

# A case study on impact of bird flu on the sales of helvetia fast food shop assign...

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Analysis of Strategic Decision on Business Crisis A Case Study on Impact of Bird flu on the Sales of Helvetia Fast Food Shop Sales in the city's fast food shops have marked a sharp fall as customers continued to ignore chicken items out of bird flu fear, hitting hard the booming fast-food business. - reports UNB, Financial Express. Ground of the Crisis In order to solve the unemployment problem poultry business is always prioritized, result of which is there are more than 100, 000 small poultry farms in Bangladesh, producing \$400 million worth of chickens and \$300 million worth of eggs every year.

Bangladesh has about 220 million chickens and 37 million ducks. Five million people are directly employed by the poultry industry. The disease Bird flu is basically caused by avian influenza viruses, which occur naturally among birds. Pandemic flu is flu that causes a global outbreak, or pandemic, of serious illness that spreads easily from person to person. The first officially announced bird flu outbreak in Bangladesh occurred in February 2007.

Bird flu has been confirmed in at least 45 of Bangladesh's 64 districts and to check the spread of the virus, the Bangladesh government has raised compensation for poultry farmers to encourage them to report and kill sick birds as part of efforts to stamp out the outbreak. Nearly 600, 000 birds have been culled across the country against the virus since March 2007, but it continues to spread and now covers nearly two-thirds of the country. No cases of human infection have been reported.

Bangladesh recently tightened controls along its porous border with India, with authorities ordering officials to block all imports of poultry and eggs

from that country. Bangladeshi government also has decided to ban import of chicks from four European countries — Turkey, Greece, Romania and Russia — where bird flu has broken out recently. Movement of chickens has been banned outside a 10 sq km (3.9 sq miles) area around the affected farms, officials said. Bangladesh's poultry industry has counted a loss of more than 41 billion taka (about 586 million U.

S. dollars) in the last one year due to the outbreak of avian influenza or bird flu. **Brief Induction of Helvetia Fast Food Shop** Helvetia is a fast food restaurant that is well known for its fried chicken items. The taste of Helvetia's fried chicken is both unique and savory. It is highly popular with the locals and is one of the pioneering fried chicken venues. Chicken broast of Helvetia is deep fried chicken which is very crispy and tasty to eat. Prices are a bit high for everyday visits but definitely worth the money. The decor at of this chain shop is very snazzy and is a great hangout joint.

Within Helvetia one can find comfortable seating arrangements and an area for children to play in. Many families and groups of friends often come to Helvetia for their amazing and affordable fried chicken. Bird Flu at Helvetia It is about at the end of 2007 or begging of 2008 when Helvetia faced a big stone on their journey path because of bird flu outbreak. As Helvetia is completely chicken based fast food shop, the virus attacked the business directly and deeply. Starting from a simple rumor the virus was gradually turning in to a real danger which made scared of chicken food.

People started avoiding chicken food in both home and outside fast food shops. As the fear works more actively than conscious awareness, people forgot to believe that the virus of bird flu gets totally inactive if it is cooked in high heat. The consumption of chicken food simply went down below everywhere. A survey showed that, although full boiled chicken is free from all danger but people were not fully aware of this and avoided the chicken. Table: shows the percentage of consumption level in different region in terms change in consumption (decrease).

Figure: shows the percentage of consumption level in different region in terms change in consumption (decrease). Above data of decreased chicken consumption rate shows a supportive direction toward the decrease sales of Helvetia. People were especially scared to take chicken food in outside because of assurance of high heat cooking. Helvetia faced then and then falling amount in their sale. It's not like that they were just looking to the danger situation from their bunker. They took immediate step toward situation to protest it from being worst and to save their profit figure.

First and fore mostly Helvetia went for wide marketing activities to make people aware and secure from the chicken of their shop. They collect their supply from a renowned supplier named 'Aftab Poultry Firm' which was certified from the doctor for being free from the virus. Helvetia clearly showed this certificate to their consumer. They also arranged huge marketing campaign, poster, advertise to assure people about the purity of their product. Although Helvetia's attempt for marketing activities was justified for that situation but it created a condition of death from both ways.

It had to pay the amount for marketing activities from the decreased sales. As a result the ultimate loss margin got too big to absorb. They took this risk with the belief to overcome the loss from increased sale because of wide marketing. But the sale took too much time to come up in a satisfactory position. At this time Helvetia got little bit benefit from the supplier when every one stopped buying chicken for which supplier forced to sell at a cheaper rate. But it did not continue for so long, as the government restricted all kind of chicken production inside the country and also supply from outside the country.

Here Helvetia had to buy at higher rate. Although they increased they increased the price of their product little bit but it did not work to overcome high rated supply. In fact this has fueled the fire, because people were already against the chicken, they did not want to take disease inside them with high price. But fortunately, situation turned from danger in to comfort day by day. With time pass Helvetia's marketing efforts to make people aware and secure worked with full effect. People started coming back to the shop slowly and rebuilding their trust on the shop personnel.

However, According to the branch manager of Dhanmondi branch Helvetia, they are still steps behind to overcome that loss fully but they are having upward trend. Scrutiny of the Issue The crisis emerged at Helvetia was from environment and almost out of the control of the business. The virus came from outside the country which was completely unpredictable. Consumer's fear was justified but unmanageable as they were behaving in a

conservative way. Government's ineffective actions were proved supportive to make the situation worst.

Considering all these factors and given crisis scenario, Helvetia's adopted strategy of investing on marketing activities was justified to some extent.

This is because the strategy could be adopted in more polished way which would help them to avoid or minimize the mentioned loss margin portion.

The loop wholes and revised way of Helvetia's adopted strategy are- ?

Helvetia was focused only on chicken items for this reason their sale had to suffer a lot. If they were focused on beef items too then they would have a chance to have low sales decline. ? Although they promoted their beef items at the crisis time, but it was insufficient.

If they were minimized the spending on the marketing expenditure for chicken at crisis time and spend that portion to promote beef items, it would have been more beneficiary. This is because; they had to spend a lot for long time to regain people's faith on their precaution system against the virus. But in case of beef item, it was not needed; only product promotion would have been enough to recover the marketing cost as well as the loss from chicken. ? Helvetia took steps for marketing activities which incurred cost and this made the loss amount from decreased sales bigger.

They could adopt some other cheap way for example word of mouth, point of sale etc. ? They should have not increased the price of their product rather they should have tolerated the high rated supply. ? In order to overcome government's ineffective efforts, Helvetia could make an effort by teaming

up with other competitor and attempt the awareness program jointly.

Ignoring competitive mentality in case of crisis would have been proved least costly and effective for Helvetia. Helvetia's adopted strategy for that time was not incorrect at all but it was not properly refined.

As a result the strategy got some loop wholes in it. For which it had to come across a long period of time to come up in a satisfactory condition. If they were give eyes on the above critical issues they would have been the witness of less loss figure and rapid sales growth. Reference 1. <http://www.thefinancialexpress-bd.com/2008/03/09/27470.html> 2. <http://www.scribd.com/doc/23202778/Bird-Flu-in-Bangladesh-General-Awareness-Level-of-the-People-and-Impact-on-Consumption-on-Poultry-Products-in-Different-Regions> 3. <http://www.hottdhaka.com/hottspots/album.php?ode=view&albumid=254> 4. [http://www.bangladeshinfo.com/food/food\\_fast.php](http://www.bangladeshinfo.com/food/food_fast.php) 5. Oral interview with the branch manager of Dhanmondi Helvetia Branch -----

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