

BUSINESS

Takeout orders powering Olive Garden's growth

By Lisa Fickenscher

June 24, 2015

Olive Garden is making more dough these days with fewer breadsticks. But a chunk of its growth is coming from customers who are eating its Italian-style food at home.

Parent Darden Restaurants, which also owns LongHorn Steakhouse, The Capital Grille and other eateries, is luring diners to its 800-plus restaurants by packing up Olive Garden meals to go rather than serving them in its signature boxy booths.

About 10 percent of the restaurant chain's sales now come from takeout orders, which grew by 23 percent in the fourth quarter.

Darden boss Gene Lee said during an earnings call that he expects 20 percent of Olive Garden's sales to come from its takeout business, which enables diners to order their meals online.

Others see the growth as a sign that diners are not drawn to Olive Garden's kitschy decor.

"If eating there added value to the experience, those numbers would not be increasing so much," said restaurant consultant Arlene Spiegel.

Most Olive Gardens are in suburban markets, Spiegel added, so "if you are in the car already, why not just eat there?"

To entice diners to stay and dine there, Olive Garden is trying out new designs in more than 50 restaurants. "We have a lot of tests going on," Lee said, adding that some of the new designs have resulted in higher sales.

Darden shares closed up 2.1 percent to close at \$70.84 on Wednesday.



Photo: Courtesy of Olive Garden