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T.G.I. Friday's Finds Smaller Portions Add to Customer Traffic

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Four months after it introduced smaller portions to its menu, T.G.I. Friday's is finding that less food translates into more customers and, perhaps, bigger profits.

At a time when the casual-dining sector is in a prolonged slump, the number of customers increased at Friday's during the last 16 weeks by 1.4 percent, compared with the same period a year earlier. For the entire casual-dining industry, guest counts were down by 2.8 percent during that period.

Friday's overall sales were down 0.6 percent compared with the previous year, while the industry's sales declined by 0.9 percent, Friday's officials said.

"It's quite significant," said Malcolm M. Knapp, an analyst who tracks sales in the casual-dining sector and provided the statistics to Friday's. "It really moved them up and put them in a much better position than they had been."

Friday's decision to offer its "Right Portion, Right Price" menu came after decades in which the restaurant industry had reaped huge profits by offering bigger and bigger portions, drawing criticism from nutrition experts who argued that the practice was contributing to America's obesity epidemic.

Other restaurant chains have offered smaller portions, but they have not succeeded because the offerings were often relegated to a "lighter fare" section of the menu or they were not much cheaper than full-size entrees. What makes Friday's smaller portions different is that they are not necessarily healthy (ribs with fries is one "right size" entree) and they are significantly cheaper than their full-size counterparts.

But while the smaller portions immediately drew more customers, Friday's officials were concerned because the average check dropped by 4 percent in the first eight weeks or so, far more than expected.

"There was a lot of deep breathing going on," said Richard Snead, president and chief executive of Carlson Restaurants Worldwide, the privately held parent company of Friday's.

But in the last five weeks, customer visits have continued to increase — they are up 4 percent compared with the same period a year ago, while sales jumped by 2.5 percent compared with the previous year. The average check of customers rebounded too and was down 1 percent from the same period a year earlier.

"Right now we are pretty excited about this," Mr. Snead said, who said that the right-size menu would bolster profits if guest counts increased by 6 percent, even if average checks declined slightly. "This is going to take a permanent place on our menu."