

STRATEGIC MANAGEMENT ANALYSIS OF FAST FOOD BURGER KINGS FRANCISE COMPANY DURING THE PANDEMIC

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ABSTRACT

The Covid-19 pandemic has had a very significant impact on all sectors of life, starting from health, economy, education, social and culture. In the economic field, many businesses, especially in the food and restaurant sectors, have experienced a decline in income and even went out of business, such as the fast food company Burger Kings. It takes the right strategy in dealing with this. The purpose of this study is to analyze the strategic management of the fast food company Burger Kings so that it can continue to run its business during this pandemic. This research uses a qualitative approach with descriptive methods. The results of the study show that the results of IFAS and EFAS calculations show that the strengths and opportunities possessed by the KFC franchise company are greater than the weaknesses and threats of the company. This shows that the management of the KFC franchise company implements strategic management well. This needs to be maintained and suggested in order to improve the management strategy in order to continue to compete in the franchise field.

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1. INTRODUCTION

The development of the world economy today feels so rapid from time to time. This is marked by the increasing private sector which is one of the economic actors that has an important role in the modern economy (Mutiarasari, 2018). The more advanced the economy of a country, the more active and increasing the contribution of the private sector, both to growth and economic development (Nurwulandary et al., 2023). The small and medium business sector has now been able to dominate the Indonesian economy in terms of quantity, consumers are now faced with a variety of varied choices to meet their needs (Kurniawan et al, 2017). Entrepreneurs are now competing to offer goods and services with various marketing systems ranging from traditional markets to franchise systems (Santoso & Mabrurroh, 2015).

According to the Minister of Trade Regulation No. 12 of 2006, franchising is an agreement between a franchisor and a franchisee in which the franchisee is given the right to run a business by exploiting and or using intellectual property rights or inventions or business characteristics owned by the franchisor in exchange for a reward based on specified conditions with a number of support obligations. This agreement also includes a number of obligations to provide support for the franchisee's business. a contribution that is operationally sustainable (Subawa & Widhiastini, 2020).

Every business will make an effort to provide the highest possible level of service to all of its clients, as well as to identify the most effective strategy that will have an influence on the development of the company through the use of strategies and tactics that are congruent with the requirements and preferences of customers (Luntungan & Tawas, 2019). This is of the utmost significance because having a solid comprehension of the requirements, preferences, and expectations of customers is a crucial factor in the development of effective marketing strategies (Kotler & Armstrong, 2001). This strategy is very significant for any kind of organization since with it, the company can figure out what the subsequent steps are that need to be taken in order to expand market share and keep a position among the numerous competitors (Lubis, 2004). If the firm makes even a slight error in the procedures it takes to make long-term decisions, this will have a very significant effect on the most important priority, which is to increase the company's sustainability. It is of the utmost importance for businesses to pay attention to what must be done, particularly in regards to satisfying the requirements of their customers (Swastha & Handoko, 2002).

According to Tjiptono (2019), strategy is a process of determining plans prepared by top leaders who have a focus and long-term organizational goals accompanied by the preparation of a method or effort how to achieve these goals by the company. This process also includes the preparation of a method or effort

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how to achieve these goals by the organization. A company's strategy is the decision or approach it takes to differentiate itself from its rivals in terms of both the activities it engages in and the manner in which it engages in those activities (Yunus, 2016). Strategy is a concept of action that can be taken by firm management based on the point of view of what is expected by customers or consumers in the future (Supardi & Yulianah, 2023). This point of view is derived from the perspective of what the future holds in store for customers and consumers. In order to begin developing and executing the strategy based on what is possible, rather than what has already taken place (Bakhri & Purnama, 2018).

Management of strategy, also known as strategic management, is a set of decisions or actions that are made to conceive, implement, and assess decisions between different strategies that have been designed to help an organization or corporation accomplish its goals (Ahmad, 2020). A company's level of success can be directly correlated to the strategic management that has been implemented throughout the organization (KR et al., 2022). This encompasses the process of formulating strategies, putting those strategies into action, and analyzing their effectiveness as a management tool. The term "strategic management" refers to a set of decisions and actions that are aimed at the creation of an efficient strategy or strategy to accomplish the objectives set forth by a corporation (Permatasari & Hamid, 2015).

Basically management consists of designing and implementing plans. Marketing Management is a series of actions or methods that are tried by business units (Sudarsono, 2020). In the marketing strategy there are decisions in the form of individual or joint thinking which are used as the basic concept for structuring product marketing strategies. According to Hermawan (2015), Marketing is a process by which the industry generates value for customers and builds strong bonds with customers, with the aim of capturing value from customers in return. To carry out these marketing activities properly, and according to the expected targets, the industry must implement an international strategy to take the opportunity to expand the business network so that it can be marketed to countries that have fast economic capacity (Charity & Wilopo, 2016).

Of the many companies in the field of franchising, Burger King is one of the fast food restaurants that is still in demand by the public, both from Indonesia and abroad. Burger King is one of the biggest franchises that is growing rapidly in Indonesia and internationally. Until now, Burger King still shows its existence in the economic development of a country. Even though it's named a burger, it doesn't mean that the restaurant only serves burgers; in fact, they have a ton of other food and drink options on the menu in addition to burgers, like french fries, fried chicken, and a variety of other beverages. In addition, there is a drive-through and an online ordering system available at this Burger King.

The purpose and benefits of the discussion in this study are to find out the right strategy that must be taken when in an emergency such as the current pandemic outbreak and to find out the weaknesses, strengths, opportunities and threats of this fast food company during the current pandemic. interested in bringing up the theme "Strategic Management Analysis - Decreased revenue due to covid19 due to the fact that there is intense competition in this new normal period at the Burger King fast food company.

2. METHODS

This research technique is a qualitative technique. According to (Kriyantono, 2006), qualitative research seeks to explain phenomena in depth by collecting data in depth. Qualitative research emphasizes the breadth of the material collected. The more the depth and specificity of the data collected, the higher the quality of this qualitative research (Semiawan, 2010; Yulianah, 2022). The subject of this investigation is the management technique of Burger King fast food restaurants. This analysis utilizes secondary data, or data from sources that do not directly supply data to data collectors. Considering that the condition of the pandemic (COVID-19) has not stopped in the city of Surabaya, research cannot be carried out by interviewing related parties, therefore the case study method was chosen by examining topics from journals. In this research, we will describe the SWOT analysis during the Covid-19 pandemic.

3. RESULTS AND DISCUSSION

A. Internal Environment Analysis Management

Planning activities carried out by Burger King are in the form of compiling product concepts, determining the quality of products produced based on forecasts from the marketing department, setting product prices, preparing the needs for facilities and infrastructure before carrying out production operations, managing raw material supplies, managing production to be achieved to meet demand, marketing planning such as making product delivery schedules from the central warehouse to new stockists then to mini restaurants, setting distribution areas and product distribution systems.

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Marketing

The marketing aspect is reviewed from STP (Segmentation, Targeting, Positioning) and 4P (Product, Price, Place and Promotion). Segmentation Burger King is the middle to lower class people who like fast food. The target market for Burger King is men and women, ages 3 – 20 years. Very practical Burger King marketing system and strategy. Burger King creates a touchless service system to pamper its consumers by simply ordering through the application the order they want will be immediately delivered by Burger King drivers.

Finance

Since the Covid-19 pandemic, Burger King's losses have increased quite significantly. In 2019 Burger King lost 36.729 billion, while in 2020 it increased by 194.715 billion. Where this loss is largely the impact of the 2020 pandemic. Burger King made a solidarity movement where in its social media accounts, Burger King advises its customers to order food from their competitors such as Burger King, BURGER KING, CFC, Carl's Jr., Pizza Hut, even *warteg*.

Human Resources

In general, the process of hiring workers at Burger King is through formal and structured procedures. recruits must take several tests such as written tests, skills/ability tests, interviews and psychological tests. The process of recruiting workers for management and top management positions is carried out by selecting people closest to the manager such as college friends, people closest to the manager other than college friends who already know the manager closely and are considered to have expertise in each division that is currently needed can be recruited for the job. become a Burger King expert.

B. External Environment Analysis

Potential Entry of New Competitors

This fast food joint has several positive qualities: it's convenient, the atmosphere is pleasant, the food tastes great, and the portions are just right, so you won't leave feeling overstuffed. The presence of new competitors is not too negative for Burger King because the loyalty they have does not harm the customers they have.

Substitute Product Development Potential

Burger King produces a wide variety of similar but rebranded products, including burgers, chicken, and ready-to-drink beverages. Many similar items are available on the market, but what sets them apart from one another is not just the logo; rather, it is the product's unique flavor profile, which is achieved by a unique cooking process in comparison to other fast food chains. Price that is lower than that of competitors that offer the same or similar services; special features for which a higher price is justified.

Bargaining Power of Suppliers

Burger King's fast food suppliers have less leverage because they are not vertically integrated and do not participate in regional or global supplier alliances. Therefore, it does not monitor the cost of fast food or govern its distribution. Against the backdrop of the established competition, fresh ideas are possible thanks to recent developments.

Bargaining Power of Consumers

It may be argued that customers have less leverage to bargain when it comes to fast food due to the convenience with which they can switch from one establishment to another (low customer choice costs) Customers are able to easily impose their will on Burger King owing to the saturation of the market, and they opt to move places instead. There are various alternatives, such as handmade bread and cuisine that can be cooked at home, which customers can choose instead. Companies are able to create goods at prices that are competitive with those of other companies that are able to deliver value to customers by either haggling for cheaper pricing or giving additional services to compensate for higher prices.

C. SWOT analysis

SWOT analysis is a tool for analyzing the external environment of an organization by analyzing its strengths, weaknesses, opportunities, and threats. SWOT analysis is a method for systematically identifying the different aspects that can influence a company's strategy. With this research, the company may effectively utilize its strengths and opportunities while minimizing its weaknesses and dangers. The

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objective of implementing SWOT analysis is to provide an overview of the findings of an analysis of the company's strengths, weaknesses, opportunities, and threats, which can be used as a basis for selecting alternative actions/decisions and is the company's planning strategy (Fatimah , 2016). Companies benefit from this SWOT analysis, which is to assess the success of the company as well as other benefits, namely as a strategy for *stakeholders* to deal with the company's internal and external environment (Rangkuti, 1998).

By doing a SWOT analysis, businesses are able to establish activities based on the company's strengths in order to capitalize on opportunities, reduce or transform risks that pose a threat into opportunities in the business market. SWOT analysis can be applied by analyzing and selecting various things that can affect the four factors, and then applying them in the SWOT matrix image. Its application to companies is how strengths can gain advantages for companies from opportunities owned by the company, then how to overcome/minimize the weaknesses that prevent advantages from existing opportunities, then how the company's strengths can deal with/overcome existing threats, and finally how to capitalize on opportunities (Nisak, 2013).

The following presents the results of a SWOT analysis conducted by the Burger King franchise company:

Table 1 SWOT analysis

<i>Strength</i>	<i>Weaknesses</i>
<ul style="list-style-type: none"> ● Brand global second best in industry foodfast serve, ● Liked by many circles Public. ● Service which fast and friendly. ● Have management production which enough good. 	<ul style="list-style-type: none"> ● Supplier which no could trusted, ● Menu food which no healthy, ● Price which not enough affordable for circles Public lower ● Lack of effort marketing which strong.
<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> ● Enhancement Request for food healthy, ● Service message between, and ● Introduce product new not only burgers or fried chicken . ● Developing other types of variants, between others in the form of presentation and taste new. 	<ul style="list-style-type: none"> ● Saturation of the fast food market in country proceed, ● Trend will <i>trend</i> eat healthy, ● Many other competitors are creating types food fast serve other like bento , pizza, etc. ● Lots Public which switch to type food which more healthy and start leave consume <i>junk food</i>.

From the results of the IFAS matrix , it can be seen that the strength factor of the company has a total score of 1.2 0 , while the weakness factor of the company has a total value of 0.9 0 , so we can conclude that the company's strength factor is greater than the weakness factor company. Based on the above, the company can take advantage of the strengths and opportunities possessed by the company to compete in the business market and these strengths and opportunities, the company can improve management performance in order to optimize sales or company revenue.

Meanwhile, for the results of the EFAS matrix, it can be seen that the opportunity factor from the company has a total score of 1.30, while the threat factor from the company has a total value of 0.80, so we can conclude that the company's opportunity factor is greater than the company's threat factor. That way the Burger King company has greater opportunities than strength. This shows that the company is in a stable condition.

D. SWOT Matrix

The SWOT matrix is prepared based on the identification of internal factors (strengths and weaknesses) and external factors (opportunities and threats) which will then be used as a basis for designing strategies and work programs that can be used by companies. The SWOT matrix is an analytical tool used by companies to develop corporate strategies that can clearly describe the opportunities and strengths of the company so that they can be adjusted to the threats and weaknesses that will be faced by the company. The following explains the SWOT Matrix for the Burger King franchise company.

Strategy Strengths and Opportunities

Companies must continue to improve and provide the best service to gain trust and maintain loyalty from consumers / customers. That way the company can attract back the attention of new

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consumers/customers and can retain old customers/customers. If the company is able to increase the number of consumers/customers, this will have an impact on increasing the company's sales. Companies must also take advantage of technological sophistication by utilizing technological sophistication for the ordering process.

Strategy Strengths and Threats

Companies can take advantage of well-known brands that they have and product quality that can be guaranteed for cleanliness and hygiene and consumers can order without a minimum limit for each order, this is an opportunity to compete with similar companies.

Weaknesses and Opportunities Strategy

Companies must extend the delivery order system service time to 24 hours in order to meet the availability of fast food due to the ever-increasing activity. In addition, companies must also improve their best service to be able to appreciate customer loyalty, this can be done by providing discounts or free menus to customers who meet the terms and conditions and companies must continue to increase extra promotions to attract the interest and attention of consumers.

Weaknesses and Threats Strategy

Companies must be active in terms of conducting promotions in various ways, one of which is by distributing flyers around the company's location and also in areas that can be reached by Burger King delivery orders and extending the delivery order system service time to 24 hours, this is done by the company so that it can compete with similar companies and can increase the company's sales.

4. CONCLUSION

Burger King is a franchise company that is very large and is recognized almost all over the world. This company is engaged in fast food, where food menus are famous for being delicious and of various types and some are packaged. This company always presents innovative food products that attract consumers. The company also always carries out various strategies to survive among similar competitors. From the results of the SWOT analysis above, the Burger King franchise company is considered good enough in implementing strategic management at the Burger King company, this can be seen from the larger strength score than the company's weakness and the opportunity score is greater than the threat and the Burger King company has greater opportunities than strength. This shows that the company is in a stable condition. In addition, Burger King company management in facing business competition is considered quite good, this is done by increasing the company's strengths and opportunities as well as minimizing the company's weaknesses and threats.

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