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WHY ALOHA POKE BELIEVES IT CAN WIN THE 'WIDE OPEN' POKE BOWL MARKET

Sales at the Chicago-based chain are up double-digits this year, fueling big expansion plans.

By Joe Guszkowski (/profile/joe-guszkowski) on Oct. 20, 2022



An Aloha Poke in Evanston, III. About half of its 20 units are in the Chicago area. /
Photograph courtesy of Aloha Poke

Is poke a fad?

Before the pandemic, that's the question Aloha Poke CEO Chris Birkinshaw was most frequently asked.

The CEO of the 20-unit chain often found himself having to convince people that the Hawaiian dish of raw, marinated fish chunks was not the next frozen yogurt.

These days, he said, no one really asks him about poke's staying power anymore.

Indeed, according to Technomic Ignite data, poke is mainstream. It has spread slowly but surely over the past five years and now shows up on 3% of restaurant menus.

It has become the core offering—primarily in bowl form—at a number of upstart fast-casual concepts, including Aloha and the larger Pokeworks and Poke Bros., which both landed on **Restaurant Business' Future 50**

(https://www.restaurantbusinessonline.com/future-50-2022) list of the fastest-growing small chains this year.

Despite the competition, Birkinshaw believes the battle to be the nation's leading poke brand is far from decided.

"No one has more than 5% market share," he said. "I truly think that the category is wide open for one or two market leaders to bring a branded experience that's high quality."

Aloha thinks it can be that brand. The Chicago-based chain has grown steadily in recent years, opening one or two new locations annually, both company-owned and franchised. And development is primed to accelerate: A Houston franchisee plans to open 11 units there by 2025; another in Atlanta has a deal to open "multiple" stores; and there are more agreements in the works, Birkinshaw said.

But expansion will continue at a measured pace. Aloha is looking for experienced operators and limiting its footprint to the Central and Eastern U.S. for now.

"I'm not looking to just put dots on a map with anyone with a pulse and a wallet," he said.



Colorful bowls with healthier ingredients have made Aloha Poke a hit with younger guests. / Photograph courtesy of Aloha Poke

Fueling its growth has been strong demand, with same-store sales up 13% in the first half of 2022, according to a company release. Restaurants are busy as early as 10 a.m. and attract a diverse crowd, from high schoolers to construction workers, Birkinshaw said. But it's particularly popular with younger people.

Birkinshaw pointed to the health benefits of seafood as well as Aloha's colorful, Instagrammable entrees as draws.

"I think customers are wiser about what they eat," he said. "The slowdown in fake meat isn't a huge shock to me as people figure out it's not healthier."

Besides its better-for-you bonafides, a menu of raw fish, rice and produce also offers some business advantages. For one thing, it expands Aloha's real estate options beyond those of a typical fast-food chain.

"Without black iron or needing ventilation, we can go into former retail spaces, we can go into personal care spaces," Birkinshaw said. One new unit will be in a former Verizon store.

There are also labor benefits. An Aloha Poke can operate with two to four employees per shift, and a single store may staff 10 or 12 people total. Plus, younger generations' affinity for the cuisine has made recruiting easier.

"The no fryers is a huge, huge game-changer," Birkinshaw said, noting that Aloha has been able to hire staff away from nationally fast-food chains. "Absolutely it's an advantage."

Like most restaurants, Aloha has faced supply chain challenges in the past year. Port backups delayed tuna shipments for up to two months, for instance, and the war in Ukraine's impact on grain supply limited North Atlantic salmon stocks and caused Chilean salmon prices to skyrocket.

But Birkinshaw said the problems are starting to ease. And Aloha has worked to keep prices low without cutting corners on its food.

Its most popular item, a medium poke bowl, sells for \$11.90. And a commitment to quality ingredients, such as antibiotic-free salmon, is one way Aloha plans to set itself apart from competitors.

"We don't necessarily need to be the cheapest thing in town," Birkinshaw said. "I never want to take the quality-cutting route to improve margins."

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PLANT-BASED EARTH BURGER PARTNERS WITH SINELLI CONCEPTS INTERNATIONAL TO FRANCHISE

The Texas-based companies are equal partners in franchisor Earth Burger Global, which kicks off next month.

By Lisa Jennings (/profile/lisa-jennings) on Oct. 19, 2022

An official franchise launch party for Earth Burger is scheduled for Nov. 10 in San Antonio, Texas./Photo courtesy of Earth Burger.

Jeff Sinelli, the founder of Dallas-based Sinelli Concepts International, has partnered with Earth Burger founder Mike Behrend to franchise the plant-based burger brand.

Earth Burger was one of the pioneers of the now-growing niche of plant-based fast food. The concept first launched in 2014 in San Antonio, Texas, and has grown to four units there, with another company location planned for Dallas. Now Sinelli believes the brand is ready for expansion across the U.S., and perhaps even globally.

Sinelli Concepts has become an equal partner in the franchisor Earth Burger Global, which is planning a launch party in November to kick off the franchising program.

Earth Burger has spent the past year preparing for franchising, including expanding daypart offerings by adding an espresso-based coffee program, Sinelli said.

Known for Beyond Meat burgers, chicken and fish sandwiches—all with no animal products—Earth Burger has also had a runaway hit with its Warp Wrap, a Just Egg and plant-based sausage breakfast sandwich with tater tots that's available all day but begged for a coffee add on, Sinelli said.

"We have the opportunity to be the first plant-based coffee shop program offering only plant-based milks," he said. "Where Starbucks is struggling to upcharge and has people picketing, that's all we do."

Earth Burger also has the advantage of offering drive-thru service, though Sinelli said the concept will be developed with multiple formats, targeting food courts, strip centers, malls and nontraditional locations. "It's a brand that can go anywhere," he said.

Earth Burger joins a growing number of plant-based QSR brands vying for national dominance, and many are also franchising. But the expansion move also comes at a time when **some observers see**

consumer interest in plant-based eating starting to wane (https://www.restaurantbusinessonline.com/food/consumers-appetite-plant-based-meat-products-may-be-waning).

That dampened enthusiasm, however, could also be blamed on the typically higher price of plant-based proteins. Sinelli said the branded products that have paved the way for plant-based fast food are "investment grade" and have higher costs.

"But I think the costs will go down," he said. Operators that move into the space early may pay more for ingredients, but "it's the job of the brand to grow and scale and reduce the costs."

Those in the industry know there will have to be price parity between meat and non-meat alternatives for the trend to have staying power—and arguably plant-based products should be less expensive, because harvesting plants is less costly than harvesting animals, he said.

"We're going long term," said Sinelli. "When you play long term, there's going to be incumbents and ups and downs in any segment. This space is so active. At the NRA show there were dozens and dozens of new participants. Some will fade, some will merge, some will partner. But it's going to go forward."

Earth Burger is also looking at shifting to proprietary products where possible on the menu. Sinelli Concepts, for example, has a frozen dessert brand called Paciugo Gelato Café, with about 30 units and a manufacturing plant, which offers a potential opportunity to create a proprietary plant-based milkshake base.

And for guests who prefer burgers with a shorter ingredient list, Earth Burger offers a roasted quinoa burger with lentils, and a protein bowl with kale, carrots, pickled cabbage, garbanzo beans, tomatoes, pumpkin seeds, ancient grains and hummus.

Prices are below \$10 for the single sandwiches and combo meals are under \$13.

Sinelli has developed a portfolio of brands ranging from Genghis Grill to Which Wich sandwiches. A former vegan himself, Sinelli was an early adopter of plant-based proteins, adding a Beyond Chicken option to the menu at Which Wich in 2015.

Behrend, who was once known for his chicken-fried steak and three-pound cinnamon rolls at Lulu's Bakery & Café, switched to a plant-based diet in 2005 and lost more than 70 pounds. He sold the bakery and opened Green Vegetarian Cuisine, described as San Antonio's first vegetarian restaurant, and then created Earth Burger, launching it initially with a kickstarter campaign that raised \$40,000.

Sinelli said he has been watching the Earth Burger brand ever since.

Now describing himself as a "pure flexitarian," Sinelli said there is clear interest in plant-based concepts, with celebrities like **Kevin Hart** (https://www.restaurantbusinessonline.com/emerging-brands/kevin-harts-new-restaurant-hart-house-aims-reinvent-fast-food-not-being-plant), Leonardo DiCaprio (Neat Burger) and Travis Barker (Crossroads Kitchen) investing in the space.

Still yet to come is the long-awaited "cultured meat" wave, with meat developed from cells rather than animals, Sinelli added.

"In 10 years, it's going to be about protein. What your protein looks like, whether from plants or animals, it's not going to matter," he said.

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