

# **KFC's 100% franchise transformation boosts step-change innovations, hitting a new record high for store expansion and firming its number 1 QSR brand in Thailand**



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KFC Thailand, Thailand's No. 1 quick service restaurant (QSR) brand, proudly announces that 2018 is a year of success after transforming itself into a 100% franchisor, which enables it to create innovative products and services. By the end of 2018, KFC expects to achieve double digit sales growth and restaurant expansion of 75 new stores against the previous target of 54 new ones or 39% above the original target, a new record high since it started operation. The brand is able to maintain its position as the largest restaurant chain in the country with a total of 701 outlets nationwide in 2018.

Waewkanee Assoratgoon, General Manager - KFC, YUM Restaurants International (Thailand) Company Limited (YRIT) said, "Yum Thailand has successfully transformed itself into a 100% franchisor for only one year. Our organization is now in a good shape with effective structure so that we can expect the most efficiency in the entire business operation. As a brand guardian, our key roles are as brand guardrail and to create marketing campaigns, provide guidelines, support franchisees and business partners to keep up with the brand's standard, and assist them in making a customer complaint recovery plan and crisis handling protocol. Through the collaboration with franchisors, KFC has been able to achieve not only the largest number of restaurants and the unique signature fried chicken, but also the distinctive and beloved brand that we are strengthening up."

"Throughout 2018, we have launched a series of exciting campaigns and promotions. These include both branding campaigns like Valentine's Day Wing Zabb, National Fried Chicken Day, Colonel's Birthday celebration and marketing campaigns like Chessy Fried Chicken, Kai Jud Yai - the spiciy fried-chicken, disruptive promotion of Tuesday's Value of 9 fried chicken at 199 baht, and the most innovative ice cream, Zabb on Ice; of which the online and offline communications reached more than 48 million Thai people and gained massive engagements. As a market leader, we are dedicated to creating new and unique value to enrich customer experience."

YRIT, the operator of KFC franchise in Thailand, benchmarked its success through an ability to secure the No. 1 position and top-of-mind QSR brand as surveyed by the county's top business magazines, Marketeer and Brandage. It is also named the most powerful and top engagement brand on social media by Zocial Awards as well as ranking in top WOM brands mentioned among Thai's millennial by YouGov2018. As the largest restaurant chain in Thailand, KFC has served approximately 800,000 pieces of fried chicken to our customers per day or 292,000,000 pieces per year.

As a franchisor, KFC does not only support franchisees in their restaurant operations but also provide them with essential know-how for their business expansion and profitability. Through our

unique collaborative model and support, we expect to achieve 701 KFC restaurants in the chain by the end of 2018, 65 out of which are in Drive Through model. Of the total, 258 KFC restaurants are being operated by Central Restaurant Group (CRG), KFC Thailand's first franchisee which this year opened 22 new restaurants. Additionally, 273 restaurants are being operated by the latest franchise partner, QSR of Asia (QSA), which has invested heavily this year on store renovations at its 47 restaurants. Restaurant Development (RD), the fastest growing franchisee, recently celebrating its 2nd anniversary as KFC's franchise partner, the company has been growing very fast from 130 restaurants in 2016 to 170 this year.

"With the expansion of urbanization, it enables us to open more stores, especially drive-thru model in further areas outside Bangkok that serve need of people in the communities and pass by like travelers, businessmen, etc. We have the target to expand our chain to cover 1,000 stores by 2020, at least 100 of which will be Drive Through stores. Our success does not come from only Yum, but our overall corporate franchise partners, which put together capital fund, innovation, and hard works to drive the highest new unit growth in the brand's history in Thailand. This entitles Thailand as the 8th largest KFC markets in the world as well as fastest growing restaurant brand in Thailand," said Waewkanee.

To end the year strongly and provide exciting ways for customers to enjoy more value and excitement of KFC, there will be the coming back of Tuesday 9 fried chicken for 199THB promotion, Big bucket promotions for the celebration period from now until December 4th, 2018.

#### About KFC Thailand

KFC is one of the most popular Quick Service Restaurant brands across the world. Established by Colonel Harland Sanders in 1952. KFC franchisees and brand management is currently directed by Yum! Restaurants International (Thailand) Co., Ltd. while Central Restaurants Group Co. Ltd., Restaurants Development Co. Ltd and The QSR of Asia Co., Ltd. operate KFC stores nationwide. KFC is committed to continually innovate and present new signature menus that adhere to the highest quality and safety, in order to meet global standards. KFC also provides the best training to employees to ensure the best and warmest service and experiences for customers at KFC stores, as well as the 1150 call center delivery service system and [www.kfc.co.th](http://www.kfc.co.th) For more information about KFC Thailand, please visit [www.kfcthailand.com](http://www.kfcthailand.com)