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Business, Company

What did Hannah do to make first cut in the list of potential countries? How did he get from 200 to less than 35 potential new markets? Which variables seemed more important in his decision making? Which variables used might be useful? Hannah Gathered information from several reliable U. S government and related websites and come up with the data to represent the variables related to the particular countries. It includes per capita beef consumption, population, urbanization rate, Affinity to US brands, high Disposable Income, do people go out to eat, per capita GDP etc.

Average per capita GDP is not an ideal measure, but rather identifying your customer segment population in a given area. As the extreme wealth andpovertygap can be incredibly wide, creating an unrealistic per capita GDP for any country. Moreover per capita beef consumption is not as such important but rather frequency of people to go outside for having beef feast is vital. However high disposable income of people is good variable and people can create an appropriate pool of potential customers. What would be your choice for top five opportunities?

What equation did you use to reach that conclusion and why? It is apparent that Ruth’s Chris has the capability to expand, and we feel that a “ Penetration” strategy would be a possibility, perhaps through increased presence in existing markets or offering a new menu items that would appeal to a wider variety of consumers. However, if they want to move overseas than they can evaluate the cities rather than the country. For example they can target the Paris upon France because it is famous for tourists and Ruth’s Chris can certainly capture appropriate market.

Hannah was focused on franchising as his mode of entry. Do the critical variables change if a different mode of entry is employed? Franchising is a good option. But if Ruth’s Chris think about the joint-venture option that it is totally out of context. When your partner suddenly opens up a budget steakhouse down the street with the same cooking style, flavor and half the price, you’ll find yourself out of the country in no time. Company-owned restaurants also require a great investment along with great knowledge about theirculture, the politicalenvironmentetc.

What are some of the internal and external challenges Hannah will face in moving from a list to actually opening restaurants? Hannah selects the beef-eating population. However, no concession made to regional taste for menu items. Even McDonalds changes its menu in other countries, so why is Ruth’s Chris so afraid? More importantly, would the risk of jeopardizing their core competencies through menu alteration outweigh the potential profit, this is the biggest internal challenge for them. Outsourcing USDA prime beef has to be expensive.

Shipping it halfway across the world in freezers seems almost extravagant and inefficient. Could Ruth’s Chris evaluate local sourcing of their produce? It’s very important to think upon. External challenges could include the people’s reluctance towards American brand, high expenses on franchises than decided in agreement, political instability, lack in flexibility according to the situation: like people prefer to take beef-meals at lower prices or ever-changing consumer preferences can be the biggest external challenges.