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Hooters Looks to Catch Wife's Eye as Tight Shorts Rule

By Duane D. Stanford and Leslie Patton - Sep 10, 2012

Hooters, the chicken-wing chain known for waitresses in tight shirts and orange shorts, wants to make it easier for guys to drop by. That means paying a little more attention to their wives and girlfriends.

Walk into almost any Hooters and it's easy to see why some women might be creeped out. Wall-to-wall dark wood. Posters of bikinied Hooters girls. Titillated guys downing pitchers of beer and making cracks like: "They have great wings."

When Chief Executive Officer Terry Marks was hired last year to make over the chain, he found women also were steering clear because the menu was stale, the restaurants were dated and the food was overpriced. Marks wants to remove the Hooters stigma so men aren't embarrassed to put the chain on an expense account and women aren't as quick to veto a meal there.

"Face it, females are 51 percent of the population," said [John Gordon](#), principal at Pacific Management Consulting Group in [San Diego](#). "They've enjoyed more employment growth and you can't ignore them."

Make no mistake. Hooters is still mostly for guys, who make up two-thirds of the chain's customers. Marks insists Hooters will be every bit as sexy as always and that the iconic uniforms are there to stay. Instead, he's freshening up the menu, creating a night scene and bringing more light into the restaurants to make it clear there is nothing to be ashamed of.

No Sweaters

"There's an opportunity to broaden the net without putting wool sweaters on the Hooters girls," Marks said in an interview at his office in Atlanta. "Everything we do should appeal more to women, but nothing we will do will turn men off."

There's reason to look for a happy balance. After Hooters' U.S. revenue peaked in 2007 at \$960 million, the recession took a toll, pushing down sales every year since, according to Technomic Inc.

Revenue dropped 3.4 percent to \$858 million last year, while U.S. full-service restaurant revenue increased 1.8 percent, data from the Chicago-based researcher show.

Hooters, which is facing increasing competition from other “breastaurants,” including Tilted Kilt and Twin Peaks, is vying for customers as U.S. consumer confidence declines and prices for raw ingredients rise. Confidence among Americans fell in August by the most in 10 months as households grew more pessimistic about the economic outlook.

The first Hooters opened in Clearwater, Florida in 1983, a lark by six businessmen who didn't take the beach bar too seriously. The name is from a Steve Martin comedy skit and the Christmas lights found in most locations became iconic after the owners were too lazy to take them down after the holidays. A group of Atlanta investors added capital and the chain has since grown to 430 restaurants in 44 states and 28 countries.

Private-Equity Owners

Hooters of America LLC, the franchiser that hired Marks, operates the majority of stores and is controlled by a group of investors, including Chanticleer Holdings, which also operates international Hooters locations. Marks, a former Coca-Cola Co. (KO) bottling executive, has spent most of his 10 months with Hooters improving the menu.

Hooters now touts fresh-not-frozen wings and hamburger patties. The chain doubled its salads to six, replacing iceberg lettuce with mixed greens and adding shrimp, spinach and fresh herbs to give women and health-conscious men more choices. In company-owned locations, burgers now come with fries, and wings are served with blue cheese after research revealed customers felt “nickel and dimed” buying them separately, Marks said.

The changes come as Hooters scored below Chili's Grill & Bar, owned by Brinker International Inc. (EAT), and DineEquity Inc. (DIN)'s Applebee's for value, food quality and menu variety, according to an August consumer report from Nation's Restaurant News and consultant WD Partners.

Getting Traction

There are signs of traction, said Jessi Isola, marketing director at Oceanside, California-based Hoot Winc LLC, a Hooters franchisee with stores in California, Washington and Oregon. More women are showing up at the company's 18 West Coast locations, she said.

On a recent weekday, a Hooters in Chicago's Near North neighborhood was advertising “Buncha Lunches” for \$5.99. A sign above the entrance said, “U Have The Draft, We Have The Fantasy.”

Inside, multicolored Christmas lights were strung above the bar and a Leinenkugel canoe paddle hung front and center.

Jeaneth Mazzocco, 38, had just finished a batch of classic wings with co-worker James Pierson, 47. Mazzocco dines at Hooters about once a month and said colleagues from University of Illinois at Chicago "find it funny that we go."

Girls Gimmick

"It might have been seen as scandalous 40 years ago," Pierson added. "We're going there for the food" and the beautiful girls are just a "gimmick" to get diners in the door, he said.

It's that internal dialog that Hooters wants to hit head on with new television ads, said Noel Cottrell, chief creative officer at Fitzgerald & Co. Ads by the agency feature devil owl and angel owl finger puppets giving advice to guys.

"With Hooters, for guys in particular, there's a thing that goes through their head, which is like, 'Well, should I go or shouldn't I go?'" Cottrell said. "We just wanted to make light of that discussion."

The menu isn't all that's evolving. Hooters will renovate 70 percent of its U.S. stores. They're adding amenities such as street-level patios and replacing some of the dark wood with more contemporary furnishings to evolve the beach shack vibe. One of the most important design elements will be larger windows so people outside can see in.

New Design

"There is nothing to hide," Chief Marketing Officer Dave Henninger said. "For those folks who are convinced there's something to hide inside a Hooters, this new design should disabuse them of that notion."

New flatscreen TVs have replaced old box televisions and Marks sprung for costly sports programming packages for professional football, baseball and other leagues so they could make a nationwide promise to show every game. National Football League games and Ultimate Fighting Championship mixed martial arts bouts are huge draws for couples, Henninger said. New TV ads feature former NFL Super Bowl coach Jon Gruden, once a Hooters cook, pitching the chain as the place to watch football.

Bars often located at the back of Hooters facing the kitchen will be moved into the middle of the restaurant and circled with seating for late-night socializing. And Hooters is expanding beyond beer with new cocktails and more wines as some locations are now open until 2 a.m.

“They haven’t really changed the aesthetic of the restaurant” since its founding, said Nima Samadi, senior analyst at [Santa Monica](#), California-based researcher IBISWorld Inc. Giving the stores a more modern look may “help them transition from the Boomers to Generation X.”

While the uniforms will stay skimpy, more contemporary fits and fabric may be in the works, said CMO Henninger, who predicts any changes will spark a “world debate.”

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