Ruth chris case study

[Business](#)

Based on the fact that these International locations were doing well and seem to be the path to Increased revenue, Hannah decided that he would adhere to the ‘ market development’ model.

Hannah proceeded to look at market cartels, competition and the meat/beef consumption rate per region/country throughout the world in order find the best suitable locations to grow Rut’s Chris chain of restaurants internationally. Rut’s Chris senior team to locate new international markets to increase stores whether owned or franchised, in order to increase revenue.

The criteria that have eliminated some of the potential prospects include: Liquid net worth of at least $1 US million Verifiable experience within the hospitality industry Ability to desire and develop multiple locations cost of Franchise – $100, OSSEOUS A 5% gross sales royalty fee 2% of gross sales fee as a contribution to the national advertising campaign For Market Selection Criteria, some concerns were: Looking for market that includes beef eaters – people who enjoy eating beef Markets where it is legal to import beef from US Population – high arbitration rates

High disposable income Locations where people do go out to eat Locate markets that weren’t anti – US as Rut’s Chris is uniquely American. (1) Amend/Extend contracts with international Franchisees to offer: Extension of franchisee territories to allow larger geographical growth within that country extend length of contract in order to give more time to expand within larger territories pros: (I)These franchisees are already in the international countries and have a better suitable eye for opportunities.

Allowing a larger territory, extended time and opportunity for these international franchisee to successfully grow, will be beneficial for Rut’s Chris growth internationally.

(it) May increase business partnership with other business owners and potentially replace restaurant competition Cons: (I)These international franchisees may make a ‘ bad decision’ to grow where there is not enough revenue, and could potentially create a ‘ bad reputation’ for Rut’s Chris. Ii)This may take time away from current store and level of service may decrease. (iii) This doesn’t expand outside of current international countries 2) To implement an incentive program among current international franchisees.

Canada, Hong Kong, Taiwan and Mexico to reach to nearby countries to expand locations internationally Definition: A program that allows current international franchisees to be rewarded by taking the ownership to expand, challenges themselves, grow, improve service, be consistent with food quality and increase revenue outside of their known territories I. E other potential international markets.

This incentive program may include: Start up funds to obtain real estate for new location Reduced advertising agency fees Public Recognition which will only enhance current stores revenue Internal employee/franchisee recognition – wall plaque Discounts for Franchisee family travel once a year to other locations Potential for other business partners e. G. Beverage industries worldwide – *this comes with public recognition It is essential to identify where in the world are the potential Rut's Chris stores will be located.

Based on the meat consumption rate sheet in Exhibit 3, it's already been identified that the top 5 markets are Central America, Caribbean, Asia, Developing countries and middle income countries. Increase territories for the current 10 international Franchisees.

Allow for these franchisees to expand to neighboring countries. For example, Central America shows the meat consumption growth rate to be 13. 5%, hence allowing current Franchisee in Mexico to reach across to Central America and Caribbean. At the same time, current Franchisee Hong Kong and Taiwan can be of reach to Asia and other developing countries as their meat consumption rate is between 8. 65% to 9. 45%.

These current franchisee may choose to expand or own Rut's Chris in these new international markets.