



Christopher Jones, President, Sushi Shop

A pandemic-proof business model: understanding Sushi Shop's success in 2020

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Sushi Shop's innovative concept has proven remarkably resilient during the Covid-19 crisis in the UK, growing by double digits last year. In this conversation with Christopher Jones, President of Sushi Shop¹,

Let's kick things off with the question on everyone's mind: how has Sushi Shop coped with the pandemic and the successive lockdowns?

Christopher Jones: We are fortunate to have a brand concept that is already a delivery business, so this is native to us. We are already digital, 77% of our sales are digital, 67% of our business is delivery and 28% is click and collect takeaway. So, the way customers changed their dining habits during the impact went into our direction. Our “dine-in” restaurants closed like everybody else when the lockdowns first came, but we were able to adapt. Since June, we have been trading better than last year.

Did you alter your approaches and strategies whilst responding to the pandemic, in order to stay competitive?

CJ: The first thing we did was to reorganize the way we used to work, within our business, with our franchises and with our partners. We innovated, we tested, and we launched new categories of products. We increased direct communication to our guests and put much more emphasis on our social media. We pushed all the channels, because we very quickly noticed that the move to homeworking was actually creating a demand for a delivery business. We wanted to make sure that people found everything they were looking for – innovative quality products.

The momentum was right for us but at the same time we exercised our strengths, our innovation, product, partnerships and media. We went on TV whilst everyone was trying to get out of TV. The result has been amazing.

Have you had the same experience in the UK specifically?

CJ: Absolutely. Our stores in the UK, even though it is a micro-example, are overperforming. They were actually doing so before the pandemic and we have been there five years. The change in customer patterns was an accelerator for our progress, but Sushi Shop UK is experiencing more than 25% growth year on year, it is huge. There is so much potential.

Would you say dealing with the pandemic has helped make the Sushi Shop business model future-proof?

CJ: It is already a pandemic-proof business model because we are a native digital brand – a delivery business, a click and collect business. You don't just open a delivery shop and make money; you need to understand and manage the environment you are going into. You have to have the right products. You need to have the delivery fleet. You need to know the balance between outsourcing the delivery business, the aggregators and negotiating with the aggregators. This is one of our parent company AmRest's strengths. Then you need to understand your market, you need to know where to open, how to define delivery zones, and then you need to make sure you have your own signature. You need to do all that and make profit. That's what makes us different. We have built the whole contextual environment which I just described. It's more than just the brand.

How do you stay competitive in terms of the product, how do you plan to innovate and develop your product and product range?

CJ: At Sushi Shop we are high-quality sushi specialists; we have that in our brand name. We do not offer pan-Asian cuisine like many of our competitors, we really focus on sushi. In doing so we have a responsibility to continue to educate our customers – in Europe kids are still learning what sushi is, we still have a lot of people who don't eat sushi, and there is still margin for the sushi business to grow. Not Asian food, but sushi. That's the first thing.

We continue to innovate, and we have amazing partnerships. For example, we have created sushi boxes with various artists including Lenny Kravitz. These initiatives epitomise our view that food is art and sushi is art. We don't do it alone, we partner with experts, including Michelin Star chefs. We are honoured that they are willing to put their names to our products.



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We want to stay ahead on sushi. Innovation for us is creating new recipes, new partnerships with inspiring chefs. When it comes to other products, we only go ahead when we know that we can bring something better to the market. For example, two months ago we decided to launch the Japanese sandwich called Sandoitchi. Sandoitchi are Japanese soft milk bread sandwiches. It's an amazing product – and we are the only brand providing it. That's what makes us unique. The sushi market is growing 2.53% in France and 3.54% in Europe, while the sandwich market is growing double-digit. My team and I asked – why don't we take this Japanese sandwich and actually fly into that segment and bring something new to the market? We as a leader have that responsibility.

How does sustainability play into Sushi Shop's promise?

CJ: It's a huge topic. We have 250 people working at Sushi Shop's head office and we have 2,200 staff in our team. We are highly motivated to work on sustainability.

When it comes to waste, we have partnered with an amazing young company in Lyon. They come and pick up our fish skins for free and they transform that fish skin into fish leather. From that fish leather they actually create shoes, wallets etc, creating a fantastic circular economy. We would love to see this expand globally.

The second thing that we have done is cut down on plastic. We've been working on this for years, and for the past year our packaging has been compliant with the new European laws on plastic-free usage. Now we are looking at how we can go further and imagine reusable packaging – so we eliminate plastic waste altogether.

The third and most complicated thing we are doing is trying to envisage, from a supplier point of view, how can we source a more sustainable product. "Local" is definitely the first thing; sourcing fish locally whenever we can. Fruit and vegetables can normally be sourced locally. Fish is more complicated, but it's not an insurmountable challenge.

How does Sushi Shop build loyalty and retain customers?

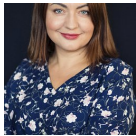
CJ: We have a loyalty programme which is called 'Come In' with three levels. For each of level you benefit from different offers. When you order for the first time, we want you to become a member and discover our brand and products, what we are about, our story. The further you go, the more you already know us, the more we want to show how we innovate and making sure we offer you great value. That's how you move on with the brand.

Knowing our customers is our lifeblood. Every member of my board team calls one guest per week, all 12 of us. We call the ones who have complained. We work out what happened, address it, and we have a 95% track record that those guests become brand ambassadors as a result. From an issue to an ambassador. That's the loyalty programme that works best I believe. You can scale that.

Last but not least, what makes Sushi Shop stand apart for you personally?

CJ: I'm a foodie, and have always believed that in the food industry, you need to bring pleasure through the food. Margins comes just after and is vital for all healthy businesses. The most important element of this industry is when people eat, they think, "wow, I love that food, that's what I'm going to buy". The rest needs to be good, but the food needs to be exceptional. You have to innovate to surprise your guests. It's like when you invite people into your home, you try to surprise them, they need to go "wow". That's what we want to do, that's what we achieve and that's what we are known for. It's one of our differences. We don't only create a few recipes per year, we create categories. Each unique."

[1] Sushi Shop is part of AmRest Holdings SE, the leading European multi-brand franchise restaurant operator with a portfolio of class leading brands across 26 countries. AmRest operates over 2300 restaurants under franchise brands such as KFC, Pizza Hut, Starbucks and Burger King as well as proprietary brands like Sushi Shop, La Tagliatella, Bacoa, Blue Frog and KABB. The Company also has in its portfolio of virtual brands such as Pokai, Lepieje and 'OiPoke.



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