

Burger King, Sasol munch quick food deal

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31 Jul 2013

Burger King South Africa said on Tuesday, 30 July 2013, it had signed an agreement with Sasol to open fast-food outlets and restaurants on Sasol's forecourts. The first outlet will open by the end of the year.



This deal includes company-owned outlets, as well as franchising opportunities to current and potential Sasol franchisees.

Global quick-service restaurant group Burger King opened its first restaurant in Cape Town in May this year.

Its president for Europe, the Middle East and Africa, José Cil, said the agreement with Sasol allowed the group to position its brand across new channels and expand its number of restaurants in SA.

Burger King South Africa is a joint venture between Burger King Worldwide and Cape-based, JSE-listed group, Grand Parade Investments (GPI) - a diversified company with interests in tourism, gaming and leisure.

Burger King South Africa's chief executive Jaye Sinclair said the deal supported the company's growth strategy.

"Partnering with Sasol supports our rapid expansion plans and will enable us to increase our growth in SA over the next few years," he said.

Strategic value

Sasol Oil's managing director Alan Cameron said partnering with Burger King was in line with Sasol's strategic vision and would allow the company to expand its retail footprint in SA.

"This collaboration will allow two leading brands to leverage each other's strengths and capabilities," he said.

Founded in 1954, Burger King is the second-largest hamburger chain in the world. The original "Home of the Whopper", it operates in more than 12,600 locations worldwide, serving an estimated 11m customers daily in 83 countries.



Although the local market was competitive, Cil said earlier this year, Burger King offered a differentiated product as "we flame-grill our burgers" while taste, service and cleanliness "are key attributes of our business and we think that sets us apart from the rest".

"We have strong plans for Europe, the Middle East and Africa. Our next frontier as a brand is here in Africa. We're just getting started and the growth potential in Africa as a whole is massive," he said.

According to Sinclair, Burger King planned to become the leader in the fast-growing fast-food sector in SA. "Although the competition is fierce, we believe there is a lot of growth in the market and that our offering will find a lot of traction in the market," he said.

The prevalence of a cash-rich and time-poor (market), spurred by rising affluence among SA's middle class, has led to a greater use of quick-service dining over formal restaurants and preparing food at home, despite prevailing macroeconomic conditions.

While retailers are feeling the pinch in SA as disposable incomes come under pressure, those in the quick-service restaurant segment are being affected to a lesser degree as consumers favour convenience and value over cost.

A study by market research firm Analytix BI in 2012 showed that despite rising costs, SA's appetite for fast food is growing steadily, with the growth in the popularity of fast food attributed to large portions at low prices providing consumers with value for money.

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