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HEADLINE: Ingenuity on the menu: Restaurants fighting recessionary blues

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by Susan Sprague Yeske/The Times Monday March 16, 2009, 12:23 AM

If you have noticed more coupons, specials, reduced-portion offers and value-priced prix fixe meals at your favorite restaurants, it's no coincidence.

Local restaurants are working feverishly to entice customers to keep coming back despite rough economic times that are hitting hard at the state's largest private-sector employer.

New Jersey has 23,000 eating and drinking establishments, including everything from fast food to fine dining, delis and caterers. The restaurant industry employs more than 300,000 and generates \$12 billion annually, said Deborah Dowdell, president of the nonprofit Trenton-based New Jersey Restaurant Association. Martin Griff / The TimesChef and Owner Will Mooney and Chef de Cuisine Chuck Jones in the kitchen of the Brothers Moon restaurant in Hopewell Borough. The Brothers Moon is one of many restaurants hit by today's bad economy.

The government's formal announcement of a recession came as no surprise to restaurant owners, she said.

"The buildup to the current situation began last year," said Dowdell. "Restaurants are indicators; we tend to predict trends in the economy." Advance bookings are one way they gauge the economic climate, and bookings were down.

The bad news became real after Labor Day for Jim Weaver, owner and executive chef of Tre Piani and Tre Bar restaurants in Plainsboro's Forrestal Village and founder of the Central New Jersey chapter of the Slow Food movement.

"After Labor Day is when companies traditionally come in to make a deposit for holiday parties," he said. Not this time.

"It didn't happen at all," he said.

Dowdell said restaurants in the state reported a drop of 8 to 15 percent in revenue for the holiday season.

That is in line with estimates by Will Mooney, executive chef and owner of The Brothers Moon 80-seat restaurant in Hopewell Borough. He has seen a drop of 11 percent in business.

"It's certainly a scary time," he said. The first hints of trouble came in August 2006, but the big hit for him came last November when overall sales declined and customers bought fewer gift cards.

The good news is his loyal clientele have not disappeared.

"My customers are still coming in, but less often," he said. When they come in, they sometimes order less.

Bobby Trigg, owner and executive chef at the Ferry House in Princeton Borough, has seen a dip in reservations as well. At the end of last year revenue was down about 10 percent; since January of this year it's down 8 percent.

"Things have changed a lot, and the last six months have been brutal in the restaurant business," he said.

Tightening their belts

Some consumers are being careful with their finances in uncertain times, but others, like Barbara Prince, simply have no choice.

"We used to eat out about once a week," said Prince, who works in donor relations for the *Mercer County Community College* Foundation in West Windsor. Lately she and her husband are more likely to eat out once a month, she said, "and now we will use a coupon."

Both Prince and her husband are working, she said, but they have had to economize since their son's college fund took a hit with the downward spiral of the stock market.

"We have college tuition to pay," she said, and they are mindful of losses to their retirement accounts as well.

A cold January produced higher heating bills, and while cost-of-living necessities aren't negotiable, dining out was one way to cut back. Luckily, they both like to cook. Where they used to go out to dinner with friends, she said now they entertain at home, preparing the main course while friends bring side dishes.

Lynn Holl, director of marketing at MCCC, said she and her husband still go out to dinner, but are thinking carefully about the price of the meal.

"We think more about places that are economical," she said, preferring restaurants that let you bring your own bottle of wine. Even though both are still working, some of their friends aren't, so they look for bargains that everyone can afford.

"I don't plan to give up dining out," she said, "but cost is very much on our minds."

Small plates, new menus

Chefs and restaurant owners are sympathetic to their customers' financial constraints, and have crafted a variety of options to make dining out affordable.

"You can't pretend there isn't a problem" said Weaver, who is constantly looking for ways to cut expenses and prices without sacrificing quality.

He retooled the menus for Tre Piani and his wine lounge, Tre Bar, located next to the restaurant in Forrestal Village. At Tre Piani, he is offering a selection of lighter entrees; at Tre Bar, he scaled down the price of lunches and added a happy hour.

Mooney created a "small plates" menu of half-size entrees, which he said cuts the cost for customers by 25 to 35 percent per meal. The small plates have proven popular; some customers like the option and order more than one.

Tasting menus offered Tuesdays through Thursdays also are a way to bring down prices, he said. "They can get three courses for \$29-\$35," he said, and "four or five courses for \$35-\$40."

He also has seen an increase in takeout from The Brothers Moon deli, which he said is helping to offset the loss of dining room business. "We're lucky; we are diversified," he said, with a popular bakery case as well.

Trigg eliminated his usual prix fixe menu for Valentine's Day, letting customers order from the menu instead. It meant less revenue, but his tables were filled.

He will open a second restaurant in two to three weeks, and his new BT Bistro on Route 1 will be mindful of

current economic conditions.

"We're fortunate because we don't have a big wine inventory," he said. "I'm going to concentrate on wines for \$40 or less."

Restaurants throughout the area are rethinking their prices. Hamilton's Grill Room in Lambertville offers a \$25 three-course prix fixe menu on Tuesdays, while Meil's Restaurant in nearby Stockton offers what it calls its own "economic stimulus package," three-course prix fixe meals for \$14.95 on weeknights.

National chains are doing the same. Friendly's recently announced it will launch reduced children's meals for \$1.99–\$3.99 when dining with parents.

Dine Out Often

Dowdell's organization has gone a step further, launching Dine Out Often, a campaign to get people to return to restaurant dining (dineoutnj.com).

Dine Out Often "emphasizes the important part restaurants play in the economy," said Dowdell. Nationally, 48 percent of the American food dollar is spent in eating and drinking establishments, she said. "One of our goals is to make sure that number remains firm."

Restaurants' discount strategies may be working, she said. Anecdotal reports from owners indicate some eateries are counting more customers, although they are ordering less. The higher volume is helping them to keep an even keel, although they have to work harder to do it.

The NJRA is promoting restaurants around the state, and underscoring its commitment to maintaining quality and service during trying times. Restaurants weeks, when eateries offer prix fixe and reduced-price options, are in the works.

"Our customers are really going to win," she said. "You're really going to see better food, better service and more satisfied customers."

The economy will win as well, she said. "Cutting back is the opposite of what our economy needs."

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