Chapter 7

Simply Food:
The Crossroads in Front of a New-Born Food Brand

Hakim A. Meshreki
American University in Cairo (AUC), Egypt

Maha Mourad
American University in Cairo (AUC), Egypt

ABSTRACT

Simply food is the first food brand that was launched in September 2013 by “Orange International” company. Simply food’s aim is to provide a high quality food round the corner for young students and business professionals who are seeking a high quality meal during their lunch break or their evening outing. Simply Food team has many prospects to work upon in terms of the management of the stores in addition to expansion and creation of other simply brands. Issues facing management are which simply sub-brands to launch that would be integrated into the simply brand and how to expand simply stores in Egypt and the region. Furthermore, what is the proper marketing strategy given the limited budget available that would help strengthening the simply brand? What is the proper regional expansion strategy that would enable the simply brand to the fast food destination for customers in the region?

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ORGANIZATION BACKGROUND

History of the Company

Based in Cairo Egypt, Orange International is a company that was founded in 2011 by a group of Enthusiastic, professional, young entrepreneurs and top executives that have experiences spanning many business sectors starting from food and beverage, marketing, telecommunication, energy management, higher education and other fields. This blend of various experiences enables the team to successfully realize the mission and vision of the company which is mainly specialized in the food and beverage business. Its aim is to create and manage high-quality, food brands for consumers all over the world starting from Egypt and growing through the MENA region.

Fast Food Market in Egypt

The fast food business in Egypt has been growing in the past years with an accelerating trend with Egyptians lifestyle changes. Most of the world renowned fast food chains opened in Egypt fostered by the opening of many mega shopping malls and business/leisure hubs. According to the American Chamber of Commerce in Egypt, The Egyptian Fast-food market is dominated by US-based franchisors including Bakin Robbins, Burger King, Chili’s, Cinnabon, Cold Stone Creamary, Dairy Queen, TGI Fridays, Hardee’s, Mc-Donald’s, Hard Rock Café, Outback Steakhouse, Pizza Hut, Starbucks and Ruby Tuesday. In addition to this many well established local fast-food chains are present in Egypt (for Example: Mo’men, Cook D’or, Smileys’ Grill, which constitute old and strong fast food players within the Egyptian Market. According to Euromonitor (EUROMONITOR, 2013), the fast food industry in Egypt recovered from 2011 drop caused by the revolution, thanks to a recovery in tourist volume, a relative return to stability and competitive prices implemented by the country’s operators. However, the weakened economy, general uncertainty and decrease in purchasing power hindered this recovery. As a result, transaction volume growth only reached 1% in 2012, compared to a review period CAGR of 2%, while current value sales rose by 8.4% in comparison to a review period CAGR of 10%.

The Egyptian Fast food business however is still viewed as possessing a strong growth potential. It is expected that chains continue leading the fast food category. However, outlets and transactions volume are expected to witness a CAGR of 1.2% and 6% respectively, compared to a reviewed period of 9% and 11%. Leading chains from Americana and Mo’men group are likely to wait a complete return to stability before directing strong investments in outlet expansion.
Intensive Care
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