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EXPANSION

Far East Movement

Interest in Asian flavors and concepts is growing throughout the quick-serve industry. By Mary Avant

With some help from Chipotle's announcement that it would open an Asian fast-casual concept, Shop-House Southeast Asian Kitchen, in 2011, Eastern flavors today are more on restaurateurs' minds than ever before.

According to a recent Technomic report, today's diners are becoming more familiar with Asian cuisines and are helping Asian concepts to healthy growth.

"If we look at our Top 500 restaurant chains, for example, limited-service Asian chains increased their growth 9.3 percent, which really is humongous considering the industry itself grew 1.5 or 2 percent," says Mary Chapman, a director at Technomic.

This growth, though, isn't limited to mainstream Chinese and Japanese concepts.

"We're finding the consumers are more willing to try cuisines beyond Chinese and Japanese, so they're looking at Korean and Thai and Vietnamese, and even Indian," Chapman says. Since the Asian market is under-penetrated, she says, more exotic Asian concepts are getting the chance to shine.

One of these is Sorabol, a Korean quick-serve chain based in San Francisco. What started as a fine-dining establishment in 1979 turned into a food-court mainstay in the late '80s and now has 13 units, with two more slated to open this year.

Richard Hong, CEO of Sorabol Restaurant Group, says being part of one of the smallest segments of the restaurant industry has been



Sorabol is helping introduce West Coast diners to Asian dishes in its fast-casual restaurants.

tough. “That’s primarily why we’re in the food-court type of business, because we have that built-in foot traffic in the shopping malls,” Hong says.

But he has noticed that things have been looking up over the past few years. “There were items three years ago that were not the best-selling items,” Hong says, “but now all of a sudden, they’ve become very popular.” One of these items is yookejang, a spicy beef soup.

Despite the growing success of Korean and other Asian flavors, Chapman says she wouldn’t call it a “boom.”

“A 9 percent growth is significantly less than, say, a 4 percent growth in pizza chains,” she says. “It’s a small growth even though the percentage is high.”

In order to capitalize on this growth and turn it into something more akin to a “boom” than simply “growth,” Terry Haley, vice president of marketing at Pei Wei Asian Diner, says Asian concepts must “continue to execute extremely well.”

“We have to keep pushing the envelope a little bit to make consumers come to us for something unique and different that they can’t find anywhere else,” Haley says. Pei Wei, which serves Korean, Thai, Vietnamese, and other cuisines, plans to open new units while the Asian market continues to grow.

But adding units—or launching new concepts—isn’t the only way to jump on the Asian-flavor bandwagon. Chapman says non-Asian chains can simply add Eastern flavors to their existing menus.

“Even McDonald’s can add an Asian dressing or Asian sauces and speak to that appeal,” she says. Indeed, the burger giant recently relaunched its Asian salad to much success.

Whether operators are introducing a new concept, expanding their existing brand, or spicing up their menu with Asian flair, now is the time to bring these cuisines onto their menu, Haley says.

“As these flavors become more widely accessible, the water will rise,” Haley says. “As long as your boat’s in it, you’re going to rise with it.”



STANDOUT STORE

Foumami is an Asian-inspired breakfast and lunch café with sandwiches, salads, soups, and drinks in Boston’s Financial District. Its menu includes exotic items like sandwiches served on Shao Bing, wonton, red bean shaved ice, house-baked Asian cookies, and kumquat tea, to name just a few.

Owner Michael Wang, a third-generation restaurateur and Harvard Business School graduate, discusses Foumami’s unusual characteristics and his plans for the concept.

What compels a Harvard grad to open a fast casual?

I grew up in my family’s restaurants working everything from bartender and cook to waiter and dishwasher, but I didn’t want the restaurant lifestyle. I pursued other careers, working with different startups and Goldman Sachs, but as I got older, my mindset changed and I thought about success in a different light. I went to Harvard because I wanted to see what I could do in the restaurant industry.

I wanted to discover a concept that I could build into a multiunit company.

What are Foumami’s distinguishing characteristics?

First, the Asian sandwich bar concept, which doesn’t exist in large scale in the U.S. Second, our food quality. We don’t use processed foods, the ribeye is real, every chicken sandwich is made from scratch, we cut produce daily, and every bread is handmade daily.

Why do you think Asian food has struggled to make inroads in quick service?

Part of it is that Asian food in American consumers’ minds is viewed as a multidish meal to be shared. But more so, it has a lot to do with Asian culture. The first wave of Asian immigrants looked at survival, not the big picture, so those operating restaurants had little sense of what the market is and wants. ... I have a different perspective on what an Asian concept can and should be.

