

CRAIN'S

Small Business:
NY franchisors



put their
successful
ideas up
for sale
Page 11

NEW YORK BUSINESS

Feb. 9-15, 2004 Price: \$3.00

Diners home in on haute takeout

Restaurants find new revenue source

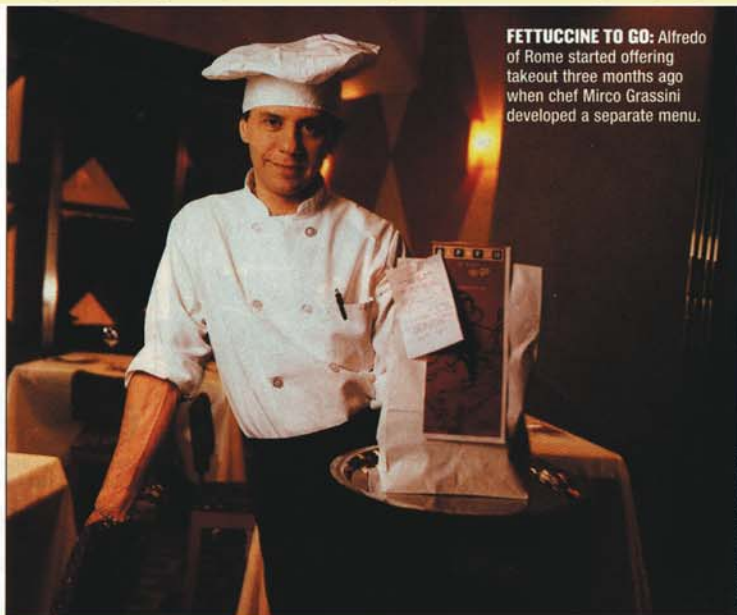
BY LISA FICKENSCHER

A swanky SoHo eatery, The Cub Room, has little in common with the city's traditional pizza or Chinese takeout joints. Nonetheless, chef Benjamin Paris Grossman prepared 30 meals to go one recent night. Even more surprising, many of them included complicated and expensive dishes.

"If someone is paying \$33 for a Cub steak, I'd think they'd want to enjoy the beauty of our dining room," he says.

Not necessarily. New Yorkers—willing to spend their money on restaurant food but still craving the comforts of home—are driving a new trend: white-tablecloth takeout.

"Today's demanding consumer wants what he wants when he wants it," says Manhattan-based restaurant consultant Arlene Spiegel, explaining the growing popularity of takeout in upscale eateries. And getting a good



FETTUCCINE TO GO: Alfredo of Rome started offering takeout three months ago when chef Mirco Grassini developed a separate menu.

SAMANTHA MORANVILLE

deal along the way doesn't hurt, either.

Diners such as Allan Weiser, who lives on the Upper West Side and orders in at least once a week, like the idea of saving money on a good meal. "I'm not paying a tip or the wine markup, and I'm staying at home, where my son can do his homework," he says.

White-tablecloth restaurants are answering the call by putting their fancy food in takeout con-

tainers, hiring delivery staff and distributing to-go menus in apartment buildings. As it turns out, takeout is good for restaurants' bottom line, too.

"A few years ago, restaurateurs would have thought that this would lower their image," says Russell Bellanca, who owns Alfredo of Rome in Rockefeller Center. "But now, everyone realizes that it is just an added amenity for their guests."

Restaurateurs still have misgivings about the service. Among their chief concerns is whether their food will arrive mushy, jumbled up or cold.

Lost 'eye appeal'

"My food has an eye appeal and design appeal that gets lost in the delivery," says Mr. Grossman. The chef cringes each time he gets an order for French fries. "How do you deliver crisp fries?" he complains. The Cub Room started delivering meals several weeks ago and has added a dedicated phone line for these orders. "We are trying something new here," says Mr. Grossman. "But maybe there's a reason it hasn't been done before."

Others worry that offering takeout could diminish their restaurant's reputation. Karim Fella, general manager of Jacques Brasserie, is careful about his decision to distribute menus in some apartment buildings. "I'm not going to throw my menus in each building door," says Mr. Fella. "We are not a cheap restaurant."

While better restaurants have always quietly packed bags for some of their regular customers, most of them have never delivered their food or touted a to-go menu.

The highest-end restaurants are more discreet. "If you just call cold, our reservationist is going to say we don't do takeout," says Agnes Deshayes, spokeswoman for Jean Georges on Columbus Circle. "But if it's someone we know, we might do something."

Most eateries can't afford to turn away the business. "Restaurants are much more proactive in looking for new revenue sources," says Stephen Zagor, director of management programs at the Institute of Culinary Education.

Alfredo of Rome started offer-

ing takeout three months ago when chef Mirco Grassini developed a separate menu. Busboys or dishwashers handle delivery orders. Mr. Bellanca says that takeout is a way to attract new customers and boost sales. Up to 5% of the restaurant's revenues come from takeout orders now.

Marketing tactic

Jacques Brasserie began offering takeout several weeks ago to boost sales. "We feel like the restaurant is hidden away and that few people know where we are," says Mr. Fella. The restaurant is located on East 85th Street between Second and Third avenues.

To get the word out, Mr. Fella has begun distributing menus to a select group of doormen in the neighborhood, and he's placed a menu box outside the restaurant for passersby. The restaurant is also investing in napkins and bags that carry its logo.

Even restaurants that don't have takeout menus are cooking more to-go meals. John Ivanac, who owns midtown Croatian restaurant Trio, says that over the past year up to 10% of his business has come from people who are ordering dinners to eat at home after work. Regular customers will be treated to a \$30 bottle of wine occasionally, he says.

A growing number of customers of Michael Jordan's The Steakhouse NYC and Strip House are ordering their steaks to go, marvels Penny Glazier, co-owner of both Manhattan restaurants. "People may have a drink at the bar, and when their food comes out, off they go," says Ms. Glazier. "It isn't even a market we've gone after, but I have been paying attention to it." ■