

Special Report: R&I's Top 400 Chains

The Top 400 chains end a difficult year with a respectable 5.4% sales gain and with new determination.

**By Scott Hume, Editor-in-Chief -- Restaurants and Institutions, 7/1/2008
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The motto for the popular television show “Survivor” is “Outwit, Outplay, Outlast,” and chain-restaurant operators could be excused if they often feel that they are fighting for their survival. It’s a jungle out there.

[R&I's 44th annual ranking of the Top 400 chain-restaurant brands](#) based on 2007 sales shows just how tough last year was for many chains.

Aggregate systemwide sales for this year’s 400 largest brands were \$292.1 billion, up 5.4% from the previous year. That’s a decent showing, but not as robust as the 6.8% increase posted by last year’s Top 400. More telling is this year’s 1.9% increase in total foodservice units, which is less than half of last year’s 3.9% unit growth.



[View the Ranking
Top 400 Segment Rankings](#)

As 2007 progressed, same-store sales volumes began to dip for many chains, especially for midprice concepts; unit expansion plans were scaled back for several others; and all chains reassessed menu pricing as the cost of many basic foods soared. A year that began with modestly optimistic forecasts closed with disappointing results for many on the Top 400 list. The depressing news on consumer buying behavior and on overhead costs hasn’t improved in 2008.



But what makes the [R&I Top 400 ranking](#) so valuable a benchmarking tool is that it captures the peaks as well as the valleys of the chain business’s year. Slow- or negative-growth chains fall off the list and are replaced by concepts that are mastering “Outwit, Outplay, Outlast” tactics. For example, the Glenview, Ill.-based Bar Louie chain, which barely made it onto last year’s list at No. 398, is No. 236 this year, having refused to slow its aggressive expansion strategy and having found a blend of food, service, price and

ambience compelling enough to attract diners no matter how weak the overall economy. Lorton, Va.-based Five Guys Burgers and Fries doubled its unit count and its sales in a year; systemwide sales for Gordon Biersch Brewery Restaurant rose 83%.

This year's ranking distills one year, more than \$292 billion in sales and many millions of customer transactions into 400 small stories, each its own blend of strategies and tactics, successes and failures in the never-ending battle for survival.

384	383	-1	Coffee Beanery Flushing, Mich.	48.0**	160
385	N/A	N/A	Maui Wowi Hawaiian Coffees & Smoothies Greenwood Village, Colo.	48.0**	352
386	N/A	N/A	Montana Mike's Steakhouse Hutchinson, Kan.	48.0**	26
387	395	+8	Olga's Kitchen Troy, Mich.	48.0**	31
388	N/A	N/A	Cantina Laredo Dallas	47.8	22
389	386	-3	Macayo's Mexican Kitchen Phoenix, Ariz.	47.0**	18
390	378	-12	Mr. Goodcents Subs & Pastas DeSoto, Kan.	47.0**	109
391	393	+2	Ram Restaurant & Brewery Lakewood, Wash.	47.0**	16
392	376	-16	Original Roadhouse Grill Glendale, Calif.	46.6	15
393	380	-13	Big Apple Bagels Deerfield, Ill.	46.0	128
394	381	-13	Fosters Freeze Rancho Cucamonga, Calif.	46.0**	98
395	N/A	N/A	Duffy's Sports Grill Palm Beach Gardens, Fla.	45.0**	17
396	392	-4	Happy Joe's Pizza & Ice Cream Bettendorf, Iowa	45.0**	59
397	400	+3	Hot Dog On A Stick Carlsbad, Calif.	44.4	110
398	358	-40	The Spaghetti Warehouse Irving, Texas	44.2	21
399	N/A	N/A	RA Sushi Bar Restaurant Scottsdale, Ariz.	43.5**	16
400	N/A	N/A	Ram's Horn Family Restaurant Southfield, Mich.	43.0	26