

SYSCO | TrendSpotter

Lessons from Lodging



For the past few years, restaurant operators in most of the country have been stuck in a no-growth environment. Foodservice patronage overall isn't increasing, so the only way they can grow is to wrest a greater share of the market away from their competitors. Standing out from the pack is always hard, but it's never been more important.

One sector of the industry that *has* been growing, however, is hotel foodservice—partly because both business and leisure travel have bounced back from their recessionary lows, but also because hotel companies are investing in innovation and differentiation to build business among both lodgers and locals.

Both hotel-based restaurants and hotel catering programs have lessons to offer independent restaurant operators—particularly as we approach the all-important year-end holiday season and the opportunities it presents to capture incremental business.

Let's take a closer look.

Begin with Breakfast

Breakfast is the hotel's last chance to impress overnight guests. Quality, differentiation and convenience are vital in both upscale hotels that offer breakfast for a fee and midscale hotels that give it away for free.

Midscale hotels' complimentary breakfasts have become a key point of brand distinction, with increased variety and expanded grab-and-go selections underscoring value.

- **Carlson's Country Inns & Suites** hotels added more variety and healthier options to their Be Our Guest Breakfast, including rotating daily hot entrées; traditional buffet favorites such as waffles, along with healthier options; build-your-own omelet and breakfast burrito stations; a yogurt parfait bar; and a grab-and-go station.
- **Embassy Suites** offers cooked-to-order omelets with the choice of 10 different ingredients.
- At **Hampton Inn & Suites**, the On the House breakfast includes make-your-own Belgian waffles, eggs, French toast sticks, sausage patties and a wide array of Continental-breakfast foods.
- At **Hilton's Homewood Suites**, free breakfast options include hot entrées, three types of breakfast meats, and lighter fare such as yogurt, fresh fruit, multigrain breads and juices.
- At **Holiday Inn Express**, the Express Start breakfast bar features omelets, hard-boiled eggs, breakfast meats, bagels, breads, cereals, biscuits, fresh fruits, yogurt and cinnamon rolls.

Meanwhile, upscale hotels are striving to make breakfast more convenient. For one thing, they're debuting online room service programs that allow guests to place in-room dining orders via laptop or smartphone. Omni hotels report that 40% of evening room-service orders—most of them for

breakfast the next day—originate on the online-ordering system.

Lessons for restaurants: Weekday breakfast has been a big growth area for limited-service restaurants, but full-service operators, with their slower turnover, have felt shut out of the Monday-to-Friday action. The breakfast-building success of hotels suggests that there is room for them to build a customer base for the morning meal on weekdays by offering quick, convenient options (including self-service and grab-and-go) along with a broad, balanced menu of both healthful and indulgent fare.

"Another breakfast frontier where hotels lead the way: breakfast catering, on the rise along with early-bird meetings."

You could build in another level of speed and convenience by offering diners the option of pre-ordering breakfast (for dine-in or to go) by phone, internet or mobile device.

Multiplication and Division

Hotels are using both multiplication and division to optimize the potential of their onsite restaurants. They're multiplying their opportunities to capture dining dollars by inhabiting multiple restaurant segments and price tiers. And they're dividing up their space to plant revenue-generating restaurants and bars in spots all over the property, from the center of the lobby to the rooftop.

- **Fine-dining restaurants** still take pride of place at luxury hotels. Chef-driven menus continue to highlight New American and Nouvelle French cuisines, but Latin American, Mediterranean and Asian culinary inspirations are emerging, and local produce, made-from-scratch

preparations and seasonal ingredients are being emphasized more and more. But with Americans' changing lifestyles, high-end chef-helmed concepts are slowly giving way to more relaxed, casual approaches.

- **Casual-dining concepts** range from family-friendly eateries—often reassuringly familiar chains—to trendier upscale-casual contenders that highlight fresh, seasonal, locally sourced foods. Like other branches of hotel foodservice, these casual-dining spots increasingly emphasize late-night dining.
- **Limited-service restaurants**—usually regional or national chain outlets—highlight quality, value and customization, as at Burger King's new 24-hour Whopper Bar at the Rio in Las Vegas.
- **Gastropubs** reinvent traditional hotel lounges by pairing beers and other adult beverages with upscale burgers or small plates. At the Holiday Inn in Secaucus, NJ, The Urban Plum offers microbrews, wines, cocktails and small plates along with a cozy fireplace and communal seating. In New York City's Hotel Gansevoort, Tanuki Tavern serves small plates and sushi with Japanese craft beers, wine and sake.
- **Lobby bars** position once-hushed lobbies as fun, engaging destinations for travelers and locals alike. The Four Seasons in Naples, FL, revamped its lobby with a tapas concept called Bites where groups can share and sample food in a lively, interactive atmosphere.

"Hotel restaurants increasingly emphasize local sourcing, implicitly aligning themselves with their communities."

- **Rooftop and poolside bars** are becoming hotspots for big-city residents. Trendy New Yorkers spend evenings "hotel hopping" from one rooftop to another, and in Miami's South Beach, poolside and

multi-level hotel bars and nightclubs draw locals. At the Holiday Inn Chicago Mart Plaza, the 15th-floor rooftop Cityscape Bar, with sleek décor and stunning downtown views, has become a prime happy-hour and weekend destination; on the menu are mini Angus burgers, ahi tuna tartare and roasted duck tamales as well as unusual cocktails such as the Pomegranate Rose, made with vodka and rose nectar.

- **Dance clubs** that draw the young are born when big-city luxury hotels install DJ booths in their high-end restaurants. The trendy mix of eclectic food, drink and a well-known DJ positions the venue as a cool hangout rather than just a place to eat.

Lessons for restaurants: You may have only one restaurant, but that doesn't mean you can't emulate hotels by monetizing little-used space (what about turning a wine cellar or grassy yard into an atmospheric dining area?) or expanding your brand into a new foodservice sector (have you thought about a catering program? a food truck? an outlet at the local stadium, college or mall?).

Creative Catering

Operators who are devoting significant resources to catering—another key business-building opportunity, particularly going into the vital winter holiday season—should be paying close attention to hotel catering operations, which usually lead the trends and buzz in their communities. The latest trends in hotel catering include:

- **Carts**—themed carts put a mobile spin on action stations, a hot approach to catering that offers interactivity for guests and visual excitement to onsite food preparation. Stationary carts can be used for cooking or finishing dishes like pasta, while rolling dim sum-style carts can be brought tableside. Carts are typically dedicated to a particular

menu item, from nostalgic carnival-style fare to trendy street-food tacos to sweet or savory crepes. The Radisson Hotel La Crosse in La Crosse, WI, offers an ice-cream cart for meeting breaks and other catered events, featuring a popular local brand of ice cream novelties as well as frozen yogurt, brownies and bar cookies, fruit bars, sodas and bottled water.

- **Snacks**—comfort fare gets interesting when it's envisioned as a retro American snack. Library at the Loews Regency Hotel in New York City offers mini-portioned roasted tomato soup with mini grilled cheese sandwiches. Peninsula hotels promote regional snacks on their Snacks & the City menus, from freshly baked New York-style pretzels served with spicy mustard in New York City to mini sirloin burgers and Polish hot dogs in Chicago. The Four Seasons hotel in Jackson Hole, WY, purveys smoothies, ice-cream treats, yogurt, and cocktails and iced beverages from an afternoon ice-cream cart at The Pool Café, and light fare like sushi, shrimp cocktail, pasta, and burgers in its Lobby Lounge.
- **Grab and go**—Trying to keep food dollars in-house, many hotels now offer prepacked items for guests to eat in their rooms or on the plane home. Hampton Inn sets out On the Run breakfast bags in the lobby; Aloft developed a grab-and-go format called Re:fuel. The Grand Hyatt New York is the first in the chain to launch a 24-hour grab-and-go Market, offering prepared hot meals, salads, sandwiches, pastries, fruit and other hot and cold foods packaged for takeout.

Lessons for restaurants: As American lifestyles become less formal, street snacks and food-cart cooking can present fun, talked-about alternatives even for a catered event as formal as a wedding. And tasty food attractively packaged to go could be a welcome treat at the end of an all-day business meeting.

Even more than chain restaurants, hotel companies usually have vast resources behind them. But that large scale also makes them less nimble in adapting to the changing needs of a specific market. Local independent restaurants have the advantage here. To help even the playing field, you can count on your own corporate partnership—your Sysco Marketing Associate backed by Sysco's army of foodservice experts. Sysco's food ingredients offer the best quality and tremendous variety, including an increasing complement of locally and sustainably sourced options. Sysco also offers you a wide range of valuable services, such as business reviews, profitability consultation, menu analysis and development, training and more. In addition, Sysco iCare connects you with partners who can offer specialized business services to assist you with everyday needs from payroll to marketing tools.

For more information, contact your Sysco Marketing Associate.

