## Chick-fil-A offers a new public face

by Bruce Horovitz in the May 14, 2014 issue

Chick-fil-A is crossing the road. The iconic chicken chain, known for its conservative heritage as well as its savory eats, is recalibrating its moral and culinary compass. It wants to go from old school to almost cool.

It wants to evolve from a place gays once picketed to a place where they'll feel comfortable going to eat. It wants to broaden the brand as it expands nationally and plows into the urban arena, driven by the millennial generation.

Above all it wants to be a serious player on fast food's biggest stage.

CEO Dan Cathy's comments condemning gay marriage in 2012 set off store picketing and a social media firestorm. Now he has backed away from such public pronouncements that mix personal opinion on social issues with corporate policy.

"All of us become more wise as time goes by," he said, apologetically. "We sincerely care about all people."

While Cathy's comments didn't hurt short-term business—and even helped it—Chick-fil-A executives recognize they may have done longer-term damage to the brand's image at the very time it was eyeing major growth outside the South.

The national growth is going into overdrive. Its biggest ever new product rollout is a grilled chicken line for which the company has spent the past 12 years testing more than 1,000 grilled chicken recipes.

Chick-fil-A—whose food has been long regarded as extra savory but nutritionally naughty—has an ultimate aim of improving its brand image with trend-setting millennials.

It announced plans in March to sell only antibiotic-free chicken within five years. It's testing the removal of high- fructose corn syrup from all dressings and sauces and artificial ingredients from its bun.

The once tiny regional chain just surpassed giant KFC to become the nation's largest chicken chain in domestic sales. Along with increasing sales and geographical growth has come a new social consciousness.

That's not by accident, said Christopher Muller, professor of hospitality at Boston University. "The politics of their Southern Baptist values will not transcend their core markets," he said.

Chick-fil-A's socially conservative agenda, which formerly led the company to donate millions to charitable groups opposed to gay marriage, has been tempered as the company aims to expand into Chicago, New York, and Los Angeles.

If nothing else, Cathy has listened. In 2012, Cathy not only heard from some unhappy consumers about his comments against gay marriage but also from some store operators and employees. Now, he said, "I'm going to leave it to politicians and others to discuss social issues."

One past critic has even become an unlikely fan. "Dan and I have an ongoing friendship," said Shane Windmeyer, executive director of the gay rights advocacy group Campus Pride. "I am appreciative for the common ground we have established in treating all people with dignity and respect—including LGBT people."

Which means Chick-fil-A can focus on what matters most: the food and growth. The privately held company, whose sales last year reached \$5.1 billion—up 9.3 percent, reports the research firm Technomic—may rank among the most intriguing growth stories in fast food.

Imagine this: a typical Chick-fil-A racked up annual sales of about \$3.3 million last year, while a typical McDonald's posted sales of about \$2.5 million. Never mind that Chick-fil-A is closed Sundays.

"The next big thing is urbanization," says Cathy, 61, who tools around on his Harley-Davidson in his spare time. "That's where the future is heading."

"The challenge in business is to stay ahead of the curve," Cathy says. For baby boomers, fast food was all about taste and price, he says. But for millennials, he notes, it's also about local sourcing, product quality, and worker rights. For them, he said, "it's not just a product story any more—but the whole story."

This is the same company whose chief spokesman is a cartoon cow whose singular message for almost two decades has never changed: "Eat Mor Chikin." And it's a company in which 93-year-old founder S. Truett Cathy, Dan's father, still keeps an expansive office, replete with photos of himself with George H. W. Bush, George W. Bush, Billy Graham, and Pat Boone.

But if Chick-fil-A could frame a new photo of who matters most to the company, it might be someone such as 23-year-old Kelli Means-Cheeley. The Atlanta resident and recent college graduate stopped by a bustling Chick-fil-A near Atlanta's airport and offered a thumbs-up after sampling the new grilled chicken. Healthy ingredients are critical to Means-Cheeley, but, she says, "what's also important to me is taste." —USA Today

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