

Introduction level strategies. kfc's swot analysis the table



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Introduction

Background information

Kentucky Fried Chicken (KFC) is a fast food firm which was established in 1952 by Cornel Harland Sanders. The firm has its headquarters in Kentucky. Over the years it has been in operation, KFC has been very successful. One of the factors contributing to its success is its effectiveness in implementing expansion strategies. For example, apart from conducting domestic investments, it has also ventured into the international market through incorporation of internationalization strategy. In addition, the firm has integrated the concept of franchising.

As a result, KFC has established a chain of 16, 200 outlets in 100 countries in which it operates (Hoovers Incorporation para. 1). Of these franchises, 5, 100 are located in the United States. This has enhanced its ability to achieve its profit maximization objective. Its success is also associated with the management team's effectiveness in implementing good organizational values which directs all the firm's operations. For example, the management team respects and rewards all the contributions by its employees.

In its operation, KFC ensures that it offers its customers high quality products. This is evident in its philosophy statement which is represented in its CHAMPS program. CHAMP is an acronym for the values held by the firm which include Cleanliness, Hospitality, Accuracy, and Maintenance of facilities, Product quality and Speed in service delivery.

The program has enabled the management team to integrate the concept of customer focus amongst the employees.

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Aim

This report illustrates an internal analysis of KFC by considering the business and corporate level strategies.

KFC's SWOT Analysis

The table below illustrates the firm's strengths, weaknesses, opportunities and threats. Strengths The firm has developed strong brand equity as a result of offering quality products and services to the consumer. The firm has attained economies of scale in its operation. Expansion in the foreign market has enhanced cash flow hence its financial stability.

Establishment of a strong and efficient interactive marketing has enabled the firm to develop customer loyalty. Its product diversification strategy has enabled the firm to be ranked as a convenient firm. Weaknesses The firm has not installed point of sale scanning system. KFC's research and development team is not well instituted.

The management team does not have employee relationship building program. KFC only focuses at high income earners Opportunities -Change in age demographics as a result of increase in individuals aged between 18-34 years. This presents a potential increment in its market. -General economic growth resulting into a rise in consumers' disposable income. -By incorporating customer focus, there is a high probability of the firm increasing its customer base.

-The firm can diversify its operation by targeting emerging markets such as in Asian countries. -The firm can improve its public image by updating its restaurants. Threats -Increased competition from large firms such as

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McDonalds and also new entrants. S The firm also faces a threat from supermarkets which are increasingly dealing with fast food products.

- The fast food industry is characterized by a high rate of employee turnover.

-Fluctuation in exchange rate as a result of changes in business environment may affect remission of profit by the firm's subsidiary firms located in the international market. -Changes in consumer tastes and preferences may affect demand for the firm's products.

This is due to the fact that consumers are increasingly becoming health conscious. -