

# [Krispy kreme doughnut](https://assignbuster.com/krispy-kreme-doughnut/)

COUNTRY ANALYSIS OVERVIEW Krispy Kreme Doughnut has been successful in the market for many years for it has captured the preferred taste of its customers that is why the company is prominent worldwide. One of the best and qualified markets to consider for Krispy Kreme’s expansion is the Brazilian market. There are several good reasons why Brazil is considered to be a good option, and one of those is the country’s structure in terms of geographic location, demography, history, political and economic environment, and cultural environment.
Geographic Location and Demography. Brazil can be found in South America wherein it is one of the populous and largest countries not just in the Latin border but also in the entire world (“ CIA”). Brazil’s bigger portion of population can be found in the major cities in South-East region namely: Sao Paulo, Rio de Janeiro, Belo Horizonte and Brasilia (capital). The population had reached to 201, 103, 330 wherein 53. 7% of the ethnic groups are white and the rest are mixed, black and unspecified. Brazil’s official language is Portuguese; and in terms of religion, Roman Catholic obtained the highest percentage which is 74%. Brazil’s big population and diversity are among the good reasons why it should be the best candidate for a new market.
History. For almost three centuries, Brazil is under the Portuguese regime but the country had attained its independence (Levine). During the 19th century, the country’s military rule ended and a constitution for civilian rulers had been approved. Brazil gained its independence from the military command and consequently the government has been improved, and restrictions in the economy as well as slavery have been abolished. These are the reasons why more and more people have decided to migrate in Brazil, and one of those reasons is the government structure.
Political and Economic Environment. In the top ten largest economies in terms of Gross Domestic Product, Brazil is at the ninth place with a GDP of $4. 51. 7 billion (Patterson). Brazil is only an emerging country; however the economy is well-developed and industrialized. Even though Brazil is experiencing an economic growth from its agricultural products, still agriculture in the country accounted lesser compared to the growth of industrialization. The taxation system of Brazil has “ poorly structured revenue system characterized by heavy tax burdens, a narrow taxable base, complicated levies and widespread tax evasion” (Butler). In terms of entering the Brazilian market, Krispy Kreme is required to consider the franchise laws or decide to do a joint venture.
The political life of Brazil is sometimes out of government control. There are instances that the state is experiencing an increasing rate of inflation due to political pressures. This can be illustrated during elections wherein government officials are taking advantage on their position just to win the position (Butler).
CULTURAL ENVIRONMENT
Difference in the culture is one of the important elements to consider in making the business successful. Brazil is one of the countries that have a diverse cultural background (e. g., love of food). Brazil is also a country of celebrations and festivals and the people are family oriented. The Portuguese regime has a great influence in the tastes and styles of cooking in Brazil but “ the Brazilian ‘ sweet tooth’ was developed through the influence of the Europeans” (“ Brazil”). In their traditional meal, sweet dessert or fruit is always part of the menu especially for the middle class and the elite families. Most of the existing restaurants in Brazil are catering ready-made snacks or quick snacks particularly in making sweet treats. The preferred taste of the Brazilians is one of the important elements that Krispy Kreme needs to consider because this is a good strategy. It would not be difficult for Krispy Kreme to introduce doughnuts in Brazil because Brazilians like sweet tooth.
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