

# Case study expresso

[Business](#)



To make this decision, Lily will look for key success factors such as coffee consumption/concentration, purchasing power, and ease of doing business.

After considering the unique circumstances of entering each market, I have come to a recommendation for Expressiveness to implement. In considering viable countries for expansion, I first tried to eliminate countries that I would not recommend. I eventually ruled out four countries in my preliminary analysis: Germany, China, Japan and the US. Both Germany and the US were ruled out due to market maturity.

The summary stated that Germany “ was characterized by fierce competition and high concentration”, and was also projected to have only a 2% growth in coffee sales from 2011-15.

Similarly, the US is an especially mature market with a large number of competitors and only 4% projected growth in the industry. As the primary goal of expansion into the global market is future growth, these countries do not make for viable investment opportunities. China and Japan also did not pose as the best investment options.

Firstly, the Expressiveness business model is not a great fit for the market environments in the two countries. Japan places a high emphasis on convenience, and much of the coffee market targets consumers of ready-to-drink coffee.

In addition, both the Japanese and Chinese market call for certain modifications to the product; whereas Chinese consumers preferred “ lattes, cappuccinos and mochas to espressos”, Japanese manufacturers adopted

strategies such as “ the Dalton of traditional Ingredients such as black bean and ginger”.

For a company whose name “ purveys the Orlando Italian cult of espresso” with a definitively unique quality product, it would be unwise o compromise its brand as a high-end luxury provider of coffee to appeal to a different consumer base. In addition, both countries produce problems in terms of convenience of market entry- China has various laws that can hinder growth and Japan has a very poor franchising sector. After eliminating the countries above, we were left with three countries: Brazil, India and the I-J.

Although India had the highest potential for growth, I felt that it was too early for Expressiveness to invest in.

Out of all the countries, India was the least urbanize and had the least income per capita of the top 10% of the population Lily’s target market). Additionally, it was the worst In terms of ease of doing business. Clearly India Is In the beginning stages of coffee Industry growth and might be a good Investment a few years down the line, but not currently.

This left the decision down to two countries: Brazil and the ELK. In ten end, ten UK won out as ten top Upton. Although Brazil Is a very enticing investment opportunity with a lot of forecasted growth and less competition, consumption per capita is still relatively low and, more importantly, the market is very difficult to enter.

Britain, on the other hand, is very easy to enter, has a high urban population with its top 10% having significant discretionary income.

This lines up very well with Lily's target market and matches up well with its existing business model. Franchising would be quite simple as many "premium locations are offered at low prices". Britain's primary coffee provider, Costa Coffee, is much less high end and does not drastically affect Expressiveness consumer base. This, combined with a decent 16% projected growth, makes the I-J the best option for foreign expansion.