Vol.6 No.1, pp.60-75, May 2025
ISSN:2026-9153 (Online), 2026-8000 (Print)

https://journals.ium.edu.na

NJMS
NAMIBIA JOURNAL OF MANAGERIAL SCIENCES

Received: 21 May 2024 Accepted: 10 April 2025 Published: 01 May 2025

Winning with Consumers: Exploring KFC's Survival Strategies in the Angolan Market

Antonio Vueba

Doctoral Fellow at the Namibia Business School, Windhoek
Instituto Superior de Administração e Finanças, Luanda

Corresponding author: Antonio.vueba@isaf.co.ao

ABSTRACT

Multinational companies are often impacted by the challenging business environment in Angola. The enactment of the Forex Law in 2013 to de-dollarize the Angolan economy posed an extra burden on companies to expatriate profits and operate successfully under Angolan market conditions. Nonetheless, KFC has sustained its growth in Luanda, occupying a leading position in the fast-food industry. Previous retailers, namely Bobs, Nandos and Whimpy, struggled to maintain operations, and McDonald's even refrained from entering altogether. This study explores the strategies adopted by KFC since establishing itself in Angola in 2012 to survive and grow in the Angolan market. A single-case design study was employed using random unstratified sampling involving managers from four sites alongside sixteen employees who were interviewed through semi-structured group interviews, and customer relations strategies analysed across all sites. The findings revealed that utilising participatory customer-oriented actions, augmented with social media iterative engagement, was critical in resisting the Angolan business environment and sustaining growth. This approach was a key driver in maintaining customer base loyalty and attracting new customers. The implications are that while consideration of macroenvironment factors and good management of internal processes are essential when running a business in challenging environments, strategic responses geared towards customer relationship engagement were recommended to sustain growth and preserve a competitive advantage under the prevailing market conditions in Angola.

Keywords: Challenging Business Environment, Fast-food Industry, Customer-Oriented Strategies, KFC, Iterative Engagement

1. INTRODUCTION

Angola is often considered one of the most challenging and toughest business environments for investors (Data Privacy Framework, 2024). Drawing, on Dyer and Mortensen (2005), the concept *challenging* (*toughest or hostile* - used interchangeably) *business environment* is used here to mean market conditions characterised by: (1) high inflation which causes a decline in purchasing power; (2) industrial difficulties which reduce gross domestic product; (3) poor infrastructure, such as, transportation, banking system, electricity power shortage, communications system; (4) poor education system and migration leading to lack of skilled workers; (5) financial and administrative difficulties due to lack of legal protection; and (6) immoderate governmental interference, for instance, tax laws and burdensome regulations.

Quite often, the company registration process is notoriously slow, bureaucratic, and costly, resulting in some business people being forced to give up even before starting operations in earnest or reaching the break-even point. There are various factors contributing to this challenge. Firstly, the country emerged from a socialist political system where the economy was strictly centralised, and the market was created and controlled by the ruling party (between November 1975 and April 2002, Angola was a one-party Marxist-Leninist system ruled by

MPLA). Until 2002, the idea of a free-market economy was scantly considered, and the government was the sole trader: the government was thus the economic player and regulator at the same time. All business chains were managed and controlled by the government, from the provision of goods and services to distribution and fiscal control.

Historically, fast-food retail multinationals barely survived their fifth anniversary after starting up operations in Luanda. Despite the challenging market conditions, KFC decided to enter the Angolan market and it has ever since assumed an unrivalled leading position.

The objective of the study was to explore the strategic options employed by KFC to resist the Angolan tough business environment, amid economic downturns, and grow its business in Luanda (and beyond) since 2012. This is the first study of its kind and relatively little has been reported on fast-food retailers' survival strategic actions in Angola. The study was guided by two questions:

(1) *Why is KFC maintaining a steady growth in the Angolan market despite the challenging business environment*? and

(2) *How do the strategic options pursued by KFC impact consumer attraction and loyalty*?

While previous studies relied on multiple-case designs involving large samples from different industries, we used a single-case design focusing solely on KFC, and we gathered data from a small sample to explore a phenomenon that has received little attention in the Angolan context. A single-case study is often recommendable for an in-depth analysis of a phenomenon that has received little research attention (Yin, 2018). KFC´s successful growth appears to be increasingly unrivalled. So, the findings of this study, though in small scale, contribute to raising awareness on strategic actions to be used by potential investors in the food retail industry (and indeed, indirectly, in other industries as well) requiring consideration before companies decide to make a move and sustain business in the Angolan market – with Luanda as the focal entry point.

1.2 Background and PESTEL analysis of the business environment

The legacy of nearly five centuries of colonisation by Portugal, coupled with the post-independence longstanding civil war, severely destroyed the country's infrastructure and devasted the social fabric in many respects: high rate of illiteracy, weak education system, poor health services, and, above all, a prolonged tough business environment.

One of the effects was the assimilation of indestructible sociocultural traits by the indigenous people. The two most visible and closely related traits assimilated in the process are *language* and *culture*. This heritage is crucial in understanding Angolans' consumer behaviour and the overall business dynamics of the country.

Economic activities are mainly informal, including gastronomy (cuisine and eating habits). The Angolan cuisine is, in almost all respects, similar to its Portuguese counterpart, both in the way food is seasoned and cooked as well as in the selection and combination of foodstuffs. So, one could argue that there is a minimal difference between eating in a restaurant in Portugal and Angola.

Most successful restaurants in Angola are either owned or run by Portuguese nationals or Angolan nationals who have resided in Portugal for a lengthy period. Angola is, by and large, a consumer market that is sustained by importing almost every product (even the most basic food products such as tomatoes, bananas, potatoes, rice, to name just a few) and Portugal has always been at the top of the list of suppliers of food products into the Angolan market. So, since the colonial era, the Angolan eating habits have always been, and, to a large degree, continue to be, influenced by Portugal. From a gastronomical viewpoint, this enduring social tie between the two nations, hypothetically, leads to the notion that what goes on in Portugal is highly likely to come around in Angola. This explains why KFC had a successful entry into the Angolan market by using a franchising strategy through a Portuguese franchisee, thereby outperforming its competitors from the outset.

Over the past decade, the assessment of the external factors of the Angolan business environment indicates that the economy has been gloomy since 2013. The Angolan business environment has been deteriorating, and the country was ranked 177 among 190 economies, according to the World Bank's 2020 *Ease of Doing Business Annual Rating Report* (http://www.doingbusiness.org/methodology). The outlook for Angola between 2018 and 2020, as shown in **Table 1**, is a clear reflection of the toughest market conditions for potential investment.

Table 1

Angola - Economic Forecasts 2018 -2020 Outlook

Overview	Actual	Q1/18	Q2/18	Q3/18	Q4/18	2020	
Unemployment Rate	26.00	27.22	26.95	26.67	26.4	25	percent
Inflation Rate	22.72	24	23	23	20	14	percent
Interest Rate	18.00	18	18	18	18	14	percent
Balance of Trade	4962.29	7757	8295	8796	9260	11907	USD Million
Government Debt to GDP	38.00	57	57	41.2	57	50	percent

Source: Trading Economics, 2018.

This scenario was exacerbated by continued fluctuating oil prices and the global cyclical financial chocks which severely impacted the backbone of the Angolan economy. The effects of nearly 27 years of civil war are still being felt as the country struggles to come to terms with what Khanna and Palepu (2010) coined as "institutional voids". That is, market conditions or barriers that militate against business success in any geography, be it domestic or international. According to Barron (1995, p.48), these institutional voids, not disregarding the dynamics of the non-market factors, "*Issues*, *Institutions*, *Interests* and *Information*" which play a role in the actual interaction between global companies and other intermediate players in the target market environment, include, among other things, challenging macroeconomic and socio-political conditions, shortage of skilled labour, high rates of illiteracy, weak human resources, underdeveloped infrastructure, lack of a diversified economy, prevailing dominant informal market practices, and poor governance leading to a symptomatic and endemic vicious corruption practices (Morais, 2022, 2023).

The consequences of the prevailing hostile business environment, coupled with the economic downturn, forced reputable multinational companies across all industries to either pull out totally or reduce their presence in Angola. Such are the cases of the fast-food chain enterprises (Bob´s, Nandos and Whimpy), and international airlines (Emirates, Houston Express, Lufthansa and Kenyan Airlines). Since 2015, the country has been witnessing increasing intermittent recruitment freezes in the public sector with huge impacts on education and health.

The unemployment rate has been rising steadily, and the cost of living is one of the highest in the world. After all, Luanda was once considered the most expensive city for expatriates, beating Hong Kong, Tokyo, Zurich, Singapore, Seoul, Geneva, Shanghai, New York City, and Bern (Africannews, 2017).
From 2009 – 2019, the government budget proposals were severely criticised for allocating high percentages on government debt to GDP (see **Table. 2** below). Such decisions often lead to salary arrears in the public sector, mainly teachers, health professionals, and the police force. Corrupt practices involving large sums of money laundering have been reported without due judicial processes to the perpetrators. Consequently, the judiciary is often accused of being weak and, in most cases, complacent (Morais, 2012, 2023).

Table 2: *Angola Public Finances*

	2009	2014	2015	2016	2017(e)	2018(p)	2019(p)
Total revenue and grants	37.1	30.7	24.3	18.5	19.2	20.5	20.9
Tax revenue	8.1	6.7	7.0	7.5	7.9	8.1	8.2
Oil revenues	27.5	22.5	16.1	9.6	9.9	11.1	11.3
Total expenditure and net lending (a)	45.0	36.5	27.3	23.6	24.1	24.1	24.0
Current expenditure	31.6	25.6	22.0	18.8	19.1	18.8	18.7
Excluding interest	29.8	24.6	20.2	17.2	17.4	17.5	17.3
Wages and salaries	11.9	9.2	10.1	8.8	8.8	9.0	8.8
Interest	1.8	1.0	1.8	1.6	1.7	1.4	1.4
Capital expenditure	13.3	10.9	5.3	4.8	5.0	5.3	5.3
Primary balance	-6.0	-4.7	-1.2	-3.5	-3.2	-2.3	-1.7
Overall balance	-7.9	-5.7	-3.0	-5.1	-4.9	-3.6	-3.1

Source: Muzima (2018)

The following figure summarises the PESTEL analysis for Angola, adapted from the Data Privacy Framework in early 2024.

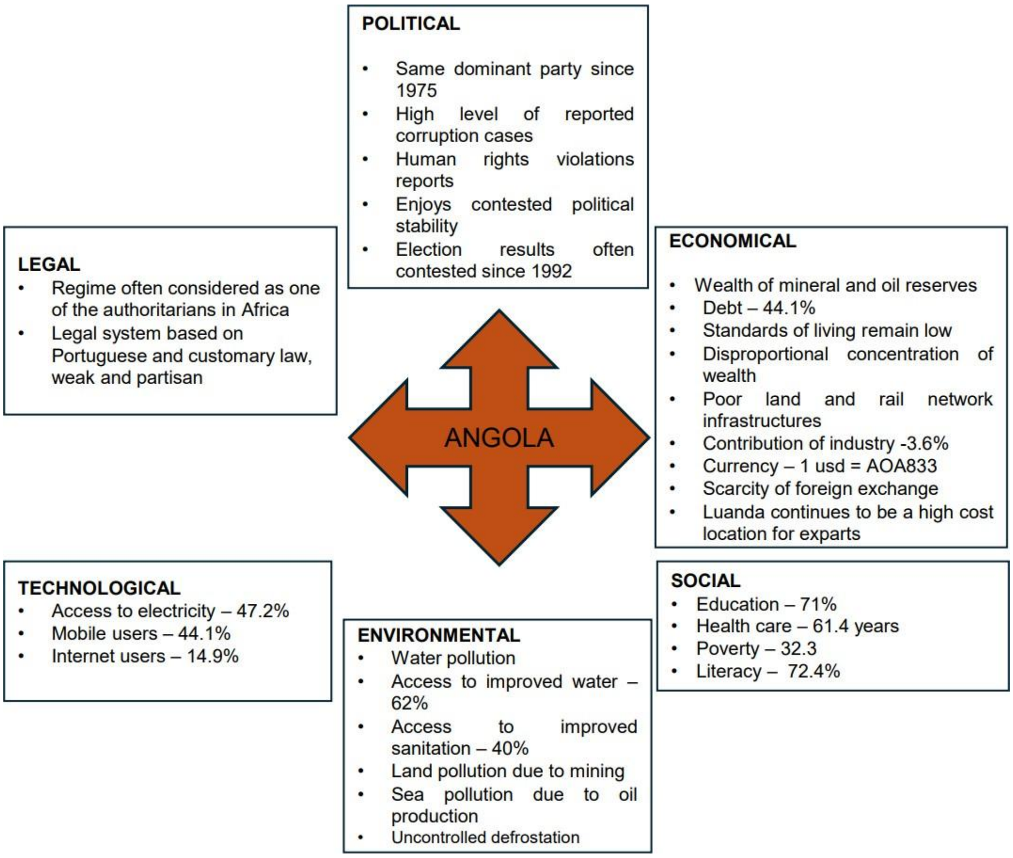


Figure 1: PESTEL Analysis for Angola

Source: Economist Intelligence, 2024

Figure 1 clearly shows how the business environment in Angola can be tough and challenging for multinational companies to sustain operations.

1.3 The Luanda market and the emergence of the fast-food retail industry

Luanda is the capital city of Angola, with 10 large municipalities, and it is the place where almost all business activities are carried out - informal and formal. During the longstanding civil war, Luanda was the safest place, and this resulted in a huge influx of people from war-affected areas. Because of regional asymmetries, mainly a lack of employment opportunities, the internal migrants have been settling in Luanda in the aftermath of the 2002 peace accord. As a result, the city has seen an exponential growth with new settlements being established in large areas in the Southern and Eastern parts of Luanda. The resettlement started soon after independence in the early 80s, and this has since turned Luanda into the epicentre of most Angolan business activities and comparatively the largest market both in size and scale. Around 30% of the Angolan population lives in Luanda, attracting most FDI coming into the country, and it is usually the entry point for companies starting or expanding operations into Angola (Instituto Nacional de Estatística [INE], 2014).

The eating habits of Luanda consumers have seen a dramatic change over the years, driven mainly by the increase in global advertising through cable TV networks and the proliferation of social media platforms. So, the current Luanda consumer can be characterised as someone who either has brand awareness or has been exposed to the product and services of KFC elsewhere. Another factor that has influenced consumer behaviour change is the lifestyle in urban areas where traffic constraints make it difficult for the workforce to have breakfast and lunch at home; this is coupled with the emerging of middle-class population (particularly the women population increasingly entering the job market) that is gaining buying power at a fast rate. Under the circumstances, the workforce is required to get meals from food retail outlets, be it restaurants or other related informal places (e.g., food served in the street) in the vicinities of their workplaces.

The emergence of the fast-food retail business in Luanda can be traced back to the mid-2000s when Panela de Barro, a small restaurant serving grilled food, opened operations in Maianga municipality on the outskirts of the city centre. At the time, the restaurant had no competition as it was the only one in business, and options were limited for consumers. The restaurant offered a single product: grilled chicken with chips and salads. The food was prepared in 25 – 30 minutes but was considered fast enough when compared with a normal waiting time in restaurants. Marketing campaigns were almost non-existent, and they seemed to be happy with their ‘niche’ market in Maianga as they made little attempt at expanding outside their business location.

From 2004, some competition started to be seen when Nandos, Whimpy and Bobs moved into Luanda. For some reasons that require further research, all these new entrants went out of business within five years or so at the time when the country’s economic forecast was showing signs of growth predictions. In the same period, Shoprite moved into Angola and established operations in Luanda and with it came Hungry Lion, which is a fast-food retail, with grilled chicken as one of its products. Hungry Lion usually runs business where there is a Shoprite store, and they appeared to have a substantial customer base.

Apart from these conventional food retailers, there are also occasional vendors from the outskirts of Luanda city, usually women from lower social backgrounds selling homemade chicken sandwiches (*magoga*) to the lower-income workforce along the streets in the city centre.

1.4 KFC Angola profile

When KFC moved into Angola in 2012, there was barely any “rivalry among existing competitors” and no perceived “threat of new entrants” (Porter, 2008, p. 4). In fact, KFC appeared to have benefited from making an early move soon after the potential rivals had exited the marketplace. KFC products and services are currently unrivalled, and therefore, the “threat of substitute products or services” (p. 4) is almost non-existent. Furthermore, KFC sources its products from different suppliers and geographies, but mainly from South Africa. This eliminates the pressure coming from bargaining power from suppliers and the potential collaboration of buyers and suppliers. In short, it is probably safe to say that KFC is by far the leading fast-food chain, and it has successfully grown from one (1) shop in 2012 to ten (10) shops in early 2024, as depicted in Figure 2 below.

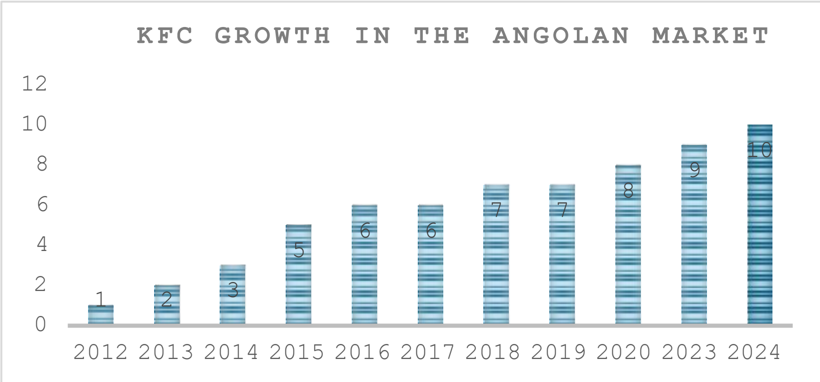


Figure 2: KFC Growth over 11 years

1.5 Franchising as an optimal entry mode for KFC in the Angolan market

Franchising is widely recognised as a robust method of doing business in mature marketplaces. According to Wild and Wild (2016, p. 333), there are several benefits in using franchising to enter emerging markets. Firstly, it can be used “as a low-cost, low-risk entry mode into new markets” and secondly, it “is an entry mode that allows for rapid geographic expansion” (see also Blair and Lafontaine, 2011; Sashi & Devi, 2002). In their comprehensive study on the status and future challenges of global franchising, Hoffman and Preble (2004, p. 102) conclude:

> “Franchising works well throughout the business cycle. In good times, franchised businesses increase the expansion in demand for goods and services. During a downturn in the economy, interest in franchising a business often increases as displaced white-collar workers (e.g., dot.com workers or middle-level managers) see franchising as a desirable option”.

KFC entered the Angolan market under its Portuguese franchisee, the Ibersol Group with its multi-brand group with enormous experience in the foodservice business in Europe and African Portuguese-speaking countries. They have a strong knowledge of the Angolan market and culture as well as the socio-political system. They have successfully been running the KFC franchising network in the Portuguese market.

This seems to explain the reasons for KFC making an early move into Angola at the time when the economy was showing signs of decline, but still maintained an unrivalled leading advantage in the fast food retail sector ever since.

1.6 Brief literature review: strategies for surviving challenging business environments

The questions regarding which strategic responses companies adopt in surviving challenging business environments have long attracted the attention of researchers across various industries (Estrada et al., 2023; Ibidunni et al., 2022; Samonte et al., 2022; Kottika et al., 2020; Baghlani, 2018; Moyo & Moyo, 2017; Paschal et al., 2017; Kach, et al., 2016; Martins & Rialp, 2013; Dyer & Mortensen, 2005; Covin & Slevin, 1989).

1.6.1 General definition of strategy

Before embarking on the review, it is probably worth revisiting the concept *strategy* itself. *Strategy* is widely used in almost all spheres of social life and usually with a variety of meanings (Stern & Deimler, 2006; Kay et al., 2003). Freedman (2013, p. xv) begins the preface thus:

> Everyone needs a strategy. Leaders of armies, major corporations, and political parties have long been expected to have strategies, but now, no serious organization could imagine being without one. Having a

> strategy suggests an ability to look up from the short term and the trivial to view the long term and the essential, to address causes rather than symptoms, to see the woods rather than the trees.

Mintzberg (1994, as cited in Nickols, 2016, p. 3), on the other hand, advances four most common areas to describe how people construe the concept *strategy*:

1. Strategy is a *plan*, a "how," a means of getting from here to there.
2. Strategy is a *pattern* in actions over time; for example, a company that regularly markets very expensive products is using a "high-end" strategy.
3. Strategy is *position*; that is, it reflects decisions to offer particular products or services in particular markets.
4. Strategy is *perspective*, that is, vision and direction.

Both Freedman's (2013) and Mintzberg's (1994) views on strategy direct our attention to the generally accepted idea that strategy has far-reaching effects on all human affairs and decision-making processes, and its absence plays a significant role in meeting performance objectives in the short and long terms. The notion of *strategy* as *position* is useful but not sufficient for a deep understanding of the concept. In the current and ever-competitive business environment, markets, domestic and global, seem to act as battle grounds, where different companies compete to seize and control a niche market position for sustainable growth. Quite often, the competition is fierce as companies strive to attract the same consumers while offering similar products or services, and, by and large, companies hold an ephemeral competitive advantage because rivals "can quickly copy a market position" (Porter, 2011, p. 1).

Porter (2011, p.1) further contends that "*positioning* - once the heart of strategy – is rejected as too static for today's dynamic markets and changing technologies." Porter puts forward the notion of "strategic positioning"; that is, "performing different activities from rivals or performing similar activities in different ways" (p. 2); and Porter (p. 4) sums up by saying that strategic positioning is underpinned by three principles: (1) "strategy is the creation of a unique and valuable position, involving a different set of activities" (this is related to the way companies decided to serve the needs of customers); (2) "strategy requires you to make trade-offs in competing – to choose what not to do" (as discussed later, KFC in Angola has chosen not to locate their restaurants in the city centre areas where, despite being infrastructurally developed, parking difficulties tend to push customers away from visiting restaurants and this would undermine their drive-through strategy), and (3) "strategy involves creating "fit" among a company's activities" (this is related to how the various activities interact and supplement each other to create value).

Two points become clear thus far. On the one hand, all companies, small, medium or large, need to have a strategy to compete in any given marketplace, and on the other, strategy sits at all levels of a company's operations, be it a product design, customer care, marketing or distribution but it can only sustain its growth "if it establishes a difference that it can preserve" (Porter, 2011, p. 2). The views discussed hitherto are useful for understanding the concept of strategy to describe how competition takes place in established markets, but companies have seen the need to implement adaptive strategies to sustain growth in challenging business environments as well.

1.6.2 Conceptual framework for resisting challenging business environments

Most studies on survival actions adopted by companies operating in hostile environments have focused mainly on SMEs' adaptive strategies (Bosio et al., 2020; Baghlani, 2018; Bourletidis & Triantafyllopoulos, 2014; Nyanga et al., 2013). With few exceptions, the trend has been on survival strategies geared towards resisting challenging environments under specific crises: e.g., economic downturn and COVID-19. Results of these studies have consistently found that companies have tended to rely on diverse business strategies such as, (1) government interventions, (2) innovation in product design and service provision, (3) alliances with suppliers, (4) cost reduction, (5) technology investment and even (6) downsizing.

Based on these strategies, Moyo and Moyo (2017) propose a management practice framework for companies to deal with prolonged business crises focusing on the management of human resources, cash management and assets management, as shown in Figure 3 below.

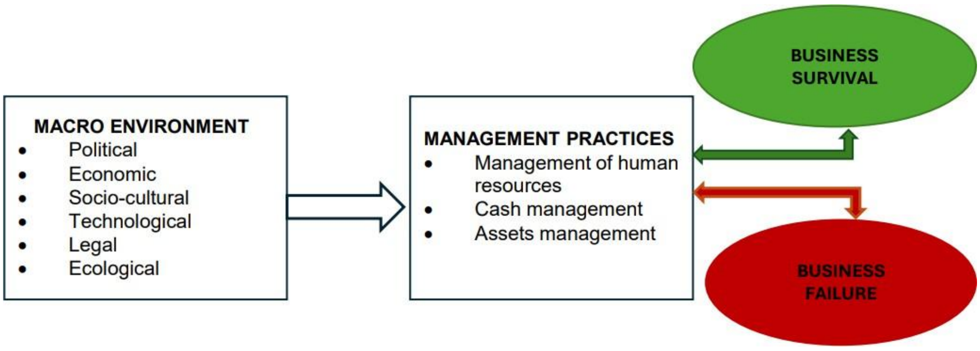


Figure 3: Conceptual Framework resisting challenging business environments
Source: Moyo & Moyo (2017)

In their view, macro environment factors impacting a business environment "are significantly and positively related to management practices" (Moyo & Moyo, 2017, p. 22). They hypothesise that by attending to the above practices, companies can stand a high chance of averting the adverse effects imposed by a hostile business environment, and the opposite may result in business failure. However, this framework appears to be inwardly focused, excluding the role that customers might play in the process of contributing to the survival and growth of companies under such business conditions. In addition to focusing on internal processes, in the current globalisation era, companies are often advised to adopt holistic strategies, weighing up internal and external factors to gain and maintain leading positions in their industries. Under hostile business conditions, firms are often advised to realign their options to recreate and seize new markets and find unique opportunities in locations within and beyond their borders (Thompson et al., 2018).

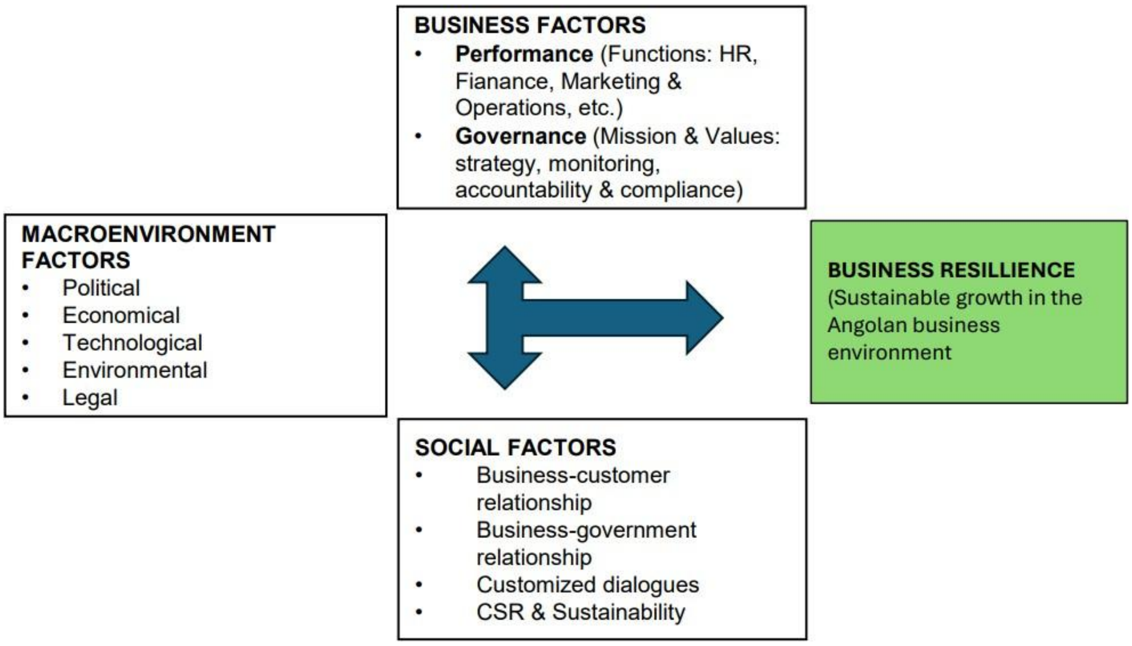
Competing in a tough business environment seems to call for multiple strategic approaches. Thompson et al. (2018, pp.179-189) advance five essential reasons facilitating growth in new markets (but 2 were selected because of their direct link with the KFC case under study): (a) "to gain access to new customers" and (b) "to further exploit its core competencies". KFC has outperformed rivals in the fast-food retail industry by implementing a well-thought entry strategy, which enabled them to attract new customers since 2012 and has been using its "transnational marketing strategy – Think Global, Act-Local approach" (Thompson et al., 2018, p.196) to standardize and customize their products and services. These strategic moves have given them a competitive advantage over rivals in the Angolan market (mainly in Luanda).

1.7 KFC's Strategic Response Framework in Angola

KFC Angola has been adopting customer-oriented strategic responses to retain, attract and systematically increase its customer base. This approach has been critical in supporting the company to survive the difficulties imposed by the Angolan business environment and sustain growth. So, the company established a participatory KFC community network whereby customers are empowered with *de facto* decision rights when it comes to product (menu) choice and consumption options. In this way, customers have remained loyal and voluntarily acted as KFC´s brand ambassadors. KFC´s management practice framework to resist the Angolan business environment could, therefore, be construed as shown in **Figure 4** below.

Figure 4

KFC's Strategic Response Framework



*Note***.** Own data

In addition to strengthening the management of core internal business areas such as HR, Finance, and Assets to cope with the demands of a prolonged tough business environment, KFC recognises the need for relying on the power of customer relations through permanent communication exchanges to sustain growth in the Angolan marketplace. This holistic view - bringing on board a participatory strategic response in surviving the Angolan hostile business environment - has hardly been consistently considered in previous frameworks. This could probably be reported as a strategic innovation aimed at accommodating consumers' collaboration efforts in jointly supporting the company to withstand the impact of the business environment.

2. RESEARCH METHODOLOGY

2.1. Research design

To explore the strategies adopted by KFC since establishing itself in Angola in 2012 to survive and grow in the Angolan market, an exploratory single-case qualitative design was adopted. This design was used because it provided an opportunity to carry out an in-depth exploration of the views of managers and staff members regarding the strategies employed by KFC in Angola. This approach is scholarly recommendable for under-researched cases (Yin, 2018).

2.2. Data collection and analysis

This study used a non-probability sampling method, mainly purposive sampling, to select site managers and staff members in four geographies (out of eight). A total of 16 participants, which included 4 site managers and 12 frontline staff members, made up the informants of this study.

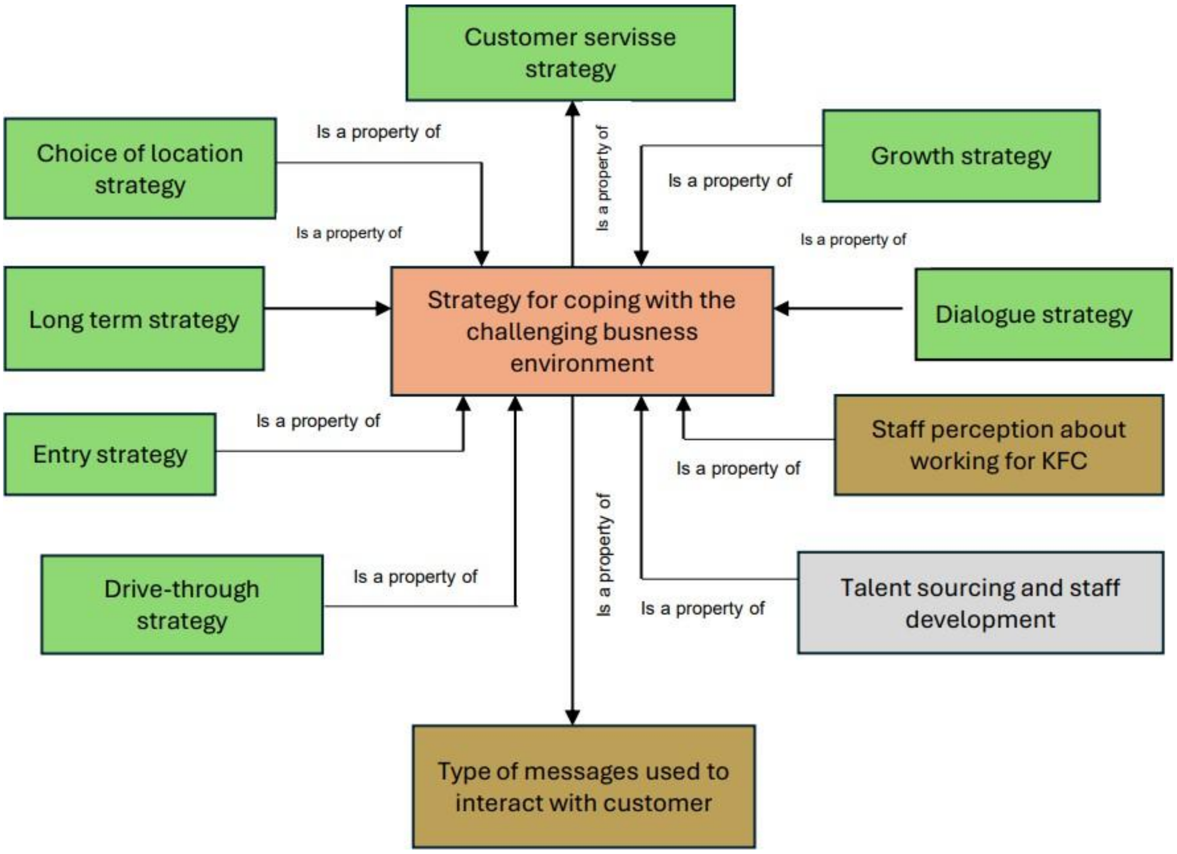
Consents were obtained for group interviews only, as the participants believed that the outcomes should be regarded as a collective voice. Semi-structured interviews, using open-ended questions were conducted face-to-face in different sites. Only one participant was fluent in English, therefore, the interviews were conducted in Portuguese and recorded to ensure accuracy of data. Participants were interviewed in groups of four individuals. For the convenience of all participants, the interviews were scheduled to coincide with the time when most of them were engaged in shift change.

In addition, observation was used to assess customer interaction in KFC shops with the aim of mapping out the profile of the typical consumer. This served as a barometer in understanding what exactly attracted them to the shops. A "complete observer" (Cohen et al., 2018, p. 543) role was assumed, and the observation was completely unstructured without targeting any research subject but rather the interaction and activities taking place. In small-scale research, observation is believed to "yield systematic records ... to complement other kinds of data" (Simpson & Tuson, 2003, p. 17).

Four steps were used to analyse the data. First, the recorded interview was transcribed and then translated into English. Using Atlas.ti software, the data derived from the site manager was coded and categorised into themes to visualise the relationship that emerged from the data as depicted in **Figure 5**.

Figure 5

Emerging Themes from Site Managers´ Coded Interview Responses



Note. Data Exported from Atlas.ti.

To assess the direction of the participants' assessment regarding the focus of the strategic actions employed by KFC, a word cloud from multiple codes was created to display the frequency of the concepts that emerged from the data, as shown in **Figure 6** below.

Figure 6

Word cloud: Focus of KFC´s Strategic Actions

Note. Data Exported from Atlas.ti

Secondly, content analysis was conducted on the staff responses, and the central theme emerging from the interview data was summarised as shown in **Extract 1**. Using the coded data from Atlas.ti, a word cloud was also created to display the frequency of the concepts, as illustrated in **Figure 7** below.

Extract 1

Summary of Staff Interview

Summary of staff interview (translation from the transcription)

The work environment is good. We like to interact with customers. The work is so dynamic, you barely get bored. The shops are normally full of customers, and this motivates us. We get training on new products and customer care and this is what we need to do our work

Note. Extract from the Coded Staff Interview

Figure 7

Staff Interview Word Cloud

Note. Data Exported from Atlas.ti

Thirdly, the content of the company's interactive site, which is an online platform where customers freely provide unsolicited comments and opinions about KFC's performance, and the *Facebook* page (**Figure 8**) were coded through Atlas.ti, and a word cloud was also created. The results are shown in **Figure 9**. This was done to gauge customers' satisfaction regarding KFC products and services.

Figure 8:

KFC Facebook Push Communication Page

Note. Taken from KFC Angola Facebook Page.

Figure 9:

KFC Interactive Site and Facebook Page Word Cloud

Note. Data Exported from Atlas.ti

Finally, an observation sheet was used to record data of the 16 subjects observed for four consecutive days (Thursday, Friday, Saturday and Sunday) at different times in the afternoon and evenings at different shops, taking the role of complete observer. The results are shown in **Table 4**.

Table 4

Recorded Activities of Unstructured Observations

SUBJECT	ACTIVITY	OBSERVATION TIME		COMMENTS
		Time begin	Time end	
Group 1	Ordering food	5:06pm	5:18pm	Working on laptop while earing
Group 2	Ordering icecream	6:50pm	6:22pm	Having a chat with friends over meal discussion
Grou 3	Ordering food	6:50pm	7:15pm	Doing school work
Grou 4	Ordering food	7:45pm	8:20pm	Working on laptop while eating
Group 5	Ordering food	8:45pm	9:20pm	Having informal discussion over meal
Group 6	Ordering food	9:45pm	10:10pm	Chatting with site manager

Note. Own Data

3. DISCUSSION AND IMPLICATIONS

3.1. Strategy used by KFC to enter the Angolan market

As noted earlier, this study was guided by two questions, (1) *Why is KFC maintaining a steady growth in the Angolan market despite the challenging business environment,* and (2) *How do the strategic options pursued by KFC impact consumer attraction and loyalty*; and the aim was to explore the strategic actions that have been used by KFC since 2012.

Site managers were clear about the KFC strategy for entering the Angolan market, and they mentioned that the Ibersol Group, as the franchising partner, had plenty of experience working with the global KFC network. They adapted the model being used in KFC Portugal because the two market geographies, by and large, share a common feature: language and eating preferences facilitated its establishment in the Luanda marketplace. In their view, KFC easily adapted the advertising content to suit the Luanda consumer.

For instance, in most of their marketing material (usually billboards in busy areas surrounding the locations of their restaurants), all they had to do was to change characters, i.e., they replaced Portuguese personalities (say Ronaldo’s face) with a local basketball player or singer and so forth. This immediately created a sense of belonging among Angolan consumers.

3.2 Attracting and maintaining customer loyalty

Site managers felt that KFC’s customer service approach creates a sense of customer ownership with the brand: customers feel that they are part of the KFC community, and this motivates them to keep coming and bringing along family members and friends. This finding was corroborated by the observation results where it was noticed that some customers were addressed by their own names, and they had amicable conversations, even talking about recent postings that they have made on either the internet or Facebook, or even talking about previous soccer matches from either the Portuguese League or the English Premiership.

According to Simão (pers. comm., 2018), a former Nandos area manager (with whom the original idea of the study was shared), this type of rapport with clients was unthinkable at Nandos. Further, site managers also reported that another attraction strategy was interaction through the Facebook page and the internet site where customers actively engage with KFC staff.

3.3 Developing and retaining staff

All site managers were unanimous in reporting that KFC had a robust training and development scheme for all staff. This was corroborated by staff members who mentioned that they liked the work environment and the incentives: regular training programmes, flexible shift hours (KFC restaurants normally open from 10 am to 11 pm every day), and pay based on performance (refer to **Extract 1** on p.10). This view can also be inferred from the word cloud in **Figure 7,** where the word *work* is highly frequent, denoting that staff members are probably satisfied with the work conditions offered by KFC.

How do you deal with the challenges of doing business in Luanda?
All site managers agreed that doing business in Luanda (and Angola at large) was a daunting exercise. However, the use of social media platforms has been well received by consumers as most of KFC's consumers belong to the '*dot.com*' generation. The customer care approach has been detrimental in 'winning the hearts' of existing clients by treating them as KFC ambassadors rather than just casual customers. Overall, they felt that KFC's success could be attributed to the way the company interacts with customers in the shops and via Facebook and its site. This view correlates with the word cloud frequency displayed in **Figure 6,** where the word *customer* stands out visibly.

3.4. Perception of KFC products and services

Comments on the Facebook page and the internet site revealed that customers have a positive experience with KFC. They like the taste of the food, which in their view is delicious and never changes and there is variety of options. They also mentioned the fact that prices seem to be negotiable, one can always ask them to reduce the quantity of the pieces of the chicken if one does not have money for the jumbo pack. And the type of drinks that come with the food can always be changed. But the interesting thing was when they said that they do not come to a KFC restaurant just to eat, but also to socialise. They also find KFC premises to be safe places to mingle with other friends and even use it to be with their boyfriends and girlfriends.

This was corroborated by the findings of the observations carried out in different shops where it was found that customers engaged in other activities beyond ordering and having meals on sites.

4. Limitations and future research

Methodologically, this was a small-scale exploratory research using a small sample. No attempt should be made regarding the generalisation of the findings. Furthermore, the study did not follow the conventional strategies used by most studies when analysing firms' response actions when confronted with challenging business environments; usually, attention is directed towards the internal management practices of a business to establish the course of action to be taken for business growth and survival. Another dimension that is worth considering for further research is a comparative study between KFC and other multinationals from related industries that have enjoyed similar success in the Angolan market since starting their business in the same period; these are the cases of food retailers (Shoprite and AngoMart). Such a study would potentially shed light on establishing the survival strategies that could be recommendable for the Angolan business environment. Lastly, the business/government relationship was hardly touched upon, but valuable insights could be derived to better understand the impact of the government´s role in the business environment.

5. CONCLUSION AND RECOMMENDATIONS

To sum up, the study revealed that KFC's leading position in the Luanda market is strong and is likely to become even stronger as they expand into other locations in and around Luanda city (and indeed across Angola). Their entry strategy was based on leveraging their deep knowledge of the Angolan culture by adapting their marketing material, products, and services to attract and retain local consumers. Although there are ample opportunities for business growth in Angola, on the one hand, but, on the other, there is a lack of proper infrastructural set-ups from which global companies can prosper sustainably. This study concluded that while the business environment is tough, KFC has been using a participatory framework to establish a winning partnership with customers to survive in the Angolan market.

Some recommendations could be made from the findings. First, it is essential for fast-food companies intending to expand into Angola to adopt a viable entry strategy, leveraging partnerships with well-established brands in the Angolan market. Probably, the most recommended one would be using a franchising model involving companies that have enjoyed success elsewhere in countries with close cultural and linguistic ties with the Angolan consumers. Secondly, it is imperative that once established in the Angolan market, constant strategic focus should, all other factors being equal, be placed upon customer relationship management. This could be achieved by creating a community of consumers in which a platform (virtual and face-to-face) for dynamic iterative communication is established with existing and potential customers. And last, but not least, it is critical that companies promote customer care regular sessions aimed at equipping staff members with the overall strategic skills to cope with the demands of a business environment that could, at best, be classified as a VUCA marketplace (Bennett & Lemoine, 2014): volatile, uncertain, complex, and ambiguous. Ultimately, maintaining permanent quality close relationships with customers (and indeed other key stakeholders) could be one of the critical strategic actions to sustain growth in the Angolan market.

REFERENCES

Africanews, (2017). *Luanda, the Capital of Angola, is the world's most expensive city.* http://www.africanews.com/2017/06/21/luanda-angolan-capital-is-world-s-most-expensive-city-for expats//

Baghlani, A. L. K. A. (2018). An investigation into strategies used by Iraqi SMEs to survive in the hostile environment: The case of Al-Khaleej Company. *Academy of Entrepreneurship Journal*, *24*(1), 1-13.

Barron, D. (1995). Integrated strategy: Market and nonmarket components. *California Management Review*, *47*(2), 48.

Blair, R.D., & Lafontaine, F. (2011). *The economics of franchising*. United Sates of America: Cambridge University Press.

Bennett, N. & Lemoine, G. J. (2014). *What VUCA really means for you*. Harvard Business Review.

Bosio, E., Djankov, S., Jolevski, F., & Ramalho, R. (2020). Survival of firms during economic crisis. *Policy Research Working Paper 9239*. World Bank Group.

Bourletidis, K. & Triantafyllopoulos, Y. (2014). SMEs survival in time of crisis: Strategies, tactics and commercial success stories. *Procedia - Social and Behavioral Sciences*, *148*, 639 – 644.

Cohen, L., Manion, L., & Morrison, K. (2018). *Research methods in education*. New York: Routledge.

Covin, F. G., & Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, *10*(1), 75-87. https://doi.org/10.1002/smj.4250100107

Dyer, W.G. & Mortensen, S.P. (2005). Entrepreneurship and family business in a hostile environment: The case of Lithuania. *Family Business Review*, *18*(1), 247-258. https://doi.org/10.1111/j.1741-6248.2005.00045.x

Economist Intelligence. (2024). Angola. https://country.eiu.com/angola

Instituto Nacional de Estatística. (2014). *Resultados definitivos do recenseamento geral da população e habitação 2014* [Final results of the general population and housing census 2014]. República de Angola. Retrieved from http://www.ine.gov.ao/

Estrada, D.C., Ramada, S.R., Serrano, R., & Federico A. (2023). Exploring fast food restaurants' business survival strategies during the Covid-19 pandemic. *International Journal of Management and Commerce Innovations*, *10*(2), 435-440.

Freedman, L. (2013). *Strategy: A history*. United Sates of America: Oxford University Press.

Hoffman, R.C. & Preble, J.F. (2004). Global franchising: Current status and future challenges. *The Journal of Services Marketing,* 18(2), 101-113. https://doi.org/10.1108/08876040410528700

Ibidunni, A. S., Kach, A., Adebanji, W., Adejuwon, A.A.W., Adejuwon, A., Oyedele, M.O., Bisayo O., & Mohalajeng, L. (2022). Survival during times of disruptions: Rethinking strategies for enabling business viability in the developing economy. *Sustainability*, *14*, 13549. https://doi.org/10.3390/su142013549, 1-14.

Khanna, T., & Palepu, K.G. (2010). *Winning in Emerging Markets: A Road Map for Strategy and Execution*. United States of America: Harvard Business Press.

Kay, J., Mckiernan, P., & Faulkner, D. (2003). The history of strategy and some thoughts for the future. In D.O., Faulkner, & A., Campbell (Ed.). *The Oxford Handbook of Strategy* (pp. 27-52). Oxford University Press.

Kottikaa, F., Ayşegül Ö., Pernille, R., Ioannis, G. Theodorakis, K., Kaminakis, K.G., & Kottikas, V.S. (2020). We survived this! What managers could learn from SMEs who successfully navigated the Greek economic crisis. *Industrial Marketing Management*, 88, 352 – 365. https://doi.org/10.1016/j.indmarman.2020.05.021

Martins, I., & Rialp, A. (2013). Entrepreneurial orientation, environmental hostility and SME profitability: A contingency approach. *Cuadernos de Gestión*, *13*(2), 67-88.

Morais, R. M. (2012). *The Angolan presidency: The epicentre of corruption*. Retrieved from www.makaangola.org

Morais, R.M. (2022). *Justice capture in Angola*. Retrieved from https://www.makaangola.org/en/author/rafael-morais/

Morais, R. M. (2023). *President Lourenço: Where does Angola go from here?* Retrieved from https://www.makaangola.org/2023/07/president-lourenco-where-does-angola-go-from-here/

Moyo, B., & Moyo, E. M. (2017). SMEs management practices in a hostile business environment in Zimbabwe. *Journal of Entrepreneurship and Business Innovation, 4*(1), 14-26.

Muzima, J. (2018). *2018 African Economic Outlook*. Retrieved from www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/country_notes/Angola_country_note.pdf

Nyanga, T., Zirima, H., Mupani, H., Chifamba, E., & Mashavira, N. (2013). Survival of the vulnerable: Strategies employed by small to medium enterprises in Zimbabwe to survive an economic crisis. *Journal of Sustainable Development in Africa*, *15*(6), 142-152.

Paschal, O., Anyanwu, S., & Eke, B. C. (2017). Survival strategies in a challenging environment: Focus on maritime companies in Port Harcourt. *International Journal of Advanced Academic Research | Social & Management Sciences*, *3*(6), 54-62.

Samonte, R. M., Mamaclay, A.G., & Castillo, M.P. (2022). Business strategies employed by food service industries to survive the impact of COVID-19. *Open Journal of Business and Management*, *10*, 2442-2460.

Sashi, C.M., & Devi, P.K. (2002). Franchising in global markets: Towards a conceptual framework. *International Marketing Review, 19*(4), 499-524.

Stern, C.W., & Deimler, M.S. (2006). *The Boston consulting group on strategy*. New Jersey: John Wiley & Sons.

Simão, A. (2018). *Personal Communication*. Torres Atlantico Office.

Simpson, M. & Tuson, J. (2003*). Using observations in small scale research: A beginner's guide* (revised edition). University of Glasgow.

Wild, J.J., & Wild, K.L. (2016). *International business: The challenges of globalization*. (8th ed.). Pearson Education.

Worldomenters.info. (2024). https://www.worldometers.info/world-population/angola-population/.

Yin, R. K. (2018). *Case Study Research and Applications: Design and Methods* (6th ed.). Thousand Oaks, CA: Sage.