



Part C – Essay Questions

Total Marks for Part C is 50

Answer **three (03)** questions including question number **one (01)** from Part C

1. **KFC Story in China**

KFC was founded by entrepreneur Harland Sanders, a former farmhand and streetcar conductor, in 1952. His handwritten recipe for the chain's fried-chicken batter remains under lock and key in Louisville.

KFC's push into Asia faltered at first. In 1973, the company opened 11 restaurants in the then British colony of Hong Kong but closed them within two years because it couldn't win over local consumers. "KFC's early failure in Hong Kong and Taiwan served as valuable and inexpensive lessons in preparation for its entry into China," KFC entry to China was a success story. The secret to the success of KFC's parent company can be traced to its use of local ingredients -- both in its management team and on its menus. In the 24 years it has been operating in China, KFC has hired Chinese managers to build partnerships with local companies in its expansion drive and used their expertise to offer an array of regional dishes that appeal to domestic tastes.

In China, KFC has achieved such dominance over McDonald's and local rivals that Colonel Harland Sanders's image is a far more common sight in many Chinese cities than that of Mao. Today, KFC customers can purchase a bowl of congee, a rice porridge that can feature pork, pickles, mushrooms and preserved egg, as well as buy a bucket of its famous fried chicken. "They got in early, they adapted the product, they expanded aggressively and they gave their Chinese managers real decision-making power." KFC's success in China has resulted in large part from its ability to create a menu that combines its traditional finger- lickin' Western fast food with chopstick-lickin' dishes that appeal to Chinese tastes.

While McDonald's restaurants in China mostly sell the same U.S.-style burgers, KFC's menu features dishes that would be un- recognizable to its patrons in the U.S. Alongside the Colonel's "secret recipe" fried chicken, Chinese KFCs also offer options such as the Dragon Twister, a chicken wrap in a Peking duck-type sauce, and spicy tofu chicken rice based on the cuisine of Sichuan province, home of China's hottest dishes.

Circumcision Parties

KFC china's cultural flexibility doesn't end with the localized menu. While fast-food restaurants in the West often host kids' birthday parties, KFCs in Urumqi, capital of the Xinjiang autonomous region that's home to the Muslim Uyghur people, advertise parties for the families of boys who have just undergone the religious ritual of circumcision.

An even more important decision was to entrust management of the China business to ethnic Chinese from Taiwan, While other foreign companies entering China recruited American or Southeast Asian-born Chinese managers, Yum hired Chinese from Taiwan, who speak the same Mandarin Chinese as mainlanders and understand their culture better, he says.

Answer the following questions relevant to above case

- a. What are the reasons for a company like KFC to move away from USA ? (05 marks)
 - b. What would have been the possible factors for earlier failures of KFC in Hong Kong & Taiwan? (05 marks)
 - c. Comment on success story of KFC over McDonald in China (10 marks)
2. "Language & Cultural differences are two key issues by international operations in hospitality sector. This is very vital as we have to deal with internal & external customers in tourism & hospitality operations" criticize the above statement with relevant examples. (15 marks)
3. Write short notes on following. (15 marks)
- a. Advantages & disadvantages of direct distribution systems in tourism
 - b. Trends effecting wholesalers in tourism distribution
 - c. Main generating markets for Sri Lanka Tourism & changes in pattern in the recent past
4. Few international hotel chains will be in operation within next few years in Sri Lanka. Discuss the challenges and implications these companies face in new environment and how can they minimize such effects? Your answer should reflect on the following areas. Management strategies, human resource polices & internal & external environmental factors. (15marks)
5. Discuss the revolution of international travel emphasizing specific innovations and trends which directly and indirectly stimulated the travel patterns while travel becoming no longer a luxury or status but a basic need for many nations. (15 marks)