

International expansion plans of hardees in india marketing essay



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It is very important for a company to assess the market potential before it enters into that country. Since Hardees is being introduced for the first time in India, it's very important to know if there is considerable potential and demand in the market. Hence, the report discusses the techniques to identify the market potential in India for the Hardees. In order to make a business successful, it should have a proper marketing plan developed for it, so that the product is recognized widely among its target audience. This can be only done when its product, placement, promotion, pricing and packaging is done appropriately. Hence at the ending section of the report addresses this area.

Introduction to Hardee's

Hardee's was established in 1960. CKE restaurants own it and are currently operating it. Hardee's ranks number 4 in US Fast food restaurants. It is mostly located in United States with its head quarters in St. Louis, Missouri. Wilber Hardee opened up his first restaurant in Greenville, North Carolina on September 9, 1960. Among all other food items it offers, the most famous ones are the Monster Thickburger, Nutritious breakfasts and Low-carb food. Over the years it has faced several problems and legal disputes too. But nothing has ever stopped Hardee's from providing healthy and tasty food to the people who are fully loyal to it. These disputes include the Burger chef copyright disputes, the advertisement criticism and the thick burger campaign.

Infrastructure: The infrastructure in India is improving and is stable enough to provide a supportive environment to the Fast food chains to flourish well.

It has a positive relationship with all the strengths mentioned in the table above.

While in the weakness's case, only Infrastructure and "Expensive than other fast food restaurants" is having a negative relationship, due to the sole reason that Hardee's is a foreign company that will be needing something more than an average infrastructure, hence it will face some difficulty in coping up with the steady rise in this environmental factor.

Political instability: Due to the stable political situations, it has a positive relationship reputation, R&D and Franchise system while having a neutral relationship with the quality, hygiene, Trained & Skilled Labor, unique taste and efficient services.

While in the Weakness's case, there is no relation of the prevailing political situation with any of the weaknesses of Hardee's.

Compliance laws: The compliance laws in India will definitely have a positive effect on Hardee's quality, hygiene and reputation, while having a negative relation with the R&D, Franchise system and trained and skilled labor. Since so much emphasis on these laws will definitely stop Hardee's from operating freely and from bringing in innovation as well.

While in weakness's section the compliance laws have a negative impact on all the weaknesses of Hardee's because the laws in India will surely object its questionable advertisements, high calorie content and its high price food items.

Advance technology: the improving technology in India will definitely support all the operations of Hardee's. So it's having a positive relationship with most of its strengths.

The advance technology in India will help Hardee's develop advertisements according to the culture of India and help people to accept the high calorie content in the burgers through logical explanations. But while using such high technology it will have to incur high costs making everything costly. Hence, in the weakness's section, the technological development has positive relationship with the first two factors but negative with the last one as shown in the table previously.

Security Threats: Since India faces no such security threats, hence it has Positive relationship with almost all of the strengths of Hardee's. In order to take advance precautionary measures, Hardee's will definitely have to increase its security measure, hence increasing its costs. Thus having a negative impact and making it more expensive.

Media: the increasing exposure of media and more focus on it has allowed it to have a significant impact on the lives of people. Hence the Introduction of Hardee's in India, can be facilitated through Media, while having a positive impact on all its operations.

While in the weaknesses section, media can have a negative impact on making its high calorie content aspect and advertisements more questionable. But if Hardee's plans to take control of this area then it will have to incur more cost making it more expensive.

Inflation: The rising inflation will definitely have a significant negative relationship with all the strengths of Hardee's. Except for Trained and skilled labor and franchise system because rising prices will negatively affect these areas.

Inflation is having a negative impact on all the three weaknesses as shown in the table, due to the sole reason that the rising inflation will definitely effect each operation of Hardee's in a negative way.

Lifestyle changes: Due to the increasing western influence in India, people are moving more towards Fast food restaurants, hence changing their lifestyles. This changing factor definitely will definitely have a positive impact on all the operations of Hardee's. Hence having positive relationship with all the strengths as shown in the table previously.

The changing lifestyle in India has a positive impact on all the weaknesses as they'll be willing to accept the advertisements with an open mind and with a different perspective and accept the high calorie content in the food. More over they'll go for expensive food at Hardee's with thinking that high quality comes with high price too.

Income distribution: Mostly, the people in India lie in the lower class and very few in the upper class. Since Hardee's is offering high priced quality food, it will definitely have a negative impact on Hardee's success in India. Hence it can be seen that this factor has negative relationship with most of the strength factors. But the area where income distribution of India is positively related to its strengths is for the sole reason that Hardee's cannot

compromise on its taste, hygiene, reputation and franchise system.

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In the Weaknesses section, as we know that mostly the people living in India are from lower class or lower to upper-middle class, hence these people are not much diet conscious and will accept the fact that most of the burgers at Hardee's are of high calorie content. Moreover knowing since Hardee's has classified itself specifically for middle to upper class, hence it can easily target this class.

The barriers to entry in the food industry are low because less technologically advanced equipments are needed, generally the target audience is in search of new food outlets, the expected retaliation by the existing competition is not that great and the new entrants gain experience soon enough to attract the customers. Moreover, there are no such patent protections making the entry of potential entrants easier. Although there is ease of entry but exit could be expensive as specialized assets are required to process the unique meals of Hardee's.

Competitive rivalry

The current competition is very fierce which includes McDonalds, KFC, Pizza Hut, Dominos and Subway. Although Hardee's claims that its recipe is still not copied and no other burger is like the burgers they produce but for some price conscious customers Hardee's offers undifferentiated products that they can easily buy from its competitors at reasonable prices. However, differences do exist with regard to the offering of different special Food deals for different customers.

The threat of substitutes

Substitutes for any food business are ample considering the size and competition of this industry. There are several large as well small food joints including multinationals like Mcdonalds, Pizza hut, subway etc when it comes to substitutes for Hardee's which enable consumers easily to choose and switch over frequently, as the substitutes increase the demand for a particular class of products reduces as customers switch to the alternatives.

Bargaining power of the buyer

The number of consumers has grown over time due to the increasing demand and trend for fast food, which has helped them to exercise more power upon these restaurants.

Bargaining power of the supplier:

Locally there are a number of suppliers in the market for poultry, bakery and other raw materials; therefore, not enough pressure can be exercised by these suppliers, because if the terms are not settled with one, Hardee's can certainly negotiate with others in the market. Although the number of restaurants have increased over the time thus giving rise to the demand of inputs (chicken, vegetables, sauces etc) however, the local suppliers do not have enough standing to exert power on restaurants like Hardee's.

Marketing Plan

Product:

Hardee's offers breakfast, breakfast's sides, charbroiled burgers, sides, deserts, beverages, salads, sandwiches, roasted beef and chicken. This is the basic menu and underneath all these areas, there is a huge variety of

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options available for customers to select. All the food items are of high quality and are offered with great services.

Placement:

Distribution Channels

Direct (Personal Selling)

Hardee's should adopt a personal selling policy for its customers. These should include Government Organizations, Hotels, Schools, Offices, Restaurants and Universities among others. In order to satisfy the local consumers, Hardee's should adopt techniques ranging from phone, internet, and mail to personal visits.

Indirect (Push and Pull)

Hardee's should adopt both push and pull strategies in the indirect channels. Depending on the sales needs in a specific period, it should offer sales promotions in the form of consumer promotions and trade promotions to boost sales in both the short and long run.

Outlet area selection:

Hardee's should select the most famous areas in India for shopping and business centers. It should locate all its outlets in the most populated areas which are accessible by most of the population of India. This will help in increasing its sales in the beginning.

Promotion:

The only source of promotion that Hardee's should adopt is to advertise through various effective Medias. Since it's a fast food business, personal selling and trade promotions will not work here. Hence, to get effectively recognized in the fierce competition in India for Fast food, Hardee's should advertise thoroughly with a full plan and system.

Advertising

Hardee's should make use of many advertising mediums in order to reach the masses. The most important of all being TVC, Billboards, internet ads, brochures, TV and Print Media. There have been quite a lot of criticisms on Hardee's advertisements in abroad, so marketers should make sure that they are careful enough in India to create non-offensive Ads.

Pricing:

Since Hardee's targets the upper-middle and upper class specifically, so it will have to keep its prices high. But considering the fact that there is a fierce competition in this business in India, it should adopt competitive pricing to increase sales and profit from the huge masses of Indian communities are mostly from the average class.