

Rebranded KFC Opens in Russia Following Chicken Chain's Departure Over Ukraine

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KFC's former flagship restaurant on Moscow's Tverskaya-Yamskaya Ulitsa rebranded as Rostic's. MT

MOSCOW – The rebranded version of KFC reopened at its first location in central Moscow on Tuesday after the U.S. fast-food chain exited Russia's market over the war in Ukraine.

The rebranded restaurant chain's flagship location on Tverskaya-Yamskaya Ulitsa some 5 kilometers from the Kremlin was fully packed at its grand opening Tuesday evening, over a year after KFC closed its 70 company-owned Russian locations in the wake of the invasion of Ukraine.

Rostic's — which originally <u>launched</u> in Russia in 1993 and partnered with KFC in 2005 before the fried-chicken giant <u>bought</u> it that year — has been revived as the new brand name for KFC, which had over 1,000 restaurants in Russia before the war.

At Tuesday's opening, a number of Rostic's customers told The Moscow Times they were glad

to see that the chain managed to make a comeback under Russian ownership.

"We like chicken wings and we were waiting for the reopening," Alexandra, a Muscovite in her 50s who was visiting Rostic's with her friend, told The Moscow Times.

"We welcome and support Russian companies," Alexandra, who refused to provide her surname, said when she was asked about the rebranding. "The food is tasty and the atmosphere is wonderful," she added.

Another customer who asked not to be named echoed this view, saying that the chicken chain "is now our own Russian company and this is a good thing."

Russian officials have repeatedly boasted of the country's ability to withstand the departures of major Western businesses and brands by launching homegrown alternatives.

Former McDonald's and Starbucks restaurants reopened under new brand names and Russia-based ownership last year after the U.S. fast-food and coffee giants exited the country.

It appears that for many former KFC customers, the rebranding will be almost unnoticeable, as Rostic's has <u>stressed</u> that little about the restaurants has changed apart from their name.

The food on Tuesday was served in wrapping and cartons bearing the traditional KFC brand colors, red and white.

The menu has also <u>remained</u> mostly unchanged apart from two items that were renamed.

While Rostic's food quality was a major concern for some customers, many said that they were pleased with the food.

"The meat is spicy and crunchy, just like it used to be," one Muscovite told The Moscow Times after trying Rostic's chicken wings.

"I haven't noticed any difference except for the fact that the place is fully packed," said one student who was visiting Rostic's with a group of friends.

According to Rostic's, the company's priority ahead of the reopening was to ensure its customers that there would be no decline in quality.

"The taste will remain the same," said Tatiana Shamanskaya, who is in charge of the former Russian assets of KFC's global operator Yum Brands Inc.

"We are sure that our guests will go to Rostic's with the same love as they used to go to KFC," Shamanskaya added during a Tuesday press conference at the flagship Rostic's restaurant attended by The Moscow Times.

<u>According to</u> Reuters, Yum Brands last week sold its Russia-based KFC business to a Russian firm, Smart Service, for an undisclosed amount.

Smart Service, which is run by existing Russian KFC franchisees Konstantin Kotov and Andrei Oskolkov, <u>told</u> the RBC business daily on Tuesday that they plan to reopen around 100 former KFC locations as Rostic's by the end of August. They also plan to open some 1,000 new

Rostic's restaurants in the next five years.

In addition to keeping some of KFC's former restaurants across Russia, Rostic's also kept all employees "who wanted to stay with the company," Shamanskaya <u>said</u> in a Tuesday interview with the state-run TASS news agency.

"We are sure that we will be able to reach the level of turnover that we had before the closing," Shamanskaya added.

But while Rostic's is optimistic about its future, some visitors said the company would have to compete for new customers.

"The reopening is a remarkable event," Valery, a Muscovite in his 20s, told The Moscow Times.

"Yet I'm not sure if I want to become a frequent guest," Valery said.

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