

Reflection essay on krispy kreme



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Executive Summary Matthew Introduction - Lets work on this at 730 Hieu-

Analysis: what is the company is about: how is about the industry...

environment, consumers Mark -Concept Development: background, what is the problems Recommendation Krispy Kreme opened as a thriving business that truly passed all expectations. MARK- Proposal 1: New product by looking at the consumers wants and by monitoring the competitors - buy or acquire well-known coffee, The problem that Krispy Kreme had was not the ability to not create a new product, but the incorrect timing of the products they made.

Krispy Kreme already has twenty five different types of doughnuts which means they have nowhere to expand from there. This proves why they were so successful in the beginning years and made them believe that were capable of opening hundreds of more stores because of their early success. If Krispy Kreme was smart they would have limited their product line to at most ten different doughnuts to ensure greater variety later on. They provided too many choices to begin with and when sales started to decrease they had no other offers to show customers which made their products bland and eventually unoriginal.

Also it says that they were able to advertise to all major demographics including age and income, but doughnuts are not capable of being advertised to an age group. This would be the equivalent of advertising something such as ice cream to different age groups and income, it just cannot be done because everyone has different tastes so there is no specific market for it. The best thing they could have done was have a limited

amount of doughnuts to initially start up their business to make a name for themselves and find their demographics to advertise to from there.

Once they made a name for themselves they could then release a new doughnut or two each year to increase their uniqueness with their customers. This could have easily given them an extra seven years or so to separate themselves from other traditional doughnut stores. It would also give them time to find more products to create and other factors that they may not have considered to increase overall quality of their business. Lastly, it says that customers would come in and make large orders to bring to work or parties.

What they had lacked with this was an accompanying substitute of some sort of bulk coffee product. An example of this would be dunkin' donuts and their box of joe that enables customers large amounts of coffee to accompany their large order of doughnuts. This is a new aspect that could be easily incorporated into Krispy Kremes product line. It is at this point that they should have been looking into other products such as coffee. Now I know they have partnered up with Digital Java, Inc. but I believe this was too early of a decision to make. Digital Java, Inc. is a small Chicago-based coffee company which means it does not have national brand recognition. Because coffee is not what made Krispy Kreme what it was, it means they provided too much in too short of a time. This is related to their sudden increase of stores through franchises, which increased overall recognition but unfortunately took away from uniqueness. This too should have been a gradual build up for as they increased their overall recognition as a great

doughnut shop, they too could have found better coffee companies to pair up with to further increase popularity for their business.

If they paired up with a company such as Starbucks they would be able to entice more customers to come to their stores as well as sell more products because those who come for the coffee will be enticed to buy their doughnuts and vice versa. As of 2003, only 10 percent of their sales were from coffee. This means just because you pair up with an unknown coffee shop and will take a greater percentage of the sales you will not make nearly the same if you split coffee sales with a greater known coffee chain such as Starbucks.

In the end pairing with the best coffee shop ensures customers will come into your store and will continue to be loyal. Hieu- Proposal 2: brand recognition, hierarchy effects for develop marketing strategy, executing the strategy and evaluating process, marketing: spend too little on ads to introduce product Matthew- Proposal 3: marketing research about to satisfy different styles and wants of customers (low calories) After reading the Case " Krispy Kreme Doughnuts in 2005: Are the Glory Days Over? " it is evident that Krispy Kreme has a limited understanding of the type of customers they attract.

The issue could be that while they were spending all their time and money expanding into new stores they neglected their obligations to understand the people they were serving to. With the great success they had experienced, they certainly reached their customers but as the sales started to decrease market research could've helped them to design products made for their customers. The Doughnut business is fairly simple and the <https://assignbuster.com/reflection-essay-on-krispy-kreme-reflective-essay-samples/>

consumers could essentially be anyone who doesn't mind treating themselves to a doughnut every once in a while.

The sale of doughnuts has proven successful in other companies and the need to learn more about the type of people who eat doughnuts is irrelevant. This could've been Krispy Kreme's misconception; there are multiple benefits that could be derived from investing in market research. In the case study, Krispy Kreme said that company research revealed that the appeal of Krispy Kreme had extended across all major demographics, including age and income[1]. A lot of mail from happy customers was received by the company and messages would be something like this, " We got up at 3 o'clock in this morning.

I told them I would be late for work. I was going to the grand opening" (pg. 763). This is a sure sign of success but after the initial buzz created by the openings they started to face trouble with consistently low numbers. Using a 5 step marketing research approach we believe that the number of sales wouldn't have dropped so significantly and they would've been able to sell to their customers better. They would first need to use different methods of research to discover the objectives that would help them develop new products that their customers would want.

After considering that, they would assess the constraints and limitations and then decide the best way to collect the most relevant data. Krispy Kreme could then obtain secondary data from their financial statements and they could observe the purchase behavior of the consumer and see which doughnut they purchase more frequently. For primary data, they could send out questionnaires that may offer a free doughnut to customers that fill it out

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or through social networking. After the data has been collected, Krispy Kreme would then analyze the data and from those findings we would be looking for trends or a common interest that is shared among the Krispy Kreme market. With the new information Krispy Kreme has obtained they can now say they have a better understanding of their markets and either a new marketing campaign or new product development will increase their sales and return them back to their glory days. This case study shows that they are phenomenal at attracting customers to openings but the issue is that Krispy Kreme struggles to keep the numbers consistent.

The best way to keep these numbers high would be to develop a better understanding of who they are selling to. This way they will create better products and marketing promotions that tend to the needs of the multiple markets they are in. Krispy Kreme has phenomenal potential and proven success but there are some key changes that can be made to change that and we believe that is marketing research. [1] "Krispy Kreme Doughnuts in 2005: Are the Glory Days Over?" by Arthur Thompson Jr. and Amit Shah
Jordan- Proposal 4: expansion, U. S then global scale by offering: - expansion
- distribution