



Denny's Grand Slam Family Pack

# Pivoting to Curbside and Delivery

Franchise brands delve into business opportunities beyond the premises

Even before the COVID-19 outbreak sent food-service into a tailspin, takeout and delivery were fast-growing trends. But now, as operators grapple with reopening their businesses amid restrictions on dining-room seating and a worrisome increase in COVID-19 cases, becoming adept at serving customers off-premise is even more important.

There is a good chance that the convenience and safety of contactless curbside food pickup and delivery will have become a habit for consumers even when restaurant dining rooms are fully seated again. In addition, going forward, it is likely that many more Americans will be working from home than ever before, upsetting previous breakfast and lunch business assumptions.

Resourceful operators are taking action. They are promoting bundled family meals and pop-up curbside drive-thrus to put food in the hands of consumers who may not be ready yet to sit down in a dining room. And as they contend with labor shortages and operating costs worsened by the pandemic, they are streamlining their menus and making food prep and service procedures faster and more efficient.

In a recent Zagat dining study, prior to COVID-19,

nearly seven in 10 respondents were delivery or takeout customers. During the crisis, as restaurant dining became impossible, that increased to nearly nine in 10 respondents — a 19% rise over pre-pandemic levels. Among consumers who said they are not planning to return to restaurants right away, 82% said they will order delivery or takeout.

Against that backdrop, curbside pickup and delivery has become a compelling proposition for many consumers and an imperative for operators.

For Another Broken Egg Cafe, an Orlando, Fla.-based breakfast and brunch chain with 70 units, all but seven of which are franchisee-owned, takeout and delivery were not significant business centers until recently. The chain was humming along, its franchisees content with a healthy dine-in breakfast and brunch business, including a full bar. Then the crisis struck.

Paul Macaluso, Another Broken Egg's president and CEO, joined the brand last November. When the pandemic struck, he drew upon his past management experience with off-premise service in fast-casual restaurants to lead the development of an online ordering app and partner with third-party delivery providers for the chain.

Getting up and running with an online ordering plat-



**"...between delivery and our online ordering portal, we're up to 17% of our sales now coming through takeout."**

*Paul Macaluso,  
President and CEO of Another  
Broken Egg Cafe*

form through Olo — normally about a six-month process — took five weeks, thanks to an extraordinary effort.

“Today, our dining rooms are only open at 50% capacity, but between delivery and our online ordering portal, we’re up to 17% of our sales now coming through takeout,” Macaluso said. Brunch items like shrimp and grits and chicken and waffles have proven to travel extremely well.

Looking ahead, when the crisis eases and restaurant dining rooms fill up again, Macaluso is optimistic that off-premise business will remain at about 12 to 15% of sales.

“This is going to be a new business model for us,” he said. “It’s going to be incremental and I think it’s going to put us in a healthier place long term.”

For Chicken Salad Chick, based in Auburn, Ala., prior to the COVID-19 outbreak, the split between dine-in and takeout business was 60/40. Since then, the proportions have flipped.

“What used to be 40% of our business now goes to 60, 65, 70%,” said Jim Thompson, vice president of operations of the 162-unit chain. About 40 of those stores are corporately operated.

In contrast to some other brands that had to learn how to execute curbside on the fly, the simplicity of the Chicken Salad Chick concept and the inherent suitability of chicken salad for takeout made it easy to ramp up existing takeout service. Anchoring the menu are a dozen types of chicken salad, made from scratch with fresh product each day. A couple of examples are the Classic Carol, with celery, mayonnaise and secret seasoning, and the Fancy Nancy, with Fuji apples, seedless grapes and pecans.

Procedures needed little modification for curbside

orders. “When an order comes, we scoop it into a to-go container instead of onto a serving tray,” said Thompson.

Enabling guests to order through a brand loyalty app has made serving takeout easier.

“That app allowed us to basically have online orders that we could identify as curbside,” said Thompson. “We were able to pivot that way without major disruption to the normal flow of tickets and operations.”

Also helpful were the pop-up drive-thrus that some operators set up in mall parking lots emptied by the pandemic. That is a table under a portable tent with an iPad-based POS tablet borrowed from the dining room to ring up chicken-salad takeout sales as customers drive up.

Another scheme that is paying off is community drop-offs of Quick Chicks, the brand’s moniker for bulk chicken-salad containers. Chicken Salad Chick uses Facebook to announce the availability of Quick Chicks for purchase in advance, and pickups are at a local shopping center.

The word spreads quickly on social media. Some franchisees did two or three community drop offs a day.

“At one point, the Quick Chick sales during COVID represented almost a third of our total system sales,” Thompson said. “The best part was that those orders were all presales, so they weren’t disruptive to the day-to-day operation.”

IHOP Restaurants, Dine Brands Global’s family-dining chain based in Glendale, Calif., was one of the companies that “had to pivot, and pivot quickly” to get off-premise foodservice running when dining rooms went dark, in the words of CMO Brad Haley.

Customers in the family-dining segment have been more accustomed to eating inside the restaurant than ar-

ranging to have the meal at home.

“It hasn’t historically been something that people think of as a to-go opportunity,” said Haley. “But in these times it has become that for us and the rest of the players in our space.”

IHOP franchisees have embraced the off-premise pivot “with open arms,” said Haley. “Takeout and delivery became literally their sole source of income.”

In addition, they have played important roles in getting the new programs off the ground.

“If we needed to test something and get feedback quickly, the franchisees would get involved,” said Haley. Some important ideas, such as replacing permanent menus with digital menus that display on patrons’ smartphones with QR codes, came from franchisees.

“I think in areas where we had a well-established takeout and delivery business, in high population density areas, there are absolutely restaurants that are doing almost as well or as well as they were pre-COVID,” said Haley.

The launch of a line of IHOP bundled meals called Family Feasts was a key move. For example, the Breakfast Family Feast with Pancakes “is kind of a one-click experience online when you order it,” said Haley. It consists of individual containers of scrambled eggs, hash browns, bacon strips, pork sausage links and buttermilk pancakes, enough to feed four people, priced at \$19.99. There are other Family Feasts that showcase waffles, French toast, bacon, sausage, crispy chicken, steakburgers and chicken sandwiches.

“Almost from the moment we introduced them, they became very popular,” Haley said.

In addition to increasing the check average on takeout and delivery, Family Feasts improve operational efficiency.

“It’s actually easier for our restaurant teams because instead of preparing four different individual orders, they’re cooking up larger amounts of eggs and pancakes and putting that in larger containers,” said Haley.

Also shifting off-premise business into higher gear is Denny’s, the Spartanburg, S.C.-based family-dining chain.

“Especially at the beginning of the pandemic, many of our guests understandably preferred limited-contact dining options,” said John Dillon, Denny’s chief brand officer.

Denny’s raised staffing levels to accommodate a surge in takeout orders. To make delivery more widely accessible, it waived all delivery fees at the beginning of the pandemic. In July, it announced that all Denny’s Rewards members can receive free delivery through the end of the year. Dillon credited the “innovative thinking and pinpoint execution” of the brand’s franchisees and restaurant, field and operations teams with ramping up curbside pickup and delivery.

Denny’s Family Packs, which are available via contactless delivery and pickup and serve four to five people, “have been a huge hit with our guests,” Dillon said. An example is the Grand Slam Pack, which consists of eight buttermilk pancakes, eight scrambled eggs, four bacon strips, four sausage links and hash browns. The line has been expanded with more breakfast and dinner options as well as sides, desserts and milkshake options.

“This was all done in conjunction with our franchisees, who are seeing great results across the country,” Dillon added. ■



IHOP’s Family Feast with burgers and sandwiches.