

KRISPY KREME | THE DOUGHNUTS THAT COULD CONQUER THE WORLD



RETAIL

Krispy Kreme hopes to open up 25 new stores in the UK and Ireland over the next 5 years, and up to 30 in Australia and New Zealand. That still leaves another 100+ countries up for grabs.

They've been around in the U.S. since 1937. It's about time Krispy Kreme's hot original glazed doughnuts conquer the rest of the world. Probably unbeknownst to millions of North American Krispy Kreme doughnut addicts, is the fact that the rest of the world is pretty much Krispy Kreme free. The company, which started way back in 1937, operates 282 stores, raking in close to a billion dollars a year by selling what some consider to be the best and most luscious doughnuts on earth (ranging from 'powdered blueberry filled' to 'maple glazed'). Krispy Kreme's focus on freshness and top quality, its in-store experience (doughnuts are made on the premises, for all to see and smell), and its involvement with local neighborhoods give Krispy Kreme a Starbucks-kind of feel and aura. It is surprising, therefore, to learn that international expansion has only just begun, in 2002 to be precise, with franchise deals having taken place in Canada, Australia and the UK. That leaves another 185 countries or so deprived of 'hot original glazed' doughnuts, the kind that makes American consumers literally line up for hours every time Krispy Kreme adds a new doughnut variety or opens a new store.

Opportunities

According to the Krispy Kreme website, 'Asia', 'Eastern Europe' and 'Western Europe' are all wide open for entrepreneurs bringing enough dough (no pun intended) to the table to build multiple stores (10 or more) in a particular market. A tasty opportunity to instantly become part of what Forbes magazine dubbed 'one of America's happening cult brands' in 2001. Oh, and for the cash-strapped amongst you: open up your own mom-and-pop doughnut store NOW, be it in Berlin or Singapore, and who knows — you may be bought out when Krispy comes to your neck of the woods. Happened to a lot of coffee stores around the world over the last few years, so why not to doughnut bakeries?



UPDATE SEPTEMBER 2003

In our July edition of this year we noted that doughnut legend Krispy Kreme still only covers a limited part of the world. Well, they've moved on, announcing estimate-beating Q2 results, and their first Sydney and London stores (the latter will be housed in the world famous Food Hall of high-end department store Harrods — photo: NewsCom). Londoners can get their doughnuts from 7 am each day, and yes, the Hotlight will be on when fresh doughnuts pop out of the on-site oven! Krispy Kreme hopes to open up 25 new stores (called 'Factory Stores' or 'Doughnut Theatres' in Krispy-speak), in the UK and Ireland over the next 5 years, and up to 30 in Australia and New Zealand. And we hope smart entrepreneurs and franchise fanatics will jump on the bandwagon, as this is still one of the tastiest global franchise opportunities in the (w)hole wide world.

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Website: www.krispykreme.com/