

How the recession has effected the fast food sector

[Business](#), [Industries](#)



The business I have chosen is KFC as KFC is a worldwide business and very popular inside of the fast food industry behind fast food giants McDonald's and burger king and operates in over 110 countries throughout the world as it is a worldwide business it will be affected in different ways in different places.

Here are some factors which could have affected them in the recession:

People have less disposable income As of the recession many people have less disposable income to spend on fast food as will be sticking to the essentials and their individual necessities in order for them to live.

Many people were made redundant in the recession which will have of impacted KFC's business as not a lot of people will be buying their products. Also if people have less money than they will pick the cheaper brand which will impact less on their spending or they will just cut out fast food all together this will impact KFC as it will be drawing less customers as the week goes on which will force the organisation to buy cheaper and lower quality products to sell the public which will make them lose customers as well as the quality wouldn't be what it used to be. Unemployment increases

As the unemployment rate throughout the world increases then less people will not have a sufficient amount of money to spend on high brand fast food restaurants and will have to cut out the spending for fast food altogether as it can be very expensive and overpriced. Unemployment will affect KFC as well as they will be getting rid of people in a way to decrease their main costs in the business in order for them to continue being one of the top high priced fast food restaurants in the fast food market becoming one of the top

5 fast food restaurants in the world behind the fast food giant which is McDonald's and Burger King.

Reduce in profit As KFC is a well-known American fast food restaurant which sells worldwide they sell millions of products globally. The loss of profit will make them have to reduce all of the costs inside of the business for example: lower the amount of employees in the business to cut the cost of the wages to lower the risk of a loss in the business and also lower the quality of the produce used in the products as the price of the raw materials have gone up.

As the price of the raw materials go up then the business will be release a lower quality product which will make them lose their customers if they continue to sell a product which does not meet the customer's needs which will make them go down in the market and will make customers go to KFC's main competitors for example McDonald's.