



Student Name: Harivadan Patel

Student ID: 2335552

Module Name: Marketing Management

Module Code: LCMB7024

Lecturer's Name: Haoran Liu

Work Count: 2573

## Table of Contents

|                                      |    |
|--------------------------------------|----|
| INTRODUCTION.....                    | 3  |
| Brand Extension.....                 | 3  |
| STP for the New Brand Extension..... | 5  |
| Customer personal profile .....      | 7  |
| Marketing Mix Strategy.....          | 8  |
| Conclusion.....                      | 11 |
| References .....                     | 13 |

## **INTRODUCTION**

Regular exercise offers many advantages to the body including, improved cardiovascular health and lowering the risk of different disease. According to a study by Nystoriak et al. conducted in 2018, regular exercise is associated with a reduced rate of cardiovascular mortality and lower rates of cardiovascular disease. Exercise can help manage or change many of the risk factors for heart disease, such as high blood pressure and high cholesterol. Both aerobic and strength training exercises can initiate physiological changes that enhance vascular and metabolic health to help lower the risk of disease.

The objective of this paper is to develop a strategic brand extension for KFC that fits with the evolving consumer preferences and market demand. There is an increasing desire, even from a body of customers who have historically focused on meat, for plant-based offerings as there is increasing awareness around sustainability, ethical eating, and health (Armstrong Soule & Sekhon, 2019). As a result, the analysis indicates that KFC may wish to launch a plant-based menu line offering burgers, wraps, and meatless fried chicken. The study will describe how the introduction of the new product aligns with KFC's brand values, undertake a segmentation-targeting-positioning (STP) analysis, develop a customer persona and build an integrated marketing mix strategy (7Ps). The extension is intended not only to challenge KFC's customer base, but to also enhance KFC's image as a flexible and modern fast food brand.

## **Brand Extension**

As a result, the analysis indicates that KFC may wish to launch a plant-based menu line offering burgers, wraps, and meatless fried chicken. The study will describe how the introduction of the new product aligns with KFC's brand values, undertake a segmentation-targeting-positioning (STP) analysis, develop a customer persona and build an integrated marketing mix strategy (7Ps). The extension is intended not only to challenge KFC's customer base, but to also enhance KFC's image as a flexible and modern fast food brand.

The expansion also builds on KFC's brand strengths of making delicious, high-quality comfort food. KFC has already tested plant-based products in some areas; KFC US for example has partnered with Beyond Meat (Lucas, 2020). These experiments demonstrated that consumers had a good reaction to them and that there is definitely an opportunity to grow. KFC can also strengthen their brand reputation of being innovative while honouring their legacy of making delicious food by rolling out an entire plant-based menu (Wirtz et al. , 2021)

The KFC Plant Based Menu would fill a significant market gap and create a lot of value. There are an increasing number of consumers who have concerns about their health, vegetarianism, flexitarianism, and the environment seeking fast food options to meet their ethical and dietary needs (Bryant, 2020). Additionally, with the continuing rise of sustainable eating, the desire for sustainable meals with a lower carbon footprint is more pronounced than prior to the pandemic and the desire is further intensifying (Szejda et al., 2020).KFC is now able to offer these alternatives to attract new customers while not alienating their core meat-eating audience.

In addition, KFC can differentiate itself from its competitors by offering a stand-alone plant-based menu. Only a handful of QSR's provide a full product assortment for vegetarians/beyond meat consumers, even though many have launched a single plant-based product (He et al., 2022). A stand-alone plant-based range will enhance KFC's status as a leader in fast-food and diversify their revenue streams, as well as improve brand relevance for the growing number of richly relevant consumers. This extension also puts KFC in a favourable position with regulators and public health activists as the fast-food industry's role in society health issues is under scrutiny (Clark et al., 2019).

In conclusion, the KFC Plant-Based Menu responds to the modern consumer's requests while thoughtfully respecting the brand's heritage. It fills a gap in the market while providing the potential for lasting sustainable growth and a competitive advantage based on KFC's traditions of flavor, quality, and innovation.

## **STP for the New Brand Extension**

### **Segmentation:**

The KFC Plant-Based Menu Line segmentation strategy needs to consider behavioral, psychographic, geographic, and demographic aspects to successfully get to the relevant market.

Demographic Segmentation: Millennials (ages 25-40) and Generation Z customers (ages 18-24), are the population they are focused on. The aforementioned population segments tend to be greater health-oriented individuals and more willing to try plant-based products (Sabaté & Soret, 2014). Additionally, both sexes with moderate to high disposable income will be specified because people are willing to pay a premium for eographic and ethical products.

### **Geographic Segmentation:**

The first market the brand will target will be urban and suburban areas of North America, Europe, and parts of Asia-Pacific where plant based eating is also gaining traction (Statista, 2022). The ideal cities will be New York, London, Sydney, and Toronto, as they have more educated populations and are generally more progressive in lifestyle.

### **Psychographic Segmentation:**

Health, ethical food production and sustainability are significant to this audience (Gómez-Luciano et al., 2019). They are lifestyle-driven consumers that prefer companies who seek to share in their values like wellness and awareness of the environment.

### **Behavioral Segmentation:**

In terms of behavior, this segment includes vegetarians, vegans and flexitarians, or people who reduce the amount of meat they eat without entirely cutting it out. They prioritize convenience and also want their plant-based option to taste the same as meat (Tso et al., 2021).

By combining these segmentation classification criteria KFC can have a better insight into the varied needs and demands for plant-based options.

### **Targeting:**

KFC will implement a distinctive marketing strategy that will focus on multiple markets, each with in-market specific messaging.

Flexitarians, who account for nearly 42% of the market for meat substitutes, will be the primary target (Szejda et al., 2020). This segment is still longing for the familiarity and comforting taste of traditional fast food while also looking for healthier, sustainable choices. The secondary segments include vegetarians, vegans and health-oriented consumers, particularly among the youth.

By focusing mostly on flexitarians, KFC appears progressive to younger and morally conscious consumers while retaining its broad appeal without offending meat eaters. As "the same finger-lickin' good taste—made better for you and the planet," the brand will promote the plant-based menu, highlighting both flavor and accountability.

### **Positioning:**

"For the consumer wanting a delicious fast food option without compromise, KFC's Plant-Based Menu serves up KFC's famous flavor, with a healthier, planet-conscious alternative, satisfying cravings while promoting better living."

### **The positioning strategy focuses on three pillars:**

**Taste parity:** The act of saying these plant-based alternatives taste just like KFC's original recipes is referred to as flavor parity.

**Sustainability and health:** Market the products as responsible choices for the health of person's generated by their diet and also for the health of the planet.

**Convenience and familiarity:** As a quick Service delivery of a fast-food headache while not requiring to change their eating habits drastically is a all of the above convenience and familiarity.

This tactic differentiates KFC from competitors like McDonald's and Burger King who have a limited range of plant-based foods but often do not deliver a true flavor experience (Bryant, 2020).

### **Competitive Perception**

KFC's brand equity through flavor originality provides a competitive advantage over competition. Most fast-food chains that offer plant-based options focus solely on a "meat-less" option rather than ensuring the flavor is suitable (Clark et al., 2019). KFC will market its plant-based menu to both eliminate meat, and indicate that flavor it loved. With strategic segmentation and targeting, and its unique positioning, KFC's Plant-Based Menu will be able to establish an effective niche in a growing and competitive marketplace.

## **Customer personal profile**

### **Demographic Profile**

The typical customer for the plant-based options at KFC is a 28-year-old woman named Emma Johnson who lives in a big city like London. Emma is a digital strategist with an annual income of £45,000, and she has a bachelor's degree in marketing. Emma is single, financially independent, and health-focused as a consumer. As a consumer, Emma also has a preference for paying more for food items that reflect her values (Gómez-Luciano et al., 2019). Emma's food choices are influenced by her education and understanding of global environmental issues; and somewhat, she will prefer brands that engage in ethical practice.

### **Psychographic Profile**

Emma is an example of a flexitarian; someone who predominately eats plant-based foods with some meat eaten occasionally. Emma's core values include social responsibility, health/wellness, sustainability, and animal welfare. She engages in regular exercise and has a lot going on in her life as part of her active next-generation lifestyle. According to

her food choices should be as little harmful to the environment as they are healthy for the body. She reads regularly about health trends, checks out new restaurants, and follows pages about plant-based cuisine and vegan influencers on social media apps such as Instagram (Tso et al., 2021).

Emma aspires to live a life that is filled with joy and balance and also to contribute her measurable impact on the environment and society. Therefore, she is often searching for companies that have a foundation of transparency, honesty, and creativity that align with her values. She appreciates fast-casual restaurants that cater to her dietary needs without sacrificing taste, flavor or quality because convenience is vital to her frenetic urban lifestyle (Bryant, 2020).

### **Buying Behaviour**

Emma was one of the earlier adopters of plant-based substitutes. She often recommends new products to friends and family through organic word-of-mouth and social media reviews, and she's happy to try them when they are in line with her values (Clark et al., 2019). Emma has a moderate degree of price sensitivity, and she is willing to pay a bit more for products that may have better ethical and health attributes. When she makes decisions about what to purchase, Emma demands consistency, transparency in the sourcing process, and explicit nutritional information

## **Marketing Mix Strategy**

### **Product**

KFC's plant-based menu line will include burgers, sandwiches, nuggets, fried chicken pieces, and combo meals without meat. These products will use plant protein – soy, pea and mycoprotein – to make the pieces look and taste like chicken (Tso et al., 2021). To keep in line with the original flavor profile of its brand, KFC will season all meals with KFC's mix of eleven herbs and spices. Extra effort will be taken to ensure appearance was carefully considered and the plant-based selections looked and matched their meat counterparts. The labelling will be clear that the products are entirely plant-based, do not contain artificial ingredients, and are non-GMO (Bryant, 2020).

## **Price**

KFC will price its plant-based menu using a value-based strategy. In order to present the luxury of the plant-based ingredients in the minds of customers, the prices will be priced slightly higher than the typical chicken options (5%–10%), but within a value that mainstream customers will accept (Szejda et al., 2020). The aim is to communicate that customers are paying for quality improvements, sustainability, and ethical value. The price point of product will also allow for promotional options like “Meat-Free Mondays,” or meal-deals for bundling, in order to encourage customers to trial the product and build loyalty.

## **Promotion**

**An integrated marketing communication (IMC) approach will be employed to promote the plant-based menu.**

Key promotional activities will include:

**Social Media Campaigns:** Generate authentic buzz on YouTube, Instagram, and TikTok by working with flexitarian food bloggers and vegan influencers (He et al., 2022).

### **Television and Digital Ads:**

The tagline for the advertisements will say, “Same Great Taste, Plant-Based Goodness.” The emphasis will be on environmental impact and taste equivalency.

**Public Relations (PR):** releases, launch parties, and partnerships with environmental NGOs (Wirtz et al., 2021).

**In-Store Promotions:** Point-of-sale materials will be designed for educational purposes using banners to explain the new product, as well as also posters and sample tastings. The marketing strategy will be focused on taste, sustainability, and health while not disparaging traditional meat consumers.

## **Place**

KFC will first launch its plant-based offerings at select flagship locations (Statista, 2022) in urban and suburban regions where there is already a significant demand for plant-based foods.

As demand becomes followed by supply, we may even see some smaller cities included in a staggered rollout depending upon market reception. In addition, KFCs distribution will consist of:

**Delivery Platforms** :KFC will offer home delivery service with agreements or partnerships with UberEats, DoorDash, and Just Eat.

**Drive-Thru and Takeaway:** Drive-Thru & Takeaway – with the use of the drive-thru lanes, convenience will provide faster access, along with a special menu.

**Mobile App Ordering:** To promote digital ordering, exclusive plant-based offers will be inserted within the app.

Plant-based stocks should be as readily available and convenient as traditional menu items.

## **Process**

Reducing cross-contamination and maintaining consistency in operations will be necessary. Where feasible, plant-based products will be prepared in dedicated preparation areas or equipment (Clark et al., 2019). Staff will receive comprehensive training on how to prepare new menu items, understand allergens, and communicate the advantages of plant-based diets. Fast service times will be achieved with a streamlined order-to-delivery system, ensuring that the roll-out of plant-based products does not hamper KFC's efficient business model.

## **People**

In terms of engagement, employee buy-in will be very important. Not only will employees need to be educated about the Plant-Based Menu's broader social and environmental value, but they also need to be empowered to answer the customers' questions and push their upselling, and ultimately represent the brand's new initiative. KFC will also engage customers by seeking their opinions through social media polls, online surveys and loyalty apps.

## **Physical Evidence**

The plant-based commitment will be supported by clear evidence:

**Packaging:** "Plant-Based" stamps, green lifestyle logos, compostable, eco-friendly packaging (Lucas, 2020).

**In-Store Design:** digital screens with sustainability info, promotional banners, and menu boards all plant-based.

**Online Presence:** Digital presence - dedicated space with product information, sourcing stories, and customer reviews on the KFC website/mobile app. KFC will reaffirm the authenticity and seriousness of its plant-based commitment with an integrated physical and digital brand experience.

## Conclusion

The launch of KFC Plant-Based Menu Line presents a risk-managed opportunity for the company to respond to the growing shifts in consumer preferences while retaining its traditional identity. Given the emergence of environmental sustainability, ethical consumption, and health consciousness in the global food landscape, fast-food brands will need to create innovative products to remain relevant and competitive (Bryant, 2020). By introducing a menu of plant-based products that offer the taste and experience of its traditional products, KFC can certainly attract new target customer segments, such as vegetarians, flexitarians, and health-conscious consumers, while minimizing the risk of losing its traditional customer base.

KFC's principles of quality, taste and innovation are all evident in the proposed brand extension. Using targeted segmentation, distinct marketing strategies and clear positioning, KFC can ensure that the plant-based options will be able to meet the needs of a diverse group of customers. Moreover, the successful launch and incorporation of the product lines benefits from the total marketing mix strategy, emphasizing quality assurance, accessibility, employee training, and sustainable branding; (Clark et al., 2019).

In addition, by enhancing its corporate social responsibility profile, the brand extension positions KFC as a responsible and forward-thinking leader in the quick-service

restaurant (QSR) industry (Wirtz et al., 2021). If implemented effectively, the KFC Plant-Based Menu is capable of enhancing brand equity, strengthening brand loyalty, and providing a competitive advantage on a long-term basis within a rapidly evolving global food landscape. For sustainable success, it is recommended that KFC track customer feedback and adjust its menu to capture emerging dietary trends.

## References

- Cecchinato, A., 2021. The Plant-Based Meat: a study of packaging to communicate a sustainable food product's innovation, p. 4.
- Bryant, C., 2020. Culture, meat, and cultured meat. *Journal of Animal Science and Technology*, 62(3), pp.235–246
- Clark, M.A., Springmann, M., Hill, J. and Tilman, D., 2019. Multiple health and environmental impacts of foods. *Proceedings of the National Academy of Sciences*, 116(46), pp.23357-23362.
- Gómez-Luciano, C.A., de Aguiar, L.K., Vriesekoop, F. and Urbano, B., 2019. Consumers' willingness to purchase sustainable food products: A systematic review. *Food Research International*, 120, pp.304–312. Available at: <https://doi.org/10.1016/j.foodres.2019.02.035>
- He, J., Evans, N.M., Liu, H. and Shao, S., 2022. A review of plant-based meat alternatives: Driving forces, history, manufacturing, and consumer attitudes. *Comprehensive Reviews in Food Science and Food Safety*, 21(1), pp.416–442. Available at: <https://doi.org/10.1111/1541-4337.12868>
- Lucas, A., 2020. KFC expands Beyond Meat test to more locations. *CNBC*, 8 January. Available at: <https://www.cnbc.com/2020/01/07/kfc-expands-beyond-meat-test-to-more-locations.html>
- Sabaté, J. and Soret, S., 2014. Sustainability of plant-based diets: Back to the future. *American Journal of Clinical Nutrition*, 100(Suppl\_1), pp.476S–482S. Available at: <https://doi.org/10.3945/ajcn.113.071522>
- Statista. (2022). Vegan and vegetarian food market - statistics & facts. <https://www.statista.com/topics/4155/vegan-and-vegetarian-food-market/>
- Szejda, K., Urbanovich, T. and Wilks, M., 2020. Accelerating consumer adoption of plant-based meat: An evidence-based guide for effective practice. *Good Food Institute Report*.

Tso, R., Forde, C.G. and Lim, W.Y., 2021. Perception of alternative meat substitutes and real meat: Factors affecting purchase intent. *Foods*, 10(4), pp.830. Available at: <https://doi.org/10.3390/foods10040830>

Wirtz, J., Zeithaml, V. A., & Gistri, G. (2021). *Essentials of services marketing* (3rd ed.). Pearson.

Choudhury, D., Singh, S., Seah, J.S.H., Yeo, D.C.L. and Chuah, Y.K., 2020. Commercialization of plant-based meat alternatives. *Trends in Food Science & Technology*, 105, pp.233–246. Available at: <https://doi.org/10.1016/j.tifs.2020.09.006>

Van Loo, E.J., Caputo, V. and Lusk, J.L., 2020. Consumer preferences for plant-based meat alternatives: A discrete choice experiment. *Food Policy*, 95, pp.101931. Available at: <https://doi.org/10.1016/j.foodpol.2020.101931>

Bailey, R.L. and Harper, L.D., 2022. Vegan fast-food market development: Trends and barriers. *Journal of Retailing and Consumer Services*, 64, pp.102768. Available at: <https://doi.org/10.1016/j.jretconser.2021.102768>

Grasso, S., Brunton, N.P., Lyng, J.G., Lalor, F. and Monahan, F.J., 2019. Consumer perceptions of plant-based and insect-based protein products. *Food Quality and Preference*, 72, pp.112–123. Available at: <https://doi.org/10.1016/j.foodqual.2018.10.001>

Slade, P., 2018. If you build it, will they eat it? Consumer preferences for plant-based and cultured meat burgers. *Appetite*, 125, pp.428–437. Available at: <https://doi.org/10.1016/j.appet.2018.02.030>

de Koning, W., Dean, D., Vriesekoop, F. and Kenyon, A., 2020. Food innovation and market adoption of plant-based meat substitutes. *Foods*, 9(7), pp.856. Available at: <https://doi.org/10.3390/foods9070856>

Marodin, G.A. and Pessot, E., 2020. How fast food chains are adapting to vegan customers: The case of KFC and others. *International Journal of Hospitality Management*, 89, pp.102578

Wang, Q. and Li, Y., 2021. Plant-based meat substitutes: Production, consumption, and prospects. *Foods*, 10(12), pp.3167

Neff, R.A., Edwards, D., Palmer, A., Ramsing, R., Righter, A. and Wolfson, J., 2018. Reducing meat consumption in the USA: A nationally representative survey of attitudes and behaviors. *Public Health Nutrition*, 21(10), pp.1835–1844. Available at: <https://doi.org/10.1017/S1368980017004190>