

# KRISPY KRUNCHY

Krispy Krunchy Chicken Has Hot Growth in Cajun Comfort Food in Convenience Stores



Convenience stores are known for triggering impulse purchases, something **Krispy Krunchy Chicken** is all too familiar with. The company, known for its Cajun fried chicken, has been experiencing hot growth by adding 564 new stores in 2015 alone. Ninety percent of these locations are in convenience stores, which means as customers pay for their gas, or pick up candy and drinks, they are also purchasing fresh Cajun tenders, a crispy chicken sandwich or Buffalo wings from Krispy Krunchy.

Krispy Krunchy makes it easy for its customers to purchase its menu items. As a result, convenience-store owners integrate these offerings into the existing store mix of packaged snacks, beverages, tobacco products and more. This turnkey chicken operation requires a relatively small space and very little labor. Owners can customize the menu, including the sauces and sides they want to offer. There are no fees for royalties, marketing, franchising or training. Plus, Krispy Krunchy orders all the equipment, sets it up and partners with Restaurant Technologies to ensure that managing the cooking oil in the fryers is as seamless as the rest of the operation.

In addition to being easy to operate for store owners, Krispy Krunchy is a crowd-pleaser, offering quality and convenience in the form of tasty chicken.

## Fuel and Fried Chicken

Most people would think fuel is the profit center at a convenience store. Not so. For most convenience stores, gasoline makes up 70 percent of revenue, but only 30 percent of profit.<sup>1</sup> And although cigarettes remain an in-store sales leader for convenience stores, contributing to more than a third of in-store sales,<sup>2</sup> that share continues to decrease.



“As convenience-store operators look for new profit centers, they are discovering that prepared food is where it’s at,” says Dan Shapiro, executive vice president at Krispy Krunchy.

According to the National Association of Convenience Stores, 84 percent of items purchased in a convenience store are consumed within an hour.<sup>3</sup> Millennials, in particular, are frequenting convenience stores almost twice as much as fast-casual restaurants to purchase their food and beverages.<sup>4</sup> This purchasing pattern demonstrates the desire for food-service offerings as the number of prepared meals served at convenience stores grows. These stores are cashing in on the omnipresent demand for the very concept that put them where they are in the first place — convenience.

“We try to make it simple for our store owners to make the most of this concept,” Shapiro says. “And many locations are very successful. Some of our better-operating stores generate revenue of \$40,000 to \$60,000 per month from chicken, with a handful of stores exceeding \$100,000 per month. This is especially true in the more rural areas, where the convenience store becomes a quick-service restaurant.”

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### Sources

<sup>1</sup>Lisa White, “C-store Retail Restaurants Thrive,” *Foodservice Equipment & Supplies*, February 1, 2016, <http://www.fesmag.com/departments/segment-spotlight/13231-c-store-retail-restaurants-thrive> (accessed May 11, 2016).

<sup>2</sup>Kelly Hensel, “C-Stores Raise the Bar on Convenience Foods, IFT, January 2012, <http://www.ift.org/food-technology/past-issues/2012/january/features/c-stores-raise-the-bar-on-convenience-foods.aspx?page=viewall> (accessed May 11, 2016).

<sup>3</sup>Lisa White, “C-store Retail Restaurants Thrive,” *Foodservice Equipment & Supplies*, February 1, 2016, <http://www.fesmag.com/departments/segment-spotlight/13231-c-store-retail-restaurants-thrive> (accessed May 11, 2016).

<sup>4</sup>“Millennials Trade ‘Down,’ C-Stores Step Up, *CSP Daily News*, February 5, 2012, <http://www.cspdailynews.com/category-news/foodservice/articles/millennials-trade-down-c-stores-step> (accessed May 13, 2016).



## Feeding an Appetite for Quality

Shapiro explains that for the convenience-store owner, it is easy to feed impulse purchases with Krispy Krunchy Chicken. Preparation is simple. There's no cooking on demand like there is in a typical quick-service restaurant. The operator breads the chicken, fries it for just the right amount of time at the right temperature, and it stays fresh in the case for a few hours.

A partnership with Restaurant Technologies also helps Krispy Krunchy maintain food quality. Through fryer-filtration monitoring, the company ensures oil compliance among store owners by tracking the frequency and duration of oil-filtration activities. Depending on volume, Krispy Krunchy recommends filtering its cooking oil twice a day to extend oil life and maintain food quality. If there is any deviation from the standard schedule, the system prompts an email alert, so Krispy Krunchy knows what's going on at its locations.

“Fryer-filtration monitoring provides us with reports that help us know how often a store is filtering its oil,” Shapiro says. “We look at this as our ‘canary in the coal mine.’ We know that if these locations are not filtering the oil, there might be other things they are also not doing. That’s when we know that we need to get back in to the store for retraining.”

Moreover, Krispy Krunchy knows that if its locations are using the Restaurant Technologies oil management system, they are frying with premium oil, and not some lesser alternative. This, too, maintains food quality and consistency.

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## Building a Nest Egg

Krispy Krunchy was founded in 1989 in Lafayette, La., by Neal Onebane. As the owner of eight convenience stores, he saw other stores selling chicken prepared in pressure cookers and thought he could provide a better product. He cooked his chicken in fryers like some of the chain restaurants did and designed a special hot-food case to store the fried chicken after it was cooked. Onebane then installed these hot-food cases in each of his stores as demand for his chicken grew. Soon he began selling his Cajun breading and marinade to other convenience stores, and the company took off.

In addition to its fresh, never-frozen chicken, other fried-food offerings include Cajun fried fish and shrimp, boudin bites (balls of Cajun sausage that are breaded and deep-fried) and a variety of comfort foods including red beans and rice, jambalaya, mac and cheese, and honey-butter biscuits.

Today, Krispy Krunchy has 2,000 retail locations in 39 states. Its home state of Louisiana boasts the most locations with 300, and the company is also expanding overseas. In addition to convenience stores, Krispy Krunchy’s food offerings are in shopping malls, universities and the Wichita Zoo.

In convenience stores, Krispy Krunchy is purposefully located close to the register and sales counter to encourage impulse purchases. “We know that half of our volume comes from customers walking into a convenience store for something else,” Shapiro says. “That means 50 percent of our food purchases are not planned. These customers had no intention of eating. But then there’s this beautiful hot-food case, well-crafted messages on the menu, video boards grabbing their attention and the smell of fried chicken. That’s when customers realize they are hungry, and they buy.”



## Don't Ruffle Feathers: Safety First

One of the advantages of the Krispy Krunchy business model is that company representatives will train store personnel on-site at their location at no extra cost. This includes a week of training before the grand opening, as well as periodically throughout the year. Store operators learn cooking processes, customer service and safety.

Shapiro appreciates the safety that is built into the Restaurant Technologies oil management system. Without the system, when oil levels go down in the fryer during the day, employees typically would have to pick up a 35-pound jug, lift it to chest level and pour the oil in the fryer to top it off. The trick is keeping hot oil from splashing out of the fryer and causing burns during this process. And if an operation has two or three fryers, it makes for two to three times the work — and safety risks. The Restaurant Technologies system makes this process safer and more efficient.

“With Restaurant Technologies, we just open the spigot and use the wand to level off the oil,” Shapiro says. “It’s so much easier. This system also makes it simple to dispose of used fryer oil. We no longer have to drain the hot oil into a container, and wheel it outside to an oil-rendering tank. That process was messy and dangerous and left potential for burns, slips and falls. With this oil management system, we no longer have to do that.”





## The Right Ingredients Rule the Roost

The sales concept for Krispy Krunchy may be based on impulse buys, but tasting is believing; and the company's growth is evidence of its success. As the turnkey operation makes it easy for more convenience stores to add Krispy Krunchy Chicken, the continued partnership between Krispy Krunchy and Restaurant Technologies ensures a simple solution to maintaining food quality.

### RESULTS

- **Saving:** Time and labor are saved by not having to change the cooking oil by hand.
- **Safety:** Less potential for burns, slips and falls.
- **Cleaner:** There's no mess behind the restaurant from unsightly oil-collection bins and no oil splashed on floors.
- **Food quality:** The oil management system, enhanced by fryer-filtration monitoring, delivers consistent food quality.
- **Efficiency:** The automated system provides dynamic routing and delivery.
- **Relationship:** Restaurant Technologies is an approved partner with Krispy Krunchy, and most Krispy Krunchy locations installed since May 2014 includes an oil management system.





FOOD QUALITY



EFFICIENCY



SAFETY



SUSTAINABILITY

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