

Hot Concepts! panelists share secrets of their brands' success

By Dina Berta

PHOENIX — Recalling a customer focus group discussing the Cosi sandwich chain, Kevin Armstrong recounted how, when asked to choose a picture that best represented the brand, one woman picked a photo of a woman clutching a chain-link fence and screaming.

When asked by the moderator how that picture related to Cosi, the woman said it represented Cosi's customer service, according to Armstrong, president and chief executive of the Deerfield, Ill.-based chain. To keep your concept hot and fresh, you can't be afraid to take a long, hard look at your operations and customer relations, he added.

Armstrong told this story to a packed room of operators and suppliers during a panel discussion



The Hot Concepts! breakout session, which drew a large crowd of operators and suppliers, below, featured a panel on strategies for keeping brands fresh and popular. Panelists, above, were Kevin Armstrong, president and chief executive of Cosi Inc.; Eric Ersher, managing partner of Zoup! Fresh Soup Co. LLC; Steele Platt, founder and chief executive of Yard House; and Sam King, president, chief executive and co-founder of King's Fish House.



Above: Elen Koteff, editor of Nation's Restaurant News, moderated the discussion.



featuring former winners of the Nation's Restaurant News Hot Concepts! award. The breakout session was one of many featured during the Chain Operators Exchange held recently at the JW Marriott Desert Ridge Resort & Spa in Phoenix.

Other panelists who recounted how they have kept their concepts hot and fresh since winning the award included Eric Ersher, managing partner of Zoup! Fresh Soup Co. LLC; Steele Platt, founder and chief executive of Yard House; and Sam King, president, chief executive and co-founder of King's Fish House. NRN editor Elen Koteff moderated the discussion.

Armstrong joined Cosi three years ago when the sandwich chain was struggling to regain a solid financial footing after its initial success had garnered a Hot Concepts! award in 1998.

"The first key was really know-

ing our guest and knowing what their demands were," said Armstrong. "We have a strong entrepreneurial character, but the truth was we weren't always being true to the guest."

Cosi changed its ordering process so customers have more time to look at the menu, and they redesigned the stores to make the traffic flow more logical and efficient.

"We weren't scared to listen to our guests and have them tell us what we were doing wrong," said Armstrong.

Staying focused on the customer has helped Zoup develop and improve its menu while also differentiating it from the competition, said Ersher of the 12-unit chain,

which is based in Ferndale, Mich. "What has come easy for us was the connection with the customer," he said.

From the beginning, the chain has used the Internet to study and survey customer satisfaction. Technology has been a tremendous help, he said.

In the past five years, Zoup has added salads, sandwiches and combos to its menu. Zoup has 200 soups but only sells 12 a day in the stores. The soup selection changes each day.

"We've also come to understand the value of finding good vendors, good manufacturers who believe in us and support us and help us grow," said Ersher.

Slow and steady growth —

about four units a year — has helped Yard House control its culture amid financial success, said Platt, founder of the 10-year-old, Irvine, Calif.-based concept. The units average \$9 million in sales, and about 45 percent of those sales come from beverages, he said.

Yard House offers 130 different beers on tap. The restaurant was named for its signature large beer glasses, which are 3-foot-long flagons that require their own wood holders, which sit on the floor. The average store is 10,000 square feet and takes \$4 million to build, said Platt.

An equally strong focus on food and atmosphere has turned Yard House into a restaurant for

everyone, including families, singles and couples, he said.

"It's about balance for us," said Platt. "We've learned to thread the needle between markets — between business markets, family markets, a happy-hour market, a dinner market, a late-night market."

Staying hot and fresh is easier when your concepts are known for selling fresh products, said King, who is co-founder of King's Fish House/King's Crab Lounge with his cousin Jeff King.

The nine-unit casual-dining chain is one of six concepts that belong to their company, King's Seafood Co., in Costa Mesa, Calif. King's Fish House is the only multiunit brand. Other concepts include fine-dining Water Grill and upscale casual restaurants, Ocean Avenue Seafood and iCugini.

"One of the great things about seafood is it's a today kind of product," King told the audience. "We play very heavily on the seasonality of the seafood."

Their challenges have been fighting negative perceptions about the healthfulness and safety of seafood, he said. Prices and quality have also been problematic at times.

King said he has been involved with seafood safety consortiums that are focused on reassuring the public about seafood. ■

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