

Red Lobster Stacks Food Higher as it Struggles to Survive

CANDICE CHOI, AP Food Industry Writer



This photo provided by Red Lobster shows its Wood Grilled Tilapia on a circular plate on which slabs of fish are piled over the rice, an architectural presentation that is common at higher-end restaurants. The new plating style marks the latest attempt by the struggling seafood to right its course as it embarks on a new era. (AP Photo/Red Lobster)

NEW YORK (AP) — Red Lobster wants to be seen as a purveyor of quality seafood, so it's getting rid of some of its promotional discounts and stacking the food higher on plates, as is the style at fancier restaurants.

The changes mark the latest attempt by the struggling seafood to stop a years-long sales decline as it embarks on a new era. On Monday, Darden Restaurants Inc. said it completed its sale of the chain to investment firm Golden Gate Capital, despite contentious protests from activist investors.

In his first interview as Red Lobster's new CEO, Kim Lopdrup outlined the missteps he thought his predecessors made and why he thinks Red Lobster can win back customers.

"At the end of the day, people are not going to go a Chipotle for their anniversary or their birthday," he said.

Sit-down chains like Red Lobster have been struggling since the economic downturn as people cut back on spending. Such chains are also losing business to places like Chipotle and Panera, where people feel they can get restaurant quality food without paying as much. And Darden's recent attempts to spark turnarounds at Red Lobster and Olive Garden haven't worked.

Amid intensifying pressure from investors, the company announced late last year it would hold onto Olive Garden but get rid of Red Lobster. The company, based in

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Orlando, Florida, noted Red Lobster's customers were increasingly from lower-income groups, compared with Olive Garden and its specialty chains such as Capital Grille. Investors Barington Capital and Starboard Value wanted the breakup structured differently, with the latter filing a lawsuit last week for records related to the sale.

In the meantime, Lopdrup said, many people still view Red Lobster as "fine-dining for the middle class." But changing perceptions about the quality of Red Lobster's food could be a challenge, given recent promotions like "30 shrimp for \$11.99," or a lobster pot pie that had just a half-ounce of lobster meat.

Lopdrup, who served as president of Red Lobster from 2004 to 2011 before moving on to head other aspects of Darden's business, said he planned to end such steep discounting.

"You're not going to see any of these low-priced specials that we're not proud of," he said. Popular promotions like "Endless Shrimp" and "Crabfest" will stay, however.

About two weeks ago, Red Lobster also starting rolling out a new plating style for its fish dishes that will expand to other parts of the menu.

Previously, fish dishes were served on rectangular plates, with the fish, rice and vegetables spread out in separate corners. Now when customers order off the "Fresh Fish" menu, they get a round plate on which slabs of fish are piled over the rice, a vertical presentation commonly found at higher-end establishments.

"The food arranged in a way that's more like you'd see at a fine-dining restaurant," Lopdrup said. "The seafood is the star."

As for the food itself, that hasn't changed.

Lopdrup also said he planned to reverse the decision in late 2012 to expand non-seafood options to up to a quarter of the menu and bring the figure back down to around 10 to 15 percent by November.

He declined to provide details on other menu changes planned for coming months. But he said the chain will take a "barbell strategy," meaning it will continue to offer pricier items, including dishes that are more than \$30, as well as affordable options more akin to the recently introduced lobster tacos.

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