

incredible!

BREAKFAST BEAT



Millennial Dining

Nearly 70 million U.S. Millennials are exerting an increasing impact on restaurant menus. Defined as roughly 20-35 years old, Millennials: ¹

- Eat out frequently, using restaurants to socialize
- Are adventurous with ethnic flavors
- Like to customize dining occasions
- Tend to eat frequently throughout day and night

Millennials' hunger is not tied to traditional meal times or foods, their preference being to eat whatever and whenever they wish. While Denny's and other midscale

operations have served this impulse for decades by offering entire menus 24/7, a growing number of QSR chains are joining in by adding all-day breakfast.

In addition to chains that include Bruegger's/Einstein Bros. Bagels, Dunkin'

Donuts, Sonic, Starbucks and Jack in the Box currently offering all-day breakfast, McDonald's has made news with its rollout of the McDonald's After Midnight menu making breakfast items available for 10+ hours daily at 24-hour locations. Add



that to comments from McDonald's CEO Don Thompson mentioning "innovative ways" being investigated to expand breakfast hours, and McDonald's may be moving toward causing a chain reaction of millennial proportions.



Table Stakes

Starbucks not only created the current U.S. coffee culture but made specialty coffees a morning must-have. Savvy chains added their own upgraded coffee programs with the result that a lackluster coffee program can now be a deal breaker for breakfast food purchases.

A few examples of coffee programs done right:

- McDonald's McCafé coffee line includes 100% Arabica coffee drinks in both hot and iced coffees, and a variety of lattes and frappés.
- Burger King partnered with Seattle's Best to introduce its Smooth Roast line

of 10 brewed, iced and latte coffee drinks.

- Dunkin' Donuts also uses 100% Arabica in coffee drinks that include hot, iced and frozen coffees, cappuccinos, espressos and custom-flavored lattes.

For many people a morning would not be complete without their favorite coffee drinks, and unique flavors and seasonal specials keep them interested. Industry researchers agree: any operator who's serious about morning sales growth needs to offer upscale coffee drinks to earn a seat at the breakfast table.

DID YOU KNOW?

\$120 Bacon & Egg Sandwich

An Australian restaurant menued a \$120 egg-and-bacon sandwich in May, with ingredients including smoked truss tomatoes, foie gras, caviar, crème fraiche and shaved truffles. The item was offered for only one week as part of local Bacon Week. (NOTE: many U.S. restaurants sell delicious egg and bacon sandwiches for under \$3!)

McDonald's Brings it Home

McDonald's often imports items into the U.S. that have proven successful in its international operations. Could these items show up as domestic LTOs?

- Egg LT Bagel – egg, lettuce and tomato (Canada)

- McCriollo – scrambled sweetcorn and eggs, cornbread flatbread and sausage (Columbia)
- Bakehouse Brekkie Roll – egg, bacon, cheese, potato patty, onion relish, on sourdough roll (New Zealand)

Eggs-in-a-Hole

THE MELT, a 15-unit California chain specializing in gourmet grilled cheese sandwiches offers an all-day line of breakfast items including The Egg-in-a-Hole, The White Hot and The Egg-in-a-Waffle. Created on artisan breads with fresh eggs, and gourmet cheeses and spreads, the sandwiches are made in a nostalgic, egg-in-a-hole construction. Additional ingredients can be added to customize each item.

Family Attractions

Parents accompanied by underage children are more likely than adults traveling without children to purchase weekday breakfast on their way to work. These patrons are liable to:

- Be female, concerned about nutrition
- Go through the drive-thru
- Use coupons and value menus

Mintel research² shows that 64% of people in the company of children have visited a QSR for weekday breakfast in the past month, while only 44% of those without children have done so. Chalk that up to mothers hurrying to get children ready for school while also trying to prepare themselves for work and having little time to fuss over breakfast. These visits present untapped opportunities for operators to offer:

- Kid-focused breakfast meals
- Hot breakfast/box lunch combos for kids
- Parent-child weekday meal deals
- Bundled coffee/milk/entrée/side to share

The healthfulness of kids' items should also be promoted, as women are apt to be concerned about nutrition. Smaller versions of existing items could be used in kids' meals, as brunch snacks and to create tapas-style adult combos.



Notable Chain News

IN TEST

- **Taco Bell's** "waffle taco" is in at least one California unit with scrambled eggs and sausage in a waffle folded like a taco, served with a packet of syrup.
- **Popeye's** Louisiana's Best Breakfast is in one North Carolina unit with items including biscuits with sausage, egg and cheese; breakfast wraps; grits; and country-fried steak or chicken.
- **Cousins Subs** began testing breakfast at 13 Wisconsin locations in June.



LAUNCHES & LTOs

- In time for National Donut Day on June 7, **Dunkin' Donuts** rolled out its Glazed Donut Breakfast Sandwich made with fried egg and cherrywood-smoked bacon inside a split glazed donut.
- TacoTime joined the breakfast market this spring with five breakfast burritos, each one including scrambled eggs, Mexi-fries and Cheddar with varying combinations of meats and sauces.
- The Garden Veggie Breakfast Sandwich at **Au Bon Pain** is made with two fresh eggs, Cheddar, caramelized onions, and fire-roasted red and yellow bell peppers on Ciabatta.



Data Digest

- The number of QSR locations offering breakfast increased 45.5% between 2007 and 2012.²
- The incidence of breakfast wraps on QSR menus rose 140% between Q3 2009 and Q3 2012.²
- For the year ended November 2012, 46% of all breakfasts ordered at foodservice included a sandwich; in 1989, the number was just 23%.³
- 72% of consumers visit fast-food restaurants once a week or more, while only 49% visit fast-casual restaurants.⁴
- Egg breakfast menu items have increased by 20% since 2007.⁵
- Breakfast sandwiches grew 9% on fast casual restaurant menus between Q1 2010 and Q1 2013.⁶
- QSR locations represent 82% of all breakfast availability.⁴



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American Egg Board

PO Box 738 • Park Ridge, IL 60068-1340 • (847) 296-7043

SOURCES

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