



THE FUTURE OF FOOD

**VIRTUAL RESTAURANTS,
GHOST KITCHENS &
WHAT'S NEXT?**

OUR SPECIAL GUEST

- 30+ years of marketing experience, past 10 in restaurants
 - CMO for Anthony's Coal Fired Pizza
 - SVP Growth Hacking for Smokey Bones: birthed two virtual brands and opened a ghost kitchen in the midst of a pandemic
 - Head of Kitchens Marketing for REEF
 - Currently with Earl Enterprises



THE FACTS

- The online food delivery market's worldwide revenue is expected to be \$151 Billion by the end of 2021
- 60% of U.S. consumers order delivery or takeout once a week.
- 31% say they use third-party delivery services at least twice a week.



THE REALITY

- Guests want their food **when** they want it, **where** they want it and **how** they want it
- **Accuracy, quality and speed of delivery** are the KEYS to success. Today's guest demands the same quality they have come to expect when they are dining in. If you cannot deliver on all 3, don't deliver



THE HEADLINE

Off premise is a different business model and should be treated as such. It requires its own:

- Strategy
- Budget
- Packaging
- Dedicated Resource

“As a result of this laser focus, I took SB’s off premise business from 16% of the sales mix to 40% of the sales mix in less than 2 years”



VIRTUAL RESTAURANTS VS GHOST KITCHENS



THE DIFFERENCE

- **Virtual Brands/Restaurants**

- Online only concepts allowing restaurants to create new menus (under new branding) and distro their product via their current kitchen, a ghost kitchen, REEF, third party or other venue

- **Ghost Kitchens**

- Rentable kitchen spaces across the country, located in industrial areas or major cities where rent can be unaffordable. They host multiple brands with a shared infrastructure. Typically, there's no dine-in or pick up (walk up)

The Top Players:

- Cloud Kitchen
- Kitchen United
- DoorDash Kitchens (emerging)



THE BENEFITS

- Test new menu items
- Test new concepts (minimal to no risk)
- Test concepts in states where there is no established brand equity
- Distribute product in major cities where rents are unaffordable
- Less costs:
 - Labor (BOH only for Ghost Kitchen)
 - Minimal labor addition (Virtual Rest) if running out of current brick and mortar
 - Rent/overhead (Ghost Kitchen)
 - Economies of scale as it relates to SKUs



HOW TO BIRTH A VIRTUAL BRAND

- **Know the data**
 - UE data indicated there were culinary needs not being met across the country; namely wings and burgers
- **Know what you can execute on well**
 - We already had wings and burgers on our menu and they were really good, however, we were a go to for BBQ: ribs, brisket, etc. not wings and burgers. Change the narrative
- **Keep it simple**
 - Find ways to cross utilize products; keeping the SKUs to a minimum and streamline menu
- **Know your competition and do what they do well**
- **Develop a separate and unique brand**
 - It should have its own personality, logo and packaging and make sure you are distributing to the appropriate demographic (SB vs The Wing X). What's your hook?
- **Execute flawlessly/consistently on all fronts: **quality, accuracy, speed****



THE WING X



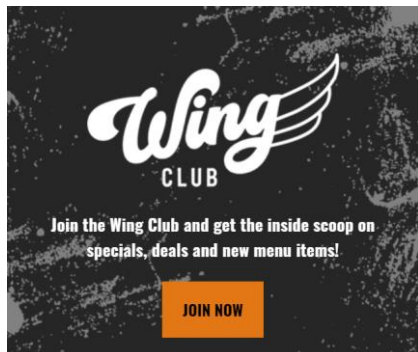
ALL THE FLAVORS JUMBO WINGS, 50 FLAVORS

The Wing Experience brings you 50 unique flavors with new flavors coming to you all the time. Take a look at all of our flavors and get inspired to try something new today.

SEE OUR SAUCES



Thewingx.com



Social
Channels

Ph 1: Third party

Ph 2: Online ordering & delivery



THE BURGER EXPERIENCE



COMBOS

Add crinkle fries and your choice of drink to your meal. Available with every style burger including our create your own burger option.

ORDER NOW →



Burgerxorder.com

Ph 1: Third party
Ph 2: Online ordering & delivery



SB VRS: 30% INCREMENTAL LIFT



THE WING EXPERIENCE

The Wing Experience menu features two styles of wings: Signature Smoked Jumbo Wings and Jumbo Breaded Wings.

Restaurant Business News:

Barbecue restaurant Smokey Bones has added virtual wing and burger brands, The Wing Experience and The Burger Experience, at all of its 61 stores.

“We’re starting with menu items that we already have a strong ability to execute in our kitchens,” CEO James O’Reilly said. “We always look to proactively manage the complexity in the operation and look to eliminate complexity where we can. ”

Smokey Bones to Open 122 New Virtual Restaurants



OTHER BRICK & MORTARS LAUNCHING VIRTUAL BRANDS

Delivery-only restaurants tripled on Uber Eats

Uber Eats says it has more than 10,000 delivery-only restaurants on its platform, up from 3,000 in 2019.

More than half of that growth has come from national chains, the company said.

- Applebee's (Cosmic Wings)
- Chilies (It's Just Wings)
- The parent of Outback Steakhouse and Carrabba's Italian Grill (Tender Shack)
- Anthony's Coal Fired Pizza (the Roasted Wing)
- Hooters (Hoots Wings)



THE BEAST OF ALL VIRTUAL BRANDS

MrBeast Burger is a virtual brand offering a separate concept to run out of your kitchen, available for delivery only via food delivery services.



Started by social media influencer and YouTuber Jimmy Donaldson, more commonly known as MrBeast, in partnership with Virtual Dining Concepts, LLC.

- **Announced on Twitter Aug 2020**
- **First VR opened Nov 2020**
- **Sold 1 mm burgers in 3 mo**
- **Currently 900 locations (US/Euro)**



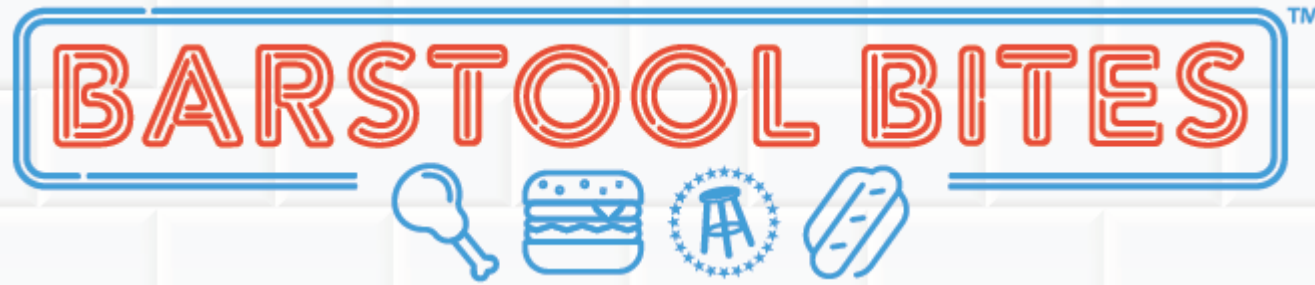
HOW'S IT DONE

But MrBeast Burger: In exchange for a cut of sales revenue, the brand supplies the name, logo, menu, recipes and publicity images to any restaurant owner with the space and staff to make burgers as a *side hustle*. When a customer orders from the MrBeast Burger in Midvale, Utah, the food is prepared at a Buca di Beppo, following a standardized MrBeast recipe.

Ghost Franchises ...



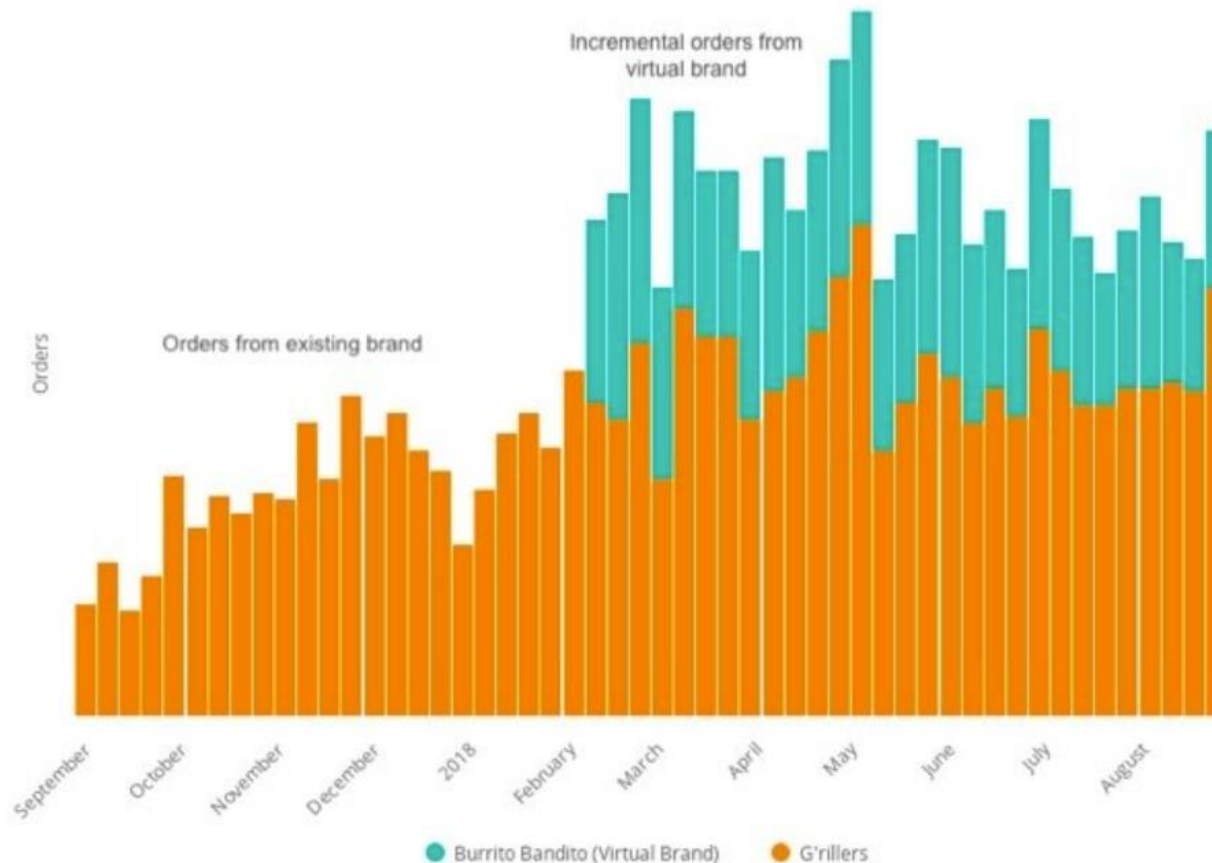
LOOKING FOR INCREMENTAL REVENUE



INCREMENTAL LIFT

Burrito Bandito launched and provides a 54% average incremental increase in orders each week!

Orders before and after introducing a virtual brand



WHAT'S COMING IN HOT



ANYTIME, ANYWHERE: GRAB & GO

- No one wants to wait in line. People are busy and want convenience
- Contactless is here to stay
- Win-Win as it cuts down on labor and prep people can do during down time (Grab & Go)

Amazon Go



"If Amazon sees an opportunity in grab-and-go with their big data and their understanding of retailing, I would expect tht there is something there and should be looked into."



ANYTIME, ANYWHERE: CURBSIDE ETC

- **Curbside Pick Up a Must**
- **Drive Thru (make shift)**
- **Drive In (Burger King)**

Diners can park their cars in what Burger King calls the "drive-in area" under solar-powered canopies. Customers place their orders through the app by scanning a QR code at their parking spot, and staff delivers to their car.

At the drive-in, you can have food delivered to your car...



TO ANYTIME, ANYWHERE: FOOD LOCKERS

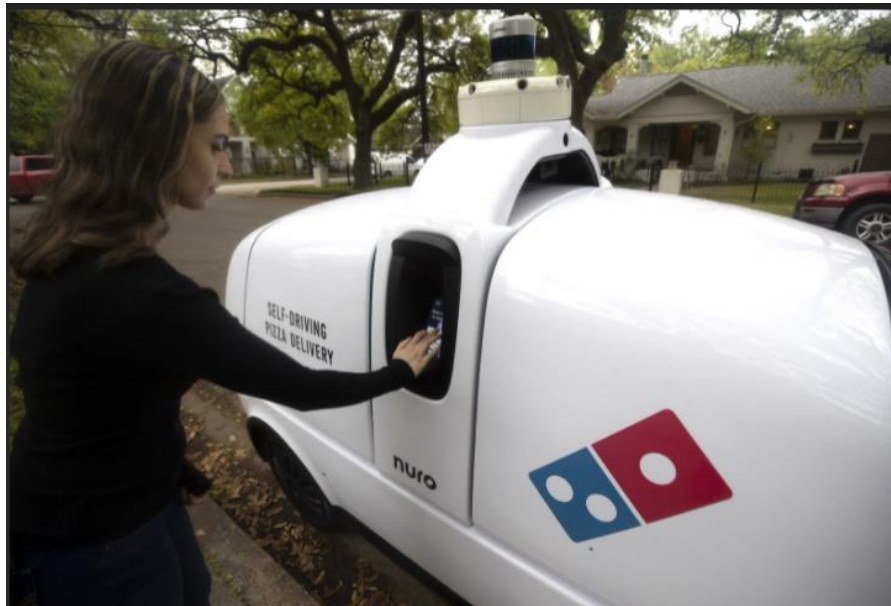


Inside, outside, front or back load, hot or cold

- **Apex**
- Amazon
- Panasonic
- Lavii
- Colleges
- Fast Casual
- Polished Casual



TO ANYTIME, ANYWHERE: TOMORROW



The cost spent on a delivery person is approximately \$6 to \$8 per order (depending on the market). Consider this: the cost per delivery for an Amazon Air Prime drone to deliver a product, of a similar weight, over the same distance is \$0.88.



ADDITIONAL DISTRIBUTION CHANNELS

- 3P = no brainer (lean in on in app promos).
- EZ Cater: they deliver for half of what the 3Ps charge, and individually packaged meals Incremental (+\$1 mm)
 - Sports Teams
 - Pharma Reps
 - Hospitals
 - Banks & Financial Inst.
 - Companies (perks)
- REEF (collect a royalty)
- Pop Ups



WANNA LAUNCH A VIRTUAL BRAND?

EMAIL ME:
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HOW MUCH DOES IT COST?

ORDERS PER DAY - 24

3 Orders Per Hour (12pm - 8pm)

AVERAGE CHECK - \$20

Menu Structured For Add On's

VDC FEE - 40%

Includes all Third Party Fees,
Delivery, Marketing & Promotions

FOOD COSTS - 30%

Existing Food Supplier/In-House Items

EST. WEEKLY PROFIT \$1,000

Extra \$52,000 a Year

