QSR How America Eats

Insider's View on Managing Fast Casual, Casual Segments

August 17, 2011 - As president of the Bistro Group, which owns 31 T.G.I. Friday's and five McAlister's Delis, Jeff Ritson has unique insight into both the fast-casual and the casual dining categories. He says the economy has forced the two to change in ways that shave away some of their differences.

He notices that casual dining has become more of a special event destination, while quick-casual concepts are more supportive of patrons' everyday dining desires.

A recent Y-Pulse survey backs up his assertion. The study asked 315 young adults, ages 18–33, what they seek in restaurant services and menus. Results showed that Gen Y eats at quick serves more than any other restaurant type.

Ritson's biggest management concern, however, is that competition will come from a totally unforeseen direction.

"You've got to be really sure that there's not going to be another segment popping up that might allow quick-casual or even casual dining to fall behind," Ritson says. He points out that 10 years ago, very few fast-casual brands existed, and today, they battle to outpace each other.

In that vein, Ritson advises operators of both dining classes to stay relevant to their consumers. "Always think of ways to freshen your concept," he says, "whether it's the interior of your building, the exterior of your building, or just keeping relevant menu items available to guests."

One way to stay relevant is to focus on giving consumers the most bang for their buck. "Human beings are in a hurry more than they ever have been before, and on top of that, they're looking for value," Ritson explains. "So casual dining really had to change menu structure, format, pricing, the value component – the value platform – that it was offering."

As much as he recognizes the consumer focus on value, however, Ritson advises against putting too much stock into promotions and limited-time deals. He says it is not the method to grow a consumer base. "We want to attract new customers into our buildings, as opposed to finding ways to just discount the product and rent customers for a short time."

Another similarity between the fast-casual and casual segments is guest satisfaction. He relents that years ago, when fast casual was just starting out, its quality was not as high as it was today. All restaurants, however, fight for market share through superior service, and thus must improve the quality of product they sell.

Despite owning 36 successful restaurants, the Bistro Group opened only one new restaurant this year. Ritson says during the recession, the Group focuses on market share, or increasing guest counts, rather than outdoing its competition. "It's really important to me and to our company that we look for strategic solutions that relate to the long-term growth of our business, as opposed to just a short-term focus," he explains.

By Sonya Chudgar