

QSR FEATURE

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Healthy & Tasty

There's money to be made in the morning, but where's the healthy section on the breakfast menu? [By Jody Shee](#)

The race is on to get that breakfast customer. Whether in the morning or all day long by extending egg hours, chains are working their menus, signs, and ads to rake in the bacon.

As the usual quick-serve and fast-casual players compete on the breakfast sandwich and wrap front, they are being blindsided by emerging competition from the awaking morning giants Starbucks and Dunkin' Donuts. It was only a matter of time. Even Subway is getting its breakfast bearings, and Jamba Juice finally woke up and smelled the coffee.

But in the rush to get out there and be noticed, someone has been underserved. "I think a lot of quick-serve restaurants have added breakfast sandwiches to be in direct competition with other quick-serve restaurants. Someone needs to lead the pack by creating healthier breakfast items, and others will follow," says Maria Caranfa, director of Chicago's Mintel Menu Insights.

After all, consumers say they want to be able to purchase healthier meals. At least that's what 57 percent said in a recent Mintel poll when asked what their most desired food options were to add to quick-serve restaurants. "Healthy meals" was second only to "fresh ingredients" mentioned by 63 percent.

Breakfast Shares

There's a lot of potential in the early hours, no doubt. Breakfast only accounted for 11 percent of total meal occasions among quick-serve outlets and 15 percent among fast-casual restaurants in 2006, according to the "State of Breakfast in Fast-Food and Casual Dining Restaurants 2007," put out by marketing research and consulting firm Sandelman & Associates.

"From that, we gather that quick-serve and fast-casual breakfast is relatively flat in terms of how many occasions there are to go around," says CEO Bob Sandelman. He notes, Starbucks and Dunkin' Donuts were not counted in the study, as they were not breakfast players at the time.

McDonald's leads the breakfast pack, gobbling up 40 percent of quick-serve breakfast occasions, Sandelman adds. The reason, he believes, is convenience. Most quick-serve breakfasts (72 percent) are eaten off premises by consumers on the run, and by number, McDonald's is pretty handy. Plus, the chain has been at breakfast for a long time, Sandelman says.

The need for speed makes portable breakfasts more important to consumers than the quest for healthy fare. Not to mention, Sandelman notes, that there's nothing healthy about the standard American breakfast, which is characterized by fatty meats, biscuit- and muffin-based breads, syrup, eggs, and hashed browns. Hello cholesterol, flour, and sugar.

But still, for the sake of offering options, eliminating the veto factor, and being a good quick-serve or casual-dining citizen, some are finding it's important to have a good-for-you presence at breakfast.

Burger King, for one, is developing something more healthy for breakfast, although Patty Trevino, senior manager of product marketing, isn't ready to divulge details. It should be out sometime in 2008. "We wanted an option in keeping with our salads and veggie burgers, so we're also looking to expand healthy options into that daypart," she says.

Nutritious breakfast has its challenges, says Burger King nutritionist Julie Haugen. Healthier items often must be refrigerated, so refrigerator space and the complexity of putting something together by a teenage staff must be taken into consideration. "Then there's consumer preferability. How likely are they to come to Burger King to buy the product," she says. Will the product appeal to a different market segment like moms or kids, and will the Burger King "superfan" like it?



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Versatility is another quick-serve challenge, Haugen notes. If the healthy item has ingredients new to the chain, can operators use the ingredients in multiple applications? And what about shelf life? “If it’s coming from the manufacturer to the distribution center and on to the restaurant, how old is it before it gets here, and how much time is left to sell it before you have to discard it? Those are huge challenges right there.”

To bring out new menu options, Burger King works closely with its supplier partners, Trevino says. “Our research and development team works with them to come up with new ideas and extensions we want to work on.”

Menu Inspiration

Some of the big consumer brands have active foodservice divisions ready to help foodservice operators deliver a healthy breakfast option.

Last May, Sara Lee Corporation in Downers Grove, Illinois, introduced a line of two Superior Hot Breakfast Smoothies designed to be made and dispensed in a restaurant’s cappuccino machine. “We are leaders in the cappuccino category. We’re always looking for the next greatest innovation,” says brand manager Patty Kopitas. “We thought it was time to break away from cappuccinos and see what new drinks would be appealing.”

After putting 25 test ideas in front of consumers, the hot breakfast smoothie came out the winner. The beverage comes to operators as a powder in one of two flavors: brown sugar cinnamon and mixed berry (with raspberries and strawberries). Both derive their ultimate thickness and satiating power from oatmeal. The mixed berry version also has dried berry pieces.

“It goes into the machine as dry powder, mixes with water that whips it all together and gives it a froth. It’s blended smoothly and dispenses at the bottom. With a push of the button, you have hot breakfast,” Kopitas says. Each 8-ounce serving has 120 calories and a range of vitamins, minerals, protein, and antioxidants.

The Dannon Co. Inc. of White Plains, New York, has a spoon in breakfast smoothies and parfaits with its yogurt, Activia digestive system regulator, and DanActive probiotic dairy drink.

The growth of yogurt as a breakfast item has about doubled over the past 10 years, says Jim Brown, Dannon’s marketing director for its Away From Home division.

Partnering with Dannon, Subway is testing Dannon’s Activia on the breakfast lineup in Los Angeles. To help increase awareness of the product, Subway is advertising Activia as part of a healthy breakfast in that region.

This month 24-ounce versions will be available to foodservice. “That would be great for parfaits. It comes in vanilla and plain,” Brown says.

Though consumers easily could purchase individual servings of any yogurt product and have it for breakfast at home, fewer people are eating breakfast at home, says Eric O’Toole, Dannon’s vice president of business development. “Quick-service outlets have become part of consumers’ morning routine—with Starbucks or the convenience store gas station—they are making choices there that might not be as complete as those they would do if they were at home.”

Parfaits have expanded beyond McDonald’s. Last January, Starbucks added fruit and yogurt parfaits to its lineup. The chain has been pleased with customer reception to it, says Lisa Passé, program manager within the company’s Global Communications division.

With a more upscale clientele, the fast-casual, Burlington, Vermont-based bagel bakery Bruegger’s Enterprises Inc., began testing parfaits in July using fresh seasonal fruit. Made with low-fat vanilla yogurt, fresh fruit, and granola, the parfaits will be tested through a few colder months to see how seasonality plays into consumer interest and if the demand justifies the cost and availability of fresh fruit, says Philip Smith, director of new products and services. The chain must use fresh rather than frozen fruit since its bakeries do not have freezers.

Health and nutrition already was in the bagel bakery’s sights. It offers whole-grain bagels that have the Whole Grain Council’s Stamp of Approval.

To find inspiration for new breakfast offerings, go to the grocery store and examine all the products available that consumers consider healthy, says Ron Paul, president of research and consulting firm Technomic Inc., Chicago. The company published “The Breakfast Category Report,” in 2007. “Packaged goods have given a wide array of healthy breakfast options, which could work in foodservice and the fast-food arena,” he says.

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If turkey sausage is perceived as being more healthy than pork sausage, someone should offer turkey sausage, Paul says. “Use more wheat versus white bread, and fruit makes sense to consumers. Egg Beaters are an option, or plain egg whites.” Paul also believes there’s a place for cottage cheese on the breakfast menu and more opportunity for oatmeal and granola.

To make it easier for foodservice operators to offer more healthy cereals, the foodservice division of General Mills recently introduced its Goodness Pack, a case of 60 assorted single-serving cup cereals that publicize their connection to good health on the packages. The Goodness Pack brands include Cheerios and Honey Nut Cheerios that boost healthy hearts; the high-fiber Fiber One Raisin Bran Clusters; Curves Honey Crunch to offer a weight management solution; and energy-boosting Nature Valley Low Fat Fruit Granola. The bright graphics and health messages on each cereal cup serve as a billboard addressing consumers’ health needs, says Sandy Choi, associate marketing manager.

Kellogg Company sells meatless sausage patties and links to foodservice from its Morning Star Farms line. “They are 72 percent less fat than cooked pork and are a lean source of protein,” says Thuy-An Wilkins, manager of media relations. The protein source is egg whites and soy.

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With a slightly more sophisticated menu than the average quick-serve or fast-casual outlet, Boston-based Au Bon Pain makes its own muesli cereal fresh each day in its bakeries. “We sold about a half million dollars worth of muesli in 2006,” says Ed Frechette, senior vice president of marketing. Au Bon Pain’s version of the cereal that is a healthful breakfast staple in Europe contains oats, milk, diced apples, bananas, cranberries, and almonds.

Fruitful Ideas

Sandelman suggests that cereal and fruit are the best options for starting the day out on a healthy note. “Fruit is easy to eat on the go, but if consumers wanted fruit, they could grab an apple or banana and eat it on the way,” he says.

But maybe not. Fruit, whole and cut, is the best-selling healthy category offered at Au Bon Pain, Frechette says. “And of that, bananas are the most popular. We blow through bananas,” at 79 cents per banana. Yes, customers can buy bananas for less at the store, but it’s a convenience thing, he adds.

Fruit smoothies have become the most fashionable way to get fruit for breakfast for many customers.

Jamba Juice has awoken to the breakfast daypart, and through March in New York and Los Angeles, is testing a line of Healthy Blended Breakfasts, which differ from the chain’s plethora of standard fruit smoothies.

“These are a little more dense and meal-like,” says Brian Lee, vice president of product innovation. “These are a meal you might want to eat with a spoon,” he says, adding that the fruit isn’t blended to be completely smooth in order to maintain some of its fruit integrity.

On the new lineup are Granola Toppers with blended fruit, low-fat yogurt, and soymilk topped with organic granola. The Granola Toppers come in Rise & Berry and Mango Peach Paradiso flavors.

The breakfast test also includes Chunky Smoothies, which blend soymilk and nonfat yogurt with fruit chunks and organic granola in two flavors: Morning Glory with strawberry, banana, and peanut butter; and Jungle Jumpstart with acai, blueberries, and bananas.

The menuboard at Jamba Juice never has featured a breakfast section before, Lee says. So to build it out, in addition to the Granola Toppers and Chunky Smoothies, the breakfast section also includes two fruit and yogurt blends (Sunrise Strawberry and Bright Eyed & Blueberry), three new juice blends, and two freshly squeezed juices.

“Most of our research says people want healthy all the time. Certainly, breakfast is no exception to that,” Lee says.