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Fast Food For Millennials By Millennials

The story behind Freshii, the 200-unit healthy fast food chain, could be about its founder,

Matthew Corrin, who gave up his job with fashion designer Oscar de la Renta in order to "Starbuck" the healthy dining industry. The Freshii story could be about how the company got started over 10 years ago when healthy wasn't as hip, and yet opened its first 100 locations faster than Subway, Jimmy John's, and McDonald's. It could also be about how a business attracted nearly 10,000 applications for franchises without soliciting a single one.



Freshii's story is all of these, but it is primarily about the success of fast food that is for millennials by millennials. While most restaurant brands — actually most businesses in general — work hard to be relevant and

compelling to the 83+ million consumers between 16-34 years old who spend approximately \$600 billion each year in the U.S. (Source: Accenture), Freshii does it with ease.

The company started in 2005 when Corrin struggled to find healthy grab-and-go lunch options that weren't boring. He set out to eliminate the excuse that people couldn't eat well because they either couldn't afford to or it wasn't convenient. In spite of — or perhaps because of — his lack of restaurant operating experience, he dove head first into the business and opened a salad shop in his home town, Toronto. Two years later Corrin rebranded the concept to Freshii and expanded into Chicago.

Fast forward 11 years and Freshii is now in 85+ cities and 15 countries. Serving entrees, burritos, smoothies, fresh-pressed juices, and of course, salads, Corrin describes Freshii as "healthy food for the masses" and points out that most other healthy restaurant concepts are more niche. They are either targeted to the "Brangelinas" who already have many exclusive healthy options or they serve vegan, organic, or other niche offerings, he explains. Freshii, by contrast, offers, "broad products at affordable price points. We're one step away from burgers, so people don't have to jump all the way to tofu."

But Corrin credits the popularity of Freshii primarily to its millennial focus. With Corrin himself and two-thirds of Freshii franchisees in the millennial age range, he explains, "We are a millennial management team with millennial franchisees serving millennial guests — no other concept is so centered on millennials." This unique positioning makes the brand appeal authentic.

It also means Corrin and his team have an intuitive understanding of how to resonate with their core customers. For example, the company was built with a "Triple Bottom Line" outlook on its performance — meaning, it measures its success not only on financial results, but also on environmental and social impact. It works with the non-profit WE on its "Free The Children" program to build school kitchens and school gardens in developing countries. Corrin says that the program's essence, "children helping children," is very compelling to millennials.

Freshii has also demonstrated its millennial sensibility through PR stunts. Last year Corrin wrote an open letter to McDonald's CEO Steve Easterbrook, challenging him put a mini-Freshii unit inside just one McDonald's location. The letter recounted McDonald's dismal results at the time, saying "The reality is that McDonald's is stagnating and your growth days are over. You are struggling with declining same-store sales, offering franchisees inadequate leadership and fumbling through your menu rather than adding healthier options." "The move," Corrin wrote, "would pay for itself, increasing same store sales by 30% and boosting annual profits by \$250,000 per unit." Not surprisingly, McDonald's didn't respond, but the resulting coverage in the news media and the conversations in social media proved the gesture struck a nerve with consumers.

More recently, when Chipotle announced it would be closing its restaurants for a national safety meeting after outbreaks of food borne illness at its locations, Freshii ran a promotion offering 50% off its Mexican-inspired menu items. Although Corrin's statement about the offer seemed to indicate a benevolent intent to "help consumers through these dark hours" and "look after their customers while Chipotle paused to recalibrate," it was yet another ballsy move that drew attention to Freshii and its unique brand of promotion. Corrin says his millennial customers who are "bored easily and onto the next quickly" appreciate when the chain "pushes the status quo."

Freshii is among a growing list of quick-serve restaurant chains — including <u>Sweetgreen</u>, <u>Taylor Gourmet</u>, and <u>Luke's Lobster</u> — that are founded and run by millennials. Like the rest of this new generation of influential restaurant businesses, Freshii is shaking up the industry by appealing to millennials in ways that older, established brands simply can't.

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