

The Record

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Can a restaurant live on chocolate alone? Max Brenner's Chocolate Bar at Westfield Garden State Plaza in Paramus is designed to measure the viability of a new kind of dessert-only restaurant in a mall setting.

The restaurant, which opens to the public today, is the second Chocolate Bar restaurant in this country, and the first in a major U.S. mall. The direction of future U.S. expansion "will depend on what we see happen here," said Max Brenner Chief Executive Officer Sam Borgese.

The company, which is moving away from its full-service restaurants that include non-dessert meal items, opened its first new concept Chocolate Bar in a smaller, open-air shopping center in Bethesda, Md., in August. The Plaza location will be key, Borgese said, in demonstrating how a Chocolate Bar performs in a large mall.

The Plaza site also will show whether Americans will embrace a restaurant that serves only sweets, and an all-chocolate menu featuring hot chocolates, shakes, melted chocolate fondues and a plastic syringe filled with chocolate that can be spread on crêpes or waffles or simply eaten with a spoon.

Harry Balzer, chief industry analyst for the Port Washington, N.Y.-based research firm The NPD Group and author of its annual report on eating patterns in America, said that while there were lots of other options for sweet snacks in America, chocolate is a good food group to bet on. "Seventy-four percent of the U.S. population is going to eat a chocolate item sometime in the next two weeks," Balzer said. "You don't have to go too far to find people who like chocolate."

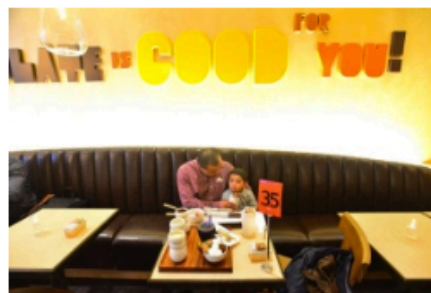
Still, he said, even with a popular main ingredient, the chain will have to draw repeat customers and avoid being just a novelty experience in order to thrive.

The Max Brenner brand was born in 1996 as a chocolate store in Israel. It was founded by Oded Brenner and Max Fichtman, who combined their names to create the brand name. The company is based in New York City and is a division of the Strauss Group, the largest food company in Israel. Strauss Group does not release its Max Brenner sales. A franchise owner began opening Max Brenner Chocolate Café restaurants in Australia, and those have enjoyed great success with more than 35 locations.

The brand has full-service restaurants – with non-dessert items – in New York City, Boston and Philadelphia, but the Max Brenner company decided to focus on desserts for the new expansion because most visitors to its restaurants order only the chocolate specialties.

The company is combining its dessert-only menu with the limited-service business model known as fast casual. The fast casual model, in which customers order at a counter and then are given a number and have the food delivered to their table, has been used to sell hamburgers and other lunch and dinner items. However, industry experts said they hadn't heard of a chain using it for a dessert-only menu.

The fast casual model is growing faster than other restaurant categories because "people want to control the amount of time they're going to spend in a restaurant," said Bret Thorn, senior food editor for Nation's Restaurant News. The fast casual model is perceived as faster than having a waiter take an order, and as more affordable, because there is no need to tip.



Customers Diego Morales and his son Diego, 2, enjoying a chocolate meal. The restaurant officially opens today.

The sweet spot

- U.S. candy and confectionery sales have increased every year since 2007 and rose 2.5 percent to \$33.6 billion in 2013.
- Chocolate is the biggest candy category and grew the fastest, with a sales gain of 3.6 percent.
- The United States ranks 15th among the top 20 nations in per-capita chocolate consumption, with average consumption of 12 pounds.
- The Swiss are the top chocolate consumers, with 26 pounds per capita.

The frozen yogurt chains that have expanded in recent years are another example of a sweets-only menu. However, frozen yogurt is viewed more as a snack than a dessert, Thorn said.

Borgese, the Max Brenner CEO, said the company selected the Plaza for its first major mall location because it liked the design of the new fashion district, where it is located, and because of the demographics of Bergen County.

He said he believes the new wing will attract young female shoppers, a key demographic for the chocolate brand. The Plaza also was selected because it has a movie theater, and the company is hoping its restaurant will be popular with movie patrons before and after shows.

The company, Borgese said, aims to make visits to the Chocolate Bar an experience, with special mugs for sipping hot chocolate, and beakers of melted chocolate for drizzling and pots of melted chocolate for dipping. "We're interactive chocolate," Borgese said.

Borgese said the average purchase per person was about \$10, but the menu includes a number of items in the \$15 range, such as the Chocolate Chunks Pizza for \$14.95.

The 2,700-square-foot restaurant seats 100 and will employ 50 people, according to the company.