

Kentucky fried chicken

Business



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Question a

Business Model Canvas

Key partners

PepsiCo

Food suppliers

Key activities

Local marketing

Product input

Creation of a distribution system

Quality control management

Value propositions

Secret recipe(11 herbs and spices)

Fast food

Cost reduction

Customer relationships

Dedicated customer assistance

Self service

Customer segments

Mass market

Fast food lovers

franchisers

Key resources

Secret recipes

Storage

Point of sale

channels

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www. kfc. com

home restaurants

Cost structure

Communication/Branding

Infrastructures

Innovation of products

Revenue streams

Fixed prices

Franchising

Question b

KFC is a multinational company whose success greatly depends on stable political environments in the countries it operates in. Politics being directly tied to economic and social welfare of a nation, a slight shift in its status quo can be detrimental to KFC's prosperity given that catastrophic losses in terms of damaged assets, shortage of its supplies and reduction in the numbers of customers or a total closure will be the end result. The American bombing in Afghanistan led to the burning of a KFC restaurant in Pakistan thereby undermining its operations there. In Mexico, increased political turmoil constantly threatens the existence of KFC in it e. g. in Jan 1, 1994; around 150 people were killed in the Mexican province of Chiapas on the Guatemala border when NAFTA went into effect. In another incident of 1998, the peso crisis resulted in recession in Mexico leaving KFC managers with a great deal of uncertainty regarding Mexico's political and economic future. This has led to KFC approaching investment in Mexico conservatively until the time when greater economic and political stability is achieved.

Question c

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KFC employs the perfect strategies in selecting its man power and operational procedures. For instance, in china it employed managers who speak and write the native Chinese language, and who is also proficient in the restaurant business and understands the needs of the local Chinese customers better. Its employment plan is localized through hiring the locals. All materials and chicken come from the local supply chains thus ensuring that the customers and surrounding communities feel as if they are also one big part of KFC's existence. It also moved quickly to establish itself by expanding its branches to different parts of the countries in which it had started offering its services so as to serve a larger percentage of the population. Creating its own distribution system has ensured that supplies reach the store network at an appropriate time and in good condition. It has also emphasized on extensive staff and management training on preparation and customer relations and logistics which helps it to attract more customers.

Question d

Since the early 2000s, fast food has been criticized on the links to obesity, negative environmental impact and cruelty records pertaining to animal welfare. KFCs choice of poultry suppliers worldwide has been protested by People for the Ethical Treatment of Animals (PETA) since 2003. The accusation of Greenpeace that KFC Europe of sourcing the soya bean for its chicken from Cargill, which had been accused of clearing large swathes of the Amazon rainforest in order to grow the crop, in 2006 and for sourcing paper pulp for its food packaging from Indonesia rainforest wood in May 2012 has resulted in a decline in sales. The excessive use of growth hormones and antibiotics on poultry by KFC suppliers was criticized it was s <https://assignbuster.com/kentucky-fried-chicken-essay-samples/>

danger to the consumers and a violation of the Chinese law.

Work Cited

Lee, G. K. And R. E Cole. Internet marketing, Business Models and Public policy. *Journal of Public Policy and Marketing* 19(Fall) 2003. 287-296.