

# Chain Store Guide's

A photograph of a smiling waitress with long brown hair, wearing a white button-down shirt and a dark tie. She is holding two white plates of food, one in each hand. The background is blurred, suggesting a restaurant setting. The entire image is overlaid with a semi-transparent blue filter.

## 2nd Annual Fastest Growing Restaurant Operators Report

Booth 3404 and 5416  
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## Chain Store Guide's mission:

To be the leading provider of high quality business solutions and intelligence to the retail and foodservice markets.

## Industries Served:



A word cloud of various retail and foodservice industry categories. The words are arranged in a roughly circular pattern, with some larger and more prominent than others. The colors are primarily shades of blue and black.

HomeCenters  
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# Chain Store Guide's 2nd Annual Fastest Growing Restaurant Operators Report

Based on Three-Year Unit-Growth Percentage.  
Companies must have at least 50 locations currently in operation.

Chain Store Guide

Prepared by Linda Helman, Senior Editor, and Natasha Perry, Research Editor

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# Fastest Growing Restaurant Operators

<b>Rank</b>	<b>Name</b>	<b>3-year Growth in Locations</b>
1	Yogurtland Franchising Inc.	3600%
2	Red Mango Franchising Company	1070%
3	Smashburger Master LLC	900%
4	Five Guys Enterprises LLC	254%
5	Pinkberry Franchising Company	212%
6	Which Wich Inc.	179%
7	Buffalo Wings & Rings LLC	157%
8	International Coffee & Tea Leaf LLC	82%
9	Wingstop Restaurants Inc.	80%
10	Jimmy John's Franchise LLC	79%

## INTRODUCTION

At this time last year, the economy was just beginning to show signs of life but the unemployment rate was still very high with no relief in sight, the broken wellhead was still spewing oil into the Gulf of Mexico, the housing market was still in freefall, and businesses were still struggling to make payroll and keep their workforces employed. Now, in the spring of 2011, the economy is a little healthier, consumer sentiment is on the rise, and more people are finding jobs. While certainly not back to pre-recession status, things are looking up, and there are lessons to be learned from companies who are still in the game.

Once again, Chain Store Guide has dug into its database and discovered chain restaurant operators that have not only survived the brutal past few years but have actually thrived. This report presents profiles of ten such companies, providing details about them, their operations, and what makes them unique in their marketplace.

The 2010 list reflected the growth rate of companies with at least 20 locations over a five-year span. When the same analysis is done using current data, pretty much the same companies appear: Which Wich, Five Guys, Salad Creations, Southeast QSR, and Freddy's still comprise the top five. For readers who are interested in reading these profiles, please visit the Chain Store Guide homepage at [www.chainstoreguide.com](http://www.chainstoreguide.com) to download a free copy.

In order to provide our readers with new insight, this year's report uses somewhat different criteria. The focus for 2011 is on slightly larger companies (at least 50 locations at the time of last update) and their growth over a three-year time span, reflecting the strength of their concepts during the heart of the recession. Which Wich and Five Guys made the list this year as well, but it also includes eight other vibrant operations. The list includes only original concepts, and thus excludes franchisees.

As the reader will see, the top 10 is dominated by companies that offer 'affordable luxuries.' Premium burgers and gourmet yogurt restaurant operators account for half of the top 10. Sandwiches are represented as are Buffalo-style chicken wings. Nowhere on the list are companies primarily offering pizza, cheap hamburgers, fried chicken, tacos, or classic American food.

Here then are ten of the fastest growing restaurant concepts in the United States today:

## **Yogurtland Franchising Inc. ( +3600% )**

1911 E Wright Cir

Anaheim CA 92806

714 939-7737

[www.yogurt-land.com](http://www.yogurt-land.com)

Year Founded: 2006

Current Units: 111

Menu Type: Snacks

Foodservice Type: Fast Casual

Inspired by the idea that people enjoy an active involvement with the products and brands they love, Yogurtland was started by Philip Chang in 2006. Yogurtland is a franchise restaurant chain based in Anaheim, California, that offers self-serve frozen yogurt. Customers mix and combine flavors in their cups by pulling on spigots that control the yogurt containers. There are 16 flavors that rotate regularly. It's known for its wide variety of flavors and toppings as well as its low price.

Yogurtland customers ultimately determine what they pay. All dispense-your-own goods are 30 cents per ounce. The yogurt chain is popular partly due to its self-serve format, and also because it is relatively inexpensive compared to other yogurt businesses such as Pinkberry. Another attraction has been the "Tokidoki" character designs on spoons which are collectible.

Its unique create-your-own approach, low prices and late hours have combined to make Yogurtland wildly popular among teens and twentysomethings. Its ambience emphasizes a bright, clean and minimalist design, achieved in part by its inset, wall-mounted frozen yogurt dispensers. Yogurtland also appeals to a new generation through its environmental responsibility by using paper containers instead of Styrofoam or plastic and its recycling and conservation efforts.

Yogurtland has continued to expand. There are now 111 locations in 14 states in the United States and in Mexico and Japan, up from just 3 in 2008. Typically located in regional neighborhood and lifestyle centers, strip malls, and entertainment venues with some locations in heavily trafficked malls, Yogurtland has also found success in a variety of non-traditional sites. By 2015, the chain plans to have more than 550 total.



## **Red Mango Franchising Company ( +1070% )**

2811 McKinney Ave

Dallas TX 75204

214 302-5910

[www.redmangousa.com](http://www.redmangousa.com)

Year Founded: 2007

Current Units: 117

Menu Type: Snacks

Foodservice Type: Fast Casual

Red Mango is one of the fastest-growing retailers of authentic nonfat frozen yogurt. Red Mango received a 2009 Nation's Restaurant News' "Hot Concepts!" award. It's part of a national trend in popularity for the cold treat, which is widely seen as a healthier dessert option. Red Mango gets its name from the color of a mango just before it reaches its ripest state and turns yellow, and its authentic fermentation process is what gives its yogurt its tart taste.

The first U.S. store opened in July 2007 in Los Angeles, California. Within two years, the company grew to nearly 60 locations nationwide. Red Mango announced record franchise development during the first quarter of 2009. Development deals with existing and new franchisees resulted in 128 new Red Mango stores to be added to the franchise network over several years.

In December 2009 Red Mango began expanding its franchise offerings to include kiosk, co-branded and self-serve concepts in addition to the full-service stores. These options enable a wide range of real estate platforms including shopping malls, lifestyle centers, captive audience venues, free-standing pads, and traditional strip mall and inline street destinations. In 2010, the company awarded agreements for 147 new locations, opened 62 new stores, entered 12 new states and grew the network to 102 total open stores across 25 states. In addition, the company has already opened more than 15 locations in 2011 and plans to double the size of the network by the end of the year.

In keeping with its young, active customer base, the company relies heavily on its web presence and maintains pages on Facebook and Twitter. Red Mango has done very well on the West Coast and in Texas and stores that are located near college campuses. Red Mango has defied the odds and grown into a national chain in a down economy. The company forecasts 500 locations by 2015.

## **Smashburger Master LLC (+900%)**

1515 Arapahoe St, Ste 1000

Denver CO 80202

303-633-1500

www.smashburger.com

Year Founded: 2007

Current Units: 100

Menu Type: Hamburger

Foodservice Type: Fast Casual

Named for its cooking process of smashing a ball of meat and grilling it on a hot griddle, the smashburger concept has grown from just three locations at the end of 2007 to more than 90 at the end of 2010, earning the company third place on this year's Chain Store Guide list of fastest-growing restaurant operating companies. It recently celebrated the opening of restaurant #100.

The company was founded in 2007 as Icon Burger Development Company by foodservice veteran Tom Ryan, and two years later the company received a large infusion of cash from private equity firm, Consumer Capital Partners, the same year it was named a Hot Concept by Nation's Restaurant News. Business information provider Inc.com selected it as one of the most promising franchises for 2011, and in the spring of 2011, eater.com named it a 'Mega-Chain in the Making.' It's also won numerous "Best of" awards around the country. As one reviewer noted: "This is the opposite of a burger cooked in a George Foreman Grill ... all of the fat stays in through a 'smash' cooking process on an extra-thick grill ... [resulting] in a product nearly unmatched in taste and texture." (Las Vegas Weekly, May 27, 2010)

Using 100% Angus beef on artisan rolls, the restaurants also offer Haagen-Dazs shakes, root beer floats, and bottled beer and wine, as well as smashchicken sandwiches, smash-fries, veggie frites, and haystack onions. The company also touts the availability of localized burgers based on regional favorite flavors, such as the Twin Cities smashburger developed for the Minneapolis market with melted Cheddar bar cheese, Swiss cheese and garlic-grilled onions or the Sin City smashburger in Las Vegas topped with a fried egg, applewood smoked bacon, American cheese, grilled onions, and haystack onions. With a somewhat higher price point than McDonald's or Wendy's, the average \$8.00 check is competitive with other premium or so-called "better burger" restaurants.

However, unlike Five Guys and many others in the same market, smashburger has not grown solely through franchising. Of the 93 locations open at the end of 2010, nearly half (41) were company-owned and -operated. For 2011, the company is projecting 70 new franchised locations and 15 new company locations. The new restaurants will also introduce smashburgers to new markets as the company enters Florida, Georgia, Missouri, New York, North Carolina, Pennsylvania, and Tennessee for the first time.

The company's business is primarily dine-in (vs. carryout) and is pretty equally split between lunch and dinner. The restaurants average between 1,600 and 2,000 square feet, and sites with outdoor patio seating are preferred. The company seeks locations with daily traffic counts between 30,000 and 50,000 cars (depending on the market size), a large residential population within three miles and an average household income of \$60,000.



## **Five Guys Enterprises LLC ( +254% )**

10440 Furnace Rd

Lorton VA 22079

703 339-9500

[www.fiveguys.com](http://www.fiveguys.com)

Year Founded: 1986

Current Units: 750

Menu Type: Hamburger

Foodservice Type: Fast Casual

Named for the founder's five sons, who currently run the booming business, Five Guys was founded in 1986. By 2002, there were six locations in Northern Virginia run by the founding family. The restaurants had gained popularity among locals, and the decision was made to franchise the concept. As of April 2011, there are more than 750 locations across 40 states and Canada.

The company's menu consists solely of hamburgers (hand-shaped from fresh, never-frozen ground beef and available with a choice of 15 toppings), French fries (cooked in peanut oil), hot dogs, and grilled cheese sandwiches. Coke products are the only beverage served, and the company has no plans to expand its menu offerings into chili, shakes or chicken sandwiches.

The owners put a sign up in stores when they first opened that said "If you're in a hurry, there are a lot of other really good burger places real close to here." Since then, Five Guys Burgers and Fries has won numerous "Reader's Choice" and "Best Burger" awards across the United States. Burgers are a comfort food to many people, and it's not an expensive product. The company's focus on doing two or three things really well is paying off; some 200 restaurants will open in 2011.

Real estate criteria include a range of 2,000 to 3,000 square feet, and a free-standing or corner or end-cap location is ideal. The building must offer unique or progressive architectural character. Preferred co-tenants include Target, grocery centers, theaters, medical facilities, educational facilities, community centers, and other high-quality restaurants.

## **Pinkberry Franchising Company ( +212%)**

2122 W Washington Blvd

Los Angeles CA 90018

323 932-6800

[www.pinkberry.com](http://www.pinkberry.com)

Year Founded: 2005

Current Units: 131

Menu Type: Snacks

Foodservice Type: Fast Casual

Pinkberry is headquartered in Los Angeles, California, and launched its first store in West Hollywood in 2005. In five years, Pinkberry has established a leadership position in the frozen yogurt category. Known for its 6 distinctive flavors, the menu includes Original, Pomegranate, Chocolate, Mango, Coconut and a seasonal flavor. Pinkberry offers a more raw or bitter yogurt taste and custom toppings like fresh fruit or crushed candy bars. In addition to frozen yogurt and toppings, Pinkberry also offers Fruit Parfaits, Smoothies, and Fruit Bowls as well as "Pinkberry Take Home," 25 ounces of Pinkberry, swirled-to-order and packed on ice.

Co-founders Shelly Hwang and Young Lee started the Pinkberry sensation in January 2005. Hwang was a restaurateur and Lee a Parsons-trained designer. Pinkberry features its five original flavors year round and rotates seasonal flavors several times a year. Pinkberry products are made with real nonfat milk and real nonfat yogurt and a half cup of Pinkberry yogurt contains only 100 calories. Fresh fruit toppings and selected dry toppings are available. There are more than 30 toppings to choose from, many of them are all-natural or organic.

The company provides catering services for birthdays, weddings, and office parties. It also offers store franchising opportunities. Though many yogurt restaurants are changing to a self-serve model, Pinkberry remains full-service. Pinkberry was rated #1 in its category by Zagat.

Pinkberry specializes in a more modernly designed store. The company maintains more than 100 sites in the United States and 30 abroad. It offers a flexible store build out with success in traditional stores, kiosks and airport locations. Rapidly growing to over 130 stores in less than 6 years, Pinkberry continues to grow by launching into at least 15 additional domestic and international markets this year. Pinkberry has plans for locations overseas, with new shops scheduled to open this year in Britain, Turkey, Morocco, and the Philippines.

## **Which Wich Inc. ( +179% )**

1310 Elm St

Dallas TX 75202

214 747-9424

www.whichwich.com

Year Founded: 2003

Current Units: 131

Menu Type: Sandwiches/Deli

Foodservice Type: Fast Casual

Which Wich is a fast casual sandwich chain founded by Jeff Sinelli in 2003. Which Wich began with one location in downtown Dallas and soon began franchising in 2005. In December 2010 Which Wich opened four locations in one week, a clear sign of explosive growth for a chain that is just eight years old. The company's target market is 18 to 39 year old white-collar professionals in the middle to upper income levels.

Which Wich features 51 varieties of customizable sandwiches. The company's signature sandwich is The Wicked, which features five meats and three cheeses. The concept is also known for its ordering system. At Which Wich, customers place their orders by using custom red Sharpie pens to mark up pre-printed menus on sandwich bags. Most sandwiches are sold at one price. Which Wich also features a children's menu that was awarded "Best Kids' Menu in America" by Restaurant Hospitality magazine. All Which Wich locations feature free Wi-Fi internet access.

As of April 2011 the chain had 131 locations nationwide. Which Wich has had an extraordinary growth spurt since its founding just eight years ago, and the company shows no signs of slowing down. Which Wich restaurants are currently located in 19 states. Which Wich is committed to delivering fresh sandwiches that are superior to others in the marketplace. To back up this commitment, the company offers a 100% guarantee to its customers for a refund or replacement (or both) on any of its more than 50 varieties of sandwiches.

Chain Store Guide named it #1 in its 2010 report: The 50 Fastest Growing Chain Restaurants Operators. The company says the recession did not slow down growth, partly because it did not get held up in the financing woes that slowed the growth of many other brands. The majority of the company's growth has come from within; all of the company's franchisees are multiunit owners. Which Wich is positioned to maintain its fast growth in 2011. The company is signed on to open stores in major markets such as Orlando, Florida; Washington, D.C.; San Jose, California; Salt Lake City, Utah; Cleveland, Ohio; and Alabama.

## **Buffalo Wings & Rings LLC (+157%)**

564 Old State Route 74

Cincinnati OH 45244

513 831-9464

[www.buffalowingsandrings.com](http://www.buffalowingsandrings.com)

Year Founded: 2005

Current Units: 54

Menu Type: Chicken

Foodservice Type: Casual Dining

As one of two chicken wing concepts to make Chain Store Guide's Top 10 Fastest Growing list, the Buffalo Wings and Rings (BWR) chain is much smaller than the more well-known and widespread Buffalo Wild Wings chain but has shown remarkable growth in just a short period of time. When the current owners began offering franchises in 2005, there were only seven locations open, all in the state of Ohio. At the end of 2007, the unit count was up to 21, and by the end of 2010, that number had more than doubled with restaurants located in 13 states. Growth has been primarily achieved through franchising. In 2008, Restaurant Business magazine recognized BWR as the fastest growing privately-held franchise offering Buffalo-style wings and named it #1 on the Future 50 list.

The restaurants offer casual dining in a family-friendly sports-oriented atmosphere. In addition to the mandatory Buffalo-style chicken wings and chicken tenders, the menu includes a full assortment of soups, salads, hamburgers, wraps, gyros and sandwiches. The Rings in the restaurant name refers to their curly fries. There's a line of nine proprietary sauces that range from mild to medium to hot to atomic, and beer and wine (and even full liquor in some locations) are served. Booths and tables all have line-of-sight visibility to at least one of the dozens of television sets placed throughout the restaurant. Many of the restaurants also sport a locomotive-themed décor, reflecting the interests of CEO Philippe Schram.

BWR restaurants typically range between 3,000 and 4,500 square feet and are often located in strip mall buildings. The company prefers locations that are near to single- and multi-family housing, universities, hospitals, office buildings and other commercial areas. The target customer is a cost-conscious casual diner.

While it's clearly the David among the Goliaths of Buffalo Wild Wings, Wingstop, and even Pizza Hut's co-branded concept WingStreet, Buffalo Wings and Rings is staying in the game, finding its niche and continuing to look for growth opportunities.

## **International Coffee & Tea LLC (+82%)**

1945 S La Cienega Blvd

Los Angeles CA 90034

310 237-2326

[www.coffeebean.com](http://www.coffeebean.com)

Year Founded: 1963

Current Units: 948

Menu Type: Coffee

Foodservice Type: Quick Serve

International Coffee & Tea Leaf does business as The Coffee Bean & Tea Leaf (CBTL), and it and its predecessors have been brewing up business since Herbert B. Hyman opened the first CBTL location in California nearly 50 years ago. The Coffee Bean & Tea Leaf is proud to be the oldest and largest privately-held coffee and tea retail business in the U.S. In addition to locations in Alabama, Arizona, California, Florida, Hawaii, Michigan, Nevada, and Texas, the company has a significant international presence, with locations in Asia (including China, India and South Korea), the Middle East (including Egypt, Israel, and Saudi Arabia), and Mexico. Because of the Middle Eastern presence, all products offered in the stores are kosher and all beverages are also halal.

Besides hot, cold, iced, or blended coffee and tea drinks, the restaurants serve bagels, muffins, pastries, yogurt parfaits, fruit salads, and sandwiches. Packages of branded coffee beans and tea leaves are available as are gift cards, T-shirts, syrups, mugs, and travel mugs. The company touts that it roasts its own coffee beans daily in small batches which are then packaged and delivered to its stores daily.

Locations operate as typical stores (1,200-1,800 square feet) and kiosks (less than 300 square feet) and are generally located in office complexes, shopping malls, or in central business districts. Site criteria include high-density population, high-visibility and -accessibility siting, adequate parking, and on the 'going-to-work' side of the street. Stores are open an average of 16 hours a day - from 6:00 AM until 10:00 PM, seven days a week, depending on the location. Locations also offer free Wi-Fi to customers.



**Wingstop Restaurants Inc. (+80%)**

1101 E Arapaho Rd, Ste 150

Richardson TX 75081

972 686-6500

[www.wingstop.com](http://www.wingstop.com)

Year Founded: 1994

Current Units: 526

Menu Type: Chicken

Foodservice Type: Fast Casual

The first Wingstop restaurant was opened in July 1994, franchising began in May 1997, and the first franchised location opened in April 1998. Since then the chain has grown to nearly 600 locations open or under development across the country. The concept was created by Antonio Swad who later went on to develop the Pizza Patron concept, another highly successful restaurant chain. Wingstop was acquired by private equity firm Roark Capital Group in 2010.

Wingstop restaurants offer Buffalo-style chicken wings, along with complementary side dishes (cole slaw, potato salad, fries, baked beans) and beverages. Beer and wine are offered where permissible. Unlike most of its competitors in this marketplace, the Wingstop menu does not include sandwiches of any sort or any other protein such as hamburgers or hot dogs. However, it does offer the choice of traditional or boneless wings as well as boneless chicken strips. Wingstop's nine sauces run from Mild to Original Hot to Atomic and include such varieties as Hawaiian Barbeque and Garlic Parmesan.

Over the years, the proprietary recipes have led to numerous awards and top place finishes in wings contests around the country, including the Best Chicken Wings for six years in Boulder, Colorado; Best Wings in Central Texas; and Wing King at the National Buffalo Wing Festival. A recent press release from the company noted that it served more than 5 million chicken wings on Super Bowl Sunday. The company features former NFL great Troy Aikman as its national spokesperson.

Wingstop Restaurants real estate criteria include locations in strong "daily needs" shopping areas with good visibility, accessibility, and convenient parking. Preferred co-tenants include Walmart Super Centers, large chain grocery, and video stores. A daytime population of 20,000+ within two miles is desired, and the target household has median income of \$35,000+ and median age 31-36. Restaurants are mainly located in shopping centers and typically occupy between 1,300 and 1,800 square feet. They feature a nostalgic aviation-themed atmosphere that features 1930's-1940's pre-jet décor and artifacts.

## **Jimmy John's Franchise LLC (+79%)**

2212 Fox Dr

Champaign IL 61820

212 356-9900

[www.jimmyjohns.com](http://www.jimmyjohns.com)

Year Founded: 1983

Current Units: 1,131

Menu Type: Quick Serve

Foodservice Type: Sandwiches/Deli

Jimmy John's Gourmet Sandwiches and its founder, James J. Liataud, have been a force in the sandwich-making business for almost 30 years. Developed in Charleston, Illinois, when Jimmy John was only 19 years old, the company has grown over the past three decades to more than 1,100 locations across 39 states. However, the majority of this growth has occurred only in recent years – as late as the end of 2006 there were fewer than 500 Jimmy John's restaurants open. As is the case for most of the companies that made the Top 10 Fastest Growing list, growth has come through franchising, with the number of company-owned and -operated locations remaining stable in the 20-25 unit range.

What makes Jimmy John's unique and attractive to franchisees and to customers in a world filled with Subway, Arby's, and Quiznos? Simplicity and speed. The bread is baked fresh in-house every day, and the meats and vegetable toppings are sliced fresh in-house every day. The only side items offered are pickles, chips, and cookies. Even the choice of toppings is somewhat limited, compared to some other chains. This streamlined approach helps to ensure a customer can quickly get in and out with a minimum of time, fuss, and mistakes. The restaurants are primarily carry-out operations but select locations have some on-premises seating, and many of the locations offer delivery services, a rarity in this niche. Also helping to build name recognition is the company's sponsorship of the Kevin Harvick Sprint Car Racing team, which puts the Jimmy John's logo out for the world to see throughout the racing season.

Jimmy John's restaurants are typically located in strip shopping centers, shopping malls and in freestanding units. The criteria for a prime location includes a daytime employee population of at least 8,000 within a three-minute drive and more than 20,000 within a five-minute drive. In residential areas, the company prefers at least 25,000 within the trade area and a median household income more than \$40,000. High traffic counts, ample parking, and easy access are all required.



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