

Wahlburgers lines up whopper of a deal to expand into Asia



KIERAN KESNER FOR THE BOSTON GLOBE

Wahlburgers announced it plans to expand into Asia.

By Jon Chesto | GLOBE STAFF JANUARY 17, 2017

The Wahlberg brothers are about to find out how well their last name is recognized in China.

The owners of the Wahlburgers chain have inked their biggest expansion deal since starting the company more than five years ago: a joint venture with Shanghai-based Cachet Hospitality Group and Middle East businessman Farooq Arjomand,

The goal of the deal, according to Wahlburgers chief executive Rick Vanzura, is to develop as many as 200 locations during the next decade, with roughly half of them opening in China. The new development agreement covers Asia and Latin America.

After they opened their first restaurant in Hingham in 2011, brothers Mark, Donnie, and Paul Wahlberg added 12 locations to their chain, including two in Canada. The total is expected to grow to 20 by sometime this summer. Before the Cachet deal, Vanzura said the company had franchising agreements to open up nearly 150 locations over time.

The Asia venture, in the works for 10 months, represents the first overseas expansion for the Hingham-based company. Wahlburgers previously signed a development agreement for the Middle East with Arjomand. But that project was put on hold while Arjomand, who is investing in these ventures through his United Arab Emirates-based holding company, worked with Wahlburgers on the Cachet deal, Vanzura said.

“It increases the scope of the business by an order of magnitude,” Vanzura said. “It’s a real game-changer.”

Vanzura planned to attend a press conference on Tuesday evening in Hollywood to announce the Cachet deal, an event primarily aimed at Chinese media. Paul Wahlberg, the chef in the family, and Mark were expected to be there. Vanzura said the event was set to be filmed for a future episode of “Wahlburgers,” the A&E TV show that follows the brothers’ business.

Since the emergence of Five Guys roughly 15 years ago, the “better burger” category has become highly competitive in the United States, with numerous fast casual chains competing for burger lovers’ dollars. Wahlburgers differs from many of its rivals because it offers alcohol and sit-down service.

The brothers own equity stakes in three Greater Boston restaurants, the ones in Lynnfield and the Fenway as well as the original Hingham spot, while other locations are separately owned and opened through franchising or licensing agreements.

They hope to open their first restaurant in Dorchester, the neighborhood where they grew up, in an expansion planned for the South Bay Center by sometime in 2018. Ultimately, Vanzura said, the brothers want to own as many as 10 in New England.

“Wahlburgers probably offers a proposition that’s attractive to developers and landlords that are looking to attract amenities to mixed-used centers in suburban locations,” said Daniel Dain, a Boston-based commercial real estate lawyer. “It’s a little bit of a compromise [between] buzzworthy sit-down restaurants in true urban locations versus typical chains in suburban strip malls along Route 1 and Route 9.”

Although Paul is the only brother devoted to the business on a full-time basis, all three are active in the company’s development. “It’s hard to beat having one of the brothers on the phone as a deal closer,” Vanzura said.



ARAM BOGHOSIAN FOR THE BOSTON GLOBE/FILE 2012

Wahlburgers' chief executive Rick Vanzura (top) taste-tested some burgers with Joan Wilder. Among the restaurants owned by the Wahlberg brothers is one in Lynnfield (left).

The restaurants play on the Wahlbergs' reputation, with visual references to Mark's and Donnie's acting careers. Of the three, Mark has the biggest following in China, Vanzura said. But even in parts of the world where the Wahlbergs have minimal name recognition, Vanzura said, he's optimistic that the restaurants can thrive if managed correctly.

"At the end of the day, we think the brand is ultimately going to stand wherever it goes based on food and the concept," Vanzura said.

Darren Tristano, president of Chicago-based restaurant consultancy Technomic, said it makes sense that Wahlburgers is investing in an international expansion. The demand is high for US brands overseas, and the Wahlberg name brings some instant name recognition.