

## A giant leap for chicken



Carlos Antonio Rios / Chronicle

A young customer eyes the offerings on the buffet line of the Hartz Chicken Buffet on U.S. 290 at Hollister Road. The Houston-based

company is expanding into Malaysia, believing the Asian market will be lucrative.

# Hartz buffet going to Malaysia

By GREG HASSELL  
**Houston Chronicle**

Hartz Chicken Buffet is expanding big outside of Texas, but it isn't starting with Arkansas or Arizona.

The Houston company is mapping out a move into Malaysia.

Hartz has signed a contract with a Malaysian franchisee that will produce new chicken restaurants in the Southeast Asian nation next year. Plans call for at least a dozen Hartz restaurants within the next five years.

"I think that in time, we will do a minimum of 50 to 60 restaurants there," said Hartz President George Samaras. "The Malaysian economy is booming. They have virtually no unemployment, and American food is extremely popular over there."

The menu will be virtually identical to Hartz's stateside offerings, though rice will be more prominently featured on the buffet, Samaras said.

Hartz currently has 43 restaurants — two are company-owned and the rest are franchises. The company has 41 Houston locations, plus one restaurant in Killeen and another in Mississippi.

The expansionary leapfrog into Asia started when some Malaysian businessmen contacted Hartz and asked about buying a franchise.

"They found us initially," Samaras said.

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**George Samaras, Hartz president**

"Up until a few months ago, we didn't think we were ready for a big expansion. Since this management team bought the company three years ago, it has taken us some time to get a feel for the direction we want to go in."

Hartz is following in the footsteps of KFC—once known as Kentucky Fried Chicken.

The Colonel invaded Malaysia 20 years ago. KFC now has 1,600 restaurants in Asia, including 1,000 in Japan. The company's average sales per store are 33 percent higher than they are in the United States, and its profit margins in Asia are twice what they are here.

Hartz's business concept is somewhat different from its competitor's. Hartz restaurants offer all-you-can-eat buffet. Some of the restaurants also deliver, in delivery vans with a bizarre feature — they cluck and crow like chickens.

"It's like the music on ice-cream trucks," Samaras said. "It lets people know we are in the neighborhood."

Hartz will also expand closer to home than Malaysia. In Texas, the company has signed a franchise contract that is expected to add at least a dozen restaurants around Austin, Waco and Killeen.

Hartz expects to expand into Arizona, New Mexico, Colorado, Oklahoma, Arkansas and Louisiana in the 1990s.

The company has rebounded from a low point in 1985, when it filed for Chapter 11 bankruptcy protection.

The chain was bought in 1989 by an investor group headed by Houston oilman Al W. Dugan, who took the company out of bankruptcy and sold it in 1991.

The new ownership team is led by Samaras, who is the former vice president of operations at Popeyes Famous Fried Chicken.

While the privately owned company's annual revenues of \$25 million are 13 percent higher than they were a year ago, they're flat compared to 1988 levels. Samaras thinks the newly improved buffet concept can give Hartz a long-term edge.

"Our new restaurants are bigger, nicer, and feel more like a family dining restaurant," Samaras said. "We also think our delivery business will really catch on. I think there will be as much chicken delivered as pizza by the end of this decade."