Jollibee case study

Business

Fast food companies also benefit standardized supplies of ingredients and/or partially prepared foods (enables them to reduce costs) and provisions from franchisees Jollied developed a dominant position in the Philippines with Being first food chain in the market, knowing the preferred taste of Philippines population, having tight control over operations management (efficient use of time, faster services), which had enabled them to reduce costs…

Jolliness's competitive advantages with respect to McDonald's are preferred taste to coal consumers (spicy tastes first mover advantage and lower price. They also had an advantage of favorable political environment (it favored national companies) at the time McDonald's enter Philippine market.

Jollied follows a formal process for entering new foreign markets. Who are the different actors involved and what are their respective roles?

The international division – looks for countries with low or no presence of competitors, where they can build brand awareness Parent company – making investment, to create a partnership with franchisees Franchisee – selecting a site of iris store with advice of International dolls staff FSML (franchise service managers) – getting responsibility for the opening.

Hiring the project manager who will manage the first store, hiring architects to plan the store Project manager – responsible for recruiting local store managers, in cooperation with international division finance staff developing budget for raw material, labor, identify local suppliers FSML and international division staff prepare marketing plans, train local marketing manager, FSML after opening close monitoring of performance, supporting and developing store managers and control of quality How would you evaluate Kitcheners strategy as Jolliness’s first Head of International Division?

What are the core elements of his strategy? What are the pros and cons of that approach? I tank en pusses ten expansion too Nora t . I was CE rattail good too KICK overseas (number of stores increased 65%), but in my opinion he lacked the proper research of the markets before entering them (he had to close down some stores, because the lifestyle and taste were different than assumed) he should have done a proper search before entering the markets and concentrating on only those which make sense and have a potential to be profitable.

I think that the idea of localizing the menus was good on the one hand good because of better consumer attraction, but on the other hand they wouldn’t gained from economies of scale and standardization. Localized menus would also mean harder control of quality.

Core elements of Kitcheners strategy: Rapid expansion in foreign markets with franchising, localizing menus Being first -mover in markets with low or no competition

Even if some stores were not profitable in the beginning he would cover losses with cross subsidizing from Philippines operation Pros Being first in the market – you set the customers’ expectations, influence the taste, build brand awareness Benefit from economies of scale by ordering with owner and other franchisees Increasing the sales Cons It is costly, capital intensive different preferences and tastes in different countries (localizing the menus)

What are the main elements of the three options on the table? Which one would you choose and why?

Main elements of the three options are: Opening restaurants in Papua New Guiana. They have very low standard fast food restaurants due to the fact that there is almost the same PDP per capita as in Philippines. Tingling offered to put up all capital required Expanding the base in Hong Kong, with opening another store on one of the busiest streets in the city. They would need to target mainly domestic population. Diaspora marketing in California.

Success in Guam led them to believe US had potential. Decided on Daly City, with large Filipino population.

The plan was to first appeal Asian Americans and then Hispanic Americans I would choose entering the US market, with establishing franchisees in California. The facts are in their favor; this state has one of the biggest Philippine expatriates in the world – huge market with verified taste (Diaspora marketing). Therefore there would be no need for changing the menus. There is almost no reasons why they could not be successful and presence on American market would also increase their competitiveness (fast food business is very well developed and highly competitive in USA)