

Marketing paper assignment

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**ASSIGN
BUSTER**

Now operating as franchise, Sombrero is growing across Australia. In 2011, Sombrero was named by BROW as Australia's Fastest Growing Franchise, and in 2013 it ranked third on Brews Fast Franchise List. Eighteen months after the first store opened, DRP Prince sold his first franchise. Three years after that, Stuart Cook became the Chief Executive Officer. Cook explained: 'I met Sam at the back of a bus on the way to the Tag Mall in November 2008.' (YMMV. Franchise. Net. U) According to the website Franchising, the two became friends and Stuart started working with Cam's not-for-profit organization providing the infrastructure and opportunity for disadvantaged people to empower themselves through education. Six months later, the 23-year-old Stuart Cook became the CEO of Sombrero, with no retail or franchise experience. They learnt through gathering experience on the job and building relationships with other Coos. Cook believes the youth of the management team has assisted them in their growth and in obtaining advice.

The duo would email Coos of companies asking for advice and found that many were happy to assist by having a coffee or a meeting. Positioned in the 'Quick Service Restaurant' category, Sombrero is somewhere between casual dining and fast food. Prince and Cook have made their franchise model as simple as possible to reduce both the training required and necessary set up. They believe their store is a bit like a 'Mexican Subway, where consumers have their food made for them while they wait, using fresh ingredients and sauces designed by DRP Prince for Sombrero itself.

Franchises have a relatively low setup fee and franchisees can opt to have a liquor license or not. Potential franchisees are asked a series of general and

personal questions, designed to determine whether the interested parties are right for the organization or not. The Ideal franchisee is young, ambitious and passionate about the Fresh Mix Grill model. They must be customer service oriented, experienced and able to lead a team. With an approximate start-up cost of about \$250 000 – \$350 000, the Ideal franchisees also must be able to assess these funds. The franchising model appears to be working for the organization.

In 2012, intention to grow more. The goal is to have 100 stores opened by the end of 2014, Australia-wide. Nearly half of the stores in 2012 (12 of 26 stores) were located Canberra, however Sombrero's attention is on the whole of Australia and long term, Argentina people internationally. The company is hoping brand recognition and a good business model will help it expand internationally. Prince and Cooks intention is to travel, meet people, go to expos and utilities their Canberra-based links with diplomats from foreign countries who are familiar with the brand.

They intend to expand with franchisees around the world who see the business as a great business opportunity. The food concept at Sombrero is an Australian-Mexican fusion of food. Mexican style, but with an Australian fresh aspect with all the salads, salsas and the choice for the consumer on whether the food will be spicy or not. Food is sourced from Australia, other than the refried beans and Jalapeños because supply is low in Australia. Furthermore, depending on supply, sometimes avocados are sourced from New Zealand. Sombrero moved towards selling vegan options in 2012.

The healthy alternatives appeal – Master franchiser of South Australia and Northern Territory, Chris Scott, feels that healthy food appeals particularly to students and health workers. Similarly, Prince and Cook see the benefit in making Sombrero available to university students. After lecturing at a university, they saw the need for healthy food, stating: We saw it as a natural fit. We're not solely targeting universities but university students love the socially responsible aspect of our food' (humanitarians. Com. AU).

One venue has opened at Australia National University, one at Melbourne Institute of Technology and another near Queensland University of Technology. With a target market of 18 to 25 year olds, Sombrero intends to expand into more locations close to universities. The team acknowledges that competitors can be a problem in this market, but feel nonevent to take on the opportunity. Competition is, in fact, increasing. Boost Juice's Janice and Jeff Allis recently launched their Mexican fast food option, Salsas Fresh Mix Grill, and there are plenty of other options.

Sombrero are not concerned by this; they feel competitors are educating the public about what burritos are, ultimately choosing the brand which suits them best. The trend towards healthy eating is one which Australians are embracing and Sombrero are positioning themselves as a healthy alternative to fast food, while being tasty. They organization promotes the fact that it was set up by a actor, to help position themselves as a healthy alternative. Stuart Cook stated that two factors make Sombrero unique and successful. Firstly corporate social responsibility.

Secondly, the fact that Mexican food has not been done well in Australia, but Australians like the taste. Corporate social responsibility is central to Sombrero's business structure. The food to a developing country for every meal sold at Sombrero, through Action Against Hunger. When Sombrero had donated 1 million plates of food in August 2012, they celebrated by having \$5 burritos for all customers on one particular day. Queues were out the door, particularly in Roundel Street, Handled Street, the Canberra Centre and Mat Alley locations.

Sombrero was very pleased with the initiative, designed to thank customers for their loyalty to Sombrero and the Appellate initiative. DRP Prince stated: 'We could not have asked for a better turnout. I am warmed by the amount of support we have received towards a very worthy cause' (wry. Franchise. Net. AU). In addition to owning the Sombrero franchise and working as a doctor in a Canberra hospital, DRP Sam Prince also runs the Imagine Foundation, building and equipping IT centers in underdeveloped countries.

The Foundation works with the country's government to build facilities and train teachers on how to use these facilities. He is also seeking to have 100 schools trained by the end of 2014. The focus on good business and philanthropy has resulted in DRP Prince being awarded the 2012 ACT Young Australian of the Year Award, in addition to numerous entrepreneurial awards. Prince learnt early on that problems were not always about profit, but also related to inequalities with education or healthcare.

He explains, 'I think I find myself as an entrepreneur who is not bent on profits only. His focus on giving could also be born from his background.

Prince's parents got ahead in life after receiving a free education and Prince's mother now has five universities degrees. As a result, Prince is a big advocate for education in both developed and developing countries, motivating him to give something back to society. Stuart Cook believes that Sombrero demonstrates true passion for corporate social responsibility.

The philanthropic aspect of Sombrero is attracting attention for the brand and also investors, due to the strong business model. Sombrero is an organization that should see rapid growth in the coming years. If it achieves its goals, the company will be a household name in Australia while contributing to society. As one of Australia's fastest growing franchise, if you don't already know of a Sombrero franchise near you, the chances are high that you will in the next few years.