

Dishing Out Brand Awareness

By Milford Prewitt

Continuously looking for incremental sales, the fiercely competitive chain restaurant industry is licensing branded food items and other products in supermarkets and mass merchandising channels at a pace and volume never before seen.

Once a gimmicky point of distribution for exposing the brand or logo on products in high-traffic, non-foodservice arenas, restaurant brand extension programs are multiplying in virtually every menu category. Among some of the aggressive participants are Chick-fil-A, Burger King, Checkers/Rally's, IHOP, Cold Stone Creamery and Macaroni Grill.

As logical as it is lucrative, chain executives and licensing experts predict the licensing of restaurant trademarks on frozen dinners, snacks, ice cream, spices, toys, clothing and even plush in general merchandise and grocery stores will only grow as the recession loosens its stranglehold on consumers' wallets.

It is even creating some strange merchandise pairings in which restaurant brands will be attached to foods and other products with no connection to the brand's heritage.

That's the case with the partnership involving The Valen Group, a Cincinnati-based licensing agency, and the 51-year-old, 1,280-unit IHOP breakfast chain based in California. Valen announced in early May the launch of a line of IHOP-inspired lip balms for tweens under the Lotta Luv logo and toy food sets by Boley Manufacturing, of California. Valen is also exploring options for a line of candy that would be based on the brand equity of IHOP's

proprietary label, Rooty Tooty Fresh N' Fruity.

"The avenues of channel blurring do not exist in the mind's eye of consumers anymore because they shop very differently than they did 20 years ago," says Steven Johnson, who writes about brand extension at his Wall Street-followed blog, Grocerant (grocerant.blogspot.com).

"Here's the fun part," Johnson continues. "You go to a Costco and get in the checkout line and in front of you is a shopper with a ladder, a couple of T-shirts and underwear, a movie DVD, fresh vegetables, some steaks, a bottle of wine and a prepared ready-to-eat meal, all in the same cart. What that example says is that in this Internet age when consumers don't even have to leave home, restaurant marketers have to put their brands wherever their guests go."

White Castle hamburgers, Nathan's Famous hot dogs and T.G.I. Friday's potpourri of drink mixes, recipe books and bar decorations have a long history of an array of licensed product on store shelves and a host of other restaurant chains have followed suit, including:

- Potato chips, condiments and an assortment of microwavable French fry cuts bearing Burger King's logo can be found in club stores and supermarkets around the country.
- With more than 500 units, the Mrs. Fields cookie chain has teamed up with Klondike bar for a dual-branded ice cream sandwich, now in its seventh year of licensing in supermarkets and club stores.
- Dallas-based Brinker International's Italian dinner house concept, Macaroni Grill, has assigned a third-party manufacturer to license a line of frozen Italian dishes, featuring the chain's signature lasagna.
- In addition to the non-traditional lip balms and toys IHOP is developing, the family dining chain is also reportedly seeking a partner for a line of ice cream or frozen novelties that may go under the Rooty Tooty Fresh N' Fruity brand.
- Lauded for its quirky taglines to encourage poultry consumption—the most renowned of which is "Eat mor chikin"—the 1,800-unit, Atlanta-based Chick-fil-A sandwich chain has stuffed teddy cows, T-shirts, aprons and trucker caps with that slogan and other funny tags for sale at



