

DALLAS
BUSINESS JOURNALEATZI'S CEO HAS AN APPETITE TO SATURATE THE TEXAS
MARKETMAY 10, 2024
BY ALEXA REED

But his craving for the perfect spots is bigger

It's all about finding the perfect site, Romo said while discussing where the European market-style eatery will open next.

Eatzi's, a Dallas-based European market-style eatery and bakery, has been a staple for North Texas diners since its first opening on Oak Lawn Avenue in 1996 – which is still in operation today.

Nearly 30 years later, the brand now operates six locations across Dallas, Plano, Grapevine and Fort Worth with its most recent addition in a 2,500-square-foot spot in the Dallas-Fort Worth International Airport's Terminal D.

The airport location, which opened in October 2023, is a first for the brand but was 10 years in the making.

"We were approached about 10 years ago by ... concessionaire operators. At that time, we were in the middle of opening four stores of our own over a six-year period," said Adam Romo, CEO of Eatzi's. "So we said, 'Look,

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thank you, we do have an interest, but it's just not today."

And after struggles to take the brand outside of the Lone Star State, Romo seeks to continue to grow the chain right at home – even if it takes some time to find the perfect location.

"Why haven't you opened another Eatzi's?' I get that question a lot," Romo said. "Well, because I haven't found the perfect site. We're not going to be pressured or rushed into opening something that we're not 100% sure will be successful."

Romo spoke more about Eatzi's growth, why it didn't work outside of Texas and snagging the airport spot on the Texas Business Minds podcast. The entire conversation can be listened to with the player at the top of this article, or on platforms such as Apple Podcasts and Spotify. Below are some excerpts from the interview, which have been edited for brevity and clarity.

A lesson learned

"The disaster was that we had opened four stores that were doing phenomenal business. We went from Dallas to Houston to Atlanta to Washington, D.C. – the stores were incredibly profitable. Then we went into New York City. Now the mistake was, and you got to think back then there was no such thing as fast-casual or prepared meal markets, we were the first of its kind. So we were blazing new trails and learning along the way. And one of the things that we learned the hard way was that site selection is even more critical for this type of brand."

"We opened in the basement of Macy's in Manhattan. Okay, not convenient, right? Nobody wanted to go down into a big space like Macy's, and then go downstairs into the basement and shop for their dinner. The other factor and convenience that really hurt us there was you would have to lug your grocery bags on the subway or the train or the bus, however your commute was out to the other boroughs. Well, nobody was willing to do that."

"That was really the fatal flaw in the business. And it's just something we didn't understand. We thought this thing works everywhere."

Focusing on Texas

"We don't have this required growth rate. I will open a site when I find the perfect site. And right now if you ask me, OK, then where is that? Now, you see the Tollway keeps expanding north, and that's where all our demographic growth is occurring. So we're actually actively looking in that area."

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"Once we feel like we've fully developed Dallas-Fort Worth, then we go back to Houston. We could open more stores there because of the way [the city] is spread out geographically. We were in Houston before and it was a tremendously profitable store. Once we fully saturate Texas, then we just keep hitting the Sun Belt states. We'll go back to Atlanta, go to Phoenix and Arizona, the whole south. The cost of doing business in the northeast, there was no reason to do that. I would never recommend that, at least for our business."

Flyers now get a taste

"When [DFW Airport presented a spot] to me, I jumped at it. I mean, I thought this is a great opportunity. The other part that was really a factor for me is spaces are a real premium in the airports; most of those are less than 1,000 square feet. So the fact that this was in a new part of the [Terminal D] extension, we were able to get 2,500 square feet. That's massive for an airport footprint. So we were able to do more of what our current concept is."

"When we looked at the space, we looked at different scenarios of how to lay out the store and what we were going to offer. And then they asked me, 'What about a bar?' And I said, 'Oh, well we do beer and wine. Yeah, that would be great. We have a cafe and it looks kind of a little bar-ish. That would fit.' And they go, 'No, no, no, a full scale bar with liquor.' And I said, 'That's not really our brand!' And when they showed me the numbers and the liquor mix in the airport, I said, 'What about a bar?' So that's what we did."