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Support your favorite restaurant... eat out a lot! - by Dennis Serpone

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Dennis Serpone

Can you believe it? It was just Memorial Day...long overdue. Now we're at the end of August. Labor Day is around the corner. With Thanksgiving and Christmas close behind. Where does the time go?

Along with the effects on your family, you're well aware of the problems that COVID-19 has inflicted upon the food and beverage industry around the world.

It's a sad realization that the hopes and dreams of so many people tied to this industry, are going up in smoke. It's not just the mom and pop independent operators, who've always struggled with the basics. Food and labor costs, taxes, competition amongst each other but competition for help. Today, it's the perfect storm. Also dealing with the state mandates of social distancing. However, even though there are concerns over the reported numbers of those affected, the COVID-19 death rate of less than 2% per 100,000 cases and total deaths of 176,223 as of 08/24/2020. Obviously there are exceptions to every observation.

Fortunately, the chain operators, for the most part have equity, venture capital, and investors to support them during this problematic period. Although even some of them have chosen for bankruptcy protection. Cheesecake Factory immediately comes to mind. Numerous other, both full service and casual dining, are on the market hoping to be bought up by a stronger chain. The image of a big fish gobbling up a smaller fish comes to mind. The landscape is littered with local independent operators who didn't survive the initial closing mandates, and followed by those that opened with financially crushing requirements of limited seating, and constant sanitizing. One of my all-time favorites, Del Frisco's in Burlington is gone, a victim of the times.

Fortunately, entrepreneurs are a crafty bunch. The casual dining segment, the Ninety-Nines, Chili's, Applebees, and the like have found ways to stay busy. Located mostly in the suburbs where the occupancy costs are scaled down, accessibility easier, the availability of a place to raise a big tent,

and prices more affordable have drawn new and old customers out of their homes with their children. They've discovered the pleasure of parking-lot dining. None more astounding than the way the Kowloon Restaurant in Saugus has utilized its parking lot, a drive-in theater. No speakers hanging off your window and no-theater food. The Kowloon was the first to stack three cargo containers, hang a movie screen and create a new stream of income and a wonderful dining-entertainment experience. All roads lead to the Kowloon.

On the other hand, of the hundreds of thousands of every type of food and beverage business in the U.S., the greatest numbers are in 'fast food'. Whether it's pizzerias, or hamburger joints the story had been the same...way too much competition, but they're the ones thriving in today's environment. Call-in, "pick-up or delivery"?

In its recognized role as the biggest hospitality brokerage and consultancy in the country, the National Restaurant Exchange, we see that there is a bright light shining under the bushel, it's that a growing percentage of people are opting for home delivery, giving food operators another way of sustaining themselves through this unfortunate period.

In the same way that we should be thanking our police and first responders, we should be thanking our restaurant owners for providing a service when we don't want to cook or when we need to get out and mingle safely with other people. Food service operators, essentially "small businesses", drive our economy. It has always employed the greatest number of people, provided the greatest opportunities, and was always major source of revenues for the local, state, and federal governments.

In the last half of 2020, I see the large chains expanding into locations where independents have given up and into new mixed-use projects where residential and retail components co-exist and flourish. I see continued growth of lifestyle centers drawing customers away from surrounding towns.

As the face of our population is changing, the restaurant industry is changing. Not by choice but by mandate. We all need to make a decision to support our favorite restaurants. Order that extra glass of wine, order a dessert, tip a little extra and tell the owner how much you appreciate his efforts to stay open.

This is a great time for restaurateurs to move to a better location and buyers to make deals that were unheard of only a few months ago.

The newest entry, at least over the last few years, to the food and beverage industry has been the explosion in breweries. As I remember, being a Bud-guy, Sam Adams was the first successful craft brewery...setting the stage for breweries across the country. Many of these breweries began small, many in retrofitted, underutilized sports bars. Now they're seen in many industrial parks, not only brewing our new favorite beverage but also incorporating beer-friendly food. Those industrial parks are now seeing food traffic as breweries see the increased foot traffic.

Dennis Serpone is president of the National Restaurant Exchange, Wakefield, Mass.

