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Extended-form Case Study

How Can a Local Brand Compete Against International Giants
Jollibee, or "Asia's McDonald's"

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Briefly About Myself

- Working in **marketing** and **advertising** ever since 1985
- Both an **academician** and a **practitioner**
- 13 books** in marketing, branding, advertising
- For a detailed CV, please visit my company website at www.elizi.net/cv

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Today's Topic



Started as a small local brand in the Philippines in 1978

Became a major competitor to McDonald's

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Tony Tan as a Young Entrepreneur




- Wanted to turn his ice cream parlor into a fast food chain at Quezon City
- Some friends suggested that he should become a McDonald's franchisee

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Jollibee in the Early Days



Tony Tan was determined to make Jollibee a success



Jollibee's entrance made McDonald's postpone its entry until 1981



McDonald's made some radical changes in its menu

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Tony Tan's Personality and the Rise of Jollibee



Tony Tan insisted



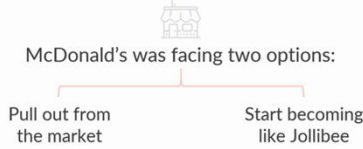
Jollibee became the market leader

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Tony Tan's Personality and the Rise of Jollibee



- McDonald's became more like Jollibee in the 1990s
- Burger King's Filipino franchisee was also looking for a new buyer for over a year in 2002

Tony Tan's Background

- Has Chinese roots
 - His parents migrated to Philippines from Fujian
- Always enjoying food, good cooking, trying different tastes
- His palate became his point of difference
- I like to eat and have good food preferences*
- Confident in his ability of serving great food for Filipinos

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Tony Tan's Management Style

- Family-oriented approach also in personnel management
- Among most admired employers in the region
- Awards
 - Personnel Management Association of the Philippines' Employer of the Year Award
 - Cited at the Asian Wall Street Journal, among the Top 20 Employer in Asia

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Source: www.jollibee.com.ph/about-us/



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Philippines Cuisine



It's hard to describe



Filipinos love to have plenty of salt and sugar in all their dishes



Jollibee adds Tony Tan's culinary expertise into these popular dishes

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Jollibee Brand Icon



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Jollibee Brand Icon



- Market research in the mid-90's showed nearly 100% brand awareness in the Philippines
- Mr. Tan explains: "The bee hops around and produces sweet things for life and is happy even though it is busy"



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Jollibee Brand Icon



- Happiness and smiles are important for Jollibee
- At each Jollibee store, the team spell out Jollibee by using the sign language
- This became very popular among young children

Primary Target Group



Families with small children



All marketing and advertising strategies are based on the traditional family and the importance of family values

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Primary Target Group



They financed the children's television program "Jollitown" in 2008 to commemorate Jollibee's 30th anniversary



The show continued for six seasons in different TV channels until October 2013



Family life and children have always been important to Jollibee

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Jollibee 2017 "Wedding" TVC

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See links below

Most Often Visited Fast Food Chains in the Philippines in 2001*

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Graph drawn by N. Vardar, based on Taylor Nelson research findings, as cited in "A Busy Bee in the Hamburger Hive", (2002), *The Economist*, February 28

Plans for Jollibee

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Internationalization Strategy

- 1 Jollibee entered countries with a large Filipino population
- 2 Started catering for international consumers around the world

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From Jollibee to JFC

 Jollibee became Jollibee Foods Corporation (JFC)

 JFC started acquiring other international brands:

- Chowking
- Greenwich Pizza
- Red Ribbon
- Mang Inasal
- Yonghe King (China)
- Hong Zhuang Yuan (China)
- Majority stake of the Burger King franchise in the Philippines

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JFC's Internationalization

- Acquired 80 percent of Greenwich Pizza in 1994
 - JFC followed by acquiring other companies and expanding its presence in different cuisines
- Acquired Chowking in 2000
- Acquired Red Ribbon, a bakery in the Philippines
- In 2006, acquired the majority shares of the Taipei Restaurant, Lao Dong and Chun Shui Tang Tea House
- Acquired Mang Inasal, a Filipino food chain specializing in barbecued chicken, in 2010

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JFC's Internationalization



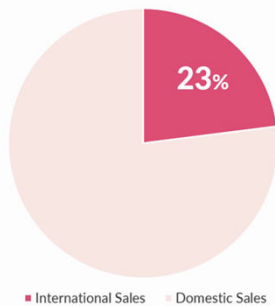
Jollibee Foods Corporation's 2015 Annual Report

- 916 stores in the Philippines
- 139 stores **outside** of the Philippines
 - 72 stores in Vietnam
 - 32 stores in the USA
 - 19 stores in the Middle East
 - 13 stores in Brunei
 - 2 stores in Singapore
 - 1 stores in Hong Kong

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<http://www.jollibee.com.ph/wp-content/uploads/JFC.2015-17A-Annual-Report-April-13-2016.pdf>

Sales Results in 2015



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Further International Expansion



Entered the Canadian market in December 2016

- Opened its first store in Winnipeg, where the largest population of Filipinos live in Canada

Jollibee always stayed close to its **Filipino roots**, getting **Filipinos' support**, being perceived as a heritage brand

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Jollibee's 1st Canadian location opens in Winnipeg as hundreds wait in line



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Market Success

Jollibee continues to be the market leader in the Philippines

- With a market share more than all the other multinational brands combined
- Jollibee is described as "the ninth largest fast food company in the world"

Tony Tan's 1970s dream becoming a reality

Not only successful among Filipinos around the world, but also introduced the Philippine cuisine to the world

www.jollibee.com.ph/about-us/
Jollibee's 1st Canadian location opens in Winnipeg as hundreds wait in line

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International Market Entry Strategies

"Companies generally start their internationalization process from nearby countries"

Tony Tan didn't target nearby countries first

- Pursued markets with large Filipino communities
- Bought new brands belonging to different cuisines
- After the 2000, he acquired more shares in competitor's businesses or had total buy outs

JFC used a double expansion strategy worldwide:

- Through the Jollibee brand name across the globe
- By buying out new international brands

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Thank you!

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