

International marketing report for pinkberry

[Business](#), [Marketing](#)



This International Marketing Report establishes the plan for the expansion of Pinkberry into the UK marketplace. Market analysis, entry strategies, marketing objectives and the implementation of Pinkberry's launch into the UK will be discussed to demonstrate the feasibility and potential for expansion. The main conclusions drawn from the report are: the ideal region for Pinkberry's entry is central London and this will be done via franchising. Depending on success experienced at this first outlet, Pinkberry is suggested to further expand in the UK with more outlets and into different retail locations: cinemas, malls, etc.

Pinkberry is a franchise of upscale frozen dessert outlets headquartered in Los Angeles, California. From the store design and exceptional customer service to irresistible flavours and fresh fruit toppings, Pinkberry provides a social experience that indulges the senses. The first store opened in January 2005 by Korean Americans, Shelly Hwang and Young Lee; with operations now expanded across 11 countries¹. The current success of Pinkberry stores in US and around the world prompted the need to expand to a continent where it currently doesn't exist.

The frozen dessert has a 'groupie-like' following, with customers including celebrities such as David Beckham, Taylor Swift, and Kim Kardashian. Customers are willing to queue for hours at a new store opening, Pinkberry is known as "the taste that launched a 1000 parking tickets²," this demonstrates Pinkberry's high market appeal. Given Pinkberry's current success and its ambitions of furthering global expansions, the next logical step for Pinkberry should be to expand into the UK market. Pinkberry will be penetrating into an existing frozen yogurt market in the UK.

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Out of the three possibilities (shown in Figure 1), Pinkberry has decided to enter the British frozen yogurt market as it meets Pinkberry's decision criteria, best. The company is extremely careful with its overseas expansion as it doesn't want to expand too fast as to make its brand ubiquitous. United Kingdom has a high urban population of 90% and its GDP per capita is \$35,200. This is important as Pinkberry's product is a discretionary item. Additionally, since Pinkberry has not expanded to any of these countries before, hence having a good infrastructure is imperative to ensure that the franchise is implemented successfully.

Cultural Similarities & Differences between UK and US Culture was also a key element when making the final decision. UK and US have the most similar cultures (with some differences), hence Pinkberry's inherent American/urban culture will most likely be widely accepted in UK out of all three country options. Key Point Relevance to Pinkberry Political 1.

Conservative government lead by David Cameron Cameron has a strong belief in leading a healthy lifestyle and promotes it to the British population. 2. Local governments provide incentives, particularly to schools to improve teenagers' eating habits

Such local incentives are beneficial to Pinkberry as it provides a healthier alternative to ice-cream. Frozen yogurt fits the 'healthy' food criteria 3.

Potential 'fat tax' could be introduced in Britain 4 This tax would impact takeaways and high street chains such as McDonalds, Burger King etc, both of which offer ice-cream. Higher taxes would reduce demand for ice-cream and potentially enhance demand for frozen yogurt. Economic 4. Inflation has

increased from 3.4% in January 2010 to 4.2% in February 2011⁵. This has implications for higher input costs which would in turn increase the cost of production.

Secondly, with higher prices Pinkberry must ensure its business process are very efficient (ie possible cutbacks on manpower cost, promotion, etc).⁵ Disposable personal income per capita in the UK is the 4th highest in the world⁶. Pinkberry's frozen yogurt isn't an essential, so a high disposable income means consumers would be more likely to spend on discretionary items.⁶ UK economy is heavily reliant on foreign trade and investment - 60 out of 500 large corporations in UK are American. American brands are prominent and acceptable in the UK. The British enjoy brands such as Ben and Jerry's, Mountain Dew, Kraft Foods, etc.

This means that the British won't be unreceptive to Pinkberry's product because it's an American brand. Social⁷. Cultural trend of eating healthy and leading a balanced lifestyle. Pinkberry will be more likely to appeal to the target market as there is already an existing healthy-lifestyle trend.⁸ Increase in takeaway trend and in restaurants such as EAT & Pret a Manger which offer healthier foods to takeaway. Pinkberry could tap into this type of growing market as it offers a healthy snack/dessert, either on-the-go or to eat in.⁹ England's second largest age group is between the age of 15-34 years⁷.

This gives Pinkberry the opportunity to appeal to a large target market.¹⁰ Increasing trend of ordering online and getting home delivery amongst students and young adults. Pinkberry's online delivery/pick-up service will

fulfil this need. Since many students and young adults are likely to purchase online, Pinkberry's revenue stream will be enhanced by providing such a service. 11. Research has shown that frozen yogurt appeals more to females as it combines the 'sensory properties of ice-cream with the nutritional properties of yogurt (low fat)'⁸ This has implications for the marketing/promotion campaign of Pinkberry.

Also, the design and interior of the store would have to be done in a way as to appeal more to females than males. Pinkberry would be located in central London so the store would be accessible to female students and young professionals. 12. Living standard and income of those in London is generally higher than those living in the rest of England This implies that Londoners would be more willing to try new products; hence it makes sense to locate the first store in London. Given that this store experiences success, Pinkberry will expand into other cities around England.

England's population inherently involves individuals from different cultures and backgrounds. Pinkberry's marketing campaigns, frozen yogurt flavours and toppings must appeal to the wide range of cultural groups. 14. Language similarities and differences -Written -Spoken Both UK and US use the English language, but there are some crucial differences in the way both pronounce and write some words. Ex. Spelling with 'u'; colour (UK) vs. color (US) Using 's' instead of 'z' ; organisation (UK) vs. organization (US) These differences have implications for marketing campaigns and the menu.

Developments of social networking sites such as Facebook and Twitter have key implications for marketing and social CRM Facebook and Twitter offer

free and effective opportunities for advertising and social CRM so Pinkberry must ensure it makes the most of it. Nowadays, social CRM means companies must build an online presence and identity to boost customer engagement with the brand. It has become imperative to send out timely promotional messages to stay connected to customers. 16. Recent rise in smart phones means that the public is constantly connected to their e-mails and social networking accounts.