
An Analysis of the Strengths and Weaknesses of Kentucky Fried Chicken and McDonalds

Strengths

Among the strengths is that KFC has adequate financial resources. KFC is the second best global fast food brand in terms of value. Besides, KFC enjoys global presence just like McDonald's with almost seventeen thousand (17,000) outlets across 105 countries. Additionally, KFC's estimated value is US\$6 billion. Therefore, as a fast food outlet, KFC has a better financial muscle to facilitate its expansion. Further, KFC enjoys perfect marketing tools. KFC commands the market with a lot of competitors featuring chicken as their main merchandise. It has placed itself plainly with a great trade name among the fast food chains. To illustrate, the company enjoys a strong market standing in the market, China. Besides, KFC gets half of its total revenue from the Chinese market, a market where it has close to 4,000 restaurants (Yang 2014).

Weaknesses

Despite all its strengths, KFC still receives negative publicity and criticism from PETA. The criticisms result mainly due to the nature of the food they are selling. For instance, the company has received negative criticisms for selling chicken wing with a kidney. Furthermore, they have received negative publicity due to their unhealthy food menu. Some of the firm's customers claim that KFC menu contains high-calorie foods. The other weakness that threatens to pull down the brand is high employee turnover. Among the things causing high rates of turnover is, low wage rates. Besides, the company invests so much in training their low skilled workers, which increases the overall cost of operation (Mylonakis & Evripiotis 2016).

Question 2-LO3b

Political Factors

Individual state policies enforced by the government, influences the operations of any business and especially, McDonald's. For example, there are people in Europe and America that have been protesting to their states regarding the health effects of taking junk food. The groups allege that obesity and cholesterol are attributable to taking junk foods. Besides, there are other factors like tax laws, employment provisions, and related trade limitations. Undoubtedly, tax rates influence the growth of a business greatly. On the other hand, employment laws like

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working hour's regulations will necessitate a business to hire more staff. If a state amends such laws, then the cost of doing business will go up (Greenspan 2015).

Economic Factors

Further, Greenspan (2015) points out that changes in inflation and exchange rates affect businesses like McDonald's, which enjoy of a global presence. The chains have no otherwise other than to adapt to the changes and implications of the economic environments. For example, when the rate of inflation goes up, the cost of raw materials increases. It is correct to argue that economic factors affect demand and supply relationship. Besides, cost of living and wage rate can affect the operations of business in a state.

Socio-Cultural Factors

McDonald's global strategies seem to act on a number of fields to ensure worthwhile profits for the firm. For example, the business thrives by creating a positive attitude from their regulars. McDonald's have comprehended its regulars based on their various aspects. Based recent research, most customers frequenting McDonald's outlets are below the age of 35 (Greenspan 2015).

Technological Factors

Additionally, McDonald's main marketing tool is using television advertisements. In addition, the advancement in technology allows the business to conduct elements like inventory system and supply chain management through advanced payment systems. Their integration with advanced systems adds value to their products. Adoption of technology, therefore, allows the company to operate efficiently in a global context (Greenspan 2015).

Environment

Nonetheless, the operations of McDonald's in a particular region influence its social responsibility, for instance, accusations of environmental damage. To illustrate, if McDonald chooses to employ non-biodegradable substances for the glasses and Styrofoam coffers, they will face such claims and allegations (Greenspan 2015).

Question-3LO3c

According to Air New Zealand (2013), the company focuses on the contentment of both the staff and clientele and promotion. Being a number one airline in the world is not easy. It requires a

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joint effort from both the management and staff. Their skilled workforce enables the company to serve its clients satisfactorily. The airline has dedicated staff, and that is why the company won the ATW award in 2010 and 2012. Further, promotion and high rate of sales contribute to its excellent performance. Marque (2012) points out that the airline's working methods has enabled them to earn high revenues of up to NZ\$4,486 million (in 2012).

Among the external environmental factors, influencing the company's ability to achieve goals is the strategic alliance. For example, the company entered into a partnership with, Quantas. An alliance with Quantas presents one of the primary and most fundamental pillars of the airline. The company could not go alone on international routes. The best they could do was to form an alliance to solve its strategic dilemmas (Air New Zealand, 2012). Diebelius (2015) in his argument asserts that the innovative nature of the company provides its clients with the best long-haul flights to various destinations. SkyCouch and Spaceseat are two extraordinary innovations that the company has achieved. Furthermore, a consistently high standard of customer services has enabled the company to compete favorably. The airline constantly reinvents and refines its products. After developing the SkyCouch and the Spaceseat, other airlines would have taken time out. By the time the other airlines are on that platform, Air New Zealand is on its next innovation giving it a competitive advantage over other airlines.

Question 4-Lob4

From a classical perspective, the purpose of business to exist is for distributing goods and services to the society. Thereafter, the business will create economic value, which consequently generates income for the company's shareholders (Kitzmueller & Shimshack 2012). The management runs an organization in the best interest of the owners. In the case of Fonterra, the company should focus a lot on the interest its shareholders rather than the society.

According to the socio-economic view of social responsibility, maximizing income comes as a second priority. What comes first is, protecting the society in which the business operates in by improving the general welfare of the people (Kitzmueller & Shimshack 2012). In this case, Fonterra should focus so much on the society rather than the interests of the owners.

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