ISSN(Online):2347-3002 www.questjournals.org



### **Research Paper**

# Marketing Mix Strategy Analysis of Kentucky Fried Chicken Kendari

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#### Abstract

Competition business always become attention important for researcher Because development is very fast and following change environment and change behavior consumer. Therefore, this study aims to analyze the marketing mix strategy of Kentucky Fried Chicken Kendari. This research was conducted on 5 employees and 20 consumers of Kentucky Fried Chicken Kendari. Data analysis used is SWOT analysis.

Received 12 May, 2023; Revised 22 May, 2023; Accepted 24 May, 2023 © The author(s) 2023. Published with open access at www.questjournals.org

#### I. Introduction

Recently, business development in Indonesia has become increasingly prominent in terms of complexity, competition, change, and uncertainty. This situation gave rise to sharp competition between companies, both because of the increasing number of competitors, the increasing volume of products, and the rapid increase in technological developments. Companies need to recognize the company's strengths and weaknesses in competition. Every company must be able to understand consumer behavior in its target market, because the company's survival is very dependent on consumer behavior (F. Tjiptono, 1997; Engel et al., 1994). Marketing mix strategy (marketing mix) is a form of strategy used by companies in competing aimed at meeting market needs and demands. The development of the fast food business in Kendari City has made competition very tight so companies have to be even more careful in observing market developments.

## **II. Literature Review**

#### 2.1. Marketing Strategy

Marketing strategy is an approach in which decisions are made regarding the target market, market product placement, marketing mix, and the required level of marketing (Phillip Kotler, 1991:401). There are three concepts underlying the development of marketing strategy, including:

- a. Segmentation (Market Segmentation)
- b. Targeting (Market Positioning)
- c. Positioning (Market Entry Strategy)

#### 2.2. SWOT Analysis

SWOT analysis is an analysis carried out by identifying various environments, both the company's internal environment in the form of the company's strengths and weaknesses in conducting competition and the external environment in the form of opportunities and threats that affect the company. The steps for conducting a SWOT analysis are:

- Identification characteristics company
- Identification strengths and weaknesses
- Identification opportunities and threats
- Determine factors key success
- Identification magnitude connection between internal and external environment
- Plan a strategy that will done.

#### III. RESEARCH METHODS

The location of this research is the company Kentucky Fried Chicken Kendari is located on Jalan Ahmad Yani is a company engaged in the fast food industry. The informants in this study are:

- 1. Regional Manager of 1 person
- 2. Sales administration section, financial administration section, inventory section, general administration section, and warehouse section. A total of 5 people
- 3. Employees as many as 5 people
- 4. Consumers as many as 20 people

To find out the application of the right competitive strategy in the future, qualitative descriptive analysis is used through SWOT analysis (Freddy Rangkuti: 2001, 31).

## IV. RESEARCH RESULTS AND DISCUSSION

#### **4.1 SWOT Analysis Results**

Before analyzing the internal and external conditions of Kentucki Fried Chicken (KFC) Kendari , the authors provide the following assessment criteria:

- 1. For weights, the authors use percentage values where contributions range from 0.11 to 0.15 (most important); 0.6 0.10 (important) and 0.3 0.5 (less important). All of these weights do not exceed the weight of a total score of 1.00.
- 2. For rating, the author gives a scale of +1 = very good, +3 = good, +2 = moderately good and +1 = rather good. While starting -4 = very good, -3 = bad, -2 = moderate bad and -1 = rather bad. The rating is given based on the factors on the condition of the company.

#### **KFC IFAS Matrix Table**

Internal Factors _	Weight	Ratings	Weight x Rating	Information
Strength ( Strength ):				
1. Have a pretty good production management	0.15	3	0.45	Professional management
It has an official brand that is well known throughout the world	0.10	3	0.30	Famous all over the world
3. Fast and friendly service 4. Liked by many people with a distinctive	0.15	3	0.45	Can give satisfaction
and delicious taste	0.15	4	0.60	Accepted by all
Sub-Total	0.55		1.80	
Weakness ( Weaknesses ):				
Less price affordable for circles public lower	0.1 5	2	0.30	Mid-high prices
2. Not paying attention mark nutrition	0.10	1	0.10	Cholesterol
3. KFC is lacking innovate in make products	0.10	2	0.20	The menu doesn't have many choices
4. The most expensive price among its competitors	0.10 _	1	0.10	Great price
Sub-Total	0.45		0.70	
Total	1		2.50	

Based on the results of the IFAS matrix analysis, a total weighted value of 2.50 was obtained. From the total weighted value it can be concluded that the company is in a strong position. This condition shows that the internal factors of KFC products have been able to take advantage of their strengths and overcome their weaknesses well. The main strength of KFC products is that they are liked by many people with a distinctive and delicious taste with a score of 0.60. In second place with a score of 0.45 there are two strength factors, namely having a fairly good production management and fast and friendly service. In the last sequence is having an official brand that is well known throughout the world.

The main weakness possessed by KFC products is the lack of attention to nutritional value and the most expensive price among its competitors with the same score of 0.10. In second place, the weakness of this KFC product is that KFC lacks innovation in making products with a score of 0.20. And the last weakness that KFC products have with a score of 0.30 is prices that are less affordable for the lower class of society.

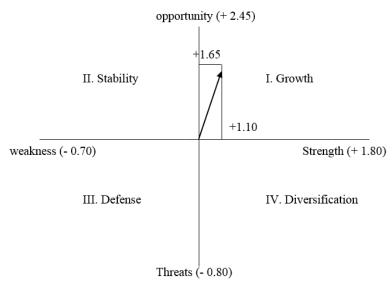
**KFC Product EFAS Matrix Table** 

External Factors Weight Ratings Weight x Information				Information
	,, ergine	1111111195	Rating	11110111111101
Opportunity ( Opportunity ):			S	
1. Develop type other variants, including	0.20	4	0.80	There must be many choices
in form New presentation and taste				
2. Can be used business franchise that can				Can be brand original
become income from selling brands and systems	0.15	4	0.60	
the management .				
3. Society now more aware health so KFC				
should be focus on such market segments That				Pay more attention to health
4. More expand market share for increase	0.10	3	0.45	
sales.				Wider market
	0.15	4	0.60	
Sub-Total	0.60		2.45	
Threat (Threats):				
1. Many other competitors are creating	0.10	2	0.30	Many similar companies
type food fast Other servings such as burgers,				
pizza, etc				Kfc has standard raw
2. Scarcity material raw chicken quality.	0.10	2	0.20	materials
3. Compete with restaurants local in each				Compete with local
area.	0.15	2	0.30	restaurants
4. increasing amount conscious societ				
health and other competitors bring up other new				Pay attention to nutritional
menus	0.05	1	0.05	value
Sub-Total	0.40		0.80	
Total	1		3,25	

Based on the EFAS matrix table, a total weighted score of 3.25 was obtained. This shows that KFC products are able to respond to external factors by taking advantage of existing opportunities to overcome threats. From the total weighted score it can be concluded that the response of KFC Kendari branch to sales of KFC products is high in taking advantage of opportunities and overcoming threats with a weighted score higher than the average value of 2.5. There are three main opportunities that KFC products have with a score of 0.80, the highest being Developing type other variants , including in form new presentation and taste and the same score of 0.60 ie Can be used business franchise that can become income from selling brands and systems management and More expand market share for increase sales . The next opportunity that KFC Products has is the Society now more aware health so KFC should be focus on such market segments it with a score of 0.45.

The main threat facing KFC products is that many other competitors are creating type food fast other servings such as burgers, pizza, etc. and Compete with restaurants in each region with a score of 0.30 each. Threat that ranks second is Scarcity material raw chicken quality . with a score of 0.20 is the third threat with a score of 0.10. The final sequence of threats facing KFC products is Rising amount conscious society health and Other competitors bring up other new menus with a score of 0.05.

From the analysis of table 4.9 it shows that for the Opportunity factors the score is 2.45 and the Threat factor is 0.80. Furthermore, the total score of each factor can be broken down, Strengths: 1.80, Weaknesses: 0.70, Opportunities: 2.45 and Threats: 0.80. Then it is known that the Strength value is above the Weakness value, the difference is (+) 1.10 and the Opportunity value is also above the Threat value (+) 1.65. From the results of identifying these factors, it can be described in a SWOT Diagram as following:



Cartesian Diagram SWOT Analysis of KFC Products

From the SWOT diagram above , it is known that KFC products are in quadrant I, so alternative strategies that can be used are:

- Doing a Growth strategy, how to increase sales so that profits will also increase.
- Doing a backward vertical integration strategy, the way companies can act to minimize the cost of resource acquisition and inefficient operations. Meanwhile, for forward integration, the company can control the quality and distribution of products

# **IE Matrix**

Internal analysis of Kendari Branch KFC products has a total value of 2.50 and external analysis has a total value of 3.25. For more details, see the image below.

	Strong	is weak			
	3.0-4.0	2.0-2.99 1.0-	1.99		
Tall	I	E	III		
3.0-4.0		KFC products			
Intermediate 2.0-2.99	IV	V	VI		
Low 1.0-1.99	VII	VII	IX		
External Internal Matrix (IE)					

Competitive Position/Business Strength

Based on the picture above, KFC products are in cell II, which means KFC products are in a growth strategy through horizontal integration. When operating in a very attractive food industry, namely in cell II, the strategy that can be taken is to increase sales and profits by obtaining greater economies of scale in production and marketing.

After knowing the IFAS matrix, EFAS matrix and IE matrix, a SWOT matrix can be prepared. The SWOT matrix is structured to describe how the external opportunities and threats faced by the company can be adjusted to the strengths and weaknesses of the company. SWOT matrix can produce four sets of strategies that companies can do. For more details can be seen in the following table:

#### KFC Product SWOT Matrix Table

KFC Product SWO1 Matrix Table						
	Strength (S)	Weaknesses (W)				
	<ol> <li>Have a pretty good production</li> </ol>	<ol> <li>Less price affordable for circles</li> </ol>				
IFAS	management	public lower				
Internals	2. It has an official brand that is	2. Not paying attention mark				
	well known throughout the world	nutrition				
	<ol> <li>Fast and friendly service</li> </ol>	3. KFC is lacking innovate in				
	4. Liked by many people with a	make products				
efas	distinctive and delicious taste	4. The most expensive price				
external	distinctive and denoted as taste	among its competitors				
Opportunities (O)	SO strategy	WO strategy				
1. Develop type other variants	1. Have good management to	1. Developing new types of				
, including in form New presentation	develop new forms of presentation and	variants at affordable prices				
and taste	types of flavored products	2. More promotion needs to be				
2. Can be used business	2. Utilizing a global brand image	done to provide information to consumers				
franchise that can become income from	to make a franchise business	about the quality of the nutritional content				
		of KFC products				
selling brands and systems the		1				
management .	service by focusing on the market.					
3. Society now more aware	4. Liked by many people with a	relying on taste				
health so KFC should be focus on such	distinctive and delicious taste, it is	4. Increase delivery orders at low				
market segments That	necessary to expand market share to	cost				
4. More expand market share	increase sales					
for increase sales .						
Threats (T)	ST Strategy	WT Strategy				
1. Many other competitors are	1. Improving the quality of KFC	1. Continuously innovate products				
creating type food fast Other servings	products and providing many of the best	<ol><li>Do stronger promotions.</li></ol>				
such as burgers, pizza, etc	choices so that they can compete	3. Provide good service to				
2. Scarcity material raw	2. Have a global brand and be able	customers.				
chicken quality.	to compete	4. Providing surprice or prize				
3. Compete with restaurants	3. Improving the quality of fast	packages (usually lucky draws from				
local in each area	and friendly service	customers				
4. increasing amount	4. Carry out more promotional					
conscious society _ Health and	activities and fulfill consumer desires with					
Competitors - competitors else brings	innovations that are in accordance with					
up a menu -another new menu	consumer desires.					

The explanation of the SWOT matrix can be described as follows:

# a. SO (Strength-Opportunity) Strategy

SO strategy is a strategy that uses the company's internal strengths to seize opportunities that exist outside the company. The resulting SO strategy is having good management by developing new forms of presentation and types of flavored products, utilizing a global brand image to innovate to make the best franchise business, improve service quality with a focus on certain markets, favored by many people with a distinctive taste and delicious, it needs a wider market share to increase sales. Steps that can be taken by the company are:

Marketing quality products and focusing on certain markets and providing the best service to customers.

#### b. ST Strategy (Strength-Threath)

The ST strategy is a strategy that uses the company's internal strengths to avoid and reduce the impact of threats that come from outside the company. The resulting ST strategy is Improving the quality of KFC products and providing a large selection of the best products so that they can compete, have a global brand, improve the quality of fast and friendly service, carry out more promotional activities and fulfill consumer desires, appropriate innovation. Steps that can be taken by the company are:

- Promotion can be done by participating in exhibitions and marketing to well-known shopping places.
- The company conducts market surveys on the characteristics and tastes of consumers on an ongoing basis.

This strategy was taken based on existing strengths to avoid threats faced by KFC products.

# c. WO (Weakness-Opportunity) Strategy

The WO strategy is a strategy carried out by minimizing the company's internal weaknesses and taking advantage of opportunities that exist outside the company. The resulting WO strategy is: Developing new types of variants at affordable prices, More promotions need to be carried out to inform consumers about quality nutritional content

of KFC products, product innovation while still relying on taste, increasing delivery orders at low cost. Steps that can be taken by the company are:

- Developing new types of variants at affordable prices,
- More promotion needs to be done to provide information to consumers about the quality of the nutritional content of KFC products
- Increase delivery orders at low cost

# d. WT (Weakness-Threath) Strategy

The WT strategy is a strategy for survival by reducing internal weaknesses and avoiding threats. The resulting WT strategy is to do a stronger promotion. Steps that can be taken by the company are:

- Increasing publicity efforts through advertising regarding company profiles in tabloids or magazines.
- Continuously innovate products
- Do stronger promotions.
- Provide the best service to customers.

This strategy is carried out to minimize and reduce the weaknesses of the company and take advantage of existing opportunities.

#### 4. 2 Discussion

From the research results obtained from KFC products, namely through the marketing mix as follows:

Marketing strategy ( *marketing strategy* ) is a plan that allows companies to optimize the use of its resources to achieve marketing and corporate goals. The KFC company uses a marketing *mix* which includes the 4Ps, namely *product*, *price*, *place*, *promotion*. Various strategies implemented by KFC include determining consumer targets, place decoration, advertising promotions, sales promotions, public relations, attractive packaging, strategic locations, prizes, service and price compatibility with product quality.

The results obtained from direct observation of consumers using the questionnaire method include the comparison of visitors between men and women amounting to 45% male and 55% female, the largest majority of visitors are teenagers, namely 40%, the largest target in the field of work is students/students with value by 40%.

#### Product

Product quality is an important aspect that must be paid attention to by the company, with good product quality, marketing targets can be achieved. Respondents' answers to product quality with an average value of 4.27 indicate that *KFC products* are of fairly good quality.

#### 2. Price

Price is part of the marketing mix which is flexible in nature, meaning it can be adjusted quickly following current market dynamics compared to other elements of the marketing mix. One of the driving factors for consumer demand is good and competitive pricing. Respondents' answers to the price variable with an average value of 4.47 indicate that consumers are very satisfied with the prices set by the *KFC company*.

#### place

Places that include the ease of getting products on the market and the ease of getting products in the neighborhood where you live are part of a good distribution channel. A good distribution channel will trigger repurchase interest from consumers.

From the results of the discussion of the marketing mix, it can be seen that KFC products are able to compete and can outperform competitors and can achieve their marketing goals. The results of this study are also supported by the understanding of the marketing mix according to Philip Kotler which states that the marketing mix is a set of marketing tools used by companies to achieve their marketing objectives in the target market. Respondents' answers for places with an average value of 4.35 indicate that *KFC products* have a fairly good quality.

#### 4. Promotion

Based on the analysis of promotions, it can be seen that promotions are carried out by companies. Promotion by means of advertising such as newspapers, billboards, brochures and sweepstakes. Apart from that, it also provides bonus music CDs which are included in the type of sales promotion. Respondents' answers to promotions with an average value of 4.30 indicate that *KFC products* have a fairly good quality.

From the results of the study using SWOT analysis through the Cartesian diagram (Freddy Rangkuti) and the competitive position/business strength matrix (Hunger, Flynn & Wheelen) on KFC products, the position of the KFC product was obtained . First, the results of the SWOT analysis through the cartesius diagram of KFC products KFC products are known that KFC products are in quadrant I which means aggressive growth *where* the strengths are greater than the weaknesses with a difference of +1.65 and the opportunities are greater than the threats faced by difference +1.10. Based on the competitive position/business strength matrix, it is known that KFC products are in cell II, which means that KFC products are in a growth strategy through horizontal integration

with internal analysis of 2.50 and external analysis of 3.25. From the results of the analysis, the strategy that can be carried out by the company is through the Strength-Opportunity strategy, namely utilizing a strong brand image to innovate products by paying attention to the product life cycle and improving service quality by placing employees who have more capabilities to provide satisfaction for customers.

The results of this study are supported by research conducted by Yenni Sampe Datu (2004) with the title Analysis of Competitive Position at PT. (Persero) Bank Rakyat Indonesia Kendari Branch where the research results show that the competitive position of PT. BRI Kendari Branch is in quadrant I which means that the growth strategy is aggressive.

According to Pearce and Robinson (1997) This analysis is based on the assumption that an effective strategy will maximize strengths and opportunities and minimize weaknesses and threats when implemented accurately. This assumption has a huge impact on the design of a successful strategy that is:

Strength namely the strengths or advantages of the KFC company As pioneer provider food fast serve, have branches throughout Indonesia, so area the marketing Enough wide, have management sufficient production good, Has an official brand that is well known throughout the world, Fast and friendly service, Liked by many circles community, distinctive and delicious taste, made from chicken quality best.

Weaknesses namely What are the weaknesses of KFC The price is lacking affordable for circles public below, Less attention mark nutrition, KFC is lacking innovate in make products \_ \_

Opportunity, namely whether the opportunity for KFC to develop type other variants, including in form new presentation and taste; Can be used business franchise that can become income from selling brands and systems its management, Society now more aware health so KFC should be focus on such market segments it, More expand market share for increase sales.

Threat is the competition faced by KFC with a lot other competitors are creating type food fast other servings such as burgers, pizza, etc.; there is scarcity material raw chicken quality; can compete with restaurants local in each region; \_ increase \_ amount conscious society \_ health; Other competitors bring up other new menus

This research is in line with the opinion of Georges Ordione from Eckerd College ( management by objectives p.180) "in order for an organization / company to function effectively, management requires three sensitive steps that must be considered, namely: strategic objectives should be stated prior to budget decisions, strategic objectives should define strengths, weaknesses, threats, risks and opportunities, strategic objectives should pay attention to trends and mission and define strategic choices that include consequences and choices"

# V. CONCLUSIONS AND SUGGESTIONS

Based on the results of the analysis and discussion, it can be concluded that:

- KFC company carries out a good strategy including determining target consumers, place decoration, advertising promotions, sales promotions, public relations, attractive packaging, strategic locations, gifts, service and price compatibility with product quality.
- The results of the SWOT analysis obtained that KFC's product position is in quadrant I which means aggressive growth where the strength is greater than the weakness with a difference of +1.65 and the opportunities are greater than the threats faced with a difference of +1.10.

Based on these conclusions, it is suggested several things to note as follows:

- KFC Kendari must take advantage of a strong brand image to innovate products by paying attention to the product life cycle and improve service quality by placing employees who have more abilities to provide satisfaction for customers.
- For future researchers, it is hoped that this research will further broaden the scope of this research, not only on marketing factors which are used as benchmarks in SWOT analysis to determine competitive position, but can also be combined with other factors such as financial factors which are thought to be benchmarks for determining targets. company through SWOT analysis

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