

Research on the Localization Marketing Strategy of Multinational Catering Enterprises in Overseas: A Case Study of KFC

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Abstract. Taking KFC as an example, this study discusses the localization marketing strategy of multinational catering enterprises in the host country. In the context of economic globalization, multinational companies are faced with various challenges such as culture, language and social consciousness, and localization strategy has become an important means to adapt to these differences. By analyzing the marketing strategies of KFC in China, Japan and other markets, this study reveals the key factors of its success. The study found that KFC's success in the Chinese market and other countries cannot be separated from its popular localization strategy. This study will use SWOT method for argumentation and analysis. The research in this study not only reveals the successful operation experience of KFC, but also reveals the shortcomings of other multinational catering companies, such as Starbucks, in the localization marketing. In addition, it also provides a useful reference for other multinational catering enterprises in the localization of marketing, but also provides valuable experience for multinational companies in other industries.

Keywords: KFC; Localization strategy; Multinational catering enterprises; Overseas.

1. Introduction

With the acceleration of globalization, multinational enterprises are growing stronger and stronger worldwide, and globalization has transformed many multinational enterprises into dynamic entities [1]. However, due to differences in cultural and social awareness, as well as consumer needs, how to implement effective localized marketing strategies in host countries has become an important topic for multinational enterprises, which can help them better understand the market [2]. This study takes KFC as an example to discuss its localization marketing strategy in China and Japan and other markets, aiming to provide meaningful reference for other multinational catering enterprises. In addition, this study helps to enrich and expand international marketing practice.

This study uses a variety of research methods to argue. The literature review method is used to sort out and analyze the relevant practices of localization marketing of multinational catering enterprises by consulting relevant domestic and foreign literature. Case analysis method, taking the localization marketing of KFC in the Chinese market as an example, analyzes the reasons for its success. Comparative analysis method, comparing the localization marketing strategy of KFC and other multinational catering enterprises, put forward the shortcomings of those enterprises. This study first discusses the reasons for the success of KFC's localization marketing strategy, then discusses the shortcomings of other similar multinational catering enterprises' localization marketing strategy, and finally analyzes how to learn from KFC's strategy to help these multinational companies do a better job in localization marketing.

2. Overview of the KFC Brand

Kentucky Fried Chicken (KFC) is a famous international fast food chain brand, headquartered in Louisville, Kentucky [3]. KFC is loved by consumers around the world for its unique fried chicken recipe and extensive menu choices. KFC founder Harland Sanders began to research the Fried chicken recipe in the 1930 s, after a lot of trial and adjustment, eventually creating a unique "11 kinds of spices and seasoning" formula, this formula is confidential and unique, the Kentucky Fried chicken

is tender, juicy and crispy taste, loved by customers [3]. With the development and expansion of the brand, KFC gradually became the leader in the global fried chicken market. In addition to the signature fried chicken, KFC's menu also includes hamburgers, French fries, mashed potatoes, salads, ice cream and other delicacy. In addition, KFC also launched products with different tastes according to the taste needs of different regions and consumers, such as halal food in Malaysia and Indonesia [4]. In terms of service, KFC adheres to the principle of "customer first" and is committed to providing consumers with high-quality and convenient services [4]. In 2018, KFC has 21,487 stores in the United States and opened stores in 131 countries around the world, winning a wide reputation and recognition in the world [3].

3. SWOT Analysis on the Localization Marketing of KFC Worldwide

As a world-renowned fast food chain brand, KFC implements localized marketing strategies worldwide to adapt to the needs and characteristics of the local market. SWOT analysis is a business strategy analysis tool used to assess how a company compares to competitors in the industry [5]. This tool analyzed the strengths and weakness from the internal perspective of the company, and analyzed the opportunities and threats from the external environment [5]. The following is a SWOT analysis of KFC's global implementation of localization marketing strategies.

3.1. Strengths

1) Brand awareness: As a world-renowned fast-food brand, KFC has a large number of followers and some loyal customers [6]. This provides strong support for its implementation of localized marketing on a global scale. 2) Product diversification: KFC has strong product research and development capabilities, and launches products with different tastes in different countries. For example, halal food was launched in Malaysia and Indonesia, and old Beijing chicken roll was launched in China [3]. 3) Advanced supply chain management and distribution system: KFC has an effective supply chain and distribution system to ensure fresh and timely delivery of food, which improves consumers' trust in the brand. 4) KFC has a large number of stores. In 2018, KFC had 21,487 stores in the United States and opened stores in 131 countries around the world, which has won a wide reputation and recognition in the world [3].

3.2. Weakness

1) Price: In some countries or regions where the economic level is not so high, the price of KFC is too high in the fast-food industry, which will put economic pressure on consumers when they consume [7]. 2) Dishes: Although KFC has localized marketing in different countries and regions, its variety is still relatively single fried food, which may make customers tired of eating.

3.3. Opportunities

1) Develop new products and services: According to the market demand, KFC can introduce new kinds of healthy food and better service to improve the brand image. 2) Expand new markets: KFC can further expand its global market share, especially in emerging markets with greater growth potential, which will bring further development to KFC's localization strategy. 3) Digital transformation: through the introduction of technology and digital system to understand consumers in different regions, improve efficiency and consumer experience, enhance competitiveness, which helps to achieve better results in the localization of marketing strategy.

3.4. Threats

1) Healthy diet trend: In recent years, people all over the world pay more and more attention to physical health issues, and pay more attention to the health and nutrition of food [8]. KFC's fried chicken, hamburgers, French fries and other high-calorie and high-fat foods may be resisted by some consumers, even if there are localized improvements, it cannot avoid its underlying problems. 2) A

large number of competitors: The fast-food industry is highly competitive, and KFC needs to compete with other fast food chain brands for market share [9]. For example, KFC's rival McDonald's is also actively implementing a localization strategy. This brings certain pressure to the implementation of its localization marketing strategy.

To sum up, KFC's localization marketing strategy is successful. Although there may be some shortcomings, facts and data show that the localization marketing of KFC has helped the brand establish a better corporate image, and most importantly, helped the enterprise to increase revenue. This is also a good reference for other multinational catering enterprises.

4. Overseas Marketing Drawbacks of Multinational Catering Companies: A Case Study of Starbucks

As an internationally renowned coffee retailer, Starbucks has expanded to more than 70 countries and regions around the world since its launch in 1971, establishing its position as an international coffee brand. Still, Starbucks has improved its localization strategy.

First of all, Starbucks' product positioning in the Chinese market is too high-end, resulting in relatively high prices, which makes some potential consumers shy away [10]. Although Starbucks emphasizes the quality and taste of its coffee, most consumers in China still regard coffee as an everyday drink, and the high price makes Starbucks somewhat out of the mass market. In addition, more and more competitors have emerged, such as our local brands Luckin Coffee and Hei Tea, which have become strong competitors of Starbucks in the Chinese market by virtue of their affordable prices and superior taste, as well as obvious advantages in product innovation and localization. Second, Starbucks has been overly cautious in implementing its localization strategy. Starbucks has adapted products to local tastes in different markets, such as tea and moon cake lines in China, but these adaptations have been relatively simple and have not fully met the expectations of local consumers. Secondly, Starbucks overemphasizes consistency in its global brand communication, ignoring the differences among consumers in different cultural backgrounds [11]. For example, in the brand promotion in the Chinese market, Starbucks excessively highlights its American cultural background without integrating it with Chinese cultural elements, which to some extent makes Starbucks seem ungrounded in the Chinese market and leads to some Chinese consumers' alienation from its brand image. In conclusion, Starbucks in terms of localization marketing, although there is progress, but there is still room to improve. In order to continuously expand its market share in the world, Starbucks needs to further improve its localization strategy and more effectively meet the needs of consumers in different markets and regions through product innovation, marketing communication and channel expansion.

5. Marketing Suggestions for Multinational Catering Companies Based on the Case of KFC

With economic globalization, the movement of people and products and services around the world has become increasingly frequent. Therefore, there are not only Starbucks, KFC, McDonald's, such as large, well-known international restaurant brands. Many are even obscure small businesses. No matter how big or small, they have to pay attention to localization when they open stores around the world. Localization does not mean the homogeneity of products, but the effort to integrate into the local market, and the full respect for the local culture and eating habits, so this needs to be investigated. It is not an easy thing to implement localized marketing well, and it is often faced with multiple challenges such as cultural differences, consumption habits and market competition. How to gain a foothold from these challenges and achieve sustainable development is a problem to be solved. Referring to the localization marketing strategy of KFC, and then optimizing on this basis, undoubtedly provides a beneficial reference for multinational catering enterprises.

5.1. Brand Image Building

In the process of expanding the international market, the construction of brand image is very important for multinational catering enterprises. The cultural characteristics and consumption concept of different regions put forward different requirements for the design of brand image. Taking KFC as an example, when it entered the Chinese market, it made an in-depth study of Chinese consumers' preferences and traditional culture and combined its brand image with China's traditional food culture. It has successfully created a brand image in line with the tastes and consumption habits of Chinese consumers.

5.2. Product Innovation

In view of the diversified tastes and preferences of consumers in different regions of the world, multinational catering enterprises must develop customized products for the market in the expansion of the global market. KFC has shown excellent ability in this regard. When it enters different markets, it will introduce products that meet the needs of local consumers according to local eating habits and taste characteristics. For example, in the Indian market, KFC introduced chicken-free vegetarian products to meet the religious beliefs and taste needs of local consumers. In the Chinese market, as the Spring Festival is a special festival in China, KFC launched the New Year limited time menu [12].

5.3. Innovation of Marketing Means

In the process of expanding the global market, international catering industry should consider the diversity of consumer media usage habits and consumption behaviors in different regions. To this end, they need to implement differentiated marketing strategies to attract customers. For example, KFC shows a high degree of adaptability in marketing strategy. It makes use of rich media resources in various regions and implements multi-channel brand promotion activities including TV advertising, Internet marketing and social media. In addition, KFC also designed promotional activities such as "buy one, get one free" and "family package" according to the preferences and needs of local consumers, which not only successfully attracted customers, but also effectively improved the brand awareness.

5.4. Cooperation with Local Enterprises:

In the journey of internationalization, cooperation and exchange with local enterprises is also an important means to implement the localization strategy. In the process of promoting international business expansion, multinational catering groups must build a solid partnership with local enterprises in order to fully tap and utilize local resources and market potential. In this regard, KFC's performance is exemplary. In its growth story in the Chinese market, KFC has continuously deepened its strategic cooperation with a number of Chinese companies and worked together to jointly explore and deepen the potential of the Chinese market. This strategy not only promotes KFC to more accurately understand and meet the needs of Chinese consumers, but also plays a key role in gaining a superior position in the global competition pattern.

6. Conclusion

This study takes KFC as an example to analyze the highlights of its localization marketing. In addition, it also puts forward how more multinational catering enterprises should learn from KFC's localization marketing strategy to adjust and improve the brand to go global. Mainly through in-depth insight into and appropriate respect for local cultural characteristics and consumer preferences, the brand image, product line, promotion strategy and other key elements of the implementation of localized adaptation, and build a solid partnership with local enterprises. Only in this way, international catering enterprises can break through the siege and achieve their sustainable growth goals in the global market. However, there are still limitations in this study. The samples of KFC localization strategy analysis are not enough, and more countries and regions should be included for horizontal comparison. Future

research on the localization marketing strategies of multinational catering enterprises such as KFC can focus on the continuous innovation of localization strategies, the application of digital marketing and social media, the importance of sustainable development and social responsibility, and the localization strategies of cross-cultural management and human resources. Through in-depth research and exploration of these directions, it can provide beneficial guidance and enlightenment for the sustainable development and success of multinational catering enterprises in the Chinese market.

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