

Branding a Legend

CAB brand solves consistency constraints one café at a time.

by Jennifer Kiko

Since first opening in London, England, in 1971, Hard Rock Cafe has grown to iconic proportions. Today, there are 122 Hard Rock locations in more than 40 countries. As times change and musical styles are redefined, Hard Rock remains true to its founding objectives: delicious food, awesome music, a high-energy atmosphere and an experience guests will never forget.

The *Certified Angus Beef*® (CAB®) brand has been a part of this rock-and-roll fantasy since 2003. The legendary pairing began in Mexico.

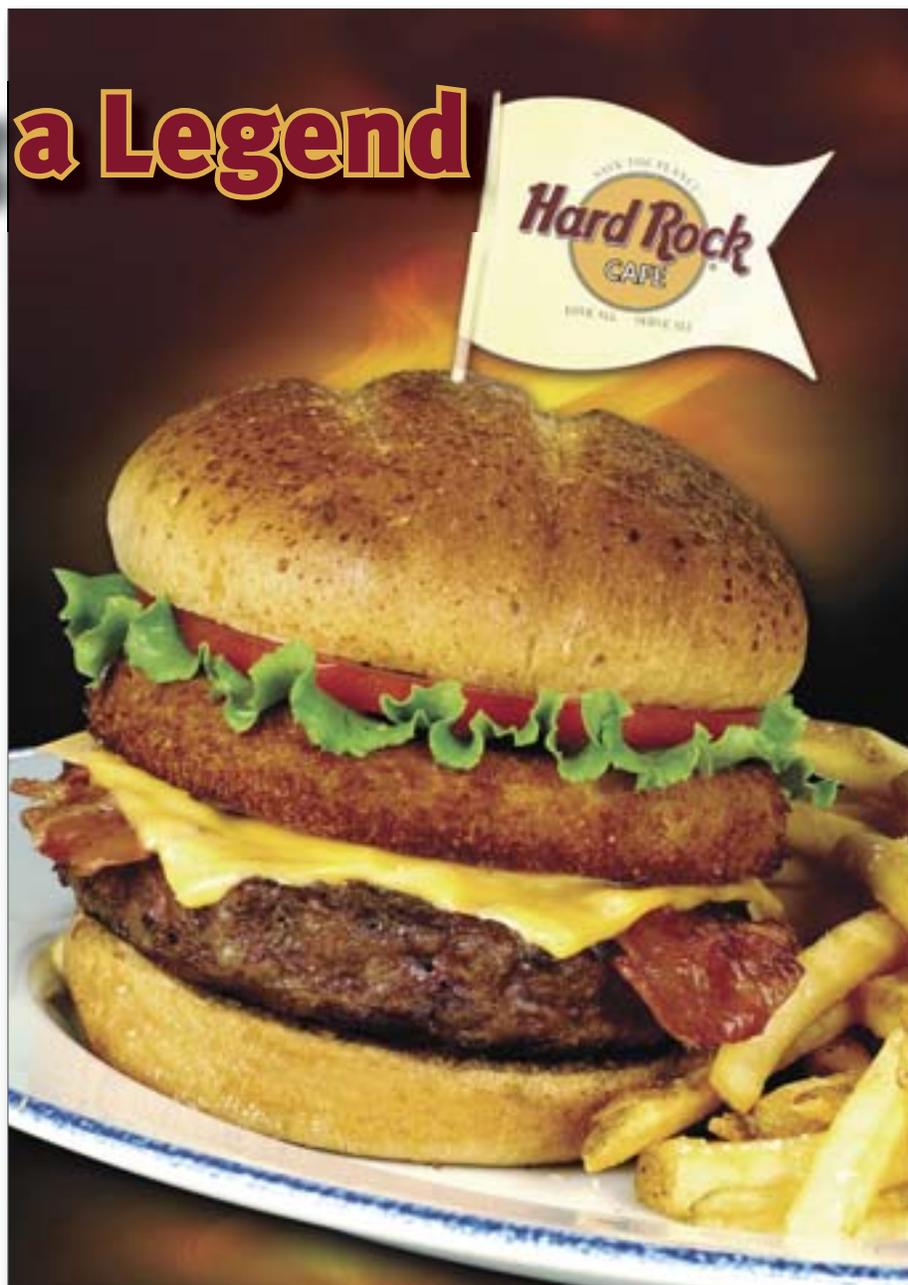
Unlike its corporate-owned domestic counterparts, Hard Rock Cafe sites in Mexico are franchised to a local owner, Grupo ECE. This restaurant group also owns the Rainforest Cafe and Planet Hollywood franchises in Mexico.

“Franchised restaurant operations outside the United States generally have considerable flexibility in setting their own specifications, based on the availability of ingredients in the local marketplace,” says Mark Spengler, director, Certified Angus Beef LLC (CAB) International Division. “Their goal is a standardized, world-class experience to an established corporate menu, but how they achieve that experience can vary from country to country.”

In Mexico, distribution and supply options for international, Western-style restaurants are limited to a few channels. These supply chains are constantly challenged by lack of local production options and an ever-changing series of importation and logistics issues, Spengler says.

“In this environment, the CAB brand has historically offered a consistent solution for many restaurant operations in a market of uncertain and variable offerings,” he notes.

There are eight Hard Rock Cafes in Mexico: Mexico City, Cancun, Cozumel, Tijuana, Acapulco, Guadalajara, Cabos and Puerto Vallarta. Three Rainforest Cafes were licensed in October 2004, and two Planet Hollywood restaurants were licensed in June 2003. All three chains are line-item licensees, lacking only CAB tenderloins on their menus.



The 10-oz. Legendary Burger is pleasing palates across the United States. Hard Rock Cafe's 7-oz. burger is also made of CAB® ground beef.

In Mexico, Hard Rock Cafes serve CAB burgers, strip steaks and arrachera (inside skirt). Rainforest Cafes offer the top sirloin, strip and arrachera. Planet Hollywood locations serve burgers, top sirloin, strip steak and arrachera.

“Because of the brand’s inherent rigid and unchanging specifications, as well as reliable supply from Comercial Norteamericana, a licensed distributor since 1993, we have been able to gain a place on Grupo ECE’s menus. This happened prior to establishing a presence in U.S. Hard Rock locations,” Spengler says.

Sizzlin’ sales

In August 2003, a New York strip promotion was launched to boost Hard

Rock Mexico’s steak sales. Planet Hollywood units also participated. The promotion included waitstaff training, table tents and menu inserts designed by CAB artists, and prizes for top servers in each restaurant. The promotion resulted in an 87% increase in CAB strip steak sales compared to the previous month.

A second CAB strip promotion was conducted in all three chains in December 2004. Strip sales during the promotion increased 67% compared to sales from December 2003. Overall, strip sales have doubled in the past 12 months vs. the previous year. CAB strip steak menu inserts remain in the Hard Rock units, and Corporate Chef Javier attributes success to keeping the strip in front of customers.

Combined, the three chains have had a 30% increase in tonnage compared to last year. The growth is a direct result of steak items on the menu.

Keeping steaks on the menu has led to Hard Rock being “known for its great steaks,” Chef Javier reports. Though Hard Rock has always been famous for its burgers, Mexico locations are now frequented as great steak destinations.

Burgers at the three franchises will soon have their claim to fame, too. Comercial Norteamericana began producing CAB patties in its Monterrey, Mexico, plant in April 2004, due to the ban on U.S. ground beef into Mexico. Prior to the first case of bovine spongiform encephalopathy (BSE) found in the U.S., all Hard Rock Cafe burgers were produced at Freedman Foodservice of Dallas and imported into Mexico by Comercial Norteamericana. The restaurants will continue to purchase steaks from the distributor, but Grupo ECE has discovered a new source for burger patties.

“Hard Rock recently brought an amazing new burger processor to us,” says Maggie O’Quinn of CAB’s International Division. “American Beef is a state-of-the-art ground beef processor in Chihuahua, Mexico. The brand expects to double burger volume to all three chains in the coming months,” she says.

The domestic legend

A new U.S. legend hit Hard Rock Cafe in 2005. The “Legendary Burger” is made with 10 ounces (oz.) of CAB ground beef. It’s

topped with bacon, cheese, lettuce, tomato and a crispy homemade onion ring, and served on a one-of-a-kind Guinness roll, made with Guinness® beer. The burger is offered with a choice of Caribbean spread or garlic mayonnaise, and dished up with french fries. The Legendary Burger sells at domestic Hard Rock locations for \$12.29. The restaurant’s classic 7-oz. burger is also made with CAB ground beef.

The future is still open to suggestion, domestically speaking.

“We have begun monthly reporting to corporate Hard Rock, including café rankings with and without franchised inclusion,” Spengler says. “This has spurred considerable awareness at the corporate level about opportunities to make the menu better and more consistent with the company’s worldwide vision.”

From an international component, Spengler says success will depend on wooing the local franchise owners in markets overseas that have access to U.S. beef.

With reliable distributors and steady supply, the CAB brand is prepared to fill the gap between the rock and the hard place, so to speak.

“There are cafés around the world — in places like Hong Kong, Indonesia and Bahrain

— that the brand must engage with the same level of success as occurred in Mexico,” Spengler says. “One café at a time, we must demonstrate that the CAB brand is a viable method to improve menu consistency with corporate standards, and then help construct distribution channels that will support the product.”

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Editor’s Note: Jennifer Kiko is communications specialist for CAB Marketing-Communications Division.



Table tents and menu inserts keep CAB brand steaks in front of customers, resulting in increased steak sales in Mexico.

