IN THEIR OWN WORDS

NRN editors, in the course of their reporting, periodically will ask industry leaders a question exploring a single theme. Here, operators large and small tackle the question: “Do you expect rising gas prices to affect your business? If so, how are they changing your strategy?”

“When fuel prices rise, consumers typically adjust by spending less on nonessential items like dining out, and also by traveling to destinations closer to home. This creates a more competitive restaurant environment, which often leads to aggressive discounting and cutbacks on the quality of products. However, we refuse to do either. Our efforts have focused on becoming entrenched in the communities we serve, through multiple local outreach programs, sponsorships and fundraisers. This has given us a competitive edge, especially in the smaller communities where we are considered a home away from home. As [gas prices] continue heading north, we are responding by delivering higher-quality products for similar prices as a point of differentiation to our guests. In the highly competitive market of casual dining, we must not just count pennies, but half pennies. However, this does not mean passing all increased costs on to the consumer. At Café Enterprises, we are very sensitive to pricing, because if we pass all costs on to the consumer, we will not have any to pass on to for very long.”

— Jim Balis; chief executive; Café Enterprises Inc., parent of Fatz; Taylors, S.C.