

IS SOUTH AFRICA THE NEXT HOT MARKET?

How America EatsSM

QSR

International Goes Mainstream

Flavors once thought exotic are now commonplace in the U.S. and making their way to quick-service.



FEBRUARY'S
FRESH IDEAS:
INTERNATIONAL SNACKS



ONES TO WATCH

El Meson Sandwiches

EL MESON OPENED IN AGUADILLA, PUERTO RICO, in 1972 as a deli, selling meats and cheeses by the pound and serving freshly made sandwiches on the side. Within a year, founder Felipe Perez Sr. dropped the deli side of the business to focus on his expanding sandwich business.

He grew El Meson into a popular hometown eatery, serving full hot breakfasts and hot, grilled Caribbean-style sandwiches during lunch and dinner. He operated the single unit for 15 years with few changes until his son, Felipe Perez Jr., finished college in the U.S. and returned to help his father expand the family business.

"This is more than a business to me," Felipe Perez Jr. says. "I grew up in the business and have seen over the years what it can become."

The father-son team opened a second location in 1987 in a nearby mall. It was an instant success, and the Perez family opened a third location a year and a half later in San Juan's Plaza Las Americas, the largest commercial center in the Caribbean. "This was a milestone for our company," the younger Perez says. "We were such a small company, but we were really the only sandwich restaurant in Puerto Rico at the time that was organized. So after we opened the Plaza location, other malls started calling and asking us to bring our concept to their foodcourt. That's how we grew over the next seven years."

The company's next step was to introduce a freestanding location with a drive-thru in 1991. "We were worried about how our sandwiches would do with a drive-thru," Perez says. "They are very juicy, and we didn't know if we would be fast enough—we make every sandwich to order."

But the senior Perez's assembly line system worked well at the drive-thru, leading the company to shift its focus from

foodcourts to freestanding locations, which in recent years have been dual- and triple-concept locations in partnership with Baskin Robbins and Dunkin' Donuts.

"The brands really complement one another," Perez says. "Dunkin' is strongest in the morning, Baskin Robbins is strongest at night, and we really are very much a lunch brand."

Lunchtime favorites at El Meson are the turkey-based sandwiches, Perez says. "When my dad first

opened, pastrami was most popular, but people really have shifted away from the red meats."

They are juicy and flavorful—we say *fabroso*. We get a lot of tourist traffic from the mainland U.S. and around the world. Everyone we talk to says we have the best sandwiches they've ever tasted."

Beyond the food, Perez says the upscale environment of marble and wood surfaces and a colonial building design, which harkens to Puerto Rico's history, helps draw a diverse crowd. "We really aimed to set ourselves apart from regular fast food," Perez says. "You see that in the clientele. You might have the maintenance guy and the manager of the local bank sitting just a table apart."

Perez is focused on growing El Meson on the island for now, but believes he has a concept that will work anywhere. With the stores serving 600 to 700 customers a day with a basic menu and an average ticket of \$6, Perez is eager to expand the highly profitable concept.

There are 30 El Meson locations in Puerto Rico, and with 4 million people on the island, Perez believes he can double the chain's size there. He plans to have 40 company-owned stores open in the commonwealth in the next two years.

"After 2010, we would love to go to the mainland," Perez says. "That is our next step and we should provide a great alternative, not just for Latin people living in the states, but for Americans who really are embracing Caribbean food."

Perez plans to expand into the U.S. through master franchising agreements and thinks his brand would help diversify the portfolio of a company representing several restaurant concepts.

BY SABRINA DAVIS

El Meson Sandwiches

PRESIDENT: Felipe Perez Jr.

HQ: Mayagüez, Puerto Rico

YEAR STARTED: 1972

ANNUAL SALES: \$45 million

TOTAL UNITS: 30

FRANCHISE UNITS: 0

www.elmesonsandwiches.com



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All of the sandwiches begin the same way, with a sweet and savory Caribbean-influenced base of thinly sliced cabbage, mayonnaise, a sweet sauce, and butter. Customers choose their grilled meats and breads. El Meson also offers vegetarian options made from tofu-based meat substitutes. There also are wraps, salads, soups, and a full breakfast menu, but the sandwiches far outsell the rest of the menu.

"All of the sandwiches are hot," Perez says. "They always have been. Latin people prefer their food hot. It's just part of our cul-