



TODAY'S CONSUMER

The New Customer Service Paradigm: Fairness

In the wake of the economic meltdown, lack of trust may be shaping consumers' buying decisions as much as lack of resources. Today's Consumers feel betrayed by the very people and institutions they trusted – who at best appear to have been asleep at the wheel and at worst to be continually profiting from the crisis...with little or no accountability. "Consumers are outraged," says J. Walker Smith, executive chairman, The Futures Co., "not because the game is tough but because the game is fixed. It's not surprising that they want fairness." In fact, Walker proposes that consumers' quest for fairness is creating a new standard of performance for businesses. "Fairness is now the requirement for success, as critical as fundamentals like satisfaction and trust." Does it really matter if consumers perceive that a business is treating them fairly and working in their best interests? "It does, indeed, in an environment where few can afford to lose a single customer." Some opportunities for restaurants:

DEMONSTRATE RESPECT "Respect for the consumer is at the top of the list of what should be obvious in best practices," advises Walker. This means respect for their health and dietary concerns, their time, their budgets, their reasons for dining with you. And, while it's important to reward good customers, be careful not to appear to shortchange others.

SHOW THAT YOU VALUE CUSTOMERS' BUSINESS A simple "thank you for your patronage" goes a long way to communicate appreciation. "Consumers know their spending is vital. They want businesses to acknowledge that fact," says Walker. Rewarding repeat business – from a simple "welcome back" to a full-fledged loyalty program – should be a priority. Know who your repeat customers are – if you don't recognize them on sight, ask if customers have dined with you before, or use technology to track visits.

PROVIDE CLEAR AND COMPLETE INFORMATION Proactively offer information – list prices in online menus, indicate realistic wait times to waiting guests or callers, state accurate nutritional information. Even if it results in short-term disappointment or consumers deciding not to dine with you on a particular occasion, honesty is absolutely the best policy.

SAFEGUARD CONSUMERS AGAINST RISK "Serve up trial not error," suggests Walker, which could include offering samples of wines by the glass, or options such as half portions. The risks associated with food allergies are very real for some – make sure you have all systems in place to protect these customers.

BE CONSISTENT IN PERFORMANCE AND SERVICE Customers need to feel that they can rely on you – for consistency of quality, value, and level of service. They also need to feel confident that how your restaurant is portrayed – in ads, on your website, in social media, etc. – is consistent with what you actually deliver.

BE ACCESSIBLE Demonstrate that you recognize the importance of individual customers by being committed to listening to what they have to say, whether it's a complaint or a compliment. Be available – in the dining room, at the door – and provide channels for feedback, from a toll-free number to comment cards, to engaging in social media.

EXPRESS GENUINE EMPATHY The greatest opportunity to express true understanding and genuine care for a customer is when something goes wrong. Create an atmosphere of empathy with your staff – by treating them with respect and genuine concern – and reward this behavior in them. Encourage staff to identify with guests' problems or concerns and empower them to repair any missteps. If consumers have experienced unfair treatment (or what they perceive to be unfair, which has the same impact) take immediate steps to make amends: Admit to slip-ups or mistakes, apologize, and quickly make it right. "Few things betray a brand's blatant disregard for the value of a consumer than the absence of one brief phrase: 'We're sorry,'" says Walker.



Leveling Sound

"When we opened, the noise in the restaurant was overwhelming to customers, to staff, and to me. We hired a top-flight acoustics company that added a two-foot wide, six-inch deep border of sound-absorbing material around the edge of the ceiling. It was installed after hours one night at the cost of several thousand dollars – the difference was instantly apparent."

Doug Crowell, owner, Buttermilk Channel, Brooklyn, NY

"Even though we have a great product, too many customers said they were never coming back because of noise levels. We installed a state-of-the-art acoustic ceiling at three times the cost of what it would have cost initially, plus we had to close for a week. But it was worth it. From the moment we opened, it was clear that not spending money on soundproofing was a mistake. There is a faction of the dining public that is offended by noise, and we knew we needed to pay attention to them."

Guy Rebentisch, GM, Redd, Yountville, CA

"We wanted a loud, brasserie-style restaurant, but customers said it was so loud they wouldn't come back. We spent \$25,000 on state-of-the-art ceiling panels, installed over five nights. I was worried they would deaden the room, but, in fact, they've created a much warmer sound. We also affixed soundproof carpeting to the underside of our tables which was easy to do and inexpensive. We've seen a major increase in business, with countless guests returning, saying they had read about the addition of insulation."

Christopher Hennessey, GM, Comme Ça, Los Angeles, CA

Wine & Spirits Magazine's 22nd Annual Restaurant Poll

RED WINE AS A % OF TOTAL WINE SALES		'91	'98	'09	'10
STYLE OF RESTAURANT	FRENCH	35.0%	50.2%	56.9%	58.8%
	AMERICAN	35.0%	50.4%	58.8%	61.0%
	ITALIAN	38.0%	57.6%	69.1%	67.5%
	SEAFOOD	15.0%	40.0%	48.3%	53.6%
	ASIAN	-	-	49.6%	52.8%
	OTHER	32.0%	49.8%	62.8%	60.6%
RED'S SHARE OF TOP SELLING WINES					
		38.0%	54.3%	63.8%	63.3%

Source: Wine & Spirits Magazine's 22nd Annual Restaurant Poll, April 2011 issue.

Note: Restaurants surveyed were compiled from more than 40 of the most popular in Zagat Survey restaurant guides nationwide; 216 completed the poll. Top-selling wines are compiled from participating sommeliers, who listed the wines that sold the best during the last three months of 2010.

While many factors influence wine choices in restaurants, the most powerful of late has been the economy. Many sommeliers participating in Wine & Spirits Magazine's Restaurant Poll reported that, as of the end of last year, the buyers of high-end, high-priced wines are back. But while they may be less shy about spending, it isn't on the trophy wines of previous periods. Cabernet's share of the Most Popular Wines held steady, but many noted that the sales of power Cab – "the wine that confers status and attracts attention" – have all but disappeared, as have sales of expensive Bordeaux and Burgundy; this year's most popular French wines focus on value with pairing potential. In fact, the editors noted, for the past decade, sommeliers have been noticing a trend towards an increasing list of global, esoteric varieties – wines they sell not by the variety name but by a "stronger and more immediate connection to food." That said, many reported that they are selling a lot more red than white – regardless of what's on the plate. "People are back to the mindset of wanting to drink red wine with everything," remarked Raj Vaidya, sommelier, Restaurant Daniel, New York, NY. Within the red category, Pinot dominance is fading in favor of more obscure choices in the light- to medium-bodied flavor spectrum. Perhaps the biggest story in reds is the rise in popularity of Malbec, which now accounts for over 16% of the top-selling wines in restaurants listed in the poll.

Wine drinkers and restaurants have had to be flexible over the last few years, focusing on value and embracing options such as half-bottles and wines by the glass and half glass—a legacy of the recession that may remain. Respondents listed an average of 26 wines by the glass, at an average price of \$12.06, up from \$11.53 last year. For more info on Wine & Spirits Magazine's Restaurant Poll, visit wineandspiritsmagazine.com.

AROUND THE USA

Teaching Restaurants

Many restaurants around the USA are hosting classes – about everything from cooking to cocktails. The classes have loyal followings, are good revenue streams, and provide excellent marketing opportunities:

"We have 'bar camp' once a month from 4:30 to 5:30pm to demystify the art of cocktails. Ten students learn technique, taste a lot, and have a four-course meal paired with cocktails, plus receive a packet of recipes and info on how to stock a home bar – for \$125/person."

David Welch, owner, Lincoln, Portland, OR

Panzano, **Denver, CO**, offers monthly cooking classes for 30-35 students, both on- and offsite. "I like customers to get engaged with the local ranchers and farmers I work with," explains Elise Wiggins, chef, "so, besides three-hour Saturday classes at the restaurant, I teach classes at a nearby farm and a ranch." Classes at the restaurant are mainly demo and include a multi-course lunch for \$50; classes at the nearby farm are \$75. Classes at the ranch involve an overnight, students participate in cooking several meals and they may bring their children (\$125/adult, \$25/child under 12). "My classes have a very loyal following, and many people book them for the entire year." Upon request, Elise customizes team-building classes for companies. . . . Nancy Longo, chef/owner, Pierpont, **Baltimore, MD**, leads classes for adults (\$75) and for children aged 10-17 (\$50). The three-hour sessions for 10 students, held at the restaurant on Saturday and Sunday afternoons, are hands-on

and begin with a lecture. Topics cover everything from basics, like knife skills, to world cuisines (Thai, Indian, Italian, etc). In the summer, Nancy runs a children's cooking camp – four sessions of daylong classes at the restaurant (\$90/class, \$350/week). "One of my goals is to get kids off sugar by teaching them how to cook healthy meals and snacks. I never dumb down the classes, and the kids make an enormous amount of food that they take home." For the most part, she says, students of all ages tell her they go home and cook. Last December, \$7,000 in cooking-class gift certificates were sold in one week. Nancy also offers private and team-building classes. . . . Millennium, **San Francisco, CA**, has bimonthly classes, limited to 12 people, that include an optional tour of the Ferry Building Farmers' Market the day before class. The hands-on classes (\$155) on Sundays from 10am to 4pm are led by chef Eric Tucker, and numerous vegetarian and vegan dishes, for which the restaurant

is known, are prepared. A light midday meal is included, plus, at the end of class, students enjoy the dishes they helped make, along with beverage pairings. Eric encourages students to bring to-go containers. "We have many repeat students who also come in for dinner often," explains Alison Bagby, GM. . . . At Big Fish Grill, **Rehoboth, DE**, the bimonthly, three-hour cooking classes held from October to May include a tour of the restaurant's retail seafood market and commissary. Limited to 25 students, the \$75 classes are taught by teams, including the owners, kitchen managers, and chefs. Susan Sokowski, manager, says, "Classes focus on preparing fresh seafood with the goal of teaching techniques for cooking great seafood at home. We work hard to create a friendly, warm atmosphere – making the classes as interactive as possible." She adds that participants especially enjoy getting to see behind the scenes.

Avoiding the Downside of Upselling Wine

In a recent Wall Street Journal column, wine columnist Lettie Teague chronicled instances of aggressive upselling in restaurants, including her own experiences. The story unleashed an email avalanche into her inbox from readers telling their own unhappy stories of feeling victimized when ordering wine. “Restaurants have the opportunity to do one of two things,” advises Lettie. “They can use the wine list as a tool of intimidation and sell wine for temporary financial gain, or take advantage of an excellent opportunity to develop a relationship with guests on the basis of a single bottle. Do you want to rip them off or have them return?”

“The sommelier who is aggressively upselling is doing a disservice to the trade,” warns Emily Wines, MS, wine director, Kimpton Hotels & Restaurants. But Emily and many colleagues acknowledge that it’s not always a case of a mercenary sommelier preying on vulnerable diners to up the check average. “Sometimes eager sommeliers become so excited about certain wines that it overrides what should be the main objective, which is to get customers something they want.”

“We should put ourselves in our customers’ shoes,” advises Alpana Singh, MS, director of wine and spirits, Lettuce Entertain You Enterprises. “In many ways, the restaurant business is no different than other retail...and no one shops more than restaurateurs. Ask yourself, how do you feel when a liquor salesman gives you only one option or a hard sell?”

“The idea of ‘selling’ wine is a risky proposition. Consumers need choice, options, and information to help them make decisions.”

Evan Goldstein, MS, president/chief education officer, Full Circle Wine Solutions

“In fairness, **the challenge for many wine servers is that customers don’t say what they want effectively and don’t provide good feedback,** which puts more burden on wine servers to ask the right questions, listen effectively – and take themselves out of the equation,” says Peter Birmingham, GM, Hatfield’s Restaurant, Los Angeles, CA. In a perfect world, consumers would articulate their preferences and maybe a price point – but all agree that it’s rarely that simple. “Consumers sometimes expect a kind of mutual clairvoyance, but sommeliers need practical information to work with,” says Evan Goldstein, MS, president/chief education officer, Full Circle Wine Solutions – obtained through what he calls “needs testing” or the Q&A process. **“Remind staff to do some digging, to ask guests questions to paint a picture of what they might be looking for.”** Alpana echoes, “We’re really looking for names, from Charles Shaw to Silver Oak, which provide lots of information. But if a guest says Portuguese reds, that tells us a lot too.” Emily adds that when guests talk price, “They’ve just given you the greatest gift, and you can focus on style. But, for example, if guests tell you they drink Rombauer, that indicates their comfort zone – including price – and pushing them out of that price zone is unforgivable. If you can’t get a sense of price, it’s good to offer a range.” The idea of **offering a range of choice – price, style, even format (glass, half bottle, quartino, carafe, pairing supplements, etc.) – is key.** “It’s really simple – people like choices. And offering only one option makes it really awkward,” says Alpana. Evan points out that the trick is to give people enough choice so they aren’t pinned into a corner, but not so many that they are overwhelmed. “Three tends to be a good number,” he advises.

Alpana thinks the best place to start building trust with customers is with the list. **“Does your wine list represent great value?”** If it doesn’t, you’re already starting off on the wrong foot. Make sure every wine delivers for the price point. It’s not about discounting; it’s about value.” Emily adds that a range of prices is critical, “I’d say even have a couple that are possibly too low for your restaurant. People don’t usually order wines at the bottom threshold.” But, she says, it sends a message to guests – in the same way that what she calls “benchmark wines” may do. “A good example is Veuve Clicquot – which consumers often see discounted in retail stores. Sometimes I tell our restaurants not to put it on the list.” **The value equation is more than price – it’s the experience.** “If people feel they are being ripped off, it’s often because we don’t give them a sense of why a wine is an incredible value for what it is,” says Evan. For Alpana, this means a “little nugget” about why a wine is such a good selection, to help guests understand why they are spending \$40, \$50, \$70. “For us, a little background is an important part of the experience... two brothers run their father’s vineyard, Viognier was nearly extinct, etc. It’s a little theater that delivers a more memorable experience. When we get a call from a consumer saying he or she was ‘sold’ a certain bottle of wine, to me that says we failed to provide the rest of the experience.”

POS 2.0 . . . iPads

Andy Lim, ceo, POSLavu, says, “We got our start because restaurants are fed up with bulky, slow, expensive POS systems with proprietary software needing constant updates. We beat them on every level: ease of use, mobility, pricing, coolness, efficiency.” Lisa Falzone, ceo, Revel Systems, agrees that comparing iPad-based systems to traditional POS is, “like apples and oranges. We are intuitive, sleeker, and more secure.”

POSLavu and Revel use cloud computing, which eliminates back-of-the-house servers. “All data is kept offsite on a centralized server,” says Lisa. Real-time reporting is accessible remotely, for multiple locations. “I can get numbers and current inventory from wherever I am,” says Bryan Crosswhite, owner, The Cajun Experience, with soon-to-be-four locations in the Washington D.C. area, and a POSLavu client. Bryan says another value of iPad systems is speed of ordering. “When our servers hit ‘send’ at the table, we’ve already shaved five minutes off the process.” Training is also expedited – Bryan says it was a matter of letting his team “play” with the iPads.

Some mount iPads as terminals and use iPhones or iPod touch devices to take orders, which Andy recommends because they are easier to carry; Lisa adds that some clients tether iPads because they are concerned about theft. But Chris Wishart, owner, Trio, Mt Airy, NC (who uses Lecere Corporation’s system) says he likes the real estate of the iPad’s big screen and that form-fitted pockets sewn into servers’ aprons make all the difference. “The iPads are incredibly durable and they’re faster; they have more memory and a larger interface – which saves time placing orders and lets us include information for staff about menu items, wines, etc. It’s an amazing resource and teaching tool.”

Addressing what can be a misconception about iPad systems, Chris says, “They are NOT expensive! You can’t get a horse-and-buggy version of a traditional POS system for less than \$10,000. I opened with four iPads, a MacBook Pro, wireless printers, and routers for \$4,000.” While Andy admits that it can be more of a leap for those who have invested in expensive traditional POS systems, Bryan has a message for them: “Don’t wait to invest – do it now and you’ll see the results in long-term growth.” Chris agrees, “There is no disadvantage. Why isn’t everyone out there doing it?”

For more info on vendors and what they provide, visit restaurantbriefing.com.

The Demand for Gluten-Free

An increasing number of restaurateurs are responding to 18+ million Americans with a gluten intolerance and another three million who actually have been diagnosed with celiac disease (the only autoimmune disorder with a known trigger: gluten). This number is likely to grow – according to the National Foundation for Celiac Awareness (NFCA), only 3-5% of those with the disease have been diagnosed to date. The Wall Street Journal estimated the market for gluten-free foods at \$2.6 billion in 2010 alone. From featuring gluten-free options to separate menus and customized preparations, more chefs are paying attention to this market. In fact, 1,500 chefs participating in the NRA's Hottest Menu Trends survey named gluten-free/food-allergy-conscious meals in the top ten for 2011.

When the owner of ZPizza, headquartered in Irvine, CA, discovered he had a gluten intolerance, a gluten-free pizza was added to the menu. Now, in addition to gluten-free dough, all dough is rolled out in rice flour to eliminate cross contamination. “We don't advertise gluten-free pizza, but we've discovered many of our Facebook fans and Twitter followers do that for us,” says Brandi Babb, VP training/franchise relations. She says they've discovered that **many allergies are linked, and quite often those who are intolerant of gluten also have dairy and soy allergies**, so ZPizza hired a company to verify that the gluten-free crust and some toppings are gluten-, dairy-, and soy-free. Employees go through extensive training, available in English and Spanish, and managers go through an NFCA-certification process. Mitchell's Fish Market, headquartered in Orlando, FL, decided to create a separate menu with 20+ gluten-free items four years ago after receiving numerous requests. **“All items**

on this menu have been confirmed gluten-free by an outside company,” reports Will Wadsworth, executive development chef. “Plus, our ordering system allows waitstaff to mark gluten-free orders clearly.” At Maggiano's Little Italy, based in Dallas, TX, when guests say that they have an allergy or are gluten-intolerant, the server asks the chef to speak with the guests. “The chef discusses items on the menu that are gluten-free and also offers to create gluten-free dishes for them,” says Jeff Mann, senior culinary manager. “We want these guests to feel special and comfortable and to know they can trust us.” Jeff adds that to increase the number of gluten-free dishes on the menu, they've removed flour as a thickening agent from most sauces, using cornstarch or reducing sauces. They also use a gluten-free fusilli. Chefs report 5% of visits each day are by guests with gluten issues.

All restaurants that offer gluten-free items must use separate pans, utensils, and designated prep areas to avoid cross-contamination. “Before developing gluten-free options, look at where wheat, rye, and barley are in your kitchen,” says Peter Pollay, owner, Posana Cafe, Asheville, NC, which has completed the Gluten-Free Accreditation program and audit by the Gluten Intolerance Group. “Nothing that touches these things – grill grates, fryer oil, etc. – can come in contact with food that needs to be gluten-free. This is not a fad; people with celiac disease have zero tolerance.” Brandi cautions, “Don't promise big and deliver small, especially when it comes to the gluten-free community, some of whom are children. They are the most gracious, grateful, and loyal group of guests.” For more info and links to organizations that offer restaurants specific guidance and gluten-free accreditation, visit restaurantbriefing.com.

DOING GOOD

Being a Great Neighbor

Even in a difficult economy with rising costs, restaurateurs continue to support and be involved in their communities, doing great works. The recent winners of the 2011 National Restaurant Association Restaurant Neighbor Award – of which American Express is proud to be a founding partner – are excellent examples. Since 1979, **Eat'n Park Hospitality**, headquartered in Pittsburgh, PA, has supported the Children's Hospital of Pittsburgh through its Caring for Kids program, raising more than \$341,000 in 2010 via employees' grassroots efforts, including raffles, bake sales, and old-fashioned donation drives, to build hospitals in the area of their restaurants. Through fundraising, **Charleston Chefs Feed the Need**, a coalition of the South Carolina Hospitality Association and 52 local restaurants, has kept a South Carolina-

based nonprofit that provides food and shelter for the homeless from closing; plus, every Wednesday a coalition chef prepares meals for the center's 400 needy. **Kona Kai Coffee Company**, Kent, WA, partners with the Halo Network Foundation, which provides job and life-skills training and job placement for homeless and disenfranchised individuals by conducting six-to-eight week sessions on the foodservice industry, including espresso-making. **Michael Whalen, president/chief executive, Heart of America Restaurants and Inns**, headquartered in Des Moines, IA, received the Cornerstone Humanitarian Award for his work with at-risk youth. Michael founded Wildwood Hills Ranch, a summer camp and year-round retreat – serving 1,200 youths in 2010 – and he continues to raise corporate funds to support the ranch.

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When American Express launched the Briefing newsletter in 1976, its mission was to provide information for its restaurant merchants to help them run their businesses more profitably. Over its 35-year history, Briefing has evolved to meet the changing needs of the restaurant industry, but the mission remains the same – to gather and distill the most impactful, relevant information for restaurateurs.

In recent years to serve its restaurant partners best, American Express moved Briefing online. Restaurant Briefing, the bimonthly publication, is now the centerpiece of a rich, online resource – available to the entire industry 24/7.

“Our company now has eight restaurants under the umbrella of Gibsons Restaurant Group Management Co. Since Briefing went online, I look forward to reading it even more than before. The content is fresh, up to date, informative, useful, and easily communicated to our staff – who appreciate being kept abreast of what's going on in the restaurant world.”

Hugo Ralli, owner, Gibsons Bar & Steakhouse, Chicago, IL

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