

EMERGING BRANDS

Second Annual Study – The Top Emerging Brands

By Jon R. Jameson

We are pleased to present the second **Emerging Brands Research Study** to determine the top emerging brands for 2014. This year we tightened the qualifications. In addition to looking at social media to identify consumer trends and how brands were positioned against one another, we used restaurant expansions or closings and rating changes versus last year, while maintaining the focus on Yelp and Facebook reviews, Foursquare check-ins and repeat check-ins.

Using Czar Metrics and their historical social media research and data helps us project future trends and identify emerging chains to watch over the next few years. This valuable information is increasingly used by PE firms, stock analysts, lenders and M&A firms for brand due diligence and research.

We are excited to have added an “enthusiasm” rating to this year’s study. The Robert H. Smith School of Business at the University of Maryland developed this added piece of research in support of this study. They analyzed the check-ins and reviews to identify points of enthusiasm for all the brands identified in this study and developed a rating based on consumer enthusiasm for the brands.

For this year’s study, we started with the list from the 2013 Restaurant Finance & Development Conference and added new brands that had come on board over the past year. We identified 100 brands between two and 25 units and then narrowed them down using social media metrics to compare consumer sentiment and usage. We added a weighting process this year to add or subtract from brand performance ratings due to specific and measurable criteria.

Using social media to analyze brand performance creates a forum for consumers to be honest and outspoken in talking about brands.

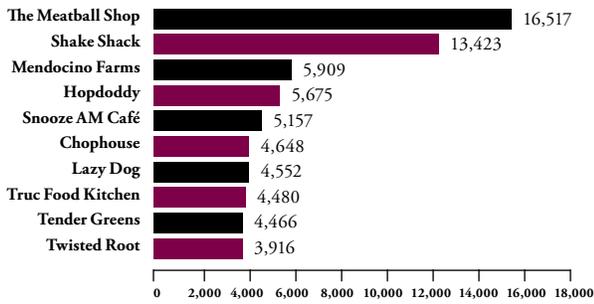
As we saw last year, several things are clear and consistent about consumers’ ratings and discussions around brands.

- Consumers are evangelists about their favorite and discovered brands.
- Food is the critical component in building their loyalty. There is much discussion about better food quality, fresher and better-tasting food.
- They do their online research prior to their first visit.
- Consumers are proud, passionate and defend their brands. They take pride in the fact they were early adopters and even at times brag they are part of setting new consumer trends.
- Once again, there were a lot of comparisons between consumers’ emerging brands and the more established concepts. They identified several reasons for being loyal to their newfound brands.
- They are willing to wait in long lines, within a reasonable period of time, to support their passion for their favorite brands.

We then looked at various usage and ratings from Foursquare, Facebook and Yelp. Foursquare total check-ins per location helped to determine the most popular brands (see table below) and reinforce why consumers loved the brand choices they were making.

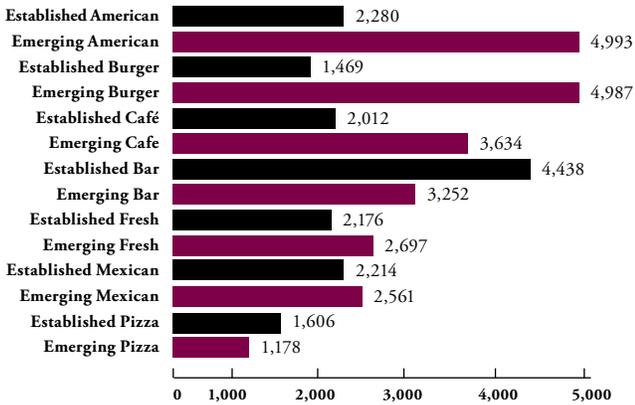
AMERICAN	BURGER	PIZZA	FRESH
Boneheads	Burger Lounge	Anthony's Coal Fired Pizza	Café Gratitude
Chophouse	Burger 21	Blaze Pizza	Fresh to Order
Cooper's Hawk	Hopdoddy Burger Bar	Piada	LYFE Kitchen
Firebirds Wood Fired Grill	Shake Shack	Pitfire Artisan Pizza	Lemonade
The Meatball Shop	Twisted Root	Pizza Rev	Mad Greens
Ocean Prime	Umami	Project Pie	Mendocino Farms
BAR & GRILL	MEXICAN	OTHER	Native Foods Café
Marlow's Tavern	Mi Cocina Tex-Mex	PDQ Chicken	Snappy Salads
CAFÉ		Old Carolina Barbecue	Tender Greens
Bruxie			True Food Kitchen
California Chicken Café			
Lazy Dog Café			
Modmarket			
Snooze AM Eatery			

CHECK-INS PER LOCATION



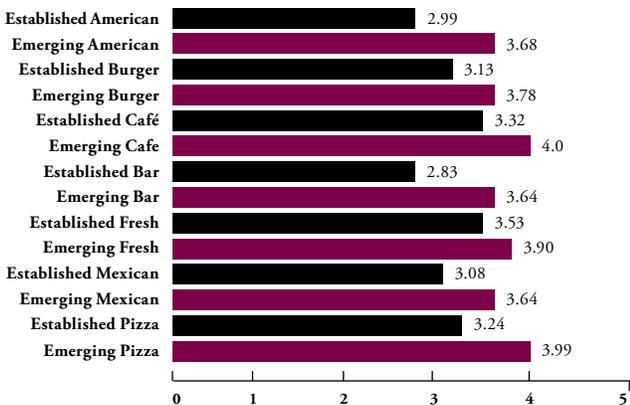
We then compared Foursquare **Check-ins Per Location** for Emerging Brands to Established Brands and found that a new brand leads the study: The Meatball Shop. Last year's leader in check-ins, Shake Shack, finished a strong second.

CHECK-IN AVERAGE BY SEGMENT



We again found Emerging Brands consistently scored significantly higher than Established Brands when looking at their overall ratings. Emerging American, Emerging Burger and Emerging Café garner significantly more check-ins than the established brands in those segments.

STAR RATING AVERAGE BY SEGMENT

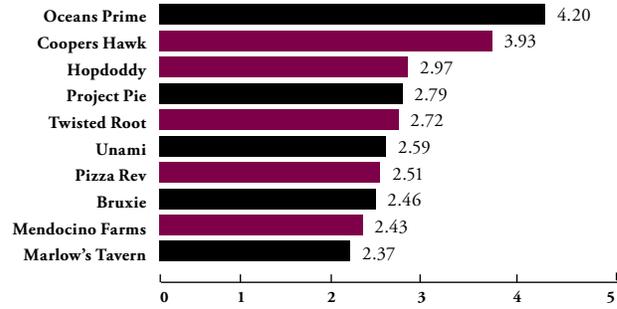


There is not one established segment scoring higher ratings than emerging brands. We think it is now safe to acknowledge that two new categories have been a driving force of change

in our industry. The addition of Polished Fast Casual and Polished Casual are here to stay and consumer trends and the economic turnaround will bolster growth of these two categories for years to come. Quality, fresh, local, innovative, and good-for-you food will drive this industry in a new positive direction. The one caveat to mention is we must pay attention to the grocery store reaction and desire to garner more food-away-from-home dollars.

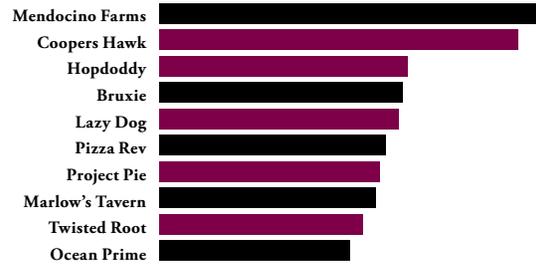
A new analysis this year, courtesy of our partners at Robert H. Smith School of Business at the University of Maryland, is the enthusiasm index. This analysis takes a look at the combination of highly charged words, exclamation points and dialog in the Yelp reviews as well as Foursquare check-ins. It evaluates positive enthusiasm expressed for the brands. The chart below shows the top 10 restaurants according to the enthusiasm metric.

TO TEN ENTHUSIASM INDEX BRANDS



There are two clear leaders in consumer enthusiasm scores for this year—Ocean Prime and Cooper's Hawk.

TOP TEN BRANDS—WEIGHTED



Finally, we derived the best of the best in Emerging Brands based on the consumer and the new weighted criteria (Yelp, Foursquare Check-ins and Enthusiasm ratings). This year's study includes five of the top 10 performers from last year along with five new emerging brands moving into the prestigious Top 10. The new brands this year are Cooper's Hawk, Lazy Dog, Marlow's Tavern, Twisted Root and Ocean Prime.

Jon R. Jameson is the founding partner of Bellwether Food Group, a consulting firm that works with restaurant and food companies. Partners in the study included Mike Lukianoff of Czar Metrics, and from Robert H. Smith School of Business at the University of Maryland Shawn Mankad, assistant professor, Anand Gopal, associate professor and Jorge Mejia, doctoral candidate.

