

The history of fast food industry marketing essay



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1. Introduction

Kentucky Fried Chicken was founded by Harland Sanders in Corbin, Kentucky. KFC is an American based company. It was established in mid fifty when Herland Sanders conducted business in United States with a prospective Franchise about his colonel Sanders recipe K. F. C. He has also succeeded in establishing a number franchises in all over the world.

The minority of KFC's restaurant in Mexico and Poverty Rico were company owned. However, KFC had established 21 new Franchises by the end of 1993. Now it has nearly 17000 outlets all around the world. KFC is a fast food industry. It is introduced in Pakistan about 2 years ago. Firstly, KFC opened in Karachi and then after in Lahore. KFC has two branches in Lahore, one is Garden Town and other is Cavalry Road. KFC Corporation based in Louisville, Kentucky is the world's most popular chicken restaurant chain, specializing in original recipe, extra crispy and colonel' s crispy strips with home styles slides.

1. 2 Organizational Chart

Area Manager-Tom

Area manager is the people who guide the spirit of KFC through their coaching and leadership they foster a culture, recognition and collaboration in every aspect of our business. Area Managers need inspire their teams to do a great job. Area manager should have excellent customer service skills and great leadership to manage the operations of multiple restaurants within a designated area. Area manager will primarily be responsible and

accountable to achieve employee productivity and labour targets, customer, profit and sales targets, operational efficiencies and excellence within standard operating procedures and set policies and procedures.

Restaurant Manager

Restaurant manager will be responsible for all aspects of managing they own KFC restaurant, including recruiting the best employees possible and coaching them to achieve excellence. Restaurant Manager will also need to be commercially minded. Restaurant manager need fostering a great team environment let them have best customer service skills and an increase in sales and profitability. Restaurant manager need shape the products and procedures through providing frequent feedback and insight into what the customers want.

Assistant Restaurant Manager

Assistant restaurant manager will be working closely to support they Restaurant Manager, train the team and meet sales and profit targets. But Assistant restaurant manager also need ensuring they restaurant achieves the level of operational excellence in KFC.

Team Leader-Karel

It is the team leader responsibility to make sure the team member create the right atmosphere and that the customers are greeted with a smile. Team leader will also play an important part in helping train and develop new team members.

Team Member

Team member in KFC must have perfect services skills and give a best smiling to customer when they are working, and service the delicious food to customer. They need emphasis on customer feedback, identify the problems and correct the problem in the shortest time.

Area Manager

Territory manager

Restaurant Manager

Assistant Restaurant Manager

Trainee Manager

Customer Relation Officer

Shift supervisor

Team Leader

Customer Service Team Leader

Food Service Team Leader

Food Service Team Member

Customer Service Team Member

Trainee Team Member

2. Planning and Strategic Management

2. 1 Basic Strategies KFC Used to Respond to Uncertainty

Every organization including KFC will always face with uncertainty. There are several types of uncertainty such as state uncertainty, effect uncertainty and respond uncertainty. To overcome these uncertainties, KFC must take its own respond. It can choose to be a defender, prospector, analyser or reactors. The basic strategies used by KFC are defender and prospector.

Firstly, KFC can act as a defender when it faced uncertainty. As a defender, KFC is expert at producing and selling narrowly defined products and services. They will stick with what they do best and concentrate on only one particular product. For example, KFC is well-known with its fried chicken. Therefore, they will emphasize more on their fried chicken. They may come out with various favor of fried chicken such as original fried chicken and also the hot and spicy one. They will not focus on other fast food products such as burger and French fries as those are what McDonald's does best but not KFC. Besides, KFC is also targets mainly on the young generation. This is because the younger generation prefers to have fast foods as their main meal. In short, as a defender, KFC is strong in its own market and is sensitive to any changes that results KFC to defend quickly.

Next, KFC may also become a prospector when they cope with uncertainty. A prospector is those who focus on developing new markets or services and in seeking out new markets rather than waiting for things to happen. In this case, KFC is more likely to create its own opportunity or invest in the new market. Besides their main focus on young generation, KFC also develop a

new idea which is serving the different categories with different meal. Firstly, KFC comes out with family meal that can serve the whole family's needs. The family meal variety bucket included fried chicken, nuggets, wedges, Pepsi coke and other side dishes. Furthermore, it introduced the X-meal which is focus on the teenagers group. Besides, kids can also enjoy their Chicky Meal at KFC.

Next, KFC will often come out with different new products. For example, what were introduced currently are the KFC Zinger Double Down and KFC Pokkits. They are included in the Colonel's Menu which the products inside will keep changing from time to time. Moreover, KFC is not only conducting their business indoor, they also have site selling for outdoor events. The KFC Catering Packages are provided for any functions such as after exam celebrations, farewell party and also company anniversary. Therefore, besides defender, KFC is also a great prospector in the fast food industry.

In conclusion, KFC is not only a strong defender but also a good prospector when it faced any of the three uncertainties. It manages to keep its brand well-known in the fast food industry and also not forget to keep improving itself.

2. 2 Establish mission and vision

Mission and vision are necessary for a company to be success.

A mission is the statement of purpose of an organization. The mission of KFC is to maximize profitability, improve shareholder value and deliver sustainable growth year after year. KFC want to increase their profit through

giving maximum satisfaction and other better facilities to their customers. Besides that, they are also having more and more outlets over the world. This indicated the growth of KFC in the fast food industry.

A vision statement is statement that expresses what the organization should become, where it wants to go strategically. The vision of KFC is to be the leading integrated food services group in the Asia Pacific region based on consistent quality products and exceptional customer-focused service. KFC have been maintained their good quality of products for the coming years. It had also become the most popular chicken and fast food restaurant in the world.

2. 3 SWOT analysis

Strengths

KFC is best known for its spiced, crunchy and finger-licking good taste fried chicken and this was preserved for almost 40 years without changing in the quality. Apart of KFC's secret recipe, the effort the management make to train their employees for not being careless in the production process also contributed a lot on the good food quality.

Besides that, KFC has a menu that successfully meets the needs of customers with families and kids. For example, in a case of a customer with a family of 4 to 5, the customer can consider ordering the Variety Bucket which contain sufficient set of food for the family or Family Plate which serves them 12 pieces of fried chicken and Kids Meal for kids. Customers can

also choose to have original taste or spicy chicken according to their interests.

Nevertheless, the franchise system of KFC is said to be contributed the most to its success. Everything in the franchise is documented and there are also strict rules to follow for the franchisers to run the restaurants. By this, KFC actually indirectly controlled the quality of foods sold in every restaurant they have.

Weaknesses

Although KFC provides various set of chicken to meet different customers, the food choices are limited to fried chicken only. KFC only serves fried chicken as their core food. This in fact caused KFC lose quite amount of customers. Because of this too they have limited their creativity towards new type of food and could not bring up their business into a whole new era.

Next, disciplines of KFC's employees at the first line are questioned as there are cases of their employees being disrespect to the customers. These indiscipline acts by those employees have greatly spoilt the reputation and name of KFC. Even though KFC apologised for that but the reputation is spoilt and it is hard to rebuild public's confidence towards KFC.

Besides that, the time used to prepare a single set of food is rather long if compared to other fast food brands. This usually occurs at peak hours as the cooking process of chickens take time. They have to make sure the chicken pieces are cooked following the franchise rules in order to preserve the

quality of food. Thus, this makes the serving time to be slower when the demand is more than the actual amount they have.

Opportunities

The first opportunity of KFC is the international appeal to American product. People nowadays are more likely to enjoy products from America as America is a developed country. Therefore, as KFC is rooted from America, people tend to consume it more frequently compared to products from other country and hence give KFC a big opportunity to further extend their business.

Next, people nowadays have higher demand on fast foods especially lives in urban area. Their live their lives now in a much hurry way which makes that have to do many things in a short period of time. Therefore, fast food is the best choice for them as their breakfast and lunch. In short, these people are now a big opportunity for KFC to target and increase their sales to these people.

Threats

The great increase in the awareness of health in the society has caused increase in consumers' tendency to look for healthy food, which makes this a big threat for KFC, a firm that provides fast food which was proven to be unhealthy. Although people tend to look for fast food nowadays, they will look for healthier fast foods anyway.

The rise of other fast foods and substitutes is also a great threat for KFC, examples are McDonald's, Burger King, Marry Brown as well as Subway.

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These fast foods restaurants are having a rising trend in their sales, which in another words, KFC's total sales will be divided to the other fast food providers.

2. 4 Grand strategy of KFC

KFC in Malaysia is adapting the growth strategy to run their businesses and services. Since year 1973, where the very first KFC outlet in Malaysia was being established, there are now over 500 restaurants are in function throughout Malaysia and the number is still on the rise. The first restaurant was established on 1st of January 1973 at Jalan Tunku Abdul Rahman and the 500th was on 29th of November 2010 at Subang 2. KFC also started to have 84 selected outlets to operate in 24 hours in Peninsular Malaysia. They are showing their outstanding growth process for almost 40 years.

Besides the expansion in number of outlets, KFC also has always been improving its product and is always innovating new product to attract more consumers. The most recent innovation, such as the egg tarts has given customers an alternative choice to chicken-centric meals. KFC has also came out with the X-meal and Colonel Burger for teens and youngster.

2. 5 Competitive Strategies

There are four competitive strategies used by the companies nowadays which are cost leadership, differentiation, cost focus and focused-differentiation. Different company may use different competitive strategy and focus on different market. For KFC, the competitive strategies used are cost-leadership and also differentiation.

Cost-leadership is used when a company keeps the cost and the prices of their products low and focus on the worldwide market. KFC is considering as using cost-leadership strategy as it is a worldwide fast food restaurant. It is the second largest restaurant chain with over 17, 000 outlets in 150 countries all over the world. Besides that, KFC also introduced foods that suit for all age range, for example, Chicky Meal for kids, x-meal for teenagers, and family meal for families. Furthermore, the prices of KFC's meal are also low enough and affordable by most of the people which the price range of KFC is from RM4. 00 - RM48. 00. In short, KFC is targeting on a wide market with keeping its cost and price low as it use the competitive strategy of cost-leadership.

The second competitive strategy used by KFC is differentiation.

Differentiation is used when a company is offering unique and superior product for a wide market. In this case, KFC can count on its worldwide well-known brand name and special " original recipe" to be unique. People can always recognize KFC by its Logo and also slogan such as " finger lickin' good". Besides, its recipe consists of 11 herbs and spices that make its fried chicken taste better and differentiates its products from those of its competitors. Hence, KFC is using differentiation strategy to make itself outstands from others fast food outlets.

In conclusion, KFC manages to offer unique fried chicken products to the wide market with affordable prices. Therefore, it is using both cost-leadership and differentiation strategy to make it stands strong for the 62 years in the fast food industry.

3. Recommendation

3.1 Utilizing the identified strengths and opportunities

The first identified strength of KFC is the high quality and good taste of its fried chicken. KFC can utilize this strength by coming out more new products by using the same recipe. This may generate the interest of people to come and try for the new products such as chicken sandwich and 'chicken nasi lemak' that have the same quality of chicken meat. Besides that, the good management of KFC in training their employees is also contribute a lot to the high quality of the fried chicken. In this case, KFC can make use of this strength wisely by adding more content into the training such as improve their manner in serving their customers and improve their speed in preparing the meal.

The next strength of KFC is its menu can meets the need of customers with family and kids. As these family and Chicky Meals are popular among people, KFC can actually try to come out with more choices in the menu of family and Chicky Meals. For example, add the meals from the Colonel's Menu into the family variety buckets. This may increase the satisfaction of customers.

The third identified strength is the franchise system KFC. Since this system contribute so much to KFC, the rules and regulations inside can be reinforced. Besides, the welfare of franchisers and employees can also be included in the franchise system. This may attract more franchisers to operate the outlets of KFC. In this way, KFC can be brought to more and more countries.

Besides strength, KFC can also utilize its opportunities wisely. First opportunity of KFC is the international appeal to American products. KFC can use this opportunity to advertise their products effectively. In the advertisement, origin place of KFC can be mentioned. This may give a greater confidence for people to consume KFC as America is a developing country.

Another opportunity of KFC is the higher demand of fast food nowadays. Urban people are too busy that they need to have their meal in the shortest time. This opportunity can be utilized by adding more meals that can be prepared in a shorter time into the menu. For example, 'nasi lemak with fried chicken' and chicken sandwiches can be added into the menu. These products which are fast and delicious can attract more customers especially those who are busy and have no time for breakfast or lunch.

In conclusion, KFC can achieve a better grade in the fast food industry if they manage to utilize their opportunities wisely.

3. 2 Overcome the identified weaknesses and threats

The first weakness KFC is the limitation of food choice. To overcome this weakness, they need to increase the types of food in the menu to make the customers have more choices. KFC serves fried chicken as they core food but they also can add on others types of food that included chicken meat. For instance, curry chicken rice, chicken nasi lemak, chicken chop or chicken pasta. This will make the customers have more choices of meal in KFC and they will not lose their interest to the food of KFC.

The next weakness is the weak discipline of the first line's employees. In this case, KFC should implement a more rigorous screening and training program of employees. Interview procedures of the employees must include the written and oral tests to make sure the employees that are selected have good discipline and attitude. Through the training, they ought to improve the service of employees to customer and focus on the relationship between the customer and employees. Employees should serve the customers kindly. They need to keep smiling all the time and must be patient when the customer orders their food.

Furthermore, KFC need to improve its cooking procedures to avoid the problem of wasting a lot time in the preparation of food. Firstly, the employees of KFC need to prepare the food are difficult to cook first before they start working. Secondly is improving the efficiency of employees and ensure that every chef is not lazy in the kitchen. Lastly is writing the cooking times for each food in menu to let the customer know how long the time they need to waiting.

The way to overcome the threats is KFC need to make their food healthier as people nowadays preferred healthy fast foods. They can try to use healthy oil to fried chicken. In their food need contains less sugar, less oil and less salt, try to intake the natural sugar from the fruit, while avoid intake the trans-fat. KFC also can use grilled chicken to replaced fried chicken. They can add on the food are made by fresh vegetables and fruits in menu, such as salads, sandwiches and mashed potatoes and change the carbonated drinks become healthy drinks to ensure that are match the tastes of customer.

Besides that, in order not to let other fast foods and substitutes become the threat for KFC, KFC need some actions to attract customers. KFC can decorated they shop according to the theme in the special festivals and have promotions or discount activity in the festive days, such as Chinese New Year, Christmas, Valentine's Day, Mother's day and Father's day. They can also make a series of dolls to attract customers to gather. KFC can also try to provide free Wi-Fi. This will provide more convenience for the customers. Moreover, the KFC outlets must be cleaned and the waiters' attitude should be nice and have good service. KFC need to emphasis on customers' feedback, identify the problems and correct the problem in the shortest time to let the customers see the efficiency and effectiveness of the restaurant in treating the problems.

In conclusion, KFC can be more successful in the fast food industry if all the weaknesses and threats are overcome effectively.

4. Conclusion

KFC had made a lot of successes and achievements throughout decades. The most recent achievements include the Specialty Awards Best Brands (Brand Strategy Category) by Brand Laureate, Trusted Brand - Gold Award by Reader's Digest, Trusted Brand Award by Yum! Brands and many other awards especially trusted brand awards and excellence awards within year 2009 to 2011.

This shows not only the commitments and contributions of the KFC's management team but the first-line employees as well. The management team utilizes the strengths and opportunities as well as their knowledge and

experiences in engaging strategies in the expansion of KFC and in respond to uncertainties to achieve in excellence achievements such as the Industrial Excellence Award. Furthermore, employees at the first-line are the main one who gained the confidence from the public to be awarded in so many trusted brand awards.

Apart from the formal achievements, KFC also achieved in accomplishing its mission by maximizing productivity, improving shareholder value and expanding its business to over 500 outlets in Malaysia. In terms of vision, KFC has also accomplished it by becoming one of the leading integrated food service groups in Asia Pacific with constant and high quality of food and services.

All in all, KFC will continue to grow and expand. They will further improve their employees' qualities to minimize uncertainties. Further exploitation of strengths and opportunities will be carried on and elimination of weaknesses and threats is on the go. In short, they will accomplish more achievements in terms of awards, the trust of public and also their mission and vision.