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Will Diners Still Swallow This?

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CARROLLTON, Tex.

RICHARD SNEAD came up through the restaurant industry when bigger was better.

He earned his managerial stripes in the fast-food industry as Burger King, [McDonald's](#) and [Wendy's](#) waged war over who could offer bigger burgers, more fries and larger cups of soda. Few questioned the strategy, not even after casual dining restaurants embarked on their own supersizing battle in the 1990s.

Now Mr. Snead is breaking ranks. As chief executive of Carlson Restaurants Worldwide he has chopped portion sizes at T.G.I. Friday's, Carlson's chain known for calorie-rich items like deep-fried potato skins stuffed with Cheddar cheese, bacon and sour cream. In a closely watched experiment, Friday's will see whether diners will order what it calls "Right Size" portions that, on average, are about two-thirds the size of the usual serving.

"I firmly believe that the consumer is demanding a change," said Mr. Snead, who is 55 and has a runner's trim build. Many consumers are tired of huge portions, especially on weeknights or at lunch when they do not want to indulge, he says. The time has come, he says, to think smaller. But, he added, "I'll be honest with you, it's scary."

Mr. Snead has good reason to be concerned.

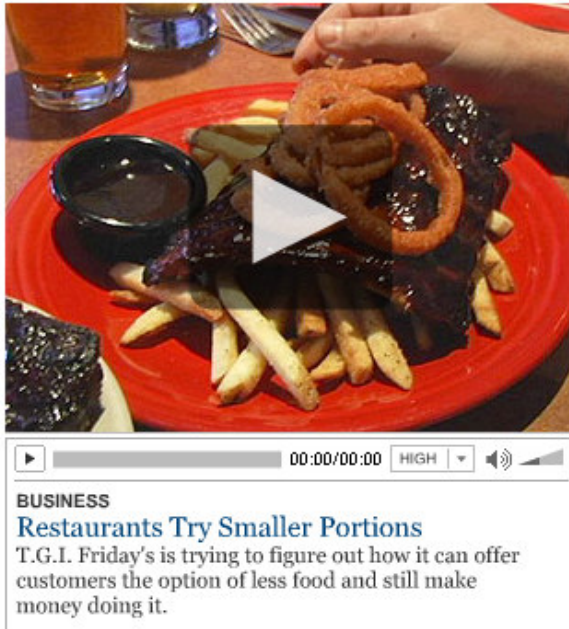
The strategy of serving consumers smaller servings has a lamentably unprofitable history. Many restaurateurs remember far too well what happened to the [Ruby Tuesday](#) chain in 2004 after it trimmed some portions and started printing nutritional information on the menu of calorie-packed burgers, steaks and ribs. Consumers complained about the changes, and after about five months, Ruby Tuesday plumped the portions and provided nutritional information only when asked.

"Even if they don't eat everything on the plate," said Richard Johnson, Ruby Tuesday's senior vice president, "they like that it's a generous portion."

While the success of Friday's smaller portions is far from certain, its heavily marketed Right Size campaign is among the boldest efforts yet to address problems in the restaurant industry that many had considered insolvable: How do you sell the idea of giving people less food? More important, how do you make money at it?

Shrinking portions puts restaurants in a bit of a pickle. Customers have come to associate huge quantities of food with value, a proposition that makes reducing portions difficult. Restaurants also point out that even when consumers say they want smaller portions or healthier choices, they often do not order those options.

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Restaurateurs point out that while they offer huge servings, they also offer consumers a choice of some smaller entrees, whether it is a single cheeseburger or a half order of pasta. But the reality is, the smaller offerings are rarely promoted and are often not as good a deal for the consumer, compared with the larger servings.

“We had competitors who shrank portion sizes, and it’s just been a catastrophe,” said Clarence Otis Jr., chairman and chief executive of [Darden Restaurants](#), whose chains include Olive Garden and Red Lobster. Mr. Otis added: “Our portion size, I don’t know where you go.” Most restaurants would like to make servings smaller, he said, “but customers are resistant to it.”

WHAT makes Friday’s portion-cutting different is its extensive advertising of ten menu items and its decision to offer them at significantly lower prices. A “Right Size” Jack Daniel’s Chicken Alfredo, for example, has 40 percent less fettuccine, a third less chicken and half the sauce of the full-size portion and, at \$7.99, costs 30 percent less.

Mr. Snead says he has accepted the fact that his average check on the reduced portions will be smaller too, but he is betting that they will be offset by more customers.

Friday's is bucking a decades-long trend of ever-larger portions in packaged goods and at restaurants. Some portions at fast-food restaurants are now two to five times larger than those of the 1950s, researchers have found. While statistics were not available for casual restaurants like Friday's or Ruby Tuesday, there is little doubt that their items, too, have grown significantly bigger. Mr. Snead recalled that about a decade ago, his chain, worried about the enormous portions at the fast-growing [Cheesecake Factory](#), changed from round plates to ovals so it could pile on more food.

Many restaurants are still marketing the enormousness of their servings: Denny's Megabreakfasts, Hardee's Thickburgers and Ruby Tuesday's Colossal burger, to name a few. Chipotle advertises its 1 1/4-pound burritos with this description: "The first half is fun. The second half is masochism."

McDonald's and Wendy's have dropped their "Supersize" and "Biggie" menus amid a flood of negative publicity, including the 2004 documentary "Super Size Me," in which the filmmaker Morgan Spurlock ate only from McDonald's menu for a month.

But a soon-to-be-released study by Marion Nestle, a professor of nutrition at [New York University](#), and Lisa R. Young, a dietician and adjunct professor there who has tracked the history of the supersize phenomenon, found that Wendy's simply renamed its "Biggie" drink, at 32 ounces, a medium; a large drink now contains 42 ounces.

Perhaps no restaurant chain has flaunted its portions more than Burger King. In the last two years, it has introduced a Triple Whopper, the BK Stacker with four beef patties, and an Enormous Omelet sandwich, which is a sausage, bacon and cheese omelet on a bun. But that seems small compared with its Meat 'Normous, a breakfast sandwich that the company pitches with the slogan: "A full pound of sausage, bacon and ham. Have a meaty morning."

Burger King's advertising turns its eat-more menu into a basic tenet of manhood. In a recent [ad campaign](#) for its Whoppers, a man ditches his date at a fancy restaurant, complaining that he is "too hungry to settle for chick food." Pumped up on Whoppers, a swelling mob of men pump their fists, punch one another, toss a van off a bridge and sing, "I will eat this meat until my innie turns into an outie," and, later, "I am hungry. I am incorrigible. I am man."

Americans are eating about 12 percent more calories a day than they did in the mid-1980s, according to government statistics. The percentage of Americans who are overweight, meanwhile, increased to 66 percent in 2004 from 47 percent in the late 1970s. Hardly anyone believes it is a coincidence that Americans became fatter at the same time they began eating out more than ever and restaurants supersized their portions.

Although packaged-food companies have scored a hit with 100-calorie servings of soda, cookies and chips, the idea of cutting back on serving sizes at restaurants is rarely on the table. "Everybody has a vested interest in trying to make you think that what you eat is more important than how much you eat," said Ms. [Nestle](#), who

wrote “What to Eat” (North Point Press, 2006), which criticized America’s obsession with large portions.

But when it comes to restaurants’ reducing those portions, she said: “They don’t want to do it because it brings in less money. They have no incentive to do it.”

Indeed, it is the economics of reducing portion size that makes it so risky. Larger portions are so profitable because food is relatively cheap. On average, food accounts for about a third of the total cost of running a restaurant; such things as labor, equipment, advertising, rent and electricity make up the rest.

So while it may cost a restaurant a few pennies to offer 25 percent more French fries, it can raise its prices much more than a few cents. The result is that larger portions are a reliable way to bolster the average check at restaurants.

Ms. Young, the dietician and researcher, cited [Starbucks](#) as an example. The costs of renting the space, paying the baristas and buying the espresso machines and stirrers are significant — but the same regardless of size of the drinks. And it does not take much more coffee to brew a 16-ounce “grande” than it does to make a 12-ounce “tall.” But the price of a tall regular coffee at a Starbucks in Times Square is \$1.70, while the grande is \$1.89, or 11 percent more.

“If they can make a few extra pennies by having you buy a bigger size, that adds up to a lot of money,” Ms. Young said, adding that it was no accident that Starbucks’ 8-ounce “short” is no longer on the menu, though a customer can request one.

But run the formula in reverse, and smaller portions translate into lower profit margins. “It’s half the food, but you still got all that labor,” said Mr. Otis, the Darden chief executive.

Then there is the psychological impact on the consumer. “So it’s a half portion but the pricing is still 60, 65, 70 percent of a full portion,” Mr. Otis said. “People would rather have a full portion.” Mr. Otis added, “It’s hard to take a consumer there.”

Restaurant chains that want to reduce portion sizes also face considerable skepticism from Wall Street. Investors want to see steady growth in sales from what are called comparable stores, those restaurants that have been open for at least a year. To get that growth, a company has to increase the number of people coming through the door or what they spend.

“If you shrink portion sizes, you kind of have to reduce prices,” said John Glass, an analyst at CIBC World Markets. “A lower check drags down comp-store sales. What you hope is, you offset the check with higher traffic.”

Mr. Glass added: “It’s been a difficult sell on Wall Street. It does work but it takes time, and we all know that investors are focused on the short term.”

Would T.G.I. Friday's promote smaller portions if its parent company were not privately held? Mr. Snead hesitated before answering. "I'm not sure," he said, then added, "I don't think so."

It is hard to pinpoint when the restaurant industry figured out that it could cash in on larger portions. But the late David Wallerstein, a theater manager from Chicago and a longtime director of McDonald's, is sometimes credited with the super-sizing trend. In the mid-1960s, Mr. Wallerstein realized that customers were reluctant to buy two bags of popcorn because they felt gluttonous, but would happily buy one jumbo bag.

He later persuaded Ray Kroc, McDonald's legendary leader, to use the same strategy with French fries, and the race for ever-larger portions was on, according to a book by Greg Critser, "Fat Land: How Americans Became the Fattest People in the World" (Mariner Books paperback, \$13).

Then, in the mid-1970s, a Coke representative tried to sell 7-Eleven on the idea of a 32-ounce cup for its struggling fountain-drink business. Dennis Potts, a midlevel manager at 7-Eleven at the time, said he thought the cups were "absolutely insane" because they were so big, but he accepted two free cases and gave them to a store to try.

The next Monday, the franchisee called, asking for more cups. The Big Gulp was born. The 32-ounce drink cost the same as a 16-ounce bottle of soda, then about 40 cents.

Since that time, 7-Eleven has offered an even bigger Big Gulp, the Super Big Gulp (at 46 ounces) as well as bigger coffee portions, bigger hot dogs, bigger bags of chips and bigger candy bars, and customers have snatched them all up, said Mr. Potts, whose last position before retiring was vice president for merchandising. "There is nothing magic about it," he said. "The customer gets a good value, and the retailer makes more money on a per-sale basis."

Larger portions may be a better value, but they inevitably cause even the most disciplined customers to eat more than they would if the portions were smaller. Researchers have repeatedly shown that the bigger the portions, the more that people eat. A study at [Pennsylvania State University](http://www.pennstate.edu), for instance, found that consumers who were given 50 percent more of a pasta dish ate 43 percent more than those with a smaller portion. Similar increases were shown when researchers offered bigger portions of potato chips, deli sandwiches, popcorn and soup.

"If it's there, people are going to eat it, and they aren't necessarily going to notice it," said Barbara J. Rolls, a nutrition professor at Penn State.

Professor Rolls's research did uncover another aspect of food psychology that may help the T.G.I. Friday's plan. Consumers do not notice when minor changes are made, like a little less food or slightly less calorie-dense food. "The message to the restaurant industry is they can take energy density down," she said. "You can take size down a bit. You can take out fat. A lot of fat doesn't need to be there for taste. I would suggest they

start with small changes.”

A TASK force sponsored by the federal government issued a 134-page report last summer that urged the restaurant industry to help consumers eat less. The report cited a chain of family-style Italian restaurants, which it did not identify, as an example of how it could be done. Instead of reducing portion sizes, the restaurants substitute vegetables for more calorie-dense food like pasta on some of its entrees, according to the report.

The chain is Bertucci's, with about 90 restaurants along the East Coast. But as it turns out, it is not quite the perfect model. Bertucci's did add more vegetables, but it still had all the pasta as a side dish. “We re-engineered the plate based on what customers were telling us,” said Stefano Cordova, executive chef for the chain, which is based in Northport, Mass.

One surprising recent change has come from Cheesecake Factory, which has built its reputation on enormous portions. Starting last summer, it greatly expanded its offerings of “lunch size” portions and “weight management” salads.

“People are buying them like crazy,” said Howard Gordon, senior vice president for business development and marketing. “The comments we are hearing from guests are, ‘We love to have the option.’ But they still love their cheesecake.”

At Friday's, the decision to reduce portions was prompted not by any industry report or nagging by nutritionists. Rather, the company recognized a slump in the casual dining sector that started about a year ago because of factors like higher gasoline prices and fast-food restaurants' offerings of better-quality food. Some analysts say consumers may also have grown bored with casual restaurants because they are so similar.

Mr. Snead says the reduced portions are part of an effort to “contemporize” Friday's image. “We're trying to lift it from this old perception of fried foods, old brown bars, junk on the walls,” he said.

The idea surfaced about seven months ago, when Friday's senior managers gathered to discuss the looming problem and began talking, he said, about “consumer needs that the category has been afraid to do in the past.” Reducing portion size was one of those previous taboos.

Industry research found that 51 percent of adults believe that portion sizes in casual dining restaurants are too big. Among women, the number is higher: 63 percent. But, Mr. Snead said, the reaction of Friday's executives had always been: “Oh yeah, you say that, but when you come in, you say, ‘Where's the stuff?’ ” Friday's turned to focus groups that told them many consumers felt cheated by half portions. As a result, the Right Size portions are usually about two-thirds the size of the regular entrees.

Mr. Snead showed off the Right Size portions one recent morning outside Friday's test kitchen, where they

were lined up on a long table next to the traditional-size portions. The traditional portions are served in white bowls, with the smaller ones on plates that are about the same size, but red, which helps to mask the size differences.

Mr. Snead gestured toward a full-size salad. “Oh, my God. It looks like a haystack,” he said.

THE Right Size portions are not exactly dainty. The half rack of ribs, for instance, is served with the same amount of French fries as the full rack, with onion rings on top as garnish.

While the primary goal of smaller portions is to lure more customers, Friday’s is also hoping that consumers who eat them will have room left for appetizers and desserts. It turns out that one of the unintended consequences of huge portions is that customers are often too stuffed to order anything else.

Though the campaign is only a few weeks old, Mr. Snead says the early numbers show that the smaller margins on the Right Size portions have so far been offset by higher traffic. The smaller “cedar-seared salmon” on pasta looks like a hit, though some others may be tweaked or scrapped in favor of new Right Size entrees.

Mr. Snead does not know if he has it exactly right yet, but, he said, “I’m staying with this.”

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