



★1930★

WAY BACK IN 1930
COLONEL HARLAND SANDERS
GOT SOME DISTINGUISHED
KENTUCKY FOLK LICKING
THEIR FINGERS IT'S BEEN
IN FASHION SINCE



it's
finger
lickin'
good





Introduction Of Company

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 the USA, KFC offers beef based products such as hamburgers or kebabs, pork based products such as ribs and other regional fare.



Type	Wholly owned subsidiary
Industry	Restaurants
Founded	1930 (original) (North Corbin, Kentucky) 1952 (franchise) (South Salt Lake, Utah)
Founder(s)	Harland Sanders
Headquarters	Louisville, Kentucky , U.S.
Key people	Roger Eaton , President Harvey R. Brownlea, COO James O'Reilly, VP for Marketing
Products	Fried Chicken, grilled chicken , related Southern foods
Revenue	US \$520.3 million (2007)
Employees	24,000 (2007)
Parent	Yumi Brands
Website	KFC.com



Kentucky Fried Chicken

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. Although Sanders died in 1980, he remains an important part of the company's branding and advertisements, and "Colonel Sanders" or "The Colonel" is a metonym for the company itself. The company adopted KFC, an abbreviated form of its name, in 1991. Newer and remodeled restaurants will adopt 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.



The first KFC restaurant, situated in South Salt Lake, Utah and since replaced by a new KFC on the same site

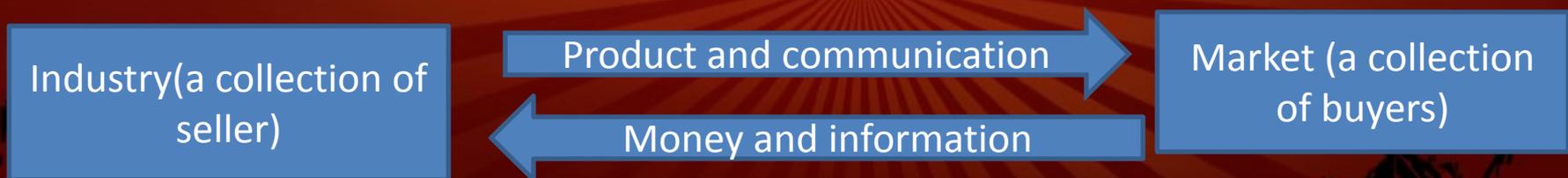


COMPETITIVE ANALYSIS



ECONOMIC ANALYSIS

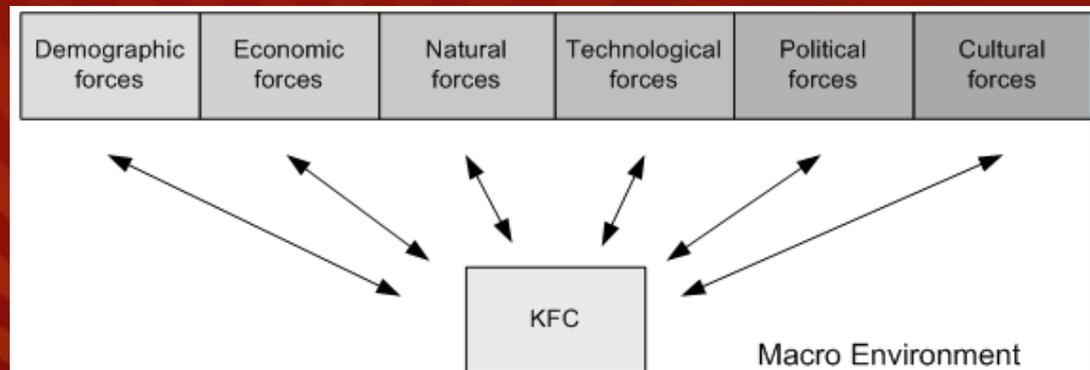
- All actual and potential buyers of a product are included
- Buyers have a need to satisfy their demands through exchange





MACRO ENVIRONMENT

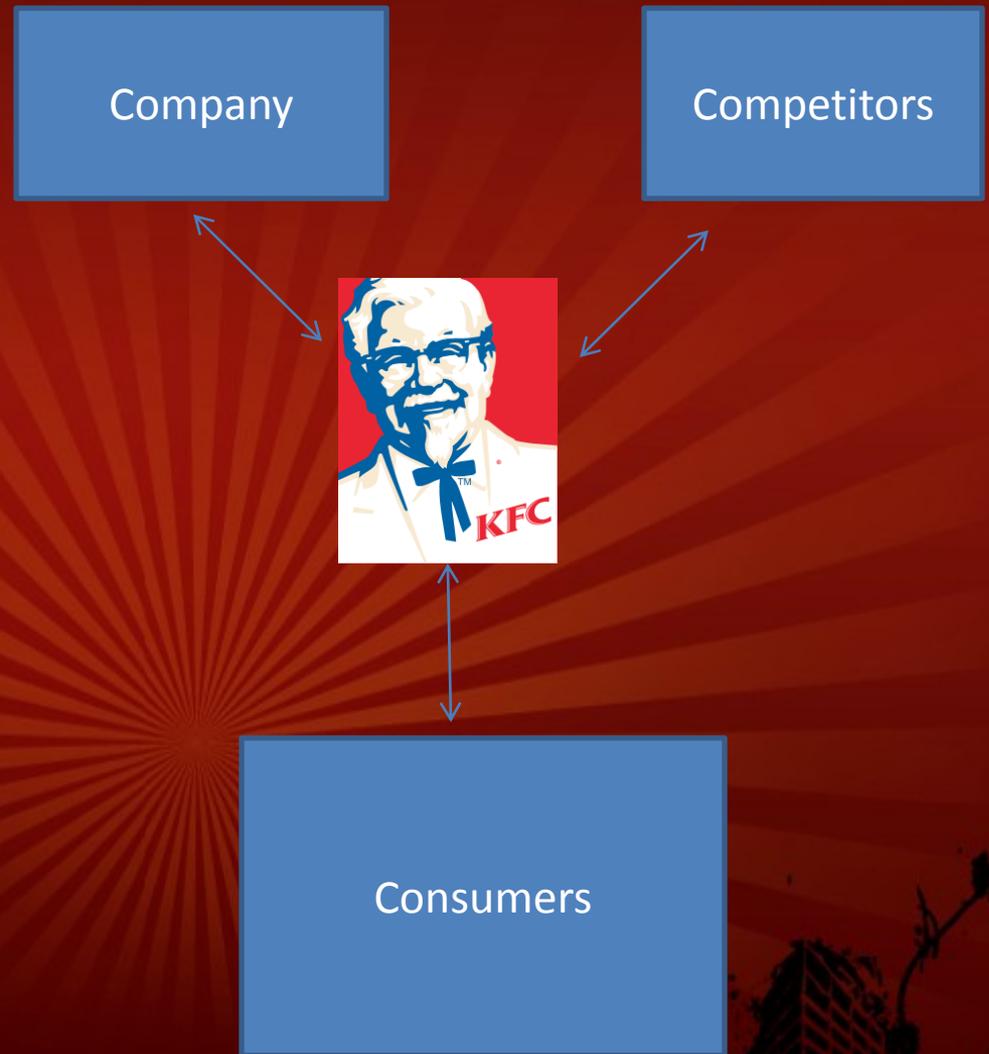
- KFC operates in a larger macro environment of forces that creates opportunities
- A company such as KFC usually cannot influence trends in the macro environment, as they affect people and organizations on a larger scale.
- However, KFC has to carefully examine macro environmental trends and must create competitive responses to such trends.
- There are six major macro environmental forces





MICRO ENVIRONMENT

- The microenvironment consists of all forces that are close to KFC, and on which KFC has an impact.
- They directly affect KFC's ability to serve its Customers.
- Three major components influence KFC's micro environment





MARKETING STRATEGIES OF KFC

- According to KFC, kids become the future permanent customers and we know very well that without any marketing strategy no marketing program and no product is successful because we depend upon customers, customer not depend on us.
- KFC is following Niche Marketing and Societal Marketing techniques.
- KFC possess a western culture because some of the Indian people are also following that culture.
- KFC are moving from Divisional Level to the District level by opening branches
- KFC also offer free home delivery.
- KFC open their outlets on reachable places.
- KFC menu consists of more than 30 products.
- KFC gives more priority to Family.



MARKETING

There are 4 P's of marketing

1. Production : KFC has the special raspy for chicken products that is why, KFC known as a chicken specialist all over the globe. KFC target the Asia and east side because they observe that they people are like the chicken products, so they enter in the market due to the demand of their chicken products.
2. Pricing : KFC during pricing their products keep the different points in the mind like they adopt the cost base price strategy. Pricing of the product includes the Government taxes and excise duties and then they come at final stage of determine the price of their products. KFC prices of products are a bit high according to the market segment and it is also compatible to the standards of their products.

Total Pounds of Chicken Served in KFC Restaurant Annually = 1.914 Billion

Total KFC Chicken Pieces Sold Annually = 5.89 Billion

Total Retail Sales = \$8.9 Billion

Sales Price of per Chicken Piece = \$1.51



3. Promotion : KFC uses the bill boards the major source of advertisement and one of the most important thing that they uses media especially the newspapers to promote their products. They are also creating awareness among the masses about their existing product range as well they tell us about the future projects.

4. Placement : For, KFC the placement of the product is not important but the placement of the restaurant is important we can easily judge that the KFC target the place for their restaurant, which is well known and is in the Porsche area where the income level of the people is high then the middle class level. Because the prices of the KFC products is high with comparison to the local products manufacturer who are dealing in the same kind of product in which KFC is dealing but the prices of the KFC is high due to special taste, high quality, and due to international brand, it is the world recognized fast food restaurant all around the world. So, for the placing strategy, KFC chose the well income class area for their restaurants.



KFC IN INDIA!

KFC is the largest brand of Yum Restaurants, a company that owns other leading brands like Pizza Hut, Taco Bell, A&W and Long John Silver. Renowned worldwide for its finger licking good food, KFC offers its signature products in India too! In India, KFC is growing rapidly and today has presence in 21 cities with close to 107 restaurants.



Target market

- **Geography:** India Metros and Tier II Cities
- **Demography:** Urban people of both genders aged between 15 to 45 years of age.
- **Income Group:** A,B and C income groups.
- **Psychographic:** People who have a busy lifestyle and are influenced by western culture

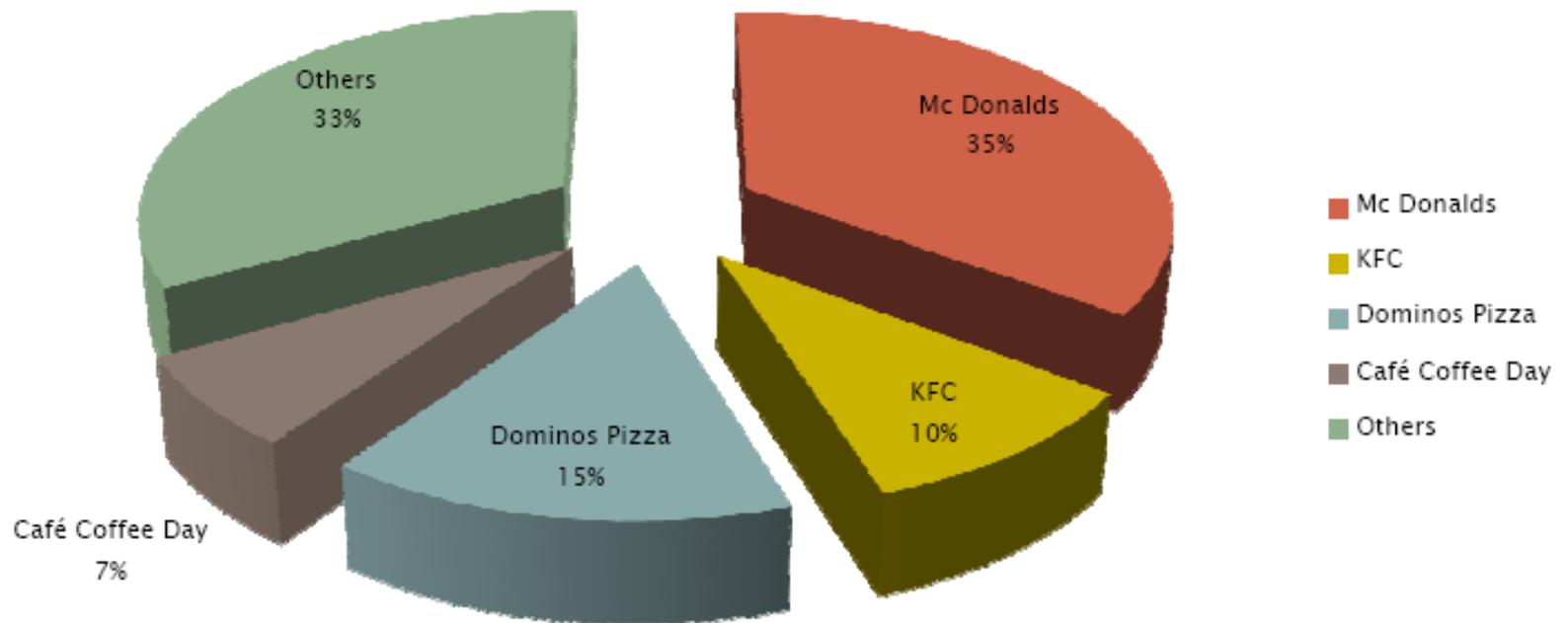
Competitive Matrix

Factors	Weights	McDonalds	KFC	Domino's	Coffee Day
Location/No of outlets	35%	9	4	7	4
Extensive Menu	25%	8	5	7	5
Price	15%	8	5	4	4
Service/Ambience	10%	7	7	9	6
Taste	10%	7	8	9	5
Weighted Score	100%	7.75	4.9	6.6	4.35
Market Share		35%	10%	15%	7%

- KFC is losing out because of fewer number of outlets.
- Given that the market has lot of veggies, extensive menu is very important
- KFC's strength is Taste and it should try to differentiate on this basis.



Strategic Group Data-Competitors



In India the fast food joints also compete against the other Quick Service Restaurants like Pizza Hut(same company as KFC) and dominos.

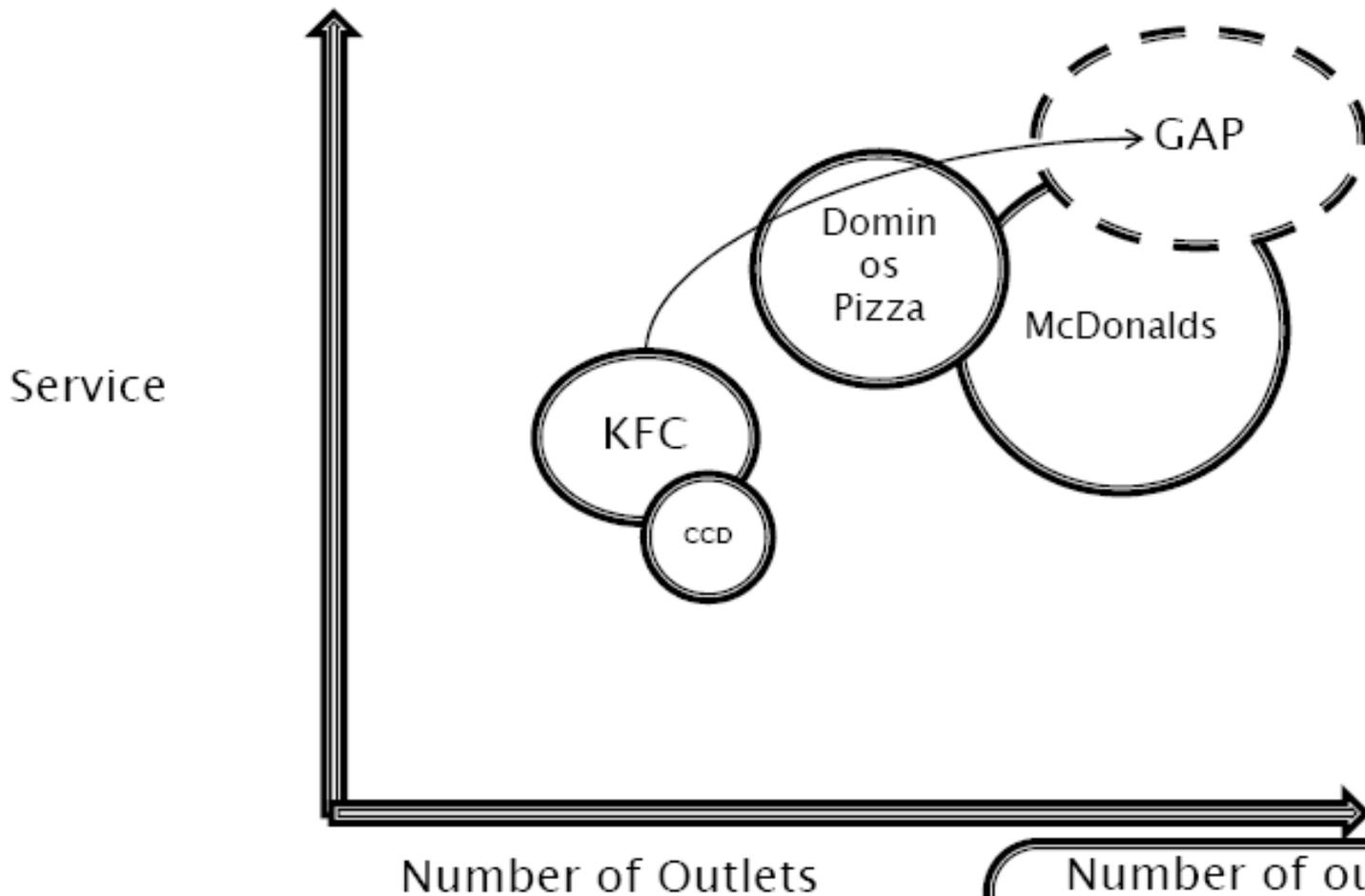
Future Competitive Matrix

Factors	Weights	McDonalds	KFC	Domino's	Coffee Day
Location/No of outlets	35%	9	7	7	4
Extensive Menu	↑ 30%	8	7	7	5
Price	↓ 10%	8	6	4	4
Taste	10%	7	8	9	5
Service/Ambience	15%	7	7	9	6
Weighted Score	100%	8.1	7	7.2	4.7
Market Share		35%	10%	15%	7%

- To grow, KFC has to improve its acceptability by customizing its menu to suit local taste
- Price will become less important as almost all players in the industry will be similarly priced



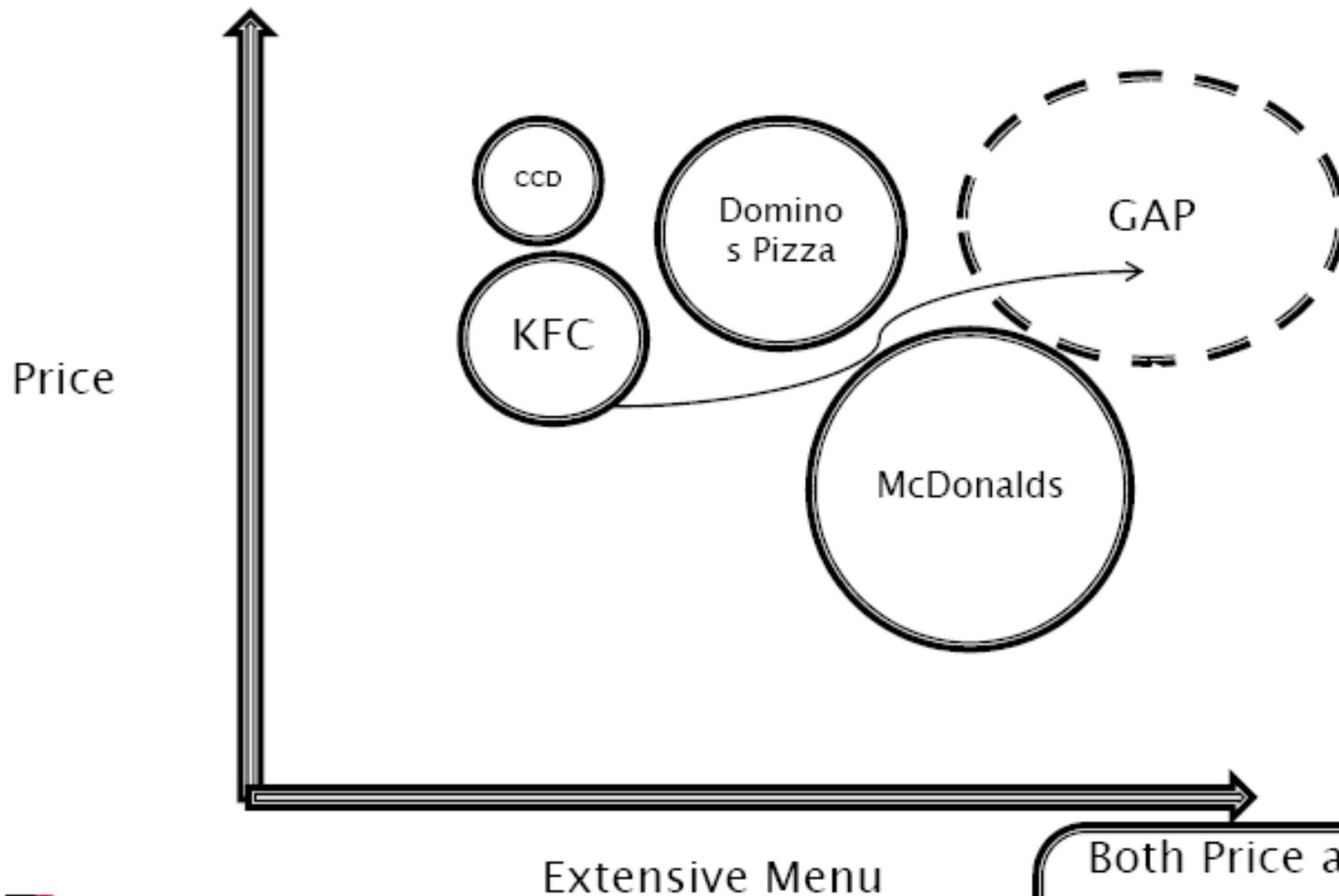
STRATEGIC MAP 1



Number of outlets and good customer service is a KSF in this industry KFC has to increase its reach and try to move rightwards



STRATEGIC MAP 2



Both Price and Extensive menu are KSFs in this industry and KFC is weak in both. It should try to move into the GAP zone



PESTLE ANALYSIS



Political: India is liberally opening doors for international fast food joints

Positive



Economic: An ever growing middle class with increasing purchasing power

Positive



Social: Women are moving out of kitchen to offices. A lot of Indians are veggie, so the menu has to be changed *Positive*



Technological: Enough enabling technologies available

Positive



Legal: Franchising models available and working successfully in India

Positive



Environmental: Activists against killing of animals like PETA can create trouble *Watch Out*

When KFC came to India in 1995, it had to shut down because of the controversy about their handling of poultry.



SWOT ANALYSIS



Strengths

- Delicious and well liked recipes.
- Strongest category among nearest competitors.
- Well Global Penetration.
- Well recognised brand logo.
- Strong Cash Flow via franchisee and license fee.



Weakness

- Most KFC items have close substitutes in market.
- No product innovations.
- Lack of control in joint venture arrangements.
- Inconsistent quality of service in many outlets.



KFC
RESTAURANT

Opportunities

- Undeveloped markets in many countries.
- Increased 18-25 age group.
- Increasing trends to take meal out of homes.



Threats

- Other cheap alternatives available.
- Bird flu.
- Cannibalization of own products.
- Changing health trends of customers.
- High calorie food.

Sales promotion

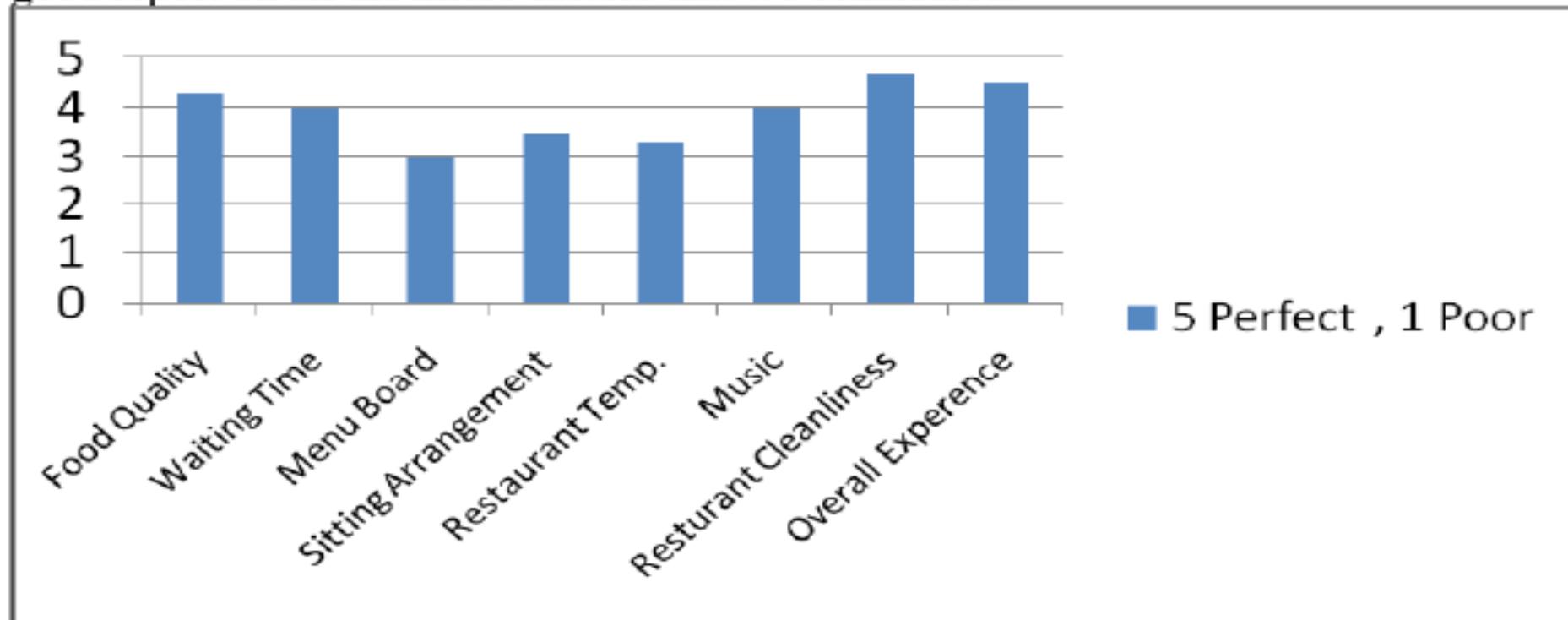
For the sales promotion KFC introduced their goods like watches , keychain, e.t.c to the customers.



Data Analysis

The data we received is as follows:-

We did a survey on KFC on people with age group of mostly 20-25yrs. Mostly all were open to non-veg food, and following were the results. As seen below KFC has shown a good report on all the micro factors that we considered.



The Fast Food Framework

