



LeBron James leaving McDonald's, investing in pizza franchise Blaze

By Darren Rovell | October 8, 2015

LeBron James has decided to leave guaranteed endorsement income on the table for a potentially much bigger piece of the pie down the road.

James has decided not to renew his option with McDonald's; he will lend his name and marketing power to fast-casual pizza franchise Blaze.

In 2012, James became an original investor in the parent company, which is one of the stronger players in the assembly-line pizza concept.

Together with Larry Levy of Levy Restaurants and his business manager, Maverick Carter, James locked up franchise rights in Miami and Chicago.

But James, who has previously cashed out of equity stakes in Cannondale and Beats By Dre, added to his ownership of the pizza company by recently committing to be part of its marketing campaign.

"This move aligns with LeBron's brand and his history of helping companies grow faster and bigger as an equity partner," Carter said.

The deal was put together by James' business adviser, Paul Wachter.

Neither the company nor Carter would disclose the exact stake James has in Blaze, but a source told ESPN.com that he owns more than 10 percent of the company, which is separate from his stake in Chicago and Miami franchise rights.

Among other efforts, James will introduce Blaze to his vast social media audience. With 24.2 million followers, James is the second-most-followed athlete on Twitter in the world, behind only soccer player Cristiano Ronaldo. Opendorse, a company that specializes in monetizing digital and social media campaigns for athletes, said in August that the media value of a single James tweet was \$139,474, more than any other U.S. athlete's.

"LeBron came on as a founding investor, and he had been silent and in the background," said Rick Wetzel, who founded Blaze with his wife, Elise. "Now we're using him to get our message out there and put the spotlight on our brand."

The company currently has 88 locations. Wetzel said the brand will open up a restaurant once every four days, which will allow Blaze to have more than 200 locations by next year. The company has sold the franchise rights to the entire United States to 44 groups, including the rights in Kentucky, Tennessee and part of Florida to former NBA player Junior Bridgeman, who already owns more than 100 Wendy's and 100 Chili's restaurants. The average all-in price for a single location is around \$660,000, Wetzel said.

Market retail tracking firm Technomic said that, as of the end of 2014, fast casual pizza chains generated \$779 million on nearly 800 restaurants.

"There's a lot of excitement in this customized, made-for-you space," said Technomic vice president David Henkes. "And I'm really bullish on the pizza space."

Of the pizza businesses where customers go through an assembly line to decide type of dough and toppings before it is thrown into a high-heat oven, Blaze had the biggest unit growth last year (plus-400 percent) and largest sales growth (plus-450 percent), according to Technomic. Other competitors include Pieology, PieFive and PizzaRev, which counts Buffalo Wild Wings as an investor.

Aside from Blaze, James has endorsement deals with Nike, Coca-Cola, Samsung, Audemar Piguet and Upper Deck.

He continues to be a spokesperson for Beats By Dre. James cashed out to the tune of about \$30 million when the company was sold to Apple last year.

http://espn.go.com/nba/story/_/id/13835715/lebron-james-invest-endorse-fast-casual-pizza-franchise-blaze