



Execs from Burger Lounge, Sbarro brainstorming in San Diego

By Lori Weisberg

Thursday, October 18, 2012



Within the more than \$400 billion-a-year restaurant industry, the relatively young fast casual segment -- think **Panera**, **Chipotle** and **Smashburger** -- has become a star player, far outpacing the growth of all other dining categories.

Hoping to sustain that meteoric growth and find ways to build even more momentum, more than 130 **fast casual chief executives will gather in San Diego** starting on Sunday to exchange ideas and learn from their peers about everything from social media marketing and loyalty programs to guarding against food-borne illnesses.

Hosted by the online magazine, **fastcasual.com**, the 2-1/2-day summit at the U.S. Grant hotel will bring together executives from such fast casual powerhouses as Firehouse Subs, San Diego-based Burger Lounge, Boudin Bakeries and Sbarro.

"We're the number one read magazine for the industry so it's just an easy transition for us to have this summit, and this is such a growing industry," said editor Cherryh Butler. "Fast casual has only been around for 20 years and already is doing \$40 billion in sales a year. Others are trying to copy the model, like quick service restaurants. Taco Bell, for example, just came out with their cantina line, which is very similar to what Chipotle does."

Known for its more healthful fare and inviting decor, as well as slightly higher-priced menu items than fast food outlets, fast casual has seen traffic soar an average 6 percent over the last three years, compared to a 1 percent

decline for all restaurants, according to The NPD Group, which conducts market research in the restaurant industry.

"One reason for the growth is the economy we're in, and people are looking for greater values in their purchases, from food to clothing to insurance," said Denise Lee Yohn, a San Diego-based brand strategy consultant who will be speaking at the conference. "While fast casual restaurants tend to be priced higher than fast food they're often perceived to be a better value because of the quality of the food and the experience."

"You're also seeing the sophistication of people's palates, with people wanting to experiment with new foods and ethnic foods. One of the questions is whether fast casual is setting the pace for everyone else now, raising expectations such that people won't be satisfied with run-of-the-mill fast food anymore."

Dean Loring, a co-founder of the fast-growing Burger Lounge, agrees that Americans are much more focused on the quality and variety of food they consume than in years past, which has helped fuel the growth of the more innovative fast casual dining spots.

"Chipotle, for example, has done a brilliant job promoting their messaging related to sustainable practices and trying to buy local," said Loring, who will be part of a panel of chief executives speaking to attendees about what has contributed to their success and the overall growth of the segment. There are currently half a dozen Burger Lounge eateries in the county, with a seventh planned for early next year in the Del Mar area. Known for its grass-fed burgers, the chain also has been expanding to Los Angeles.

"Our mantra is that this is as much about the guest experience as it is anything else," said Loring. "We also try to create products that guests feel good about eating. When you go into In 'N Out and have a double double and a fries and a milk shake, you don't feel that good about eating it. I did it the other day and overdid it."

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