

Analysis of KFC's "Crazy Thursday" Based on SWOT Method

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Abstract. "Crazy Thursday" is a marketing campaign launched by the global fast-food chain company KFC in 2018 in mainland China. In early 2022, this campaign went viral on Chinese social media and gained success and the employment of the eWOM strategy played an important role in it. The purpose of the study was to explore whether the WOM method is useful in online advertising, and how it works, and provide its reference value to other companies. This paper employed qualitative methods and SWOT analysis to have an in-depth study on KFC's "Crazy Thursday" marketing campaign. It concluded that its property of being easily remembered and spread, the substantial discount on several items, and the interaction with young netizens are beneficial to the eWOM and consumers' purchase intention. The limited select range of discount items and its bundling strategy, the fierce competition from other fast-food chains may cause a negative result. WOM and eWOM can make big difference in consumers' attitudes and purchase intentions. Thus, fast-chain companies should pay more attention to WOM, especially eWOM, to keep up with Internet trends and increase their interaction with netizens.

Keywords: KFC; WOM; Marketing Campaign.

1. Introduction

1.1 Research Background

In the year 2022, the covid-19 negative impact on fast-food chain stores still exists as customers eat out less and eat at home more. At the same time, information technology accelerates to grow. To attract new customers, those fast-food restaurants start to involve in managing their social media accounts and implementing some online marketing campaigns. "Crazy Thursday" of KFC is one of the examples of success.

Chinese youngsters may find a special offer from the famous American fast-food chain KFC has risen in popularity on Chinese social media (e.g., WeChat, Weibo, and Little red book) recently. It is "Crazy Thursday", a marketing campaign launched by KFC in 2018. It offers discounts on certain products every Thursday, not only on the new products but also on its core products. The marketing campaign did not make much progress in the first two or three years after its launch. However, in early 2022, it went viral on Chinese social media quickly and it was widely discussed by the public. There is referential value for those companies marketing through social media.

The localization strategy of KFC mainly includes two parts. First, KFC has focused on localization since its entrance to the Chinese market. They set up their research and development team in the mid-90s to promote products suitable to the tastes of Chinese customers [1]. Second, more than 90% of KFC's employees and suppliers are local. Until now, more than 300000 Chinese people are working in KFC and more than 500 Chinese companies supply KFC with raw ingredients [1].

In decades many researchers have devoted themselves to this company. Chinese scholars mainly focus on intercultural marketing, in Qiu's research [2]. Qiu found that KFC's intercultural marketing mainly concludes three categories: product culture marketing, brand culture marketing, and corporate culture marketing [2]. Besides, researchers have also compared it with other familiar fast-food chain companies like McDonald's, Zeng and Liu did a horizontal comparison of the products of KFC and McDonald's [3]. The research takes Guangzhou as an example, employed the classic Hotelling model, and applied the most recent data available at the time [3]. The conclusion is that fast-food enterprises would minimize the differences in the subordinate attributes and maximize the differences in the dominant attributes among similar products [3]. Besides, LAN focused on its localization strategy and its implications for Chinese enterprises [4]. Its analysis of the reasons and main ways KFC

implements its localization strategy indicates that Chinese enterprises should establish the concept of cross-cultural management, pay attention to research and lay emphasis on its customers, improve scientific management, attach importance to brand marketing and cultural marketing, and set up the business philosophy of continuous innovation [4].

1.2 Research Gap

Although there are lots of research based on the topic of the fast-food industry, however, in the information era, Chinese customers' especially Chinese youngsters are active on social media and gain more information especially comments on the products from it. Therefore, Chinese companies are now depending more on online marketing. Besides, as far as it can be known, no previous research has investigated KFC's "Crazy Thursday" marketing campaign and its word-of-mouth marketing strategy until now. So how was the impact of word-of-mouth in online marketing and whether it can impact customers' purchase intention? It's important to provide a reference for those catering companies because word-of-mouth especially electronic word-of-mouth plays an important role in marketing practices. Therefore, the research aims to investigate the application of word-of-mouth strategy in online advertising with reference to Kentucky Fried Chicken (KFC) and its "Crazy Thursday" campaign.

1.3 Fill the Gap

In this study, the SWOT method will be employed to research KFC's "Crazy Thursday" and prove the usefulness of the word-of-mouth method in online advertising. It will also point out its reference value for other companies.

2. Literature Review

2.1 Definition & Development

Word of mouth (WOM) and electronic word of mouth (eWOM) first appeared in communication studies, and now they are widely applied in marketing.

WOM refers to the statement that customers inform others about a certain level of satisfaction created by an event [5]. Dick and Basu defined it as the conversation conducted after the purchase based on the voluntary of consumers [6]. It is regarded as one of the most influential sources of information [7]. In the era that personal computers, smartphones, and other electronic products were not widely available, people tended to obtain purchase-related information through face-to-face interactions with their friends, relatives, classmates, and colleagues as it seems more reliable and based on authentic feelings with less interference [8]. Some factors can exert influence on word of mouth. Social ties are one of those factors. According to Brown and Reingen, weak and strong social ties play different roles in word of mouth [9]. The property of the commodity itself like value and function may have impacts on the effects of WOM. Conventional word of mouth is only effective within a minor scale and short time, the influence of it is greatly limited [10].

In the digital age, the development of information technology has reconstructed both the way of communication and the way of business. Consumers can seek information in more portable ways, the electronic word of mouth (eWOM) has become one of the important factors impacting consumer attitudes and behaviors. Internet option sites (e.g., Yelp, Trustpilot, and Little red book) and social media (e.g., Instagram, TikTok, and YouTube) play an ever-increasing role in the public's consuming decisions [11, 12]. The public's purchase intention becomes not only influenced by the people they are familiar with but also affected by strangers on the internet if their opinions seem objective and credible [13]. Researchers have also shed light on the feature of eWOM. EWOM has some unique advantages compared with conventional word-of-mouth. According to Guo and Yang, eWOM can convey information with high efficiency, strong interactivity, diversity of methods, and anonymity [14]. Teng and others thought that e-WOM is huge in quantity, including various sources and well-organized information available for consumers [15].

There're some stimuli of word of mouth, like valence and volume. The positive, negative, and neutral comments would make different impacts on the products [16, 17]. Also, the quantity of information is important [16, 17]. Other stimuli include the quality of the argument (relevance, timeliness, accuracy, and comprehensiveness), and review types (e.g., experimental, factual).

2.2 Important Results

WOM can make difference in consumers' attitudes toward different kinds of products. Wu researched notebooks and shampoo and found that the eWOM message with high credibility can lead to a better brand attitude [18]. They also found that the reliability of the message can influence the impact of word of mouth [18]. Jalilvand has examined the relationship between eWOM and tourist attitude toward the destination, they found that a better image of a destination can causes better tourist attitude toward it [19]. They hold the view that compared with the traditional word of mouth, eWOM is easier to observe and manage because they are posted on the internet and available to visit [19]. Not only favorable comments but also unfavorable comments can impact customers' attitudes. Park and Lee reported that negative reviews have a greater impact on consumers than positive ones [20]. Consumer attitude can also exert an impact on the engagement of word-of-mouth. According to Eugene's research, dissatisfied customers participate more in word-of-mouth than those who are satisfied with the products and services [21].

WOM can also make difference in consumers' purchase intention. Engel has found that WOM can exert a strong influence on customers' purchase intention when choosing automotive diagnostic services [22]. Arndt pointed out emphatically the positive and negative effect WOM has on the new products in a short-term sale, people will more easily accept a new product if they are exposed to positive comments, while negative comments prevent people to buy it [23]. Chevalier and Mayzlin researched the effect of a consumer review on the sales of the book at Amazon and Barnes and noble, they reported that the improvement of the book review can lead to an increase in sales [24]. Not only the quantity but also the quality of the comments will be referred to by the customers [24]. Liu has found that word of mouth makes a great contribution to the movie's box office in the first few weeks after the movie came out [25].

2.3 Summary

In this research, the effect of WOM and eWOM has a positive correlation with customers' attitude and their purchase intention. That means the comments of satisfaction of the customers will have positive impacts on the public's attitude towards KFC and will increase their willingness to buy the products that are served in the store.

3. Method

3.1 Research Design

The research method of this paper mainly takes the qualitative method, it applies SWOT analysis to what is being studied and indicates its advantages, disadvantages, opportunities, and threats. The object of the study is KFS's marketing campaign "Crazy Thursday".

The qualitative method allows researchers to have a more comprehensive and profound understanding of the object through in-depth study and analysis. It can help researchers to explore the multiple ways to the same outcome and to deal with the complexity of multiple antecedents [26]. The SWOT analysis is the study of the strengths, weaknesses, opportunities, and threats of the object. It is widely applied in research on the strategic decision of an enterprise [27]. The object of this paper is KFC's marketing campaign "Crazy Thursday", which is within the scope of business strategic decision. The research tries to detect the multiple factors for its success and those causes are sophisticated. Therefore, it's suitable for this paper to employ the qualitative method and the SWOT Analysis as its main research methods.

3.2 Kentucky Fried Chicken (KFC)

Kentucky Fried Chicken (KFC) was founded by Harland Sanders in 1930, it was only a little restaurant in a humble service station in Corbin Kentucky at first, and the business grew in the next 20 years [1]. In 1955, the world's first franchise of KFC was established in Salt Lake City, it was the beginning of a catering franchise and in 1955, the KFC limited company was formally founded [1]. KFC was sold to PepsiCo in 1977, and in 1997, PepsiCo spun off its fast-food business and set up an independent listed company called Yum! Brands [28]. KFC has always laid emphasis on its global operation, until 2022, they sell fried chicken in more than 25000 restaurants in over 145 countries and territories around the world [1].

In 1987, KFC has opened its first restaurant in mainland China which was located in Qianmen, Beijing. Since KFC entered the Chinese market, it was loved by the Chinese public [1]. KFC is growing rapidly in China, until 2022, it has more than 12000 chain stores in mainland China [1]. Yum China now has the exclusive operation and authorization of KFC in the Chinese market. After Yum China spun off from Yum! Brands, it listed independently on the New York Stock Exchange on November 1, 2016 [29].

KFC has employed multiple marketing methods to further develop its business. KFC has emphasized public welfare marketing in the past twenty years [30]. They launched a foundation in China together with China Youth Development Foundation in 2002 to provide financial aid to poor college students [30]. In addition, they always make advantage of celebrity endorsement. KFC always invite the most popular celebrities in China to feature in their advertisement, like TF Boys. Those brand endorsers make the brand better known among Chinese consumers. Crossover marketing also plays an important role in its marketing strategies. KFC used to launch many co-branding products, collaborators include famous artists, celebrities, food brands, and IPs (intellectual property).

Chinese youngsters especially college students and people who are just entering the workforce are the target population of KFC's "Crazy Thursday" campaign. Those people grew up in the information era, they are fond of participating in online discussions on social media and are good at getting information from the internet. Therefore, the effect of the eWOM marketing strategy is embodied vividly in this group of people. They are also the first generation of Chinese people who grew up with the company of KFC (when KFC first enter the Chinese market, it only existed in a few central cities). As China further opens to the world in the past decades, they are used to western tastes and the age of rapid change has formed their habit of eating fast food.

3.3 SWOT Analysis

Strength. The "Crazy Thursday" has its unique strengths. First, "Crazy Thursday" is a name easy to be remembered, Netizens have even made an abbreviation "Cray-Thurs" for this beloved marketing campaign. Therefore, eWOM can spread at a stupendous speed on the internet. Besides, Thursday is right in the middle of the week and before Friday. To those Chinese youngsters who need to study and work for whole weekdays, Thursday is when they are most tired and stressed. That's because they have struggled for four days studying or working and there's still one weekday left before the weekend. So many people consider this special offer as comfort for their hard work. After KFC's extensive advertising using the eWOM strategy, "Crazy Thursday" has become one of KFC's slogans and brand identities. Every Thursday, "Crazy Thursday" crosses people's minds which are highly associated with KFC, then, the consumers' purchase intentions will increase, but the consumers' attitudes do not significantly change.

Second, the preferential price and the choice of select items are also of its strengths. Due to years of operation in the Chinese market, KFC has launched several classic products. Those items are popular in the Chinese market and Chinese youngsters are familiar with the tastes they grow up on. Different from the practice that only offering a discount on newly launched products, KFC's "Crazy Thursday" always provide special offer on their classic products for their customers. The selected items are on sale at half price or more, and most of them are priced at 9.9 RMB or 19.9 RMB. KFC applied the eWOM strategy to promote their special offer, those advertising message soon went viral

on the internet. Many people who are not KFC's regular customer come to KFC to join in its "Crazy Thursday" campaign after reading about it on social media. Affordable and delicious become KFC's new brand image because of the widespread "Crazy Thursday" through the eWOM strategy.

Weakness. However, "Crazy Thursday" has its own weaknesses. One of the most obvious problems is that every week only 2 to 3 items are on sale, and almost all of them are sold bundled with multiple pieces. Although many young netizens get involved in the campaign, there're a lot of voices of doubt. That probably has an unfavorable effect on the consumer's word of mouth and then impacts negatively customers' purchase intention.

Opportunity. KFC is also in the face of external opportunities. One of the greatest opportunities is that with the rapid growth of information technology and the development of Chinese social media, Chinese youngsters are active in the social network and unique network culture has developed. Those people are now not yet graduated from their universities are still supported by their parents, or just started working and don't have a lot of savings, most of them don't have much money to spend. Thus, to get funding, they always turn to their parents or friends. This led to the emergence of a widely spread meme called "Cray-Thurs literature". "Cray-Thurs literature" is created by young netizens. Those works are written in imitation of various forms of literature, like plots of bloody soap operas, acrostic poems, and even government documents. And then read the end of the story, people are surprised to find that they are treated, the main purpose author wants to express that he needs 50 yuan to order those discount items in KFC. "Cray-Thurs literature" has gone viral in Chinese social media immediately because people found it humorous and creative. More and more people participate in the creation and sharing of "Cray-Thurs literature". All those creations have become KFC's eWOM advertisements which have conveyed two messages, one is that KFC's "Crazy Thursday" serves tasty and affordable products that people desired to purchase, and another is that KFC's "Crazy Thursday" has become a trend. In addition to the regular customers of KFC, youngsters who follow the trend also tend to come to KFC to eat. Therefore, the customer's purchase intention was highly increased, however, it will still have few impacts on consumers' attitudes.

Threaten. The threats are also severe. With the success of KFC's "Crazy Thursday", other western fast-food companies have launched their own versions of "Crazy Thursday". For example, Pizza Hut, which is owned by Yum China as well as KFC, launched "Screaming Wednesday". Those similar marketing campaigns may drive the attention of the public away from "Crazy Thursday". And it will be harder for KFC to apply the eWOM strategy because customers are less fatigue with this kind of marketing campaign. The effect of KFC's eWOM strategy may be weakened and in turn, weaken the growth of customers' purchase intention.

4. Results & Discussion

The research has found that its property of being easily remembered and spread, its substantial discount on several items, and the interaction with young netizens are beneficial to the eWOM and the purchase intention of the customers. However, the limited select range of discount items and its bundling strategy, as the fierce competition from other fast-food chains may negatively affect the eWOM and the purchase intention of customers.

In most cases, WOM and eWOM can impact customers' purchase intentions. Therefore, enterprises should attach great importance to the WOM especially eWOM. According to the result of the analysis of strengths, the marketing campaign's property of being easy to remember and spread can make an impact on the effect of the eWOM and the customers' purchase intention. Therefore, KFC should maintain its strength, and this is also worth to be taken into consideration in the others marketing campaign, like making a catchy name and slogan. Besides, it also potential to set reasonable promotional prices and choose the appropriate products to promote. According to the weakness, the bundling of goods may cause consumers dissatisfaction, which will have negative impacts on eWOM and customers' purchase intention. So, in the promotion, the employment of bundling should be reduced. The analysis of opportunities has found that the user-generated content

may enhance the spread of eWOM and impact positively customers' purchase intention. Therefore, companies should pay attention to eWOM, keep up with the Internet trends and increase their interaction with netizens. The analysis of threatens reminds KFC and other fast-food companies that it is important to strengthen the innovation of marketing methods and launch a variety of marketing campaigns at the appropriate time. Consumers should also attach importance to companies' eWOM to make reasonable consumption choices.

Through this research, the opinion that WOM and eWOM can exert an effect on customers' attitudes and purchase intention is examined, and it came to the same conclusion. However, it has been found that the consumers' attitudes were impacted less significantly than the customers' purchase intention.

5. Conclusion

KFC's "Crazy Thursday" campaign has become one of the most successful marketing campaigns in China during the Covid-19 pandemic. The study has provided a deeper insight into KFC's "Crazy Thursday" marketing campaign and its word-of-mouth strategy. The research set out to determine whether and how the WOM methods play an important role in online advertisement and to provide some reference value to other companies. The study employed the qualitative method and SWOT analysis to have an in-depth study on KFC's "Crazy Thursday" marketing campaign and found out that WOM and eWOM were highly involved in the strategy and it impacted customers' attitudes and purchase intention. The study suggests that fast-chain companies should pay more attention to WOM, especially eWOM, to keep up with Internet trends and increase their interaction with netizens.

Overall, it is the first comprehensive investigation of this KFC's "Crazy Thursday" marketing campaign and contributes to the understanding of KFC's marketing strategy. The research gave further verification of the relationship between WOM and customers' purchase intention. The finding of this study supports and strengthens the idea that WOM and eWOM can influence consumers' attitudes and purchase intentions. It also points out that the consumers' attitudes were impacted less significantly than the customers' purchase intention. The study will provide reference to other research in this field and food enterprises, especially the companies that want to enter the Chinese market and make full use of the eWOM strategy to advertise.

However, there are limitations in the study. The study is based on the author's analysis, it may be influenced by the author's subjective factors. The object focused on is still in the process of development and may have some changes in the future. The study only covers the current research results.

The result of this study indicates that user-generated content may become a form of eWOM. In KFC's "Crazy Thursday" campaign, user-generated contents play one of the most important roles in its spreading. This idea needs further validation by other scholars.

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