

The international business I studied was KFC. (Formerly Kentucky Fried Chicken). KFC was first invented by Harland Sanders in the early 60's. It began in the US and after only 4 years had generated 500 million dollars and operated 300 franchises ^{across the} US. It was then sold out to Pepsico ~~to~~ from the previous owners 6 yrs later for 860 million dollars.

It was Pepsico that decided that they would expand KFC internationally, ^{as they already had expanded pizza hut.}

They did any other business undertook the drivers of international expansion.

which are - The Role of transnational Corporations,

- The Role of Government

- Global Consumers

- deregulation of financial markets

- technology.

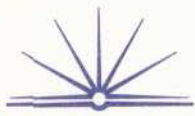
KFC originally formed in the ~~US~~ ^{and} US[^] was able to expand all over the world -



The biggest driver for KFC was the Global Consumer. The Global Consumer Shows us how tastes and trends have become similar around the world. Although this is not always the case sociocultural influences had to be taken into account. Such as taste, Religion, culture etc.

As the American food market was already saturated by fast food, PepsiCo saw the need for expansion.

One several driver - Deregulation of financial markets was the next biggest push. KFC had expanded to Mexico but wanted to expand into Puerto Rico in Latin America. Mexico was currently under the influence of GATT - General Agreement on Trade and Tariffs. This minimised the importing and exporting tax between several countries. When NAFTA



(North American Fair trade agreement) was introduced this made it a lot easier for expansion and trading.

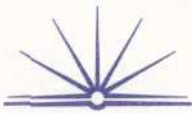
So KFC could now penetrate the Latin American market.

This included another Driver - Governments, who had a lot of say about trading, tariffs, quotas etc.

Another big driver that effected KFC was Technology. The improved technology in transport allowed KFC to import and export among their franchises in different countries. Being more efficient and cheaper in various aspects.

Improved technology in communication also allowed the improvement of managing the franchises.

It was also clear that KFC had to develop its marketing strategies



in the response to the push for Globalization.
As the domestic market for KFC was saturated Marketing Strategies had to be altered to suit the need for expansion internationally.

The marketing strategies include,

- Product

- Price

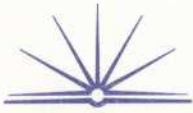
- Promotion and

- Place.

When defining these Marketing Strategies in relation to Product this was ^{referring} ~~in relation~~ to the products and services offered by the business.

KFC became a Global Brand, that was recognized world wide and under the patent of the KFC brand.

The products that were being made had to be altered in different Countries due to different tastes and Religions.



KFC knew that this product management strategy had to ~~be~~ be modified to suit different places/countries.

The management of positioning with product also had to be modified. The next management strategy was Price.

They had to set prices that were realistic and would generate ~~fast~~ ^{Profitability}.

Being a fast food outlet prices had to generally be low. As what could of been seen as loss leaders was realistically the advantage of being a franchise purchaser in bulk.

Again being a global competitor price was something that had to be taken into account in relation to floating markets, ~~exchange~~ exchange rates etc.

KFC could not propose a marketing strategy of one price for all due to the differences in economies.

So At the same time they were



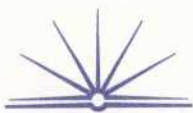
cushioning the economic cycle. In that they may have been making a huge profit in one country that was in a boom although losing out in a country of a poor exchange rate and ^{recession} recession.

The next marketing strategy was Promotion. This effects many things.

- enticing the customer, and
- wiping out the competitor.

Whilst we know KFC's advertising in Australia as television commercials and pamphlets with discount coupons, this is not always the case for poorer countries. As KFC is spread all over the world, uses of Advertising in poorer countries may be useless or effective.

Television advertising could not be of any use in a country that of people



Toopoor to our televisions.

Although KFC used discount coupons to entice these poor people to flock to their outlets over any other competitors.

The last marketing strategy

is place/distribution - this relates to where the product is going to be placed on the market.

KFC being a fast food chain operates in an ~~select~~ exclusive distribution

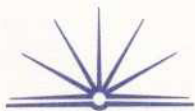
channel in that KFC products can only be found in KFC outlets, although they are found everywhere around the world.

They are found in a differentiated target market in that they have several different products marketed to suit specific groups, eg - chicken meal - for children.

This marketing strategy ~~is~~ ^{of} place

is seen as of great importance in

the ~~the~~ Global market as the other



marketing strategies although it is the place that consumers hold in their minds about KFC.

So as it has become clear KFC has been influenced by Globalisation in its marketing strategies.