

Dunkin' donuts essay



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Strength is best describe as a positive tangible and intangible attributes which it capture the positive aspects internal to a business that will add value or give competitive advantage to a company. In this case study untitled Dunkin' Donuts we had found several strengths existing in Dunkin' Donuts. First of all, Dunkin' Donuts is one of the most successful product spin-offs food service industries.

Dunkin' Donuts main strengths are its firm balance sheet and strong brand equity in the morning food retail business which had become an eye-catching company to everyone. With a strong brand equity that Dunkin' Donut has, it can make consumers respond differently to the marketing of the brand as brand names are one of the most valuable assets that a company has. Good examples of companies with strong brand equity are corporations such as Nike and Coca-Cola, whose corporate logos are recognized worldwide. Besides that, Dunkin' Donut is one of the biggest and most dominant players in the breakfast food category with 2, 700 North American outlets. The reason why Dunkin' Donuts became one of the most dominant players is because of its various varieties and good quality bagels that became the consumer's main priority.

Bagels are accepted by American as breakfast and lunch item where more and more people who concern on their health jumped on the bagel bandwagon. On the other hand, Dunkin' Donut is well-established under the management by Allied Domecq which is a world leader in spirits and retailing. The diversity of the organization could be one of their competitive advantages because Allied Domecq was the world's leading brandy company and the second largest distributor Scotch whiskey, tequila and liqueurs.

Dunkin' Donut sales increase drastically after the takeover by Allied Domecq based on their experience in retailing. In addition, Inner-built R; D department helped Dunkin' Donut to have the right product to the right customers.

The results of those research shows that consumers desired a large bagels in a variety of flavors and insisted on the complementary product of cream cheese. Since Dunkin' Donut found out that the consumer favors bagel with cream cheese, Dunkin' Donut then created a new cream cheese line to go with it to satisfy their consumers. Weaknesses Weaknesses are factors that detract from the corporation ability to have a competitive edge. It captures the negative aspects internal to the business that detract from the value offer or a place a corporation at a competitive disadvantage.

In this case study, we had found several weaknesses of Dunkin' Donuts. Firstly we found out that the Dunkin' Donut experienced organizational turbulence when they merge with Baskin-Robbins. The initial problems that they faced included simple logistics, resentment from the Baskin-Robbins organization over placement of Dunkin' Donut people in high-level position and general fear among all parties about whether their jobs would continue to exist where this might affect the overall workforce of the organization. Besides that, Dunkin' Donuts does not have its own manufacturing plant so they have to search for supply. It would be better if Dunkin's has its own supplies rather than depending on other suppliers because they will have limitation in their productivity if the suppliers have problems supplying them. This would save time and cost as it will improves productivity.

Opportunities are external to a company. Opportunities assess the attractive factors that represent the reason for the business. It reflects the potential that a company can realize through implementing the company's marketing strategies. In this case study, we found out that there are several opportunities exist in Dunkin's Donut. Firstly, Dunkin's Donut bagel had gained acceptance as an American breakfast and lunch item because the product fit the perfect nutrition profile – low fat and boiled bread product.

Due to the recent conscious by consumer about their food intake most of them tend to choose healthier diet rather than unhealthy food such as greasy, salty, sweet and high in fat food which are commonly available in fast food outlets. Besides that, the popularity of bagels was predicted a long term trend as the bagel business still in the growth state in the product life cycle. This is because bagel is considered a traditional breakfast and lunch item which was eaten by many generations before us in America. Besides that, the main reason the bagels maintain its popularity is because of the never ending varieties of new flavors and combinations and the quality of the product. In addition, Market reports revealed that the bagel business was a US\$2.5 billion industry by mid-1990s which is very profitable and attractive target market.

Based on the factor it became the reason why many investors invested on the bagel production in the industry. More and more consumer tends to realize the bagel market. This caused the bagel became a mass production item where many outlets are selling it. Other than that, no dominant national market presence by any single company had been established at that time.

This would be an opportunity to Dunkin' to penetrate the market and also become the dominant company in the food industry. Last but not least, many suppliers included manufacturing giants such as Harold's Bakery Products, Sara Lee, and Brooklyn Bagel wanted to get into the bagel business with Dunkin' Donuts. This will give flexibility to Dunkin's as they will have more options from the suppliers. Dunkin's Donut could choose the best offer from their suppliers in terms of price, quality, quantity and time. Harold was the chosen supplier because they promised a nine-month delivery time on new bagel production lines with their ability to sign co packer relationship in the interim.

Threats Threats are the challenges every company will face created by unfavorable trend or development that may lead to deteriorating revenues or profits. For Dunkin' Donuts, There were over 700 bagel retail outlets and wholesale bakeries in the US by 1995. The major competitors in this primarily breakfast food segment were Bruegger's Manhattan Bagel and Einstein Brothers. The rest of the market dominated by small chains and mom-and-pop operations is also a threat to Dunkin' Donuts. Since there are many bagels retail outlets, this would create a highly competitive bagel market which could be a threat for Dunkin's as they might lose their customer to other bagel outlets where people will have other substitutes to purchase bagels.

In addition, The rumor that all US production facilities capable of making bagels were signing long term supplier contracts with different firms, leaving very few opportunities for additional capacity to be obtained. This is because the supplier has limited sources due to supplying many other bagels making

company. This would limit Dunkin's productivity by having low supply when it is needed. Last but not least, this profitable bagel business attracted many new entrants and low barriers for them as in the food industry. This would cause a problem for Dunkin' Donut as more and more competitor entering the bagel industry which will affect the sales of Dunkin Donut as consumer will have more choices of bagels.

A shift in buying behavior will also lead to the drop of sales for Dunkin's Donut. All these factors may affect a company's sales.