



Restaurants & Institutions

March 1, 2003

The Popular Vote

Building relationships pays off for America's favorite chains

By Allison Perlik, Senior Editor

In a year characterized by an unstable economy at home and volatile politics abroad, the best restaurant chains met the challenges, growing in their roles as providers of the reassuring comfort of a favorite meal. The winners of Restaurants and Institutions' 2003 Choice in Chains survey earn that special relationship with their guests by offering consistent quality in food, service and ambience.

More than 2,800 consumers were asked to judge the performances (for food quality, menu variety, value, service, atmosphere, cleanliness and convenience) of chains at which they had dined in the previous year. Scores were tallied for 95 chains in 13 categories.

The results yielded three first-time winners—Papa Murphy's Take 'N' Bake Pizza in the pizza category; Texas Roadhouse among steakhouses; and Ryan's Grill, Buffet & Bakery for cafeteria/buffet concepts. A revamped menu helped Don Pablo's regain the top spot among Mexican concepts, a distinction it last held in 2001.

Perennial customer favorites such as Red Lobster, Cracker Barrel Old Country Store and Romano's Macaroni Grill proved there's no room for complacency at the top, bettering their scores for several attributes.

Other chains winning their categories this year included Panera Bread (and also voted highest overall for food quality) and The Cheesecake Factory (and first overall for menu variety). In-N-Out Burger, Chick-fil-A, Krispy Kreme Doughnuts and Baskin-Robbins also repeated their 2002 victories.

[View the scores by categories](#)

[View the scores by attributes](#)

BURGERS

In-N-Out Burger gives limited menus a good name. Not much changes, and that's fine with its loyal customer base. A West Coast institution for 55 years, In-N-Out still serves sloppy-good burgers with generous portions of beef that is ground in house.

There's more to a great burger than the meat, according to In-N-Out devotees. The genius lies in the careful layering of lettuce, tomatoes, pickles, onions and mustard on a worthy bun, which the chain bakes daily using slow-rising sponge dough. Cheese is 100% dairy; fries are hand-cut from whole potatoes; and shakes are made with ice cream, not a mix.

Microwaves and heat lamps are strictly taboo. Even freezers have no place since all ingredients are delivered fresh daily.

"Our commitment to quality and freshness dates to founders Harry and Esther Snyder in 1948," says Carl Van Fleet, vice president of planning and general manager. "It's one of the cornerstones of In-N-

Out Burger.”

Forget fancy sauces or garnishes: In-N-Out customers’ favorite is the Double-Double with two 100% beef patties, hand-leafed lettuce, tomato, onions and two slices of American cheese stacked on a freshly baked bun. Want grilled onions instead of raw? Prefer mayonnaise instead of mustard? Order a Wish Burger—In-N-Out-speak for special requests.

“I don’t know if the addition of a [new] soft drink [in 1995] qualifies as a menu change,” Van Fleet says. “In that respect, we’ve never changed our menu. Many customers tell us they hope we never do.” —Felicia Fuller

PIZZA

Papa Murphy’s Take ‘N’ Bake Pizza has a story to tell, and with the help of a new \$15 million advertising campaign, the word is getting out.

“Papa Murphy’s is different; it breaks out of the pack,” says Rob Elliott, executive vice president of marketing. “We concentrate on the product. We make the pizza fresh, and all the consumer has to do is take it home and bake it.”

For the first time, Papa Murphy’s garners top honors from consumers in the pizza category. The concept also topped all other chains in scores for value and convenience.

It’s the take-and-bake angle that distinguishes Papa Murphy’s in a category where differences among top competitors have become diluted, Elliott says. The new ad campaign will focus on the advantages of this format over offerings such as delivery, grocery-store frozen pizza or independent pizzerias.

“With our product it really is simple,” Elliott says. “The customer preheats the oven, pops in the pizza for 12 to 18 minutes and pulls it out. It even comes on a tray that goes right in the oven.”

Convenience plays a key role in its success. Because delivery or dine-in are not offered, operations run easily for franchisees, who operate 98% of the chain’s locations. The take-and-bake model also allows the company to put its money where the consumer’s mouth is: in the product.

“We make everything fresh in the stores every day, from the dough to the sauce to grating the cheese,” says President Mark Laramie. “And the pizzas are made to order for the customer.” —A.P.

CASUAL DINING

What began as a small bakery cafe in 1940s Detroit has burgeoned into a chain of decidedly upscale casual restaurants lauded by customers for food quality, menu variety and service. For the second consecutive year, customers give The Cheesecake Factory the top rating among casual-dining concepts.

Variety and volume are central to The Cheesecake Factory’s appeal. The company’s full-time research and development staff works closely with Chairman and CEO David Overton and Corporate Chef Bob Okura to craft the expansive menu. The concept received a higher rating for menu variety from Choice in Chains respondents than any other brand, which is hardly surprising. Cheesecake Factory guests choose from among more than 250 items, including burgers, steaks, pizza, pasta, sandwiches, salads and, yes, cheesecake. Customers favor the Cajun jambalaya pasta, Chinese chicken salad, avocado egg rolls, miso salmon, Cajun rib-eye, chicken Madeira and Thai lettuce wraps as well as the Classic Burger.

Portions are large, yet the average check (including beverages and desserts) is about \$16. Maintaining that price/value equation is key to The Cheesecake Factory’s repeat performance as a Choice in Chains winner.

The company also operates three Grand Lux Cafes—in Los Angeles, Chicago and Las Vegas—larger and more upscale than Cheesecake Factory but with a similarly deep menu. A self-service express unit is located in DisneyQuest entertainment center in Orlando, Fla. —F.F.

CHICKEN

Like its bovine mascot, Chick-fil-A is a steady plodder in the race to capture customer loyalty. It also is a repeat winner in the Choice in Chains derby.

“We’re slowpokes and proud of it,” says Woody Faulk, vice president of brand development. “We’ve gotten bigger by becoming better, not faster.”

The family-owned chain’s hallmark offering is boneless breast of chicken, served as a sandwich, salad, strip or nugget. Company executives are reluctant to introduce new items, focusing instead on improving existing fare. The 2001 introduction of Cool Wraps marked the latest product rollout, an average 20-month process from concept to completion. Before that, it had been six years since Chick-fil-A augmented its menu.

Research is directed to improvements rather than new-product introductions. Most recently, the company purchased equipment designed to cook chicken more evenly while sealing in moisture and seasoning. Additionally, the marketing staff is crafting strategies to popularize its breakfast menu, which includes chicken biscuits, hash browns, eggs and pastries.

“We’ve always served breakfast, but our challenge is to reposition chicken as a breakfast item in the minds of customers,” Faulk says.

Attentiveness and courtesy are key tenets of the corporate credo, according to Faulk. Restaurants are designed with customer perception in mind. For example, drink towers are placed on front counters so servers don’t turn their backs on customers to pour refills. —F.F.

FAMILY DINING

Cracker Barrel Old Country Store thrives on being a crowd pleaser. The chain retains its top position in the family-dining category, with high scores in value and service explaining its long-term popularity and success.

The concept strives to maintain the vision established in 1969 by Dan Evins, chairman and co-founder. It mandates good food, affordable prices and friendly service, according to Donald M. Turner, president and COO. Cracker Barrel’s successful pairing of restaurants serving country-style food with retail gift stores selling Americana-themed merchandise defines the brand and explains its continuing appeal.

State-of-the-art food production allows the chain’s kitchens greater control over inventory, the ability to track sales and minimize waste. All contribute to lower food costs and menu prices, according to CEO Michael Woodhouse. And last year the chain created a retail planning department that examines sales, inventory and traffic in retail stores and suggests ways to improve operations.

Another contributor to its success is employee loyalty. Relatively low turnover is a result of solid training, good benefits and financial awards. The chain offers employees a variety of training initiatives, including a professional education and personal advancement program that is open to all hourly employees. Workers earn points by accomplishing set goals. Rewards include enhanced benefits and financial incentives. —Margaret Sheridan

DOUGHNUTS/COOKIES/COFFEE

How did Krispy Kreme Doughnuts score higher in all attributes this year than it did in winning the category last year? Menu additions, unit growth and improved store design account for its stellar performance, the company suggests.

When it comes to new menu offerings, Krispy Kreme invites customer input for varieties and names. Last year the chain asked for opinions on 12 proposed doughnut flavors and was deluged with 20,000 e-mail responses. Flavors such as pumpkin spice and New York-style cheesecake resulted. The company says a new doughnut variety will be marketed every eight weeks.

Krispy Kreme's own brand of coffee, introduced last August, will spawn a variety of espresso drinks and blended frozen beverages by summer, says Stan Parker, senior vice president of marketing. Beans are roasted by variety, blended and shipped weekly from the company's roaster in Winston-Salem, N.C.

The chain also is upgrading its stores. New units feature more graphics and artwork, with softer colors on walls, logos and menus, even on uniforms. Background music has been added to encourage customers to linger.

Last year's launch of a 53-foot-long trailer that operates as a kitchen/retail store creates greater opportunity to reach markets at sporting or entertainment events. The unit participated in homecoming activities for a U.S. Navy battleship group, for example. "The mobile store is a way to extend the Krispy Kreme experience. It's viable, and there's demand," adds Parker. —M.S.

SANDWICHES/BAKERY

The process of building customer loyalty begins very early each day at Panera Bread when its bakers begin preparing loaves.

"It all comes back to the bread," says Jon Jameson, Panera senior vice president and chief brand officer. "I think customers recognize our commitment to baking fresh bread every day. Sixteen varieties around the clock. It's our connection with customers and the platform on which everything else is built."

The perceived quality of the freshly baked breads that come from Panera's ovens is the concept's foundation, Jameson says, raising expectations for everything else that is offered—from bagels and sandwiches to soups and beverages. Understanding those expectations and exceeding them is Panera's challenge and the key reason for its continuing success, he says.

"Everything we put with the bread has to be the best," he says. "We bake breads the old-fashioned way, with no preservatives. Based on that commitment, our customers expect the same dedication to freshness and quality ingredients in everything else we serve."

The flexibility of the Panera concept helps keep sales rising, Jameson says. "Customers use us in different ways. We're a breakfast solution in the morning and at lunch we become a cafe that also happens to serve great sandwiches, soups and salads as well as our baked goods. In the afternoon there's what we call the chill-out time when you see students or business associates gathering." — Scott Hume

MEXICAN

Suggestion can be a powerful tool indeed. When advertising and marketing efforts aggressively position a restaurant as an entertaining experience, customers' perceptions can rise.

Don Pablo's is a case in point. Last spring, the casual-dining concept—which had relinquished its claim to being customers' favorite Mexican chain in R&I's Choice in Chains survey—invested \$15 million in a national advertising campaign themed Let Go Amigo. Television ads used a mariachi band to convey an upbeat brand personality, informed diners about its fresh foods and highlighted new menu items.

Don Pablo's customers' apparently got the message, because the chain improved its overall score and its numbers for menu variety, value, service, atmosphere and convenience and regained the top rating in the category.

Real Enchiladas with grilled steak or chicken (\$8.49) joined the menu and have become the chain's top seller. Close behind are the Pick Two/Pick Three combination plates of tacos, burritos, enchiladas, chiles rellenos or tamales (\$6.99 or \$7.99) that also were introduced as part of the Let Go Amigo program.

Accelerating the brand repositioning, Don Pablo's this month introduces systemwide a new menu that more heavily stresses fresh-Mexican foods. Mexican-style pizzas join the appetizer list, while grilled burritos and new salads are added to entrée choices. Pricing ranges stand steady. —S.H.

STEAKHOUSE

The customer comes first at most restaurant chains. Texas Roadhouse isn't one of them.

Kent Taylor, the chain's founder and president who began the chain in 1993 in Clarksville, Ind., says employees come first. Satisfied customers begin with happy, motivated managers and kitchen and dining room crews. Texas Roadhouse's high marks from its customers in R&I's Choice in Chains survey convince him even more strongly that his philosophy works.

"Pleasing customers begins with consistent management, with people who are committed to their stores and communities," he says. "That attracts better talent for every other job in the restaurant."

Unit manager contracts ensure they will be in the same restaurant for at least five years, and their compensation includes 10% of their store's profits. Social activities such as bowling leagues and sales competitions—often pairing front- and back-of-the-house workers to break down the wall that can keep them apart—are encouraged.

Texas Roadhouse units cut their own steaks from aged Midwest beef. Customers can see butchers through a kitchen window when they walk to the dining room. They also see bread baking, salad dressings prepared from scratch and the general absence of pre-made foods. "That's good for customers and it's good for employees too," Taylor says. "They can be proud of the food they serve because they know it's good and fresh."

The casual-dining chain opened 22 units in 2002—with 20 more expected this year—and operates in 28 states. —S.H.

CAFETERIA/BUFFET

When the going gets tough, the tough do more than get going—they get better.

That's the game plan at Ryan's Grill, Buffet & Bakery. In a category where five different winners have taken top Choice in Chains honors in the past half decade, Ryan's distinguished itself as consumers' No. 1 cafeteria/buffet concept this year with an ambitious push forward.

"We chose to be more aggressive in what we're offering and make it a better value," says Ed McCranie, executive vice president.

In a bid to grab market share, the chain recently shifted its positioning from a traditional buffet concept to a more visual, interactive dining experience. Besides the typical hot and cold buffet bars, Ryan's now offers display grills, wok cooking and carving stations where customers can get the food they want prepared to order before their eyes.

The transformation "really gives our concept some sizzle," McCranie says. "Customers can talk to the cooks and to the carver and get just what they want."

All new Ryan's locations incorporate the display concept while the chain continues to convert existing stores. President and CEO Charlie Way estimates that renovations will be completed systemwide in

three to four years.

In addition to its focus on food, Ryan's seeks to improve operations by keeping managers motivated and content. One initiative involves reducing hours spent on the job so employees can dedicate time to outside interests. Most managers now work 4 1/2 or 5 days per week. —A.P.

ITALIAN

John Miller knows that for his customers, value means more than a modest price tag and convenience means more than a location around every corner.

"The more we eat out, the more we want a quality experience that doesn't feel rushed," says the president of Romano's Macaroni Grill.

The Italian-themed chain has made it a goal to provide just such an experience for customers, propelling the concept to a fifth straight win in its category and earning the distinction of highest scorer among all chains surveyed for the fourth year in a row.

To customize service to fit guests' needs, waitstaff are encouraged not to rush diners. "They can ask guests if they'd like to hear the specials or if they're ready to order. They can gauge if the guest would like to see the wine list or just wants to order an iced tea," Miller says.

Romano's continues to attract diners with its varied menu, from signature favorites such as Penne Rustica (shrimp, grilled chicken and smoked prosciutto baked in a creamy Parmesan cheese sauce) to monthly features such as Filet Katarina (an 8-ounce filet mignon in balsamic-Chianti glaze served with bruschetta and garlic mashed potatoes). New menu items strive for taste and creativity. Consider the recently introduced dessert ravioli filled with house-made chocolate ganache and caramel ice cream.

"Overall, the value for the money from the culinary standards to the service standards are hard to replace for less than \$25 to \$50 per person somewhere else," Miller says. —A.P.

SEAFOOD

When Bill Darden and Joe Lee opened the first Red Lobster restaurant in 1968, two rock lobster tails sold for \$2.95 and a shrimp cocktail cost 75 cents.

Thirty-five years later, the concept's value proposition continues to resonate with customers, who named Red Lobster their favorite seafood chain for a 15th straight year. The concept once again scored above the competition across the board, improving its marks in nearly all attributes.

"My goal is to continue the progress that's been made toward becoming every community's favorite seafood restaurant," says President Edna Morris. She says traditional favorites such as crab and shrimp remain top sellers among the 140 million guests the chain serves each year.

A new menu emphasizing fresh fish and bold ethnic flavors made a splash with diners in 2002. Among the preparations are sesame-ginger seared fish served over ripened Asian vegetables and noodles; pan-seared fish cooked in Cajun spices and served with cilantro-lime cream sauce; and fresh mahi mahi with roasted portobello mushrooms and garlic-fennel sauce.

Not only does the modernized menu provide the wide variety and high flavor profiles customers crave, but its fresh fish options also offer a tasty alternative for diners concerned with healthy eating—an issue for today's restaurateurs.

"Our continued focus is on strong leadership; strong team members focused on hospitality you can taste and hospitality you can touch," Morris says. —A.P.

ICE CREAM/FROZEN YOGURT

Baskin-Robbins attributes its success to innovation and listening to customers. The formula appears to work because customers once again have rated the unit of Allied Domecq Quick Service Restaurants their favorite in the ice cream/frozen yogurt category.

Its global presence breeds familiarity. "We put stores wherever people want them," says Joe Adney, senior director of marketing. But new product introductions also contribute to Baskin-Robbins' hold on the top position. "We're about flavor, variety and innovation," he adds. In fact, the company's flavor library has more than 1,000 profiles.

Many other factors contribute to its success. Promotions tied to popular films inspired current offerings such as Xmen ChocVortex Sundae, Xtreme Berry Sherbet and Wolverine's Berry Rampage.

The appeal of sorbets and sherbets to all ages accounts for development of flavors such as Wild & Reckless, a concoction of green apple, blueberry and fruit punch.

Passing muster with parents is crucial, Adney adds. "They bring the kids here." Adults especially respond to a take on s'mores, the classic camping treat. Baskin-Robbins' version features graham crackers, toasted marshmallow mousse and chocolate flakes in ice cream.

A revised store configuration and design will be introduced for units co-branded with Allied Domecq's Togo's and Dunkin' Donuts brands. Those will require more seating and comfort than single-brand venues. In addition, the chain will focus on catering with specialty cakes and products. —M.S.

ABOUT THE SURVEY

Restaurants and Institutions' annual "Choice in Chains" survey is based on consumer research conducted by NFO WorldGroup (formerly NFO Research, Inc.) of Greenwich, Conn.

A nationally representative panel of 4,000 heads of household was asked their awareness and patronage of 131 national and regional restaurant chains. In addition, respondents were asked to evaluate each chain they or members of their household patronized in the past 12 months. Mail returns were accepted from Oct. 2, 2002, through Nov. 5, 2002. The results presented here are based on responses from 2,802 heads of household (a 70% rate of response) and have a margin of error of plus or minus 2% at the 95% confidence level.

Chains were rated on a scale of 1 (poor) to 5 (excellent) for each of the following attributes: food quality, menu variety, value, service, atmosphere, cleanliness and convenience.

The report data presents the percentage of respondents who rated a chain "excellent" or "above average." The "overall score" is a calculation that factors in patronage levels (percentage of respondent households that had patronized a chain within the previous 12 months) as well as the sum of the above-average and excellent ratings for all attributes. No attempt was made to selectively weight the attributes for different types of chains; all attributes were weighed equally.

It is important to note that each chain is evaluated only by its own patrons. Only percentages are reported, so it does not matter if the chain is large or small and has a patronage base of 200 or 2,000. Choice in Chains winners named in this issue of *Restaurants and Institutions* were selected from those chains patronized by at least 4.5% of all survey respondents.

Note: The Dinner House category from prior years was renamed Casual Dining. In addition, several chains were shifted to other categories to more accurately reflect their menus and service styles.

For details on the NFO panel distribution or other information about details of this study, please contact Research Director **Pete Cholewinski** at (630) 288-8202.

