

# Informative essay on dunkin donuts

[Business](#), [Company](#)



The purpose of this paper is to discuss the aspects of Ramone becoming a franchisee of Dunkin' Donuts. The writer will talk about any critical issues that Ramone will face during this process. In addition, the writer will discuss any information that Ramone should be privy to prior to becoming a franchisee. The author will also deliberate about what marketing mix the future franchisee should look for with his business and what marketing information he should seek. Lastly, the writer will give his/her recommendations on what actions should be taken to rectify any critical issues that were identified.

Introduction Dunkin' Donuts was the creation of Bill Rosenberg, who opened the first store in Quincy, Massachusetts in 1950. The slogan, " America Runs on Dunkin" has become a household phrase. Dunkin' Donuts is considered the world's largest coffee and baked goods chains, surpassing the Starbucks and Krispy Kreme chains. They serve more than 52 different varieties of donuts, over a dozen types of coffees, and an assortment of other baked goods ([www. dunkindonuts. com](http://www.dunkindonuts.com)). It is a wonder that more people are not jumping at the opportunity to become a part of this great brand.

Ramone has come to realize what a great opportunity this would be and is ready to start the franchising process. Ramone has been interested in franchising for some time now. He was never quite sure what type of business he would end up choosing. He only knew one thing for sure; it would be in the foodservice industry. The aspiring Dunkin' Donuts franchisee, has realized the potential that this chain holds. He meets all of their qualifications, which are a net worth of \$1, 500, 000, cash liquidity of \$750,

000, and prior business experience (<http://www.entrepreneur.com/franchises/dunkindonuts/282304-0.html>).

He has decided that he wants to become a Dunkin' Donuts franchisee, but has some uncertainties. Critical Issues One critical issue that caused Ramone to be apprehensive was the marketing aspect of franchising. "Marketing involves everything that it takes to get a product or service into the buyer's hands" (Judd & Justice, 2008). The Dunkin Donuts franchisee is eligible for marketing support in the form of regional advertising (<http://www.entrepreneur.com/franchises/dunkindonuts/282304-0.html>). Ramone is unsure what his marketing strategy will consist of; that is, what customers he should market to and what will fulfill their needs.

Another issue that Ramone is struggling with was where he should place his new Dunkin Donuts franchise. This is an important factor in determining his success or failure as a new franchisee. It falls under the marketing mix, which includes product, price, promotion, and place (Judd & Justice, 2008). Product aspect would include the brand, quality, and packaging. The price aspect would include financing, product pricing, and possible discounts for the product. Promotion includes the budget, any advertising of the franchise and/or product, and possible media coverage.

The last piece of the marketing mix, place, would include the location, target market, and the channels used to get the product to the customer. This formula is something that must be understood completely in order for Ramone to use it to his advantage when beginning the franchise process. Dunkin' Donuts must approve the location that the franchisee has selected.

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There are also some ideal guidelines that the corporate offices have set in order to ensure the optimal success. The land should be anywhere from 1 to 2 acres in size. The building itself should be 1, 200 to 2, 600 square feet.

The location should be easily visible to potential customers and have ample parking available. These are just a few of the many suggestions that are given to franchisees on the Dunkin' Donuts franchising website. Ramone is also concerned about product development and how often something new is added to the mix. He is excited at the prospect of being able to use some of his creative energy to possibly create the “ next big thing”. Typically, this type of issue is covered in the franchisor/franchisee contract or can be addressed during the 6-week training program.

This is definitely something that Ramone needs to look into since he is feels so strongly about it. Information Needed Prior to Becoming a DD Franchisee Franchising can be a risky business. Dunkin' Donuts is a nationally known brand, but even with that going for them there could still be problems. There is not a 100% guarantee that the business will succeed. The franchisee may go into the endeavor believing that there is an assurance of a huge profit and that may not always be the case. Ramone needs to be aware of the benefits and the drawbacks of becoming a franchisee for Dunkin' Donuts.

He would also need to make sure he understood the aspects of the franchisor contract, which sometimes includes hidden fees and guidelines that would be the responsibility of the franchisee. The contracts have strict clauses that would alarm even the savviest of lawyers. According to an article written on the New York Daily News website, Dunkin' Donuts has

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made it common practice to sue franchisees over the minutest things ([http://www.nydailynews.com/ny\\_local/brooklyn/2008/04/29/2008-04-29\\_dunkin\\_donuts\\_business\\_practices\\_have\\_lo-1.html](http://www.nydailynews.com/ny_local/brooklyn/2008/04/29/2008-04-29_dunkin_donuts_business_practices_have_lo-1.html)). Marketing Information

Marketing is essential to the start-up of any new business. It is how you represent the business so that customers will use your service or buy your product. Ramone is not that knowledgeable when it comes to who his target market is, what location he should choose for his Dunkin' Donuts franchise, or the aspects of the marketing process in general. There is significant information that Ramone should find prior to starting the franchising process. First, Ramone should research markets to see exactly who his target market would be. Would it be 18-25 year olds? Would it be 50-65 year olds?

This information is critical in planning. If the majority of his market is older, then he could offer senior discounts on certain days? If it was the younger generation, then he could have livemusicon Fridays. The information could provide a wealth of opportunities for him and ensure success if approved by headquarters. Dunkin' Donuts offers some information that will assist Ramone in the early phase. He would have access to market research, brand management, regional and national advertising, and professional support as needed (<https://www.dunkinfranchising.com/aboutus/franchise/franchise-profile-demo.html>). The Marketing Mix The marketing mix consists of product, place, promotion and price. These 4 aspects of marketing are essential for getting a franchise off the ground and off to a good start. Ramone will need to focus on the quality of the product (s) he will be selling.

The Dunkin' Donuts chain pride is known for providing high quality products and excellent customer service at a convenient and clean atmosphere (Judd & Justice, 2008). The customer experience is very important to any business, but it is a trademark at Dunkin' Donuts.

Ramone will have access to construction managers, training consultants, and wide array of other tools (<https://www.dunkinfranchising.com/aboutus/franchise/franchise-profile-demo.html>). The location that he chooses for his franchise has to be approved by Dunkin' professionals who are familiar with what works and what does not. Brand recognition is not an issue because Dunlin' Donuts is a household name and that works in Ramone's favor. In addition to the basic marketing strategies used by Dunkin' Donuts, Ramone could make additions that would capture the attention of his target market.

Blogs, free Wi-Fi, live music on the weekends, contests, special discounts, andloyaltyprograms are just a few ideas that would work for the franchise. Recommendations One issue that Ramone faced was his lack of knowledge in the marketing field. He had prior business experience, but that did not included marketing. One of the aspects of the Dunkin' Donuts franchising process is to attend a mandatory, 6- week training course at Dunkin' Donuts University. The training program includes information about product methods, accounting, budgeting, and employeemotivation(Judd & Justice, 2008).

The writer recommends that a crash course in marketing be given as well. Dunkin' Donuts provides assistance with this through access to marketing

professionals, but it would definitely benefit franchisees to have a little background in it. Many franchisors offer extensive training for all levels of employees in the franchise (Justis & Chan, 1991). Another critical issue that Ramone is having is where to start construction on his franchise. The ‘ place’ aspect of the marketing mix includes both physical location and how the product is distributed, which makes it the most challenging component to modify (Schneider & Bradish, 2006).

Location is an integral part of a successful business. If a business is far out customers may never make it out. The writer’s recommendation is for Ramone to utilize the professional assistance offered once becoming a franchisee. It is important to the success of the franchise to have the franchisee involved in every level of the franchise operation and that includes selection of location (Stites, 2008). Product development and the ever-evolving customer experience are also very high on Ramone’s list of issues. He wants to make sure that his venture is successful and will continue to be for many years to come.

One very big reason for Dunkin’ Donuts’ success is its ability to change its campaigns as deemed necessary by the world around it a specific moment in time (Renfrow, 2010). It is the writer’s recommendation for Ramone to seek out the advice of the many professionals that he would have access to as a franchisee. Their advice will be invaluable and could help him or at least lead him in the right path. Conclusion Ramone is a young businessman that has decided to start the franchising process with Dunkin’ Donuts. He has a few issues that make him leery to begin the process.

However, those issues should be no problem to address with the extensive, 6-week training provided by Dunkin' Donuts University. Ramone is excited about the limited possibilities that going into this new endeavor could bring for him. He has already started thinking about new products and promotions that would draw new customers in and keep the old customers coming back. The writer has recommended that Ramone utilize all the great tools provided by Dunkin' Donuts to its franchisees. They offer a wealth of information that stems around making sure the franchisee is successful.