

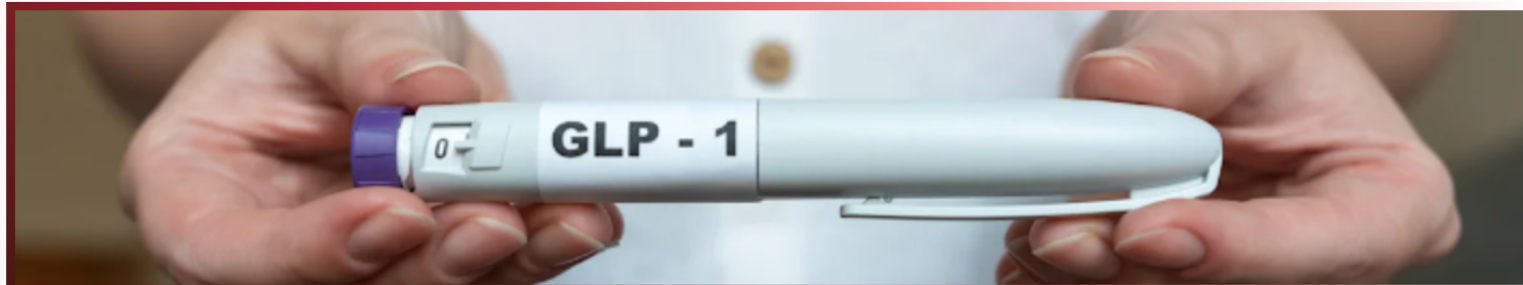


How to Succeed in September: Adapt into Autumn

A Strategic Guide for Minnesota Restaurants

Prepared in partnership with Performance Foodservice Minnesota and Hospitality Minnesota

Fall menus are getting written right now. Before you lock yours in, I want to talk about something that is already sitting at your tables, whether or not you have planned for it.



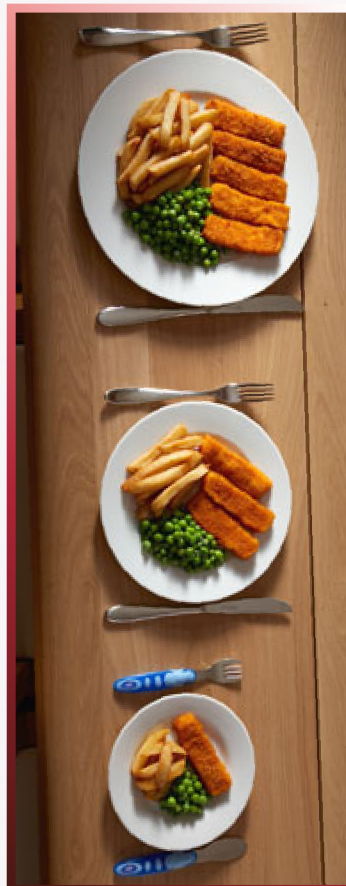
GLP-1 medications. Ozempic, Wegovy, Zepbound, and the rest.

About one in eight American adults is currently taking one. Roughly one in five households now includes a user. And when people who aren't taking one are asked whether they would if it were cheaper and easier to get, close to three in ten say yes.

Do that math and you are looking at a world where four in ten adults could be on these drugs.

This is not a diet fad. We have all lived through those. Low-carb, gluten-free, plant-based — the menu adapts at the edges, the wave passes, and we go back to work. This one is different. These drugs change the biology of appetite.

So let's talk about what that means for your dining room, and what to do about it.



Start with the good news, because it is real

Every operator I have talked to about this assumes the story ends with fewer people coming in the door. The data says otherwise.

GLP-1 users are in restaurants **more often than everyone else**, not less. The National Restaurant Association's consumer survey found users bought a meal, snack, or beverage from a restaurant 7.6 times in the week before the survey. For non-users, it was 5.1.

Eighty-seven percent say they enjoy going out to eat. Seventy-one percent say restaurants are an essential part of their life, compared to 61 percent of all adults.

Read that again. This group values what we do more than the general public does. They are not walking away from us. **They are ordering differently**, and they are telling anyone who asks exactly what they want. Most of us just haven't been listening yet.

What actually changes at the table

Three things, mostly.

Portions get smaller. Around seven in ten users report eating smaller portions when they go out. Some are ordering off the kids' menu. Some are splitting an entrée. Some are taking two-thirds of it home.

The plate gets rebuilt. Protein and fiber forward. Fewer heavy carbs, fewer fried items, less of the sweet stuff at the end.

The bar takes a hit. These medications appear to dampen alcohol cravings along with appetite. That lands on top of a trend already in motion — Gallup has the share of Americans who drink at all falling from 62 percent to 54 percent in two years.

That third one is where the money is, and I am not going to pretend otherwise. Most of us don't make our margin on the entrée. We make it on the drink, the appetizer, and the dessert. Those are exactly the three lines this shift touches.

So the question isn't whether to adapt. It's how to adapt without giving away your profit.



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Six things you can do that don't cost you margin

- 1. Sell a second size, not a second menu.** You do not need to develop new dishes. You need a smaller version of dishes you already make, on food you already buy, out of a kitchen that already knows the recipe. Nearly half of GLP-1 users say they would eat out more often if smaller portions were available.
- 2. Price the small size like a size, not a discount.** If you serve 60 percent of the portion for 60 percent of the price, you just gave away your margin, because your fixed costs didn't shrink with the plate. Price it at 70 to 75 percent. You can do that, because more than nine in ten users say they'd order food built for their goals, and about three-quarters say they'd pay more for it. They are not looking for a bargain. They are looking to be accommodated.
- 3. Rebuild your beverage margin somewhere else.** Zero-proof cocktails, house sodas, specialty lemonades, functional and wellness drinks, protein coffee. Nationally, a quarter to nearly a third of limited-service operators are adding exactly these categories this year. The margin on a well-built NA cocktail is excellent, and the pour cost is a fraction of spirits. Put it on the menu with a real name and a real price.
- 4. Say what you already have.** Nine in ten GLP-1 users say restaurants offer healthy options. Eighty-nine percent say we do a poor job telling them where those options are. Put the protein count on the item. Train your servers to answer "can I get that without the bun" without making a face.
- 5. Think snack, not just meal.** Smaller appetites mean more frequent, smaller eating occasions. That's an afternoon business, a grab-and-go case, a protein-forward small plate at 3 p.m. It's revenue in a daypart most of us treat as dead time.
- 6. Don't slap a label on it.** We have been down the labeled-diet-menu road before, and people generally don't want to announce their medication in front of the table. Build portion flexibility and clear information into the whole menu instead. It serves the GLP-1 guest, the guest managing diabetes, the athlete, the expectant mom, and the person who just isn't that hungry.

One more thought: Consumer GLP-1 usage is not a threat to our business. It's a design constraint, and this industry is very good at working inside constraints. Our whole business is about making people feel taken care of. A guest who wants six ounces instead of twelve is still a guest who chose your dining room over their kitchen. Give them a way to say yes!

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