



March 8, 2010

Tough Times Mean Less Dining Out. Dining out Declined in the United States for the First Time in more than Three Decades in 2009, a Consumer Survey Found

Restaurant visits nationwide dropped 3 percent for the year, compared with the previous year, according to market research firm NPD Group. "It tanked. Everybody took a beating last year," said Al Hinman, president of the Greater Kansas City Restaurant Association and owner of Le Peep in Lenexa and Overland Park. "It was kind of scary. We aren't rich guys. Our life savings are on the line and we're supporting our families." The NPD survey found that the American dining dip of 2009 affected not only high-end eateries but also casual and fast-food establishments. A big part of the decline — nearly half, NPD found — resulted from workers forgoing purchases of takeout food to eat on the job. And when diners showed up at restaurants, they economized by spending less. Families with children and young adults, in particular, fueled the decline. NPD has been tracking restaurant dining data since 1976. Last year was the first time the overall number of visits decreased year to year. NPD surveys 4,200 consumers daily and asks them what and where they ate the day before. On average, about half of those surveyed respond. "In 2008, consumers appeared to trade down some full-service visits for fast-food visits. In 2009, they made fewer visits to restaurants overall," said Bonnie Riggs, NPD's restaurant industry analyst. "When consumers did visit restaurants, they favored lower-priced options." The survey was consistent with information from the National Restaurant Association, whose membership includes 380,000 restaurants. The association reports that inflation-adjusted sales in 2009 dropped 2.9 percent compared with the previous year. Another factor was a dip in food commodity prices that made grocery shopping more of a bargain than in previous years, the survey found. NPD noticed a trend of "consumers viewing in-home meals as more affordable, especially among consumers most concerned about their finances." The outlook for 2010 "remains difficult for the food service industry until unemployment gets under control," Riggs said. But there's a bright spot on the horizon. NPD's forecast model predicts modest growth in the last few months of 2010.

Source: Kansas City Star.com

Arby's Dons Thinking Cap to Revitalize its Brand

Fast-food chain Wendy's/Arby's Group Inc. is planning a massive effort to revitalize its flagging Arby's brand, rolling out a dollar menu nationwide next month and pouring millions into revamping restaurants. The news comes after an important sales measure skidded 11 percent at the restaurant chain known for its roast beef sandwiches and curly fries. Revenue fell almost 7 percent as customers continued to skip its typically more expensive menu. "We've lost a significant number of transactions and sales," CEO Roland Smith told investors during a conference call last week. After failing to gain traction with its \$5 meal deals, Arby's began testing its dollar menu last year. It plans to expand that menu to all of its 3,700 locations in April. The menu includes a small roast beef or chicken sandwich as well as curly fries. "We're going to need to compete in this dollar value menu area of our business," said Smith, who took over day-to-day leadership of the chain in January. The chain also plans to remodel hundreds of restaurants during the next three years and launch a national advertising effort as it reinvigorates the brand.

Source: Tampa Bay Online/The Associated Press

Red Robin Appoints Robert Aiken, Lloyd Hill, and Stuart Oran to the Board of Directors. Company Will Seek Shareholder Approval for Majority Voting Standard for Uncontested Director Elections

Red Robin Gourmet Burgers, Inc. announced the appointment of Robert Aiken, Lloyd Hill and Stuart Oran to its Board of Directors. "As we have previously announced, the Company's Board of Directors has been proactively taking steps to enhance governance and has been reviewing new board member candidates with industry expertise. Today, I'm pleased to welcome Bob, Lloyd and Stuart to the Board of Directors. Each individual possesses a significant amount of foodservice experience and I look forward to their future contributions to Red Robin and the Board of Directors," said Pattye Moore, Red Robin's recently appointed independent Board Chair. "In addition, we are seeking to add one additional experienced director in the future." Robert Aiken is the former President and Chief Executive Officer of U.S. Foodservice, Inc., one of the country's premier foodservice distributors. Lloyd Hill is the former Chairman and CEO of Applebee's International, Inc. Mr. Hill joined Applebee's in January 1994 and served in numerous executive and board positions including chief executive officer and chairman of the board until his retirement in September 2006. Stuart Oran is the Managing Member of Roxbury Capital Group LLC, a merchant banking firm he founded in 2002, and a co-founder of Bond Street Holdings LLC, formed to acquire failed banks in FDIC-assisted transactions. The Company will increase the size of the Board to 11 members with the appointment of Mr. Aiken as a Class I director, and Mr. Hill and Mr. Oran as Class II directors. The terms of Edward Harvey and Gary Singer, who have decided not to stand for re-election, shall expire at the 2010 Annual Meeting. The Company will be proposing that shareholders approve a majority voting standard for uncontested director elections at the upcoming 2010 annual meeting. The Board has also approved an amendment to the Company's equity incentive plan to prohibit actions such as option re-pricings and option cash tender offers, without shareholder approval. The Company also announced that it had reached an agreement with institutional shareholder Clinton Group, Inc. and Spotlight Advisors, LLC under which, among other things, Clinton and Spotlight have agreed not to take certain actions during a "standstill" period that expires on December 31, 2010, or under certain circumstances, such earlier date as defined under the agreement. "We appreciate the Board's swift and thoughtful response to our concerns on behalf of all shareholders," said Gregory P. Taxin, Managing Member of Spotlight. "We believe the changes the Company is announcing today lay the foundation for future success and growth and for the creation of significant shareholder value."

Source: Red Robin Gourmet Burgers, Inc.

DineEquity Focuses On New Food At Applebee's, Value At IHOP

DineEquity Inc. is charting divergent strategies for its two restaurant brands to bring in customers, with Applebee's shifting its focus to new food like its recent "under 550-calorie" menu and IHOP further pressing on value. Applebee's is not abandoning the value game, as it recently made its "2-for-\$20" promotion, offering two entrees and a shared appetizer for \$20, a permanent menu fixture after running it throughout 2009. But potential customers will be more exposed to new food, like a new line of burgers, in advertisements instead of discounts. "The message you'll see on television throughout the year is really new food," DineEquity Chief Executive Julia Stewart told analysts about Applebee's media strategy. The shift is the latest sign that casual-dining restaurants are putting the brakes on some of the deepest discounts rolled out in recent years, which cut into revenue and hurt profits. Applebee's rival, Brinker International Inc.'s Chili's Grill & Bar, is also trying to woo customers with items from its recently revamped menu that includes a new recipe for its baby-back ribs and tacos. It also comes as consumers show budding signs of an appetite to eat out. RBC Capital recently found that more consumers were planning to increase their eating-out budgets in the coming months than those that planned to cut back, with many planning to put those dollars toward sit-down restaurants. The improved outlook is continuing to push stocks of casual-dining restaurants higher. Shares of Brinker and Cheesecake Factory Inc. (CAKE) are both up more than 30% over the past three months, while Darden Restaurants Inc. (DRI) is up 28.6% during that time. Shares of DineEquity, which rallied 13% to \$33.50 in recent trading after the company reported fourth-quarter results, are up more than 65% in the past three months. Applebee's also will start focusing on promoting

new menu items, after spending the last couple years improving its new-product pipeline, which had been lacking before IHOP bought the bar-and-grill chain in 2007. "The single most important thing for us was to do a food pipeline," Stewart said in a later interview with Dow Jones Newswires. It's unclear how pulling off the promotional pedal will fare, especially as unemployment remains high. Stewart said Applebee's promotion of meals with fewer than 550 calories didn't lead to as many sales of that product as other national television deals did, but it did get customers talking. "I don't care if you come in and don't eat it," Stewart said. "I care that you came in and had renewed interest in the brand." IHOP will have more of a focus on value, though not necessarily just through discounting, Stewart said, even though the chain's franchisees for the first time agreed to a national price of \$4.99 for unlimited pancakes recently. The chain may suggest stores to slow price increases or introduce new products as well, for instance. "There's a lot of ways that we can enhance value," Stewart said. DineEquity earlier reported a narrowing fourth-quarter loss on smaller write-downs and expenses. Excluding such items, results topped analysts' estimates. The company also issued fiscal 2010 guidance generally ahead of expectations.

Source: The Wall Street Journal

National Restaurant Association Adds Leaders to Management Team

National Restaurant Association President & CEO Dawn Sweeney announced that Dan Solomon will join the organization as Chief of Staff, effective immediately. Marvin Irby, a Fortune 500 senior manager with extensive experience in the restaurant and hospitality industries, will become Chief Financial Officer March 1, and Beth Solomon will be Senior Vice President of Strategic Communications. "In a year of increased engagement, services and success for the restaurant industry, I am delighted to announce additions to our staff that will continue to solidify our leadership team," said Sweeney. Dan Solomon will work closely with Sweeney on strategy and execution of enterprise-wide initiatives. Solomon is a leading expert in the marketing and media industry and an accomplished entrepreneur. As CEO of Virilion, he led the firm's growth, which placed it on the INC. 5000 for three consecutive years. Effective March 1, Marvin Irby will be Chief Financial Officer of the Association and the National Restaurant Association Educational Foundation. In this role, he will develop strategy for and manage all of the organization's financial operations. Irby was most recently CFO of Shawmut Design and Construction, an \$800 million national construction management firm. Beth Solomon was named Senior Vice President of Strategic Communications. In this position, Solomon will plan and direct all communications and outreach for the Association's President & CEO, Boards and senior leadership across the enterprise. "Dan, Marvin and Beth will further strengthen our leadership team as we continue to increase the effectiveness and expand the advocacy efforts of the National Restaurant Association and the National Restaurant Association Educational Foundation on behalf of our industry," Sweeney said.

Source: The National Restaurant Association

Famous Dave's Named Winning Bidder for Seven Franchise Restaurants

Famous Dave's of America, Inc. announced that it was named the winning bidder for seven of the nine restaurants of North Country BBQ Ventures, LLC for cash consideration of approximately \$6.8 million, after taking into account an adjustment for amounts owed to the Company. Based in New Providence, New Jersey, North Country was one of the Company's largest franchisees with restaurants located in New Jersey, New Hampshire and New York. The transaction was the culmination of a "stalking horse" asset purchase bid submitted last December under Section 363 of Chapter 11 of the U.S. Bankruptcy Code. At an auction that took place this past Wednesday, Famous Dave's of America, Inc. was declared the winner with the highest and best bid subject to bankruptcy court approval. A sale hearing took place yesterday before the United States Bankruptcy Court for the District of New Jersey, and approval was granted. The closing is expected to take place today. The restaurants, which remained open throughout the process, will now become company-owned locations. The seven restaurants are located in New York (Smithtown and Westbury), and New Jersey (Mountainside, Brick Township, Hamilton, New Brunswick and Metuchen, NJ). North Country's remaining two locations, located in Hillsborough, NJ, and Manchester, NH, are

expected to be closed. With the exception of certain lease obligations related to the acquired restaurants, the agreement does not require the Company to assume any of North Country's liabilities. "As we stated when we agreed to be the 'stalking horse', the purchase of these assets, at an appropriate price represents a terrific opportunity to perpetuate our brand and deliver shareholder value," said Christopher O'Donnell, chief executive officer of Famous Dave's. "These restaurants are in good locations, in an important geographic region for Famous Dave's. We thank the ownership and management team of North Country BBQ for being a strong brand ambassador as well as for their partnership these past several years."

Source: Famous Dave's of America, Inc.



Pizza Fusion Named as a Top Five Industry Leader in the Fifth Annual FastCasual.com Restaurant Segment

Pizza Fusion, a pioneer in the natural and organic restaurant movement, garnered a coveted industry accolade when it was ranked No. 4 in the Top 100 Movers & Shakers for 2009 by FastCasual.com, a leading industry trade publication and association. "Recognition from our industry peers strengthens our deeply held belief that we can serve our customers organic gourmet meals at a great value in an eco-friendly environment," said Mark Begelman, CEO of Pizza Fusion. "It also positions us well for our aggressive expansion plans to bring that value to many more cities across the country." Last year, Begelman, former president and CEO of Office Depot, instituted a number of new programs that included additional franchisee training, new processes and more corporate support for Pizza Fusion restaurants. The moves set the table for more success in 2010, he said. "Our rise in the rankings tells me we're doing something right," he added. Pizza Fusion moves up from number six in last year's rankings by FastCasual.com. The quick service restaurant model combined with top quality food is one of the fastest growing in the restaurant industry, according to FastCasual.com. Pizza Fusion's unique concept and success has allowed it to attract top-tier partners for its national expansion. It recently named Larry Feldman, CEO of SUBWAY® Development Corporation, the largest franchise developer for Subway with 1,100 locations to its board of directors. Feldman also helped build the company's Franchise Development Agent program, a system he pioneered at Subway.

Source: Pizza Fusion

Caribou Coffee Leaps Toward the Future with a New Look

Caribou Coffee® customers in all stores nationwide will notice a new coffee-centric caribou on their cups as they reach for their beverages. As part of the company's strategy to enhance its brand position and create new opportunities to engage customers, the 17-year-old brand has undergone a makeover that will roll out during 2010 and into early 2011. The new brand look includes a new logo, color palette and design elements that bring fresh energy and broader context to the existing tagline: Life is short. Stay awake for it. (R) Previously the tagline focused on the benefits of caffeine, but Caribou has now shifted the element from a declarative statement to an opportunity for customer engagement on a more personal level; "stay awake" has grown to signify a "seize the day" attitude. "We saw an opportunity to better express who we

are and what we believe in as a company across all interactions with our customers," said Alfredo Martel, senior vice president of marketing. "The new elements of our brand give us an opportunity to do that and to ask our customers to explore and share what 'staying awake' means in their lives." Since Caribou Coffee CEO Mike Tattersfield's arrival in August 2008, Caribou has shifted focus away from expansion and toward elevating all aspects of the brand experience to match its world-class coffee. The company's new strategy has resulted in the most diverse and premium line of offerings since the company opened its first store in 1992. "Our brand relaunch runs much deeper than the new logo design; it really signifies the evolution of our company. We are passionate about and committed to creating the best cup of coffee possible and an experience that extends beyond our products," says Tattersfield. "We are working to ensure that all aspects of the customer experience are at the same premium level of quality as our coffee."

Source: Caribou Coffee

CKE Restaurants to Sell Itself to THL for \$619 Million

CKE Restaurants, the owner of fast-food chains like Hardee's and Carl's Jr., agreed to sell itself to the private equity firm THL Partners for \$619 million in cash as the leveraged buyout industry continues to revive. Under the terms of the deal, THL will pay \$11.05 a share, a 24 percent premium to CKE's closing share price of \$8.91. THL will also assume about \$309 million of CKE's debt. "We believe this transaction provides excellent value to our shareholders and represents an exciting opportunity to continue the growth and development of CKE Restaurants in partnership with THL," Andrew F. Puzder, CKE's chief executive, said in a statement. The takeover is the latest indication that private equity firms are back to doing their core business, deal-making. Both the Blackstone Group and Kohlberg Kravis Roberts reported seeing improvements in their leveraged buyout business on Thursday, as the credit and stock markets flourish and banks show a willingness to finance takeovers again.

The deal is expected to close in the second quarter, although CKE will be free to look for better offers until April 6.

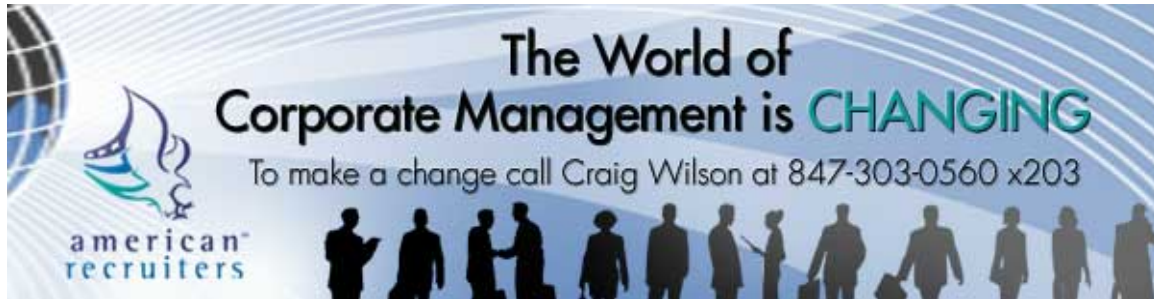
Source: The New York Times

Steak n Shake Investor has Taste for Denny's

A key investor who helped Texas hedge fund manager Sardar Biglari take control of Indianapolis-based Steak n Shake is now trying to shake up Denny's restaurants. A group known as the Committee to Enhance Denny's issued a statement saying Jonathan Dash is seeking election to the Denny's Corp. board of directors. Denny's, based in Spartanburg, S.C., operates about 1,500 restaurants in North America. Dash, also known as Jonathon Dardashti, heads Dash Investments, Beverly Hills, Calif. He works as an advisor to Biglari. Dash participated in the Texan's 2008 take over of Steak n Shake and the previous acquisition of Western Sizzlin, a steakhouse chain based in Roanoke, Va.

Biglari heads Lion Fund, a hedge fund in San Antonio. Biglari began to merge Western and Steak n Shake last year as he set out to create a buyout fund using cash from the two chains. The fund would acquire other companies. The Committee to Enhance Denny's is seeking to elect Dash and two other people to the Denny's board. They are Patrick Arbor, a director of Macquarie Futures USA, New York, an arm of the Australian-Spanish conglomerate that leased the Indiana Toll Road; and David Macula, a managing partner of Oak Street Capital Management, Chicago. The group contends Denny's is not performing financially as well as it could. The chain reported same-store sales dropped 3.7 percent last year; profits totaled \$41.6 million, including \$19.4 million on the sale of some company-owned restaurants.

Source: indystar.com



Quiznos Going Green with New Campaign

Quiznos has launched “Eat Toasty, Be Green,” a campaign that includes the introduction of more environmentally responsible packaging such as 100% compostable wax-coated paper cups and pulp salad bowls made from renewable sugarcane. “While packaging changes are a small step in the grand scheme of going green, we know that using packaging that is made in part from recycled materials or that is compostable is a great way to start,” said Rick Schaden, chief executive officer. “It’s a change we’re passionate about making.” Other changes on tap include the introduction of plastic lids made from 30% post-consumer recycled PET bottles and napkins made from 100% recycled material and fibers (90% post-consumer). Quiznos also said it is converting its employees’ uniform items to be made from 100% recycled soda pop bottles. According to Quiznos, each hat saves approximately six bottles from reaching a landfill and each apron saves approximately 25 bottles.

Source: FoodBusinessNews.net

SHM Hires New Director of Hospitality Industry Relations

Brian Black, former director of sales and marketing for Hyatt Regency Princeton, has been named director of hospitality industry relations for the School of Hospitality Management at Penn State. “I’m extremely excited about this position,” says Black, who started in January. “I have the opportunity to represent the university I love and the industry that I love. It really is a dream job for me.” In his role at Penn State, Black is serving as a conduit between members of the hospitality industry and Penn State. By fostering communications and collaborations among students, alumni, friends, and industry partners of the School of Hospitality Management, he is opening opportunities for students to learn and for the industry to maintain its close connections with Penn State.

Source: School of Hospitality Management

BJ'S Restaurants, Inc. Opens in Fort Worth, Texas

BJ's Restaurants, Inc. announced the opening of its first new restaurant for 2010 in Fort Worth, Texas. The new BJ's Restaurant & Brewhouse is located at the intersection of I-35W and Heritage Trace Parkway at the 625,000 square foot Alliance Town Center. "We are very excited to bring the BJ's restaurant concept to Fort Worth," commented Jerry Deitchle, Chairman and CEO. "Our new Fort Worth restaurant is our eighth restaurant in the Dallas-Fort Worth Metroplex and our 17th restaurant in the state of Texas, which continues to be a very fertile development ground for the BJ's concept. We have three more restaurants currently under construction in Texas, of which two are in San Antonio and one is in Houston. We continue to remain on track to open as many as 10 to 11 new restaurants during 2010 and thereby increase our total restaurant operating weeks by approximately 13% during the year."

Source: BJ's Restaurants, Inc.

Restaurant Chain Sees Bets Pay Off. Olive Garden Parent Skipped Deep Discounts in Recession

At the height of the worst recession in decades, when many casual dining chains began offering deep discounts to lure tightfisted diners, Clarence Otis Jr. resisted. As some rival restaurant chains halted expansion plans or began closing locations, Otis, head of the company that includes Olive Garden and Red Lobster, continued to expand, albeit at a slower pace. And when companies across all industries began plotting major job cuts, Otis opted against such layoffs, although he didn't necessarily replace every worker who left. As chairman and chief executive of Darden Restaurants, Otis was well aware his company needed to respond to the recession and deep downturn in consumer spending. But he didn't want to do so in a way that would hurt the brand more than it would help the bottom line. "We're a very strong brand, and we wanted to make sure that, even as we responded tactically, we didn't reduce those brands to the point where price was the primary attribute that we reinforced in people's minds," Otis said in a recent interview with msnbc.com. Now, many of the bets Otis made during the recession appear to be paying off, and Darden is poised to benefit in what many expect will be a slow and difficult economic recovery. "I think he's doing an excellent job," said R.J. Hottovy, equity analyst at Morningstar. Otis, 53, whose company owns and operates some 1,800 restaurants across North America, was chosen this month as one of The Grio's 100, a look at the next generation of African-American leaders and history makers. Some restaurant chains may have seen a short-term boost in customer traffic from deep discounts but could face a long-term struggle in trying to convince those diners to pay full price again, Hottovy said. A similar risk could hamper companies who cut staff sharply during the recession and then saw customer service erode, alienating customers. As such a big player in the casual dining segment, Darden had an advantage going into the recession in that it could afford to offer some everyday deals on items like pasta and shrimp, Hottovy said. That allowed the company to entice skittish diners without hurting the brand with bargain-basement discounts. Hottovy expects the company's market clout to help in the recovery phase as well. Darden, whose holdings also include Bahama Breeze, LongHorn Steakhouse, The Capital Grille and Seasons 52, had \$7.2 billion in sales in its latest fiscal year, making it the largest full-service restaurant operator by sales.

"We do think that the outperformance that we've had on same-store sales and on earnings really is probably the best evidence that the strategy was appropriate," Otis said.

Source: msnbc.com



McDonald's Reportedly Slashing Prices in China

McDonald's Corp. has started to accept some coupons issued by other fast-food chains at its stores in China and also cut prices on some products amid severe competition, the China Daily reported, citing a public relations official at the U.S. firm. The English-language newspaper cited Ren Yuan, a senior public relations manager at McDonald's China, as saying the promotion is the first of its kind since the fast-food giant entered China in 1990. Under the promotion, which began Feb. 24 and ends March 23, customers at McDonald's outlets that present coupons from any other fast-food restaurant, including KFC and Burger King, can get a 10% discount on fried-chicken wings, the paper reported. Kenneth Chan, chief executive of McDonald's China, said the company plans to expand the number of its drive-through outlets and McCafes by opening 150-175 new stores in China this year, the report said.

Source: The Wall Street Journal

Margaritas Mix: Franchise Veterans get on Board for Franchise Launch

The south-of-the-border spirit of great Mexican food and authentic art could soon spread throughout New England and beyond, thanks to a new franchising and area development agreement rolled out by Margaritas Mexican Restaurant. The 24-year-old restaurant company currently has 19 locations open in Massachusetts, Maine, New Hampshire, and Connecticut. Now founder John Pelletier has teamed up with some franchise industry veterans to launch the franchising initiative. Bob Hoffmeister, who helped grow brands like T.G.I. Friday's and Applebee's, is the president and COO of the Portsmouth, N.H.-based brand. Board advisors Larry Cates (a former Pepsi and Applebee's exec) and Tom Russo (former CEO of Howard Johnson's, Ponderosa Steak House, and American Hospitality Concepts) are heavy hitters who bring a wealth of franchise knowledge and experience to the table for this expansion. Tom Radomski, vice president of franchise development, says the company decided to franchise now for two reasons. First, he says, customers are eager for brands that provide a unique experience and value for their dollar. "Second, we've spent the last two decades honing our concept, refining and documenting our systems, and improving our economic model to make it financially attractive to offer franchises." The restaurants have put up good numbers that should be attractive to potential franchisees and investors. The company has maintained strong unit-level economics fueled by a \$2.3 million average unit sales volume, a beverage-to-food sales ratio of 45 percent, and a 21.6 percent EBITDAR. Two new company restaurants are already under construction in Lexington and Medford, Mass., with more to come. Radomski says the team intends to carefully select franchisees and methodically sign area development agreements in the markets closest to their existing company restaurants, then slowly move down the Atlantic seaboard before moving westward. Near-term target markets for expansion are Vermont, Western Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Eastern Pennsylvania, Maryland, Washington, D.C., and Northern Virginia. He says they're looking for multi-unit operators with QSR experience. "Using the area development model allows both the franchisor and franchisee to maximize the true opportunity within a given market," he says. The company is using site and customer analytics to help determine the optimum number of restaurants each area can hold.

Source: Franchise Update

Jamba, Inc. Refranchises 12 Additional Jamba Juice Locations in Utah and California

Jamba, Inc. announced the sale of 12 additional restaurants to experienced franchise operators, with the sale of 10 stores in Salt Lake City, Utah, to Blended Star, LLC, whose principals are Daljit and Pam Hundal, and two stores in Southern California, RPM Foods Inc, whose principals are Michael Razipour and Pouya Moalej. The purchase of the Utah restaurants by Mr. and Mrs. Hundal, includes a development commitment to further expand the Jamba Juice brand. These sales reflect the Company's continuing progress against its strategic refranchising initiative. "We purposely structured our refranchise packages to enable prospective franchise operators to qualify for small business loans through the SBA program," stated Thibault de Chatellus, senior vice president, global franchise and development, Jamba Juice Company. "That strategy, along with the continued progress against our BLEND plan growth initiatives that are transforming the company, is paying off. We are attracting the right kind of investors to the brand and we expect continued success with the remaining locations, many of which are in varying stages of completion." "I am exceptionally proud of the work accomplished by this team since announcing our intent to refranchise these stores last May," said James D. White, president and chief executive officer, Jamba, Inc. "The Jamba brand has always been about inspiring and simplifying healthy living. Our focus on product innovation and brand relevance in the healthy living space, makes Jamba a noteworthy investment opportunity for potential franchisees." Since announcing their refranchising initiative, Jamba has successfully been able to attract and engage experienced, multi-unit franchise operators to the brand—those that are established with the brand as existing franchise store owners as well as operators who are expanding their franchise portfolio through the acquisition of a Jamba outlet. "I own five other franchise operations and I've always wanted to own a Jamba Juice. This is an exciting time for us," stated Mr. Razipour. "We like how Jamba promotes a healthy, active lifestyle in its brand positioning and offerings,"

added Mr. Moalej. "Everyone is trying to follow a trend of being 'healthier for you', but Jamba is already ahead of that curve with their better-for-you offerings."

Source: Jamba, Inc.

Emerging Restaurant Chain Plans High-Energy Growth

Health-oriented fast-casual chain Energy Kitchen plans to grow outside New York via franchising, predicting 1,000 restaurants in operation in 10 years. "Go healthy." That's the slogan at Energy Kitchen, a local restaurant chain with eight outlets in Manhattan and one in Hoboken, N.J. Everything on the 55-item menu is low-calorie and low-fat. Detailed nutritional information is available in each restaurant and on the company Web site. "We want to appeal to the masses," declares founder, President and CEO Anthony Leone, 40, who turned a smoothie shop near Wall Street into a fast-casual concept that doesn't cook with butter or oil. "We are a healthy alternative. This is not a fad like a diet."

Energy Kitchen is a tasty alternative, too, according a review in The New York Times. Leone expects new franchisees to open 25 Energy Kitchens this year and thinks opening 1,000 Energy Kitchens is possible over the next 10 years. He is selling a minimum of three stores per deal. Sounds too ambitious? Leone believes his new partner Mike Repole, who co-founded and sold Glaceau (think: Vitaminwater) to Coca-Cola, can help him accomplish that goal. "I was a customer before I became an investor," writes Repole in an e-mail. "I am confident that we will become the next billion-dollar franchise." Once landlords saw "the lines and the excitement [at Energy Kitchen]," they wanted a healthy menu concept in their developments, Leone claims. He chooses sites for their "accessibility, visibility and mobility" and mix between commercial and residential properties.

Source: Chain Leader



Starwood Hotels Has Its Eyes on China

Starwood Hotels & Resorts could see as much as a quarter of its business come from Asia in the next few years, the hotel operator's chief financial officer said recently. Starwood currently draws 15 percent of its business from Asia, said CFO Vasant Prabhu at the Reuters Travel and Leisure Summit in New York. "It's not inconceivable that it (business in Asia) grows to 20, 25 percent," he told Reuters. Starwood has 50 hotels in China and plans to open another 50 to 70 properties. In a few years, Prabhu said the region could be its largest market outside the United States. "I think inevitably the U.S. component will decline not because our U.S. business won't grow but because we expect our non-U.S. business to grow faster," Prabhu told reporters. Starwood is hoping that its international foothold will help it rebound from the worst downturn for the industry since the Great Depression. Forty percent of Starwood's business comes from emerging markets. "We've started to call them 'faster-growing markets,'" he said. "It's not inconceivable that in a relatively short period half our business will come from emerging markets."

Source: Reuters.com/Ehotelier.com

Del Taco's Integrated Facebook, TV Promos Pay Off

Mexican QSR chain Del Taco grew its Facebook fan base from 20,000+ to 43,000+ in just five weeks after launching its Facebook-based entertainment Webisodes platform, "The Del Taco Super Special Show," according to VP, marketing John Cappasola. Moreover, the fan count has risen by another 15% since the second humorous Webisode in the series (which is geared to appeal primarily to the chain's core audience of men 18-39) was posted five days ago, he reports. Fan sign-ups and engagement are being driven via multiple channels. Each series of market-targeted TV spots created to support Del Taco's latest promotional offer (which changes every five to six weeks) is now featuring a clip from the show at its start, and a shout-out for the Facebook page/show at its conclusion. Each new Webisode's content ties in with the current promotion, and remains the "current" video for the promotion's duration. (Previous Webisodes will also remain available to viewers.) Placements of online and social media ads for the show, as well as the creative and offers featured, are being tweaked daily based on impressions, click-throughs and other metrics, Cappasola says. Tweets that promote the show and special offers are also ongoing. With each campaign, the QSR is also learning more about how to hone the content of the Webisodes and the clips used in TV and radio spots, Cappasola points out. In short, Del Taco's goals of harnessing social/traditional media integration to cost-effectively increase exposure and interaction with customers and prospects, particularly in newer markets, are being realized to a degree even the QSR had not anticipated. "This is invaluable for a chain of our size," which must get maximum results from every budget dollar, Cappasola says. "Not to mention that the ability to also measure and track positive and negative sentiments from consumers enables informed, ongoing refinements to the brand and its marketing alike."

Source: Marketing Daily

CKE Restaurants to Open Twenty Five Carl's Jr Restaurants in Vietnam

CKE Restaurants has inked a development agreement with a Vietnamese distribution company Mesa Group to open 25 Carl's Jr restaurants in Vietnam. Mesa Group has been awarded the development rights to open Carl's Jr restaurants throughout the country with the first being slated to open in Ho Chi Minh City in April 2010. The agreement is part of a greater development plan that CKE Restaurants has for the Asia region. In 2009, CKE Restaurants signed a development agreement with Star Food F&B Management to open Carl's Jr restaurants in Shanghai and Beijing. Currently, CKE Restaurants is actively seeking to expand its presence throughout China and Southeast Asia. CKE currently operates Carl's Jr restaurants in China, Singapore and Malaysia and American Samoa and has also planned some additional franchise deals in the region. Mesa Group has operated a range of successful businesses in Vietnam, including distribution, food & beverage, media and real estate development. Andy Puzder, CEO of CKE Restaurants, said: "We are very pleased to welcome Mesa Group as a part of the CKE team of operators. Mesa's expertise and knowledge of the Vietnamese market, along with their extensive experience in supply chain management, distribution, and real estate, make Mesa Group the perfect partner to bring Carl's Jr to Vietnam. "The Carl's Jr brand has a loyal following in Asia and we couldn't be more pleased than to introduce our great-tasting, premium, charbroiled burgers to the people of Vietnam."

Source: Food Business Report

If you would like to have news about your company in our newsletter, please send all editorial contributions to Mario Schacher: marioschacher@yahoo.com



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