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Information

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## LIQUID MEASURE

# Joining Forces

BY MAYA NORRIS

Coffee and wine seem to be a natural pairing at PJ's Coffee and Wine Bar, the new spinoff concept that 43-unit PJ's Coffee launched last year.

The new wine bar is helping boost sales as the chain prepares to expand nationally and position itself as the No. 2 player in the specialty-coffee segment behind Starbucks.

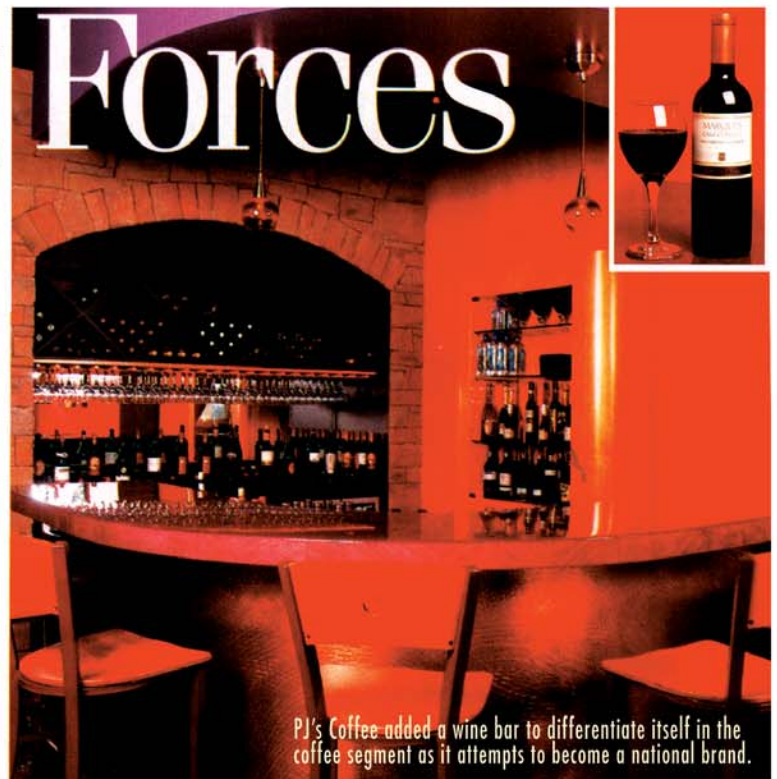
Atlanta-based Raving Brands added the wine bar after purchasing PJ's Coffee from founder Phyllis Jordan in 2002. Jordan had grown the chain to 30 units in New Orleans, Alabama and California, having built a reputation around its medium-roast coffee. But to turn it into a national brand, Raving Brands wanted to differentiate the concept and drive sales in the evening daypart.

So it took advantage of the "easy marriage between wine and coffee," says Tanya Mareno, vice president of franchise development for PJ's as well as two other Raving Brands concepts.

### Two of a Kind

Wine complements a coffeehouse more so than a bar because wine and gourmet coffee attract a more sophisticated consumer looking for "a more mellow experience. It's a slower experience. It's a quieter experience. It attracts a more thoughtful crowd overall," says franchisee Joseph Macaluso, who opened a PJ's Coffee and Wine Bar in June and two PJ's Coffee units in 2003 and 2004. "I think it's a good synergy."

The wine bar will certainly help differentiate PJ's in the coffee category and capture sales in the evening, but it won't be enough to catch up with Starbucks, according to



PJ's Coffee added a wine bar to differentiate itself in the coffee segment as it attempts to become a national brand.

*PJ's Coffee adds wine to its repertoire to tap its sophisticated audience and drive evening sales.*

### SNAPSHOT

#### CONCEPT

PJ's Coffee and Wine Bar

#### PARENT COMPANY

Raving Brands, Atlanta

#### UNITS

6

#### 2005 SYSTEMWIDE SALES

\$12 million (company estimate)

#### AVERAGE UNIT VOLUME

\$400,000

#### AVERAGE CHECK

\$4 coffee bar, \$10 wine bar

#### EXPANSION PLANS

15 to 20 in 2005

Arlene Spiegel, president of New York-based Arlene Spiegel and Associates, a restaurant and food industry consultancy.

"If their goal is to be the No. 2 behind Starbucks, I don't think this is going to do it," Spiegel says. "I think it should focus on what their coffee differentiators are and their coffee experience, and top Starbucks on different metrics of measurement in terms of the guest experience and the quality of the coffee. Their real estate and locations are going to be very important."

Nonetheless, Raving Brands contends that bringing coffee and wine under one roof is working. The average volume of the six units with wine bars are on track to generate \$400,000 vs. \$350,000 for the coffee-only concept. "I totally anticipate within the next year or two our average store sales being \$500,000 plus," Mareno says.

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