

## Energy Efficiency: Restaurants go green for looks not savings

By Jason Plautz

March 5, 2010

American restaurant owners are concerned with environmental sustainability, but a report shows that they are more motivated by their public image than anything else.

That largely mirrors the attitude of other retail industries, even though restaurants stand to see significant savings because of their high energy use and potential for waste, the authors of a recent study say.

The survey from Retail Systems Research found that 66 percent of restaurateurs said brand identity was a "very important" reason for adopting environmentally sound practices, leading other factors including ethical obligation (63 percent), reducing their carbon footprint (50 percent) and cost reduction (47 percent).

"People tend to go to a place where they're getting a greater value and feeling a sense of entitlement," said Paula Rosenblum, one of the study authors. "Everybody wants to shop or eat at a brand that they trust and they feel cares about something greater."

Restaurants will want to be seen as leaders in sustainability as the issue becomes more important to consumers, Rosenblum said. Fifty-eight percent of respondents said that green initiatives were a strategic initiative in their company, and 6 percent said they were not being considered. The top-line potential for having a positive brand image can often

outweigh the direct benefits of reducing energy costs.

"Everything's about differentiation," Rosenblum said. "You want to keep costs down, but it's important to differentiate yourself and not fall behind."

RSR took online surveys from 124 restaurant officials, representing every segment from large fast food chains to mom-and-pop operations. The survey, released last week in Nation's Restaurant News, an industry publication, follows similar sustainability reports on other retail industries.

Scot Case, the vice president of environmental marketing agency TerraChoice, said the brand is the most important part of any company, something especially true in the restaurant industry.

"Diners feel they have a relationship with a brand. They choose a restaurant because they like the feel or food or people," Case said. "You can build into that information on your green steps. ... Attracting more customers who spend more money is always going to be more profitable than energy efficiency improvements."

Some restaurants are taking simple steps like turning off unused kitchen equipment and cutting back on water use, said Chris Moyer, manager of the National Restaurant

Association's Conserve program. Others are making larger investments, such as getting hybrid delivery vehicles, more efficient machines and revamping their heating, ventilation and air conditioning systems.

The challenge for businesses, according to Rosenblum, is translating those behind-the-scenes steps into information for consumers. Some restaurants have placed EnergyStar stickers on their windows or printed out announcements and special menus to let consumers know what steps they had taken.

"I think it's a pleasant surprise," Rosenblum said. "If you walk into a restaurant and they hand a list of the restaurant's organic and local foods, you'll be surprised and think better about it. Maybe you'll come back."

In a customer service-based business, the best way to relate a company's improvements is through face-to-face contact, Moyer said.

"I wouldn't rely on pieces of paper," he said. "I would rely on guest-server interaction. It's great table interaction, which is what restaurants want."

Where to begin?

Those restaurants eager to green their images do not necessarily know where to begin, according to Rosenblum's survey. The NRA's Conserve program is meant to help businesses figure out the best steps to take.

"Operators don't know where to start," Moyer said. "They are told they have to start locally sourcing and that can be difficult depending on where you are. That can turn people off before they start."

Even more, owners are worried about the possible return on investment, with 52 percent of those surveyed saying that was a major inhibitor to taking larger steps. In an industry already fraught with tight budgets and massive losses, the fear of gambling and losing on expensive equipment can turn people off. Forty percent even said they cannot get past the up-front costs to think about the potential return. Rosenblum said this poses a particular challenge to less successful restaurants, which she identifies as "laggards" in the report.

"It's really hard for laggards to take a long-term view, partly because they are fighting to survive and can get in a real spiral with these costs," Rosenblum said. "Sometimes it's just a matter of intestinal fortitude."

Rosenblum noted that even though large chains are often financially in a better position to make the long-term investment, a small restaurant or group could have an easier time establishing itself as green.

"If I'm a small restaurant, I can carve out the right space and menu that brings me the customers I want," she said. "It's just a matter of trying to figure out what the customers want. If I [go green] and brag about it, will someone come back? That's what people are interested in."