



Community Success Stories

Wild Wing Restaurants

www.bestchickenwings.ca

Sunderland, ON

Mark Tallon, Andrew Macpherson, Scott Graham, Donald Burns, Maxwell Mausner, Kurt Moddemann

June 2010

INTRODUCTION

This community success story case study is part of The Monieson Centre's Knowledge Impact in Society (KIS) Project, a three-year endeavour to connect academic knowledge with economic development needs in Eastern Ontario. This case study highlights best practices from a real business in Eastern Ontario. The KIS Project is funded by the Social Sciences and Humanities Research Council of Canada. For more information, visit www.easternontarioknowledge.ca.

The first Wild Wing opened its doors on March 17, 1999 in the small town of Sunderland, Ontario. Founder Rick Smiciklas had conceived of the idea for the restaurant only two months earlier, and, with an initial \$600.00 loan from a family member and a \$15,000 bank loan, started a unique business: a restaurant specializing in chicken wings.

A little over ten years later, today Wild Wing Restaurants is a Canadian franchised family-restaurant chain serving 101 varieties of chicken wings at over 60 locations across Ontario. This case study explores how Rick and the Wild Wing team have turned the business into a thriving rural success story.

COMPANY OVERVIEW

Following the success of the Sunderland location, in 2001 Rick expanded Wild Wing by franchising new restaurants. Working alone out of his basement, Rick was in charge of all facets of the business, including franchising, contracting, and accounting. By 2003, Wild Wing had outgrown its "one-man" structure, a fact made painfully clear when Rick lost several franchisees.

In response, Rick assembled a corporate team including a vice-president of franchise development, a vice-president of operations, and a director of marketing. Additionally, corporate trainers were hired to ensure new franchisees could be brought up to speed as quickly and efficiently as possible. As a result, Wild Wing truly began to take shape. Corporate level demonstrations and seminars ensured consistency between locations, and, in 2006, the company underwent a major rebranding effort to ensure a consistent brand image between locations.

The philosophy of the business revolves around offering a creative menu, high-quality food and customer service, as well as a unique dining atmosphere. The business creates a memorable experience by designing each chain to resemble an old time saloon with pine floors and walls covered in chicken

wire. All Wild Wing restaurants are locally owned and operated by people passionate about making a difference and supporting their respective communities.

The corporate office, comprising approximately 15 employees in Aurora, Ontario, operates as a "restaurant supply group," handling the construction of buildings. Once established as a corporate store, Wild Wing aims to franchise each new location by marketing it to potential buyers. Each franchisee obtains the right to use the Wild Wing Restaurants name, trademark, image, logo, and procedures through the term of the franchise agreement (10 years). Franchise management follows the company's concept, to ensure consistency throughout the Wild Wing chain. The company also provides continuous support in all areas of the business to each franchisee under the terms of the franchise agreement.

Since hiring a corporate staff, Wild Wing has followed a consistent upward trajectory. Rick passed the role of President to Robert Stewart, a veteran of the hospitality services industry, in 2008, resulting in aggressive growth expectations for Ontario, and, eventually, across Canada. Because of its fast expansion, Wild Wing's corporate staff of 21 is becoming increasingly over-extended, and the company is considering corporate regionalization to handle the ever increasing work load.

INDUSTRY OVERVIEW

Competition in the food services industry is extremely fierce. Wild Wing Restaurants competes against both family restaurants and sports bars or pubs offering chicken wings. To attract customers, Wild Wing advertises everyday affordability, offering the best product at the most reasonable price (high value). Wild Wing's marketing initiatives have also always been quite limited and conservative, which puts it at a disadvantage compared to larger restaurant chains, which vie for the same clientele.

Wild Wing's primary target markets are families, community sports teams, and sports-oriented groups. Such markets seek a unique and family-friendly atmosphere, a memorable experience, and affordability, all characteristics on which Wild Wing prides itself. To meet the needs of its market, Wild Wing offers high quality chicken wings at an affordable price, as well as big screen TV's for sports enthusiasts hoping to watch the featured night's game in a great environment. The company also tries to place restaurants in high-volume strip malls in large family-oriented sub-divisions.

These market segments are attractive because they tend to generate above-average cheques per group. Because customers in these segments want to have a good time while dining, they also offer increased opportunities to "up-sell" to higher-priced menu items. The main weakness with these segments, however, is lower alcohol sales. Although each restaurant is licensed and has a bar, only about 20% of sales come from alcohol.

SUCCESS FACTORS

Wild Wing's success has led to a significant amount of growth over a relatively short period of time. Their success stems from three major factors.

1) *Differentiated Product Offering*

Wild Wing's central distinguishing factor is also the primary reason for its success. By being one of a very select few restaurants in the industry specializing specifically in chicken wings, Wild Wing differentiates itself from competitors offering a more traditional product focus. The majority of sit-down, chain restaurants lack a distinguishable product offering to set them apart from competitors. Instead, most family restaurant chains offer a variety of options in the hopes that anyone can find something they like. Thus, in an industry where there is massive potential for differentiation through product offering, many restaurants tend to take the same approach and offer a fairly similar menu to their competitors. Conversely, Wild Wing has recognized the popularity of a specific product, chicken wings, and built their brand around a superior offering of that product. In such a crowded industry, differentiation is undeniably a critical success factor. Wild Wing has differentiated itself through a focused product offering, and has been quite successful in doing so thus far.

Further driving Wild Wing's differentiation is the extremely customizable nature of their focused product offering. While most restaurants serve between three and six chicken wing flavours, Wild Wing offers upwards of one hundred wing flavours, the largest flavour offering in the Ontario restaurant industry. As chicken wings themselves are a relatively standard product, it is very difficult to differentiate them on the basis of quality. As a result, Wild Wing has chosen to position itself as the best chicken wing restaurant through their flavour offering. By offering unusual flavours like "Smoked Chocolate" and "Dill Pickle", Wild Wing gives its customers something they cannot get anywhere else, an increasingly rare position in the restaurant industry.

2) *Strong Franchising System*

To grow from a small-town, one-man operation to over 60 restaurants across the province in about ten years, Wild Wing had to develop a strong franchising system. The first key aspect of Wild Wing's franchising system is that they demand lower franchise fees than the average restaurant, which makes investment in a Wild Wing franchise significantly more attractive to potential franchisees.

Secondly, Wild Wing has a proven plan in place for locating and establishing these franchises. Wild Wing began by establishing itself in smaller markets, thereby ensuring they could raise awareness of the restaurant through word of mouth and local promotion. By placing their restaurants in strip malls in high traffic areas of smaller towns, Wild Wing was able to become a recognizable brand without resorting to expensive promotional techniques often necessary in larger markets. Now, as they move into large markets like Toronto, they have an established brand, as well as the capital required to properly promote Wild Wing in a market already flooded with restaurants.

One of the main indicators of Wild Wing's success has been their rapid expansion across Southern Ontario, made possible by a strong franchising system. At this point, Wild Wing is looking to leverage this strong franchising system through the establishment of a franchising team within the company which will actively pursue franchisees in markets Wild Wing considers attractive. This strategic move effectively builds on Wild Wing's core strength in franchising.

3) *Friendly Restaurant Atmosphere*

A key component of any restaurant's success is the atmosphere and feeling one gets in the restaurant. Wild Wing does an excellent job of creating a comfortable atmosphere that can appeal to many people. The lights are bright and the space is relatively open, unlike many modern restaurants that aim to provide a mysterious, private atmosphere. Wild Wing's atmosphere is social and lively, with country

music playing and TVs broadcasting sports around the restaurant. Wild Wing restaurants are relatively small as well, which gives an impression of the restaurant being busy and crowded, further enhancing the social atmosphere. All of these elements contribute to the type of image Wild Wing is attempting to create. This image is consistent with their product offering, as most people who go out to eat chicken wings are looking to do so socially with friends or family, not while on a date or during business.

This image also fits in well with a major target market for Wild Wing: large groups. Groups want to eat at a place that isn't overly formal, and where socialization and interaction is encouraged, not limited. Elements like placing a bone bucket and paper towel roll on the table, foster informality which results in interaction amongst a large group. As such, Wild Wing's social, friendly atmosphere is successful in appealing to the vast majority of their target market.

STRATEGIC OPPORTUNITIES

While Wild Wing has already made great strides through their expansion across Ontario, there are still opportunities that exist for them to become an even more significant player in the restaurant industry.

1) Further Expansion

At this point, Wild Wing has over 60 locations either operating or soon to be operating across Ontario. While there may still be some opportunities that exist in Ontario, the real opportunity for Wild Wing at this point lies outside of the province. Expansion into Quebec or the Prairie Provinces is certainly viable at this point, and both Western and Atlantic Canada may not be far off targets. Wild Wing has stated that their goal is to expand beyond Ontario, and, by making initial forays into Quebec, Manitoba, or Saskatchewan, Wild Wing could take a major step towards realizing this goal. The establishment and operation of a franchise in one of these provinces would not be particularly different than in Ontario, and the potential for expansion in these areas is large, as the chicken wing market is only being served by restaurants with a more traditional product focus, just as it was in Ontario prior to Wild Wing's arrival.

2) Aggressive Targeting of Teams and Groups

As previously mentioned, the atmosphere at Wild Wings is particularly conducive to large groups, as is the product offering. Specifically, it would be a particularly attractive location for sports teams who often go out to eat and drink (if they are of age) following games. Chicken wings and beer are two food and beverage items that are widely associated with sports fans and recreational athletes, and Wild Wing offers the best wing selection in the industry along with a fully licensed bar. Furthermore, the atmosphere at Wild Wings allows for louder, more spirited interaction, which would appeal to a group of people energized by playing sports. These groups are further attractive to Wild Wing as they tend to order alcoholic beverages, which is a high margin product for Wild Wing. Their business, which would primarily be in the late evening, would also complement the families who frequent the restaurants for dinner in the late afternoon and early evening. They also tend to fill tables, allowing Wild Wing to maximize the money spent per table. Because of the natural appeal that Wild Wing could hold to sports teams, it would make sense for them to aggressively target these groups through promotions and special discounts in an effort to become the premier post-game team hangout in Ontario.