

# Kfc marketing audit strengths



**ASSIGN  
BUSTER**

Obvious that KFC as a successful brand, the company owns and franchises more than 15, 500 Outlets in more than 100 countries. This is pertinent to Consumer loyalty and attracting the right sort of Franchisee It is Pivotal to the Success of the Franchise.

Secondly is the Customer Loyalty. KFC has clear specifications and food production process, this makes KFC food safer than other fast food, get the trusts from the customers, compared with other fast food customers prefer to choose safe food. And KFC food preparation time is short, so as to win more potential customers, especially the office workers and young people.

At last is the KFC Ranks highest. KFC has among all chicken restaurant chains, for its convenience and menu variety. KFC is the world's biggest chicken restaurant chain and 3rd largest fast-food chain, and KFC also was the most identifiable brand in chicken/fried food.

## **Weaknesses:**

Unhealthy food

KFC menu is largely formed of high calorie, salt and fat meals and drinks. Such menu offering prompts protests by organizations that fight obesity and hence, decreases KFC popularity. Consumers also often opt out for healthier choices.

From YUM Brand Website: (Investor Relations)

75% of consumers eat less fried chicken due to health concerns

22% of consumers eat less KFC because they consider us too expensive

### High employee turnover

Employment in KFC is a low paid and low skilled job. It results in low performance and high employee turnover, which increases training costs and add to overall costs. In terms of staff, excess liquidity so that employees more agitated at work, the lower professional quality rather than improve.

### Untrustworthy suppliers

Over the years, KFC has been contracting many suppliers, which of them was contaminated poultry to KFC or were contained in hormone chicken. Thus resulting in falling sales and damaged reputation.

## **Opportunities**

### Increasing demand for healthier food

While demand for healthier food increases, KFC could introduce more healthy food choices in its menu and reverse its weakness into strength.

### Home meal delivery

KFC could fully exploit (it test deliver services now) this opportunity and reach more customers.

### Introducing new products to its only chicken range

KFC could introduce new meals to its menu and offer pork, beef or only vegetarian meals, which would target wider consumer group and would result in more costumers.

## **Threats**

### Catering overlord McDonald

The competitors of KFC have successfully captured a large market share. According to findings McDonalds has about 35 percent of the share in Sandwich Segment whereas the Burger King owns about sixteen percent of the market share in fast food industry. The local restaurants in different countries where KFC has presence pose a threat to the company.

### Trend towards healthy eating

And due to growing awareness about healthier food people now looks for something healthy, low calories and delicious at the same time.

### Home market

Now KFC cannot rely on just its home market to generate sales. As the US markets are already saturated and leave no or little scope for growth, company necessarily needs to look at offshore overseas markets to generate sales and keep up the profits.

## **Marketing mix**

### **Price**

#### KFC's price positioning

A common meal of KFC is 7 dollars, while currently, in the U. S., the per capita income is 90 dollar a day, which is about 13 times the price of a meal in KFC. So KFC should focus on middle and low-income groups.

As a global brand, KFC use multiple price strategy due to different market situation. The price strategies that implement in the home market U. S. have a big difference with its global strategy. Currently, KFC's biggest market share is moving to the immature markets and developing countries. As a result, KFC choose the price skimming as its pricing strategy. Because of its advanced management experience, advance the supply chain, advance technology, and strong financial support.

In general, its price is higher about 3%-5% than other competitors, while other product such as hamburgers and beverage prices is basically the same as with the competitor.

## **Products**

KFC's specialty is providing various forms of fried chicken. Its main product is fried chicken and fried chicken burgers and some of other packages.

By exploring KFC's products, its products can be found in a series of characteristics. First of all, it has standardized operating processes to adapt to local tastes. And KFC has exclusive secret recipe used in their chicken products, which are why KFC is called " chicken exports. More importantly, the production of KFC fast and convenient, the positioning of all the food is fast food and family packages, which attracted more groups of customers. But KFC foods not focus to health, high-calorie and fat.

## **Promotion**

One of KFC's promotion methods is sales promotion, which includes Premiums, Coupons and Entertainment.

## Premiums

For Sale promotion, KFC has used premiums strategy that gives some little gifts as premiums like toys, key chain, coffee cup, T-shirt, and give spicily gift at festival to attract customers especially teenagers

## Coupons

All KFC outlets offer its customers with various forms of incentives to buy its chicken. Issuing coupons, through the use of coupons to clients can enjoy free portion of cash payments or for dinner. This strategy can attract many people to or from the lower classes of consumers, because they are always looking for a lower price.

## Entertainment

At some KFC restaurant, for children's entertainment facilities, and can be a special birthday party. This service is especially busy at work and has no time to accompany the parents to the children. This service can provide a good time and environment to family.

## Place

KFC operates more than 5, 400 restaurants in the United Stated. It has its outlets in various locations throughout the state which are going to cater to our needs for the distribution process. KFC open their outlets in cities such as the first and second-tire cities in eastern U. S., in which transportation conditions are better and are in a higher population density. Since KFC's target market are mostly young people. It always places itself close to

schools, colleges, cinemas and commercial areas which are predominantly populated by young and people who are in a hurry.

## **Physical Evidence**

KFC is sometimes held exhibitions in public, let people know KFC's new products and culture. Because of the exhibition will attract all kinds of people in different age and social status, KFC is able to significantly expand its consumer market.

## **People**

People living in a hectic lifestyle - Currently, more and more employees in the U. S. are living in a hectic lifestyle. The hectic lifestyle made individuals formulate the fast food concept of saving time on preparing food and have a full meal in a very short time. Some young people do not like cooking. They always like to try something different and eating out with their friends will always be the best choice.

## **Competitors**

KFC has many competitors, such as burger king, Popeyes, Chick fil - A, Church's Chicken, Zaxby's, McDonalds. But the main competitor is McDonalds.

## **Marketing Structure**

How to services

KFC should extend its product line and bring out more new product to fit the customers while at the same time protect its own classic products. What's more, KFC should take some practical measures to create its brand loyalty of

consumers, which is a consistent preference of clients over all other same type products. In addition, KFC should keep its core and supplementary services and develop much more services that match with the local customers.