



VILLA PIZZA:



(Left to Right) The Villa Family: Biagio Pugliese (“Uncle Benny”) is Secretary, Anthony Scotto (Michele’s son) is Executive Vice President, Biagio “Ben” Scotto (Michele’s other son) is President and Michele Scotto is Villa’s Founder.

Quick Fact:

For the period covered by PMQ’s 2006 Pizza Power Report, Villa Pizza increased sales by 21.2 percent versus the previous year while only increasing units by 2.5 percent

In 1964, an Italian immigrant from Naples named Michele Scotto started a tiny pizzeria in New York City next to the Ed Sullivan Theater. Today, it is an international organization with over 300 locations offering an array of flavors and tastes. Capping off 42 years of achieving the American Dream, Michele and his pizza empire, now known as Villa Enterprises, has been named PMQ’s Pizza Industry Enterprise (PIE) Award winner for 2006.

For the period covered by PMQ’s 2006 Pizza Power Report, Villa Pizza increased sales by 21.2 percent versus the previous year while only increasing units by 2.5 percent. They managed to earn considerably more revenues without increasing units. Michele Scotto is the founder and Villa Enterprises is still a family-run business with Biagio “Ben” Scotto (Michele’s son) as President, Anthony Scotto (Michele’s other son) as Executive Vice President and Biagio Pugliese (“Uncle Benny”) as Secretary.

I recently had the opportunity to talk with some of the guys at Villa Enterprises about their success. It didn’t start out as gangbusters, but rather a process of controlled growth. By branching out with multiple concepts, acquiring mall, airport, casino & college venues, focusing on employee training and

re-branding the Villa name, they are set for another 40 years of success.

HISTORY

Michele Scotto is the founder and Villa Pizza is still a family-run business with Biagio Pugliese (“Uncle Benny”) as secretary; Anthony Scotto (Michele’s son) as executive vice president and Biagio “Ben” Scotto (also a son of the founder) as president.

“It has been a 40 year progression,” says John Drinkard, Director of Marketing. “Villa Pizza, our flagship concept, was the vision of our founder Michele Scotto. When Michele came to America, from his homeland of Naples, Italy, he dreamed of opening a pizzeria where he could continue to practice the craft he had learned back home working in the restaurants and cruise ships in and around Naples. He started out next to the Ed Sullivan Theater and fed the Beatles, the Monkees and many other stars of the day who stopped in there after performing. I wished we had some of those photos. Villa started picking up locations here and there, most of which were in mall food courts and other high foot traffic venues of that nature. By the early 1990s we had about 90 stores and made a few acquisitions, such as Cazoli’s down in the Florida area. Today we

PMQ'S 2006 PIE AWARD WINNER HOW THEY DID IT

By Tom Boyles
PMQ Staff



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"We will always keep pizza as a foundation," Villa said. "But, we are looking to expand our offerings. We have an entire year planned out on the calendar for new product rollouts. We're gonna mix it up, but pizza is always at the foundation. ... sticking close to our Italian roots, but doing some more contemporary items."

have over 200 Villas Pizza/Villa Fresh Italian Kitchen locations internationally and domestic."

WHAT'S TO COME

The Villa concept is in the midst of a transformation era with the introduction of the Villa Fresh Italian Kitchen concept, which focuses on a wider variety of items. They are focused on developing brands, foods and menu items that are consumer relevant. John says the new Villa prototype, with the Villa Fresh Italian Kitchen name is a 'Fresh Italian Kitchen' and not just 'Villa Pizza'.

"We will always keep pizza as a foundation," he said. "But, we are looking to expand our offerings. We have an entire year planned out on the calendar for new product rollouts. We're gonna mix it up, but pizza is always at the foundation. Some things we have lined up are Chicken Cacciatore, balsamic chicken over a tomato basil rice and a few different salads such as a panazanella, mixed fruit and greens, a roasted pepper and pesto pasta salad ... sticking close to our Italian roots, but doing some more contemporary items."

CATALYSTS FOR CHANGE

Consumer demand is one reason why they are spreading their wings when it comes to menu additions. You can always vary pizza and Villa has done this with offerings like Cheeseburger pizzas, but some people are more health conscious and are looking for healthy foods. A lot of the changes that are coming has stemmed from consumer research.

"We are embracing some of the new trends and mega-trends and have put our own Villa spin on it," John said. "We use a lot of consumer research and look at what is happening in and around our stores. When it comes to consumer research, we utilize many different sources, such as NRA studies, private research, in-house surveys, white papers, attending seminars and just seeing what is happening at our store fronts. You either adapt and overcome or wither and die. There are a lot of dual income households and mom and dad don't have the time to come in and make that home-cooked meal that takes two or three hours of simmering to put together that well-



New Products: "Some things we have lined up are Chicken Cacciatore, balsamic chicken over a tomato basil rice and a few different salads such as a panazanella, mixed fruit and greens, a roasted pepper and pesto pasta salad," Villa says.



Here is Villa's new cheeseburger pizza just rolled out with a mustard and ketchup base, a mozzarella/cheddar cheese mix with sautéed onions and ground beef, but the real difference is that it is topped it with pickle. This is one way Villa is working with offering different tastes and textures.

balanced approach to eating. People still need a good, healthy wholesome meal and that is what Villa is supplying. We are looking to emphasize this with the 'Fresh Italian Kitchen' concept and branding."

TRENDS

Villa says that some of the trends they are seeing are health obviously, but different textures and comfort foods. "Sensory appeal is a big thing," John says. "We try to hit on all the senses, whether it is our food display where consumers can see the steam from our freshly cooked dishes and smell the aromas or to taste textures like our new cheeseburger pizza we just rolled out, which has a mustard and ketchup base, a mozzarella/cheddar cheese mix with sautéed onions and ground beef, but the real difference is that we topped it with pickle. This is one way Villa is working with offering different tastes and textures. When you eat a pizza, your mouth and taste buds are expecting one thing, but when the pickle comes into the picture, it causes you to stop and reassess what is going on. When we first started testing in R&D, I was a little skeptical, but once I tasted it, it was like WOW!"

MALL AND AIRPORT VENUES

Malls and airports are the primary markets for Villa Pizza, but even with built-in foot traffic, marketing is still part of the

overall plan. New products promotions are one thing they use to boost awareness. With multiple concepts in mall food courts, you have everything from sushi to Indian food from which to choose. People need something to bring them in and a change from the routine burger, taco or Chinese food. Villa uses new products, Point of Purchase signage, static clings and sampling to get customers over to them and then make the sale with sensory bombardment and presentation. It's the old four walls marketing with banners, clings, etc. and really 'WOWing' the consumer. According to John, the best vehicle for Villa as far as marketing is the employees.

"Banners, POP material and clings work, but not as well as a well trained employee," he says. "When introducing a new product, Villa uses three or four POP pieces. With things like a pizza with pickles, you do have to do sampling because it is an unfamiliar combination, but there is also a lot of staff training at Villa. They have to know how to mention the promotion and make the up-sale. Because Villa locations are in malls, airports, casinos not a lot of direct mail is done. We don't know everything and ..we are still learning."

When it comes to malls, John says that a lot of what you have to look at is gender specifics. There are so many different consumers...from 10 year olds to 90 year olds, and from males to females he says. "We have taken the role of a gender-oriented product promoter. The cheeseburger pizza is a male-oriented thing whereas the mixed fruit and greens is a female-oriented thing. Shopping is a female thing so promoting a female oriented product usually work best for malls, whereas a cheeseburger pizza may work best in an airport."

BEST ADVICE

When it comes the advice, the Villa family says you have to have passion and that if you only have a little interest in

Villa Pizza Factoids

Average Store Sales: \$522,783
 Cheese slices sold: 3,728,926
 Pepperoni slices sold: 2,299,383
 Strombolis sold: 587,185
 Garlic rolls sold: 1,039,481



Fresh ITALIAN KITCHEN

this business, then don't bother. "You have to have passion for people and for food," John says. "When Michele started out and was learning to cook on the cruise ships in and around Italy, he had a passion for food. You didn't have preservatives back in the 1930s. We don't use frozen dough; we crack eggs each morning and make dough. The produce is shipped fresh and cut in the stores. You have to feed customers the way you feed your family. Sorrento is the best and is on our pizza boxes. They have a great product and it is something you can buy for your family. That is something you want to emphasize. We use Marsal ovens. . . we get the best of everything. We are looking at several POS systems because we are interested in inventory controls, payroll and other administrative tasks to free up the managers' time so they can focus on the business and not counting tickets at night, but we won't commit until we find the best one.

"In the past, Villa was a little reluctant to release sales numbers, so the data that was reported didn't really reflect what was going on internally," John concludes. "Now with an emphasis on franchising as part of the business model, Villa has been more receptive to releasing numbers. In the past when we were fine with the estimates that were reported by various agencies, which may not have been accurate. We are now reporting them and have actually had steady growth for some time. We are probably the best kept secret in the industry and we are looking to correcting that. . . we don't want to be the best kept secret anymore."

Congratulations to Michele, Biagio, Anthony, "Uncle Benny", John and the entire Villa family on their 40+ years of success

and as being PMQ's 2006 Pizza Industry Enterprise (PIE) Award winner. You can hear the Villa family speak as they accept the PIE Award at PMQ's New York Pizza Show on March 4-6, 2007.

PMQ's Pizza Magazine



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The year was 1964, the Beatles were all the rage and Michele Scotti opened his first New York pizzeria. As luck would have it, the location was at 53rd Street and Broadway . . . right next to the Ed Sullivan Theater! Soon 53rd Street and Broadway became the hottest destination in town and the rest is pizza history!

Today Villa serves the same authentic Italian food made from old-world recipes. Everything is homemade from scratch and served from our....

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