

# Key success of kfc assignment

[History](#), [American History](#)



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TMA Fall 2011

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\_\_\_\_\_ Case: KFC in China In China, Yum! Brands is opening a KFC store every day. But this is not the KFC you know in America. A recent case study written by professor David Bell and Agribusiness Program director Mary Shelman reveals how the chicken giant adapted its famous fast-food formula for the local market. Key concepts include:

- In China, KFC's strategy was to be part of the local community, not be seen as a foreign presence. China division chairman and CEO Sam Su combined the best ideas from the US fast-food model and adapted them to serve the needs of the Chinese consumer.
- Only a small number of menu items would be familiar to Western visitors: the Chinese KFC offerings include fried dough sticks, egg tarts, and foods tailored to the tastes of the different regions within China.
- To counter concerns about fast food and obesity, Su offered a healthier menu and supports exercise and youth events within the local communities.

Not only is this the story of a successful entry into China by a Western company, this case provides a glimpse of how quickly Chinese diets are changing as incomes improve. Because China is so big, this has a huge impact on the rest of the global food system. What happens in China, what Chinese people eat, impacts what you and I pay for food. " It turns out that unusual employee interactions, at least in comparison with Western business decorum, are the norm at Yum! Brands. And so the employer-employee relationship has more a feel of family (as are Chinese businesses). In the United States, if you don't show up at work, what happens? You get fired," says Shelman. " In China, where many of the company's 250, 000 employees

are college students working their first job, it's like, ' Oh we understand that sometimes you feel like skipping class. If you decide to skip work—please call in and let us know, so we can make sure your job is covered. "' The Chinese KFC menu may include fried dough sticks, egg tarts (which Shelman raves are " to die for"), shrimp burgers, and soymilk drinks, as well as foods tailored to the tastes of specific regions within China.

The large selection of menu items is meant to appeal to the Chinese style of eating, in which groups of people share several dishes. Su believes that offering a wider variety of foods will help customers make healthier choices. The KFCs in China have also limited the amount of money saved on combo meals, and have completely eliminated supersized items (to reduce calories). Exercise is actively promoted inside the chain: as of 2010 the youth programs and competition it sponsored had over 260, 000 participants in 438 cities.

KFC succeeded in China both because it was not McDonald's and because in many ways it decided it wouldn't be KFC either—which brings up another key question: " how do you avoid the mistakes of the American fast-food model? " asks Bell. " Put another way, if McDonald's and KFC were to start over in the United States knowing what they know now, how would their model differ? " (Extracted and adapted from Harvard Bus.

School Working Knowledge) Question: Discuss the importance of knowing your business environment (STEP) by using and analyzing the above case, as well as showing your understanding of the relevant B200A material covered so far. In particular, discuss the issues of international differences in habits,

tastes, values and demographics (and clarifying what made KFC so successful in such an important foreign country with very large population). (100 Marks) NOTES TO STUDENTS Cut-off date: Submit this assignment no later than 6 December, 2011. Word count: 1500 words (plus or minus 10%).

Referencing: You must acknowledge all your sources of information using full Harvard Style Referencing (in-text referencing plus list of references at the end). Use E-library: to get journal articles on the topic (using Emerald or EBSCO). Use at least 2 or 3 articles. Plagiarism: It is very important to use your own words, Plagiarism will lead to a significant loss of marks. Extensive plagiarism could mean that you failed your TMA. Plagiarism means copying from internet, from unreferenced sources, from other students' TMAs or any other source. Penalties for plagiarism ranges from failure in the TMA to expulsion from the university.

Answering: Your response to the question should take the form of a full essay format divided into a number of paragraphs with introduction and conclusion without subheadings and bullet points. Use B200 'reader one' chapters (Environments), the above case, and E-Library. This TMA is 20% of B200A Grade. Essay Guidance: \* Discuss concepts that you have learned from B200 module 1: Environments. Discuss also the case given in this TMA. \* Review the chapters' learning outcomes in the B200 study guide, module one. \* Plan what you will write, and have a well organized outline. \* Use in text referencing and Harvard style list of references.