

Marketing
assignment on
transcom food and
beverages ltd.
flashcard



**ASSIGN
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TRANSCOM FOOD LIMITED Transcom group started its journey in 1885 through tea plantations. This diversified business house now has interests in many segments in the industrial and service sectors in Bangladesh. Some of the brands managed by the group include: Pepsi, 7-Up, Mirinda, KFC, Pizza Hut, Phillips N. V, Whirlpool, Maybeline, Garnier, Heinz, Frito-Lay, Lindt, Servier, Novo-Nordisk. Other aspects of the business include: Pharmaceuticals (Eskayef Bangladesh Ltd. [www. skfbd. com](http://www.skfbd.com)) Newspapers (Prothom Alo [www. prothom-alo. com](http://www.prothom-alo.com) & The Daily Star [www. hedailystar. net](http://www.hedailystar.net)) FM Radio (ABC Radio FM 89. 2 [www. abcradiobd. fm](http://www.abcradiobd.fm)) Distribution (Transcom Distribution Company Ltd.) The Mission: Transcom's mission and vision are combined into a unified single statement called the TransVision, which represents our identity and lays out our corporate goals. The seven statements outline Transcom's vision and describe where we will be in 3-5 years' time. We believe our TransVision statement aptly describes what we do and what sets us apart: Transcom manages customer interactions on your behalf.

We are an extension of your company wherever your customers are. We inform and support them, sell your products and services and ensure an efficient and successful payment process. We listen, understand and adapt to your needs and those of your customers! With our unique Business Model driving operational excellence with statistical quality controls, proprietary technology and continuous improvements, Transcom's motto day-in and day-out is simply . . . We Help You Communicate with Your Customers.

Transcom Food Limited has brought two franchises in Bangladesh. Those are

1. KFC 2. Pizza Hut KFC It stands for high quality fast food in a popular array

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of complete meals to enrich the consumer's everyday life. KFC strives to serve great tasting, "finger licking good" chicken meals that enable the whole family to share a fun. Uninhibited and thoroughly satisfying eating experience, with same convenience and affordability of ordinary Quick Service Restaurants. Pizza Hut

Pizza Hut provides the perfect mix of great food, great service and great place at a great value to its customers who are looking for a grand experience. It believes in positive intension, and maintains a strong internal environment by developing its competitive work force, which it trusts. The latest technological tools along with the best support systems from our franchiser YUM! International is used to ensure easy workflow and to make its restaurants the favorite in the Country. List of Market Offerings in KFC

Item	Quantity	Quality	Price
Combo 1			290 TK
Combo 2			285 TK
Combo 3			280 TK
Combo 4			250 TK
Combo 5			300 TK
Combo 6			220 TK
Combo 7			1, 200 TK
Combo 8			2, 050 TK
Original recipe/Hot &	2 pcs		190 TK
Crispy	4 pcs		360 TK
	8 pcs		720 TK
	12 pcs		1, 080 TK
Zinger Burger		Burger-	200 TK
Burger with cheese-			230 TK
Special Thai Chicken Rice			250 TK
Tower Zinger			285 TK
Strips chicken	3 pcs		195 TK
	6 pcs		385 TK
	12 pcs		770 TK
Colonel Fillet Burger		Burger-	185 TK
Burger with cheese-			215 TK
Veggie Burger		Burger-	160 TK
Burger with cheese-			190 TK
Hot Wings	3 pcs		160 TK
	7 pcs		310 TK

List of Market Offerings in Pizza Hut 3. Beverage
4. Appetizers 5.

Soups 6. Salad 7. Pasta 8. Pizza-Pan Pizza, Thin ' n' Crispy, Stuffed Crust. 9.

Desserts Marketing Concepts There are five alternative concepts under which organization design and carry out their marketing strategies. This are-
The Production Concept: The Idea that consumer will favor products that are available and highly affordable and that the organization should therefore focus on improving production distribution efficiency. The Product Concept: The idea that consumer will favor products that offer the most quality, performance, and features that the organization should therefore devote its energy to making continuous products improvement.

The Selling Concept: The idea that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort. The Marketing Concept: The marketing management philosophy that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do. The Societal-Marketing concept: The principle of enlightened marketing that holds that a company should make good marketing decisions by considering consumers' wants, the company's requirements, consumers' long-run interest, and society's long-run interests. Market Concepts for KFC:

KFC Target Market: KFC targets the young generation, as here in this country the young generation is more towards eating out and is more energetic. It targets the early single segment that is the upper class. Aggregation

Strategy: KFC does not need aggressive marketing or advertising because Brand is strong enough. Market Segmentation: Previously they were focusing on single segment that was through Niche Marketing by offering " Combo

Deals". Now they are focusing more on other classes as well. They are <https://assignbuster.com/marketing-assignment-on-transcom-food-beverages-ltd-flashcard/>

dealing in masses by introducing value deals; most recently introduced “ Zinger Junior”. Benefits: Colonel’s value combo meals introduced previously were expensive and so there were less sales but through their recent offers, they have increased the sales by offering low prices.

Purpose: Inflation highly affects the purchasing power of the customers. And here the purchasing power of many customers is low. To cover this major segment, they have introduced affordable meals, so that it is in reach of the masses. Want Specification: The people here need a friendly and family restaurant, which must be affordable for them. Marketing concepts for Pizza Hut- The success of Pizza Hut relies heavily on delighting its customers by ensuring that all their needs and desires are met in every way. Hence, it gives strong importance to its marketing efforts to ensure that. Along with customer satisfaction, it makes sure, that the business makes money!

Therefore, the first task is to understand its consumers from every aspect. In this regard, it has tried to gain a thorough understanding of its competitive environment and continuously strive to develop unique business ideas to make its business a success. In this way it has followed the marketing concept. Pizza hut has successfully attained a broad range of loyal customers, to whom pizza has gained extreme popularity. In order to expand this range, its marketing team is involved in developing new products and concepts which is the strategy of the product concept. BUSSINES PORTFOLIO Of TRANSCOM COMPANY 10. Transcom Beverages Limited 11. Beverage Distribution Limited 12. Prothom

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TranscomHYPERLINK “ http://en.wikipedia.org/w/index.php?title=Transcom_Foods_Limited&action=edit&redlink=1” Foods Limited 16. Transcom Electronics Limited 17. EskayefHYPERLINK “ http://en.wikipedia.org/wiki/Eskayef_Bangladesh_Limited” Bangladesh Limited 18. Bangladesh Electrical Industries Ltd. 19. Bangladesh Lamps Ltd. 20. Tea Holdings Limited 21. Transcom Distribution Co. Ltd. 22. Saphtahik 2000 23. Anondodhara 24. Transcraft Limited 25. Transfin Trading Limited 26. Trinco Limited BCG Matrix of KFC

The need for strategy, in order to expand its existing product in very promising markets for KFC is very essential. KFC, along with McDonalds, and other major fast food chains have dominated the American continent as well as elsewhere. Since the 1950's when the founder of KFC had a dream, of building an empire in the fast food market, the company has undergone lots of changes. The company has changed ownership; it has taken over from Pepsi and passed over to Tricon, which owns Pizza hut, Taco bell and others. Nowadays, KFC, still dominates the chicken fast food industry while has stores in more than 100 countries operating vast profits. (De Witt ' et al. 004a) Although, due to increased conditions of life, and differentiation of the life style of the population around the world, there is still a lots of room for expansion, especially in countries with large population, and high development rate. KFC using the BCG matrix and SWOT analysis to analyze what is the current position of the company and identify that the company has the potentials to growth in fast food market. In the late 1960s the Boston Consulting Group, a leading management consulting company, designed a four-cell matrix known as BCG Growth/Share Matrix. This tool was developed

to aid companies in the measurement of all their company businesses according to relative market share and market growth.

The BCG Matrix made a significant contribution to strategic management and continues to be an important strategic tool used by companies today. The matrix provides a composite picture of the strategic position of each separate business within a company so that the management can determine the strengths and the needs of all sectors of the firm. The development of the matrix requires the assessment of a business portfolio, which include an organization's autonomous divisions (activities, or profit centers). The BCG or growth- share matrix imposes a two- dimensional analysis on management of Strategic Business Units: a comparative analysis of business strength and an assessment of the environment. The business strength measure is the businesses Relative Market share.

The environmental measure is the Market Growth Rate. BCG Matrix: The market growth rate measures industry attractiveness. Because for the case of YUM Brand, all SBUs (KFC, Taco Bell, Pizza Hut, Long John Silver's, A) are located in the same fast- food industry, the referent standard is the industry growth rate measured against the SBUs' growth rate. The underlying theory for examining market growth rate is the industry life cycle. The BCG assumes that growth rates (life cycle stages) affect a firm's finances. [pic] Placing products in the BCG matrix results in 4 categories in a portfolio of a company: 1. Stars (= high growth, high market share) Use large amounts of cash and are leaders in the business so they should also generate large amounts of cash. • Frequently roughly in balance on net cash flow. However, if needed any attempt should be made to hold share, because the rewards <https://assignbuster.com/marketing-assignment-on-transcom-food-beverages-ltd-flashcard/>

will be a cash cow if market share is kept. So, KFC Malaysia is under Star position. 2. Cash Cows (= low growth, high market share) • Profits and cash generation should be high, and because of the low growth, investments needed should be low. Keep profits high. 3. Dogs (= low growth, low market share) • Avoid and minimize the number of dogs in a company. • Beware of expensive ‘turn around plans’. 4. Question Marks (= high growth, low market share) Have the worst cash characteristics of all, because high demands and low returns due to low market share • If nothing is done to change the market share, question marks will simply absorb great amounts of cash and later, as the growth stops, a

Type SBU	Strategy	SBU	Required Investment	Net Cash Flow	Profits	Star	Hold/ Increase
High	High	-or+	Cash Cow	Hold	High	Low	High+
Question Mark	Increase/Divest	0 or -	Very High	or	High-or+	Disinvest	Dog
	Harvest or Divest	Low or-	Disinvest	+	The Characteristics of each SBU		

The analysis requires that both measures be calculated for each SBU.

The business strength dimension, relative market share, is included to measure competitive advantage. The KFC is falling on cash cow where a low growth and high market share is. So, the profit and cash generation is high and because of low growth, investments needed should be low. The funds received from cash cows are often used to help other businesses within the company, to allow the company to purchase other businesses, or to return dividends to stockholders. So the KFC should hold on what it has doing now. Pizza Hut also falls in cash cow, so the same suggestion is applicable for Pizza Hut as well. Three Paths to Success (star-cash cow-question mark) 27.

Continuously generate cash cows and use the cash throw-up by the cash cows to invest in the question marks that are not self-sustaining 28. Stars need a lot of reinvestments and as the market matures, stars will degenerate into cash cows and the process will be repeated. 29. as for dogs, segment the markets and nurse the dogs to health or manage for cash Three Paths to Failure (star-question mark-dog, cash cow-dog) 30. over invest in cash cows and under invest in question marks 31. Trade further opportunities for present cash flow 32. Under invest in the stars 33. Allow competitors to gain share in a high growth market 34. Over milked the cash cows SWOT analysis of KFC

Strengths: -Multibranding Strategy -Name recognition and Reputation - Employee Loyalty -Global Expansion -Targeting Non-Traditional Outlets

Weaknesses: -Conflicting Corporate Cultures. -No defined target market. -

Time it takes to market new products. Opportunities: -International Appeal to American products -Economies of Scale and Scope -The downturn of the US

economy Threats: -PETA -Consumer health food trend -Saturated fast food

industry SWOT analysis of Pizza Hut Strengths: 35. Pizza hut is a market leader in providing different products of pizzas as there are no competitors in these sectors. 36. They are specialized in pizzas. 37.

They are ISO (International Standard Organization) certified. 38. Another big strength and even a competitive advantage is the fact that they have a full service restaurant as well as delivery services. 39. Because of the

restaurant, Pizza Hut can market too many different segments that other pizza chains cannot. For example, Pizza Hut can market to families much

easier than Domino's or Little Caesars. Weaknesses: 40. However, the fact <https://assignbuster.com/marketing-assignment-on-transcom-food-beverages-ltd-flashcard/>

that Pizza Hut does have restaurant to run is also a weakness. 41. Pizza Hut has higher overhead cost, due to the restaurant that other competitors don't have to deal with. 42. Another result of higher overhead costs is higher prices Pizza Hut must charge. 43.

Obviously, Pizza Hut is not the low cost producer. They rely on their quality pizza and good services to account for their higher prices. 44. They are providing less range of products comparatively with high prices. They are more focused on Western taste instead of Eastern. Opportunities: 45. New markets can be explored and new opportunities they can gain. 46. Pizza Hut can come up with the new products considering the Eastern taste of the people as like McDonalds. 47. Diversification of new products can increase their market share. 48. They can reduce their prices because of more resources. Threats: 49. Pizza Hut number threats are from their competitors. Currently, 50.

Their closest competitors are Domino's Pizza who is working to open their branch at Karachi. Domino's main competitive advantage over Pizza Hut is their lower price. 51. Little Caesar's who is establishing their self in India and might move to Pakistan is another one of Pizza Hut's competitors, right behind Domino's in market share, Little Caesar's is famous for offering large quantities of pizza for less money. 52. New entrance like Dominos in Pakistan market can affect their market share. 53. Other social restaurant can affect their market share by providing pizzas with lower price. 54. Social factors can affect their image as a western organization. Product-market Expansion Grid

Market penetration: A Strategy for company growth by increasing sales of current products to current market segments without changing the product.

Market development: A strategy for company growth by identifying and developing new market segments for current company products.

Product development: A strategy for company growth by offering modified or new

products to current market segment.

Diversification: A strategy for company growth through starting up or acquiring businesses outside the company's

currents and markets

KFC Market Development -KFC will introduce their present and new products and services into new geographic/demographic

areas.

Product Development Bring back rotisserie chicken.

Concentric Diversification Add more to KFC product & service variety to the patients.