

A Winning Strategy for Breakfast Menus

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Abstract: In the face of increased regulatory pressure and a highly competitive environment, the need to find a winning strategy for breakfast menus has never been greater. In this briefing, retail trends and consumer research are presented that unearth operator opportunities to address these realities while “keeping the menu the same” yet broadening core menu appeal.

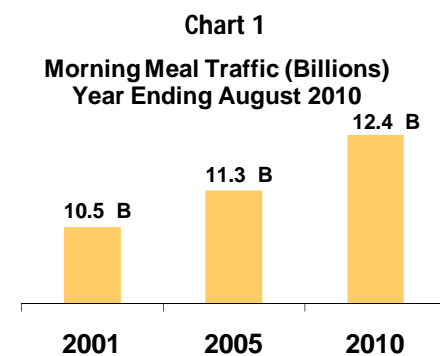
It’s no secret that breakfast is a winning category. Even in this tough economy, morning meal traffic has climbed 18% to 12.4 billion from 2001 – 2010, rebounding faster than any other foodservice daypart and surpassing population growth over the same period. (Source: NPD CREST, Quarter Ending August 2010)

At the same time as consumers are dining out more, *health experts are urging all Americans to eat a healthy breakfast, particularly foods made with whole grains.* The USDA dietary guidelines recommend that 50% of our grain intake come from whole grains. Consumer interest in whole grains is increasing as they learn that eating whole grains lowers the risk of stroke, heart disease and diabetes and as new retail whole grain products look and taste more like their white flour counterparts. Still, of the grains the average American consumes on a daily basis, only 11% are whole grain instead of the recommended 50%. (Source: The NPD Group, December 2008)

Breakfast menus, however, are in a unique position. Of the whole grains Americans do consume, the majority are eaten at breakfast. So whether the choice is hot cereal, multigrain toast or a whole grain white muffin, consumers “get” the idea of whole grains at breakfast. Already, retail product developers are reaping rewards by working more whole grain ingredients into their morning meal offerings.

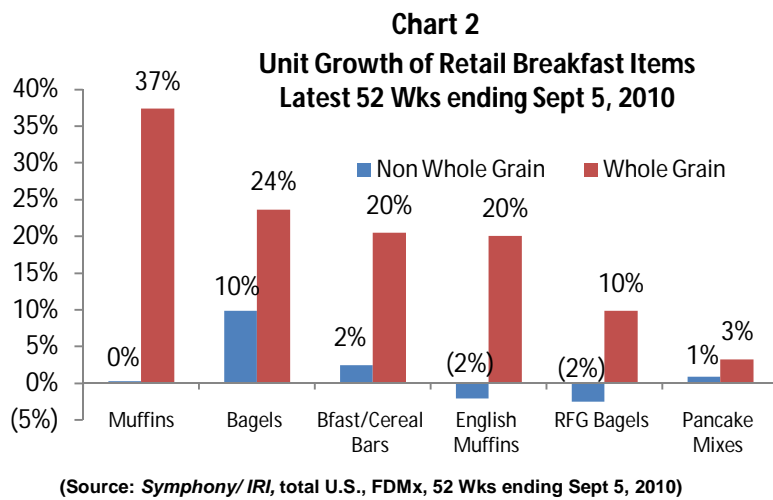
Just look at the growth in whole grain breakfast at retail, where all major categories that offer whole grains formulations have seen impressive growth, even as their refined-grain counterparts have languished. (See Chart 2)

The retail breakfast category is well stocked with whole grain items including cereals, bagels and waffles. Retail grocery sales of whole grain items have skyrocketed and almost all major breakfast categories now include whole grains, with many of the baked goods taking advantage of the new whole wheat white bread positioning.



(Source: NPD CREST, Year Ending August 2010)

For example, the number of whole grain muffins sold at retail has increased 37% in the last 52 weeks.



The overall category has been flat. Similarly, whole grain bagels, cereal bars, and English muffins are achieving impressive growth at retail in the 20%-24% range, while their non-whole grain counterparts are soft.

Restaurants, on the other hand, have room for improvement. The data show that consumers are buying whole grains, yet despite

the success at retail, whole grains are

curiously underdeveloped on America's breakfast menus. A mere one in three breakfast menus offers any item made with whole grains, and those tend to be either hot or cold breakfast cereals. This is clearly an opportunity area for increasing our whole grain nutrition, presenting retail and foodservice manufacturers with a fantastic opportunity to do well by doing good. (Source: Datassential MenuTrends, July 2010)

So why aren't there more whole grains on menus? Given the chance, could these same whole grain items experience successful sales results on a restaurant menu? The short answer is yes. Foodservice operators can increase sales with whole grains – but it's not as easy as simply reformulating. Our research shows that pairing the right ingredients with the right messaging is crucial for gaining and maintaining consumer acceptance.

Winning with Consumers

We know that consumers want whole grains as part of breakfast at restaurants. According to ConAgra Mills' consumer research, 42% of consumers want more whole grains in their diet. And 65% want to see more whole grains on restaurant menus. (Source: ConAgra Mills Whole Grains on the Breakfast Menu Concept Test, October 2010)

So how do you add whole grains in a way that wins with consumers? Providing successful better-for-you menu items has proven to be tricky. Accordingly, ConAgra Mills conducted consumer studies of several fast food and full service breakfast items to determine how to best portray whole grains.

Table 1

Whole Grains on Fast Food Menus – Consumer Research

In fast food breakfast, ConAgra Mills tested a Breakfast Tortilla Wrap and an English Muffin Breakfast Sandwich, with and without whole grains.

ConAgra Mills found that breakfast consumers need reassurance that the taste of their familiar fast food breakfast item was unaltered. The research showed that when a fast food whole grain breakfast item was portrayed with a strong

reassurance of the “same taste and appearance as the regular item,” purchase potential and taste appeal increased significantly. (Source: ConAgra Mills Whole Grains on the Breakfast Menu Concept Test, October 2010) (See right column of Table 1)



ConAgra Mills learned that merely saying that a familiar fast food breakfast item is whole grain, without providing taste reassurance, did little to increase consumers desire to order. (See middle column in Table 1)

The trick to winning with fast food breakfast consumers is to provide healthier ingredients without actually saying “healthy.”

Here’s why. In our Food Away From Home Needs States Study (2008), ConAgra Mills learned that eight out of every ten fast food breakfast visits are motivated by speed, convenience and eating outside of the restaurant (either through the drive-through or carry-out). A majority of consumers want their familiar fast food favorite in the morning and are not interested in experimenting with new items. These consumers are on auto-pilot, so to speak, and thus need that reassurance that their morning favorite has not been altered. “Better for you” is okay, but taste and familiarity reassurance are more important.

How do you preserve the appearance and taste of breakfast products when adding whole grains? ConAgra Mills Ultragrain® provides the solution. Ultragrain is whole wheat flour that delivers the same taste, texture and appearance as products made with refined white flour. Ultragrain provides whole grain nutrition, yet the lighter color and speck-free appearance reassures the consumer that their breakfast favorite tastes the same as always, and the sweeter taste and smoother texture deliver on that promise.



ConAgra Mills Primary Consumer Research: Whole Grains on Fast Food Menus			
Breakfast Tortilla Wrap			
	Sample Size:	Current Non-Whole Grain	Whole Grain with Reassurance - "Same Taste"
		(210)	(210)
Definitely / Probably Would Order		33%	42%
Would be Extremely/ Very Good Tasting		37%	45%
English Muffin Breakfast Sandwich			
		Current Non-Whole Grain	Whole Grain with Reassurance - "Same Taste"
Definitely / Probably Would Order		40%	49%
Would be Extremely/ Very Good Tasting		42%	51%
<i>Bold = Significantly higher than current non-whole grain item at 90% confidence level.</i>			

(Source: ConAgra Mills Whole Grains on the Breakfast Menu Concept Test, October 2010)

Some fast food restaurants are beginning to offer whole grain menu items that capitalize on this “speak softly about nutrition” strategy. Here are three examples.



Burger King recently introduced many new breakfast items, including the BK™ *Breakfast Ciabatta Club Sandwich*. The Ciabatta roll is whole grain. Burger King provides consumers with whole grain nutrition without mentioning whole grain on the menu board. Instead Burger King mentions whole grain on its Web site and in trade press while touting the appetite appeal on in-store advertising.

Dunkin’ Donuts follows a similar approach with its *Oven Toasted Flatbread Breakfast Sandwiches*. Each variety is made on toasted whole grain flatbread, but the menu board doesn’t promote the “whole grain” component. Consumers see “tasty and familiar” and quietly get the nutritional benefits of whole grain.



Panera Bread’s *Breakfast Power Sandwich* is a similar, familiar offering, with added whole grain goodness. Yet the whole grain benefit is whispered, not emphasized.

Whole Grains on Full Service Restaurant Menus Consumer Research

Breakfast visits at full service restaurants present very different situations and motives than the weekday fast food restaurant visit. Breakfast at full service restaurants can be a social weekend outing with family, or a peaceful weekday oasis to idle over a cup of coffee and favorite indulgence. As a result, consumers have broader motivations for full service breakfasts including socializing, indulging and yes, sometimes eating healthier.

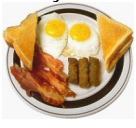

ConAgra Mills showed familiar full service restaurant breakfast items such as Eggs and Toast, and Waffles to consumers. These came in regular and whole grain versions, and also included a whole grain offering with strong reassurance of “same taste and appearance.” (See Table 2)

ConAgra Mills found consumers are more accepting of whole grain breakfast items on a full service restaurant menu. It was discovered that the whole grain version increased desire to order the item, with or without taste reassurances. However, taste reassurance further increased purchase intent. (See middle and right columns of Table 2)

Table 2

This implies that full service restaurateurs have two options when adding whole grains to their breakfast menus – they can say it loudly and clearly, or, can say it softly and gently. Either way should work.

While Ultragrain’s product benefits are perfect for the “speak softly” strategy, some foodservice operators and consumer segments are ready for a more vocal approach. Research shows that Ultragrain branding and the reassurance messaging increases purchase intent. The brand differentiates the product, actively reassuring the consumer that they are getting a great-tasting product while also making them feel good about their better-for-you decision.

ConAgra Mills Primary Consumer Research: Whole Grains on Full Service Menus			
Country Scrambler with Toast			
	Current Non-Whole Grain	Whole Grain Version	Whole Grain with Reassurance - "Same Taste"
Sample Size:	(210)	(210)	(210)
Definitely / Probably Would Order	29%	35%	42%
Would be Extremely/ Very Good Tasting	51%	48%	50%
Waffles and Maple Syrup			
	Current Non-Whole Grain	Whole Grain Version	Whole Grain with Reassurance - "Same Taste"
Definitely / Probably Would Order	29%	38%	39%
Would be Extremely/ Very Good Tasting	51%	43%	46%
<i>Bold = Significantly higher than current non-whole grain item at 90% confidence level.</i> <i>Red = Significantly lower than current non-whole grain item at 90% confidence level.</i>			

(Source: ConAgra Mills Whole Grains on the Breakfast Menu Concept Test, October 2010)

We found an important exception when menuing whole grains. A key caveat is that whole grains and “sweet” don’t work as well as whole grains and “savory.” We learned that some consumers lowered their taste expectations for the whole grain waffles and maple syrup, due to worries about the whole grain flavor clashing with the sweet syrup flavor. In that situation, the taste reassurance was needed. (See middle column of table 2)

More adventurous whole grain breakfast offerings are appearing on full service menus, and the operators are not so shy about saying “whole grains” in a variety of ways. Here are three examples.

IHOP launched the *Simple & Fit Whole Wheat French Toast Combo*. “IHOP understands guests are looking for smart yet simple solutions that balance their craving for delicious meals with their interest in eating right when dining out,” said Carolyn O’Keefe, IHOP’s senior vice president, marketing. IHOP has recently partnered with Healthy Dining, a program with an online resource that makes it quick and easy for guests to find healthy options while eating out. (Source: TheFoodChannel.com, November 10, 2010)



Coco’s offers a *Fit and Lively* menu, heavy on taste appeal, light on calories. Fit and Lively items are under 500 calories. The Combo offers fluffy multi grain and nut pancakes.

And at Cosi, you can get your breakfast sandwich on a *Signature Squagle*. One popular variety is the Etruscan Whole Grain Squagle, baked in an open hearth oven.



Summary

Restaurateurs face an increasingly challenging market that is simultaneously under regulatory pressure, highly competitive, and ripe for growth. Of all dayparts, breakfast has shown the most potential for growth and the greatest acceptance of whole grains. Retail evidence demonstrates that whole grain breakfast products are succeeding in the market, and ConAgra Mills' research indicates that consumers are ready for whole grains. Ultimately, though, whole grain foods must meet taste expectations before they can help restaurants capitalize on the opportunity that breakfast presents.



The good news for restaurants and food manufacturers serving the restaurant industry is that there are ways to provide desirable nutrition without compromising taste, texture and appearance. Ultragrain has proven successful with consumers in foodservice and retail, and can be used wherever flour is used in the morning meal, including pancakes, waffles, bagels, biscuits, muffins and breads. In each application, Ultragrain preserves the light or fluffy texture, mild flavor and lighter color of the original product. For more information, visit ultragrain.com

Sources:

1. The NPD Group, NPD CREST, morning meal traffic trends, Year Ending August 2010
2. Symphony/IRI, retail sales trends, Total U.S., food/drug/mass merchandiser stores, excluding Walmart, 52 weeks ending September 5, 2010
3. ConAgra Mills Whole Grains on the Breakfast Menu Concept Test, October 2010.
4. The Food Channel.com, *IHOP Signs On With Healthy Dining, Adds Menu Options*, November 10, 2010

About the author:

Dave Sheluga is Director of Consumer Insights for ConAgra Mills and the Commercial Division of ConAgra Foods. His marketing research career began at Quaker Oats and continued at Keebler Company in Chicago. While at The NPD Group, he specialized in custom consumer research for several nationally known consumer brands and foodservice companies. Dave holds a Ph. D. in Consumer Psychology from Purdue University.