

Dulcé Café pushes into Africa

With the need for resources from developing countries such as China and India, coupled with the discovery of oil within more and more African countries, the economies of African countries are set for major short and medium-term growth. Based on this growth, Dulcé Café is currently launching an expansion of the franchise chain into Saudi Arabia, Ghana, Nigeria, Tanzania, Botswana and Angola.



Mike Pullen, MD Dulcé Café Group, believes the timing is right for expansion into African territories, with the first two stores primed to open for trading towards the end of the second quarter of 2011.

The following countries have been identified to increase the brand's African footprint, over the next five years.

- Saudi Arabia, base for MENA (Middle East and North Africa): 24 stores planned within five years
- Ghana: Three stores within three years
- Nigeria: Five stores within five years
- Tanzania: Two stores within three years
- Botswana: Two stores with three years

According to Pullen, much of the impetus for growth outside of SA borders has been the result of applications from investors originating in Africa. "South African hospitality brands are highly respected throughout Africa. Furthermore, the South Africans in particular, are perceived as the natural business link within Africa - based on their understanding of the African market."

Extensive market research was conducted within each country in order to confirm, amongst others, whether the market was able to sustain the Dulcé Café brand, the potential customer base, disposable income levels, political stability, foreign exchange policies, as well as potential number of sites that could potentially be opened within the market.

Investors ready

The deal, estimated at US \$620 000, has enlisted the financial backing from three core regional entities.

Franchise Experts, is a company based in Saudi Arabia, specifically formed for the purpose of expansion into the MENA franchised hospitality industry. The company consists of investors looking for ways to expand and diversify their portfolios and who have invested in the necessary infrastructure to grow the brand throughout the region.

Diaspora Hospitality is headed-up by Dr Erieka Bennett, an African Union ambassador based in Accra, Ghana. Dr Bennett is known throughout Africa as an initiator for African people wishing to provide self-employment opportunities and personal growth schemes.

Atlantis Hotel, based in Dar Es Salaam, is a company currently making in-roads into the Tanzanian hospitality sector. The directors are involved in property portfolios and the importation of computers. They are well respected within this territory.

Further site openings

"Our locations are not limited to shopping centres, as is the case in South Africa, but rather located in the more affluent suburbs. Traffic congestion is a major issue within African cities. The more affluent people do not wish to sit in traffic, hence the move from city centres to the more conveniently suburbs, closer to their residences. However, the brand is still looking to open stores within busy city centres, in order to maximise penetration within these markets."

New store openings

The first African stores to open will be Accra and Dar Es Salaam in August 2011. The décor and CI elements will remain untouched for the African market, as will the menu, for the most part.

"Only small variations are expected within the regional territories, with a few of the local dishes being incorporated into the standard menu. The liquor element within Africa will play a larger role, as will more substantial meals. This because these outlets will trade for longer hours in the evenings, as opposed to the predominant day trade, here in South Africa.

"Dulcé Café will be opening flagship stores within each territory to be used for further training for new stores opening within the areas. Each territory will have a brand manager who will be responsible for the brand within each territory. Our operations team will visit and monitor the outlets within these territories on a regular basis," expounds Pullen.

"Foreign companies are making avid use of South Africa as a springboard for future expansion into these developing areas and it therefore makes sense for South African companies to do likewise.

"The South African hospitality sector is well respected throughout Africa, the Middle East and beyond. We have seen the successful expansion of the cellular, grocery and other retail companies into Africa and it is time that our service sectors also follow their lead into this burgeoning market."