

# IB Business Management – Marketing

## 4.7A: International Marketing Activity



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### 4.7 INTERNATIONAL MARKETING: ACTIVITY A

Read the case study information below and answer the questions that follow.

#### THE FRANCHISING PATH TO INTERNATIONAL MARKETING



Dunkin' Donuts, a US-based coffee and baked goods franchise, has opened its 50<sup>th</sup> United Arab Emirates (UAE) store. Continental Foods is the UAE-based business that owns the master franchise for Dunkin' Donuts in this country. Michelle Cortelletti, Dunkin' Donuts International Director for the Middle East, said, "UAE is an important growth market for the brand and has seen groundbreaking innovation, such as the opening of the first drive-through."

Cartridge World, the ink-cartridge filling business, founded in South Australia in 1988, is set to continue its Asian expansion. It already has

franchised outlets in India and is aiming to launch stores in Nepal, Sri Lanka, Bangladesh and Bhutan through international franchising. Without the quick growth offered by franchising and the local market expertise offered by local franchisees, the business would not have been able to grow to over 1300 branches in 36 countries so rapidly.

Yogen Früz, a Canada-based frozen yogurt chain, has signed franchise deals for Argentina and Peru with Früzco Chile SA. This company already owns and operates Yogen Früz franchises in Chile. Argentina has one of the fastest growing economies of southern America and has a

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high GDP per head. The President of Yogen Früz said, “We needed a locally based company with experience of the region to introduce our brands in these other countries.” Yogen Früz does not have to pay the high capital costs of setting up its own subsidiaries in these other countries.

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### QUESTIONS: 28 MARKS, 50 MINUTES

1. Explain **two** likely reasons why these companies are all operating in international markets. **[8 marks]**
2. Analyse **three** differences one of these franchisor companies might experience from selling products in international markets compared to their home markets. **[10 marks]**
3. Examine reasons why all three companies have decided to enter international markets through franchising. **[6marks]**