

Mother's is doing well, marketing atmosphere as well as Italian food
Pizza with pizzazz

By Deborah Dowling

WHILE MCDONALD'S, Burger King and Wendy's have been locked in a hamburger battle for the past two years, a skirmish of a different sort has been brewing.

Mother's Pizza Parlours Ltd., the Hamilton, Ont.-based chain of 36 "family" restaurants, is doubling its expansion. It plans 14 new stores this year and 18 in 1980 and is also heading into new territories in Manitoba, British Columbia and Washington, D.C.

Also on the growth track is Frank Vetere's Pizzeria & Tavern, another limited-menu Italian food chain of 29 stores owned by Foodex Inc., Toronto. Its ambitious store-opening program, which launched 22 new restaurants last year, calls for a minimum of 15 stores a year in the near term, with possible growth outside Ontario and south of the border.

Different strokes

Could a pizza war be in the making? Not exactly says the management of the two nonfranchised operations.

"We have different products," says Frank Vetere, executive vice-president of the Foodex group, with restaurant sales (Frank Vetere and Ponderosa Steak House) of \$63 million in 1978. "We have a deep-dish pizza, while Mother's is thin like cardboard."

Grey Sisson, the affable president of the privately owned Mother's chain (this year's projected sales, \$41 million) agrees, but not with the imagery. "There is a market for the deep-dish pizza, but we are feeling very comfortable with the niche Mother's has carved out for itself."

Although the nine-year-old Mother's chain is the larger of the two, it has generally kept a lower profile.

Over a "grandmother's" pizza and Coke float in the antique "circus room" of a new Brampton, Ont., store, Sisson gestures to typical Mother's customers who may visit the establishment twice a week. Seated around an oil-cloth-covered table beneath a Tiffany lamp is a family of four — the children up to their elbows in pizza while Mom and Dad eat lasagna and garlic bread, accompanied by a glass of wine and mug of beer.

"Our target market is people aged 18-34 and families with children who we consider to be future pizza customers once they outgrow McDonald's," Sisson says. He doesn't consider Mother's to be a fast-food operation — it takes 12-15 minutes to cook a fresh pizza — but he thinks the concept is the way of the future for the food-away-from-home industry.

"There is a trend among hamburger chains to lessen their dependence on beef, expand their menus and provide more atmosphere," he says. "At the other end of the scale, haute cuisine is trading down in both selection and price. Mother's and operations like Swiss Chalet are right in the middle with a medium-priced, limited menu, alcoholic beverages and pleasant surroundings."

Mother's features an all-you-can-eat salad bar, pizza and pasta dishes and submarines. (Some ingredients are prepared in Hamilton and delivered to Mother's stores two or three times a week.) Because of a growing trade in businessmen's lunches, a meat entree may be introduced this fall.

Mother's was among the first of the new generation of theme restaurants in Ontario. All stores are decorated by Mother's Antique Warehouse, a separately owned business which collects and refinishes antiques. The concept was developed by Sisson, formerly with A & W franchise-holder Controlled Foods Ltd., and two partners: Ken Fowler, a major shareholder in Controlled Foods, and Pat Marra, owner of a take-out pizza outlet in St. Catharines, Ont.

Key to success

In 1970, the partners launched two businesses — a self-serve Mother's operation and a take-out pizza business called Pasquales — but in 1971 they decided to concentrate on Mother's. Etcetera Advertising, Niagara-on-the-Lake, helped launch the idea and Vancouver consultant Paul Smith, formerly of Etcetera, still creates Mother's annual marketing and promotion programs which have been credited as key to Mother's success.

If Mother's had franchised its concept, the operation would probably be a lot larger than it is now and have a greater presence than three stores in the Toronto area. Because policy is to own land wherever possible, new restaurants require a \$1-

million investment and are expected to be free of debt within two to four years. A partnership

The fast food top 20

	Sales \$million
1 McDonald's Restaurants of Canada	\$500
2 Canadian Pacific Hotels	\$186.4
3 Commonwealth Holiday Inns of Canada	\$155.7
4 Cara Operations Ltd.	\$145.9
5 Four Seasons Hotel Ltd.	\$112
6 VS Services	\$111
7 Scott's Restaurants Co.	\$100.9
8 General Foods	\$95
9 Hilton Canada	\$87.2
10 A&W Foodservices of Canada	\$85.3
11 Food Services	\$80
12 Sheraton Corp.	\$67.2
13 Beaver Foods	\$66
14 Dairy Queen Frozen Products	\$65
15 Foodex Systems	\$65
16 Western International Hotels	\$61
17 Atlific Inns Inc.	\$60
18 F.W. Woolworth	\$55.4
19 Pizza Delight Corp.	\$49.1
20 Controlled Foods International	\$47

*Estimated. Other figures are for latest fiscal year.

program, however, has been instituted to help aid expansion and motivate employees. Mother's has also entered a series of joint ventures with investors in Columbus, Ohio, and Calgary.

In the partnership program, the investment company, Mother's Pizza Parlours Ltd., buys 50% of the shares in each new corporation (equal to 50% or \$125,000-\$150,000 of the start-up costs excluding land) while the partner/manager puts up 20%. In return, the partner receives a salary and dividends on the share ownership. If the investment company lends the partner the original investment, his dividends are retained until the loan is paid off.

The supervisor of the new store can invest 10% while two partners in other stores are given the opportunity for a cash investment equal to the remaining 10%. As well, veteran partners can contribute a percentage of their earnings to Mother's Realty Corp. which acquires real estate.

Frank V's

Clipped By:



littlekasia
Mon, Jun 28, 2021