

Welcome to IF Consulting's e-Newsletter

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Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

New direction prompts changes across the board

The largest association of Dunkin' Donuts franchisees has recently replaced its board of directors. Whilst the former board of directors of the DD Independent Franchise Owners consisted of franchisees serving in a voluntary capacity, the new look board comprises a team of non-franchisees who will be paid for their expertise. The 19-year-old group represents about 135 franchisees with a combined total of 1,700 stores.

The change follows the company's announcement that it plans to expand its locations by as many as 15,000 sites across the US over the next decade. As a result, the DD Independent Franchise Owners board members felt that the group needed more outside assistance from professionals.

Group president, Mark Dubinsky, states that, "The franchisor has taken the brand in different directions. We thought it would be advantageous to have a different perspective of non-franchisees."

<http://www.patriotledger.com/business/x1192321342/Dunkin-franchisor-group-looks-at-new-direction>

IF Comment

The formation of a Dunkin Donuts franchisee association staffed by outside professionals is a unique approach to the franchisee/franchisor relationship.

Franchise councils have traditionally been created to promote communications between franchisors and franchisees, evaluate promotional campaigns, raise grievances before they become problems and to generally let franchisees know that their franchisor respects their opinions and views.

It has always been an unwritten franchise council rule that franchise councils dealt with operational matters and franchisors set company policy.

The Dunkin' Donuts move may well be a subtle attempt by franchisees to become involved with company policy; franchisees have franchise knowledge; outsiders such as bankers and accountants have business and policy making knowledge.

Independent council members will also be more difficult to control than franchisees.

Stay tuned. Dunkin' Donuts may be in for some interesting times.



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Marketing Channel

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Maximizing shareholder value
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IF International

ACN 004 783 519

email channels@i-f.com

www.i-f.com

USA

Europe

Australia

Snippets

Lifestyle apparel giant VF Corp is looking at options for direct entry into India's retail market. As well as an existing wholesale distribution joint venture, the \$7-billion VF also operates single brand outlets through multiple franchisees. With brands like Lee, Nautica and Wrangler, VF is looking to increase its direct-to-consumer business globally and move away from a distribution-led model.

http://economictimes.indiatimes.com/News/News_By_Industry/VF_mulls_new_retail_structure/articleshow/3060856.cms

A Latin American fried-chicken takeaway that has to date been available in the US only via arriving flights, has teamed up with Wal-Mart to expand its reach. The chain hopes to feature in more than 20 Wal-Mart locations across the country by the end of 2009.

<http://news.moneycentral.msn.com/provider/providerarticle.aspx?feed=AP&date=20080512&iid=8623357>

According to Lorelle Frazer from Griffith Business School in Queensland, Australia, ex-franchisees can cause no end of problems for a franchise owner once the relationship is over. To avoid any negative influence, she recommends that franchisors maintain an ongoing positive relationship with ex-franchisees, even when the franchise agreement ends.

<http://www.smartcompany.com.au/Free-Articles/The-Briefing/20080515-Franchisors-How-to-deal-with-your-ex-factor.html>

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