



DUNKIN' DONUTS

CREATING A WOW EXPERIENCE



Indians are known for their sweet tooth. And any option to satiate their sweet desire with international delicacies was perhaps guaranteed to succeed. Specifically, while donuts in India have always been around, the launch of Dunkin' Donuts has redefined the way donuts are looked at and perceived in India, with their restaurants centered around donuts and other delicacies! We speak with the team to find out about the genesis of the brand and its journey down the years.

By Zainab S Kazi

The Beginning

The story of Dunkin' Donuts began in 1948 with a donut and coffee restaurant in Quincy, Massachusetts called "Open Kettle." Founder William Rosenberg served donuts for five cents and premium cups of coffee for ten cents. After a brainstorming session with his executives, Rosenberg renamed his restaurant "Dunkin' Donuts" in 1950. His goal was to "make and serve the freshest, most delicious coffee and donuts quickly and courteously in modern, well-merchandised stores," a philosophy which still holds true today.

"What started as a single restaurant in Quincy is now a global coffee and baked goods chain, with more than 11,700 locations in 43 countries around the world," shared the company spokesperson, Dunkin' Brands Group, Inc. Adding further on the initial days of their journey, the spokesperson shared, "In its earliest days, Dunkin' Donuts was focused on serving high-quality coffee and a wide assortment of delicious donuts. Over the years, we have expanded our menu to include espresso beverages, hot and iced tea, Coolatta® frozen beverages, sandwiches, bagels, muffins, and croissants. We've also evolved our restaurant design over the years to include digital menu boards, modern décor, comfortable seating and Wi-Fi for our guests."

Franchising Journey

Dunkin' Donuts signed and executed its first franchise agreement in Worcester, Massachusetts in 1955. A few years later in 1960, Dunkin' Donuts founder Bill Rosenberg became one of the founders of the International Franchising Association. The first international restaurant was opened in Japan in 1970.

On the best practices followed across all the Dunkin' Donuts restaurants, the spokesperson shared, "Dunkin' Donuts restaurants work hard every day to serve our guests around the world our brand's delicious range of high-quality coffees, sandwiches and baked goods, all with our brand's signature fast and friendly service. Our coffee is freshly ground and brewed in our restaurants, so our guests receive a consistently delicious cup of coffee whether they're in Boston or Bangalore."

The India Chapter

Prashant Sarwade, head marketing and NPD, Dunkin' Donuts India begins on an optimistic note sharing the plan of action for 2016, "We intend to open 20-22 new Dunkin' Donuts restaurants in India and expand to newer cities in the country."

We launched Dunkin' Donuts in India as we felt strongly about the relevance of the brand for Indian audiences and the differentiation it can bring in to the current food service offerings. The First Dunkin' Donuts restaurant was

opened in Greater Kailash-1, M block, New Delhi almost four years back, in April 2012. Sarwade adds, "Dunkin' Donuts was launched in India with a customized menu that was a result of more than a year of development by the Dunkin' Donuts India team in collaboration with the chefs from Dunkin' Donuts culinary team based out of the US." According to him, one of the first thing the brand did before its launch in India was the setting up a world class R&D kitchen and appointing best in class culinary resources to innovate a winning menu for India.

The brand since its launch in India has received excellent response from across the country – be it metros or smaller towns. Elaborating on this, Sarwade shares, "We have received great response from all the restaurants across the 24 Indian cities that we have entered. The reasons have varied in each city. In the metros, we have seen consumers stay loyal to the brand because of their past relationship with the brand owing to international exposure. Whereas in the smaller towns, the aspirations of the youth, and the connect felt with the brand has made us popular among the patrons."

Chalking Out Win-Win Strategy

Dunkin' Donuts across the world comes under the category of a 'restaurant'. In India, though, the brand had to find a



Nigel Travis has served as the Chairman and Chief Executive Officer of Dunkin' Brands since his appointment in 2009. From 2005 through 2008, Travis served as President & CEO of Papa John's, the pizza chain with annual system-wide sales of \$2.1 billion and more than 3,300 restaurants throughout the U.S. and 29 international markets. Under his leadership, Papa John's accomplished outstanding results, with industry-leading comp sales, consistent earnings growth and excellent franchise relationships. During his four-year tenure with the company, Papa John's online sales tripled through the innovative use of technology. In addition, Travis helped position the company's international business as a major growth platform and oversaw the successful rollout of several new products, including Papa's Pan Pizza.

Prior to Papa John's, Travis was with Blockbuster, Inc. from 1994 to 2004, where he served in increasing roles of responsibility, including President & Chief Operating Officer. During that time, global sales increased over 50 percent and the international business was developed to encompass 26 countries with revenues of \$1.8 billion. Travis also built a worldwide franchise network of 300 franchisees in 15 countries with revenues of approximately \$1 billion, and transitioned the company from a video rental store chain to a complete movie and game source. Before that, he was with Burger King, first as Senior Vice President of Human Resources and later as Managing Director for Europe, the Middle East and Africa. As Managing Director, he turned around the region, significantly increasing sales and operating profits. He dramatically increased the rate of store development in the region, and successfully drove expansion into new countries and alternative points of distribution.

niche for itself and ensure that it did not fall in the category of either being looked upon as a café or a QSR. Sarwade elaborates on the journey encompassed, "In India, there are predominantly two popular destinations for out of home consumption – QSRs and Café. QSRs have been there for long and urban young customers seemed to have outgrown the experience as they now considered it infantile. On the other hand, Cafés are usually considered for formal social engagements and not seen as food places.





▲ Prashant Sarwade, Head Marketing and NPD, Dunkin' Donuts India

With three different categories – Donuts, Coffee and Food, the first challenge for us was to get a differentiated brand proposition that could be a sweet spot between QSRs and Café.”

He aptly points out, “Food consumption habit in India is very different from that of the western countries. For example, in the US, Dunkin’ Donuts is a morning brand where donuts are ideally a breakfast item consumed along with Coffee, but in India, they are considered as snacks or may be a dessert after lunch or dinner. Consumption out-of-home is mostly food in India. Hence, it was imperative to get an all day part menu in place that has a wide spectrum of choices for customers throughout the day.”

Customization adopted to have a better connect in India

Dunkin’ Donuts is an international brand and the core category offerings of the brand - Coffee, Donuts and Savory - remain consistent across countries but in India, there is a change. The offerings India are customized and there are certain additions that have been made to the menu based on local insights and preferences. Sarwade reveals, “India is the only country where the brand is called Dunkin’ Donuts & more. Burger is a product that has been developed entirely for the Indian market considering the popularity of burgers in the country. We have been listening to the Indian consumers and have been launching products that meet the growing consumer



palate. Today, Dunkin’ Donuts offers the newly launched value range of Big Joy burgers, the signature burgers such as the Tough Guy Burger and the Naughty Lucy Burger, as well as the latest range of “Too Much Burgers” which includes Crispy Double Corn, Potato Wedges n Pie, Spicy Grilled Chicken, Double Smoked Chicken and Double Mutton.” Coffee too has seen some innovations in India. Sarwade elaborates, “In a cappuccino dominated coffee market in India, we added a highly differentiated coffee called Bangalore Startup Coffee that is inspired by the South Indian filter coffee. Add to it an interesting twist to the cappuccino through Therapeutic Cappuccino and Tough Guy Cappuccino.”

Marketing Initiatives

On the marketing initiatives, Sarwade shares, “We are a brand for the evolved, extrovert and expressive generation. We engage with the young audiences on social media and invest heavily in print, OOH, radio and digital advertising.” He adds, “As a brand, Dunkin’ Donuts appeals to the edgy, creative, ambitious and outgoing individuals and hence all our communication – from the product

MAJOR HIGHLIGHTS

The achievement of the brand in India has been remarkable and this is accentuated when Sarwade shares, “We launched in India with the target of opening 80-100 restaurants in the next 5 years. Today we have 70 restaurants and are present in 24 Indian cities (as of February 11, 2016).”

The other achievements include -

- ▶ Landing the brand first time right through impactful store launches across cities
- ▶ Differentiated product narratives consistently launched to connect with customers emotionally
- ▶ Conversational store design to bring alive the brand experience
- ▶ Loyalty program and SMS campaigns to deliver customized benefits
- ▶ Entering households for donuts pantry loading and gifting through 2 month shelf life donut cakes
- ▶ Partnership with food and restaurant aggregators like Grofers, Zomato making donuts accessible through online ordering.

Dunkin’ Donuts is targeted to the urban young adults of the country. The positioning is an acknowledgment of the cultural needs, life and lifestyle of this segment.

The positioning is brought alive through not only great product narratives in the all day part menu like Tough Guy Burger, Naughty Lucy Burgers, Death by Chocolate, Alive by Chocolate, etc. but through store design and décor and also advertising and communication.

nomenclature to our restaurant design and the advertising – is customized to support the brand image and bring alive the positioning.”

To conclude, the brand has moved swiftly in India keeping tab of the ever evolving needs and preferences of its patrons and that perhaps makes it a preferred gourmet destination for the youth and not-so-old alike. As Sarwade shares, “Since our entry into India, we have been focused on offering the evolved consumers an experience and a menu that complements their personality. We have innovated and developed various products to keep giving the consumers something new and exciting each time and have received good response from them so far.” **IR**