

It's A Blue, Blue Christmas

By Skye E. MacBroom

Elvis said it best, "It's a blue, blue Christmas." Or is it? As we enter the holiday season during a bear market, many are wondering what this will mean for the restaurant industry. The media reports on Wall Street are shaking consumer confidence, encouraging many to question their business approach for the holidays.

For most restaurants, the upcoming months signify an increase in catering requests, company parties, room rentals for special events, and larger tables of families and friends getting together to celebrate. This increase in business represents a significant percentage of a restaurant's overall yearly profit, and it floods in during an intense two month time period.

Business analysts are reporting that the marketing executives at big retailers like Wal-Mart decided to push the holiday season earlier this year in response to the economic shake-up. Advisors are wondering if it's a good idea to frost the windows and play Christmas carols starting in October though. Will this forced sense of cheer encourage more spending and dining out? Or will it depress and annoy consumers who are trying to tighten their belts? How do you inspire holiday cheer (read spending) while including diners of all denominations? And what is the best way to maintain and bring in new customers during this time? To find out the answers to all of these questions, My Foodservice News hit the streets and spoke to restaurants across the country.

Restaurant owners all seem to agree – don't capitalize on the holiday spirit too soon. "It seems that they start a week earlier every year for the holidays. I hope restaurants don't ever fall into that perception (like malls and stores do)," says Tek Chang, Outlets Manager for Savu, a contemporary Asian restaurant that's located in the chic W Hotel in Atlanta, Georgia.

Chang says, "With consumer confidence levels at an all time low, people are eating out less. I see it with my friends – we used to meet up at the



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local bar or restaurant often, now we meet up at each other's houses a little more than we used to. The US is a consumer-driven economy, and the consumer is a little shaken up right now. Although we have seen a steady level of business from previous years at Savu, I still talk to many others in the industry and the consensus is that everyone has seen a drop off. It just takes a little more work during times like this."

Chang adds, "People may be cutting back on their spending, but this is the time when restaurant service must get that much better than their competition. During the good economic times, people go out to eat every meal. Now, it comes down to the 'breaking bread days.' Eating out is now for special occasions... people are actually saving up for it."

"The economy is definitely hurting the restaurant business," says Suzanne Elefante of Mama Louisa's Restaurant. Elefante and her family have owned their Tucson, Arizona restaurant since 1973. "We work very hard at trying to keep our prices down. We make sure our employees continue to express our gratitude to our guests for choosing us."

So what do successful restaurants do during a blue holiday season? Besides the usual: push catering, pre-fix meals, specials, incentives to book corporate parties.

At Mama Louisa's, Elefante says, "We have a frequent diner program that rewards our guest for coming in. For every dollar they spend they receive a point, when they get to 100 points they receive a \$10.00 gift certificate. We use a PowerCard™ (<http://www.powercard.com>) that can be used at a number of (local) independent restaurants. It keeps track of the points at each location so you can get points at many different restaurants. We want to thank our regular guests for coming in. People will continue to eat out. It is our way of life."

To reduce costs, yet still entice patrons with a classy, simple, clean menu

this holiday season, many restaurants are paring down their offerings. Matt Marcus is the executive chef for Elixir Restaurant and Bar in Jackson, Mississippi, a beautifully modern restaurant that prides itself on gourmet cuisine and impeccable service. "We are slimming down the menu 60%," Marcus explains. "This cross utilizes ingredients, lowers food costs and overhead, but still maximizes taste and experience while turning a profit." Elixir's menu is still glamorous and exciting

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though. Regular customers even text message the owner to ask about the specials of the evening.

Asif Edrish is the owner of Anthony's Fine Dining in Atlanta, Georgia, a classic historic plantation home that serves restaurant patrons and also hosts corporate events and weddings. Edrish has been in business for 40 years, so he's seen the cycles the industry goes through. "During summer months, our corporate clients were cautious, it was a 'wait and see approach.' Now we must move forward. The economy will rebound at its own pace – it will come around. Companies are indeed booking their holiday parties."

In order to appeal to all denominations during a crunched holiday season, Edrish emphasizes a festive décor that is flexible to the needs of the customers. Anthony's uses politically correct décor that doesn't leave anyone out – poinsettias are a great option. They will put up a Christmas tree, but move it for room rentals that require a more neutral environment. All contracts and communication with clients use generic language to avoid using the term "Christmas."

A new trend that Edrish has noticed is the increase in bookings for company parties after January 1st. "Many corporate holiday events are now scheduled during the first few weeks of January to avoid the December rush. I think business are trying to so hard to meet their fiscal year deadlines, that a January party is more enjoyable for them," he explains. This may be a more significant movement in 2008 especially, as businesses across the country as hustling to make ends meet for year-end goals.

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