

Nando's international marketing strategy

In 1987, Nando's started from humble beginnings as a retail chicken outlet located in Rosettenville, a bad part of Johannesburg, South Africa. [Click here to discover more about the [Nando's story](#).][1] Nando's has since grown into an internationally recognised brand with 750 stores worldwide.[2] Nando's has always walked a very fine line in terms of control, whilst at the same time constantly attempting to be controversial in its marketing. In some cases Nando's has crossed the line, resulting in the company's control processes being called into question by various government watchdogs such as the South African Advertising Standards Authority (SAASA). This controversial marketing approach was adopted while Nando's had a presence in South Africa only. The South African market was rather accepting of this approach as, culturally, the people in the country had lived through years of controversy and something new and fresh was accepted with open arms. The controversial advertisements were seen to be different and original, as well as being thought to be very funny by the South African people.

Founder of Nando's, Robert Brozin (in partnership with Fernando Duarte), understood the significance of marketing as a critical factor to the growth of the company.[3] Brozin had a passion for African–Portuguese flavours including chicken dishes served with Peri-Peri, herbs and lemon. As part of the Nando's strategy, Brozin sought to control the marketing of its chicken products through the development of branded outlets. The brand was also enhanced by creating innovative products, unique décor in the stores and specific team attitudes of staff. Even the packaging and wrapping in which patrons receive their product was unique to the Nando's marketing strategy.

The culture of the company—especially the staff—was extremely important to the founder's attempts to control the company's personal sales and marketing strategies. Nando's created a unique team: in a similar way to the company google.com, they invented terms, names and concepts in their business that diverged from the classical approach of business management. For example, all staff were required to call the company ChickenLand and its website was called ChickenWire.

In 1992, Nando's appointed marketing director Josi McKenzie, who immediately went to work building brand equity through a range of cheeky and audacious

adverts. [Click here to see one of the [cheeky advertisements.](#)][4] Nando's purposely creates adverts to invoke a response from the viewers.[5] Nando's marketing manager Carlos Antonius suggested that the marketing campaign relating to Australian Refugees and their incarceration heightened publicity prior to the launch of the promotion as well as providing a springboard for the launch of more franchises within Australia. [Click here to read more [about the backlash.](#)][5] In the United Kingdom Nando's has woven its way into society in a similar way: 'in South Africa, as in Australia, another huge Nando's market, Nando's is marketed as a jokey brand.' [Click here to read about [Nando's entry into the UK.](#)][6]

Nando's UK

In 1992, Nando's opened its first store in the United Kingdom and rapid growth saw a total of 220 Nando's outlets in the UK by 2010.[7] The press article 'How Nando's conquered Britain' by Miranda Sawyer in May 2010 [6] talks of Nando's marketing approach in the UK, which is very different from its traditional methods in South Africa. Nando's UK marketing focuses on social media and is aimed specifically at family restaurant clientele as the focus for its sales strategy in the UK. This signifies a total departure from the South African 'cheeky takeout joint at the corner of the street' image. Nando's first attempted the same 'takeout' style approach to its outlets in the UK, but it was not until the organisation changed the focus of its marketing to a more controlled image reflecting more of a family restaurant that the brand's success accelerated. Much of the success of the brand in the UK can be contributed to social media and related word-of-mouth advertising, much of which could be considered to be controlled and directed by marketing strategy and the growth of social media. Nando's relies on significant advertising in its various markets, but not so in the UK. 'In contrast, in the UK, Nando's has almost no advertising presence at all'.[6] Nando's social media presence was through the establishment of a strong Facebook presence as well as public campaigns lobbying Nando's to open franchise stores in certain areas. Although this new controlled social media marketing strategy in the UK is a departure from its traditional mainstream controversial press advertising, its success has been recognised. Meanwhile Nando's has successfully used social media in South Africa, although this social media has not been controlled in such a way as to avoid controversial topics, as such topics remain relevant in this market. In 2009, Nando's released a file to the internet that contained an advert with a clever

play on words regarding a famous rugby player (Joost van der Westhuizen) who was exposed using drugs and paying for female company. This advert was so clever that the file was rapidly distributed by email through the community in the same manner as a good joke would be. The media referred to this event as Nando's cracking the viral marketing code. [Click here to [view the advertisement.](#)][8]

Nando's UK has taken control of its marketing and media strategy and is approaching its clientele with a different method to the traditional controversial ways of the company. Nando's marketing strategy is now focused on customer service in restaurants. Now restaurants have lively African or Latino music playing, fast and friendly service as well as large seating and colourful décor. Standardisation of stores sees no differences between the United Kingdom Nando's stores and those in Australia or South Africa. This strategy fits into Brozin's 1987 philosophy that the company should be very consistent in its approach in all locations. This Brozin philosophy was to have stores in prime locations where people can easily find them: 'Then, if you have a good product, you can rely on word of mouth and social media'.[6]

Nando's has maintained that it will remain small in comparison to its competitors but will retain a niche within its market. 'Brozin noted that the Nando's management team did not actually want the brand to go mainstream.[7] Nando's may have had to adjust its controversial strategy but it has taken on and conquered the market. This success has increased the number and size of Nando's stores; however its market share still remains small in comparison to McDonalds or KFC. Notwithstanding this, part of the Nando's appeal is its small size in addition to its specific chicken taste.

Nando's marketing

As part of the control processes of marketing, and in order to address marketing complexities, Nando's needed to manage factors that were within its control, such as product cost and promotional opportunities. Factors that were not within the company's control included the economy, competitors, culture and legal issues within specific political or geographic country boundaries.[9] One area of significance for Nando's was the level of acceptance of the spicy nature of its food. Nando's chicken is heavily flavoured to suite the African-Portuguese palette, which was a large factor contributing to the success of Nando's in South Africa. This unique

flavour has been quite readily adopted in the various international markets that it has entered to date. Notwithstanding that these various cultures have different cuisines, some may not accept such a spicy African–Portuguese taste, and control will need to be taken with regard to further expansions and cultural acceptance of differing tastes.

Nando's is an international recognised brand and the company has branches in many overseas markets. The company is strongly dependent on its franchise partners in the various countries for the delivery and standardisation of its operations and its products. Brozin has created a unique corporate franchise and service culture with a focus on a standardised menu, particularly by way of keeping to its flagship peri-peri chicken offering. Notwithstanding this desire to standardise the peri-peri chicken across outlets, he has also tried to adapt to local markets. In the Middle East, South Asia, South America and Africa, tastes have westernised and restaurants have taken on the cultural differences of the ethnic regions.[9] Nando's have had to adapt in a similar way to how McDonald's in India removed the Big Mac from its menu in line with India's religious constraints toward eating beef. This example of adaptation introduces a dilemma for a company such as Nando's who may need to diverge from the food and promotional culture that they have tried hard to establish. Nando's management team relies on franchises with partners in its expansion into foreign markets. This dilutes risk between the company and the franchise partners and also introduces a better cultural understanding of these local markets to the venture. Nando's however does not just sign a distribution agreement with its foreign agent; it takes dual responsibility for pricing, promotion, distribution and market development in these markets.[9]

Nando's identified the North American market as potentially lucrative, with over 228 000 quick service food outlets in 2002, generating over \$130 billion in revenues annually.[10] The North American market was expanding and a number of reasons were driving this: more women were joining the workforce, creating increased work and family commitments, less time to prepare and consume food, and the growth in consumption of more convenience food. In 2002, half of the average family's food budget in the US was spent on eating away from home.[11] The US quick service food market was very competitive with a high saturation of food outlets per capita.

Nando's has identified this US market as large and potentially lucrative, but it will be a market in which control will be required and a unique approach will be necessary in dealing with entry. Nando's controlled strategy to enter this market has first involved marketing its sauces in US supermarkets. This has enabled customers to develop acceptance toward and familiarisation with the Nando's brand. This has been done in order to allow potential consumers to familiarise themselves with the tastes before attempting to open the restaurant outlets. This demonstrates that Nando's marketing experiences and controversy in relation to its past promotional strategies have enabled it to control its entry strategy and to have the propensity to understand its market before making enterprise decisions.

Questions

1. *What are the factors that have contributed to Nando's international success?*
2. *Has Nando's considered the cultural aspects of countries other than South Africa in relation to its marketing methods whilst entering these markets?*
3. *Does Nando's evaluate the potential to alienate segments of its market when considering new topics for its potentially offensive adverts? (An extreme example is the Woomera detention centre campaign.)*
4. *Is the reaction of the public and press, as well as any government regulatory action in response to its adverts, part of its strategy to make people aware of its brand?*
5. *In terms of control and strategy, what functional audits could Nando's undertake to align to its expansion strategy?*

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