**Explore and elaborate the mandate of ‘strategic fit’**

1. **INTRODUCTION**

After analyzing the [unprecedented](E:/Dict/8.5.1.0/resultui/html/index.html" \l "/javascript:;) success of KFC in China, Professor David Bell and Mary Shelman in HSB point out that the most significance lesson KFC can offer is "One of the lessons I take away from this case is that to do China, you have to do China."(Bell and Shelman, 2010). It means if you want to do business in China, you have to do things that the Chinese recognize. KFC makes this lesson to the extreme.

The globalization and localization strategy of marketing is formed under the background of market nationalization to deal with the global unity and national difference in marketing (Roberts, 2015). Deshpande think "global thinking, local operation" is the key in today's global market operation rules (Deshpande, 1982). Glocalization refers to any individual, group, institution, etc., that wants to apply this principle. The theoretical fulcrum is that when the international brand conducts advertising performance and communication in all countries and regions in the world, it should adopt differentiated strategies to cater to local cultural and traditional characteristics and aesthetic tastes while adopting unified strategies (Holbrook and Schindler, 1994).

This essay is mainly focusing on illuminating the concept of ‘strategic fit’ with the case of the great success of KFC in China and how KFC makes it as close as possible to suit the situation. Not only does it become a catering brand right now, but also a cultural card. This is probably one of the few cases in which overseas markets have outperformed the domestic market by a substantial margin.

This KFC case will be introduced and it will be utilized to illustrate how the company integrates these concepts into its policy choices, as well as the integration, complementarity and interdependence of KFC resources. This essay illustrates the changes and strategic adjustments KFC has made in China mainly in three different dimensions - brand strategy, pricing strategy and promotion strategy.

SWOT model is employed in this essay to clarify the advantages and disadvantages of KFC in China. It can be utilized to assist companies focus resources and actions on areas where their strengths and opportunities are concentrated, and to make their strategy clear.

Finally, a conclusion will be drawn from the findings of the study with an emphasis on the importance of strategic dynamic fit of cultural differences in the cross-cultural environment in order to gain a firm foothold in the international competition.

**2) MAIN BODY**

**Concept of Strategic Fit**

‘Strategic fit’ can be separated into two words: ‘strategic’ and ‘fit’. Strategy means over the long term ideally the direction and scope of an organization match its resources to its changing environment. A strategy is designed to gain competitive advantages and develop core competitiveness (Maier, 2011). It consists of a series of comprehensive and coordinated agreements and actions.

If a strategy is chosen, in order to fit the market situation, the company decides a choice in different ways of competition, which is of great strategic significance for the development and central direction of the company in the future (Abada and Ehrenmann, 2016).

**Background of KFC in China**

Kentucky Fried Chicken, commonly known as KFC. It is a famous fast food chain from the United States (Fernando and Sengupta2007). It was established by Colonel Harland Sanders in 1952. Mainly selling Fried chicken, hamburgers, French fries, soda and other western fast food (Robertslombard, 2009).

In fact, the earliest plan to penetrate the Chinese market is not KFC, but McDonald's (Rui, Huang, Lu, Wang, & Wang, 2016). However, the McDonald's team that came to China for research at that time believed that it was almost impossible for the Chinese market to accept American food brands.Chinese people's eating habits are more complex than they can imagine. Because people in the north and south of China eat almost every meal differently. Even if it is the same one, different places have different tastes. Even the bean curd that can be seen everywhere on the street has a sweet, salty and spicy taste and so on.

Dispensing with on China was the huge decision-making errors in McDonald's history, which gave KFC a great opportunity. It can be seen that while even so many solutions are recommended for company. It is still difficult for senior staff to develop appropriate strategies accurately. After the continuous exploration of Chinese consumers' taste, KFC is more and more recognized by Chinese customers. Three years after KFC entered China, McDonald's is in arrears to the game, but it can no longer challenge KFC's position.

**KFC's brand strategy**

Different brands control the market differently and deliver different values. They are given in the positioning of the brand itself (Yang, 2014).

As an important way to encourage the brand, advertising can well spread brand value and brand strategy (Rajagopal, 2013). Good advertising can shorten the distance between customers and the company. "As a kind of discourse associated with the object and expressed through the object", advertising is the manifestation of the meaning of advertising text, advertising context and the combination of the two. Advertising discourse constructs society. It is a social product and a social reality (Yeakey, Carol & Gladys, 1985).

From KFC's advertising, whose advertising discourse also has the distinctive characteristics of glocalization, consider the case of the United States and China. To reveal the embodiment of glocalization in advertising discourse, and thus to see the brand strategy of KFC from the side From the website of KFC in the United States, we can see the "youth", "modern sense", "success", "enjoyment" and "individualism" reflecting the western values. For example, a trendy girl is talking to the phone with a McDonald's drink in her hand. On a picturesque stretch of water, a ship sails toward a smoky castle for a Golden Chipotle expedition. In the advertisement, KFC just tries to combine its products with the fantastic travel. And fantasy travel itself is unforgettable and fragrant, can let a person realize the high value of KFC, high enjoyment attributes.

While it can be seen from the KFC China website is the sport life, balanced nutrition, gourmet world and happy online projects. McDonald's website includes McDonald's Olympic cheer, food and nutrition, happy family parties and McDonald's in China. Here is also the expression of eastern values: "family", "health", "patriotism", but also the embodiment of western values: "enjoy", "youth". From here, it can be seen that the blending and difference of eastern and western cultural values (Wang and Terry, 2010). In these ads, KFC and McDonald's are trying to convert the traditional Chinese concept of unhealthy and fat western fast food Fried food. Chinese people get this idea because Chinese food is healthier than western fast food.It can be observed that in this regard, KFC and McDonald's brand strategy seems to reach a consensus. At the same time, KFC also put its customer positioning center on teenagers. On the one hand, parents are deeply concerned about the healthy growth of teenagers. On the other hand, fried chicken is much more appealing to teenagers than adults.

Taking KFC's advertising content as an example, a noteworthy feature of KFC's numerous advertisements is the utilized of elements of Peking Opera, an ancient Chinese art form.Just like the movie kung fu panda, a foreign brand shows traditional Chinese art in the advertisement and even adds modern pop elements, which is an interesting phenomenon and a form not seen for Chinese people. In one AD, for example, a Peking Opera actor played by zhang xiao ling tong is seen eating KFC Fried chicken backstage in a performance room before he can withdraw his makeup. Another advertisement for old Beijing chicken rolls depicts the conflict and harmony between father and son in China (QiuJianghong, 2004). The father in the left room is singing Peking Opera. The son in the right room is poppin dancing. And the mother in the inner room is eating KFC's old Beijing chicken roll. They finally found harmony on mom's old Beijing chicken roll. KFC innovatively applied the concept of Peking Opera, and promoted the promotion of brand culture through the audience's recognition of indigenous culture and curiosity about foreign culture.

**KFC's pricing strategy**

As Warren j. Keengan explained in his book (Warren and Mark, 2003), the most critical problem for an enterprise in various decisions is price strategy. An enterprise should have a clear understanding of the value of goods in the aspect of clients. Meanwhile, take all factors such as cost and its own interests into account. In this aspect, KFC utilizes the uniform pricing strategy. It appears to have been lost a lot of market, but it is also a wise choice.

The Chinese market is multi-level and diversified, and the differences among regional markets are very big, which poses a challenging problem for KFC in pricing (Korajczyk, 1996). This is a trade-off model. As for the trade-off theory, the final aim of the company is to maximize the benefits. In order to meet with the aim, two unusual situations should be analyzed. If prices are the same ones, the purchasing power of economically underdeveloped regions is lower than that of economically developed regions significantly. It means in underdeveloped regions a great number of potential customers cannot afford to buy. If the company "accommodates" the low-income group and set the overall price lower, the company will lose the profit it could have gained in the high-income market and lower the level of products. If the pricing is different, then there will be price differences between different regions, and the slight difference in price may form channeling. The price of the whole market rushed. In the course of the company's promotion, it will be traced to serious problems due to the different prices in different cities.

The consistent pricing strategy puts forward very high requirements for manufacturers (Spann, Fischer, & Tellis, 2015). They must have extreme effective channel management ability. Otherwise, the uniform pricing policy will not be implemented. Retail stores around the country will take various measures to reduce sales to expand sales. Manufacturers must be under a strong voice in the channel. Therefore, only famous brand enterprise just adopts unified price likely commonly.

The price of KFC is similar in all fast food restaurants in the country, which means that it adopts the uniform pricing method. By adjusting or adapting the density of fast-food restaurants to the differences between different regional markets. They can solve the problem of uneven purchasing power in diverse markets. In developed cities, the density of fast food restaurants is higher. In less developed cities, the density is lower. Through the conscious regulation of density, ensure that each restaurant has excellent performance and customer flow, so as to maintain their brand image. If slightly behind the city economy, the price is not low, density nor reduce, is due to the local people's consumption level is low, poor will inevitably cause the restaurant business, it not only directly affect the profit of each level, also because the traffic is small, and influence their brand image, give a person a kind of impression, like Kentucky Fried chicken in a local unpopular, this will seriously damage their brand value. KFC is determined to avoid this.

**KFC’s promotion strategy**

Promotion is the transfer of information about enterprises and products to consumers in the target market. It has achieved the purpose of expanding sales, increasing the customer number, increasing turnover, improving market share, and even improving the image and popularity of company. Whether the promotion is appropriate or not directly determines the fate of enterprises. For promotional activities, the manifestation of a variety of forms. Including a variety of advertising, discounts, group purchase, bundling sales and other promotional activities such as public activities (Hashmi, Xiao & Shen, 2014).

KFC flexibly utilized a variety of promotional strategies, can be said to rack one's brains.Therefore, it also achieved satisfactory results. Main is:

First, birthday party promotion. KFC started it since 1995 in Chinese children's birthday party, for example, in a total of 2005 KFC held birthday party promotional nearly 190000 times, 20% more than in 1999 (Shen and Xiao, 2014). KFC birthday party is not profit as the main purpose, but this activity allows busy parents to give their children an interesting birthday, can satisfy the parents worry. What is more, give the child a different birthday party.

Second, new product launch promotion. It is a known fact that KFC constantly launches new products, and the forms of promotion are endless. Take the 2017 stand-in between original and golden crispy chicken. KFC polled 10.78 million votes for its original chicken and 9.83 million for its golden crispy chicken in an online poll (Brien, 2010). The fact that the original chicken won by just under a million votes means the two products are indeed neck and neck. Nonetheless, KFC's in-depth analysis of consumer research shows that "original" is the leading indicator of "uniqueness" (Cavusgil and Zou, 1994). As a result, KFC has decided to keep its creative taste on the menu for the long term, but will occasionally introduce golden crispy chicken or similar innovations.

Third, advertising promotion. For KFC advertising promotion (SchröDer and Mceachern, 2005), no one will feel strange, comparing rivals McDonald's, his advertising costs a lot. Every time a new product is launched, it will be advertised on the major mainstream media, so its new product can be known on the street once launched, let consumers unknowingly deepen the memory of the trademark.

**SWOT analysis**

SWOT can be utilized to evaluate the competitiveness of the analyzed objects in accordance with internal and external factors (Anjasni, 2013). As a commonly utilized strategy analysis model, it is utilized in many occasions and has strong applicability. Based on the results of the analysis, more appropriate strategies can be designed to cope with the changing market.

Advantage:

1. Diverse varieties, adhere to the "localization" of product updates, and is fair to innovate.

1. The environment in KFC is elegant, along with smiling service.
2. Exceptional management system and corporate culture.
3. Reasonable price and promotion strategy.

Disadvantage:

1. Fried food. KFC belongs to the Fried food, which contains cancer and health problems. (Sudan red events and cockroaches eat French fries)
2. Internal employee turnover is huge, easy to lose talent.
3. Preferential policies, is not obvious, cause consumers misunderstanding.

Opportunity:

1. China is a huge market with huge potential for development.
2. The situation of domestic food hygiene is grim.
3. China's economic situation is constantly improving. As people's living standards gradually improve, so does the level of consumption. The desire for agreeable food is stronger than ever.
4. The fixed thinking of foreign fast food has slightly improved. Previously unpopular hamburgers and chips have gradually entered People's Daily life, and brands like KFC have been deeply embedded in people's hearts.

Threat:

1. As for McDonald's, KFC's old rival, it has a decent market share in other markets except China. Although it lags behind KFC in entering China, its development momentum is always rapid. In the future, he will vigorously expand the Chinese market and is still put pressure on KFC.

2. Domestic well known fast food enterprises started expanding into high-end fast food. Such as: Sha county snacks and aunt dumplings.

3. Competition within yum brands is also fast food, and consumers can choose according to their preferences.

**3) CONCLUSION**

Through the analysis of several dimensions, it can see that while conducting global brand sales, KFC actively integrates with the local culture in all aspects to promote its local sales and development. A cohesive national pricing strategy allowed KFC to steadily expand its business across the country. Through population density control of the location of the franchise, to further regulate the development of the market, and eventually achieve the goal of reasonable distribution of the market. Endless and colorful marketing methods have made significant contributions to the sustainable competitiveness of KFC.

At the same time, KFC also faces many unprecedented challenges, which make it impossible to maintain the strategy adopted in the past to always occupy the market.

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Student：Enge Xu ID 1821635