



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Evaluating Tim Horton's prospects for establishing a successful foothold in the Vietnamese coffee market.



Student Name: Syril Jerom

Student Number: 2413952

Programme: Master of Business Administration

Module: International Business Concepts (LCMB7034)

Lecturer: Chung Lai Johnny Wan

Word count: 5464

Date of Submission: 21 November 2025

Table of Contents

1. Introduction	3
2. Benefits and Challenges of International Operations	4
2.1 Justification of MNC/TNC Status	4
2.2 Overview of Global Operations (Value Chain Perspective)	5
2.3 Entry Modes Used Globally and Dominant Entry Mode	6
2.4 Key Benefits of International Operations	7
2.5 Key Challenges of International Operations	9
2.6 Implications for Expansion into Vietnam	10
3. OLI Analysis for Vietnam	11
3.1 Overview of the OLI Framework	11
3.2 Ownership Advantages	11
3.3 Location Advantages of Vietnam	13
3.4 Internalisation Advantages	15
3.5 Resulting Entry Mode Choice	15
4. Cultural Differences: Implications for Tim Hortons' Market Entry and Success	16
4.1 Introduction to Cultural Frameworks	16
4.2 Hofstede's Cultural Dimensions: Canada vs. Vietnam	17
4.3 Hall's High–Low Context Communication Differences	19
4.4 Strategic Implications and Recommendations	19
5. SOP Adjustments for Successful Entry into Vietnam	20
5.1 SOP Adjustment 1: Localised Supply Chain & Sourcing	20
5.2 SOP Adjustment 2: Localised Menu, Marketing & Customer Experience	22
5.3 SOP Adjustment 3: HR, Training & Service Culture Alignment	23
5.4 Justification and Feasibility of the Overall SOP Set	24
6. Conclusion	24
7. References	26

1. Introduction

Tim Hortons is a Canadian franchise coffee and bakery chain with Restaurant Brands International ownership that has grown in North America, the Middle East, Europe and Asia as a response to a maturing globalisation strategy based upon franchising, centralised supply chain capacity and brand standardization (Statista, 2025). With the world becoming increasingly competitive, there are new markets to explore, with emerging markets have provided some of the newest growth opportunities and Vietnam is a country with a great cafe culture, a growing middle-income population and a booming food-service industry.

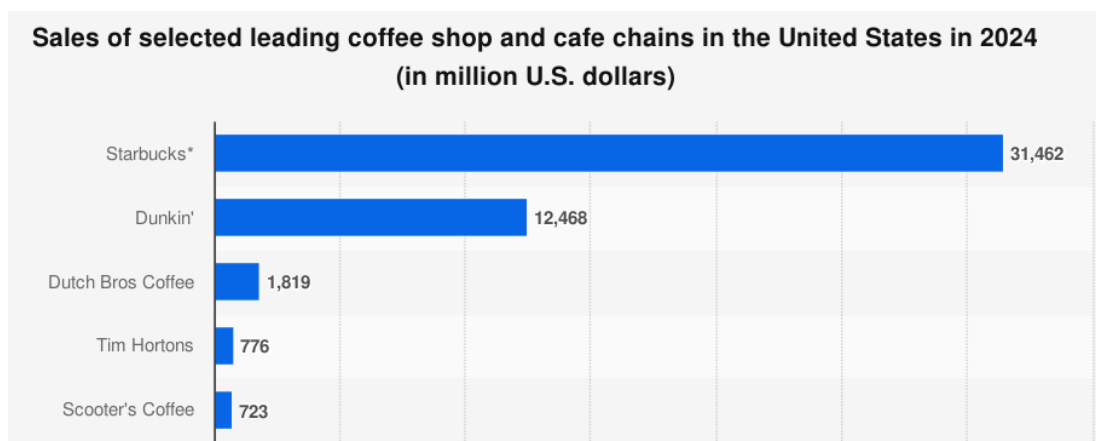


Figure: Tim Hortons among the top five coffee chains in the USA (Statista, 2024a)

This consultancy report analyses the international operations of Tim Hortons with a particular aim of analysing the feasibility of Vietnam as an alternative market. The analysis explores the advantages and issues associated with the globalisation of Tim Hortons, uses the OLI paradigm to interpret its market-entry logic, analyses the cultural differences that shape consumer and organisational behaviour, and suggests three specific SOP changes that would enable its successful and sustainable market entry into Vietnam.

2. Benefits and Challenges of International Operations

2.1 Justification of MNC/TNC Status

Tim Hortons is a multinational/transnational corporation (MNC/TNC) due to its geographically spread business, cross-border value creation and governance by Restaurant Brands International (RBI). By 2024, Tim Hortons will have more than 5,700 locations in Canada, the United States, the United Kingdom, China, India, Qatar, Saudi Arabia and the Philippines, which illustrates a high level of foreign market penetration and decentralised operational frameworks. The system-wide sales of US\$40.9 billion, including Tim Hortons, of RBI in 2023, represent an integrated global network of sourcing, manufacturing, logistics, franchising, and digital infrastructure (Tim Hortons, 2024).

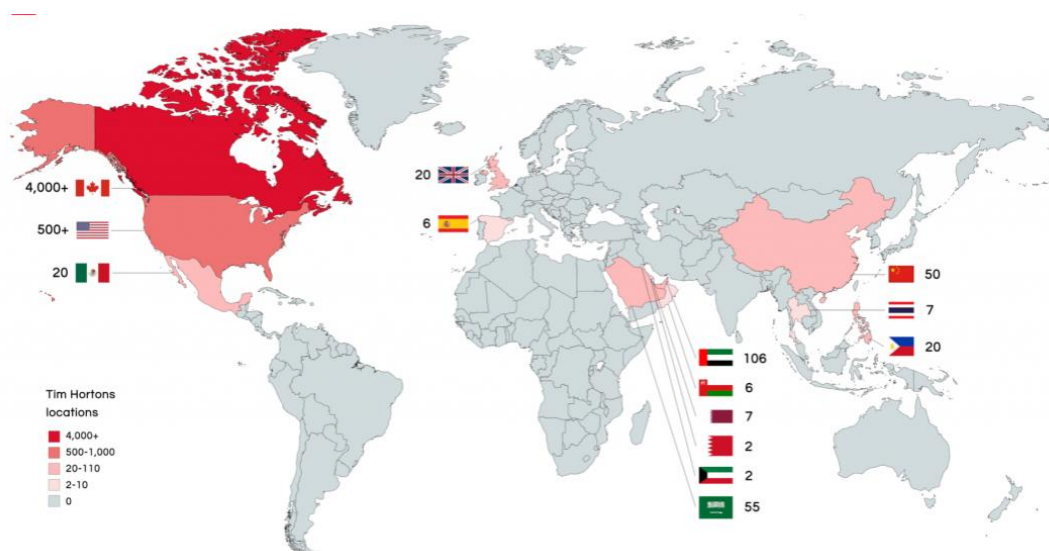


Figure: Number of Tim Hortons in Each Country (D'Amours, 2023)

The company demonstrates the qualities of a transnational enterprise as defined by Bartlett and Ghoshal, balancing global standardisation of products with local responsiveness, with menus and service adaptations to regions. Its wide franchise networks, cross-border supply chains and business models tailored to local markets validate its position as a TNC.

2.2 Overview of Global Operations (Value Chain Perspective)

The global activities of Tim Hortons could be analysed through Porter's Value Chain that emphasises the integration of international sourcing, production and distribution without sacrificing the brand similarity among the various markets.

Sourcing and Procurement: Tim Hortons procures coffee beans in Brazil, Colombia, Honduras and Guatemala under the centralised procurement structure of RBI. According to real procurement disclosures of Tims China (2024), the company's buying structure is 31% dairy, 17% bakery inputs, 14% packaging, 14% coffee, 6% protein and 18% other categories (Richelieu and Korai, 2024). Bright Dairy, Anchor, Huhtamaki, Detpak, Shunda Coffee and regional bakery manufacturers are suppliers, which exemplifies a diversified multi-layer global supplier ecosystem. This system allows the brand to stabilise the cost of inputs and guarantee reliability in supply across markets.

Production and Manufacturing: Tim Hortons leverages hybrid production models. Par-baked doughnuts and baked goods are centralised in facilities in Canada and sold all over the world, whereas fresh bakery and food are produced on a local basis to match local consumer preferences. In emerging Asian markets like China and India, Tim Hortons has partnered with local manufacturing companies to facilitate production and cut down logistics expenses (Mills, 2017).

Distribution: RBI operates logistical companies and regional warehousing centres to manage regional distribution channels. This guarantees a steady supply of ingredients and packaging materials in the varied markets. The degree of distribution complexity is heightened in developing economies where infrastructure and cold-chain capacity can differ significantly (Moreira, Villarama and Tarrant, 2023).

Marketing, Sales and Digital Systems: Tim Hortons has established connected digital ecosystems in markets, such as mobile ordering, loyalty programs and delivery networks (Paglinawan, 2025). Tims Club in China has millions of users, and it provides data-driven personalisation to inform global marketing strategies. International marketing lays emphasis on locally adjusting, taking advantage of culturally oriented campaigns without compromising global brand marketing.

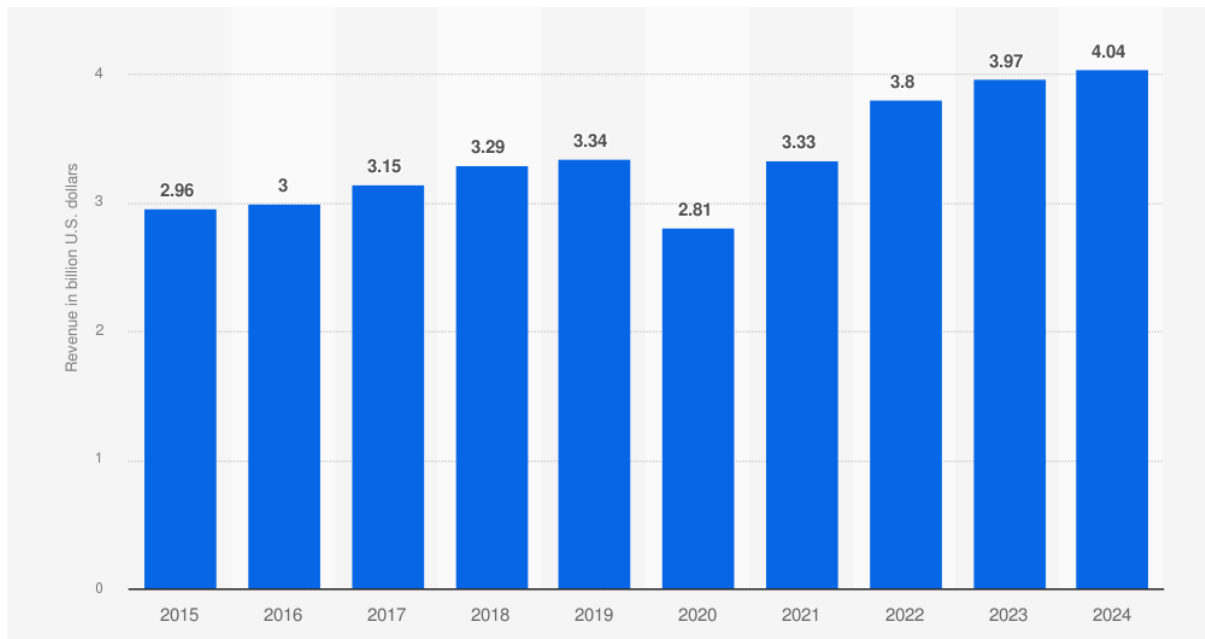


Figure: Sales of Tim Hortons (*in billion U.S. dollars*) (Statista, 2024b)

Franchising and Retail Operations: Tim Hortons has about 80% of its stores around the world, which are managed with master-franchise or joint-venture franchise agreements, which enable the company to expand into the market very fast and with less capital expenditure. Local franchises modify store formats, prices, and menu items in accordance with global brand standards and incorporate local preferences with the Tim Hortons strong brand (Vadra, 2025).

2.3 Entry Modes Used Globally and Dominant Entry Mode

Tim Hortons mostly relies on master franchising as its method of global entry, especially in the Middle East (e.g. partnership with Apparel Group) and Asia (e.g. joint-venture-based franchise deals in China and India) (Nikkei Asia, 2024; Yonhap, 2023). This model offers ownership benefits such as quality control, uniform brand implementation and supply chain alignment and builds on the local partners' knowledge on real estate, regulatory requirements and consumer behaviour.

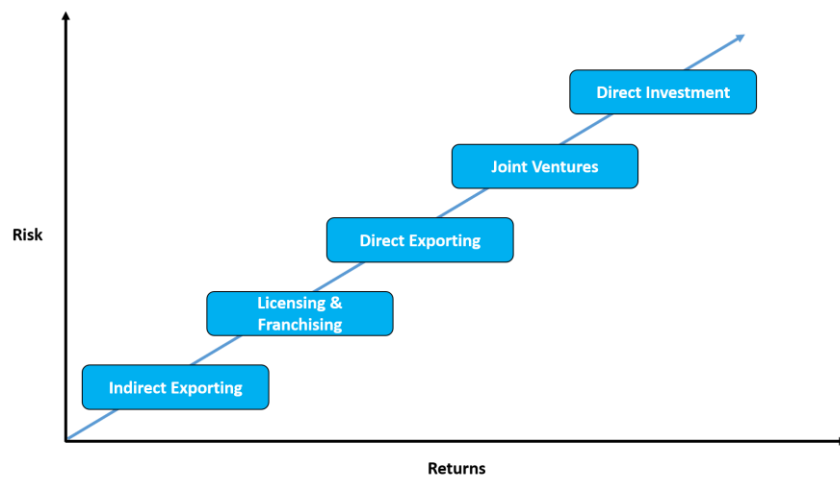


Figure: Different Market Entry Modes (Cateora, 2024)

Tim Hortons has both corporate-owned and franchised stores across North America, although franchising prevails. The experience of the master-franchise model in China (growing between 0 and almost 900 stores by early 2024) illustrates its scalability in the emerging markets, which is why it could be a strategic choice in Vietnam.

2.4 Key Benefits of International Operations



Figure: Tim Hortons in China (TimsChina, 2025)

Diversification of Revenue and Market Expansion: Internationalisation will enable Tim Hortons to minimise its dependence on the Canadian market, whose market represents the majority of its outlets, though it has slowed its growth owing to market

saturation. Entry into Asia and the Middle East allows access to growing consumer markets. As an example, the specialist coffee market in China has been increasing at double-digit proportions, which has added to the accelerated store launches of Tim Hortons. The spread of operations in various geographic areas minimises the effects of domestic economic cycles and enables consistent long-term revenue expansion (Shams *et al.*, 2020).

Economies of Scale and Efficiencies in Global Sourcing: International business strengthens the capacity of Tim Hortons to realise economies of scale. The centralised procurement of RBI allows the high-volume buying of dairy products, bakery inputs, and packaged items, which reduces the per-unit costs and provides supply stability. Actual purchasing information in Tim's China illustrates the extent of procurement integration (TimsChina, 2025). Furthermore, standardised equipment, digital systems and training programmes eliminate operational redundancies. These efficiencies play a significant role in emerging markets that are price-sensitive and where cost management is what defines competitiveness.

Cross-Market Learning and Digital Innovation: The Asian activities of Tim Hortons, especially in China, provide a learning platform for digital innovation. The Tims Club combines mobile orders, loyalty programs and AI-based personalisation, which can be transferred to markets like Vietnam, where more than three-quarters of the population is a smartphone user (Farida and Setiawan, 2022). The digital success of China can be replicated by leveraging delivery partnerships with ShopeeFood and GrabFood. Global exposure also helps the formation of product development cycles to the extent that Tim Hortons can introduce flavours like fruit teas, matcha beverages and regionally adjusted bakery products.

International Branding and Franchisability: The ability to operate internationally would give Tim Hortons a stronger brand identity across the globe, hence more appealing to franchisees. With a powerful international brand image, the perceived risk to investors is less, and they achieve quicker expansion into the market. The Canadian coffee culture attributed to the brand attracts Asian and Middle Eastern consumers who seek international cafe experiences (Fauziah Samsudin *et al.*, 2025). The international arena also increases the bargaining power of Tim Hortons with suppliers and real estate partners.

2.5 Key Challenges of International Operations

Regulatory and Institutional Complexity: Tim Hortons experiences different regulatory regimes in different markets. The Middle Eastern nations have foreign ownership controls, and China has stringent food safety and traceability laws (TimsChina, 2025). In Europe, sustainability reporting and labour standards raise administrative expenses. Institutional distance: Differences in political, legal and administrative systems mean that franchise agreements, supply chain protocols and labour management have to be heavily adapted. Vietnam would be a case of compliance with food safety regulations under the Ministry of Health and compliance with franchising registration under Decree 08/2018/ND-CP (Huynh-Van *et al.*, 2022).

Cultural and Consumer Preference Differences: The preferences of consumers differ greatly across markets. Although Tim Hortons' Canadian menu focuses on dark-roast coffee and baked goods, Asian markets require fruit teas, sweetened drinks and local-themed bakery products. Inability to localise offerings, including the lack of some offered in the UK, can undermine competitive positioning (Shamra and Kaur, 2025). Consumer attitudes to brand value, service expectations and dining preferences are also influenced by cultural differences. Localisation is necessary in the local Vietnamese cafe culture, where strong and robusta coffee and condensed-milk drinks are the dominant beverages.

Foreign Intensive Competition: Tim Hortons faces intense domestic and foreign competition upon entering the mature coffee markets. In China, Luckin Coffee has surpassed Starbucks by opening more than 10,000 stores by 2023, which increases the competition in prices (Chiang, 2023). The presence of big players like Costa Coffee and Greggs in the UK restricts growth prospects. The market in Vietnam is equally competitive, with Highlands Coffee having 600+ stores and local brands like Phuc Long and The Coffee House boasting an established customer base (Le *et al.*, 2024). Competition upsurges marketing expenses, lowers customer acquisition and lowers profitability during initial phases.

Cross-Border Dependency and Supply Chain Vulnerability: Although global sourcing offers cost-efficiency, it is also leaving Tim Hortons vulnerable to disruption. Raw material availability has previously been influenced by COVID-19 lockdowns, shipping delays, currency changes, and geopolitical tensions (Lin *et al.*, 2025). The

fact that Tim Hortons uses outside suppliers to package their products and dairy, and specialised bakery products, can create bottlenecks in new markets that have less established logistic infrastructure. The disjointed distribution systems in Vietnam beyond major cities are also a source of operational risks.

Liability of Foreignness: Liability of foreignness is defined as the drawbacks of foreign companies because of the lack of understanding of the country's norms, legitimacy, and negative attitude of customers. Tim Hortons is entrenched culturally in Canada but is not as symbolic in most foreign markets. Achievement of legitimacy needs powerful local collaborations, community involvement and focused marketing to resonate with host-country values. The cultural familiarity of local brands in Vietnam creates an advantage over foreign entrants, which raises the amount of investment required to establish trust and recognition (Kim, 2023).

2.6 Implications for Expansion into Vietnam

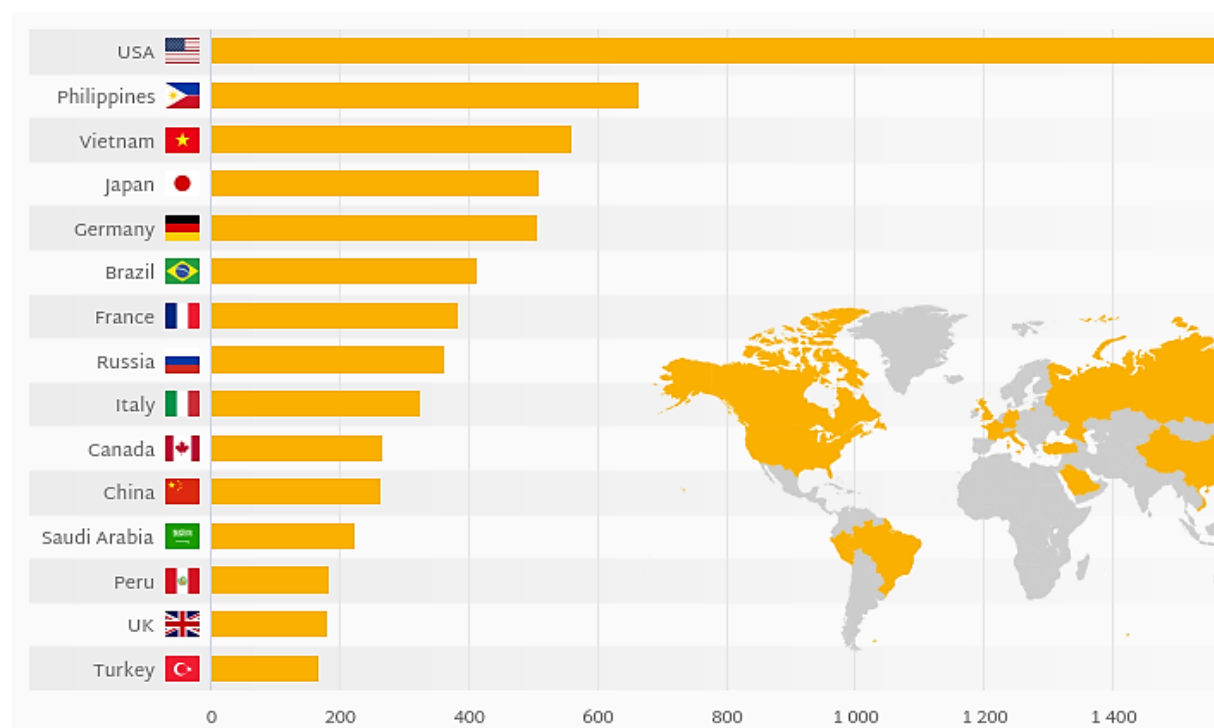


Figure: Total Coffee Consumption by Country (Helgi Library, 2022)

The advantages of Tim Hortons, such as the economies of scale, the efficiencies of global sourcing, and the ability to innovate digitally and franchise, give it a solid base to enter Vietnam. Nevertheless, the issues of institutional differences, cultural adaptation requirements, and supply chain vulnerabilities have made it clear that

localisation should be done carefully. The competitive intensity and regulatory structure in Vietnam and its cafe culture demand an entry strategy that is both global and locally responsive. These are what will guide the future OLI analysis and SOP changes to achieve successful entry.

3. OLI Analysis for Vietnam

3.1 Overview of the OLI Framework

The OLI model proposed by Dunning describes the reasons why companies internationalise by evaluating ownership advantages, host-country attractiveness and control imperative. Using OLI to Tim Hortons explains why Vietnam is a fit market and informs the choice of a controlled franchise entry mode, which informs the operational and localisation recommendations.

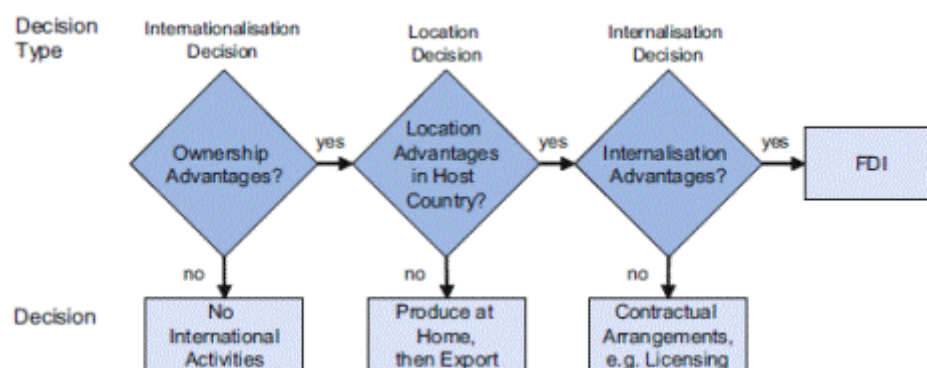


Figure: OLI Analysis Framework (J Anthony VanDuzer and Leblond, 2020)

3.2 Ownership Advantages

Tim Hortons has large ownership-specific benefits that improve its ability to do business successfully in overseas markets. Since the company is a branch of Restaurant Brands International (RBI), it enjoys international financial strength, established franchising systems and wide supply chains. In 2023, RBI produced US\$40.9 billion in system-wide sales, of which Tim Hortons contributed more than US\$7 billion, demonstrating the number of resources that could be used to expand internationally (Fu, 2023). This financial capability enables it to invest in localisation, marketing and supply chain development in new markets such as Vietnam.

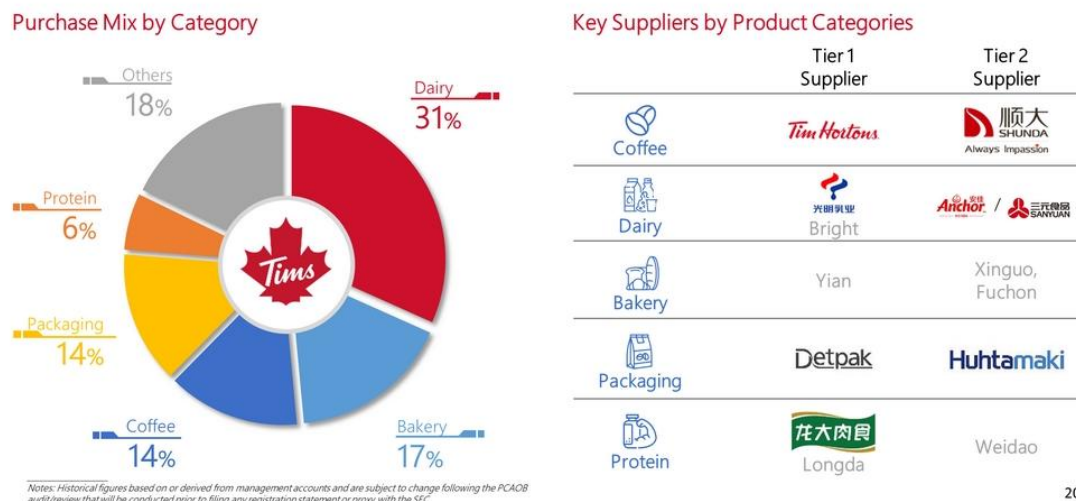


Figure: Tim Horton's Supply Chain Mix (Espinosa-Ramos *et al.*, 2024)

A fundamental ownership strength is brand equity. In Canada, Tim Hortons controls roughly 54% of the national coffee market, with a high brand loyalty and cultural attachment. Although this brand image is not directly exportable to the foreign market, the fact that Tim Hortons is an international lifestyle cafe is consistent with consumer desires in the new Asian markets. The fast growth in China, with none to almost 900 stores by early 2024, offers empirical data that the Tim Hortons brand can thrive in culturally alien settings when properly localised (Zhang, 2025).

Ownership advantages are further strengthened by operational capabilities. Tim Hortons operates under a well-established purchasing portfolio in global procurement. Tim's China real procurement data reveal that the company sources 31% dairy, 17% bakery, 14% packaging, 14% coffee, 6% protein and 18% other items (Espinosa-Ramos *et al.*, 2024). Bright Dairy, Anchor, Huhtamaki, Detpak and regional bakery producers are the suppliers. This multi-level supplier network demonstrates the ability of the company to organise multi-tier supply chains, which is a strong point in terms of entering Vietnam, where local sourcing and regional integration are essential.

There are other competitive advantages in digital capabilities. The mobile ordering and loyalty systems of Tim Hortons, especially Tims Club in China, reflect advanced data analytics and customer-interaction technology. Vietnam, where 77% of the population possesses smartphones, is an ideal place to capitalise on these digital tools to acquire and retain customers (Zhang, 2025). Tim Hortons has strong financial, brand,

operational and technological strengths that collectively emerge as strong ownership advantages in favour of market entry.

3.3 Location Advantages of Vietnam

Vietnam has some strong location-specific advantages that render it a strategic market for Tim Hortons. Vietnam has shown good resilience and growth economically. In 2023, the country registered 5.05% growth in the GDP, which was backed by an increase in manufacturing, an increase in FDI inflows and a growth in domestic consumption. With a rapidly growing middle class, centred on urban centres like Ho Chi Minh City, Hanoi and Da Nang, the population exceeded 100 million in 2023 (Anh, Tung and Trang, 2025). The growth of disposable incomes and changes in lifestyles mean that consumption of cafe and bakery products is rising, and the demand environment will be favourable.

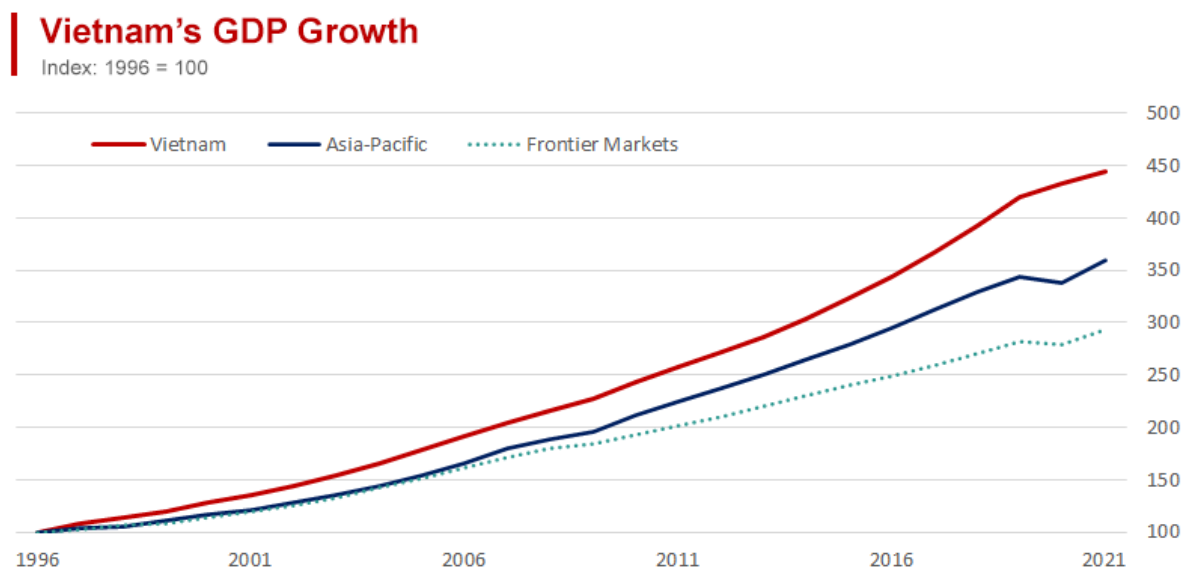


Figure 05: Vietnam's GDP Growth (Nguyễn and Phan, 2023)

The unique benefits of strong coffee culture in Vietnam are remarkable. Vietnam, the second-largest producer of coffee in the world, exporting more than 1.6 million metric tons in 2023, has centuries-old consumption habits based on robusta-driven drinks and socialisation in cafes (Kim *et al.*, 2024).

In 2023, the cafe market drove over US\$1.3 billion in revenue, and the annual growth was over 7% (Euromonitor). The market is dominated by domestic chains such as Highlands Coffee (600+ stores), Phuolong and The Coffee House, which proves the

high frequency of consumption and the knowledge of coffee formats (Kim *et al.*, 2024). In the case of Tim Hortons, the high coffee identity in Vietnam is both an opportunity, given the high demand, and a challenge that must be addressed by close localisation.

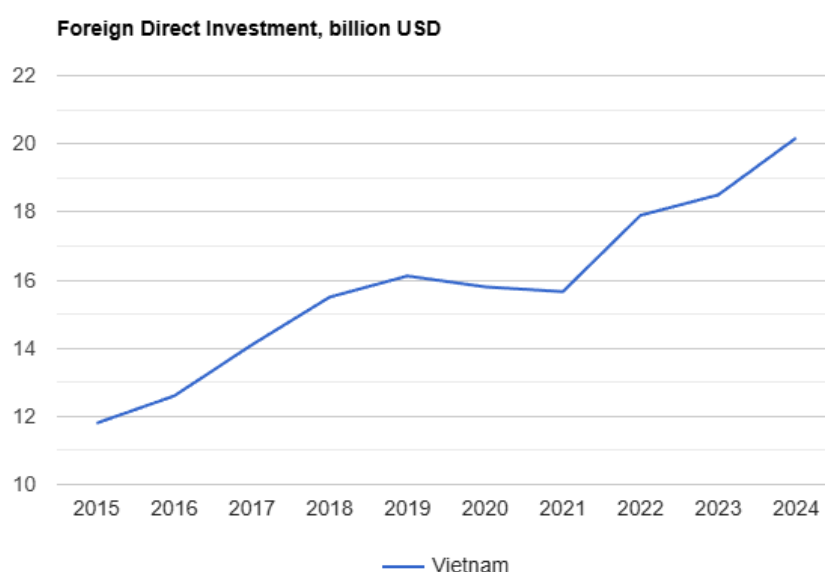


Figure 06: Foreign Direct Investments in Vietnam (Anh, Tung and Trang, 2025)

The regulatory climate provides other location benefits. In 2023, FDI inflows have reached US\$36.6 billion in Vietnam, with legal reforms under the Decree 08/ 2018/ND-CP facilitating franchising and 100% foreign ownership in the food and beverage industries. The entry of international brands like Starbucks, McDonald's and KFC through franchise and joint venture has proved that Tim Hortons can enter the market (Nguyen, Thi and Hoai, 2025).

Cost conditions also increase attractiveness. In large cities, labour expenses are between VND 7-10 million (US\$285-410) per month, which is significantly lower than Singapore, Malaysia or big cities in China. There is a fairly competitive commercial rent, which enhances store-level profitability. The geographic closeness of Vietnam to the manufacturing centres of China, Thailand and Malaysia also facilitates the effective sourcing of packaging, machinery and ingredients (Fu, 2023).

Together, the economic development, thriving cafe culture, favourable franchise environment, cost benefits, and regional supply chain connectivity create a great location advantage to Tim Hortons in Vietnam.

3.4 Internalisation Advantages

Internalisation benefits are the reason why Tim Hortons must have a strong command of its value chain as it enters Vietnam. Brand reputation is all about quality control in markets. The value proposition of Tim Hortons hinges on the uniformity of product quality, such as the quality of coffee, the freshness of bakery products, and the preparation of beverages (Bohatkiewicz-Czaicka and Gancarczyk, 2024). Internalisation of critical operational decisions in an organised master-franchise model also prevents deviations that can occur due to loose licensing arrangements. This is especially true in Vietnam, where competition in the cafes is intense and consistent quality is needed to create a first-mover trust.

The proprietary assets of Tim Hortons are also safeguarded by internalisation. The digital platforms, loyalty systems, recipes and training manuals of the company are intellectual property worth having. A strictly controlled entry mode limits the risk of brand dilution or imitation, particularly in a market with high exposure through quick digital expansion. The digital ecosystem of Vietnam is characterised by mobile payments and app-based ordering, making data governance and cybersecurity critical.

Another advantage of internalisation is cost efficiency. Tim Hortons can use the advantages of economies of scale and negotiate favourable supply contracts through integrated procurement under RBI. Using the same regional procurement networks as in China and the Middle East will help minimise logistics inefficiencies and allow competitive pricing (Richelieu and Korai, 2024).

Internalisation improves regulatory compliance. The food safety and labour regulations in Vietnam involve strict documentation and traceability. Operational control by a well-organised franchise system will guarantee correspondence to national standards and minimise exposure to institutional risk. The internalisation thus aids in operational efficacy as well as strategic risk management.

3.5 Resulting Entry Mode Choice

The overall OLI analysis reveals that the best market-entry strategy that Tim Hortons should adopt in Vietnam is a master-franchise agreement with local joint-venture features. Ownership benefits offer international expertise, supply chain capabilities and digital infrastructure needed to expand successfully. The location benefits of

Vietnam, particularly its robust cafe culture, favourable franchising laws and economies of scale, provide good market opportunities. The internalisation requirements underline the necessity of quality control, IP protection, and operational consistency. A master-franchise approach enables Tim Hortons to utilise local market insights without sacrificing control over brand standards, supply chain coordination and digital platforms, which can be sustained over the long term.

4. Cultural Differences: Implications for Tim Hortons' Market Entry and Success

4.1 Introduction to Cultural Frameworks

Cultural distance influences consumer expectations, service and communication norms. Applying the dimensions of Hofstede and the context model of Hall helps Tim Hortons to comprehend the differences between Canada and Vietnam so that it is possible to localise its marketing, operations and HR practices. These insights drive culturally consistent approaches that are key to successful market entry.

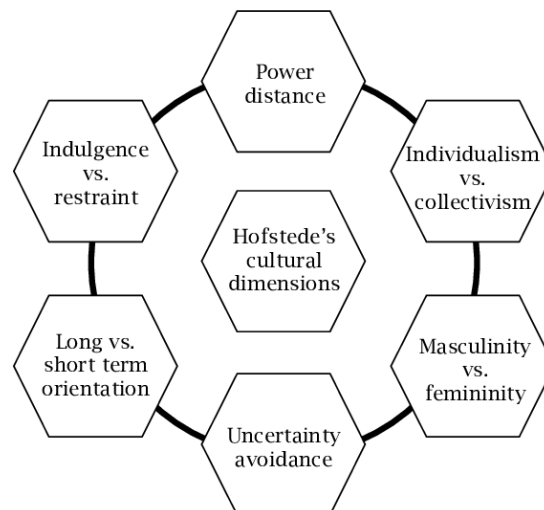


Figure: Hofstede Cultural Dimensions (Hofstede, 2001)

4.2 Hofstede's Cultural Dimensions: Canada vs. Vietnam

The six-dimensional model by Hofstede indicates that the cultural distance between Canada and Vietnam is high and that both of them impact consumer expectations and management practices.

Power Distance: The high-power distance score (70) indicates that Vietnam accepts hierarchical structure and top-down decision-making. Customers want service employees to be courteous, submissive and strictly subordinate to their managers. The lower score (39) of Canada reflects flatter organisational structures and less formal interactions. In the case of Tim Hortons, it would mean formalised service protocols, separate the roles and have a strong on-site managerial presence in Vietnam. Training of employees should focus on respect, formality and attentiveness in the light of hierarchical cultural practices (Thai and Al Issa, 2025).

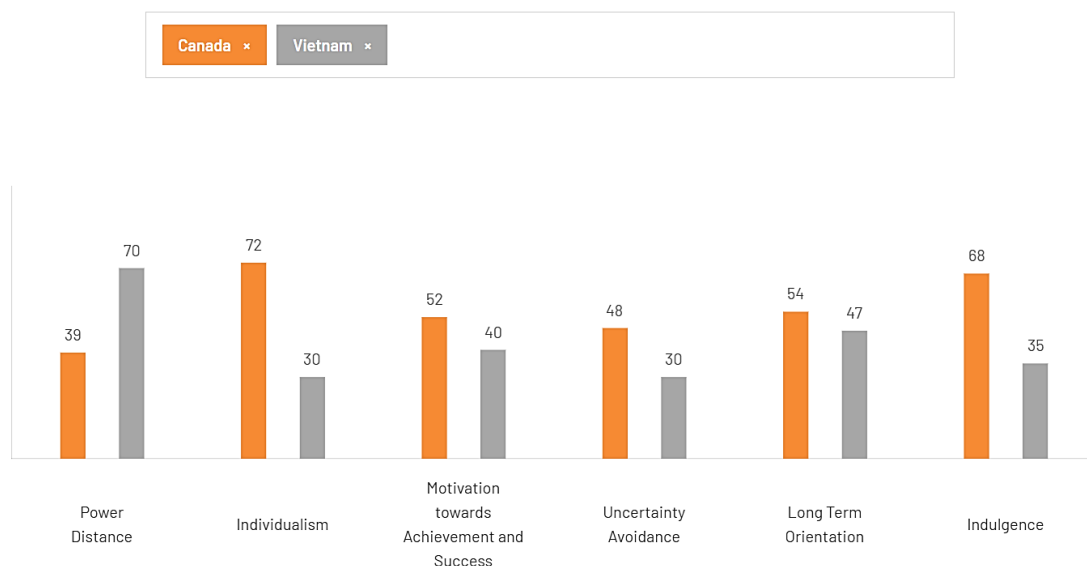


Figure: Comparison between Canada and Vietnam (The culture factor, 2020)

Collectivism vs. Individualism: The score of 20 on the collectivism scale indicates that people in Vietnam are highly oriented towards groups, with their social belonging and family playing a crucial role in consumer decisions. Canada is rated at 80, which indicates individualism and autonomy. Cafe drinking in Vietnam is a group, family or work-related activity and drinks are consumed socially. Tim Hortons will therefore have to come up with group sitting arrangements, introduce sharing platters, introduce family-oriented promotions and use group-based loyalty programs as opposed to the

promotion schemes which are individual-based. Community, togetherness, and shared experiences should be highlighted in marketing stories (Tran, 2023).

Uncertainty Avoidance: The low uncertainty avoidance (30) in Vietnam shows that the country tolerates ambiguity and is willing to experience new things. People are quick to experiment with new flavours, seasonal drinks and test menu items. The moderate score in Canada (48) indicates propensity towards predictability. In the case of Tim Hortons, it is a chance to launch locally tailored drinks, including fruit teas, matcha beverages and robusta-based products, and regularly change seasonal innovations to match the willingness of Vietnamese consumers to experiment (Kim *et al.*, 2024).

Masculinity vs. Femininity: The femininity score of Vietnam (40) indicates that the culture places a value on modesty, social harmony and quality of life. Canada has moderate masculinity (52), which indicates a more achievement-oriented attitude. Marketing in Vietnam should not be aggressive and competitive but should focus on craftsmanship, comfort, warmth and social connection (The culture factor, 2020). The brand story should be based on experience and connection, not efficiency, speed or performance.

Long-Term Orientation: Vietnam has a score of 57, meaning that long-term orientation is perseverance, relationship-building and future-oriented thinking. Canada has a score of 36, which indicates shorter-term priorities. This implies that Vietnamese buyers attach importance to brand consistency, reliability and relational trust. Tim Hortons should invest in initial community involvement, long-term local relationships and quality assurance. Membership levels, cumulative rewards and multi-year contracts with domestic suppliers are some of the long-term promotional strategies that will appeal a lot (Tran, 2023).

Indulgence vs. Restraint: Vietnam has 35 in the indulgence score, which suggests restraint and a more disciplined way of spending leisure. Canada, with 68, is a more indulgent society and has regular discretionary consumption. Vietnamese consumers are relatively price sensitive (The culture factor, 2020). Therefore, affordability is a strategic necessity. Tim Hortons should therefore provide value-based pricing, mini cup sizes, competitively priced combos, and a locally adjusted menu to satisfy consumer expectations in a low-cost market.

4.3 Hall's High–Low Context Communication Differences

Hall classifies cultures by their communication style. High-context cultures are highly dependent on implicit cues, non-verbal cues and mutual understanding, whereas low-context ones are highly reliant on explicit, direct communication.

Vietnam is a high-context culture, meaning that the meaning is frequently communicated through tone, symbolism, relationships, and indirect messages. Canada, conversely, is a low-context culture, with communication being straightforward, informative, and to the point (Lee, 2025).

Marketing and Branding Implications: Marketing of Vietnam should be based on emotional appeal, cultural symbolism and relational storytelling as opposed to direct functional marketing. Pictorial representations, colour and stories have great importance. Family, warmth, moments together and social harmony should be emphasised in ads. Excessively direct or promotional advertising, as is the case in Western markets, can be viewed as impersonal or insensitive.

Customer Service Implications: Vietnamese consumers are polite, discreet, and communicative. The employees must be taught how to identify non-verbal communication and how to be attentive and non-confrontational. Face-saving mechanisms, which include quiet resolution and non-public apologies, should be prioritised in complaint handling. Hierarchy and respect should also be reflected in internal communication, and the instructions should be given through well-defined channels.

4.4 Strategic Implications and Recommendations

The cultural analysis indicates that Tim Hortons needs to make a number of adjustments to enter and remain successful in Vietnam.

Menu Localisation: Since robusta-based beverages, sweetened condensed milk beverages, and fruit teas are popular, Tim Hortons should launch Vietnamese-style beverages, including coconut coffee, lychee tea and matcha varieties. Bakery products must feature local flavours, such as pandan, products made with taro and durian. Acceptance in a market with strong domestic brands requires localization (Artie, 2025).

Store Design and Consumer Experience: Vietnamese consumers often study, relax and meet friends in a cafe. The stores should thus have group seating, comfortable study areas, charging facilities and long hours of operation. The interior design must be conducive to collectivist and feminine cultural values and reflect a warm and hospitable atmosphere (NIQ, 2025).

Adaptation of Marketing Strategy: Communication should focus on emotional connection, community, family and cultural belonging. Local festivals, cultural motifs and community activities should be included in campaigns. Formats of storytelling and influencers who demonstrate high levels of relational appeal will work better than product-based messages.

Price and Affordability: Vietnam has a low expenditure culture, which needs elastic and value-based pricing (Burrage, 2025). To overcome price sensitivities in the area, Tim Hortons should launch lower-end and mini-sized drinks, package offers and low-cost breakfast packages.

HR and Service Culture Alignment: The training programs should include hierarchy awareness, formal communication standards, and culturally sensitive service practices. Supervisors' ought to embrace a high-power distance-oriented leadership style, but with supportive and structured team dynamics.

5. SOP Adjustments for Successful Entry into Vietnam

To fit the operational fit, cultural alignment and competitiveness, Tim Hortons needs to revise its SOPs to suit Vietnam. The main changes include local procurement, personalised menus and customer experience, and culturally sensitive HR practices. Such adjustments correspond to international standards and the conditions of the Vietnamese market and contribute to an environmentally friendly franchise entry strategy.

5.1 SOP Adjustment 1: Localised Supply Chain & Sourcing

The presence of a well-developed domestic coffee market, low-cost labour and well-established food-processing capacities in Vietnam creates high supply-chain localisation opportunities. Nonetheless, they also mandate procedural refinement in order to guarantee quality consistency of Tim Hortons with cost efficiency. The following SOP changes are required:

Local Coffee Sourcing Protocol: Tim Hortons needs to incorporate the Vietnamese suppliers into the coffee value chain, especially robusta blend and arabica blend. SOPs should establish bean quality standards, roasting profiles, traceability documentation and compliance with RBI ethical sourcing requirements (D'Amours, 2023).

Local Dairy and Baker Sourcing Guidelines: Dairy processors (e.g. Vinamilk) and bakery manufacturers in Vietnam have a low-cost supply. Sensory standards, ingredient specifications, testing requirements and auditing period of local suppliers should be stipulated in SOPs (Burrage, 2025).

Regional Procurement Integration: Since Vietnam is near China, Thailand and Malaysia, SOPs are expected to institutionalise the process of sourcing packaging, store equipment and specialised ingredients with regional suppliers of the RBI (e.g., Huhtamaki, Detpak).

Justification: Localisation of the supply chain contributes to the Location benefits mentioned above: cost-efficiencies, shorter logistics times, adherence to Vietnamese food-safety regulations and better menu-localisation. The cultural relevance is enhanced by local robusta-based inputs that enhance price rivalry against Highlands Coffee and Phuc Long (Huynh-Van *et al.*, 2022).

Implementation Steps

- Conduct a supplier audit through the RBI sourcing checklist worldwide checklist.
- Prepare contract templates with Vietnamese regulatory provisions.
- Create a Vietnam Supply Hub connected with regional procurement centres at RBI.
- Introduce monthly quality SOPs of coffee, dairy and bakery products.
- Design a traceability reporting system that is compliant with the Ministry of Health guidelines in Vietnam.

Feasibility Considerations: International chains are already supplied by the food-processing industry in Vietnam, which means high feasibility. The main risks include variability of supplier capability; they can be addressed with the help of rigorous auditing and gradual onboarding.

5.2 SOP Adjustment 2: Localised Menu, Marketing & Customer Experience

The market of Vietnamese cafes is influenced by robusta-based drinks, sweetened condensed milk beverages, fruit teas and a tendency to drink them in a social setting. Menu engineering, pricing and marketing SOPs should be revised to reflect these preferences without compromising the global brand of Tim Hortons. The following SOP changes are required:

Menu Engineering SOP Adaptation: Tim Hortons is advised to include Vietnamese drinks like coconut coffee, lychee tea and matcha drinks. SOPs should specify recipes, standard sizes, preparation techniques and ingredient specifications (Burrage, 2025).

Price-Tiering and Combo Guidelines: The low level of indulgence with high price sensitivity in Vietnam necessitates modified pricing SOPs. A three-tier pricing strategy, including value, standard and premium rates, should be formalised. Combo structures (drink + bakery sets) should be regularised to be affordable (Le *et al.*, 2024).

Store Format & Consumer Experience SOPs: Vietnamese cafes focus on seating comfort, grouping and prolonged stays. SOPs should specify layout templates such as group tables, study areas, device charging locations and ambient design recommendations.

Marketing SOP Adaptation: High-context marketing demands marketing SOPs that focus on storytelling, community stories and cultural tropes. The visual guidelines must target warm colours, collectivist messages and local festivals.

Justification: These developments are consistent with the cultural analysis: high collectivism, emotional marketing, long-term orientation and price restraint. Localised menu options directly respond to consumer expectations, and redesigned store layouts conform to the social cafe culture of Vietnam. Leveraged pricing procedures guarantee competitive positioning, especially among students and young professionals.

Implementation Steps

- Carry out sensory tests of suggested Vietnamese drinks.
- Test a Vietnam Signature menu in the first stores.

- Developed store layout templates based on Vietnamese spatial standards.
- Collaborate with MoMo, ZaloPay and GrabFood on digital integration.
- Develop marketing SOPs: tone, visual style and storytelling.

Feasibility Considerations: The presence of fruit teas, robusta blends, and local bakery flavours that are already in use by the operators of cafes in Vietnam makes this more viable. The fact that Tim Hortons has previously succeeded in localisation in China presents a solid implementation precedent.

5.3 SOP Adjustment 3: HR, Training & Service Culture Alignment

Canadian and Vietnamese cultural differences in terms of high-power distance, collectivism, and high-context communication necessitate significant modifications in HR and service-delivery SOPs. The following SOP changes are required:

Hierarchical Team Structure SOP: Since Vietnam leans towards a structured organisational hierarchy, SOPs should explicitly outline job role, reporting and supervisory responsibilities. The shift managers ought to be given extra training in leadership that suits local expectations (NIQ, 2025).

Service Protocol SOPs: Vietnamese consumers desire to be respectfully, politely, and attentively served. SOPs should elaborate greeting scripts, politeness norms, non-verbal communication, and generalised service-recovery protocols.

Training SOPs: SOPs need to include cultural training modules, conflict-avoidance, group-based performance motivation and communication norms. The training must be provided in a blended form, incorporating demonstrations and role-plays as indicators of high-context interaction.

HR Recruitment SOP Adjustment: Recruitment will focus on individuals who possess collectivism, teamwork qualities, and experience working in Vietnamese cafes. SOPs should specify screening criteria and behavioural interview format.

Justification: These changes are based on Hofstede's dimensions of high-power distance, collectivism, low indulgence, and high-context traits of communication as proposed by Hall. Aligning the HR and service SOPs with customer expectations increases customer satisfaction, minimises service errors and brand credibility during the initial market phases.

Implementation Steps

- Design a Vietnam-based HR handbook that is culturally attuned.
- Provide pre-opening cultural training for every employee.
- Adopt a group-based rewarding model to improve collectivist motivation.
- Implement internal communication systems.
- Perform monthly service audits according to the local expectations.

Feasibility Considerations: The labour market in Vietnam provides a high number of young employees who have experience in serving at cafes. Structured training and supervision will be essential in ensuring consistency in service quality.

5.4 Justification and Feasibility of the Overall SOP Set

The three SOP categories together guarantee operational viability, cultural compatibility and competitiveness. Localised sourcing makes it less expensive and more relevant; menu and marketing modifications boost consumer acceptance. HR and service SOPs ensure that the behaviour of teams is suited to cultural norms. The international franchising experience of Tim Hortons and its regional supply chain presence and localisation track record in China increase the feasibility of implementation (Lin *et al.*, 2025).

6. Conclusion

The prospective internationalisation of Tim Hortons in Vietnam represents a strategically favourable opportunity, backed by high ownership benefits, a favourable host-country environment and the possibility of a controlled entry mode which is based on franchise. The international operations analysis proved that Tim Hortons has a competitive advantage in terms of economies of scale, global sourcing, digital innovation and broad franchising, and also encounters issues of regulatory variability, cultural distance, and competitive intensity.

The OLI analysis has validated the appropriateness of Vietnam as a host nation due to its strong cafe culture, growing middle-income, competitive pricing system and growing franchise regime. Comparisons with other cultures indicated that adaptations in menu design, level of communication, customer service delivery and organisational processes were necessary to align with the expectations of the Vietnamese

consumers and workplace values and practices. The suggested SOP changes, local sourcing, customised menu and experience design, culturally fit HR systems and location-specific marketing offer a realistic roadmap to operationalising the market-entry strategy. Collectively, these suggestions will make Tim Hortons capable of attaining sustainable performance, brand legitimacy, and creating a competitive stance within the vibrant cafe industry in Vietnam.

7. References

- Anh, N.T.V., Tung, H.T. and Trang, N.M. (2025) 'The impact of foreign direct investment on economic growth in Vietnam', *Journal of Lifestyle and SDGs Review*, 5(5), p. e05284. doi: <https://doi.org/10.47172/2965-730x.sdgsreview.v5.n05.pe05284>.
- Artie, A. (2025) *Tim Hortons Goes Global – Heterogenous Market Entry Strategies in Asia - IBU*, IBU (International Business University). Available at: <https://ibu.ca/case-study/tim-hortons-goes-global-heterogenous-market-entry-strategies-in-asia/>.
- Bohatkiewicz-Czaicka, J. and Gancarczyk, M. (2024) *Industrial clusters in international value chains*. Taylor & Francis.
- Burrage, R. (2025) *Vietnam consumer trends 2025 - Market research Vietnam Indonesia, Market research Vietnam Indonesia*. Available at: <https://www.cimigo.com/en/trends/vietnam-consumer-trends-2025/>.
- Cateora, P.R. (2024) *International marketing*. 4th edn. New York: McGraw-Hill Education.
- Chiang, S. (2023) *How Luckin Coffee Overtook Starbucks as the Largest Coffee Chain in China*, CNBC. Available at: <https://www.cnbc.com/2023/09/12/how-luckin-coffee-overtook-starbucks-in-china.html>.
- D'Amours, A. (2023) 'Map with the number of Tim Hortons by country', Flytrippers. Available at: <https://flytrippers.com/map-countries-tim-hortons/> (Accessed: 15 November 2025).
- Espinosa-Ramos, J.I. et al. (2024) 'Comparison of free-comment online product reviews and central location product testing for sensory product characterisation: a case study with coffee consumers', *Food Quality and Preference*, p. 105377. doi: <https://doi.org/10.1016/j.foodqual.2024.105377>.
- Farida, I. and Setiawan, D. (2022) 'Business strategies and competitive advantage: the role of performance and innovation', *Journal of Open Innovation: Technology, Market, and Complexity*, 8(3), p. 163. doi: <https://doi.org/10.3390/joitmc8030163>.
- Fauziah Samsudin et al. (2025) 'Factors influencing sustainability of food and beverage franchisee's businesses in Malaysia', *International Journal of*

Entrepreneurship and Management Practices, 8(31). doi:

<https://doi.org/10.35631/IJEMP.831017>.

Fu, Q. (2023) 'Tim Hortons China financial strategy and market situation analysis', *BCP Business & Management*, 44, pp. 950–955. doi:

<https://doi.org/10.54691/bcpbm.v44i.4982>.

Helgi Library (2022) *Which Country Drinks the Most Coffee?*, www.helgilibrary.com.

Available at: <https://www.helgilibrary.com/charts/which-country-drinks-the-most-coffee/>.

Hofstede, G. (2001) *Culture's consequences: comparing values, behaviours, institutions, and organisations across nations*. 2nd edn. SAGE Publications.

Huynh-Van, B. et al. (2022) 'Factors associated with food safety compliance among street food vendors in Can Tho city, Vietnam', *BMC Public Health*, 22(1). doi:

<https://doi.org/10.1186/s12889-022-12497-2>.

Kim, H.M. (2023) 'Foreign direct investment and urban growth in Vietnam: spatial, economic and demographic perspectives', *Asian Geographer*, 41(2), pp. 1–18. doi:

<https://doi.org/10.1080/10225706.2023.2244946>.

Kim, T. et al. (2024) 'Coffee culture unravelled: exploring the coffee shop experience model in the Vietnamese context', *Tourism Recreation Research*, 50(3), pp. 1–19.

doi: <https://doi.org/10.1080/02508281.2023.2295621>.

Le, N.V. et al. (2024) 'The factors influencing the export activities of coffee products: a typical study in the export of Vietnamese coffee to the EU market', *Revista de Gestão Social e Ambiental*, 18(8), pp. e06053–e06053. doi:

<https://doi.org/10.24857/rqsa.v18n8-054>.

<https://doi.org/10.24857/rqsa.v18n8-054>.

Lee, Y.-K. (2025) 'Signalling effect of green country image and brand globalness on premium marketing', *Asia Pacific Journal of Marketing and Logistics*, pp. 1–20. doi:

<https://doi.org/10.1108/apjml-05-2025-0966>.

Lin, C.-W.R. et al. (2025) 'Supply chain disruption indicators: vulnerability and resilience in the garment industry in Vietnam', *Cleaner and Responsible Consumption*, p. 100251. doi:

<https://doi.org/10.1016/j.clrc.2025.100251>.

Mills, W. (2017) *Behind the scenes look at Tim Hortons coffee bean production plant*, spectrumlocalnews.com. Available at:

<https://spectrumlocalnews.com/nys/rochester/business/2017/11/15/behind-the-scenes-look-at-tim-hortons-coffee-bean-production-plant>.

Moreira, I., Villarama, M. and Tarrant, A.-L. (2023) 'Organisational strengths and weaknesses in the coffee shop industry in Canada', *Revista Científica Global Negotium*, 6(3), pp. 155–174. doi: <https://doi.org/10.0833/rqn.v6i3.378>.

Nguyễn, H. V. and Phan, T. N. (2023) 'Impact of economic growth, international trade and FDI on sustainable development in developing countries', *Environment, Development and Sustainability*. doi: <https://doi.org/10.1007/s10668-023-04060-9>.

Nguyen, P.T., Thi, T. and Hoai, T. (2025) 'Effects and obstacles of Decree No. 86/2018/ND-CP on the internationalisation of Vietnamese higher education', *Educational Process: International Journal*, 18. Available at: <https://eric.ed.gov/?id=EJ1485524> (Accessed: 20 November 2025).

Nikkei Asia (2024) *Marubeni serves Tim Hortons coffee in Malaysia with local flavors*, *Nikkei Asia*. Available at: <https://asia.nikkei.com/Business/Food-Beverage/Marubeni-serves-Tim-Hortons-coffee-in-Malaysia-with-local-flavors>.

NIQ (2025) *Vietnam's On-Premise Comeback: Why smart consumer insights are the real growth ingredient*, *NIQ*. Available at: <https://nielseniq.com/global/en/insights/analysis/2025/vietnams-on-premise-comeback-why-smart-consumer-insights-are-the-real-growth-ingredient/>.

Paglinawan, D. (2025) *Tim Hortons continues to drive Restaurant Brands' earnings growth*, *financialpost*. Financial Post. Available at: <https://financialpost.com/news/retail-marketing/tim-hortons-drive-restaurant-brands-growth>.

Richelieu, A. and Korai, B. (2024) 'The consumption experience of Tim Hortons' coffee fans', *Qualitative Market Research: An International Journal*, 17(3), pp. 192–208. doi: <https://doi.org/10.1108/qmr-06-2012-0032>.

Shamra, N. and Kaur, S. (2025) 'Tim Horton's: international market penetration, a growth strategy', *International Journal of Research Publication and Reviews*, 6(7), pp. 2872–2888. Available at: <https://ijrpr.com/uploads/V6ISSUE7/IJRPR50384.pdf>

Shams, R. et al. (2020) 'Strategic agility in international business', *Journal of International Management*, 27(1), p. 100737. doi: <https://doi.org/10.1016/j.intman.2020.100737>.

Statista (2024a) *Sales of selected leading coffee house and cafe chains US 2018* | Statista, Statista. Available at: <https://www.statista.com/statistics/919774/sales-of-selected-leading-coffee-house-and-cafe-chains-in-the-us/>.

Statista (2024b) *Tim Hortons revenue 2024*, Statista. Available at: https://www.statista.com/statistics/291507/annual-revenue-tim-hortons/?srsltid=AfmBOooEUWpJivebqgy_m2QjMIJ6kVY_JiUFAyP5fUPoiVCEPOW DJJgz (Accessed: 21 November 2025).

Statistaa (2025) *Topic: Tim Hortons*, Statista. Available at: https://www.statista.com/topics/2145/tim-hortons/?srsltid=AfmBOoohx70-JJu0WkDZZFBdRi_FBXf_-UYXYazyDwNJKAO7Id96ScCF (Accessed: 21 November 2025).

Thai, M.T.T. and Al Issa, H.-E. (2025) 'The impact of national culture on entrepreneurial performance', *Journal of Small Business & Entrepreneurship*, pp. 1–24. doi: <https://doi.org/10.1080/08276331.2025.2560136>.

The culture factor (2020) *Country comparison tool*, *Theculturefactor.com*. Available at: <https://www.theculturefactor.com/country-comparison-tool?countries=canada%2Cvietnam>.

Tim Hortons (2024) *Annual reports | TH International Limited*. Available at: <https://ir.timschina.com/financials/annual-reports> (Accessed: [add date]).

TimsChina (2025) *Tims China Opens First Store in Nanchang | TH International Limited, TH International Limited*. Available at: <https://ir.timschina.com/news-releases/news-release-details/tims-china-opens-first-store-nanchang> (Accessed: 21 November 2025).

Tran (2023) 'A cross-cultural comparison of organisational culture', *Global Knowledge, Memory and Communication*. doi: <https://doi.org/10.1108/gkmc-02-2023-0072>.

Vadra, R. (2025) *Tim Hortons: a Canadian coffee voyage to India*. doi:
<https://doi.org/10.4135/9781071976586>.

VanDuzer, J.A. and Leblond, P. (2020) *Promoting and managing international investment*. Routledge.

Yonhap (2023) *Tim Hortons to open 150 outlets in South Korea within five years*, *Inside Retail Asia*. Available at: <https://insideretail.asia/2023/12/13/tim-hortons-to-open-150-outlets-in-south-korea-within-five-years/> (Accessed: 21 November 2025).

Zhang, J. (2025) 'Relationship between consumer behaviour and price elasticity', *Advances in Economics and Management Research*, 14(1), p. 423. doi:
<https://doi.org/10.56028/aemr.14.1.423.2025>.