

Bar 12-21 concept successfully brings new crowd to Morton's

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Medill News Service

When Naperville residents finally raise a glass at the newest Morton's steakhouse, scheduled to open early next year, odds are strong they'll be sipping a "Heavenly Mortini" cocktail and rubbing shoulders with a decidedly younger set.

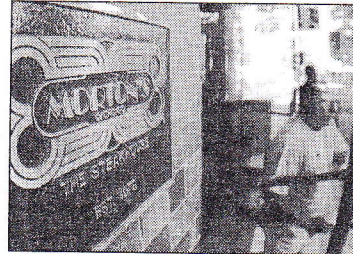
But they won't be the only ones raising a glass to Morton's hot new bar concept.

It seems when the company in 2005 began retrofitting its restaurants with sleeker bars named "Bar 12-21" and including them in all future restaurant plans, it was on to something.

Analysts credit the new bars as a contributing factor in the 7 percent profit increase in 2006 to \$13.9 million on sales of \$322 million, also up 7 percent.

Of the six Chicago-area Morton's, those in Schaumburg, Northbrook and at 65 E. Wacker Dr. in Chicago include the new bars, with the Rosemont one offering a limited bar menu as it awaits an upgrade.

Named after the first day of Morton's business back in December 1978, the bars feature smaller plates and lighter



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This plaque marks the entrance to Morton's Steakhouse on State Street in Chicago.

price tags than the traditional restaurant. Deep discounts are offered on the "Bar Bites" menu from 5 p.m. to 6:30 p.m. and 9:30 p.m. to 11 p.m.

"That's our version of the happy hour," said Barry Devine, general manager of Morton's in Schaumburg. Since the renovation, business has "significantly increased," he reported.

"I'm coming about the same as before but more of my friends are coming with me now," said Tim Bilbo, a 30-year-old marketing manager who frequents the Schaumburg location about once a week.

On a recent weekday evening, he met half a dozen friends in the bar for drinks and post-work snacks. He quickly listed the

reasons he'd used to convince his friends to give the bar a try. "The Bar Bites are awesome," Bilbo said.

Rather than cannibalize business from the restaurant, Bar 12-21 has brought in a wave of first-time bar clients.

"They come in to the bar, take a look at the menu, and decide to come back and dine in the restaurant," Devine said.

Local residents are also getting in on the action, a coup for a company in which roughly 80 percent of its patrons dine on expense accounts, many while on out-of-town business trips.

Twenty-two of the 74 restaurants currently include Bar 12-21. Over the next five years, all existing locations will be upgraded with the new bars.

"The inclusion of a Bar 12-21 has been a resounding success by all metrics, growing bar business in existing units from 8 percent of overall sales to 12 percent," wrote Amy Vinson, senior research analyst at Nashville-based Avondale Partners LLC, in a report.

Morton Restaurant Group's stock trades around \$17. Analysts' mean price target is \$23.

The Daily Herald
Thurs. Apr. 26, 2007
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