

Higher Prices on Menu at Cheesecake Factory's New Sister Eatery

By SHARIFAH CHAMMAS - 4/28/2008

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Century City attorney Noah Steinsapir is the type of consumer Cheesecake Factory Inc. plans to attract when it opens its first RockSugar Pan Asian Kitchen at the Westfield Shopping Center near his office.

The menu at RockSugar – the company's newest concept restaurant opening in July – will feature an eclectic range of Southeast Asian dishes, from Thai to Vietnamese to East Indian.

“Century City has been lacking in Southeast Asian cuisine,” said the 29-year-old civil litigation attorney. “When I am having a craving for Indian or Malaysian food there is nowhere to go.”

RockSugar, which takes over the former site of Stage Deli, will be 7,500 square feet. That's smaller than Cheesecake restaurants or even the chain's Grand Lux brand. The price point will be higher than Cheesecake's.

“This was a clear decision of ours for our new growth vehicle,” said Howard Gordon, vice president of business development and marketing for the Calabasas Hills-based company.

Cheesecake, which has stopped opening Grand Lux restaurants, at least for now, has not indicated when it may open additional Rock Sugars. It does plan to open six to eight Cheesecake Factories this year.

“The average Cheesecake Factory costs about \$6 million to build and Rock Sugar fits within this range,” Gordon said.

The growth mode may be the strategy the chain needs to get its numbers back on track as the casual dining sector struggles.

The company last week reported quarterly net income of \$14.3 million, down 22 percent from the year-ago figure. Sales rose 10 percent to \$394 million.

“We continue to be focused on execution and firmly managing our costs,” stated chief executive and chairman David Overton in the earnings report.

One analyst said that the sector may be starved for high-end Asian fare.

“There is a niche market in Asian dining – it's on a good track,” said restaurant consultant William H. Bender of the firm W.H. Bender & Associates. “People are not only becoming more familiar with Asian cuisine, people feel they are eating healthier when they are eating Asian food.”

Bender also pointed out that serving lighter Asian cuisine can be cheaper than running a steak or seafood restaurant.

Market research company Mintel reported that Asian cuisine is at an all-time high and calls the trend “Zenspired” in its 2007 Menu Insights study.

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