

WEEKLY BRIEFING REPORT

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The numbers

Buried deep inside The New York Public Library you will find the Buttolph Collection of Menus. There are almost 20,000 – primarily from hotels but with a goodly number from chop houses, restaurants and the like. The earliest is from Astor House (Broadway and Vesey) dated August 1843. It is a Ladies Ordinary menu (the men were offered something different) and features, amongst other things, corned beef, mutton, lobsters, and Round of Beef a la Mode.

Move on to 1865, and on the menu at Everett House (37 East 17th) the Carte du Jour offers salmon, striped sea bass, beef (stewed with carrots). A hundred years ago, in 1923, at Sandy Hook Oyster & Chop House (at 161 East 34th) you could, of course, have oysters – in fact 18 different types on the menu including fried, broiled, or served in milk stew – and as many types of clams as well – plus fish chops, steaks 'broiled or fried' (from small steak and French fried potatoes, to tenderloin also with French fried potatoes). That menu told guests: 'Orders are carefully prepared to take home'. Management also advised that they are 'Not responsible for personal property', and 'The cook has instructions not to send out of the kitchen anything that is not strictly fresh'.

And 50 years later, here it is at last at Keen's English Chop House (72-76 West 36th)! Wedged between corned brisket of beef (with green cabbage or baked beans) and roast prime ribs of beef (au jus Yorkshire Popover) there it is: Grilled Hamburger Steak Platter, (with French fried onions, lettuce, and tomato) for \$5.50. Of course this is not the first sighting of hamburgers: White Castle had been selling them since 1921; and McDonald's had been providing them through its franchise system since 1954. But by 1973, you could buy your burger in a mainstream restaurant at a price equivalent to \$35 at today's prices. Meanwhile Jake's (with pepper steak at \$4.95 and French fried shrimp at \$3.95) told its guests 'Sorry, we do not accept credit cards'.

So what's the point of leafing through these old menus? They tell us several things. Eating out has changed hugely over the years - for example, nowadays we go out to a restaurant and not a hotel for a meal out). Attitudes have also changed: try selling a Ladies' menu today, and try not accepting credit cards. And questions arise: what is 'French fried onion' and when was the word 'potatoes' dropped from 'French Fried' (and indeed when did 'French Fried' change from adjective to noun: 'French Fries')?

But some things stay the same – a hundred years ago you could have your takeout from Sandy Hook Oyster Bar & Chop House whose cook (but note, not chef!) only used strictly fresh food.

The fundamentals stay the same, no matter how much the world moves on.

My insight

I normally write about topics that impact the restaurant market. Today I want to shift the focus to another sector, one that is hidden in plain sight. Contract catering has been around for a century or two and yet it constantly evolves – or perhaps it's been around precisely because it does evolve. And it is the current, innovative state of that evolution that I want to explore.

Unlike restaurants, which generate business by targeting their offer at individuals, contract caterers have a more eclectic approach only one part of which is targeting individual customers. The other major target is the businesses that require them – contractors – to feed people who are on the business premises.

Arising from the need to feed people at events like the Great Exhibition of 1851, contract caterers received a boost during the world wars when legions of workers had to be fed where they worked. There were a variety of reasons for this need – to keep people on site, to feed them the food they really needed (steel workers, for example, required a daily calorie intake way above what the average person needed), or to provide food that was otherwise on ration.

In the years after the second world war, this model evolved from feeding war workers, effectively employed by the state, to workers employed by businesses. In those years there was often a distinction between factory-floor workers and 'management'. They were served in different restaurants on the same site – perhaps for practical reasons, and perhaps for reasons of status.

So the 1940s turned into the 1950s, and then the 1960s. Working conditions became less spartan. And the management canteen was eliminated (to be replaced over time, in professional city firms, by the senior executive dining restaurant for entertaining clients). As the years rolled by, large factories declined in number and were replaced by offices where workers began to realise that they didn't need to be tied to eating at their place of work but could go out for lunch in nearby shopping streets.

Contract caterers steered their way through all these changes and then faced a new opportunity with the expansion of contracts, for feeding in hospitals and schools, as a result of the Competitive Tendering Act of 1994. Contractors remodelled their offer to take into account new needs – from the need to feed young children to the need to cope with budgets that were smaller than those of commercial clients. This was the time when central preparation units were created to provide meals cost effectively, effectively by running the kitchen on planned, efficient factory lines. So, over the years, evolution carried on. Contract caterers remodelled their business models, they merged, and new, major players emerged.

And then covid upended demand by turning the five day week to a week of three full days and two mini-days. Is this a problem? Yes, it definitely is. But it is also an opportunity because there is a tension between workers who want to work at home and (some) employers who want to order, or encourage, them to be in the office. Contract caterers are now weaponizing their offer to make it super attractive to workers – pandering to demands for sustainability and plant-based diets, varying the menus on offer every day, providing food for free.

Changes like these are being created by contract caterers, in conjunction with employers, and demonstrate the continuous, innovative resilience of the ever-changing contract catering sector.

The rest of this Weekly Briefing Report provides a summary of the news in the past three weeks:

News in the past three weeks

Christmas Trading

- Coffee#1 LfL sales rose 17.7% in December versus 2019

Financial & Legal

- Bank of England agents reported that hospitality sector volumes were 'weak'; revenue increases were driven by inflation

QSR

- Starbucks sales grew 8% in the final quarter of 2022 versus 2021; LfL sales rose 5%
- Wingstop sales in January rose 50% versus 2022
- Soho Coffee sales rose 110% in the year to end January versus 2022

Delivery

- Deliveroo plans to reduce headcount by 350 mainly in the UK

Around the World

- European airlines' traffic rose 132% in 2022 versus 2021
- Compass LfL sales rose 24% in the latest quarter versus the prior year; sales in Europe rose 26%
- Uber sales rose 49% in the final quarter of 2022 versus 2021
- Yum! Brands sales rose 8% globally in the final quarter of 2022 versus 2021
- Chipotle system sales rose 11.2% in the final quarter of 2022 versus 2021

Around the World Delivery

- Delivery Hero GMV rose 9% in the final quarter of 2022 versus 2021