

BRIEF: Marketing Strategy Case Study

DG2S55 – 20 credits

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The **KF**-hypo**Crispy**



Figure 1: KFC adds vegan chicken burger to permanent menu across UK

The news dropped early summer of 2019 where KFC announced a national campaign across selected UK stores, catering for the ever-growing demand of meat-free alternatives. Mainly in stores throughout England, the 'experiment' was situated in some of their most popular locations across London, Bristol and the Midlands (20 stores all-together, nearly half being in Bristol alone). Dubbed with the name 'The Impossible Burger' at the time of testing, you would have paid just £2.99 depending on if you were lucky enough to get one. Due to huge demand, in just four days, the alternative had sold out quicker than expected, which was 500% higher than the expected selling rate. A "finger-lickin' good" figure for something so forward-thinking. Six months later, the option (Now at an extra £1 (£3.99)) is being released as a permanent staple on the KFC menu, but renamed the 'Original Recipe Vegan Burger'. (**Mirror 2019**)

The addition to the menu is an instant win for all people who are looking at changing their meat-based diets into plant-based. It really does serve as a

perfect alternative and replacement, but does the product serve a resolute role in the future of fast-food veganism? The answer is conflicted; as worthy as the product stands and how massive it is for fast-food chains to finally dedicate a part of their brand to this way of living; the campaign comes with its downfalls and hypocritical history.

NOTHING BUT THE CONTROVERSY



Figure 2: *The Whole Chicken*

For example, KFC's 2017 'Nothing but the Chicken' TV advert (in co-operation with Mother London) depicts an innocent chicken strutting his tail feathers around a barn, dancing as if no one is watching, ending with the slogan, 'The chicken, the whole chicken, and nothing but the whole chicken' our feathery friend winking besides the KFC logo. The vision of the ad was to create something that Hermeti Balarin, executive creative director of Mother, said 'would be impossible to ignore'. And how right he was, but not in the way that had been predicted. Not long after the campaign's launch, many vegetarians and vegans who discovered the advert reacted with obvious offence and it caused a lot of distress amongst the community, so much so, the ASA (Advertising Standards Agency) recorded 755 complaints over the 2017 period alone, tallying it up to be the most-complained about advert that year, making up for 2.5% of the 29,997 ASA complaints in total that year (a hefty amount considering how many are adverts created) (**campaignlive 2019**). However, this is not a first for KFC, as during the 2005 period, the chain topped this list again with their 'Zinger Crunch Salad' advert, featuring emergency helpline callers at their desks, eating on the job whilst taking calls.

It was titled the most complained about ad of all time, receiving in the release year alone 11,671 complaints. **(ASA 2018)**

Clean-eating diets and veganism were ridiculed in 2017 when we saw the release of KFC's award-winning 'KFC #CleanEating Burger' (the Campaign's Marketing New Thinking Awards 2017). Mainly based on social media platforms, the advert saw a 'fake food blogger' take to the internet to play on the rich-trending topic of clean-eating. The intention being that after research into the obsession shown by mainly their target audience, the rich, middle classes, they believed clean-eating could be viewed as 'joyless' and bland, KFC wanted to show them what they are missing out on when fixating on the topic - bombing the scene of clean with the 'Dirty Louisiana'. **(Campaignlive 2018)**

With a history of controversy and success behind them, it does bring up the vital discussion for whether fast-food chains *really* care about their vegan customers, or if they are just in it for the profit? From what sources describe, the company have well and truly shut down their tactics in stirring-up modern-day markets, as thanks to the ever-trusted name of Quorn being their main source of supply for the burger, it makes it that bit easier to trust their new ethics. Or does it?

In a recent email to the chain, I ask the important question of what happens to profit after the purchase of a vegan burger at one of their chains. It is pleasant to think that you may be supporting the reduction of an ever-growing carbon-footprint surrounding the meat market from such fast-food chains, and even supporting the environment to make way for a healthier planet. However, this is unfortunately far from what we may be telling ourselves, as KFC's response was that, "All profit made from the Vegan Burger would be used to help fund all areas within KFC. The profit isn't exclusively used to fund the Vegan Burger". This would mean that no matter your intentions for purchasing the product, you would still be profiting the produce down the line outside the vegan-range.



Your request (#220923) has been updated. To add additional comments, reply to this email or click the link below:
<https://help.kfc.co.uk/hc/requests/220923>

Nathan (KFC)
4 Feb, 17:47 GMT

Hi Matthew,

Thanks for getting in touch.

All profit made from the Vegan Burger would be used to help fund all areas within KFC. The profit isn't exclusively used to fund the Vegan Burger.

Sorry that's disappointing, but I hope it helps. If you've got any other questions, just fire away!

With all best wishes,
Nathan
KFC Care Squad

To view KFC's Privacy Policy then please see the link below;

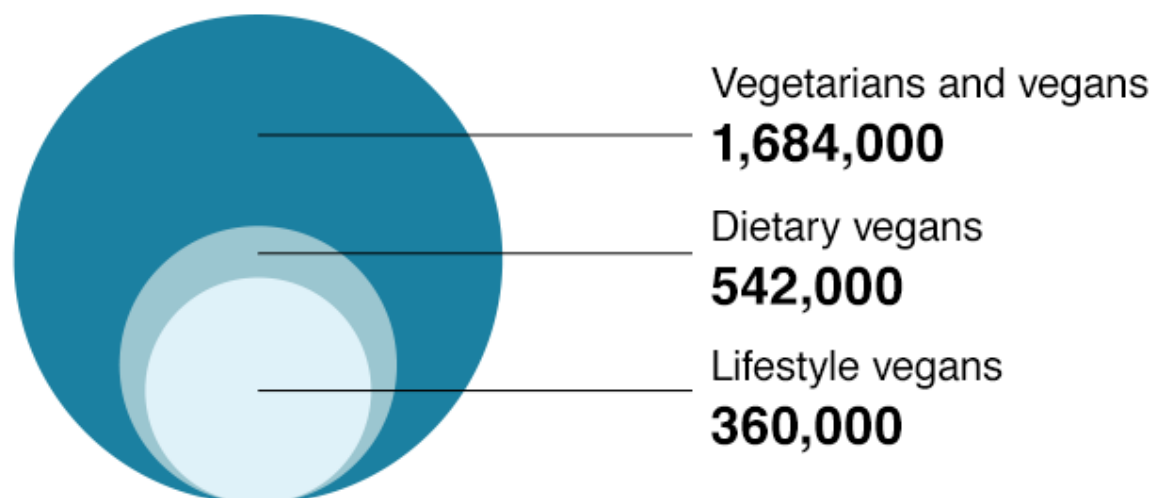
<https://www.kfc.co.uk/privacy-policy>

Figure 3: [Private Email, Screenshot]

However, in order to keep a business thriving, and with an obviously higher ratio for the 'real meat deal' over the alternative phenomenon, business would not survive without the average customer turnover. Despite losses of

about £42M from tax years between 2017 and 2018 (£129.9M down from £171.9M), this doesn't negotiate the fact vegan burgers could become more popular in a hurry (**Big Hospitality 2019**). Although staggering figures show sales of one million vegan burgers sold in the opening month (January 2019) equalling 1 sale per every 3 seconds (1,000,000 burger sales x £3.99 a burger = £3,990,000 sales) it is nowhere near enough to predict the sales of the future vegan friendly product or match the average turnover (**Vegan Food And Living 2020**). And there are plenty of pure vegetarians and vegans who still feel very much against the idea of even entering the chain. Besides the possibility of introducing more vegan options to the menu, a survey by 'Vegan Food and Living' claims that 52% of vegans would still not dream of entering a fast food chain like 'KFC', with McDonald's and Nando's following closely behind. Even 54% of vegans surveyed stated that their go-to eat out place would much rather be somewhere like Wagamama rather than a fast-food chain, whilst 84% of lunch-time meals are produced at home to avoid the prospect of entering a meat-contaminated takeaway (**Vegan Food And Living 2019**).

Vegetarians and vegans in Great Britain



Source: The Vegan Society (estimates based on survey of 10,000 people in 2016)



Figure 4: Pret to buy Eat in vegan deal

However, this doesn't seem to come across as an underlying issue within the fast food industry, as adding more to the competition alongside KFC's vegan burger are well-known brands such as McDonald's, Pizza Hut and Burger King. Although sales may not equalise with KFC's opportunistic approach to catering for this unique market, results show that they are still honing in on some of the sale figures with their own unique creations. For example, in terms of vegan pizzas in the takeaway market, it's not something that has been

taken into consideration when serving something that fills this market gap. There have been successful attempts at producing lower calorie, gluten free and even no-meat pizzas, but never meat-alternative pizzas... until now. Thanks to Pizza Hut, just like KFC, they have also developed a niche product that satisfies the ignored demand in their restaurants. Despite their successful Violife vegan pizza - vegan cheese with vegetables - there have since been many other items such as the vegan BBQ jackfruit pizza, vegan "pepperphoni" pizza, vegan margherita pizza, vegan nuggets (alongside Quorn) and even desserts from cheesecake to cinnamon bites, Pizza Hut seem to be focusing on long-term options, rather than just the short-term fads. Plus, with McDonald's vegetarian range to Subway's vegan meatball sub, new ways of serving this market are becoming a part of the food-chains of today. I believe this is something KFC could learn from. Rather than limiting themselves to just the one product, why can't they expand their range now rather than later?

Despite reports of the restaurant possibly releasing a new addition of a vegan wing bucket to their menu, for some time now it has only been part of a testing phase, with no new information of when this may hit the menu as a permanent feature.



Figure 5: [Public Profile]

It seems that although KFC may have cracked the recipe for success, statistics show they haven't quite mastered ethical dialogue with a vegetarian and vegan target audience outside their usual customer market. Looking at marketing campaigns and how the chain presents themselves, KFC's main target audience consists of mainly young people around 12-17 looking for a quick bite to eat with friends, but nothing too expensive as this is not within their budget or their families' budget (mostly low-to-average income earners) (Essays UK 2018). The audience may also still be school aged too, year 9-10 stage where they start making their own food choices and are becoming more independent. However, due to KFC's famous 'Family Bucket' deal, this implies that KFC is family friendly, looking to save on time, the stress of cooking and to treat the kids; they are not trying to ascertain anything too fancy, but something that settles nicely within their budget and a place

where they don't have to think too hard about what to order. This is because both parents are working long hours, whilst their kids are in school. They haven't got the time to cook once they get home due to how their kids want and need the sudden attention. The overall age is somewhere between 7-60 years old, allowing those looking for a quick takeaway or a full-family meal to please all. It may not be too specific of an age range, but this ensures inclusivity of all customers under the broad 'family' umbrella.

However, this unfortunately doesn't add to the fact that even at such affordable production cost with the addition of such a quality-driven vegan product, current efforts alone still don't imply the chain is ready to fully dedicate themselves to making vegetarian and vegan audiences feel truly included and welcomed; this said, they may never reach this outcome. Did you hear about the vegan who walked into the chicken joint? Neither did I, because there are plenty of other places who have truly dedicated their efforts into providing services that vegans and vegetarians can truly feel content rather than casted out. Apart from having the upper-hand with their Quorn-partnership over competitors such as McDonalds and Burger King, this may be where the problem lies. KFC are too busy focusing on competing against leading brands that serve a similar target audience line to their service, also trying to cater for that vegan and vegetarian 'minority'. I believe the real answer lies in focusing on those who already serve the minority as a majority...



Figure 6: KFC: A very fcking clever campaign

THE RECIPE FOR SUCCESS

Through my observations, I feel that all hope may not be lost, as due to recent business decisions in May 2019, a well-known chain bakery known as Pret a Manger took a game-changing decision to purchase food chain competitor 'Eat' in order to expand their brand. This wasn't just a way to create more of the same settings though; instead, Pret decided to expand on their already profitable vegan variety. For example, in Soho, London, the brand boasted high interest in the first vegan Pret store back in 2016. The store was not expected to stay as long as it did, but with so much custom, it



ended up as a permanent feature to the location. After the successful launch of another two stores in London again, it was decided to open the first vegan store outside of London in Deansgate, Manchester; at this time, October 2018, veganism was suggested to be “increasing rapidly in popularity”.

Figure 7: *The Future Is Green for Veggie Pret*

Fast forward to 2019, and a total of four stores across England have seen profitable and steady turnovers. With plans to change all Eat places in the UK into a vegan Pret paradise, it comes with no surprise that the demand for these exclusive stores providing something separate from their non-vegan range are a better go-to decision rather than the awkward combination of the two. Countervailing hordes of dancing chickens with smaller portions of meat substitutes in the same area holds potential cross contamination and is purely unethical. I believe this decision by Pret could be a vital message to the likes of 'KFC' and other fast food chains, opening separate restaurants that serve primarily to the vegan and vegetarian minority, rather than the cheap combination the two. This advice is something I really believe 'KFC' can take-away.

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Appendix:

FIGURE 1 - Starostinetskaya, Anna. (2019). *KFC adds vegan chicken burger to permanent menu across UK*, Available at: <https://vegnews.com/2019/12/kfc-adds-vegan-chicken-burger-to-permanent-menu-across-uk> (Accessed: 27 February 2020).

FIGURE 2 - KFC UK and Ireland. (2017). *The Whole Chicken*, Available at: <https://www.youtube.com/watch?v=KykM1kwdaOA> (Accessed: 27 February 2020).

FIGURE 3 - hello@kfc.co.uk. (2020). [*Private Email, Screenshot*]. (Accessed: 27 February 2020).

FIGURE 4 - Unknown Author. (2019). *Pret to buy Eat in vegan deal*, Available at: <https://www.bbc.co.uk/news/business-48366324> (Accessed: 27 February 2020).

FIGURE 5 - Warren, Jo. (Unknown Date). [*Public Profile*]. Available at: <https://uk.linkedin.com/in/jo-warren-3aa83311> (Accessed: 27 February 2020).

FIGURE 6 - Brownsell, Alex. (2018). *KFC: A very fcking clever campaign*, Available at: <https://www.campaignlive.co.uk/article/kfc-fcking-clever-campaign/1498912> (Accessed: 27 February 2020).

FIGURE 7 - Schlee, Clive. (2016). *The Future Is Green For Veggie Pret*, Available at: <https://www.pret.co.uk/en-gb/veggie-pret-is-here-to-stay> (Accessed: 27 February 2020).