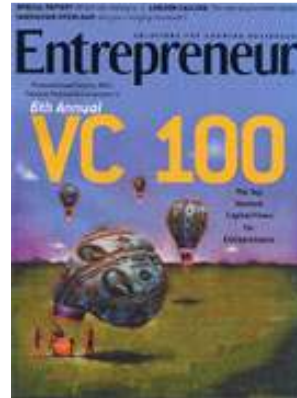


## Fast-Food Franchises Get Fresh

Which food franchises will be flying off the shelves in the near future?

Ones that offer fast, healthy and fresh options.

By Sara Wilson | [Entrepreneur Magazine](#) - July 2006



Americans adore all things fresh: fresh beginnings, fresh outlooks and now, more than ever, fresh foods. According to a survey conducted by Datamonitor, the natural food and drinks market is expected to surpass \$27.5 billion by 2007, and the number of natural-food consumers in the U.S. is expected to grow from 216 million in 2002 to 266 million in 2007. The bottom line is that Americans are no longer willing to eat whatever is easiest or cheapest. Better-educated consumers are searching for fresh, unprocessed, healthy foods--and this dietary change is fueling what we predict will be the next big trend in franchising: fresh-food franchises.

What's driving this trend? "The major thing affecting these fresh-food concepts is the fact that there's a [tremendous] amount of media convincing us we're getting fat," says Aaron Allen, CEO of Quantified Marketing Group, an Orlando, Florida-based full-service strategic [marketing](#) and PR firm that works with 2,000 restaurant

Also fueling the fire is what Allen calls "the trading-up phenomenon." Consumers are increasingly willing to spend more for products that matter to them. "People would rather pay \$12 for a martini than \$6, because they expect a \$12 martini to come in a different kind of glassware and be served in a different atmosphere," says Allen. "So the trading-up phenomenon plays perfectly into this shift toward fresher foods."

Meanwhile, consumers' hectic lifestyles are making it increasingly difficult to prepare fresh foods at home, says Harry Balzer, vice president of The NPD Group Inc., a provider of consumer retail information in Port Washington, New York. This is driving consumers to turn to restaurants for fresh foods.

Whatever is fueling this trend, we know that what consumers want, entrepreneurs are quick to deliver. We at *Entrepreneur* can already feel the momentum building and foresee tremendous growth in a new segment of franchises carving out their own healthy and fresh niche. We talked to some key players to find out more about this trend and determine what the future holds in this up-and-coming market. Bound by a common focus on fresh and healthy eating, these players unanimously agree that franchising is the way to their future.

### **All-Around Fresh**

For franchises like [Fresh City](#), the offerings are extensive, but the focus is never lost. From the ingredients to the way the food is prepared, the experience is always fresh.

Brothers Larry and Bruce Reinstein founded Fresh City in Needham, Massachusetts, in 1997 and have developed a menu that includes wraps, Asian noodles, soups and smoothies. All menu items are made to order, roasting and stir-frying are the only cooking methods used, and all the ingredients come from the best sources. The noodles are from New York City's Chinatown, the

coffee and smoothie ingredients from California, and produce is purchased from local producers whenever possible.

Larry and Bruce, 50 and 48, respectively, decided to take the concept to the next level through franchising in 2003. Says Larry, "We had a vision of building a national brand, and we understood that, to be successful as a national brand, we had to attract very, very successful multiunit operators who would be able to grow the concept for us." Their ultimate goal is to have about 50 franchise partners, with each partner operating 15 to 20 locations. They are already well on their way. They currently have three franchisees, just celebrated the opening of the first of 20 locations in New Jersey, and are looking to soon close deals in Florida, Maryland, New York and Virginia. Initially, they're concentrating on growing the concept in the eastern half of the U.S. in areas that can support a minimum of 10 locations. "I'm a believer in underpromise, overdeliver," says Larry. "When you're too far away from your headquarters too early as a franchisor, it's very difficult to provide the service that's required to make sure [your franchisees] are successful."

With such rapid expansion on its plate, it won't be long before Fresh City becomes a national brand. Meanwhile, the Reinstein brothers are keeping pace with their customers: "The concept has evolved," says Larry. "When we first got started, our concept was [more appealing to] women and affluent customers. What we've seen over the past seven to eight years is everybody is eating healthier."

### **Healthy Future**

The light is set to green for all things fresh, and there's a group of budding franchisors taking it upon themselves to spread the message--and specialize in providing the product. However, to grow at the speed they desire, they are looking for the right franchisees to take the baton.

"The [fresh-food] trend is nowhere near the cusp of where it's going," says Allen, who reports that in one month alone, he has received a half-dozen inquiries from startups looking to open healthy fast-food restaurants. "[The trend] is going to continue to grow at double-digit percentages over the next several years. You're finding it in all segments of the restaurant industry: fast food, casual dining and fine dining."

The simple fact of the matter is that fresh food is something all consumers desire. Says Balzer, "It's very, very popular in our lifestyles." With that kind of demand, the opportunities are limitless.