

Nando's makes an impression in US

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Nando's has made it into *Fortune* magazine, meaning that the local fast-food icon is making its presence felt in the world's biggest and most competitive market.



Nando's first US store in Washington DC.

Nando's has been operating in the US for two years, from two locations in Washington DC, and has earmarked the US for growth while it consolidates its existing markets.

"The US is not for the faint-hearted," says Nando's chief executive Robbie Brozin. He expects that it will take between five and 10 years for the group to establish itself in the US. "It's not a quick win. Most people in Washington have travelled and tasted Nando's elsewhere."

A small-to-medium player in the US could have 900 to 1000 outlets, while the big operators in the chicken market, such as Chick-fil-A and Popeyes, have thousands of outlets.

Brozin says the casual dining market has an estimated turnover of US\$300-billion a year in the US.

Nando's has just under 300 stores in South Africa and has 550 restaurants around the rest of the world in 25 countries on five continents.

It is to open outlets in Turkey next month and Mauritius in December, and thereafter will consolidate its position in existing markets.

"It's about opening more units in the areas in which we operate. We're not going to open in China; we're going to focus on where we're at, for now," Brozin said.

He added that each country has had its challenges in the tough economic times but that they are holding up. South Africa

is particularly exposed to significant cost pressures through electricity and wage increases.

The group has had several approaches from interested parties in terms of possible buyouts and re-listing.

"But we won't be listing for the foreseeable future," Brozin says.

Several months ago there was speculation that international food group Yum Brands, the US owner of KFC and Pizza Hut, was having informal discussions with Nando's with a view to making a bid for the group, but the group refuted this.

Source: Sunday Times

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