

# Good business plan about an analysis of the foreign market

[Business](#), [Marketing](#)



## **Introducing Burger King Chicken Fries to Japan**

Japan is one of the most developed in the world with a large affluent customer base. It is the third largest economy in the world after USA and China. Japan is a stable democracy and experienced fast economic growth since the end of World War II. The macro environmental analysis of Japan is given below:

### **Political Environment**

Since the end of World War II, the new constitution drafted with support of USA ensured the growth of Japan as a vibrant democracy. The country is a multi-party democracy where elections are held in the stipulated terms. Despite being a constitutional monarchy, the powers of the emperor are limited. Bills are passed by the country's elected parliament (Diet) and the prime minister is responsible for the country's domestic and foreign policy issues.

### **Economic Environment**

After getting ruined by the end of World War II, the Japanese economy experienced a miraculous growth during the 1950s and 1960s. However, after a continuous growth for 69 months the country's economy entered into recession in 2008. Unemployment and the resulting deflation are two biggest that are currently plaguing the Japanese economy. The country has a per-capita income of US\$ 32, 600 and ranks 42 in terms of per-capita income based purchasing power of the consumers.

## **Technological and Social Environments**

Japan is one of the most technologically advanced countries in the world with world-class research based universities and innovation led companies. Many technological innovations in the areas of engineering and communications were made in the country. Japan is also the second most industrialized countries in the world after USA. The social environment of Japan resembles that of many leading Asian countries where family values are given paramount importance. Japanese society is also rated as one of the most equitable in the world with very limited class differences.

## **Legal and Environmental Environments**

Japan has a well-developed modern legal system that was developed during the latter part of the 19th century. Heavily influenced by the legal systems of France and Germany, Japan's legal system gives importance to safety and security of citizens over individual freedoms. Japanese Judiciary enjoys complete independence from the legislature and Diet is the sole law making body in the country. The Japanese legal system has all the provisions required for securing the rights of businesses that are operating in the country. Since the destruction of some of the major cities during the World War II, Japanese policy has put a lot of emphasis on maintaining a good balance between environmental protection and economic development. Businesses that are found to be damaging the environment are strictly penalized.

## **Market Demand and Local/Non-Local Competition**

This section explores the demand for quality fast-food in the Japanese market and the local/non-local competition that Burger King fried chicken might face in the Japanese market.

### **Market Demand**

Japan has a rich culinary heritage that dates back to millennia. Being a tropical country, Rice is the country's staple food. Japanese consumers are also the avid consumers of non-vegetarian food items. Rapid westernization and the increase in the number of professionals with busy work schedules increased the number of people eating out. According to a country wide survey on the eating habits of people, it was found that nearly 55 percent of the Japanese population eat out for two to eight times per month (Japan-Guide). Professionals who work late in the nights do not have enough time to go home and cook their food. Instead they tend to rely on restaurants that serve high quality food for a reasonable price. However, unlike the Western markets where the demand for junk food is higher, Japanese consumers give more importance to eating healthy food than tasty food.

### **Local Competition**

Burger King faces a strong competition from the local Japanese Restaurant chains. Home grown restaurant chains offer both the local and international cuisines to meet the tastes of the local consumers. While some restaurant chains like MOS Burger offer western food varieties like Burgers customized to suit the tastes of the Japanese consumers, other restaurant chains like Yoshinoya and First Kitchen serve pure ethnic Japanese food. Local delicacies

like teishoku meal and rice served with fried beef and pork are a good attraction for busy Japanese professionals who do not have enough time to cook their own food. Sushi – the biggest contribution of Japan to the world food culture – is also preferred by a number of modern working people during the weekends and holidays.

### **Non-Local Competition**

Japanese food market is also dominated by a number of foreign restaurant chains. Most of the foreign restaurant chains that have a strong presence in the Japanese market are from USA. Some of the non-local restaurant chains that have a strong presence in the Japanese market are McDonald's, KFC, and Subway. Of these dominant foreign fast-food chains in Japan, KFC could offer a strong competition for the Burger King Chicken Fry that will be introduced in the market. Some foreign fast-food chains like McDonald's were operating in the Japanese market for such a long time that many Japanese citizens consider them to be local brands (Traphagan and Brown 120). This level of indigenisation of some foreign restaurant brands poses a strong threat to the chicken fries that will be introduced by Burger King.

### **Opportunities for the Company**

Burger King has a number of advantages over the other restaurant chains in Japan to introduce the Chicken Fries in its menu. One of the main reasons is the strong brand identity enjoyed by the brand when compared with other local and non-local restaurant chains. Many of the foreign fast food chains that were in operating in Japan were known for their exclusive focus on a particular food items like Burgers and sandwiches. However, Burger King is

known for its focus on a wider range of fast-food products than the other brands. This gives Burger King a lot of competitive advantage over the other restaurant chains in the market.

Another advantage is that Chicken Fries were already offered in the menu of Burger King before they were withdrawn as part of a menu re-jig exercise. The product enjoyed such a high level of acceptability among the Japanese consumers that its withdrawal has sparked a big protest moment on the Internet. Chicken Fries from Burger King were preferred by busy Japanese professionals who liked the low fat and tasty fast-food items on their way back from the offices. Once the product is reintroduced in the market, Burger King can focus on this particular segment to substantially increase its market share in a short period of time.

## **Marketing Strategy of Burger King**

The highly competitive fast-food restaurant business in Japan demands a unique marketing strategy to emerge successful while reintroducing the chicken fries in the market.

## **Marketing Mix for Chicken Fries in Japan**

Below is the marketing mix for the reintroduction of chicken fries in the Japanese market.

### **Product**

Chicken fries from Burger King was already introduced in the Japanese market and discontinued later during a menu re-jig. However, its withdrawal from the market sparked a huge protest movement on the social media and

online forums. Hence, there is no need to make any changes to the product while introducing it again in the market.

## **Price**

Since the product was highly in demand from the target market, Burger King follows a premium pricing policy for Chicken Fries when they are reintroduced in the market.

## **Place**

Chicken fries from Burger King are one of the most preferred menu items among the busy professionals in major cities. Hence, it will be made available in all the Burger King's restaurants in the major cities of Japan. The product will be slowly introduced in Burger King's restaurants in smaller urban centres slowly after its reintroduction.

## **Promotion**

Japan is one of the developed with high levels of penetration by Internet when compared with other developed markets like USA and Europe.

According to Internet World Stats, Japan has Internet penetration levels of 86.2 percent (Internet World Stats 2013). The popularity of Internet in Japan can be gauged from the web based protest movement regarding the withdrawal of the Burger King's Chicken Fries in the Japanese market. The high penetration levels of Internet necessitate giving higher importance to the social media and other websites in the promotion mix of Chicken Fries. Ads regarding the reintroduction of the popular dish on popular social media channels can effectively target the urban working professionals.

## **Entry Strategy for Burger King's Chicken Fries**

According to Michael Porter, a company can follow different kinds of strategies while entering a market. It can follow on differentiation, cost leadership, and focus strategies to establish itself in a market. While following a differentiation strategy involves differentiating its products from that of its competitors, cost leadership involves providing products at a cheaper price than that of the competitors. Focus strategy involves selling products to a selected group of customers instead of focusing on the whole market. Since Chicken Fries were well preferred by urban professionals, Burger King can follow a differentiation strategy while reintroducing the product in the Japanese market. Since many of its competitors do not offer the same kind of product, it need not sell the product at a discounted rate. Differentiation strategy will result in higher revenues for the product and a higher rate of profit.

## **Works Cited**

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