



Limited-Service, Unlimited Possibilities

Nostalgia Sets the Stage for Cottage Inn's Expansion

The famed Ann Arbor, Michigan, landmark is ready to grow its diverse model in different markets.

By Danny Klein | August 2017



Cottage Inn offers franchisees a variety of models to choose from, including a take-out and delivery-only store. COTTAGE INN

On the streets of Ann Arbor, Michigan, Cottage Inn remains as recognizable to residents as maize and blue or The Big House. The restaurant has anchored 512 E. William St. for 69 years and continues to operate as the brand's flagship and most revered store. But Debbie Masse, the senior vice president of Cottage Inn, isn't counting on nostalgia to play a key role in what's coming next.

There are currently 48 locations of Cottage Inn, including a store in China that could ignite a much-larger overseas exploration. Domestically, however, the franchise is taking a slow-and-steady approach, filling out its home state and

turning to new markets. Masse, who has been with Cottage Inn for five years, would love to see 10 stores open in 2018, but "we don't really have a target," she says. Cottage Inn is more concerned with shoring up internal operations and making sure its franchisees are supported.

"We do move slowly because we want to have a lot of input and make sure our franchisees are happy," she says. "We don't rule by the bottom line."

Alumni across the country order Cottage Inn to share the memory, whether it's at board meetings or in their homes, Masse says. Still, she isn't sure if that will be instrumental in the brand's growth, although she hopes it will help.

A more critical driver, however, will be Cottage Inn's business model, quality, and reputation, which she expects to mature as the concept expands and introduces itself to new markets.

Other than bottled sauces, all of Cottage Inn's menu items are approved clean. The dough conditioner, flour, and other ingredients are top-notch—an added price the company believes returns its investment, especially in such a dense pizza market.

There are options like the Chicken Artichoke and Chicken Cordon Bleu pizzas. Or The Cuban—Carolina Gold BBQ Sauce, pulled pork, and ham topped with bread and butter pickles and Ranch Taco—olive oil, taco seasoning, beef, red onion, fresh tomato, black olives, and Cheddar cheese topped with ranch dressing—that make Cottage Inn's menu a far cry from the standard.

Masse also sees plenty of runway for Cottage Inn. While the brand's history stretches to 1948, it's story as a growth company is really pretty fresh. The Carryout & Delivery model started expanding in 1975 and became a second company dedicated to take out three years later. The first franchise opened in 1986 on Grove Road in Ypsilanti.

At the time, the family-owned business wasn't exactly motoring toward growth. When Massey arrived, Cottage Inn didn't have marketing materials for franchise sales. She spent the first year or so learning about the company and the territory before turning the dial up. There were 43 stores at the time, including 11 corporate locations. Fifteen locations opened in the first two years with Massey on board.

“We had double-digit sales growth every year since I've been here. Pizzeria wise, the sales have been phenomenal, but when I got here it was strictly print and not many people doing anything social or digital [advertising]. So we've launched into that world,” she says. “We've launched our online ordering and improved upon it and are actually upgrading it again.”

Prospective franchisees will also have plenty to choose from. Later this summer in New Hudson, Cottage Inn will launch the Cottage Inn Taverna concept. Right now, the only full-service restaurant is the original, and this model will expand that platform and offer additional franchise opportunities. The carry-out focused stores will grow as planned, with the Taverna concept, which offers craft beer, cocktails, and wine, as well as TVs, developing for different streams. It's a relaunching of sorts of the Cottage Inn Café from the 1980s. The company expects to open one to two additional stores in the fall.

Masse says around 40 percent of Cottage Inn stores are takeout and delivery only, with the remainder a mix of the buffet and some with limited sit-down. In China, the model is even more different. She says guests there eat out more often than in the U.S., and the sit-down store features desserts and teas. Regardless of which design a franchisee signs up for, Masse says Cottage Inn is focused on picking the right partners more than it's worried about stock piling investments.

“We’re looking forward to nationwide growth over the next few years but we’re going to do it slow and steady and make sure we pick quality franchisees who can keep our brand growing and the commitment to customer service strong,” she says. “We believe if it’s five-star service in a five-star environment, which means cleanliness and fresh food, and we produce the best product every time, we can be a success.”