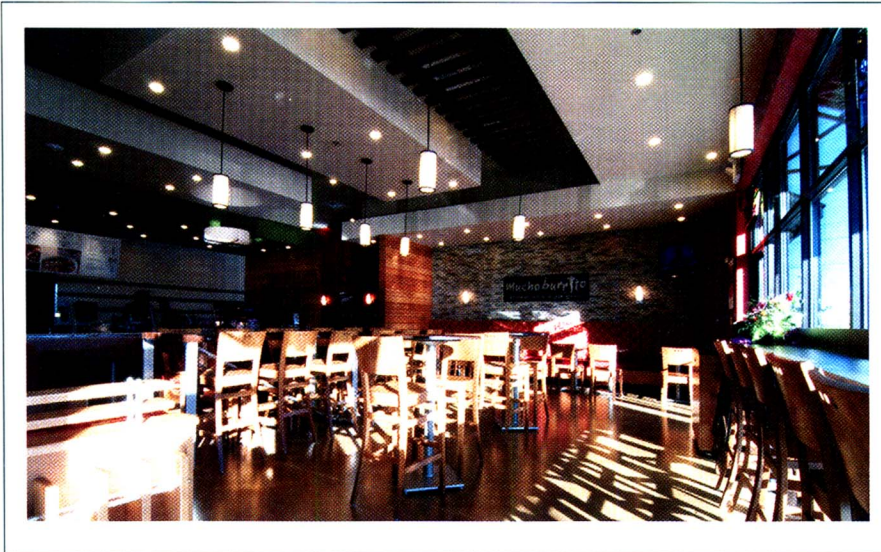


Restaurant News

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Mucho Burrito takes Mexican flavours to the U.S.



Canadian chain Mucho Burrito's new location in Washington is merely the start of its expansion plans.

MISSISSAUGA—With more Mexican flavours being brought to Canada by U.S.-based companies, it is perhaps a bit unusual to see this flow being reversed.

But that is what Ontario-based Mucho Burrito attempted to do, by opening its first location in the United States in November. Located at 3625 148th St., Lynnwood, WA, the new restaurant is the first U.S. location and the first of 50 slated to open throughout the state.

The move south of the border came about when a local U.S. company, MB Development Inc., which was developing some of the brands on the west coast for Extreme Pita approached Alex Rechichi and his partners to see if they wanted to open up a local Mucho Burrito.

"At the end of the day, there's a plus side to doing business in a marketplace where there's a lot of familiarity," Alex Rechichi, co-founder and president of Mucho Burrito told *ORN*.

"When we came into marketplace, we were unsure as to whether Canadian marketplace would be receptive," said Rechichi. Mucho Burrito started out small with a smaller type footprint.

"There was some educating of the consumer to start...but there was enough interest in the Canadian consumer to make it work. Many customers have been exposed to Mexican food in the U.S." Originally, the company looked at U.S. chains to try to identify if Canada "was on their horizon," says Rechichi.

Now, Rechichi sees the new restaurant in the U.S. as an opportunity to leverage the brand.

The company has made slight adjustments in terms of recipes, such as increasing heat and changing cheese profiles, changes that Rechichi attributes to the availability of product on different sides of the border.

The restaurant is also increasing the amount of beans in each burrito, as company research found that the American consumer expects between 50 to 70 per cent more beans than in Canada. The U.S. restaurant will also offer a flatline pricing structure of \$5, \$6 and \$8 for small, medium and large burritos, as well as a simplified and easier to read menu.

"We offer a lot more choice. The category leaders down there are more focused on one size of offering. We offer three different sizes," says Rechichi.

"Customers are accustomed to those types of menus now," says Rechichi. "We don't need to show them how to navigate it anymore."

Rechichi also points to other options at Mucho Burrito such as a whole wheat tortilla rather than the white flour option traditionally offered in the U.S., as well as fillings such as chorizo, fish, and carne asada. The chain has also started introducing limited time offers.

Rechichi says that the restaurants are doing more volume than expected, the footprint of each space has gotten larger and the average unit volume as a chain has increased.

Since launching the brand in June 2006, Mucho Burrito has opened 32 restaurants throughout Canada. The restaurant in Washington will have a similar design profile and footprint to the ones rolling out in Canada, says Rechichi. These higher end versions of Mucho Burrito will offer more seating, booths and televisions throughout the restaurant in response to strong dinner sales and family dining.

The new location will also offer the full breakfast menu, featuring breakfast burritos and egg dishes, which also launched this year in downtown Toronto.

Construction has also started on a second restaurant in the Washington area. Initial sales have beat expectations for projections for soft opening, says Rechichi, who says that the company is interested in approaching multi-unit partners that are interested in developing brands.

In the works are 10 franchise restaurants in the next 16 months.

The company already has plans for 50 restaurants over a three-year span across the U.S. as part of a national and international growth plan calling for more than 200 locations in the next five years, including up to 20 restaurants in the middle east.