



Chain Leader

INSIGHT FOR RESTAURANT EXECUTIVES

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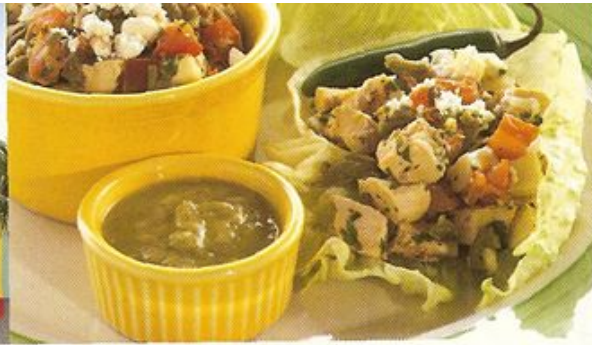
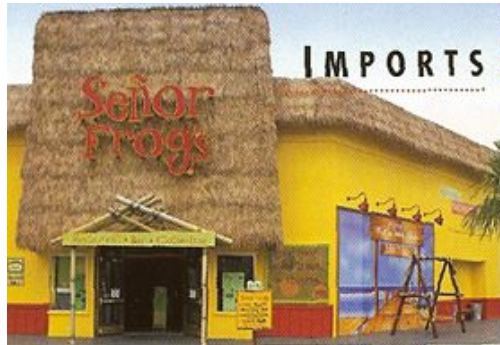
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Tom McKenna, CEO
McCormick & Schmick's
Seafood Restaurants



Señor Frog's units sport a tropical look using thatched materials, bamboo, wood, and a palette of orange, yellow, red and green.

Señor Frog's created Aqua Tacos to be the Mexican version of lettuce wraps. It features grilled chicken mixed with cactus leaves, panela cheese, tomatoes and red onions tossed with cilantro vinaigrette, and served with iceberg lettuce, avocado salsa verde and limes

SNAPSHOT

CONCEPT

Señor Frog's

PARENT COMPANY

Grupo Anderson, Cancun, Mexico

UNITS

14

2004

SYSTEMWIDE SALES

\$36.5 million

2005

SYSTEMWIDE SALES

\$42 million
(company estimate)

AVERAGE UNIT VOLUME

\$5 million

AVERAGE CHECK

\$12 to \$15 lunch,
\$20 to \$25 dinner

EXPANSION PLANS

2 in 2006

Toeing the Party Line

Señor Frog's brings its infamous party scene to the United States.

BY MAYA NORRIS

The party is just beginning for Señor Frog's in the United States. The Cancun, Mexico-based chain known for its yard glasses of beer and Shake Your Booty dance contests debuted in the United States this summer and is preparing to open two more stateside locations by next year.

Parent company Grupo Anderson introduced its flagship brand to the U.S. market after opening 13 units throughout Mexico, the Caribbean and Venezuela over the last 36 years. Señor Frog's rang up \$36.5 million in systemwide sales in 2004 with an average unit volume of \$5 million. It makes up 50 percent of sales for Grupo Anderson, which operates seven other concepts including El Shrimp Bucket, a casual seafood chain, and Glazz, an upscale Asian restaurant and lounge.

Anything Goes

Grupo Anderson says Señor Frog's stands out from most restaurants in the United States because of its around-the-clock entertainment and "anything goes" attitude. The chain has live music, contests and unplanned events, such as staff encouraging customers to throw popcorn at each other or dance on top of the bar. Its theme parties have included a pajama party, where guests participated in pillow fights and swam in a pool filled with beer.

"Señor Frog's is not a restaurant or a bar. It's a full entertainment idea and concept. People are entertained from the minute they walk in to the minute they walk out," says Jorge Hinojosa, director of development for Grupo Anderson. "Everything about our place is all about sense of humor, and it's all about being unpredictable."

The tropical decor enhances the carefree attitude with thatched materials, bamboo, wood, and a palette of orange, yellow, red and green. The freestanding units include two bars, a stage and a patio.

Although Señor Frog's is proud of its party scene, the chain also takes pride in its menu. But it refuses to categorize it as Mexican despite offering the usual fajitas, enchiladas and quesadillas. "Señor Frog's is casual and approachable food with an authentic Mexican twist," Hinojosa asserts.

Popular selections include Chicken Wings, \$8.25, served with chipotle-blue cheese dressing; Aqua Tacos, \$8.25, a Mexican version of lettuce wraps with grilled chicken, cactus leaves, panela cheese, tomatoes and red onions tossed with cilantro vinaigrette, and served with iceberg lettuce, avocado salsa verde and limes; and Molcajete, \$18.95, a mortar filled with cactus, skirt steak, chicken, panela cheese, chorizo and avocado, and served with grilled green onions, salsa and tortillas.

New Pads

The chain has already made its mark in the United States. Targeting high-traffic vacation spots, Señor Frog's opened an outpost in Myrtle Beach, S.C., in June and plans to open in Honolulu and Las Vegas by the end of 2006.

Because the U.S. locations have more tourists and fewer all-inclusive properties nearby, Grupo Anderson expects the stateside stores to post higher sales than the non-U.S. units. The company says the Myrtle Beach store is on track to ring up \$8 million in sales in its first 12 months of operation and predicts the Hawaii unit will generate \$12 million and the Vegas store will post \$20 million plus in their first year. **CI**