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Good Charlotte band members Joel (left) and Benji Madden with the Denny's burritos they created.

Denny's Tries Night-Owl Vibe

Courting Rockers, Chain Seeks Post-Party Young Adults

BY JULIE JARGON

Denny's Corp. is trying to restake its claim as a nocturnal hot spot for young adults.

The restaurant chain—which conjures images of seniors and families digging into morning pancake platters—has been trying to set a different scene for night owls. Between the hours of 10 p.m. and 5 a.m., it pipes in rock and country music and it is scheduling after-concert parties for up-and-coming bands. It has added late-night menu items fashioned by well-known musicians including Rascal Flatts and Good Charlotte. On Tuesday, singer Jewel is slated to concoct a new Denny's menu item at a New York test kitchen.

Denny's, based in Spartanburg, S.C., has offered 24-hour restaurant service since its inception in 1953. But the chain has suffered in recent years as rival chains such as McDonald's and Burger King started staying open later and attracting young adults in the process. Taco Bell, a subsidiary of Yum Brands Inc., two years ago coined the term "fourthmeal" to describe the meal between dinner and breakfast served at many of its stores open until 1 a.m. or later.

Denny's declined to provide specifics on how much its late-night business was hurt by the competition, but Mark Chmiel, chief marketing and innovation

officer, described the decline as "significant."

To stem the loss of customers, Denny's last year created the "Allnighter" program, which includes adopting emerging musicians and offering a "rockstar" menu for night patrons. It gives adoptees \$1,000 in Denny's gift cards so they can eat while touring. Then, Denny's uses Twitter and MySpace to inform its target market of 18- to 24-year-olds when and where the adopted bands' after-parties will be held and when new menu items are added.

Katy Perry was one of Denny's adoptees before her song "I Kissed a Girl" garnered her attention. The program itself hasn't been as big of a hit, though. The chain of more than 1,500 restaurants said late-night traffic has increased just 5%. Overall, same-store sales at Denny's franchised restaurants fell 1.4% in the first quarter ended April 1 while same-store sales at company-owned restaurants were flat.

Denny's now is pushing to get the late-night program better known on campuses, negotiating to get schools to rename existing college eateries "Allnighter" and offer items from its rockstar menu.

Denny's works with Filter Creative Group, a Los Angeles-based marketing firm, to identify up-and-coming bands to adopt and to choose established

musicians to create menu items.

Good Charlotte, a band led by twins Joel and Benji Madden, created a pair of burritos, one made with a veggie burger, the other with smoked chicken. Country band Rascal Flatts offered a biscuit topped with country-fried steak, eggs, cheese, gravy and three strips of bacon.

The members of Stereo Skyline, a new act out of Long Island, say their adoption helped broaden their exposure. After a June 12 performance in Anaheim, Calif., more than 100 fans came to a Denny's for an after-party. "It's nice to be able to have an hour or two to sit down and meet with our fans," says lead singer Kevin Bard, age 18.

So far, Denny's has played it safe with its band choices. The ones that create menu items are fairly mainstream and, in the case of Jewel, might be more appealing to people older than twentysomethings. "We haven't said we want to be the edgiest restaurant out there," says Denny's Mr. Chmiel, 54. "The bands have to fit with Denny's image."

Erin Volpentesta, 19, visiting a Denny's in Vernon Hills, Ill., late Friday night because nothing else was open, was favorably impressed. "I noticed that the menu looked different," said the Bowling Green State University student, home on summer break. "I think it's cool that they're doing this."