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MIDDLE EAST



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HIGHLIGHT ON GRIF 2017



Nada Alameddine, partner handling business development at Hodema Consulting Services, highlights key trends emerging in the Middle East market and the models that are being used successfully to drive growth, from franchising to the creation of local concepts

The Global Restaurant Investment Forum 2017 (GRIF), organized by Bench Events, is an annual networking event, showcasing the hottest restaurant concepts from around the globe. Powered by Michelin, the forum was hosted by AccorHotels at Fairmont The Palm in Dubai from April 10th to 12th and gathered over 300 industry professionals.

GRIF held a three-day conference tackling several topics in the food and beverage (F&B) industry namely global trends, concept development, finance and investment, as well as creating food culture.

As gold sponsor, Hodema Consulting Services took part in several panels, whereby I personally chaired discussions

on hot-button issues, namely how the Middle East region is at the crossroads of cultures; a result of various influences throughout history, over three hundred ninety thousand inhabitants and a contrasted GDP per capita varying from USD 1,406 in Yemen to USD 73,653 in Qatar. The region is not considered a trendsetter, as it has always been an importer of food trends coming directly from the west and from Asia through the west. This explains the unbalanced ratio between imported and homegrown F&B brands. However, we are witnessing today the introduction of locally created concepts and brands.

Over 17 food and beverage trends are dominating the Middle East with some emerging such as Turkish cuisine, tech services and food trucks. Other established trends are also on the rise such as farm to table, local cuisine and upgraded street food, with the most popular being all-day breakfast, Lebanese cuisine and coffee shops. Food on-the-go and bars within bars are avant-garde trends being slowly introduced to the market. In terms of safety bet trends, the Middle East will always rely on traditional Middle-Eastern food, chicken-based cuisine, Italian cuisine, sushi and shisha.

"Demystifying Restaurant Development" was another panel during which Toufic Akl, partner handling operations at Hodema Consulting Services, discussed the opportunities and challenges across the restaurant development process, ensuring return on investment (ROI)

by investing across all phases of the development process, from functional interior design, to preopening marketing and operational planning.

The panel discussed an essential checklist a developer should complete to determine whether an opportunity is worth investing in. Toufic Akl stressed on the following major elements: a detailed market study showing demand demographics in the area where the restaurant is to be developed, a good analysis of the competition in the market, the existing supply chain along with a complete and detailed feasibility study.

The panel also tackled some of the greatest misconceptions about restaurant development and what should developers know before embarking on a project. Akl stated that innovation is not always welcome, although at the same time it is essential to a project's success. The panelists agreed on the fact that a restaurant requires hard work and investors must be very involved in operations and management.

When asked about some of the lessons learnt through experiences, and how developers can avoid some of the pitfalls that speakers faced, the main focus was to take the necessary time in the study and creation phase, and most importantly to work with professionals as the restaurant business faces very high risk and competition.

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F&B POP-UPS

CREATING A BUZZ ON A BUDGET



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4

*The Dinner Club 57,
UAE (1,2,3)*

*Chef René Redzepi's
Noma Mexico pop-up
now open in Tulum (4)*

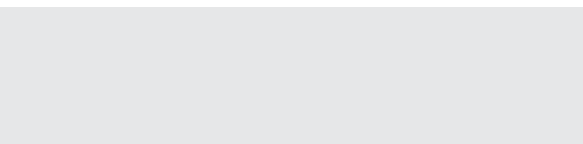
*Ripe Market in Dubai's
Zabeel Park (5)*



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5



The last few years have shown us that pop-ups are an easy way to generate interest without the need for too much effort or long-term investment. **Nagi Morkos**, managing partner at Hodema consulting services, explains

These ephemeral concepts can take various shapes and forms, from temporary venues to short-term events or festivals. They benefit from the 'scarcity value' economic concept: the less there is, the more people want it. With retail paving the way for other sectors, all types of pop-ups have sprung up around the world. In the Middle East, festivals and markets, such as the weekly Ripe Market in Dubai's Zabeel Park or Beirut's Souk El Akel, attract thousands of visitors. The food and beverage (F&B) industry has, of course, tapped into this trend, with pop-ups available in all types of formats, from one-off events inside hotels, cafes or restaurants to small trucks.

On a regional level, Dubai is, as always, at the forefront: the eatery Tom&Serg in Al Quoz regularly hosts pop-up concepts, such as the meat-lovers favourite, 'Rule The Roast', and the Hawaiian-style temporary menu, 'Shaka King'. No.57 Cafe has been the talk of the town as well, benefiting from the success of the invitation-only dinners of 'The Dinner Club 57', showing there's something for everyone, from low to high-end cuisine. Even the world-renowned Noma has embraced the trend, with pop-ups in Copenhagen and Mexico. And with summer around the corner, beach canteens and cafes are springing up across the region. In the Middle East, cultural and religious events also provide opportunities for temporary

venues: Ramadan 'khaymat' (tents) are traditionally set up to welcome diners breaking their fast in the evening.

The flexibility of the ephemeral

The list of upsides to these temporary formats is endless, from requiring little in the way of investment when it comes to both time and money and short-term leases to enabling operators to test and try out a new concept. The format can provide brand exposure and also offers plenty of flexibility when it comes to location, easily set up at a beach, gallery, park, on a rooftop or even in someone's home. Charity and fundraising events favor this format to attract crowds. When it comes to restaurants, pop-ups can be a great opportunity for up and coming chefs to show the world, neighborhood and potential investors, their culinary skills. Newbies in the F&B world can turn to a short-lived concept to dip their toes in the business, while more seasoned ones may well use a temporary venue before deciding on a more permanent location.

Smaller scale doesn't mean less regulation

However, these ephemeral setups have downsides too, some of which are challenging. First, their format requires a specific and viable business plan. There are structural difficulties, too, with limited space for storage and cooking, while menus need to be created tailored to limited offerings. Stock management also needs to be a key focus. Hygiene regulations for pop-ups are similar to those governing regular establishments and need to be followed to the letter.

Moreover, communication should be thought through carefully since marketing and social media play a major role in advertising pop-ups. Spreading the word both at the right time and to the right people is key to success. Alternative PR ideas are beneficial, since customers going to pop-up venues are often looking for something new, or different, at least, from regular brick-and-mortar restaurants.

And last, but not least, even though pop-up concepts seem less formal than well-established ones, they require licenses, insurances and permits whether temporary or not. Being too light-handed with legal matters could accelerate the already short life of your pop-up.