bakery-cafés for the last five years. As of December 29, 2009, the company's fresh dough operations segment, which supplied fresh dough items daily to most company-owned and franchise-operated bakery-cafés, consisted of 23 fresh dough facilities. Company-owned bakery-café operations accounted for 85.2% of revenues in 2009, up from 78% in 2005. Royalties and fees from franchise operations made up 5.8% of revenues in 2009, down from 8.5% in 2005, and fresh dough operations accounted for 9% of total revenues in 2009, down from 13.5% in 2005.[35]

In addition to the dine-in and take-out business, the company offered Via Panera, a nationwide catering service that provided breakfast assortments, sandwiches, salads, and soups using the same high-quality ingredients offered in the company's bakery-cafés. Via Panera was supported by a national sales infrastructure. The company believed that Via Panera would be a key component of long-term growth.

The key initiatives of Panera's growth strategy focused on growing store profit, increasing transactions and gross profit per transaction, using its capital smartly, and putting in place drivers for concept differentiation and competitive advantage.[36] The company paid careful attention to the development of new markets and further penetration of existing markets by both company-owned and franchised bakery-cafés, including the selection of sites that would achieve targeted returns on invested capital.[37] Panera's strategy in 2009 was different from many of its competitors. When many restaurant companies were focused on surviving the economic meltdown by downsizing employees, discounting prices, and lowering quality, Panera chose to stay the course and continued to execute its long-term strategy of investing in the business to benefit the customer. The result, according to Shaich: "Panera zigged while others zagged."[38]

During the economic downturn, Panera stuck to a simple recipe: Get more cash out of each customer, rather than just more customers. While other recession-wracked restaurant chains discounted and offered meals for as little as US$5 to attract customers, Panera bucked conventional industry wisdom by eschewing discounts and instead targeted customers who could afford to shell out an average of about US$8.50 for lunch. While many of its competitors offered less expensive meals, Panera added a lobster sandwich for US$16.99 at some of its locations. Panera was able to persuade customers to pay premiums because it had been improving the quality of its food.[39] "Most of the world seems to be focused on the Americans who are unemployed," said CEO Ronald Shaich. "We're focused on the 90 percent that are still employed."[40]

Panera's positive financial results contrasted with those of many other casual dining chains, which had posted negative same-store sales due partly to declining traffic and lower-priced food. Some chains found that discounting not only hurt margins but also failed to lure as many customers as hoped. Shaich seemed to thrive on doing the opposite of the competition. During 2009, instead of slashing prices, he raised them twice, one on bagels and once on soup. "We're contrarians to the core," said Shaich. "We don't offer a lower-end strategy. In a world where everyone is cutting back, we want to give more not less."[41] "This is the time to increase the food experience," insisted Shaich, "that is, when consumers least expect it."[42]

Also crucial to Panera's success in 2009 was the company's approach to operations during the recession. Over the years, many restaurant companies told investors they were able to improve labor productivity while running negative comparable store sales. Panera believed that reducing labor in a restaurant taxed the customer by creating longer waits, slower service, and more frazzled team members. Panera took the approach of keeping labor consistent with sales and continuing to invest in its employees as a way to better serve its customers.[43]