Kenny rogers' kkk restaurant

KRR is a rotisserie chicken restaurant that was founded in 1991 by country music singer Kenny Rogers and former Kentucky CEO John Y. Brown, Jr. More consumers are concerned about the healthy lifestyle and foods thus Kenny Rogers used this opportunity to start up the first restaurant that served healthy yet delicious foods in Coral Spring, Florida, August of 1991.

As the first mover in the market, KRR had extended and franchised over 350 restaurants around the world, such as Middle Eastern countries, Canada, Asian countries such as China, Philippines and Malaysia. Initially, the menu offered mainly on wood-fired rotisserie chicken but later on had introduced more variety such as turkey, seafood, ribs, home-made muffins, jacket potatoes and vegetable salads.

Due to economic downturn in 1999, KRR went into bankruptcy. Nathan’s Famous Inc. had bought it and initiated downsizing of their locations offered. With the words of “ consumers see, we localize; consumers don’t see, we globalize”, KRR now operates entirely outside of the USA and operates primarily in Asia.

The franchise holder for KRR in Malaysia is Berjaya Roasters (M) Sdn. Bhd. In 1994, Berjaya Group Berhad had wholly owned subsidiary and incorporated. In 2008, Nathan’s Famous divested itself and selling it to Asian franchiser, Berjaya Group Malaysia. At the time, only one outlet was still operating in United States.

The franchise holder of KRR in Malaysia, Berjaya Roasters (M) Sdn. Bhd. operates 60 restaurants in West and East Malaysia. Besides that, the

executive director of the company decides to expand six to eight new outlets in year 2010.

The vision of restaurants is “ Roasters stands for real food and high quality service that bridges the gap between quick service restaurants and casual dining”.

Nando’s

Nando’s is a Portuguse-style chicken restaurant that founded in 1987 and originating from South Africa that specialized in flame-grilled chicken and hot sauces. Nando’s went global and operating in more than 30 countries such as Australia, Canada, Indonesia, Pakistan, Israel and Malaysia.

Nando’s originally named as Nandie in 1975 after the name of the son of Fernado Duarte, a Portuguese living in South Africa. He bought a restaurant in Rosettenville, Southern Johannesburg and collaborated with his friend naming it Chickenland in 1987. That was when the first Nando’s restaurant appeared.

Consumers love Nando’s flame-grilled peri-peri chicken and the unique sauces as it is very delicious. Nando’s offered variety of flavour such as lemon and herb, mango and lime to satisfy the different needs and wants of consumers. Peri-peri choices are mild, hot and extra hot peri-peri marinades.

Nando’s ensures the demand is always available by tailoring their selection of location to suit the consumers. Currently, there are 32 outlets in Malaysia located in Selangor, Melaka, Johor Bahru, Pulau Pinang and Kuala Lumpur.

Their vision is “ Our vision is to be the premier provider of chicken to our consumers with superior product & outstanding services”, while their mission is “ To be the best chain in the world by offering a world class chicken experience at affordable prices with consistent quality, value and commitment to its customer base”.

Segmentation and Target Market

The themes for both companies which are “ Peri-peri” and “ Less fat…Less salt…Less Calories…” have determined their way of segmenting their market. Both have used a few segments to target. Both identified their consumers’ needs and serve them with differentiated food selection. Food is also defined as physiological needs according to Maslow Hierarchy of Needs.

Nando’s

Benefit. Nando’s is targeting consumers who crave for tasty food. The varieties for consumers who crave for spiciness are extra hot peri-peri, hot peri-peri and mild peri-peri. Meanwhile, the non-spicy consumers are left with lemon and herbs flavour. Besides that, the flame grilled chickens are offered for healthy concern consumers.

Geographic. Nando’s outlets are located in over 20 countries worldwide including Australia, Malaysia and Canada.

KRR

Benefit. It focuses on targeting consumers who are more health concern, where some consumers insist on having balanced meal while parents are concerned about their children’s nutrition. KRR used this opportunity to serve a balanced meal of roasted chicken with low calories, low fats and less oil

and other sidelines such as vegetable salad, fruit salad, mashed potatoes and rice. KRR’s philosophy is weaved on preparing wholesome, hearty and well-balanced meal which mirrors today’s discerning consumers’ changing attitude towards healthy eating lifestyle. KRR also has daily food guide pyramid which enhances their products reliability (Appendix I).

Demographic. KRR meal is tailored to consumers of all ages. Senior citizens can enjoy the roasted chicken without the fear of high calories and high cholesterols. Consumers of all income levels can enjoy a well-balanced meal by paying only RM14. 90 for a quarter roasted chicken meal with three sidelines (Appendix II)

Geographic. There are numerous of KRR located in 6 countries: Australia, Brunei Darussalam, Malaysia, Philippines and Singapore. It is very obvious that they are more focused in Asian countries where there are already over 64 stores alone covering West and East Malaysia. In the metropolitan area of Klang Valley, there are 32 stores because the density of population is higher.

In-Store Atmosphere

Survey Methodology

In-store atmosphere observations were conducted at one of the outlets in Central Malaysia for each company by two of our members (Appendix III). This method serves us the primary survey that allows us to have the direct in-store experience. During the observation the elements of perception are put into the test such as sensation. In addition, we also had a simple evaluation of the in-store atmosphere (Appendix IV). Schiffman et. al. mentioned that consumers often judge the quality of products base on

intrinsic and extrinsic informational cues of the product. Thus, the observation details below are a mixture of both, explained in chorological order of our observation journey.

Nando’s [Nando’s Chickenland (M) Sdn. Bhd. (Mid Valley)]

Entry. At the moment we have arrived to the outlet, there was already a waitress standing by the menu stand. Immediately, she gave a tight-lipped smile and ushered us to our tables after confirmation of number of person dining. There aroma from the closed kitchen was not ventilated to the dining area.

Table. When we were seated on the dining area, the menu is immediately given by the waitress. After that, we were left unattended for about five minutes as we were selecting our choices of meal. A simple hand gesture to signal the waitress to take order was acknowledged and the taking order process began. There were not any recommendations of highlights. The drinks are served within five minutes while the meal is about ten minutes upon ordering.

Environment. Although there was not any music during our survey yet our previous experience is vice versa. The lightings were warm and comfy. The hard seats are made of wood. The overall decorations were well blended with their “ Peri-peri” concept. The air is moderately ventilated with decent temperature.

Exit. The time taken for bill payment services is less satisfied. A simply gratitude was given by the waiter. However, the waitress standing by the menu stand did not.

KRR [Berjaya Roasters (M) Sdn. Bhd. (Mid Valley)]

Entry. Despite waiting in-line for 10 minutes at the menu stand, a waitress keeps taking order to reduce the line congestion while another ushered the consumers to their available seats. There is a muffin display area located beside the menu stand that gave attraction to us while waiting. We did not order at the stand as there is a two-seated table available.

Table. The menu is given as soon as we are seated. We were left a few minutes to decide our order until we signal the waitress to take order. Similarly, there were no recommendations of highlights. However, the menu is rather attractive as it is covered in leather and the overall menu presentation is informative, providing food guide pyramid and nutrition information (Appendix V).

Environment. The lightings are too bright and created a warmer environment (Appendix V). The surrounding walls are displaying the photos and album of Kenny Rogers.

Exit. The bill payment service is less satisfied as it takes longer time. The entry and exit point are overcrowded with consumers queuing-up. We found it difficult to make an exit from the outlet.

Store Image/Positioning

Both the restaurants positioned their store image differently in terms of product selection, interior and exterior design, fixtures and fittings, lighting and pricing.

Product selection can be further refine for food industry to theme selection. Nando’s is using “ Peri-peri” as their theme which is a term describing the African bird’s-eye chilli. Thus, the degree of taste and spiciness of the food are emphasized. The degree includes mild, hot or extra-hot peri-peri for those craving for spiciness whereas lemon and herb are for others. In contrast, KRR used the theme of “ Less fat…Less salt…Less calories…” to attract healthy conscious consumers to consume roasted chicken in a more healthy way.

Nando’s chose its origin country as the base of its interior and exterior design. It created an “ African feel” throughout the outlet with wooden based furniture and African-like ornaments. Moreover, the music broadcasted is also emitting African environment. Part of their uniform is to wear a scarf which resembles the African scarf. On the other hand, KRR used the theme of its entrepreneur, Kenny Rogers. The interior mostly consists of pictures and records of him. Furthermore, the famously homemade muffins are displayed at the entrance of the outlet to further attract consumers. The displaying at the entrance is part of the fixtures and fittings placement strategy as the visibility and aroma of tempting foods generated greater consumption (Schiffman, Bednall, O’Cass, Paladino, Ward, & Kanuk, 2008).

Through our observations and direct experience, we found that KRR offers more comfortable and family-oriented environment whereas Nando’s provide more variety for 3-4 persons with “ Makan-makan together, riang riang forever!”. The seatings are the main comparison of comfortable environment: Nando’s wooden seats and KRR’s cushion seats. In terms of family-oriented environment, KRR provides more seating for group

consumers (more than 4) in contrast with Nando’s seating availability of 2-4 seaters assuming it is static. Although both provide group meals but their target perspectives are slightly different where KRR confined to family while Nando’s targeting 3-4 persons.

Despite the comparative lower prices of Nando’s with higher prices of KRR yet both have distinctive pricing strategy. Take the quarter chicken with sidelines as example; Nando’s ¼ chicken with 2 sidelines is at RM14. 95 but KRR’s RM15. 90 ¼ chicken meal comes with 3 sidelines and a muffin (Appendix II). According to Schiffman et. al., if the absence of direct experience or other information, consumers will likely take price as an indicator of quality. However, the store images and brand names are likely to be known to consumers assuming that they have paid their first visit or heard it from their peers. Thus, pricing factor to perceive quality of the products is lowered.

SWOT Analysis and Marketing 4 P’s

By examining their SWOT (Appendix VI) and 4 P’s, the list of advantages and disadvantages are able to be generated.

Marketing 4 P’s

Product

Both Nando’s and KRR are fast food industries. Both of the main courses are served with chicken and some sidelines. Nando’s chicken is emphasis on the taste and spices so that consumers can choose the degree of spiciness they want, ranging from lemon and herbs, mild peri-peri, hot peri-peri and extra hot peri-peri. While KRR emphasize on healthy concern; low on calories,

cholesterols, oils and fats. KRR also offers consumers with their famous home cooked muffins. Both restaurants' soft drinks are refillable.

Promotion

The website of Nando's is more attractive than KRR's. Customer can purchase Nando's peri-peri sauces online in Australia, United Kingdom and USA. Those who ate at KRR and spent a total of rm60 above are entitled to get one roasters reward card, which have a chance of winning up from RM2-RM1000. Nando's is a partner of United against Malaria, which raise fund for the malaria victims by create and selling specially-commissioned beaded African bracelets. The sale of each bracelet will be used to help United against Malaria's programmes to eradicate malaria in Africa. This is the social responsibility of Nando's.

Place

Nando's operates more than 26 countries and in five continents – Australia, Bahrain, Bangladesh, Botswana, Canada, Cyprus, Fiji, India, Ireland, Kuwait, Lebanon, Lesotho, Malawi, Malaysia, Mauritius, Namibia, New Zealand, Nigeria, Oman, Pakistan, Qatar, South Africa, Swaziland, Turkey, UAE, United Kingdom, USA, Zimbabwe, Portugal, Saudi Arabia and others more. Nando's is more towards globalization. While KRR only operates in China, Malaysia, Singapore, Indonesia, Brunei, Philippines and Australia, which is almost 4 time lesser than Nando's market.

Price

The overall prices of Nando’s are lower than KRR’s. However, KRR is providing a noticeable additional proportion than Nando’s (Refer to Appendix).

Competitive advantages & disadvantages

One of the competitive advantages of Nando’s is the homepage of Nando’s. It is more interesting and attracting than KRR. Nando’s provides a few recipes at the homepage for customer to click and learn, and online purchases for peri-peri sauces; while KRR does not provide any recipes and online purchase either. In term of market development, Nando’s outlets operate in more than 27 countries worldwide.

The disadvantage of Nando’s is not well-known in Malaysia, because there is no advertisement in television, therefore fewer consumers know about Nando’s. Nando’s needs to face with different government policies in different countries thus need to go through a lot of agreement and documentation. Adapting to another country cultures and values consumes a lot of time and resources.

KRR provides food which low in calories, cholesterol, oils and fats have competitive advantages in capturing healthy conscious consumers, where more and more consumers are more health conscious in the future. This is an opportunities for KRR. The brand name of KRR is more well-known to consumers in Malaysia because of advertisements in the television.

In our opinion, the disadvantage of KRR is less youngster local consumers, where they prefer strong taste and spicy food.

Conclusion

Without proper in-store atmosphere that can compliance with their themes, food alone will not make heighten the brand image. Understanding the consumers needs and wants provide better information for an improved marketing strategy thus better competitive advantages. The changing trends of needs and wants need to be evaluated from time-to-time so that companies can reposition themselves in the eyes of consumers.

Recommendations

“ The actual quality of service can vary from day to day” (Schiffman et. al., 2008) thus standardization of services is important to improved quality. A daily briefing prior to opening hours can be done to improve the standardization and morale of service employees. As such, mentioning the motto of “ Customers are always right” can be a good way to remind the employees about the quality service should be delivered everyday. A good non-verbal language should also be conveyed such as a warm and shiny smile to greet the consumers.

Schiffman et. al. also mentioned that services are normally perishable thus it is good to distribute the service more equally over time. Assume that consumers will usually have their dinner from 7-8p. m., the seatings will mostly be full. Thus, offering a less expensive early bird dinner at 6p. m. can shift the customers from peak hours. Often during peak hours, the quality of services will decline due to insufficient service employees.

KRR excelled at providing positive effect while customers waiting in-line. Whereas, Nando’s only provides a menu stand that can be considered

insufficient to give positive effect. Therefore, by replicating KRR strategy at the entrance can further enhance the effect such as displaying the peri-peri sauces and give consumers a try on the level of spiciness.

Evaluating the delivery services done by Nando’s is a must since there are several dissatisfied consumers with the service provided. If the evaluation seems to show that the profit margin generated is less than expected yet it is hurting the image of store by not delivering on time, then it is better off to focus on the restaurant rather than providing this services.

Since food industry is a mixture of products and services thus food quality and image must be improved in differentiating the service from competitors. A constant feedback form from consumers can tell the restaurant whether they are satisfied or unsatisfied about the food and services. From the feedback generated, the management can focus on specific improvements.