

Silicon Valley/San Jose Business Journal - April 21, 2003
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SILICON VALLEY / SAN JOSE
BusinessJournal

IN DEPTH: HOSPITALITY

From the April 18, 2003 print edition

Wares to buy while you wait for a table, that's eatertainment

[Leila Wombacher Knox](#)

It started with everything apple. It turned into everything Americana. Now it's a must-stop eatery and gift shop off Highway 101 on California's Central Coast.

Fifteen years ago, the original owners of the Apple Farm in San Luis Obispo stumbled on the concept of a restaurant with a retail shop. The combination, well-established in tourist spots nationwide, has become increasingly popular in California.

"I think having a gift shop attached to a restaurant is a no-brainer," Ms. Wykoff says.

Actually, the restaurant-gift shop setup had been around longer than Apple Farm. The Nut Tree Restaurant in Vacaville was a favorite of the late newspaper columnist Herb Caen. (The restaurant is now closed.) Casa de Fruta, near Gilroy, started as a fruit stand in the 1940s. It opened a store and restaurant in the 1950s, and has since expanded to include a park, gas station and wine, chocolate, nuts and fruit outlet.

Then there are long-established eateries such as Bob's Big Boy and Pea Soup Andersen's in Central and Southern California, all offering souvenirs with their bills of fare.

Whether it's a small corner dedicated to just a few items, or a big gift shop, the marriage of food and trinkets has proven lucrative for many restaurant owners. Restaurant-gift shops have always been popular along historic driving routes, such as the old Route 66 -- which stretches from California to Illinois -- and the Texas Lakes Trail, which takes tourists to historical sites in towns like Paris, Wichita Falls and Bonham.

Since its global expansion began in 1982, London-based Hard Rock Cafe has been serving its franchise restaurants food, against a backdrop of music memorabilia, and its own line of clothes and accessories.

"The Hard Rock gave impetus to the whole thing we've seen in the last two decades where everyone wanted to match its success with the sales of souvenirs," says Richard Martin, managing editor for the Nation's Restaurant News, a New York-based trade publication.

"Everybody tried to glom onto that, so you saw lots of concepts emerge with the 'eatertainment' trend."

Some restaurants keep the merchandise simple -- a hat, T-shirt or barbecue sauce in a display case in the front lobby. Others, like Apple Farm, have gift shops offering greater variety.

According to Kim Wykoff, Apple Farm's director of sales, the gift shop came after the restaurant. The owners had decorated the eatery with apple carts, paintings and other knickknacks.

"The idea worked so well that people would come in to eat and were trying to buy artwork off the walls, so they thought, 'We should market this,'" Ms. Wykoff says.

A small store carrying "everything fuzzy and warm" was opened next to the restaurant's main dining room. Today, the gift shop carries everything to please both the home decorator and the casual browser: stationery, teacups, soap dishes and wicker purses, to name a few. It also sells jams and jellies, apple cider and homemade ice cream.

For the Apple Farm Restaurant, the gift shop provides guests, most of whom are tourists and hotel patrons (from the Apple Farm Inn), with something to do while waiting for a table, which sometimes is more than 30 minutes on a Friday night or Sunday morning.

The gift shop accounts for about 20 percent of the Apple Farm's revenues last year, with the restaurant bringing in 36 percent and the hotel 44 percent. Ms. Wykoff would not disclose how much Apple Farm made in 2002.

In the Napa Valley, restaurants also have found success with the restaurant-gift shop combination. Brix, an elegant bistro on Highway 29 in Yountville, carries both French- and California-influenced items.

Serving platters painted with carrots and tomatoes, decorative outdoor roosters and French linens are just a few of the items that Brix's gift shop carries.

"I want to have the feel of the Napa Valley lifestyle," says Valerie Kelleher Herzog, Brix's retail manager and buyer. "I try to bring the indoors out and the outdoors in, because so much of the living up here is outdoor living."

Ms. Herzog says when her family opened Brix eight years ago, it was natural to include a gift shop, since most Napa Valley visitors want to bring a taste of the wine country home with them. "I think it's enabled us to be a destination for both the restaurant and for those looking for a particular wine or gift item," she says.

Ms. Herzog says that the gift and wine shops, which are in the same building as the dining area but separated into two distinguished spaces, account for 7 percent to 10 percent of Brix's revenue.

Perhaps one of the biggest restaurant-store successes is Cracker Barrel, which began as a single restaurant and country store off of Interstate 40 in Lebanon, Tenn., in 1969. The company's founder, Dan Evins, wanted to create an enjoyable place for travelers to rest and eat, as well as an authentic country store hawking old-fashioned wares.

"He wanted to provide unique treasures that you would find in the old country store: cast iron cookware, jams and jellies, apparel, toys," says Cracker Barrel spokesman Jim Taylor. "By providing these things, guests come to feel comfortable."

Cracker Barrel Group, Inc., which is publicly traded on the Nasdaq under CBRL, now has 470 stores in 41 states, mostly east of the Mississippi, but stretching as far west as Idaho and Montana. Most of the stores are located along well-traveled interstates and highways.

The company netted \$200 million in sales in 2002.

Twenty percent of that, or \$42 million, is attributed to retail, and \$160.45 million coming from the restaurant.

Ron Santibanez, president of the Southern California-based restaurant consulting group Qualified Solutions Consulting, says he strongly encourages his clients to venture into merchandising. Whether it's something as small as homemade pasta sauce behind a display case, or as big as a dedicated area with items like aprons, mugs and bread mixes, Mr. Santibanez says retail only adds to a restaurant's appeal.

"We're looking at developing products and sauces that we can put in there so the store can be part of the charm and attraction," he says.

But he warns against building retail to the point that it takes away from the restaurant and its cuisine -- especially if the retail portion of the operation does not tastefully blend with the dining experience.

"It has to blend, and it has to feel right within the restaurant," Mr. Santibanez says. "Some of these places get a cluttered souvenir look to them."

The owners of Brix in Yountville were aware of this issue, taking care to distinguish their retail operation from the dining area.

"It's separated enough so that people don't feel like they have to go into the gift shop," Ms. Herzog says.

Leila Wombacher Knox is a freelance writer based in San Luis Obispo.

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