

# Krispy kreme: resources, capabilities, and core competencies



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Name: Tutor: Course: Date: Krispy Kreme: Resources, Capabilities, and Core Competencies Krispy Kreme Doughnuts began in 1937, after Vernon Rudolph began using a secret doughnut recipe he had bought. Its success spread to other areas and it opened small chains of stores. The stores made their own doughnuts from scratch using the recipe.

To better the quality, the company bought a mix plant, which enabled it to deliver the doughnut mix in all its stores. Rudolph, assisted by other engineers developed a doughnut making equipment, which they used to make the doughnuts. As the company expanded, it maintained the same design in all its stores.

The company has expanded and it has stores in Canada, Australia, London, Mexico, Puerto Rico, Asia, and the Middle East. The stores maintain a consistency when making their doughnuts. In addition to the doughnuts, it makes beverages and packaged sweets. The company has approximately 4300 employees. The company owns and franchises several stores around the world. By February 2013, the company had 97 company stores and 651 franchises. It owns the land and building of 42 stores, owns the building and leased the land of 23 stores, leases the land and building of nine stores, and leases space for 23 in-line and end cap locations.

It has leased the facility of its corporate headquarters, which is 86, 000 feet. The company owns 150, 000 square foot facility where its doughnut mix plants are located, and another 105, 000 square foot facility, which contains research, and development training facilities as well as the manufacturing plant. The Original Glazed® doughnut is the company's signature doughnut.

The company brews its coffee, beginning with fresh coffee beans. The company has developed a sign, which when illuminated indicates that it is making its original doughnuts.

It has a manufacturing plant, which produces the doughnut mixes. The company has developed a unique theater experience, which enables customers to see as their doughnuts are made. Since it began, the company has maintained a reputation of providing high quality and original products. It makes fresh doughnuts daily. The products and services offered by the company enables it to have a loyal customer following. Despite the increasing competition, the competitors have not been able to replicate the reputation and success of the company. The company's reputation spreads everywhere.

People wait in anticipation whenever the company announces the opening of a new store. Krispy Kreme original doughnuts are valuable and unique. The company has many trademarks in addition to its trade secret. The use of a secret recipe makes it impossible for competitors to imitate.

The company uses an automated system to create high quality and consistent dough. They use the machines invented and developed by the company's founder and other engineers. Many companies have customers that are devoted to its brands.

However, not many companies can influence their customers to have such a devoted following. The company has been able to retain their customers through the years. Many of the people who have not heard the choice of enjoying any of the company's products are lured by the mystery  
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surrounding the company's doughnuts and the positive comments from the company's customers. The company has taken a slow pace in its worldwide expansion efforts. It does not have a presence in some states in the country, and in some regions around the world. This has enabled its main competitor to make great strides in its expansion efforts, denying Krispy Kreme the chance of becoming a market leader. Increasing the number of stores in the country, while at the same time maintaining great service, will enable the company to gain a competitive advantage. More people will learn about the company, and as word spreads, the company will increase its revenues and profits.

Emphasizing on other products, while not neglecting core product, will ensure that the company gets more customers. The company sells both doughnuts and coffee, but its doughnut sales are more than its sales of coffee. The two items are complimentary, and the company can take advantage of loyal following to make more people aware of its coffee.

The company has not segmented its markets, because it believes that its products suit every market. While, this can be advantageous, it also creates some disadvantages for the company. Many people have become more conscious about their health.

They are avoiding fast foods, especially those loaded with fats and sugar. Because of this, they may not want to visit any of the stores. The company needs to find ways of attracting people to the stores. They could offer different products for the markets. Some of the customers find the products too sweet for their taste. The company can revamp their menu and address

the growing consumer concerns. The company can increase its competitive advantage by diversifying the products, to suit different tastes. The company has manufacturing capabilities, as it manufactures all its products.

The company manufactures doughnut-making equipment for all its stores and franchises. The recipe for the doughnut mix has not changed over the years, and the company uses the same mixing machines. It has a fleet of trucks, which deliver the goods to the retailers. It conducts supervision of franchises, and the franchises have to follow the company's rules regarding customer service and employee behavior, product packaging, design of the stores and the furniture, sanitation, training, use of the company's logos and trademarks, and advertising and marketing. The company's supply chain has ensured that the doughnuts are the same in all the stores. Because of the use of the doughnut making machines, the doughnuts have the same quality irrespective of the location of the store. The company has an R&D team, which comes up with different doughnut varieties, shapes, fillings, and flavors. The company has come up with different marketing strategies over the years.

The company's decision to use the neon sign to signal that it has finished making the signature doughnut is a marketing technique. Customers look out for the sign to know when they can visit the store and get their original glazed doughnut. They are compelled to buy the doughnuts even if they had not planned to do so, because they know that the doughnuts are fresh and hot.

Those who do not know about the company seek to find out more about it when they see the sign. The company has utilized grassroots marketing, choosing to rely on word of mouth for its advertising. It has taken advantage of social media and it has a Facebook account.

The company has managed to attract more than four million fans on its Facebook account. This is impressive considering that the company does not have as many stores as its competitors do. The company does not use the traditional marketing approaches. The company realizes the effectiveness of using employees as a marketing tool.

During training, the company teaches the employees about good customer service and marketing skills. Wherever the company opens a store, it makes sure that the community feels like they are a part of it. The company does this by supporting different causes. For instance, it helps the community to raise funds for different events by donating doughnuts. The company's manufacturing capability is a core competency in that it is unique and difficult for competitors in the industry to imitate. The company uses its own inventions and all franchises use the same equipment. Competitors have not been able to use this technology. Another core competency is the company's decision to use the red-hot sign to announce its signature doughnut.

The company realizes that it has a strong loyal following, and customers rush to the nearest store whenever they see the sign. This sign is unique because the company's competitors have not managed to imitate it. The company's decision to train its employees and equip them with marketing skills is a core competency.

Some companies train their employees but others assume that their employees already know how to do the job. Those companies that conduct training sessions for their employees do so as a way of ensuring good customer service, but they do not consider the importance of having good marketing skills. By offering this training, the company ensures that all employees are involved in marketing, instead of leaving all the marketing efforts to a single department.

I do not think that the company's core competencies are enough to create a competitive advantage. The industry has changed and the company is in a very competitive industry. The company's decision to use one manufacturing plant can hinder its abilities to deliver in case something goes wrong in the plant. The company has to increase its marketing and advertising efforts. It cannot just rely on word of mouth, especially since it has decided to expand globally. Some people do not use Facebook or any other social media. This hinders them from learning about the company's products. However, the use of employees to conduct marketing is a core competency.

If the employees are dedicated to the company and to the brand, then they will use the skills they have gained to market the company in their own way. Moreover, the company will always have employees operating under different capacities, and they will continue with the marketing efforts.