

HOW DO YOU LIKE YOUR POUTINE?



HOT POTATO

Ex-ad man Ryan Smolkin has cultivated a devoted (and hungry) customer base that loves its poutine sodium bombs with a side of audience engagement **BY CHRIS POWELL**

On a neglected section of Toronto's Dundas Street East, just across the street from the strip club Filmore's and surrounded by independent businesses bearing names like Tasty Foods and Mary's Friends Bar & Grill, Ryan Smolkin is hatching his plans for world domination. His weapon: the artery-clogging combination of french fries, gravy and cheese curds known as poutine.

In a narrow office at the back of one of his Smoke's Pouterie locations, the 38-year-old former marketing executive is recounting the rapid growth of his restaurant chain from a long-gestating idea, to a single Toronto store in 2008, to 17 outlets nationwide (and growing). As he speaks, Smoke's employees are busily loading 50-pound bags of hand-picked, yellow flesh potatoes into a 25-ft.-long food truck that travels to sporting and cultural events, weddings and charity gigs throughout the city.

Wearing a bright red T-shirt bearing an image of the chain's mythical (we think... more on that later) namesake, Smolkin bears about as much resemblance to a stereotypical CEO as poutine does to *haute cuisine*.

His shedding of the buttoned-down executive image is completed when he suddenly springs to his feet and

begins playing air guitar—accompanied by the sort of rock star grimaces that in any other situation would suggest an urgent need to find the nearest bathroom—to “Nothin’ but a Good Time,” a guitar rock anthem by ’80s hair metal band Poison that provides the soundtrack to a franchisee recruitment video he’s showing on his computer.

“You’re not going to see Ryan behind a desk in a bank anytime soon,” says John Sacke, founder of PR firm Sacke & Associates, which completed a small PR initiative for Smoke’s in 2010. “He’s got the personality and he’s got the boyish looks, but he works hard.”

Indeed, Smolkin’s irreverence may make for great copy, but when it comes to his future plans for Smoke’s, he’s as serious as an excess carbohydrate-induced heart attack.

This year will see new locations in several Canadian markets including Vancouver, Montreal and St. John’s, and with investor groups already lined up in numerous U.S. states including California, Florida and Illinois, the Quebecois snack food could be sopping up excess booze with the after-hours crowd and providing lunches for high-school students in the U.S. by as early as next year.

Smolkin, though, isn’t content to spread the gospel of poutine solely to the North American masses; with an active database of more than 4,000 potential franchisees—collected, he says proudly, with “next to zero” focused franchise marketing—he is contemplating expansion into the U.K., Australia and Asia.

Smoke’s is the third business launched by Smolkin, following stints as a self-described “slumlord” (actually,

MIKE FORD



WHAT'S WITH THE FACE?

A conversation with Smoke's Poutinerie founder Ryan Smolkin includes multiple references to "the power of brand." It's no doubt a holdover from his days of running AmoebaCorp, a graphic design and visual communications shop that he founded and headed from 1996 until selling to Toronto agency John St. in 2007.

A self-described ideas guy, it was during his time running Amoeba—working with numerous blue-chip clients including YTV, Molson, Nike and Maple Leaf Sports Entertainment—that Smolkin slowly came to understand the immense power of brand. "What I didn't have was branding and brand knowledge, and that's what grew over the years I had Amoeba Corp," he says.

Today, his firm belief in brand is best evidenced by Smoke's namesake—a tussle-haired Canadian everyman with oversized glasses and a fondness for plaid.

With the zeal of a true marketer, Smolkin has created an elaborate backstory about Smoke that he has woven into the Smoke's brand story. He claims to have first encountered the enigmatic figure after a skydiving accident over Northern Ontario in which he drifted 100 kilometres away from the landing zone and crashed into the woods, breaking a leg in the process. Starving, and with only a tattered parachute to keep him warm, Smolkin says he was finally rescued by Smoke on his third morning in the wilderness.

"He picked me up and carried me back to his cabin and nursed me back to health," says Smolkin. Over the next few days, spent playing Donkey Kong and watching '80s TV hits like *The A-Team* and *Air Wolf*, Smoke is said to have passed along his vision for a restaurant chain that would elevate the humble foodstuff into a meal, and incorporate his fondness for '80s pop culture, while remaining firmly rooted in its Quebecois roots.

Smoke is probably as real as Mr. Clean, but Smolkin is adamant that he exists. "Careful man, he's got microphones," he says with a nervous glance to the ceiling when asked about the chain's "mascot." Smoke, he says, was a member of the 1973 Canadian men's Olympic hockey team and the fourth man to walk on the moon.

Smoke's customers, too, have an abiding fondness for the chain's namesake, buying T-shirts adorned with his face and plastering stickers bearing his likeness all over the world. The Smoke stickers have turned up as far afield as Boston's Fenway Park and even a bar in Seoul.

Just last month, Smolkin says proudly, he ordered another one million stickers. Many will subsequently find their way onto everything from transit shelter ads for specialty TV channel Showcase to wild posters promoting local yoga studios.



it was creating housing for university students) and head of the design and branding agency AmoebaCorp.

The latter started as a small three-person operation while Smolkin was studying business at Wilfred Laurier University in Waterloo, Ont., in the mid-1990s. It went on to produce work for blue-chip clients including YTV, Molson and Maple Leaf Sports & Entertainment before it was finally sold to John St. for an undisclosed amount in 2007.

For Smolkin, it simply felt like the right time to get out of the marketing industry. Design and branding was a hot discipline at the time, but

pretend I'm the inventor of poutine... but I'm taking it to the rest of the world."

If Smoke's sales are any indication, Canadians are united (or should that be *congealed*?) in their love of poutine. A Kingston store holds the record for most orders in an hour with 167, while a store in London once served up 550 orders in a four-hour span between 11 p.m. and 3 a.m. Its Winnipeg location racked up \$700,000 in sales in the six months after its June 2011 opening.

It's been that way ever since the chain's very first day in November 2008, when the inaugural Adelaide Street location ran out of

"I don't pretend I'm the inventor of poutine... but I'm taking it to the rest of the world."

—Ryan Smolkin

transforming the small independent company into a mid-sized shop would require significant investment. At the same time, he says, they were being courted by "tons" of agencies. "They were calling me all the time," he says. "We slept around, we weren't going to marry anybody, but we had a real good fit with John St. and that's when the opportunity came."

John St. had all of the infrastructure in place to handle Smolkin's day-to-day roles (sales and marketing, business development, HR, etc.) and so, following a six-month transition period—during which he felt what he calls the "entrepreneurial itch"—he departed, telling colleagues that he might be in touch for some branding expertise on an as-yet-undetermined business venture.

Smolkin's fondness for poutine—pronounced "pout-sin" by its most ardent consumers in Quebec—developed during his childhood in Smiths Falls, Ont., a town of nearly 9,000 located close to the Quebec border. "It's a Canadian classic that's been around forever and nobody's changed it, so why not put our own little twist on it?" he says. "I don't

bacon and Smolkin was forced to buy up more than \$450 worth at a downtown Loblaws.

This seemingly insatiable appetite for glorified fries and gravy has been created with almost no traditional marketing. Instead, Smoke's relies on a mixture of social media—there's a dedicated Twitter feed, @poutinerie, and a Facebook page with more than 6,100 followers—and, more recently, events such as its World Poutine Eating Championships. Last year's contest, held outside Toronto's Rogers Centre, was won by a professional eater from Chicago named Pat "Deep Dish" Bertoletti, who devoured a stomach-churning 13 pounds of poutine in just 10 minutes.

The social media approach was validated about a year-and-a-half ago, when PR man Sacke—an active Twitter user—spotted a tweet from an office worker in downtown Toronto lamenting that she had forgotten her lunch at home and was hungry. Sensing an opportunity, Sacke tweeted back "hold tight" and got the go-ahead from Smolkin to have an order of poutine delivered to her office.

The young woman tweeted a thank you



to Smoke's for the gesture, which was re-tweeted nearly 45,000 times in the next hour or so—a ton of free publicity generated for the cost of an order of poutine. “The power of social media for marketers is meteorically huge,” says Sacke.

Smoke's has also benefited from what Smolkin characterizes as an “insane” amount of earned media. It has been featured in multiple articles in *The Globe and Mail* and other publications including *Maclean's*, *La Presse* and the *Winnipeg Free Press*, as well as received coverage from broadcast outlets including MuchMusic, Global Television and CTV. Whenever a new location opens, says Smolkin, Smoke's is virtually assured extensive press coverage since it is often the first restaurant of its kind in that market.

“We think it's awesome because we've spent zero dollars,” says Smolkin, gesturing towards an office wall filled with laminated copies of the various newspaper and magazine articles. That's about to change this year, however, as Smoke's will collect 2% of sales from franchisees to put toward a dedicated marketing fund (see sidebar, below). The money won't go towards a TV campaign

but will be used for “tightly targeted” social media outreach.

Smoke's has also thrived because of a deep understanding of its core customer, primarily young adults 18 – 25. Its stores are typically situated in the vicinity of university campuses and/or downtown club districts, and when bar patrons pour into the street after last call, Smoke's—which stays open until 4 a.m. on weekends—is there to satisfy their craving for simple, greasy food.

“Club guys and club chicks are not afraid to guzzle down 800 milligrams of sodium and 1,300 calories at three o'clock in the morning,” says Sacke. “When you're wasted, you just want all the carbs and salt you can get. Ryan knows and even identifies with that demographic.”

Smoke's success has come not only in a depressed economy, but in a notoriously difficult business segment. According to Statistics Canada, only 60% of new firms in the accommodation, food and beverage industry survive beyond their second year.

“Smoke's is an exceptional example of a franchise done right,” says Lorraine McLachlan, president and CEO of the Canadian

Smoke's will continue to utilize platforms that resonate most strongly with its core customer, such as Facebook and Twitter. Among the possible ideas is a contest inviting consumers to post their most interesting sighting of the chain's namesake, Smoke, for a chance to win a gift certificate.

While these social media services are free to use, Smolkin says the funds will go towards hiring people to create the Twitter/Facebook posts and managing contests, etc. “There are third-party [providers] that you have to pay to create, manage and track,” says Smolkin. “It's not just a matter of putting a tweet out there asking people to e-mail us.”

This year will also see Smoke's significantly expand its World Poutine Eating Championships into a coast-to-coast event,

Franchise Association in Toronto. “Fundamentally you have to have a great product to be a successful business... Ryan took the time to really understand what is required of a franchisor and put in the effort to make sure that as a business, they were doing things right.”

Smoke's may still be small potatoes when compared with fast-food giants like McDonald's and Burger King, but Smolkin relishes the chance to go potato-to-potato in a category he claims to have created.

While poutine's origins date back to the 1950s, Smoke's is the first chain to feature nothing but poutine on its menu. It further distinguishes itself from its competitors by “overloading” the dish with multiple ingredients and toppings. The menu currently features 23 types of poutine, ranging from traditional to its biggest seller, Pulled Pork Poutine, to Montreal Poutine featuring smoked meat, dill pickle and a squeeze of mustard.

“I've taken the traditional fries, curds and gravy to the next level by putting anything and everything you can think of on top of it,” says Smolkin.

His success hasn't gone unnoticed by established players, who Smolkin says have put significant marketing resources behind new poutine products such as Burger King's Angry Poutine.

“They're all jumping on the bandwagon after somebody took the risk and made a success out of it,” he says. “They've got way more marketing and advertising dollars than I do, and if they want to build a market for poutine, I'll let them do that and then I'll put my own twist on it and kick their butts all over the place.”

THE MARKETING PLAN OF A RELUCTANT ADVERTISER

SMOKE'S POUTINERIE HAS RELIED ON A COMBINATION OF EARNED AND SOCIAL MEDIA for its marketing since its 2008 launch. This year, franchisees will divert 2% of sales towards an advertising fund, although that doesn't mean a big-budget TV or print campaign.

According to founder Ryan Smolkin, the fund will enable Smoke's to enhance its social media marketing—creating what he characterizes as more targeted marketing—as well as further refine its event marketing (embodied by the two-year-old World Poutine Eating Championships).



with regional qualifying events in major markets in which Smoke's has a presence. Additional funds will go towards line items such as prizing and on-site signage.