

Quick service
restaurants analysis
marketing essay



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A fast food restaurant, sometimes known as a quick service restaurant or QSR, is a specific type of restaurant characterized both by its fast food cuisine and by minimal table service. Food served in fast food restaurants typically caters to a “meat-sweet diet” and is offered from a limited menu; is cooked in bulk in advance and kept hot; is finished and packaged to order; and is usually available ready to take away, though seating may be provided. Fast food restaurants are usually part of a restaurant chain or franchise operation, which provisions standardized ingredients and/or partially prepared foods and supplies to each restaurant through controlled supply channels. The term “fast food” was recognized in a dictionary by Merriam-Webster in 1951.

Arguably the first fast food restaurants originated in the United States with White Castle in 1916. Today, American-founded fast food chains such as McDonald’s and KFC are multinational corporations with outlets across the globe.

Variations on the fast food restaurant concept include fast casual restaurants and catering trucks. Fast casual restaurants have higher sit-in ratios, and customers can sit and have their orders brought to them. Catering trucks often park just outside worksites and are popular with factory workers.

Nearly from its inception, fast food has been designed to be eaten “on the go” and often does not require traditional cutlery and is eaten as a finger food. Common menu items at fast food outlets include fish and chips, sandwiches, pitas, hamburgers(though not available in India), fried chicken, french fries, chicken nuggets, tacos, pizza, and ice cream, although many

fast food restaurants offer “ slower” foods like chili, mashed potatoes, and salads.

Value meals

A value meal is a group of menu items offered together at a lower price than they would cost individually. They are common at fast food restaurants.

Value meals are a common merchandising tactic to facilitate bundling, up-selling, and price discrimination. Most of the time they can be upgraded to a larger size of fries and drink for a small fee. The perceived creation of a “ discount” on individual menu items in exchange for the purchase of a “ meal” is also consistent with the loyalty marketing school of thought.

Technology

In order to make speedy service possible and to ensure accuracy and security, many fast food restaurants have incorporated hospitality point of sale systems. This makes it possible for kitchen crew people to view orders placed at the front counter or drive through in real time. Wireless systems allow orders placed at drive through speakers to be taken by cashiers and cooks. Drive through and walk through configurations will allow orders to be taken at one register and paid at another. Modern point of sale systems can operate on computer networks using a variety of software programs. Sales records can be generated and remote access to computer reports can be given to corporate offices, managers, troubleshooters, and other authorized personnel.

Food service chains partner with food equipment manufacturers to design highly specialized restaurant equipment, often incorporating heat sensors,

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timers, and other electronic controls into the design. Collaborative design techniques, such as rapid visualization and parametric modeling of restaurant kitchens are now being used to establish equipment specifications that are consistent with restaurant operating and merchandising requirements.

Major international brands

McDonald's, a noted fast food supplier, opened its first franchised restaurant in the US in 1955 (1974 in the UK). It has become a phenomenally successful enterprise in terms of financial growth, brand-name recognition, and worldwide expansion. Ray Kroc, who bought the franchising license from the McDonald brothers, pioneered many concepts which emphasized standardization. He introduced uniform products, identical in all respects at each outlet, to increase sales. At the same time, Kroc also insisted on cutting food costs as much as possible, eventually using the McDonald's Corporation's size to force suppliers to conform to this ethos.

Other prominent international fast food companies include Burger King, the number two hamburger chain in the world, known for promoting its customized menu offerings (Have it Your Way).

Multinational corporations typically modify their menus to cater to local tastes and most overseas outlets are owned by native franchisees.

McDonald's in India, for example, uses lamb or chicken rather than beef in its burgers because Hinduism traditionally forbids eating beef. In Israel some McDonald's restaurants are kosher and respect the Jewish Shabbat; there is

also a kosher McDonald's in Argentina. In Egypt, Morocco, Saudi Arabia, and Singapore all menu items are halal.

So, the two Quick Service Restaurants visited by me are KFC (opposite Big Bazaar, Jalandhar) & McDonald's Family Restaurant (opposite Big Bazaar, 5 min. from KFC). Here goes some brief introduction & history of the two QSR's :-

KFC

The first KFC restaurant, situated in South Salt Lake, Utah

and since replaced by a new KFC on the same site.

KFC Corporation (KFC), founded and also known as Kentucky Fried Chicken, is a chain of fast food restaurants based in Louisville, Kentucky, in the United States. KFC has been a brand and operating segment, termed a concept of Yum! Brands since 1997 when that company was spun off from PepsiCo as Tricon Global Restaurants Inc.

KFC primarily sells chicken pieces, wraps, salads and sandwiches. While its primary focus is fried chicken, KFC also offers a line of grilled and roasted chicken products, side dishes and desserts. Outside North America, KFC offers beef based products such as hamburgers or kebabs, pork based products such as ribs and other regional fare.

The company was founded as Kentucky Fried Chicken by Colonel Harland Sanders in 1952, though the idea of KFC's fried chicken actually goes back to 1930. The company adopted the abbreviated form of its name in 1991.

Starting in April 2007, the company began using its original name, Kentucky Fried Chicken, for its signage, packaging and advertisements in the U. S. as part of a new corporate re-branding program; newer and remodeled restaurants will have the new logo and name while older stores will continue to use the 1980s signage. Additionally, Yum! continues to use the abbreviated name freely in its advertising.

History

Born and raised in Henryville, Indiana, Sanders passed through several professions in his lifetime. Sanders first served his fried chicken in 1930 in the midst of the Great Depression at a gas station he owned in North Corbin, Kentucky. The dining area was named “ Sanders Court & Café” and was so successful that in 1936 Kentucky Governor Ruby Laffoon granted Sanders the title of honorary Kentucky Colonel in recognition of his contribution to the state’s cuisine. The following year Sanders expanded his restaurant to 142 seats, and added a motel he bought across the street. When Sanders prepared his chicken in his original restaurant in North Corbin, he prepared the chicken in an iron skillet, which took about 30 minutes to do, too long for a restaurant operation. In 1939, Sanders altered the cooking process for his fried chicken to use a pressure fryer, resulting in a greatly reduced cooking time comparable to that of deep frying. In 1940 Sanders devised what came to be known as his Original Recipe.

The Sanders Court & Café generally served travelers, often those headed to Florida, so when the route planned in the 1950s for what would become Interstate 75 bypassed Corbin, he sold his properties and traveled the U. S. to sell his chicken to restaurant owners. The first to take him up on the offer <https://assignbuster.com/quick-service-restaurants-analysis-marketing-essay/>

was Pete Harman in South Salt Lake, Utah; together, they opened the first “Kentucky Fried Chicken” outlet in 1952. By the early 1960s, Kentucky Fried Chicken was sold in over 600 franchised outlets in both the United States and Canada. One of the longest-lived franchisees of the older Col. Sanders’ chicken concept, as opposed to the KFC chain, was the Kenny Kings chain. The company owned many Northern Ohio diner-style restaurants, the last of which closed in 2004.

Sanders sold the entire KFC franchising operation in 1964 for \$2 million USD, equal to \$14, 027, 987 today. Since that time, the chain has been sold three more times: to Heublein in 1971, to R. J. Reynolds in 1982 and most recently to PepsiCo in 1986, which made it part of its Tricon Global Restaurants division, which in turn was spun off in 1997, and has now been renamed to Yum! Brands. Additionally, Colonel Sanders’ nephew, Lee Cummings, took his own Kentucky Fried Chicken franchises (and a chicken recipe of his own) and converted them to his own “ spin-off” restaurant chain, Lee’s Famous Recipe Chicken.

Today, some of the older KFC restaurants have become famous in their own right. One such restaurant is located in Marietta, Georgia. This store is notable for a 56-foot (17 m) tall sign that looks like a chicken. The sign, known locally as the Big Chicken, was built for an earlier fast-food restaurant on the site called Johnny Reb’s Chick, Chuck and Shake. It is often used as a travel reference point in the Atlanta area by locals and pilots.

Other than fried chicken, many KFC restaurants serve side dishes like coleslaw, various potato-based items (including potato wedges, french fries

and mashed potatoes with gravy), biscuits, baked beans, macaroni and cheese, macaroni salad, rice, steamed vegetables and corn on the cob.

McDonald's

McDonald's Corporation is the world's largest chain of hamburger fast food restaurants, serving more than 58 million customers daily.

In addition to its signature restaurant chain, McDonald's Corporation held a minority interest in Pret A Manger until 2008, was a major investor in the Chipotle Mexican Grill until 2006, and owned the restaurant chain Boston Market until 2007.

A McDonald's restaurant is operated by either a franchisee, an affiliate, or the corporation itself. The corporation's revenues come from the rent, royalties and fees paid by the franchisees, as well as sales in company-operated restaurants. McDonald's revenues grew 27% over the three years ending in 2007 to \$22.8 billion, and 9% growth in operating income to \$3.9 billion.

McDonald's primarily sells hamburgers, cheeseburgers, chicken products, french fries, breakfast items, soft drinks, shakes, and desserts. In response to obesity trends in Western nations and in the face of criticism over the healthiness of its products, the company has modified its menu to include alternatives considered healthier such as salads, wraps and fruit.

History

The business began in 1940, with a restaurant opened by brothers Richard and Maurice McDonald in San Bernardino, California. Their introduction of the "Speedee Service System" in 1948 established the principles of the modern fast-food restaurant. The original mascot of McDonald's was a man with a chef's hat on top of a hamburger shaped head whose name was "Speedee." Speedee was eventually replaced with Ronald McDonald by 1967 when the company first filed a U. S. trademark on a clown shaped man having puffed out costume legs.

McDonald's first filed for a U. S. trademark on the name McDonald's on May 4, 1961, with the description "Drive-In Restaurant Services," which continues to be renewed through the end of December 2009. In the same year, on September 13, 1961, the company filed a logo trademark on an overlapping, double arched "M" symbol. The overlapping double arched "M" symbol logo was temporarily disfavored by September 6, 1962, when a trademark was filed for a single arch, shaped over many of the early McDonald's restaurants in the early years. The modern double arched "M" symbol that continues to be in use today at McDonald's restaurants did not appear until November 18, 1968, when the company filed a U. S. trademark on the now famous symbol that continues to be in use through the end of the year 2009.

The first McDonald's restaurants opened in the United States, Canada, Costa Rica, Panama, Japan, the Netherlands, Germany, Australia, France, El Salvador and Sweden, in order of openings.

The present corporation dates its founding to the opening of a franchised restaurant by Ray Kroc, in Des Plaines, Illinois, on April 15, 1955, the ninth McDonald's restaurant overall. Kroc later purchased the McDonald brothers' equity in the company and led its worldwide expansion, and the company became listed on the public stock markets in 1965. Kroc was also noted for aggressive business practices, compelling the McDonald brothers to leave the fast food industry. The McDonald brothers and Kroc feuded over control of the business, as documented in both Kroc's autobiography and in the McDonald brothers' autobiography. The site of the McDonald brothers' original restaurant is now a monument.

With the expansion of McDonald's into many international markets, the company has become a symbol of globalization and the spread of the American way of life. Its prominence has also made it a frequent topic of public debates about obesity, corporate ethics and consumer responsibility

KFC Analysis

(a) The type (nature of store) & ownership type of Retail store:-

The store deals in Fast Foods (including Chicken items, Veggies), Drinks & Beverages. The store is owned by ANTPL (Ashok Nirmala Transport Private Ltd.). So the KFC store is a Franchisee.

(b) Competitive advantage or Competitive edge of these two stores:-

The KFC store I have visited is actually smaller than McDonald's present nearby. The KFC store has two floors (ground & first floors). Though small but neat & clean and well arranged. The furniture in the store are impressive.

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But in McDonald's we get to see a spacious room though single floored with many tables and chairs. Now talking of competitive advantage , when I enquired in the KFC store about any competition faced by nearby placed McDonald's store , the answer came straight forward that they didn't experience any such stiff competition and they have a minimum of 450-500 footfalls daily. When I was in the KFC store , I noticed that it is fully crowded by customers and the sales representatives are busy providing the required service opted by the customers. I also noticed that 5 to 6 varieties or preparations (individual Meals, Vegie Selection, Share a Bucket, Bucket Krushers drink etc.) meals with different price ranging from a minimum of Rs. 25/- to a maximum of Rs. 599/- are present.

(c) Various micro and macro environmental factors contributing to the choice of location of the store by visiting the stores.

Micro Environmental Factors:-

Elements close to a company that impact the company's ability to serve its customers are called Micro Environmental Factors. There are six components of the microenvironment: the company's internal environment, composed of the management personnel and including the finance, purchasing, manufacturing, research and development, and marketing departments.

What I analyze is that the store is running absolutely fine & if there is any internal problems occurring, I don't have the authorization to know them.

When I enquired about the choice of location, she replied that the very place was chosen because it is beside NH-1(GT road) and they used to get

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customers all the time. But we must understand that it's not the only reason; the place is opposite Big Bazaar and the location is beside GT Road , falls between Jalandhar & Phagwara. And LPU is also very close to it. So KFC can have customers from Jalandhar, Phagwara aswell as LPU.

Macro Environmental Factors:-

Universe of sociological elements that affect a company's ability to serve its customers or sell its goods and services are termed as Macro Environmental Factors . There are six major macroenvironment forces: cultural, demographic, economic, natural, political, and technological.

Here forces like cultural or political plays a vital role in the running of the company though KFC deals in chicken items in meat . Well technology is used to maintain the hygiene of the food items in the store.

I noticed that there is very few or no houses of general peoples nearby. I assume that they must have got the Piece of land at a very cheap rate when purchased. i also noticed apart from students , some locals , I noticed some foreigners also in the store enjoying the food . I don't find any reason of being concern as the store is running healthy.

(d)Strategies adopted by the stores to attract the customers:-

I got to know from KFC that they never used to give discounts on their food items nor does they provide the scheme of free home delivery. Customers used to come but then also due to the excellent service and quality of foods offered by the store. So we see that no such strategy is basically used by the

store to lure the customers. But the customers actually get the excellent service apart from quality foods, so they keep on coming.

(e) Recommendations or suggestions with reasons and complete references.

I actually assume that there is no need for any recommendations or suggestions as the store is running fine . But 1 thing I must say that is the can make more business if provided the scheme of free home delivery. Can't say if the locals will use this scheme or not but would be surely used by not all but atleast few of the 30, 000 students of Lovely Professional University.

Another thing is they have all fine staffs in their stores, one example of that is when I entered the store the guard welcomed us and I conveyed that I need to talk to the manager , to which he promptly requested me to be seated and he conveyed the message to another person on the upstairs. All well-behaved and all knowing atleast 3 languages(Hindi, Punjabi, English). This all are very important as this all has a long term effect on the minds of the customer. All this things can actually matter a lot in increasing the comfort level of the customers.

McDonald's Analysis

(a)The type (nature of store) & ownership type of Retail store:-

This store also deals mainly in Fast foods comprising of McDonald's famous cheese burgers, chicken products, shakes , desserts etc. The store is company owned official store.

(b) Competitive advantage or Competitive edge of these two stores:-

I think that McDonalds here has a greater competitive advantage as it is bigger in size than KFC, spacious and accommodate more people than KFC.

Though I doubt about the customer service because the staffs are not that so cooperative as in KFC. But when I was in the store around 3pm in the afternoon, the store was full of customers and the sales representatives are busy providing the foods & services to the customers. The footfall here must be a minimum of 650-700. Food items like Mexican Wrap(Rs. 70/-), Chicken Burger(Rs. 60/-), Veg Berger(Rs. 40/-), Softie ice-creams(Rs. 9/-, 20/-, 35/-, 60/-) , Cold drinks , Coffee etc. are available. The manager was here very rude as he is not at all interested in giving details. I didn't have interaction with him for 5 minutes also. He straight forwardly handed me the phone no. of the head-office and said to contact it for all details. I think this behavior of him is not justified at all !!

(c) Various micro and macro environmental factors contributing to the choice of location of the store by visiting the stores.

Micro Environmental Factors:-

Elements close to a company that impact the company's ability to serve its customers are called Micro Environmental Factors. There are six components of the microenvironment: the company's internal environment, composed of the management personnel and including the finance, purchasing, manufacturing, research and development, and marketing departments.

Actually here I don't have any idea if the store's or the company's operations are being hampered by any such Microenvironmental factors as the manager

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of the store clearly refused to provide basic informations. How can I have asked for these sensitive informations? But I assume that everything is right in the store i. e, the store is running fine as it was full of customers when I was there.

Macro Environmental Factors:-

Universe of sociological elements that affect a company's ability to serve its customers or sell its goods and services are termed as Macro Environmental Factors . There are six major macroenvironment forces: cultural, demographic, economic, natural, political, and technological.

Now speaking of Macro environmental factors affecting McDonald, s, I must say that they faced problems early in their operations in India because they are famous for Hamburgers containing beef & here in India, Hinduism traditionally forbids eating beef. So, McDonald's adopted a fine strategy & started using lamb or chicken rather than beef in its burgers. So the very problem was solved.

Speaking of technology , the store uses latest technology to keep the food fresh & healthy.

This store is also located between Jalandhar and Phagwara opposite of Big Bazaar. So the chosen location is good because people of both places apart from the students of LPU and few visitors of Big Bazaar can have a visit to the store. Ample parking facility is available here.

The store is in a healthy state and is running fine. So I don't think there's any macro environment factors hampering the operation the store. Here also I <https://assignbuster.com/quick-service-restaurants-analysis-marketing-essay/>

assume that they must have got the land at a cheap rate because I cannot spot any common house nearby it.

(d) Strategies adopted by the stores to attract the customers:-

Though the store never give any discounts on food items but provides quality foods and drinks. As a common matter of fact , we can spot a clown shaped man having puffed out costume legs sitting on a bench and one hand on top the bench backrest in front of every McDonalds's. Here also this is not an exception. I noticed some kinds and their parents posing with the clown for a photograph. This can be called a strategy taken by the company to lure the children and teenagers in their stores. Also McDonald's have " Happy Meals" for kids comprising of cold drinks, burger & French fries & a free toy. This also attracts many kids opting their parents to the McDonald's store.

(e) Recommendations or suggestions with reasons and complete references.

Here I must recommend of keeping quality staffs in their stores. Sometimes only good food is not the reason of the visit to the store but also the quality service which makes a customer feel good really matters. I spotted many foreigners, locals , students at the store when I visited. The staffs must improve the way of interaction and behavior with the customers so that they keep visiting their stores again and again.