

Swot analysis of kfc assignment



KFC was founded by Harland Sanders (Sanders) in the early 1930s, when he started cooking and serving food for hungry travelers who stopped by his service station in Corbin, Kentucky, US. He did not own a restaurant then, but served people on his own dining table in the living quarters of his service station. His chicken delicacies became popular and people started coming just for food.

Kentucky Fried Chicken was born. Soon, Sanders moved across the street to a motel-cum-restaurant, later named ' Sanders Court & Cafe,' that seated around 142 people. Over the next nine years, he perfected his secret blend of 11 herbs and spices and the basic cooking technique of chicken. Sanders' fame grew and he was given the title Kentucky Colonel by the state Governor in 1935 for his contribution to the state's cuisine. Sanders' restaurant business witnessed an unexpected halt in the early 1950s, when a new interstate highway was planned bypassing the town of Corbin.

His restaurant flourished mainly due to the patronage of highway travelers. The new development meant the end of this. Sanders sold his restaurant operations. After settling all his bills, he was reduced to living on a meagre \$105 social security cheque. But Sanders did not lose hope. Banking on the popularity of his product and confident of his unique recipe for fried chicken, Sanders started franchising his chicken business in 1952. He called it Kentucky Fried Chicken. He traveled the length and breadth of the country by car, visiting as many restaurants as possible and cooking batches of chicken.

If the restaurant owners liked his chicken, he entered into a handshake agreement that stipulated payment of a nickel⁹ for each plate of chicken sold by the restaurant. By 1964, Sanders franchised more than 600 chicken outlets in the US and Canada. KFC IN INDIA:- Foreign fast food companies were allowed to enter India during the early 1990s, thanks to the economic liberalization policy of the Government of India (GoI). One of the first fast food multinationals to set foot in India was Kentucky Fried Chicken (KFC), owned by PepsiCo. KFC received permission to open 30 new outlets across the country.

It chose Bangalore as its launch pad because the city had a substantial upper middle class population, with a trend of families eating out. Also, it was considered India's fast growing metropolis in the 1990. The Bangalore outlet was opened in June 1995. Apart from Bangalore, PepsiCo planned to open 60 KFC and Pizza Hut outlets in the country over the next seven years. However, KFC became embroiled in various controversies. SWOT Analysis of KFC

STRENGTHS: - 1. BRAND NAME:- KFC is a well known Foreign Brand. KFC has name recognition around the world and has been globally positioned for many years.

People in India get easily attracted towards foreign brands n foreign food habits. Western influence is too much on Indians. Most of the people are very fond of non-vegetarian food. So it is the strength of KFC. 2. STANDARD PRODUCTS: - KFC's brand standard products are their strength throughout the world, KFC works around the core and gives consumers products with a familiar taste, especially " important in a country like India that is home to

such distinct and different food habits". 3. STRONG TRADEMARK RECIPIES: - KFC's secret recipe of 11 herbs and spices has made it the leader in chicken.

They use same recipe in all its outlets all over the world. KFC is popular for its unique taste in all over the world. 4. PLACE FOR HIGHER INCOME GROUP:-

KFC is a place for upper class or upper middle class people because of its high price menu. Its food products items are highly priced which can be afforded by higher income group people only. OPPERTUNITIES: -` 1.

CHANGING TRENDS IN INDIA;- With the economical developments and coming of big mnc. s and western culture in india people have started going out to eat and have refreshments. It have become a status sigh for people to go out and have meals in good places.

So being a reputed food brand it have the opportunity to expand its business further in india. The young generation of India has drifted towards junk food against the traditional Indian homemade food. People have started to live a fast track life, so much so to that they prefer going to the junk foodies restaurant and pick up a quick grab in just few minutes instead of making lunch/dinner at home and easting 2 to 3 hrs preparing it. 2. VEGETARIAL MENU;- KFC has made sure one other thing: it doesn't want to alienate the vegetarian community " that gave birth to the vegetarian menu".

It means you can be veg and yet be at KFC. The vegetarian menu in India came about when KFC found the country had about 35 per cent vegetarians, and in metros such as Delhi and Mumbai, almost 50 per cent. If you are veg and looking for a meal, you can combine the veg fingers with steaming, peppery rice and a spice curry. The mayonnaise and sauces don't have egg

in them. 3. INDIA IS A BIG COUNTRY:- As India is a big country and spread out in a large area geographically so it is good from the point of view of kfc s scope of expansion.

There is ample scope for kfc to expand its business in India because India is a big country with a very big population base. and if thing turn out to be positive in future it is going to become tourist hub, which will be very big advantage for kfc to expand its operations in India. 4. India is a huge market and upcoming tourist destination:- India is a big country with a very big population base and if thing turn out to be positive in future it is going to become tourist hub, which will be very big advantage for kfc to expand its operations in India. WEAKNESSES:- 1.

People thought of KFC as a restaurant serving only chicken. Indian families wanted more variety, and the impression that KFC had only one item on its menu, didn't enhance its appeal. 2. QUALITY:- When it comes to Quality - KFC is far behind from MC Donald's, they really need to maintain their quality standards well if they want to rise up the ladder and compete with McDonald's 3. LESS VARIETY FOR VEGETARIANS- Though Non-Veg lovers can have a fest in KFC, the VEG lovers are sidelined and are not taken of that much care; there is no variety for the veggies here in KFC.

They have very less variety for vegetarians as compared to the 35 per cent vegetarians, and in metros such as Delhi and Mumbai, almost 50 per cent. 4. PRESENTATION SKILLS AT KFC ARE POOR; - Presentation skills also matters - and no one can really beat MC Donald's for that, they have these different offers from time to time, they have special offers for 12 months of the year

for kiddies, they give away free toys etc, all this is really required if you want to win away the masses. KFC does not offer any of those. Presentation skills at KFC are really poor. 5.

POOR POSITIONING :- KFC's failure was attributed to certain drawbacks in the message it sent out to consumers about its positioning. It wanted to position itself as a family restaurant and not as a teenage hangout. But according to analysts, the 'family restaurant' positioning didn't come clearly in its communication. Consumers saw it as a fast food joint specializing in a chicken recipe. 6. NEGATIVE IMAGE OF KFC FROM THE VERY START:- Since kfc has made its first entry in india it has been into many controvrries and this has formed negative image of kfc in the minds of india people. he various controvercies are- A. MORE USE OF MONOSODIUM GLUMATE;- When KFC started its business in India The regulatory authorities found that KFC's chickens did not adhere to the Prevention of Food Adulteration Act, 1954. Chickens contained nearly three times more monosodium glutamate (popularly known as MSG, a flavor enhancing ingredient) as allowed by the Act. B. PROTEST BY PETA;- Then the late 1990s, KFC faced severe protests by People for Ethical Treatment of Animals (PETA), an animal rights protection organization.

PETA accused KFC of cruelty towards chickens and released a video tape showing the ill-treatment of birds in KFC's poultry farms. C. PROTEST BY KRRS:- KFC faced problems in the form of protests by angry farmers led by the Karnataka Rajya Ryota Sangha (KRRS). The farmers leader condemned KFC's entry into India, saying that it was unethical to promote highly processed 'junk food' in a poor country like India with severe malnutrition

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problems. He expressed concern that the growing number of foreign fast food chains would deplete India's livestock, which would adversely affect its agriculture and the environment.

He argued that non-vegetarian fast-food restaurants like KFC would encourage Indian farmers to shift from production of basic crops to more lucrative varieties like animal feed and meat, leaving poorer sections of society with no affordable food. D. PROTEST BY PETA IN 2003:- By late 2003, PETA further intensified its campaign against the cruel treatment meted out to chickens by KFC through protests at regular intervals. Celebrities like Anoushka Shankar, daughter of the legendary sitar maestro Ravi Shankar, directly supported the cause of PETA.

THREATS: - 1. COMPETITION FROM Mc Donald's:- One of the direct competition to KFC is from Mc Donald's. With the invention of McDonald's in INDIA, junk food has become more popular between the young youth as McDonald's launched its branch in most of the major cities of INDIA. Along with McDonald's many other junk food brands started their business here. 2. COMPETITION FROM HOME GROWN PLAYERS: - KFC is facing tough competition from homegrown players like Narula's, Pizza Corner, Bikanerwala etc. 3.

INDIANS HEALTH AND FRIED FOOD:- Indians are as a people prone to heart ailments, in fact genetically it has been proved we are under threat because of our change dietary habits and sedentary lifestyle. As far as fats like ghee etc are concerned their regular use in excessive quantities leads to cholesterol levels going awry. 4. NON- VEGETARIAN FOOD AND INDIANS: - Indians

basically are vegetarian and meat products are only additives to their food. Infact Mc Donald's have taken full care of this aspect of Indian food habits and are having good go in India. SUGGESTIONS

Majority of Indians being vegetarian, the KFC will find the going tough. They ought to break out of their image of being only a non-vegetarian joint, which as the name suggest is difficult, to change this will require a lot of effort and exemplary service by its various outlets and staff. Convincing Segregation of vegetarian and non-vegetarian service to the customer will have to be ensured. Further KFC will be advised to include, as a health propping measure, a spattering of salads as a compulsory and tasty adjunct to their non-vegetarian fare. BIBLIOGRAPHY

References from net:- 1. www. kfc. com References from book:- 1. A FRAMEWORK FOR MARKETING MANAGEMENT BY PHILIP KOTLER. References from newspaper 2. THE HINDUS NEWS PAPER . Mc Donald's is the biggest competitor of KFC Mc Donald's is very successful in India as compare to KFC because Mc Donald's have changed its strategy from time to time according to the requirement of time or customers choice. With the invention of McDonald's in INDIA, junk food has become more popular between the young youth as McDonald's launched its branch in most of the major cities of INIDA.

Along with McDonald's many other junk food brands started their business here. But KFC still has very less no of outlets. When it comes to Quality - KFC is far behind from MC Donald's, they really need to maintain their quality standards well if they want to rise up the ladder and compete with Mc Donald's. Though Non-Veg lovers can have a fest in KFC, the VEG lovers are

sidelined and are not taken of that much care; there is no variety for the veggies here in KFC, as much as they have in McDonald's. In MC Donald's you get a wide variety of choices for both VEG and NON-VEG lovers.

Presentation skills also matters - and no one can really beat MC Donald's for that, they have these different offers from time to time, they have special offers for 12 months of the year for kiddies, they give away free toys etc, all this is really required if you want to win away the masses. KFC does not offer any of those. Presentation skills at KFC are really poor. KFC has not changed its strategies and has not taken much interest in consumers demand. It has not done much for vegetarians. This has lead to slow growth of KFC and less popularity of KFC as compared to Mc Donald's.