



WALKING TALL

A couple of decades ago, it wasn't considered cool to emulate the wild, wild West and country music had fallen off the radar. So it's surprising the Lone Star restaurant franchise, defying all the odds, has become a great success.



Above (from left) Tim Whelan, James Whelan, Shane Hausler, Johnny Phillips and Steve Ward, directors of Lone Star.
Right Illuminated or not, the Lone Star brand (shown is the Queenstown café) stands out everywhere.



Opposite Patrons enjoying an evening meal outside the Taruanga Lone Star café.

Walk into any Lone Star restaurant and you'll know it immediately. There's a golden glow, the walls are festooned with strongly themed Native American, cowboy and country music artefacts. There is memorabilia of sporting heroes and Kiwiana. The atmosphere is warm and welcoming.

The look is instantly recognisable now, but in 1988 when friends Tim Whelan and Steve Ward opened the first restaurant in Christchurch, the critics – including Tim's father – weren't convinced.

"I'm going to open a country café," sometime-journalist and other times sandwich-maker, Tim, told his dad. "Oh really," came the reply. "What country?"

Twenty years ago 'country' just wasn't a genre that sprang to mind. Nobody readily admitted to liking the music, the lifestyle or the image of the American Wild West. It was an inauspicious start to what has since become a franchise success story.

NO COMPROMISE

"The Lone Star was born from an idea of delivering outstanding food with uncompromising service," says Steve. "We wanted to provide great value for money in terms of service, product and atmosphere to our guests."

The concept defied the critics and became popular with punters. There are now 19 Lone Star restaurants around the country, from Invercargill up to Auckland, and the brand has become so popular that – despite the costs involved – the management group receive between four and five enquiries a day about owning a franchise.

According to Steve, it can typically cost around \$1m to set up a Lone Star – although the strategy for future expansions is to achieve store openings under that figure.

"Costs will vary from region to region, so the bigger the centre the bigger the Lone Star and the higher the costs will be. Looking ahead, our expansion strategies for new Lone Stars include possible equity partnership

opportunities (in existing stores), increasing market share via new store openings in the larger cities, and opening new boutique-style Lone Stars in the smaller centres around the country."

Whatever the structure, the one thing that will remain constant is the commitment to service and quality. "If a potential franchisee doesn't totally embrace the true essence of hospitality, they won't even get to first base," says Steve.

The fact that nearly half of the 19 franchise owners are former Lone Star employees is testament to how they fully understand the Lone Star ethos. Once on board, franchisees become part of the family.

"Franchisees are integral to the growth and ongoing success of our product," says Steve. "Our biggest challenge is managing that relationship so the Lone Star brand is protected but that there is also some autonomy for the franchisees." He says that, while franchisees will sometimes think differently, the group is committed to

supporting them to ensure the ongoing success and profitability of their businesses.

"More than ever, we have to set budgets, targets and forecasts as we've never had to work harder for our market share. But then, we opened in a recession and we've lived through tough times so we know it can be done," he says.

The management group has grown from Tim and Steve to include Tim's brother James, former Queenstown Lone Star staffer's hospitality manager Shane Hausler and chef Johnny Phillips as directors, and general manager Andrew Jackson as a shareholder.

MARKETING STRATEGIES

While they defied their critics who said a country-themed restaurant would be doomed, they've also gone out on a limb when it comes to marketing strategies. "Everyone told us that giving away merchandise would never work and that we were being naive by not advertising," says Steve.



Above The cowboy-rich theme has remained the hall mark of the Lone Star café for over 20 years. Shown here the Palmerston North Lone Star.

Centre The Hamilton Lone Star café had to have a kitchen refit soon after opening to keep up with the demand.

Right The distinctive Lone Star decor in the restaurant at Riccarton.

“However, it’s a well-known fact that it’s easier to bring your current customers back rather than try and court new ones, so Tim’s philosophy has always been ‘give it out and it will come back to you 100-fold,’” says Steve. The group’s below-the-line marketing strategies include giving away T-shirts, birthday vouchers, caps and other merchandise. They also shout groups rounds of drinks.

“While we are focused on profit-driven initiatives, we feel adding value to peoples’ experience will only strengthen the ability for the business to grow,” says Steve.

LOCATION

While much has stayed the same over the years, including some of the dishes on the menu, there is one thing that has changed. The Lone Star no longer considers itself a destination restaurant but will seek out premium locations for its new cafés.

“We were once committed to a policy of only one Lone Star in a town. Bigger cities, however, can sustain more restaurants and also allow us to increase our market share,” explains Steve. The group has a brand development manager who studies

the demography of regions and works with potential franchisees on suitable locations.

Architectural designer John Ayres, who has designed 12 of the 19 Lone Stars, says it can take over a year from identifying the area to finding a site and then beginning the design process.

“It’s all about choosing a building that has the right character and then looking at the market. Each Lone Star is subtly different and matches the culture and market of where it is going.

“While first and foremost it’s always a family restaurant, there will be some differences,” says John. “In Petone in Wellington for instance we identified that, because of the area and market, we needed a bigger bar area. A 200-seater restaurant is big enough for an area like Riccarton in Christchurch but would be way out of place in somewhere like Taupo. All these things are taken into account before we even draw the first picture.”

The first Lone Star on Christchurch’s Manchester Street is still used as a base for any new restaurant, although the Tex-Mex cowboy theme has evolved to incorporate New Zealand flavours.

LOOKING LOCAL

“There’s now a strong Kiwi twist that incorporates characteristics of Aotearoa. In Rotorua there’s a strong Maori flavour while the Petone fit-out had more of a Pacifica influence,” says John.

Certain design elements are crucial and taken into account from the very beginning. “We start with the kitchen and staffing areas, and then work from there. Those areas are the engine rooms, basically, and have to flow well for everything else to work,” says John.

“Then we look at entranceways making sure we include features such as good-sized walls for the local heroes’ memorabilia and include space near the bar for the sports heroes’ wall.

“An increasingly important area is also an outdoor environment,” says John. “People like to be able to sit outside and relax.”

When it comes to the interior fittings, each Lone Star will have some subtle features that are either a salute to that region or fit a strong theme. In Petone the wallpaper is from Resene’s Indochine range that has a strong black and gold pattern that reflects the colours of Wellington rugby. In

Riccarton, Christchurch, the bar is a tribute to Johnny Cash.

“The challenge is always to retain the cowboy ethos but not to go over the top.”

Love it or loathe it, the Lone Star’s policy of not taking bookings has always been one of the restaurant’s quirks – and one they will never change.

“We don’t like reserved signs on tables. We’re about equal opportunity and think the message these signs send is ‘please go away’. Besides, we always like having a full house,” says Tim. He believes the secret to the Lone Star’s success is because they do the fundamentals well – and still love and care about what they do.

“Looking back, I really wouldn’t do anything differently,” he says. “We set out to create a business that would trail-blaze in terms of being a fun place to be – with family values.

Love, care and generosity served with a generous portion of unbelievably tasty food.” ■

By **Kim Triegaardt** from Convergence Communications & Marketing Ltd.