The Foodservice Industry of Our Future

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ABSTRACT

Foodservice employs the largest work force of any business in America and has sales exceeded by only three other businesses. Furthermore, foodservice is forecast to grow by more than 10% during 1977. Among challenges facing the foodservice industry is the application of nutritional information in preparation, merchandising and sale of foods. Foodservice managers are urged to pursue opportunities to provide consumers with properly identified, nutritious foods rather than have governmental authorities impose regulations.

The second annual study of employment conducted by the National Restaurant Association reports that the foodservice industry provides full and part-time employment for over eight million Americans, giving this industry the largest work force of any business in America. This industry also has the distinction of having the largest number of establishments — approximately 550 thousand locations across America — which provide a variety of opportunities to eat away from home, wherever people are and at whatever price they desire to pay.

Eating and drinking places of America rank fourth in sales among retail establishments — exceeded only by food stores, automotive dealers, and general merchandise stores. The foodservice industry accounts for 4.5% of the gross national product — or $78 billion. And our share of America’s production is growing.

I sincerely believe in our American free enterprise system, whereby an individual can invest his time, talents, and money, and through his own efforts enjoy, to a degree at least, his own measure of success. Our foodservice industry is uniquely representative of our American free enterprise system and typifies the kind of spirit, initiative, and enterprise which has made America great.

SALES WILL INCREASE

Forecasts of the immediate future realistically evidence our ability to operate within this system. Eating places in general expect a 12.5% sales gain in the year ahead (1977). Various markets within this broad category will show different growth rates.

1. Ice cream stands throughout America, accounting for 1.2% of eating place sales, will record a sales increase of 9.1%.
2. The next largest segment is the social caterers. This group, accounting for 2.3% of eating place sales, will record advances of 11.4%.
3. Cafeterias, with 5.4% of eating place sales, will increase their sales by 10.4%.
4. Fast food establishments — the industry’s strongest growth segment, which literally did not exist 20 years ago — provide 32.8% of eating place sales today. And their astounding growth rate will continue in the year ahead, with a projected sales increase of 14.1%.
5. Finally, the largest segment of America’s eating places, that broad category called restaurants and lunchrooms, with 58.3% of total sales for eating places, is expected to grow by 11.9%.

The entire foodservice industry, including industrial and institutional operations, is forecast to grow 10.6% in the year ahead, achieving a total of $86.9 billion.

This projection is a strong indication of America’s continued interest in our industry and is brought about by: (a) increased discretionary income, 8% in 1960’s — 14% currently — projected 24% in 1980; (b) reduction in size of family — now expected for the first time in our history to average less than three people; (c) increase in number of working wives, 25% in 1965 — currently 55% — projected 75% in 1980; and (d) average income per family for the “me” generation — will exceed $15,000 per household.

A NEED TO UNDERSTAND NUTRITION

A challenging issue facing the professionalism of this industry is a fuller understanding of nutrition in commercial foodservice. We have been defensive and frequently cite freedom of choice for customers as a reason for nutrition to be dismissed. We have claimed that we are not hospital dietitians, that we give our customers a wholesome choice, and that we are not guardians of the public palate. Yet we have a growing population of customers who need to be able to
determine how food is being handled for their health and for their welfare.

We also have a growing population of ill-formed or marginally informed but concerned consumers. They depend on the latest "vogue" diet information for dealing with their overweight condition. They read about food additives and fiber content, about nitrates and nutritional labeling. And, as in so many like situations, a little knowledge is a dangerous thing — particularly when that small bit of information is wielded by a loud voice crying "I speak for all consumers."

It is not a simple subject because nutritionists do not agree and research is not conclusive on such basic issues as serum cholesterol and its effect, nitrates and the effect they have upon the body, and numerous other elements of our daily diet. No one has all the answers, but everyone needs to be better informed.

**NUTRITION IS IMPORTANT IN FOODSERVICE**

About one-third of the money Americans spend on food is spent in our industry. By the beginning of the next decade, two out of five food dollars will flow into our industry. Thus, a significant portion of the nutrition of this country is in the hands of foodservice. If this food lacks the required nutrients, great harm can be done to our population.

We know that in many foodservice operations dietary needs are being met. Health facilities and type "A" school lunch programs are planning meals which offer good nutrition. And even restauranteurs, in cooperation with agencies such as the "Creative Cuisine" program of the American Heart Association, are dispensing well-planned nutritious meals to the customer. But, every restaurant offers the potential of good nutrition if the customer makes a balanced selection.

**CUSTOMERS ILL-INFORMED ABOUT NUTRITION**

The question then is: Does the customer make a wise selection? Since two-thirds of the food dollars are today spent for home consumption, let's see how wisely the selection is made in the home. In 1955, a nutritional survey was made of the food selected for home use. In 1965, another nutritional survey of the same kind was made. The situation had not improved. In fact, it had slightly worsened.

The number of people rejected for military service in World War II because of physical disabilities was extremely large. In fact, it was so large as to be of grave concern to those having responsibility for the health of the nation. Many of the disabilities could be traced to poor nutrition during infancy, early childhood, and adolescence. The amount of dental work that had to be done among many of those admitted to the military was also extremely great, and much of this could be traced to poor nutrition in years when teeth were forming.

During World War II, a parallel study in Great Britain identified that rationing and the restriction of sugar intake was one of the greatest nutritional benefits to the country's health and welfare of any national program ever undertaken. When the public could not get sweets, they were forced to improve their nutritional intake.

A more recent study by the Head of Pediatrics at Monte Fiore Hospital in New York City demonstrated that a teenager's straight diet of cheeseburgers, milkshakes, and french fries was 98% adequate and constituted a far better diet than what many teenagers think is good nutrition today.

**NUTRITION IS RESPONSIBILITY OF FOODSERVICE**

The foodservice industry does have a responsibility to the public — a responsibility to see that our nation is well fed. Up to this time, educational programs in nutrition have not been successful. We need information which identifies industry responsibility for good nutrition as it relates to preservation of nutrients in food.

The toll of nutrients taken in quantity food preparation is often heavy. A study in Oregon revealed that, after potatoes were pared, soaked, boiled, mashed, and held for service, only 5% of the vitamin C in these potatoes remained. A 95% loss is great. If the individuals eating those potatoes were expecting a normal amount of vitamin C, they didn't get it.

Nutrient losses are great in quantity food preparation because of the nature of the processing and the time lapse that must occur in such processing. Nutritionists have known of these losses for some time and have adjusted dietary patterns in quantity feeding to take care of it. Vitamin C is so easily lost in quantity food preparations that other sources of vitamin C such as cantaloupe, orange juice, tomato juice, or a similar item should be served to provide human needs for this vitamin. We must avoid having some enterprising journalist pick samples of food in some operation, have these analyzed for their nutrient value, and then publish the findings in sensational articles that would far over-emphasize the nature of the problem.

Thirty years ago, a similar situation arose in regard to sanitation. Several sensational articles were written about sanitary conditions in foodservices. They aroused the public. The foodservice industry immediately set about establishing higher standards of sanitation to counter-act the adverse publicity. Federal and state regulations were also tightened. Today the public has a very high regard for sanitary standards in foodservices because of the concern and action of the industry in promoting higher sanitation standards and also because of the stricter governmental regulation.
EDUCATION IS A VITAL FACTOR

Educators must improve the level of nutritional understanding of all Americans. It does not help to know how much carbohydrate is in a food if you mistakenly believe that carbohydrates should be avoided because they are especially fattening. It does not help to know how much vitamin A is in a food if you do not know it is frequently missing in some American diets.

The foodservice industry should not wait for sensational disclosures. It should start now through use of formal educational processes to prepare to relate to public pressure for food high in nutritional quality. An informed industry is a prepared industry. An uninformed one is open game to those who would challenge us as we have been challenged in the past.

MENUS MISREPRESENT NUTRITIONAL CLAIMS

Recently, a dietitian before a large audience stated that, in a study of over 50 menus that advertised a low calorie meal, only two actually provided it. Dr. Jean Meyer, a well-known nutritionist, was interviewed for the National Restaurant Association News in May, 1976. He was critical of many practices in restaurants. He implied a lack of nutritional knowledge among foodservice operators. He pointed out that some menus advertise a low calorie meal consisting of chopped steak and cottage cheese while another dish on the same menu, such as sole, may be actually quite a bit lower in calories. "But even then," he added, "that so-called low calorie dish is often fairly high in cholesterol. I think what is needed is not just a low calorie dish, but a dish which is low in saturated fat and cholesterol."

There is much mis-information about nutrition in this country. A great many people have some of the strangest notions about food and its value to them. Organic food faddists demand specific kinds of foods. No foodservice should be expected to cater to all these wild opinions, beliefs, and superstitions. Whatever foodservice is required to do should come from within the realm of proven nutritional science — not fantasy. But, no doubt, the strongest and loudest criticism of nutritional failure in foodservice will eventually come from these people. The clouds on the horizon are gathering. Sooner or later the foodservice industry will find itself facing pressures, both from the public and from governmental agencies, on the nutritional value of the food it serves.

DESCRIPTIVE MENUS ATTACKED

Bureaucratic interference with copy on our menus could be catastrophic. Menus must not be interpreted as advertisements or copies of labels on food. Interpretations of this type are already being made at the federal level and at some state levels on issues such as "truth in menus." In the industry today, some menus possess romantic "copy" written to embellish the menu in such a way that, at times, it stretches the reality of fact. Truth in menus is being dealt with more severely in the marketplace. Source of food (origin) style, type, variety are now being questioned by the consumer and the monitoring authorities.

Newsweek magazine recently reported a $4,000 fine brought against a West coast chain of restaurants for the menu claim "The fish you eat today slept last night in Chesapeake Bay", while the fish was actually frozen and came from Nova Scotia. Fifty-five such cases have been taken to court just in the state of California in the past year.

The term "prime" is another menu term under review. It originates from the term primal cut, the rib being a primal cut from a side of beef. The grading system using the term "prime" was implemented some 40 years after the term prime rib became common identity on the menu. Yet, we are now being challenged on the use of the term "prime" as it relates to the grade rather than the primal cut of beef.

The term "fresh" is also now being challenged in that many foods that are held in a frozen state cannot be termed "fresh". The term "homemade" cannot be used if the product is not made on the premises. The terms "Coney Island clam chowder" and "Maryland chicken" have been questioned because products do not come from those areas but are locally prepared. One can perhaps understand why one might not put on the menu "baked Virginia ham" if the ham did not come from Virginia. But for names that mean a specific type or item rather than origin from a specific area, such as French vanilla ice cream, one wonders at the logic of governmental rulings.

MENUS TO DISCLOSE NUTRITIONAL ACCOUNTING

It is known that there often is wide variation in quantities of nutrition present in foods. The variety of items, the seasonal and climatic conditions which influence growing, and the time of harvest can all make a considerable difference in the amount of nutrients a product will contain. Thus, any listing on a menu will only be an approximate amount, and the range can be quite wide. Some may think this is better than no information at all, but it certainly does not indicate the exact amount an individual is getting of any nutrient.

Menu regulations disclosing nutrient values are not the dream of an optimist. One need only recall some of the regulations imposed on foodservices by governmental agencies such as complex payroll accounting, O.S.H.A., and others, that have added a myriad of problems and substantially increased costs to foodservices. Let's hope we don't have nutritional accounting. An unprepared industry could be much more easily brought under some sort of control than an informed one. An informed one might be able to avoid any control at all or at least see that proposed regulations are fair and reasonable.

We in this industry want to serve the best possible food with the highest nutrient quality. We will not object to instituting nutritional procedures, providing they are practical and economical.
INDUSTRY'S HIGH STANDARDS CAN BE IMPROVED

The foodservice industry in this country has a far higher standard in food sanitation and quality and a far higher record of public service than any other industry in the world. It has not shirked its responsibility. What, then, can we do? What actions can we take in our operations to satisfy the minds of consumers? We can begin by taking another look at our menus. Let's see if our menu language crosses the border from merchandising to mis-representation.

Let's take another look at those diet and low-calorie meals we added a few years ago and see if they really are dietetic or low in calories. In fact, let's see if they are even selling. All too often, we put something on the menu with the attitude that "well, this ought to take care of those people". If we took a good hard look at our sales item-by-item, we might find that the old chopped beef and cottage cheese is a loser.

Let's take another look at our customers. Older people are far more concerned with cholesterol than young people. If a good percentage of customers fall into this age group, one could be missing a good bet if some of the new low cholesterol food products are not on the menu.

Let's take another look at our customers with an eye toward portion size options. Sure, there are some difficulties. There are items that can't be varied. But think of it as a merchandising plus that could actually work, if customers back it with their dollars. Sheraton is now testing portion options and waiting to see how their customers vote. Maybe foodservice customers would like a choice, and would make it pay to offer that choice.

Let's take a good hard look at what we are really offering the public and ask ourselves: Can we do better? This industry's success has resulted from offering the mass public what it wants. We cannot change simply because a few outspoken people cry "wolf". We cannot change simply to quiet the cries of a few self-anointed consumerists.

We serve the dietary needs of the public at large. We will never satisfy the lame-brained ideas of a few faddists. Therein lies bankruptcy. But we can listen. We can try to separate the faddists from the futurists. We can try to pick out those ideas that work from those that merely wreak havoc.

CUSTOMERS WILLING TO PAY FOR NUTRITIOUS FOODS

Most of our customers are much smarter than is believed by the consumerists. The National Restaurant Association has been conducting round-table discussions with consumers in various cities across the country. These interviews, conducted by the research firm of A. C. Nielsen, have been very revealing.

The results have shown us that consumers recognize that they don't live on cheeseburgers and beef Wellington. They are smart enough to know that a restaurant meal is only one part of their total diet. And they are well aware that if they go a bit overboard while enjoying a meal in one of our establishments, they will balance out with other meals. That's a lot saner and smarter approach to good nutrition than most nutritionists had expected. They have also told us that they like good nutritional food and are willing to pay for it.

The challenge that lies before us is to make nutrition pay. Our industry has been able to grow and to prosper by presenting the public with a variety of services and products that the public considered worthy. Patronage of all foodservice establishments is purely voluntary, and providing customer satisfaction is the only way we can hope to survive and prosper. We don't need new legislation to help run our business.

The overwhelming majority of our associates are honest businessmen, who take great pride in the service they offer to their clientele. They know that misrepresentation or dishonesty will be met with the sanction of customer dissatisfaction, which in the final analysis is perhaps the most severe sanction of all. Therefore, we question the necessity for government control and additional regulations.

It is time we proclaim the end of negativism and unproductive, legislated anti-growth philosophies that can only lead us to stagnation and ultimate decline. Let us proclaim an end to mediocrity of all kinds. Let us lift our eyes from the mud and squalor of the lowest to the starry light of our highest hopes and aspirations. To dream — to grow — to build — to make things — to plant crops — to serve nutritional food — to set our feet upon the earth and say, "We are men and women who work to make life better" — these are worthy, inspiring goals. And it is up to us in this industry — men and women like you — to give these goals back to America.

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