THE CHANGING FACE OF FOOD COURTS

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IMAGE: COVERPOINT FOODSERVICE CONSULTANTS

From humble beginnings, the evolution of the food court has been a fascinating journey. Coverpoint has been at the forefront of trying to change the "traditional" food court format for some years now and, in doing so, has challenged the "normal" thinking of our clients to help deliver innovative, fresh, and exciting food solutions that have become anchors and attractions in their own right.

IN THE BEGINNING

To put the evolution into context, the food court journey has lasted over forty years. They started to appear in Europe during the latter part of the 1970s as an import from the United States. The concept, based on multiple counters serving one seating area, was seen by architects as a "must have" for many new shopping centers. The design elements, special requirements, and theming aspects were also imported, without any regard to operational or management issues. Traditionally, these were hard plastic environments and tended to be branded with the "mainstay" operators that one would expect to see such as KFC, McDonald's, and Burger King. These operators were the first to see the commercial opportunities and the first to go into shopping center food courts.

The food courts were very much "of the moment" and very profitable for the operators as the rental terms were often advantageous and the landlord picked up the service charge liability for clearing and cleaning. It is always easy to be critical with hindsight, but this format was neither a copy of the American model nor a vehicle to offer quality catering and make money for the landlord. It was flawed by a lack of brands in addition to the "mainstay" of chicken and burger offers. In the medium term, the landlords had to refit the kiosks and seating areas, eroding any return that had been made before.

During the mid-1980s, crockery food courts started to appear, mostly being developed by architects in conjunction with catering consultants. These took the main elements of disposable food courts but utilized a central crockery service and dishwashing facility. This was also reflected across Europe in food courts. The work involved in getting the crockery food courts off the ground was immense, often with much of the equipment being provided by the landlord. Rental levels were high at up to 30 to 32%, but the landlords' obligations to repair, maintain, and renew equipment were huge, ongoing, and difficult to manage. The rationale for using crockery was that, in the long term, it was cheaper to provide than disposables and also improved the quality perceptions of the facility and the food being eaten.

Whilst there were earlier food courts, Meadowhall in Sheffield, UK, was the first to introduce major branding to the public in this format of eating. The majority of units were recognized brands and customers reacted positively to being able to get their branded "favorites" in a mall.

Indeed, the oasis at Meadowhall signaled the start of new food court characteristics:

- Predominantly fast food brands, but also new, non-branded operations
- Regional and national operators
- Tenant fit-out of kiosks
- Rent and service charged separately and not an inclusive charge
- Landlord design and theming
- Disposable tableware

FOOD COURTS MATURE

Many new schemes still included central food areas for several reasons. Food was seen as a means of manipulating visitor flows, anchoring areas of the scheme, and creating "civic" spaces.

Almost all recent food courts, until five years ago, were branded and disposable. Most were very successful and produced a higher net income to the landlord despite the lower rental percentages when compared to crockery food courts. This route offered the landlord the significant attraction of brands; little exposure to fit-out replacement, except for some back-of-house equipment and seating; and a strong income stream that could be valued. However, the guests' desire for quality food, choice, and diversity was changing as well and at a faster pace.

The growing popularity of the kiosk and restaurant combination food court illustrated that food courts were still evolving. Unlike in the USA, food courts were no longer seen as simple shared seating areas served by a variety of kiosks. Landlords realized that consumers were more demanding than ever before in terms of environment, product, and service. Global trends in fast food, the traditional anchors of the food court, and a desire to "eat different" were dictating the way people viewed foodservice. The most important factor influencing the foodservice market was, and will remain, consumer pressure. The consistent demand from customers for great quality, fresh and tasty food, impeccable service, a touch of style, speed, convenience, value, and an experience they could control was shaping the world's foodservice operations. "Of the moment" influences on food were particularly evident from Asia and Australia.

Food courts around the world and in the UK and Europe, as a result, became more sophisticated with improved seating areas, comfort levels, and interior design standards. The focus moved from simply fast food to "fresh fast food," giving the consumer an engagement with the product and preparation of the food items and significantly enhancing their eating experience. The opening of the "black label" crockery-operated food court at Westfield London broke the mold in Europe, influenced heavily by the company's success in its heartland of Australia. In tandem, the Asian experience has gradually transported itself to European food court design and operations, with landlords increasingly looking at the Food Republic model, the innovative market leader in Asia.

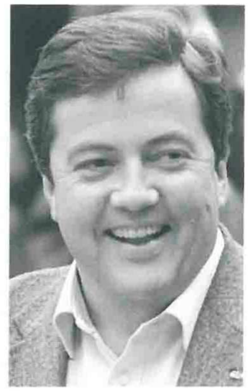
These "souk" and "market" offers provide fresh, cooked-to-order food in front of the consumer to provide a sense of theater, but with shorter dwell times than a casual dining meal. As we at Coverpoint have been saying for some time now, "providing a restaurant experience at a food court price" is what today's consumers expect and demand. It is finally happening. "Fresh food fast" offers provide a series of counters with a combination of integral and shared seating areas. They provide a "food hall" of sights, smells, and quality products. Customers are able to view the product being made or finished within the food court environment.

JOURNEY FAR FROM OVER

The key to present trends in food courts is the emphasis on theatrical cooking, great seating environments, a combination of inline and island kiosks, and significantly enhanced kiosk fit-outs. Food courts are no longer being hidden away in far off corners or in the lower depths of malls. They are, and will continue to be, brought out into prominent areas. Future food courts and their derivatives will increasingly become focal points in shopping centers. Their evolution in terms of design, product offer, and environment will increase their appeal as destinations and footfall draws. Increasingly, they will be seen as the place to gather, replenish, and rest. This is the world of entertainment – it is where food, drink, and fun come together. As physical retail diminishes, food will grow in power – and space – in malls.

Trinity Kitchen, at Trinity Leeds, is the most recent "food court" opening that has made the industry take note. Opened in November 2013, Trinity Kitchen combines seven permanent operators trading out of "deconstructed" island kiosks, with five "street food" operators that change every month. This "churn" of temporary offers keeps the mix fresh and exciting, in addition to allowing independent "street food" operators, the latest purveyors of quality food, into a shopping center environment without a long-term commitment. Trinity Kitchen allows the food to "sing" – it is the star of the show and it is all served and consumed in a vibrant, "edgy," and urban environment.

The food court as we know it may have changed forever, but, then again, it has never really stood still. Looking at what is happening in the rest of the world, the journey is far from over!



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