

# Lulu cooks up dining niche with chicken chain Galito's

Tablez unit will invest Dh55m to roll out franchise further

Sananda Sahoo

The hypermarket chain Lulu has signed a deal for its first international casual dining restaurant franchise.

Its food company Tablez will open outlets serving flame-grilled chicken from the South African chain Galito's in the UAE, India and Sri Lanka.

On its radar are 15 of the restaurants in the UAE in the next four years and 10 more in India as part of a 15-year agreement.

The four-year-old Tablez is investing Dh55 million to expand the franchise in the UAE. In India, its investment would be around US\$10m.

The first store in the Emirates is expected to open in Al Wahda Mall in Abu Dhabi in October alongside Kochi in the southern Indian state of Kerala. The Dubai store is expected to open by the year-end.

"With the rise in tourist inflows and growth in disposable income, Dubai will be our key growth market," said Sajan Alex, the general manager of Tablez. It also has the franchise rights for other Gulf countries.

The new chain will face stiff

competition from local and international brands such as the South African chain Nando's, which has been in the UAE since 2002.

The American Yum Brands, Dubai-based Al Khaja Group, Groupe Holder from France, and US-based Brinker International and Carlson are the top five players in the casual dining segment in the UAE in terms of yearly sales, according to the research company Euromonitor International.

Yum, which owns the Taco Bell, KFC and Pizza Hut brands, has a market share of 19 per cent. It is followed by Al Khaja Group, which owns Hatam and has franchises for Gloria Jean's coffee, at 11 per cent. Groupe Holder owns Paul, while Brinker International owns Chili's, and Carlson has TGI Fridays.

The cafe-style casual dining restaurant Bloomsbury's, which was in the news for its most expensive cupcake two years ago, anchors the Tablez portfolio. It also runs other home-grown brands such as Peppermill and De Thali besides a franchise of London Dairy.

"We are in talks with other franchises but [it depends] on their flexibility to adapt to the market," said Shafeena Yusuf Ali, the chief executive of Tablez.

Tablez has six Bloomsbury's, three Peppermill and two De Thali restaurants across the UAE. It closed Tanjara, its other home-grown brand, offering Moroccan cuisine in the Madinat Zayed

shopping centre in Abu Dhabi, 18 months ago to rethink its positioning in terms of locations.

Galito's, which started in South Africa in 1996, has more than 100 outlets in the region. That includes 64 in its home country with the rest in Kenya, Ghana, Senegal, Malawi and Lesotho, among other countries. It is aiming to open 20 more in South Africa in the next two years.

The Abu Dhabi company's expansion in the casual dining segment comes at a time when restaurants in the UAE are benefiting from a growing appetite for dining out. The sector is expected to generate yearly sales of Dh4.48 billion in 2018, up from an expected Dh3.56bn this year, according to Euromonitor.

The large expatriate population, cash-rich consumer base and diversity of the population looking for a wide range of cuisines contributes to the boom in the restaurant chains, analysts say.

There is also a growth of international chains thanks to higher spending power of consumers and stronger marketing activities, at the expense of independent chains. But competition means even the largest chains are losing some market share. Pizza Hut, which has the largest number of outlets among chain restaurants, lost market share in 2012, Euromonitor says.

► [ssahoo@thenational.ae](mailto:ssahoo@thenational.ae)