

# THE LUMINARIES



As the Jollibee Group expands across the globe, it establishes itself as a Filipino fast food icon and a symbol of the Philippines' stature on the world stage. Distinguished for its best business practices and trailblazing leadership, Jollibee Foods Corporation has been honored by Meralco as an Outstanding Commercial Corporation for 2014.



## Meralco power efficiencies help JFC keep market leadership

*Jollibee Group takes a big bite of the domestic fast food market*

**J**ollibee Foods Corporation (JFC) has been the dominant force in the local fast food landscape for a long time now.

With a commanding portfolio of Filipino, American and Chinese quick meal chains, the company owns a hefty serving of the domestic market share that is more than all the other fast food restaurants combined.

To keep its market leadership intact, JFC is compelled to wage battle on two fronts: While it fights to preserve what territory is already theirs, it has to carve out new ones for expansion. Their expansion was primarily done through acquisitions of other food brands with different target markets to help increase the company's reach.

That reach has already gone global. JFC brands can be found in the US, China, Brunei, Hong Kong, Singapore, Vietnam, Saudi Arabia, UAE, Oman, Kuwait, and Qatar. New store openings are also planned in Canada, Indonesia, Japan and Malaysia.

### Energy partnership essential to market dominance

Since power is indispensable in JFC's mammoth operations, its partnership with Meralco is integral.

The Jollibee Group consulted with Meralco's Energy Solutions team following an energy walkthrough audit to develop the food conglomerate's network-wide energy efficiency program.

On further engagements, JFC tasked MServ, a Meralco subsidiary, on how best to situate power infrastructure, such as electrical poles and wiring. JFC contracted MServ to relocate a service entrance in one of its franchises to clear access for a drive-through entrance – an engagement that netted the food conglomerate more than P1 million in savings.

JFC also enrolled its Chowking commissary, which operates 24/7, in Meralco's Peak/Off-Peak rates program to minimize production expenses by scheduling production during times when the cost of power was less.

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President and CEO  
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"Power is essential. JFC will not be able to build and operate its stores and manufacturing plants without sufficient and reliable power from Meralco," said Ernesto Tanmantiong, President and CEO of Jollibee Foods Corporation.

"We set up a centralized application with Meralco for service connections and arranged an auto debit billing system for company-owned stores which made transacting simpler and faster," he added.

The partnership also gave JFC the advantage of energizing its stores sooner, allowing the company to get back initial investments faster. Just recently, 200 new stores were able to operate with an average of 23 days ahead of target date opening. That's 200 new stores that now contribute to the company's bottomline.



While preserving what territory is already theirs, the Jollibee Group carves out new frontiers for expansion. This Jollibee branch in Saudi Arabia is just one of JFC's total 2,900 network stores around the world.

### Setting a model for global expansion

The Bee is busy and still buzzing with expansion plans.

JFC continues to fuel expansion plans and review system processes to find cost-saving opportunities that improve profitability while improving customer experience. The most efficient and innovative are put into practice.

In recognition of those best practices Meralco awarded Jollibee Foods Corporation as one of the Outstanding Commercial Corporations at the 2015 Meralco Luminaries Awards. The Luminaries is an annual program that celebrates Meralco's outstanding partnerships with the public and private sectors that



JFC President & CEO Ernesto Tanmantiong considers the partnership with Meralco as integral to his company's mammoth operations.



Jollibee Philippines President Joseph C. Tanbunting (second from left) receives a trophy in recognition of Jollibee Foods Corp. as an Outstanding Commercial Corporation for 2014. He is joined in this photo by Meralco President & CEO Oscar S. Reyes (extreme left), Meralco Chairman Manuel V. Pangilinan (second from right), and Meralco SVP and Head, Customer Retail Services & Corporate Communications Alfredo S. Panlilio (extreme right).

have harnessed technology and showcased excellence in power management.

"Jollibee is the largest fast-food chain in the Philippines. But they should not just be seen as an example of the way Quick Service Restaurants (QSRs) conduct industry processes. They set an example of how to conduct business," emphasized Victor S. Genuino, Vice President and Head, Corporate Business Group. "The Luminaries is one way for Meralco to recognize Jollibee's trailblazing leadership."

It is a leadership that now stands at nine brands, with over 2,900 total network stores domestically and overseas.

The company's vision is to become one of the top five QSR companies in the world in terms of market capitalization. As the Jollibee Group continues to expand across the globe, it establishes itself as a Filipino fast food icon and a symbol of the country's prestige and place in the world stage.

"There is an elite group of Filipino brands that are making their mark in the world, and Jollibee is part of it. As their partner, Meralco is pleased with their success," said Genuino.

### A source of national pride

Jollibee's marketing campaign hinged on "Langhap-Sarap," its trademark phrase that means tastiness you can smell. The catchy slogan captures Filipino imagination, promising an eating experience based on a true understanding of Pinoy food buying habits and taste preferences.

This understanding sang to the tune of system-wide sales rising 13.3 percent from P104.1 billion in 2013 to P117.9 billion in 2014, according to its April 7, 2015 press release on its Audited Financial Results for the year ended December 31, 2014.

The same report said that for this year, JFC plans to increase capital expenditures by 61.3 percent in the Philippines, Southeast Asia and China, the US, and the Middle East.

The Jollibee story is a refreshing source of Filipino pride and true triumph. There are only a few markets where an industry is completely dominated by a local brand. And the Philippines' QSR sector, as exemplified by JFC, is one good example.

To learn more about Meralco partnerships, speak to your Relationship Manager, or contact the Meralco Corporate Partners at [meralcocorporatepartners@meralco.com.ph](mailto:meralcocorporatepartners@meralco.com.ph) or visit [www.meralco.com.ph/corporatepartners](http://www.meralco.com.ph/corporatepartners).

### THE JOLLIBEE EMPIRE

Since strengthening its core brand in the Philippines, the Jollibee Group has been on an aggressive global acquisition mode to expand its product mix. The various companies that have joined its "Bee Hive," as it were, follow below.

BRAND PRODUCTS	OWNERSHIP STAKE	YEAR ACQUIRED
Greenwich Pizza (Pizza and pasta)	100%	1994
Delifrance (French-style baked goods)	100% (Country franchisee)	1996 (Closed operations in 2010)
Chowking (Chinese fast food)	100%	2000
Yonghe King (Chinese fast food)	100%	2004
Red Ribbon (Bakeshop)	100%	2005
Lao Dong (Chinese fast food)	70%	1996 (Divested ownership in 2009)
Chun Shui Tang (Chinese tea house)	70%	1996 (Divested ownership in 2009)
Hong Zhuang Yuan (Chinese congee chain)	100%	2007
Jinja Bar (Asian food)	80%	2008
Mang Inasal (Filipino fast food)	70%	2010
San Ping Wang (Chinese noodles)	55%	2010
Burger King Phils. (American hamburgers)	54%	2011
Highlands Coffee (Coffee chain)	50%	2011
Pho 24 (Vietnamese noodle chain)	50%	2011
12 Sabu (Taiwan hot pot chain)	48%	2012
Dunkin' Donuts China (Baked goods and coffee chain)	60%	2014