

Popeyes cock-a-hoop over launch

By [Colleen Goko](#)

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A new chicken has come to roost in the richest square mile in Africa. Popeyes Louisiana Kitchen is set to [open its doors](#) in Sandton next week, but feathers are set to fly as the New Orleans-based brand muscles in on territory ruled by KFC and Chicken Licken.



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Siyaghopa Trading Group acquired the licence and will open the first store on 13 July. Group CEO Jaye Sinclair said there was more than enough interest from consumers to sustain another fried-chicken brand in the country.

"The quick-service restaurant market is showing positive growth. Chicken makes more than 50% of the QSR [quick-service restaurant] market, so there is scope for Popeyes to enter. Popeyes is also the second-largest chicken player in the world. From a brand perspective, it has a strong and proven record," he said.

The latest available data from Statistics SA shows a decline in income from take-away and fast-food outlets. The Food and Beverages April edition showed income from that segment fell 0.2% in that month after a 0.3% decline in March. Since the start of 2017, takeaway and fast-food outlets have not recorded positive growth.

KFC had the biggest footprint in the fried-chicken, fast-food segment as of May, with 840 stores, while Chicken Licken had 240 stores. Vunani Securities analyst Anthony Clark said it was ambitious of Siyaghopa to enter a competitive market such

as fast-food especially because the segment was "starting to buckle".

"No one seems to know who this company is, but whoever is behind it needs to have really deep pockets. If Famous Brands - the 800-pound gorilla in the segment - couldn't make it work, the prospects aren't promising," Clark said.



Popeyes Louisiana Kitchen comes to South Africa

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Convincing the South African consumer to switch from wellknown brands such as KFC, Nando's and Chicken Licken would be a feat. "If someone asked me to bring Popeyes to SA, I wouldn't dream of it unless they gave me a billion rand and perhaps five years. Siyaghopa will need to spend a lot of money raising awareness and perception of the brand. They will need to roll out stores very fast," he said.

In the early 2000s, Famous Brands acquired the licence to roll out Church's Chicken, but the offering did not appeal to local consumers. With weak demand for the product, targets to open stores were hard to meet. Equally challenging was that royalties had to be paid in dollars, exposing the business to currency risk. A year after signing, Famous Brands exited the deal.

Sinclair said Popeyes had its own selling points. "We only use fresh chicken and we hand-batter it. We tested our spicy chicken in the market before launch and we received a 98% approval rating. It all boils down to our unique flavours," Sinclair said.

Popeyes stores would be opened "in a responsible manner", he said, keeping in mind the demands of the supply chain. With a living standards measure target of six to 10, Sinclair said three to four more chains would be opened in Gauteng in 2017.

"We had a very good negotiation with Popeyes and I think all parties were happy with the terms. Our entire supply chain will be local. We will be very competitive in pricing and customers will get value for their money," Sinclair said.

Source: Business Day

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