



The ultimate guide to opening a successful restaurant business in the UAE



Actionable steps and insider tips from thriving local entrepreneurs

For years, the United Arab Emirates has been the most thriving tourist destination among the Gulf nations. The ever-rising number of tourists and the country's high per capita income have put the UAE at the forefront of the F&B industry in the region, turning it into an international food destination.

Not surprisingly, the country's fast-emerging foodservice industry continuously sees many new restaurants opening.

But the booming market isn't the only reason the UAE restaurant industry is an excellent opportunity for budding entrepreneurs. In the Emirates, consumers typically eat out 6.75 times per week. In addition, online food orders have skyrocketed and show no signs of slowing down.

In this guide, we will unlock valuable tips, insights, and resources you can use to launch a successful restaurant into this surging market.

United Arab of Emirates Restaurant Group (UAERG) unites the industry as one to engage directly with relevant stakeholders in government and act as a voice of reason. With a board that includes many of the F&B industry's most respected and influential leaders, United Arab of Emirates Restaurant Group aspires to enhance further the country's reputation as a leading global gastronomy destination and facilitate real change in the operational policies that affect every restaurant, as well as representing the sector as a whole.

We hope you find our first guide to opening a successful restaurant beneficial.

On behalf of the UAERG, we would like to invite you to join us on this journey and become a member to unlock many benefits, from exclusive offers from suppliers to free knowledge sessions, training seminars & much more.

Please email sherine@drg.ae or info@uaerg.ae for more information.



| Our insiders

| KR&CO (Kreative Restaurants & Co)

Founded in 2017, KR&CO is a restaurant group that currently operates 20 locations and 13 virtual brands across the UAE. Catering to many different audiences, the restaurant's brands include Poke & Co, Acai & Co, Chick'n Co, and Keto & Co.

| Papa John's

With over 6,000 restaurants in more than 50 countries, Papa John's is among the world's biggest pizza restaurant chains. Initially founded in the US, the chain currently operates 66 restaurants in the United Arab Emirates.

| Happy Platter Kitchens

Happy Platter Kitchens is a dark kitchen that opened its doors in 2021. Offering several virtual brands, the company's portfolio of menus aims to deliver authentic cultural experiences to the diverse population of the UAE.



Checklist for opening a restaurant in the UAE: 10 steps to follow

While this checklist focuses on starting a restaurant in the United Arab Emirates, the core steps can be applied to setting up a restaurant in any other part of the world.

| #1 Define your concept

It all starts with an exceptional idea. The UAE restaurant industry is highly competitive, so make sure your concept is different and valuable for consumers. Competing with established brands is very hard for any new independent restaurant, so try to bring something new to the market.

Insider tip:

A good start is half the battle: do your research

Founder and CEO of KR&CO Khaled Fadly: “The UAE is a massive and exciting market, but it is also highly competitive,” Khaled says. “So if you want to launch a restaurant into this market, you have to offer a unique concept, something that is different from the existing brands. It’s crucial to take enough time to do market research, looking into your demographics, ticket sizes, target audience, location, etc. Will you be a dine-in concept, or will you offer delivery? Or maybe both? Once you have determined all of this, you can really base your concept on data and be off to a great start!”

| #2 Choose your restaurant type

Traditional restaurant

With plenty of locals and tourists alike flocking to restaurants, a traditional or brick-and-mortar restaurant is still a good bet to make. Provided that your concept is unique and your offering is high-quality, of course!

Think about how your business fits in the competitive landscape and the various restaurant segments:

- Fine dining: full-service restaurants that offer upscale meals at higher price points
- Casual dining: full-service restaurants at more moderate prices
- Fast-casual: restaurants with limited seating, a healthier offer than fast-food restaurants, at very affordable prices
- Fast food (also called quick-service restaurants): restaurants that focus on low prices, quick and convenient experiences, and low-cost ingredients

Insider tip:

Delivery and takeaway are here to stay, but don't forget dine-in

CEO at Papa John's UAE & KSA Tapan Vaidya: "Without question, off-premises orders are essential for any restaurant that comes into the UAE. But we're also noticing that dine-in is picking up again. It might not get back to pre-COVID levels, but our dine-in sections are definitely improving. Tourists, in particular, are still looking to have a nice meal in a restaurant at least a few times during their stay. If you run a restaurant with good ambiance, great service, and tasty food in a high-traffic location, you will always attract tourists."

Cloud kitchen

The Emirates is a digitally advanced country that readily adopts new technologies and digital innovations. So it's no surprise that the UAE is blazing a trail in the cloud kitchen concept, which revolves around cutting-edge technology, kitchen flow automation, and ultra-efficient food production.

Restaurant with both physical and virtual locations and brands

To meet consumer demand on all fronts, you can combine brick-and-mortar locations with cloud kitchens or operate virtual brands out of your existing kitchen spaces. Successful brands constantly test with new delivery-only brands, launching them in their physical restaurants once they've proven popular (and vice versa).

Insider tip:

You have to be very adaptive

One of KR&CO's most significant strengths? Its ability to quickly adapt to the evolving market and changing consumer preferences. Founder and CEO Khaled Fadly: "We started out as a regular brick-and-mortar restaurant with a dine-in concept, then started offering delivery. Later on, we began creating virtual brands and set up cloud kitchens to prepare these brands for delivery."

Today, KR&CO is a hybrid restaurant group that combines physical restaurants, cloud kitchens, brick-and-mortar, and virtual brands.

"It's essential that you listen to your customers and constantly change and improve your concept to fulfill their expectations and needs. That's actually how Chick'n Co came to exist. In the middle of the first COVID lockdown, we noticed that the demand for healthy food decreased. So we developed the brand, fried chicken and burgers, experimented, and launched it across our locations when we saw it was landing well. Chick'n Co was a virtual brand first, and then it grew to be so popular we even brought it to our physical locations."

#3 Create a business plan

Lay out the foundations of your company in a solid business plan elaborating on your restaurant's concept, location, operational strategy, marketing expenses, financials, etc. Don't forget to include costing and contingency plans.

The key to a strong business plan is thorough market research and analysis, so be sure to put in the grunt work on the industry, your demographics, competitors, consumer trends and preferences, etc.

Business Plan AE helps businesses new to the UAE market to develop a professional business plan that they can present to investors and lenders.

#4 Acquire your licenses

Decide which area you want to open your restaurant in and seek approval from the relevant local authority. Along with a business license, you'll require a few UAE-specific permits:

- A trade license from the Department of Tourism and Commerce Marketing
- A food license from the Food Safety Department
- Specific permits like a liquor license or pork permit (if applicable)

All UAE food businesses must adhere to the Food Code, which lists all the requirements food establishments must follow to ensure world-class food safety.

Insider tip:
Trust in the process

CEO at Papa John's UAE & KSA Tapan Vaidya: "Doing business in the Emirates is not difficult. In fact, the UAE means business, so help and advice will always be made available to any new businesses investing here. You indeed need some approvals to be in place, and the entire process can be time-consuming. But if you stick to it, you can open a restaurant in roughly 4 to 6 months."



| #5 Select your location

The United Arab Emirates is home to hundreds of nationalities, opening endless opportunities to cater to different target audiences. Make sure you research your location (and the locals) before you decide, considering elements like accessibility, visibility, proximity to suppliers, and affordability.

Insider tip:
Location research is key

Co-founder of Happy Platter Kitchens Himanshu Joshi: “We build geo-intelligence for our kitchen locations based on multiple factors, such as proximity to consumers, infrastructure accessibility, rental efficiency, and consumer ethnicity diversity. Doing so allows us to determine the best locations possible.”

| #6 Design your restaurant layout

To obtain your food license, you'll have to include a layout plan that meets specific requirements set by the Food Control Department. These pertain primarily to the size of your dining room and kitchen and the materials used in your preparation, storage and washing areas.

Insider tip:
Make every square foot count

CEO at Papa John's UAE & KSA Tapan Vaidya: “All our restaurants in the UAE were built before 2020, so they typically don't have a layout designed to account for pick-up or takeout. When COVID hit and delivery orders surged, we started restructuring so that each restaurant now has a small waiting area for delivery couriers. With over a dozen drivers waiting at any given time, it's imperative to provide them with a dedicated zone where they can pick up orders.”

“A general tip for restaurant startups in the UAE, and Dubai especially, is to ensure that you get your returns on every square foot of your restaurant space. In Dubai, you pay high rent. Therefore it's crucial to invest in a restaurant layout that helps you run your business efficiently and that you make each seat – and each square foot – count.”



#7 Engineer your menu

Your menu will be your restaurant's centerpiece, so you should design one that is highly profitable and attractive to guests. That's where menu engineering comes in: the science of building a menu that features only profitable and popular items. Once rolled out, you'll have to keep updating your menu as you gain more info about your customers' behaviors and your bestsellers.

Insider tip:

Menu engineering is key to staying ahead

Founder and CEO of KR&CO Khaled Fadly: "Menu engineering is crucial to ensure your offering is relevant to the market. We are constantly changing and updating our menus based on sales data. We use numbers to see which menu items are moving and which aren't and research why some aren't working well. In addition, we're constantly testing with dishes, prices, and menu design to optimize the menu and make it more profitable and attractive."

#8 Leverage technology

Today many technological innovations can help restaurants excel. In the UAE especially, the restaurant industry promotes the adoption of advanced technologies like AI, robotics, and virtual reality.

It is highly recommended that you invest in the right technology to improve your operational efficiency, both front and back of house. Restaurant tech solutions worth looking into include:

- A modern cloud-based POS that integrates well with other software programs
- All-in-one restaurant management platform solutions that optimize your daily operations and help you do reporting, engineer menus, and more
- Mobile payment apps and online ordering systems
- Inventory management tools

While incorporating technology into your restaurant operations may seem like yet another significant investment, doing so will help you simplify your day-to-day, increase efficiency and consistency, reduce costs, and enhance the customer experience.

Incidentally, technology can also help you listen to your customers. For example, you could look into tools that enable you to track guest reviews and ratings, measure customer sentiment, or assess your brand's reputation. Keeping a tab on these metrics can make all the difference for a brand-new restaurant business.

Insider tip:

Use automation whenever possible

CEO at Papa John's UAE & KSA Tapan Vaidya: "In my opinion, the best way to increase efficiency is by relying on high-quality equipment and automation. We prepare our pizzas in ovens with a conveyor belt set at a specific temperature at Papa John's. The belt speed at which the pizza enters the oven and comes out is also set. There's no human intervention, which is how we ensure 100% consistency in every order."

"Every new restaurant operator should look at their operations in this way: how can I mechanize or automate the work floor, and reduce reliance on human skills? Obviously, having a super chef is great. But it's never certain that your employees will stay, and you need to make sure customers get the right product every single time. That's why automation (and good training!) is key to succeeding."

#9 Hire staff

Carefully think about which staff your restaurant will need to operate smoothly, make a list of the roles that need to be filled (along with their responsibilities), and then start hiring! Take the time to select employees who fit your restaurant's concept and mindset. Running an exceptional restaurant takes an outstanding team!

Staffing in a tight labor market, however, can be challenging. Try experimenting with new recruitment channels, create a candidate-centric application process, and offer flexibility and development opportunities to hire top restaurant employees. Once onboard, staff will need ongoing training to improve speed and quality of service and increase your restaurant's efficiency.

Insider tip:

Don't underestimate the importance of staff training

Co-founder of Happy Platter Kitchens Bhanu Pratap Rathore: "We have robust training programs in place with dedicated trainers for every cuisine. Our trainers focus on recipes, optimization, and implementation. They ensure that staff follows every step of the process to meet the desired flavor and quality of preparation standards."



| #10 Promote your brand

Finally, you should develop a marketing strategy that helps you build awareness, bring in customers, and retain customer loyalty and satisfaction. Using social media to market your brand in the Emirates isn't just a nice to have. It's an absolute must to stay top of mind in a market where competition is nothing less than fierce.

Insider tip:

Word of mouth works better than any marketing tool

Founder and CEO of KR&CO Khaled Fadly: "Obviously, marketing your product well is essential. But word of mouth beats any other marketing tool. That is something you'll only get when you offer good quality, good pricing, and good consistency across the board. Every day, all day, across all your locations and brands. Great food, a great customer experience, and good value for money will always get your customer excited!"

How to master online ordering and delivery

For years, the UAE online ordering and delivery segments have been growing – and thriving. Your restaurant should offer takeout, delivery, or both to give your customers the convenience, speed, and ease they have come to expect. Here's how to set up a successful online ordering channel.

| Determine your audience

An online restaurant can reach more customers than a brick-and-mortar brand, but that doesn't mean you should try to cater to everyone.

Before you start sending out your meals into the world, it's crucial to think about the off-premises guests you're looking to attract: what foods do they like? In what area do they live? Are there any competing brands serving them? What prices are they willing to pay?

Try defining your ideal audience's biggest drivers (convenience, price, type of cuisine, etc.) and turn-offs before developing your offering.

Insider tip:

Cater to diverse audiences' needs

Co-founder of Happy Platter Kitchens Bhanu Pratap Rathore: "A dark kitchen is all about scale – scale in locations, products, and brands. The UAE is diverse, with people from different nationalities and taste preferences. Therefore, it only made sense to serve as many people as possible by meeting their food preferences. That's why we serve food across multiple cuisines to reach out to a wider audience."

| Build your menu

Once you've selected your target audience, you can engineer your online menu to include high-margin items popular with your clientele. It's also a great idea to create multiple virtual brands that you can prepare from your kitchen.

Virtual brands help you increase your reach (and therefore orders), optimize your kitchen capacity, and take advantage of your current inventory. They also allow you to experiment with your menu and try new dishes at low risk.

Insider tip:

Develop and optimize virtual brands with the consumer in mind

Co-founder of Happy Platter Kitchens Himanshu Joshi: "We constantly keep a finger on the pulse of consumers and their evolving needs to make sure we introduce the right brands. We focus on structured market research and direct conversations with consumers to gain insights into their product needs. Direct feedback also helps us better understand price sensitivity in the different target areas."

"The easiest way to know a brand's performance is by looking at customer ratings on aggregator platforms. We religiously map those to develop a deeper understanding and also actively reach out to our customers for feedback. To see how our brands are performing internally, we track where the brand sits on the operational efficiency scale."



Invest in technology

Many tech solutions are available to restaurants to help them make the most of on-line ordering and delivery. Built to increase operational efficiency, these technologies automate your online ordering flows so you can focus on delivering an outstanding customer experience.

Solutions like Deliverect aggregate all your online orders into one overview and automatically send incoming orders to your POS and kitchen. Integrated with your POS, Deliverect makes it easier to do reporting, manage menus across locations and platforms, and sync inventory.

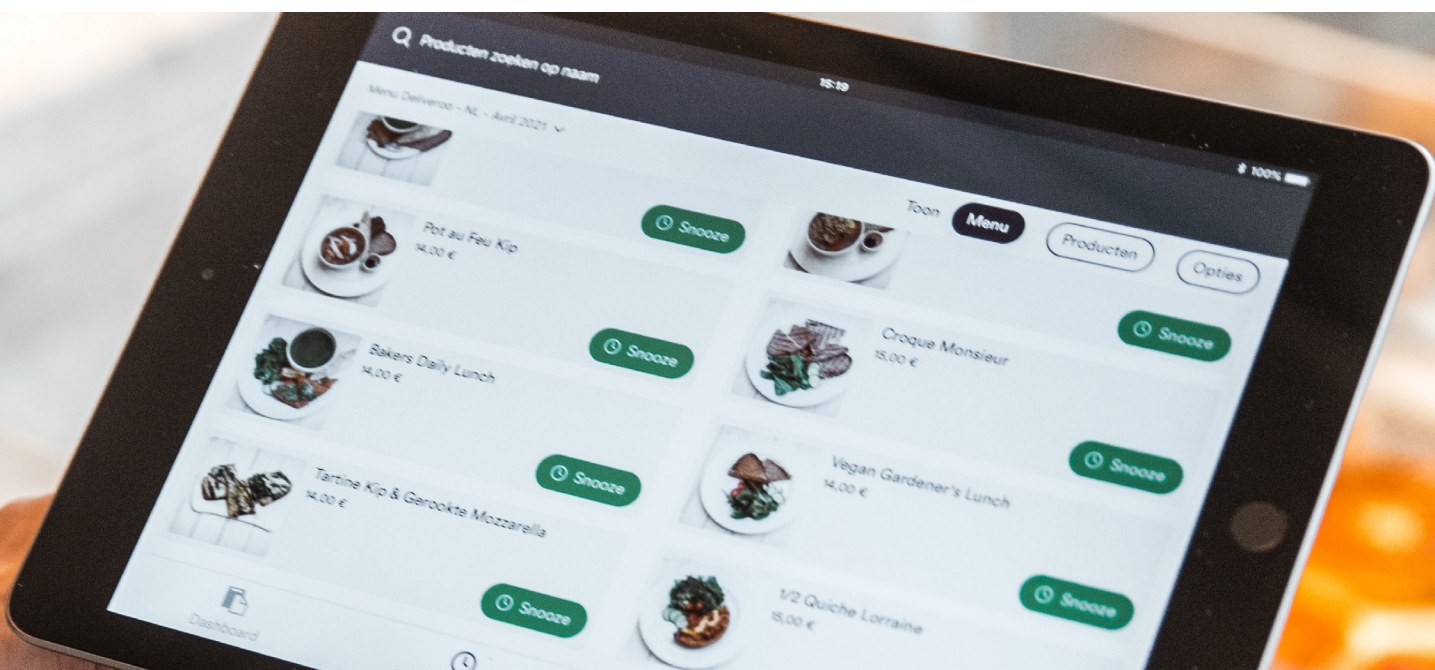
Automating your online ordering operation is key to scaling your business as fast and efficiently as possible while effectively using your time and resources.

Insider tip: Technology will give you a competitive edge

Founder and CEO of KR&CO Khaled Fadly: “You must take advantage of new technologies. We’re always open to working with partners that can help us grow, so we take a lot of demos whenever new software comes out. With technology, you get more insights and data, which in turn helps you become more adaptive.”

“One of the technologies that have proven to be very useful to KR&CO is Deliverect. It has allowed us to eliminate almost all of our delivery aggregator tablets. We run 20 locations with 13 virtual brands sold on at least four different delivery platforms. That means we would have around 700 or 800 tablets to manage at any given time. Those numbers become really scary! With Deliverect, we were able to get rid of that issue.”

Khaled says Deliverect has also helped KR&CO ramp up prep and delivery times: “With the POS integration, each order is automatically accepted and sent to our POS and KDS. That shaves off at least 3 to 5 minutes of each order, helping us to get orders out the door much faster!”



| Pick your delivery service providers

You can either build your online ordering system and fleet or team up with a third party for online ordering and delivery. While both have advantages and drawbacks, partnering with multiple third parties will significantly increase your reach.

Major food delivery players in the United Arab Emirates include Deliveroo, Careem, Talabat, Zomato, and Noon Food.

One of the most popular direct online ordering systems is ChatFood, which allows restaurants to sell through their website, WhatsApp and Instagram. Other online ordering solutions in the UAE include Firsti, WooCommerce, and RadYes.

Make sure you compare each service's offer, network, customer base, and commission percentages before committing.

Insider tip:

Work with delivery aggregators to get your market share from them

CEO at Papa John's UAE & KSA Tapan Vaidya: "When we launched Papa John's in the UAE, delivery services weren't around yet. We took orders, prepared and delivered them, all by ourselves. Over the past 5 to 6 years, the number of aggregators in the UAE has greatly increased. Some operators aren't open to working with them because of the commission percentages. But thinking that you can do without aggregators is a fallacy: you might be able to, but if you work with them, you'll do even better."

"Customers today are driven by convenience. Delivery services provide convenience, so unless you give customers an excellent reason to order directly from your restaurant, they will always use third-party platforms. You can be sure that your competitors are on these platforms, so you might as well be and get your market share from them. My advice? Make peace with delivery aggregators, try to develop a good relationship with them, and then work with them to promote your brand on their platform."



| Prep logistics

Before you start selling online, the final step is to ensure your restaurant is ready for the additional workload and orders. First, organize your kitchen space and dedicate a section to off-premises orders. Next, make room for storing delivery bags, containers, and other packaging materials. Finally, make it easy for couriers to collect orders to streamline delivery times. Deliverect's Pickup Manager lets you easily communicate with riders without losing time, indicating to drivers when their orders are ready for pickup.

| Build a relationship with customers using data

One of the benefits of online ordering is that restaurants typically get access to customer data with each order. You can use these to create personalized promotions, offer loyalty rewards, and generally connect better with your customers.

Insider tip: Invest in digital assets

CEO at Papa John's UAE & KSA Tapan Vaidya: "It's very important for any restaurant with multiple locations to check the feasibility of investing in their own digital assets to drive traffic and bring in data. Even if you can't afford a native app, you should at least have your own website so you can build a customer email database and drive CRM programs directly. For example, at Papa John's, we segregate customers into groups based on when they ordered last. Then, we send different offers to each customer segment and try to entice dormant customers into ordering again by giving them free Papa Reward Points."



Set yourself up for success with Deliverect

While the United Arab Emirates provides an excellent platform for entrepreneurs, it is also a highly competitive environment where only the best businesses will survive and thrive.

Researching the UAE restaurant industry and taking the time to understand what makes its consumers tick will give you a good headstart. You can use our step-by-step guide containing expert insights from accomplished restaurant operators as a baseline model for your new business.

Whether you already run a food business elsewhere or are entirely new to the restaurant industry, Deliverect's local teams in the Middle East can help you in your journey. So get in touch with us today, and let us help you find your place in the UAE's bustling F&B scene!

