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## Quiznos Inks Record Deal to Expand Into China



Quiznos International president Ken Cutshaw, left, with William Cheng, chairman of The Lion Group.

Quiznos' international business has been hot lately, including a recent deal in China that could be the largest deal in franchising history.

Quiznos announced that it signed a 1,500-unit deal with the Parkson Retail Group of China, a retail arm of Malaysia-based The Lion Group. The units will be opened over the next 15 years.

“To be the foundation of a China [food and beverage] group that has already established its successful roots in the China retail sector is exciting for the Quiznos brand,” says Ken Cutshaw, president of Quiznos International, via email.

Cutshaw adds that the agreement is the largest known franchise deal by unit count. Dunkin’ Donuts recently announced a deal for 1,400 restaurants in China.

The Lion Group entered the food and beverage industry in 2014, when it acquired stakes in AUM Hospitality, a Malaysia-based company with 12 brands. The Lion Group also has plans to expand with Johnny Rockets and the Malaysian brands Franco and The Library Coffee Bar.

“Operating in over 40 countries, Quiznos is a brand that has proven to be universal and transcends across all geographical and cultural boundaries,” says Tham Lih Chung, a spokesman with The Lion Group, in an email. “Thus we were confident that the brand and concept of Quiznos would be one that can be easily and widely accepted in China.”

Chung adds that Quiznos will fit well within China’s marketplace because of the widespread acceptance of Western brands. In addition, with many restaurant brands in China recently affected by food-safety scares, The Lion Group was interested in partnering with a company well equipped for first-rate operations, he says.

“While the China market presents great opportunities for F&B brands, the scale of threats are equally as big,” Chung says. “This is why we have taken a considerable amount of attention into the brands we bring into a market like China—these brands must provide unique dining experiences, and we found that in Quiznos.”

The Lion Group will open three Quiznos in Shanghai this year, then 100 units in 2016. It plans to focus initially on the Shanghai market before expanding into other parts of China, and will leverage the real estate it owns in nearly 60 department stores in the country.

Cutshaw says Quiznos’ global business is rapidly expanding—the company is also launching in Malaysia, Taiwan, Indonesia, Iraq, Pakistan, and the United Arab Emirates—as the domestic business refines its model and restructures its finances.

“Every successful global restaurant chain begins with a successful U.S. foundation,” he says. “Quiznos is no exception. And Quiznos will continue to expand its presence both domestically and internationally with strong franchisees like The Lion Group of China.”

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