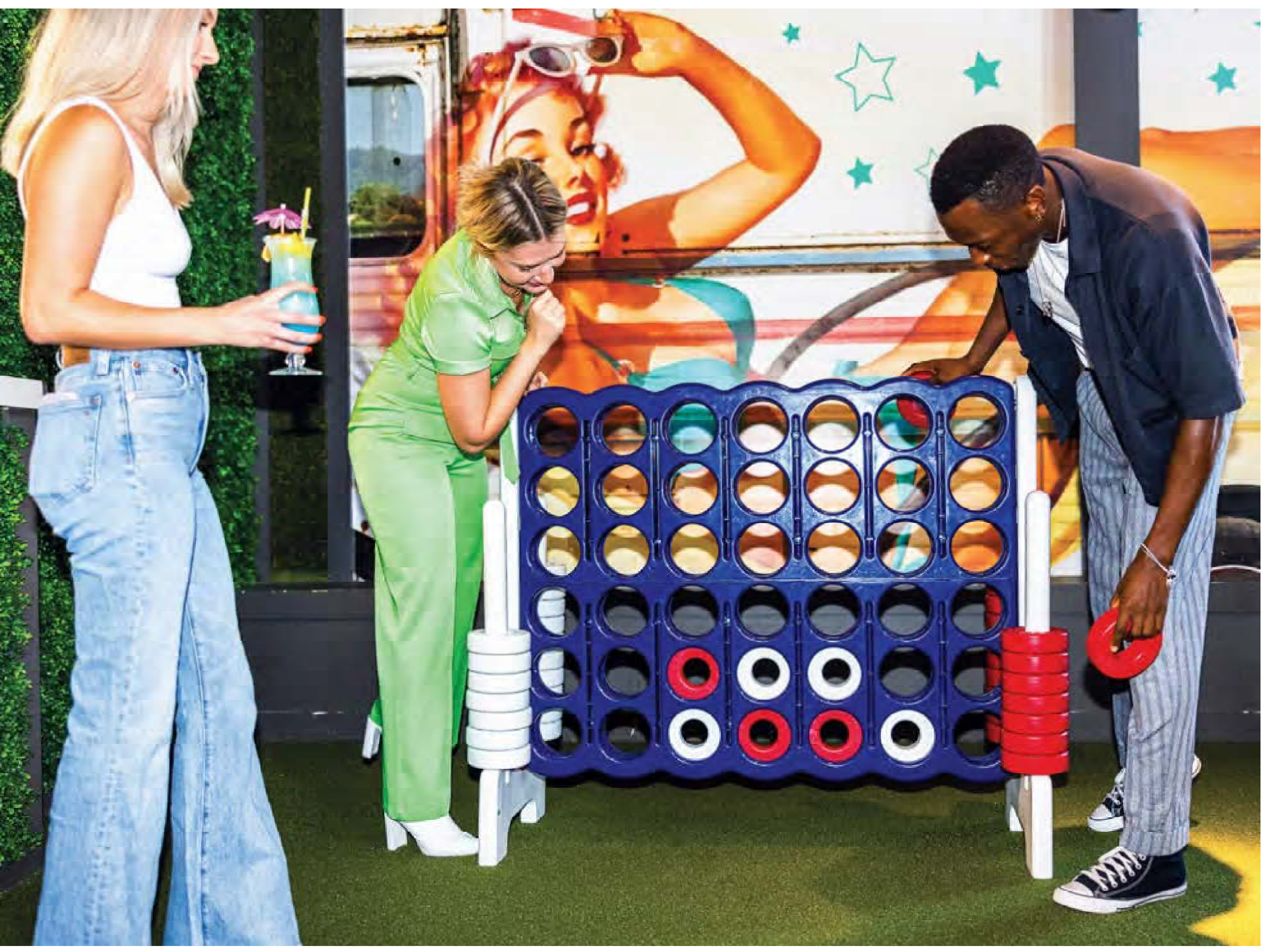
CONSUMERS ARE CLAMORING FOR MORE SOCIAL ENTERTAINMENT. ▼

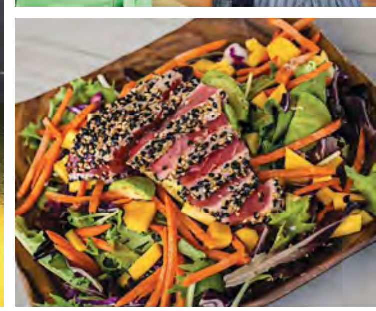
taurant being too noisy/busy, and bland food that doesn't look appetizing.

THE NEW DEFINITION OF "VALUE"

One of the largest recent shifts the restaurant industry has seen is the redefining of what "value" means to guests. "Value is not always perceived as being cost-based. Value can come at a higher price, so long as the quality and experience is worth it," Lorusso says.

Brandy Blackwell, vice president of marketing for Another Broken Egg Café, says the study "further validates that value is not always created through discounts and promotions. Value is also realized through the delivery of a consistently great dining experience and an environment where connections can be celebrated and fostered." Another Broken Egg Café is one of the fastest-growing, franchised breakfast and brunch concepts in the nation, with 95 locations—nearly 20 of which opened in 2023—and more in development, part of its "Road to 100" plan for 2024.





GINGER BRANDS HOSPITALITY GROUP (6)

Moskow notes "it seems to be increasingly more important for all kinds of restaurants to provide value, both real and perceived to their consumers, in new and engaging ways; portion sizing to price value, and sourcing of ingredients, the usage of healthy and/or trending ingredients, and menu call outs that evoke emotions and feelings. These feelings are what ultimately enhance both in-house and off-premises dining experiences."

"Guests will continue to seek out brands that can deliver the full-value equation, which is much more than just the check," adds Anita Adams, CEO of Black Bear Diner. "Enhanced technology is important to address a number of challenges restaurants face, however, will never be a substitute for hospitality."


CAROLINE SKINNER

Black Bear Diner, which has more than 140 locations in 14 states and counting, is known for its home-cooked comfort foods and focus on providing guests with exceptional service. Its growth plan for 2024 includes welcoming at least nine new franchise-owned diners and five corporate restaurants. The new diners will be a combination of conversions and ground-up new builds and will incorporate recent design enhancements to better accommodate off-premises dining, including an exterior delivery and pickup window. "Our investments at Black Bear focus on providing efficiencies and enhancing the guest experience without removing the connection our teams have with our guests," Adams says.

"Our belief is guests continue to seek experiences that provide genuine hospitality, and our intent is to continue to emphasize this at Black Bear Diner," she adds. "This has always been a pillar for us coupled with serving up an abundance of classic all-American fare in our beautiful cabin-themed diners. This heritage truly stands the test of time and wrapped together provides the value guests are looking for."


▲ TUPELO HONEY IS KNOWN FOR ITS SCRATCH-MADE SOUTHERN FOOD.

A FOCUS ON SCRATCH-MADE FOOD

NextGen Casual restaurants have innovative, chef-inspired creations, typically with a streamlined menu and customization options. The study defined NextGen Concepts in the following way: "We are not trying to be everything to all people—just delivering better product consistency of clean, fresh, and craveable food."

Last February, Asheville, North Carolina-based Tupelo Honey launched a program for its "raving regulars." The brand empowered stores with budgetary money, tools, and marketing programs to recognize and reward loyal customers, including secret menu items, participation in focus groups, and tasting new products. A large part of what's driving customers to return is the brand's fresh and made-from-scratch food, from its blueberry compote that accompanies the blueberry buttermilk waffles for brunch to chef-inspired entrees like its Grilled Salmon and Creamy Quinoa with sustainably farmed Atlantic salmon, roasted carrots and cauliflower, smoked harissa sauce, and chives.

"The study affirms what we see/hear from our customers about their affinity for our brand. It comes down to our commitment to scratch-made food and our unique niche in the Southern food space," says Caroline Skinner, chief operating officer of Tupelo Honey Hospitality. "When these two things are paired with best-in-class hospitality and a comfortable dining experience, we excel at delivering a great guest experience."

As far as food categories go, 81 percent of respondents say they ordered a burger in the past year. Mexican food and tacos (71 percent) were a close second, followed by chicken (69 percent), sandwiches (66 percent), breakfast (64 percent), Chinese food (62 percent), coffee/tea (58 percent), Italian/pasta (57 percent), barbeque (48 percent), steakhouse/prime rib (46 percent), seafood excluding sushi (38 percent), Japanese/sushi (30 percent), Thai/Korean/other Asian (26 percent), then Greek, Mediterranean, and Indian ordered by less than 20 percent of study participants.

Andrew Jaffe, chief marketing officer of Snooze, an AM Eatery, notes the brand's focus on menu variety and creativity delivers on guests' evolving needs and wants. "We pride ourselves in enhancing our Snooze experience with creative twists on our menu, unique multiethnic dishes,

TUPELO HONEY (4)

balanced with morning breakfast staples and healthy lifestyle items. All of this begins with sourcing responsibly ingredients that are always thoughtfully prepared and fresh,” he says.

Cai Palmiter, vice president of marketing for upscale ramen concept JINYA Holdings, notes the room for the growing ramen category to differentiate itself in the future, highlighting “an interesting challenge. It speaks to the broader issue of how specific cuisines are perceived and categorized by consumers,” she says. “It is our struggle with consumers to recognize ‘ramen’ and not ‘Japanese’ cravings in general because it is either broad or just focused on ‘sushi.’”

“It’s about shifting perceptions and educating the market,” she adds. “This is a classic example of how businesses need to not only excel in their product offering but also in how they communicate their unique selling points to the market. By focusing on creating a strong association with ramen, JINYA is aiming to break through the barriers of generalization and carve out a distinct niche in the culinary mindscape of its customers.”

Tomo Takahashi initially started the concept in Japan before bringing JINYA stateside to Hollywood, California, in 2010, and growing it to more than 60 locations. “At JINYA, the commitment to preparing food fresh and made-to-order truly makes a significant impact on customer perception and satisfaction. This approach, while more labor intensive, sets JINYA apart in a market often flooded with pre-prepared or quick-serve options,” Palmiter adds.

TECH AND OFF-PREMISES

Geo Concepcion, CEO of The Greene Turtle, recalls how important digital ordering and delivery became in the full-service world, which was crystallized in focus by the pandemic. “With that wave behind us, we’re now seeing that guests want a dine-in experience that offers great service and value. The study confirms what we’re seeing day to day as our sales growth is coming from our late-night and happy-hour periods rather than off premises, as it had in the past few years,” he says.

In the end, NextGen Casual restaurants that find ways to enhance their offerings with human touches that are designed to amplify customer service, hospitality, convenience, and customization are poised to succeed.

“We’re always looking for ways to utilize technology to help us more effectively deliver these core expectations. While other revenue channels [delivery, catering, pickup, etc.] are certainly beneficial, they aren’t our primary focus,” says Greg Graber, founder and CEO of Heritage Restaurant Brands, the franchisor of nearly 50 restaurants with concepts including Cool Hand Luke’s, a steakhouse/saloon; Perko’s Cafe Grill, which serves American family comfort food; and Huckleberry’s, a breakfast and lunch concept that serves up “Southern cookin’ with a California twist.”

“WE’RE ALWAYS LOOKING FOR WAYS TO UTILIZE TECHNOLOGY TO HELP US MORE EFFECTIVELY DELIVER THESE CORE EXPECTATIONS.”

▲ GREENE TURTLE EMPHASIZES THE IMPORTANCE OF SERVICE AND VALUE.

“These revenue channels are primarily used by our loyal guests who enjoy the in-restaurant experience and then take advantage of our other options as needed,” he says. “If we take our eye off guests’ core expectations, we will eventually erode our loyal guest base and all revenue channels will decline. Consumers must be able to rely on your primary deliverables and, when they do, they’ll be much more apt to try new ways of experiencing the brand.”

Moskow believes tech is meant to encourage customer loyalty, provide deeper perceived or real value, and bolster a sense of human importance, and/or provide consumers with enhanced convenience and speed. “I see sustainability practices and the use of technology tools as layers to effective restaurant management; these layers should be added on top of consistent hospitality practices to make that restaurant selection more appealing, more satisfying, and more frequent,” she says.

“What good NextGen Casual concepts can take away from this is that by providing the value already inherent to the fast-casual segment—quality, price value, consistency—they are best positioned to layer on personal touches that will enhance hospitality and foster comfort and belonging,” she adds.

“While this can be enhanced off-premises via pickup and delivery to some extent, most of the focus needs to be on enhancing the in-store experience (dine-in or pickup) to make people feel a sense of connection to the brand, the location, and to the people who make each unit run effectively. This focuses on the restaurant customer, but begins with educating and incentivizing internal teams with new training protocols, employee incentives, and real organizational indoctrination from the CEO down to the dishwasher on the power of what true hospitality and personal human connection and interaction can do.” ◗

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THE GREENE TURTLE (3)