

# NATION'S Restaurant News

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## Meatless menus



### Veggie-heavy brands see growth in sales, popularity with consumers

BY LISA JENNINGS

The number of U.S. adults who call themselves vegans and vegetarians is statistically small — about 3 percent. Nonetheless, a growing group of concepts is convinced there is a broad audience ready to embrace plant-based dining.

With names like The Veggie Grill, Native Foods, Real Food Daily and Maoz Vegetarian, these concepts are geared to the mounting number of so-called “flexitarians,” consumers who eat meat when the mood suits them, but who for health and/or environmental reasons are trying to eat less of it.

Today’s meatless concepts fit neatly into the fast-casual segment or with such health-haloed casual-dining players as True Food Kitchen and Seasons 52. And unlike the brown-rice-slugging vegetarian concepts of past decades often mocked as bland, the new players focus on

the quality of their food.

“It’s about serving delicious food that I’m going to feel good about eating later — and food that will be good for the planet,” said Greg Dollarhyde, chief executive of the seven-unit Veggie Grill chain based in Manhattan Beach, Calif. “We’re redefining American comfort food.”

Quantifying the number of people who avoid meat and animal products is difficult, partly because people define differently what it means to be vegetarian or vegan.

Following a 2009 Harris Interactive poll, the Vegetarian Resource Group estimated that about 3 percent of U.S. adults described themselves as vegetarian, meaning they never eat meat, poultry, fish or seafood. About one-third of those — an estimated 1 percent of the U.S. population — are vegan and never eat dairy, eggs and honey. About 8 percent of adults overall said they never eat meat.

Given such small numbers, it’s no surprise industry observers like Bonnie Riggs of research firm The NPD Group say vegetarian  
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**The popular All-American Stack at The Veggie Grill is made with a meatless grilled “veggie-steak” and topped with onion rings.**

## Chains find best defense depends on the offense

BY MARK BRANDAU

Following the recent dismissal of a high-profile lawsuit claiming that Taco Bell misrepresented its signature taco filling as beef, the 6,000-unit quick-service chain wasted no time hitting back against its accusers.

The Irvine, Calif.-based brand took out full-page ads in newspapers like the Wall Street Journal and USA Today asking the law firm that filed the suit, “Would it kill you to say you’re sorry?”

Many restaurants that find themselves under attack these days can no longer afford to take a passive approach to dealing with bad media exposure, experts say. As recent controversies with Taco Bell and McDonald’s have shown, when bad things happen to brands, the ways in which they respond must be proactive, fast and, ideally, overwhelming to detractors.

While observers say restaurant chains should try to avoid full-blown battles in the media

if possible, they need to take off the gloves once they’ve committed to the fight.

“The reason why Taco Bell did

it, and why I think it’s smart, is because the lawsuit was about their product,” said Linda Duke, chief executive of San Rafael,

Calif.-based Duke Marketing. “It wasn’t about their president or some kids in the store playing  
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## Standing their ground

Chain responses to attacks suggest the best defense depends on the offense

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around and putting it on YouTube; it was a total attack on the food. How could they not defend it?"

The situation likely will give Taco Bell a platform to talk about all its ingredients, if the brand wants such an opportunity, Duke said.

"We're going to see a lot of that," she said, "because with everything from [Chipotle's policy of] 'Food With Integrity' to menu labeling, consumers want to know what they're eating. Consumers are more aware than ever."

Taco Bell was drawn into a fight it probably would have preferred to avoid by the plaintiff's law firm, Beasley Allen Crow Methvin Portis & Miles. Beasley Allen, which represented plaintiff Amanda Obney, had publicly pushed its claim in newspapers since filing the suit in January.

But when the firm withdrew the suit, claiming that changes the plaintiffs had sought were made, Taco Bell quickly responded that no alterations had been made to its recipes or advertising and that no money was exchanged in any settlement.

"As for the lawyers who brought this suit," Taco Bell's ad read, "you got it wrong, and you're probably feeling pretty bad right about now. But you know what always helps? Saying to everyone, 'I'm sorry.' C'mon, you can do it!"

### Unavoidable conflicts

Taco Bell's chief marketing officer David Ovens told Nation's Restaurant News the brand was bound to respond to the bad-beef accusation no matter how questionable, because negative news drives headlines and lasting impressions.

"Good news, on the other hand, such as the fact that the plaintiffs' lawyers gave up and dis-

missed their claims, doesn't generate nearly as much news coverage or consumer attention," he said. "This often leaves many customers having heard the bad news but not the good news."

Taco Bell felt it had to educate consumers that the suit had been dropped and that its practices were above board.

McDonald's also recently found itself having to respond publicly to a vocal group of critics. But rather than go tit for tat in the media with Corporate Accountability International, an advocacy group that has called on the chain to change its advertising practices to children, the Oak Brook, Ill.-based brand relayed its position to the world at its annual shareholder meeting last month.

The day before the meeting, Corporate Accountability purchased full-page ads in several major newspapers carrying the headline, "Doctors' orders: Stop marketing junk food to kids."

In the meeting, McDonald's chief executive Jim Skinner made it clear that the matter dealt with individuals' rights to choose what they eat and a

company's responsibility to advertise ethically, which he feels McDonald's does.

"Just as we defended your right of free speech concerning the newspaper ads, we would like you to respect our rights to advertise freely," Skinner told a representative of the pressure group who attended the shareholder meeting May 19. "We'll continue to advertise to our customers responsibly about our menu and about lifestyle choices and leave the personal responsibility up to them."

### Hitting back, harder

Last month 550-unit Chuck E. Cheese's also found itself in a not-so-flattering public scuffle when a woman claimed the chain's arcade games were "casino-style gambling devices" that promoted "addictive behavior in children." But when she withdrew the suit, parent company CEC Entertainment Inc. of Irving, Texas, chose only to issue a short statement that the suit was without merit in the first place, and that appeared to put the controversy to rest.

Taco Bell, on the other hand, was not in a position to let its lawsuit fade away, because its detractors had run up too much negative publicity for the chain, said Gary Stibel, chief executive of Westport, Conn.-based New England Consulting Group.

"It would have been harmful to deny it on page 102 where nobody would see it," Stibel said. "In situations

**Would it kill you to say you're sorry?**

The fact that people like children and parents enjoy eating delicious things has made us a successful business for over 40 years.

- No changes to our products or ingredients.
- No changes to our advertising.
- No money exchanged.
- No settlement agreement.

Because we're 100% and 100% USDA-inspected ground beef.

Now, we could have just said we didn't have any beef. But we chose to say we do. And we chose to say we're sorry. Because we care about our customers and our employees. And we care about the quality of our products. And we care about the quality of our advertising. And we care about the quality of our settlement agreement. And we care about the quality of our settlement agreement.

We were inspired by the courage of the people who stood up to us. And we were inspired by the courage of the people who stood up to us. And we were inspired by the courage of the people who stood up to us. And we were inspired by the courage of the people who stood up to us.

As for the lawyers who brought this suit, you got it wrong, and you're probably feeling pretty bad right about now. But you know what always helps? Saying to everyone, 'I'm sorry.' C'mon, you can do it!"



questionable from day one," Stibel said. Still, he said, the accusation against Taco Bell had to be addressed because the notion that a quick-service chain cuts corners on ingredients could be more plausible than Chuck E. Cheese's turning kids into gambling addicts.

"The case against Chuck E. Cheese's was probably a benefit to them," he said, "because it probably reminded people that it's a fun place to go, and shame on anyone trying to impugn them. It's the same with Ronald McDonald."

### Going on offense

In addition to calling for the cessation of advertising to children, groups like Corporate Accountability International have asked McDonald's to retire mascot Ronald McDonald for years. Chief executive Skinner deems that a nonstarter, though.

"Ronald McDonald is an ambassador for good," Skinner told shareholders. "Tonight and every night, 7,200 families are going to spend a night in a Ronald McDonald House near a sick loved one. Ronald isn't going anywhere."

The perpetual criticism of its mascot gives McDonald's opportunities to promote the good the character does, such as representing more than 300 Ronald McDonald Houses, Stibel said. In fact, he suggests that the burger chain could be more proactive than reactive in that message.

"Rather than constantly defending a popular and efficacious Ronald, they should offensively promote him and all he does," he said. "What they have done is good, but they may not have done enough."

McDonald's this year brought Ronald back in TV commercials promoting active lifestyles. ■

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**After an advocacy group criticized the messages McDonald's sends to kids, the chain openly defended its "rights to advertise freely" and flatly refused to retire mascot Ronald McDonald.**

