

Little Caesars Exceeds 2006 Growth Plans

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Achieves Sixth Consecutive Year of Significant Sales Increases

Little Caesar Enterprises, Inc. today announced that it exceeded 2006 growth plans by opening several hundred stores worldwide, the majority in the U.S., as it expanded into new markets and increased its franchisee base. "We built new stores in 32 states and nine countries last year," said David Scrivano, president, Little Caesar Enterprises, Inc. "We are very pleased that 2006 marked the sixth consecutive year of significant sales increases that exceeded industry growth."

Recognized as the world's largest carry out pizza chain, Little Caesars' year-over-year sales increases led to significant franchisee growth, which generated overall growth and helped develop new markets for the brand. This growth, coupled with fresh, quality products, outstanding value for customers and strong national brand recognition, clearly positions Little Caesars for continued and accelerated growth in 2007 and beyond.

2006 Highlights Include:

- œ Strong Sales Fuel Franchise Growth
- œ New Products and Promotions
- œ Launch of the Little Caesars Veterans Program
- œ Philanthropic Initiatives

In business for nearly 50 years, Little Caesars has become an industry leader by offering quality products and outstanding value to customers, including the "Pizza!Pizza!" offering (buy one get one free), and most recently, the convenient, value-oriented HOT-N-READY(R) offering. The Little Caesars HOT-N-READY(R) offering includes a large, hot pizza that's ready when customers are with no waiting or need to call ahead for \$5.00 at participating locations.

"Our customers say they want us in their neighborhoods," said Scrivano. "We want to answer that call with quality products that support their lifestyles, and conveniently located stores that are bright and inviting."

Strong Sales Fuel Franchise Growth

"In all my years in the franchise industry, I've franchised with six different brands in a variety of industries," said Brian Conneran, Little Caesars franchisee in North Dakota and Minnesota. "For me, the Little Caesars experience has been the most profitable and the most personally rewarding."

In 2006, Little Caesars attracted more new franchisees than in any other year, and new franchisees opened more new stores than have been opened in over a decade. Store growth included expansion into several key markets including St. Louis, Minneapolis, Denver, Atlanta and the East Coast.

"Little Caesars is expanding in prime markets across the U.S. at a time when our large competitors are growing overseas," said Bob Mazziotti, senior vice president, franchise development, Little Caesar Enterprises, Inc. "We're expanding in domestic markets with opportunities for entrepreneurs desiring more independence with a system that works."

For example, in July 2006, Little Caesars announced plans to open upwards of one hundred locations in Atlanta in 10 years, and the company is on track to meet that goal. In Atlanta in 2006, Little Caesars attracted five new approved franchisees, and another eight strong applicants are currently in the approval process. Little Caesars expects that Atlanta-area franchisees will open approximately seven new stores in 2007.

"Little Caesars is growing and customers see the value in our quality products," said Byron Schoepf, Little Caesars Atlanta-area franchisee. "I opened my second store in two years in April, 2006, and I plan to open a third in the first half of 2007. There is a lot of opportunity for entrepreneurs with Little Caesars in the Atlanta area, and across the country."

In 2007, Little Caesars will focus on growing in areas across the country from the Western states to the East Coast, including Alaska, Hawaii, Texas, New Jersey, New York and the Carolinas. Opportunity exists in many markets, including Portland, New Orleans, Cincinnati, Boston, Hartford, Philadelphia and DC, among many others.

To maintain its continued growth, Little Caesars supports franchisees with the tools of a proven system, including ongoing training, architectural services to help with design and construction, preferred lenders to assist with financing, the ongoing research and development of new products, and continuing, effective marketing programs and support.

"Little Caesars plans to build hundreds of new stores in 2007 by providing franchisees with the support they need to grow their business. We will also focus on what works for us: providing customers a convenient, high quality product with great value for a low cost," said Scrivano. "We've expanded our headquarters staff to help meet our franchisees' needs, and the results have been very positive. We're pleased with our consistent growth results over the last six years and we expect to continue building on that momentum."

These efforts have been recognized by the University of Michigan through its American Customer Satisfaction Index(TM) of measured quick serve restaurants. Little Caesars ranked second in overall customer satisfaction in the survey of more than 75,000 consumers of household goods and services nationally.

New Products and Promotions

Little Caesars expanded its product offering to include several additional pizza varieties which are sold in different areas to meet varying regional taste preferences. In addition, the company launched Caesar Dips(TM), a line of 6 dipping sauces which allow customers to customize pizza, Crazy Bread(R), Caesar Wings(R) and other Little Caesar menu items. Available at participating locations, the dip flavors range from Buttery Garlic to Chipotle.

Little Caesars also introduced Churros, which are golden brown dough sticks with a crispy outer shell and a cake-like center. Sprinkled with cinnamon and sugar, they are complemented with a choice of Dulce de Leche (caramel) or Chocolate dip, and are available at participating locations.

"Our customers are telling us that our products really suit their lifestyle, and we're working to make more options available to them. We also recognize that customers want to tailor their meals to their tastes, and our new Caesar Dips and pizza varieties allow them to do just that," said Scrivano.

In late 2006, Little Caesars made purchasing all menu items easier by introducing its Little Caesar gift cards, providing consumers an opportunity to "give a gift with taste". Available at most locations, the gift cards can be purchased in any increment, and the unused balance will remain on the card with no expiration date and no service fees.

The Little Caesars Veterans Program

On Veterans Day (November 9), 2006, the company launched the Little Caesars Veterans Program creating an opportunity for veterans to become Little Caesars franchise owners. Through this program, qualified, honorably discharged veterans transitioning to civilian life or seeking a career change are eligible to receive a benefit of \$10,000, and service-disabled veterans are eligible for a benefit of up to \$68,000. The Little Caesars Veterans Program lessens some of the hurdles for those who may not otherwise have the opportunity or the financial resources to become entrepreneurs.

Philanthropic Activity and Community Outreach

Little Caesars took its commitment to local communities on the road again in 2006. The Little Caesars Love Kitchen, a pizza kitchen on wheels, traveled across the continental United States to 60 cities, including Atlanta, St. Louis, Detroit and more, feeding the hungry, homeless, and disaster survivors. Established by Little Caesars in 1985, the Love Kitchen has served nearly 2 million people in the U.S. and Canada.

Little Caesars continued its commitment to giving back by joining with Ilitch Charities for Children to sponsor a "storefront" in the Rock Financial Junior Achievement Finance Park. A unique, interactive facility, Finance Park gives Metro Detroit middle-grade students a real-world opportunity to learn how to budget and prepare for the financial choices they will make throughout their lives. Little Caesars contributed \$250,000, plus the costs of building a mock storefront, and the costs associated with providing pizza lunches to students in the Park.

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