

THE ANALYSIS OF STRATEGIC BUSINESS ABOUT RANGERS FRIED CHICKEN IN TAIPEI, TAIWAN

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ABSTRACT

This study uses SWOT analysis and Porter's five forces model to analyze the strategic environment of 德州美墨炸雞 Rangers Fried Chicken (RFC) in Taipei, Taiwan. The study aims to evaluate the internal and external factors of RFC and provide insights into RFC's competitiveness in the Taiwanese fast food market. The results not only highlight RFC's strengths such as strong brand, product quality and service system, but also significant challenges such as intense competition and changing consumer preferences. The study provides strategic recommendations to enhance RFC's competitive advantage and ensure long-term sustainability.

Keyword: Business Strategy, Business Process Management, Product Life Cycle, SWOT Analysis, Porter's Five Forces

INTRODUCTION

For several decades, Taiwan has continued to show very rapid development, especially in the country's economy. This is proven by Taiwan's success in becoming one of the richest countries in the world. In 2024, Based on the Global Finance Magazine 2024, Taiwan managed to enter the 100 richest countries and was ranked -14, with Gross Domestic Product at Purchasing Power Parity (*Produk Domestik Bruto berdasarkan Paritas Kekuatan*) amounting to \$ 76,858 (Ventura, 2024).

Meanwhile, on the other hand, Indonesia is included in the 100 poorest countries in the world, namely in 93rd place in 2022. However, Indonesia's position is still much better than several countries in Southeast Asia such as Vietnam which is in 82nd place, the Philippines in 72nd place, Cambodia 46th, Myanmar 45th, and Timor Leste 29th (CNN Indonesia, 2022). In terms of the level of competitiveness of countries in the Asia Pacific region, Taiwan ranks 3rd after Singapore in 1st place and Hong Kong in 2nd place. When compared to Indonesia, the competitiveness of Taiwan is far superior, because Indonesia is still in 8th place after Thailand (Bris, 2023).

After US troops left Taiwan in 1979 and before Western-style restaurant chains opened in Taiwan in the 1980s, Western breakfast culture-including hamburgers, egg pancakes, and teppanyaki noodles-became increasingly common in Taiwan. Western fast food businesses such as McDonald's, KFC, Pizza Hut, etc. were imported in the 1980s and 1990s, while local handshake beverage companies emerged, including the famous tapioca milk tea. During this time, local hawker shops innovated with fried foods, such as fried chicken cutlets made from chicken breasts. Since 1990, the promotion of regional agricultural products to tourists has become a culinary hallmark of Taiwan. In addition, Taiwan's snack culture has been highlighted since 2000 when snacks were served at state banquets (Lin, 2024).

Rangers Fried Chicken (RFC) is a Taiwanese fast food chain adapted directly from the United States, known for specializing in fried chicken dishes. The restaurant concept emphasizes authentic flavors and Texas-style cooking methods by highlighting the taste and texture of chicken that is crispy on the outside but juicy on the inside.

In running its business, RFC is facing challenging situations, such as competitors not only from international brands like McDonald's and KFC, but also from domestic restaurant like Monga Fried Chicken, Two Peck Crispy Chicken, Hot Star Large Fried Chicken, etc. In order to remain competitive, RFC need to have proper strategy.

The scope of the research is limited to SWOT analysis and PORTER'S FIVE FORCES in order to determine the business strategy for future growth of RFC, Taipei, Taiwan which is conducted during the period December 2023 to June 2024.

Several research questions as follows:

- a. What is the Product Life Cycle of RFC?
- b. How is internal and external factor analysis through SWOT analysis at RFC?
- c. How is Porter's Five Forces of RFC?
- d. How is RFC's business strategy in facing competition in the culinary market in Taipei, Taiwan?

THEORETICAL REVIEW

Business Strategy

Business strategy is the overarching plan or set of objectives that directs an organization's operations and decisions in order to gain a competitive edge and fulfill its mission. It consists of strategic objectives, priorities, resource allocation decisions, market positioning, and competitive differentiation techniques. Business strategies include cost leadership, differentiation, focus, diversification, and innovation (Henry Ejiga Adama et al., 2024).

Business Process Management

Business Process Management (BPM) is recognized as the cyclical management of business processes, encompassing stages from process identification, implementation, and monitoring to process oversight and control (Puspitasari & Susyanti, 2024).

The Aims of Business Strategy

Business strategy aims to gain a competitive advantage in the market it serves. Strategy is a set of actions performed by management to outperform its competitors. Strategy is also a tool for integrating and organizing commitments and actions intended to capitalize on core competencies and gain a competitive advantage. Business strategy guides a company's long-term direction and resource allocation to meet market and stakeholder demands (Ricardianto et al., 2023).

Product Life Cycle

The concept of product life cycle (PLC) refers to the life story of a product that a company successfully launches on the market. There are three well-known types of PLC: industrial life cycle, product line life cycle, and product model life cycle. Product line and product model life cycles are a company's own life cycle, while the industrial

life cycle is the life cycle of a company. It is the life cycle of a company at the market level, whether it is the company itself or its competitors (Masuda et al., 2024).

a. Introduction Phase

This is the phase when a new product is launched and made available to consumers. During this stage, sales are usually low as the product is just beginning to gain recognition and acceptance in the market (Oluwaseyi & Stilinski, 2024).

b. Growth Phase

At this phase, the product is increasingly successful and sales experience rapid growth. This happens because more and more consumers are buying the product, and it is also likely that consumers are starting to find more ways to utilize the product (Ema Oktavia Rahmawati & Ety Dwi Susanti, 2024).

c. Maturity Phase

In the maturity phase, sales growth reaches its peak as almost all potential buyers have entered the market. Consumers become more discerning in choosing from the various brands available. Most purchases come from customers who have already bought the product, and product innovation tends to be limited to minor improvements. As a result, only strong competitors are able to survive (Ema Oktavia Rahmawati & Ety Dwi Susanti, 2024).

d. Decline Phase

Sales slowly decline due to changes in consumer preferences, technological developments, or the emergence of new products that are more sophisticated and more desirable to consumers (Ema Oktavia Rahmawati & Ety Dwi Susanti, 2024).

SWOT Analysis

SWOT analysis effectively identifies the strengths and weaknesses (internal indicators) of an organization or project along with the opportunities and threats (external indicators) of its environment. Strengths represent the power of the organization while weaknesses represent the negative influences that may affect the added value of the product or the quality of the service. Opportunities are the assets that an organization can use to its advantage. Moreover, risks are unfavorable external events that may harm the environment (Bennis et al., 2024).

a. Strength

Strength is a perceived advantage that makes a company or organization special and provides greater value than its competitors (Cipta & Hatamar, 2020).

b. Weakness

Weaknesses are the internal negative factors and process limitations within organizations that hinder their ability to achieve their objectives (Jain et al., 2022).

c. Opportunity

Opportunities are the external factors or favorable situations in the business environment that can contribute to an organization's success (Jain et al., 2022).

d. Threats

Threats are external factors that create potential challenges or risks, which can hinder the organization's success and impede its progress towards achieving its goals (Frank & Mohamed, 2024).

Porter's Five Forces

The Five Forces analysis by Porter is one of the most commonly used analytical tools by strategists, consultants, and practitioners. At the moment, administrators and managers are calculating industry daya tarik based on factors such as industry growth and intensity of production, which are further influenced by market distribution within the industry (Pangarkar & Prabhudesai, 2024).

a. Rivals

Rivals is companies located at the same level in the value chain and operating in the same segment (Pangarkar & Prabhudesai, 2024).

b. Buyers

This power measures the bargaining power or negotiating power of the buyer/consumer. The greater the buyer's ability to demand lower prices or higher product quality, the smaller the profit or profit that the producer company will get (Arzety & Widjajati, 2024).

c. Suppliers

The influence of the supplier reflects how important the supplier's market power is, which is closely tied to the significance of the component to the final product (Hisan et al., 2024).

d. The threat of new entrants

Porter asserts that the ease with which new entrants can enter an industry will affect its dynamics. An industry with low barriers to entry will be highly competitive, as new players will quickly enter to capture market share (Hisan et al., 2024).

e. Substitutes

These barriers or threats arise when buyers/consumers can obtain substitute products that are cheaper or that offer better quality at low switching costs (Arzety & Widjajati, 2024).

RESEARCH METHODS

This study uses a qualitative approach using library research with data collection through references, industry reports, and other academic sources. SWOT analysis is used to identify the strengths, weaknesses, opportunities, and threats faced by RFC. Furthermore, Porter's five forces model is applied to assess competitive pressures in the Taipei fast food industry.

DISCUSSION

The Rangers Fried Chicken restaurant in Taipei was founded in 1996 as a fast food restaurant with the theme of bringing a piece of Texas-American culture and cuisine to Taiwan. The concept capitalizes on the popularity of American sports teams and the global appeal of fried chicken. The restaurant's theme includes elements related to sports teams such as baseball and basketball for its decoration and branding even though it primarily serves fried chicken. The unique theme and delicious food add to its appeal. The success of this restaurant has led to expansion with additional locations and continued innovation in the menu offered.

Analyzing the product life cycle of the Texas Rangers Fried Chicken restaurant in Taipei, Taiwan, involves several stages: introduction, growth, maturity, and decline. At introduction stage, RFC had just entered the Taipei market. The focus was on conducting intensive marketing campaigns and promotions to increase brand awareness in the Taipei market. RFC conducted massive promotions through social media, launch events, and provided special offers such as discounts and free samples to attract consumers' attention. RFC needs to make an attractive first impression to build customer trust and also introduce the uniqueness of its products compared to other local and international competitors.

At growth stage Customers have obviously started to become interested in RFC. As more and more people have tried and liked RFC products, sales have increased rapidly. Increase operational capacity to meet the growing demand, expand marketing reach, and introduce new menu to attract more customers. RFC needs to maintain the quality of its products and services as sales increase and needs to expand its human resources to carry out business processes effectively and efficiently.

While at maturity stage RFC must be able to focus on its goals and continue to increase customer loyalty through continuous promotions and product innovation and strive to open branches in other locations so that it can enter a larger market. You are facing increasing competition from other restaurants that are replicating your concept or offering more appealing items. Additionally, you are also facing competition from restaurants that offer healthier alternatives to fast food.

For decline stage RFC is not included in this phase, as their sales are quite stable. Conduct regular operational control to ensure all business processes are running to avoid decline. RFC must continue to ensure sales remain stable, and continue to monitor the market so as to avoid factors that can be a risk of decline.

When analyzing the strategic position of Rangers Fried Chicken (RFC) as a fast food restaurant in Taipei, Taiwan, several factors must be considered using SWOT analysis and Porter's model. This study focuses on interpreting the strengths, weaknesses, opportunities, threats, and competitive behaviors that affect RFC.

RFC has several strengths that can be utilized to improve its market position. One of the most important criteria is high-quality products with a pleasant aroma and fresh

ingredients. These qualities have resulted in significant customer loyalty, especially among those who appreciate the authentic Texas-like taste of fried chicken. The RFC brand has also built a strong image in the local market, based on an effective marketing approach and an emphasis on authentic values in all aspects of its business. RFC has the ability to compete with well-known international players such as McDonald's and KFC.

However, RFC has some weaknesses that need to be addressed right away. The main attraction is the bustling market. Despite having several strategic locations, RFC's geographic expansion has been limited, making it difficult for it to grow at a national scale, particularly in smaller cities outside of Taipei. Aside from that, RFC is heavily reliant on specific product lines, particularly fried chicken. Diversification of products may pose a risk if consumer preferences change or if there is a significant shift in the pace of food consumption. RFC must expand its product portfolio by adding menu options that are appropriate for local and global trends, such as healthy meals or vegetable.

Opportunities for RFC include expanding to new locations inside and outside Taipei. With rising demand for high-quality, fast-food meals, particularly those with unique flavors, RFC has the opportunity to increase demand and broaden its customer base. This can be accomplished by opening a new store or by partnering with an online food delivery company that is becoming increasingly popular among urban consumers. Menu diversification also has significant benefits. Increasing menu variety, such as offering snacks, dessert, or breakfast, will help to attract new customers and increase revenue. Aside from that, RFC can use digital technology to improve customer experience, such as online shopping applications or loyalty programs based on apps.

In addition, the RFC addresses several significant threats that can impact progress. Intense competition is the biggest threat, with many international and local brands for the same market share. Larger players with larger bankrolls may be able to offer lower prices or more attractive promotions, potentially increasing the base of RFC users. Consumer preferences are also an issue that cannot be overlooked. With increased awareness of health, consumers may be more likely to seek out nutritious and low-calorie foods. If the RFC does not immediately adapt to the new train, there is a risk of losing customers who want a healthier option.

While based on Porter's Five Forces theory the bargaining power of suppliers in the fast food industry is usually high, especially if the raw materials needed are products that are not easily found or seasonal. RFC, which relies on certain quality raw materials to maintain its taste, may face higher costs if suppliers raise prices or there is a disruption in the supply chain. Because of this, RFC must have strong relationships with suppliers and strive to have multiple supplier alternatives to mitigate the risk.

Consumer bargaining power is when the rate of turnover in the food market is extremely high, owing to the abundance of options available. Customers have the freedom to choose products from a variety of brands, so they can easily switch to competitors if they are not satisfied with RFC's price or quality. To maintain this level of loyalty, RFC must continue to provide more value to its customers, whether through loyalty programs, promotions, or improving service quality.

The fast food industry in Taiwan is competitive, but the market share is not high, indicating a significant threat from new entrants. New businesses can easily enter the market if they have a good marketing strategy and can provide innovative products. RFC must continue to improve itself and invest in product innovation in order to meet this challenge.

Substitute products (Threat of Substitutes) in this industry include fast food options like pizza, sushi, and healthy foods that are becoming increasingly popular. With increased health awareness, the value of this substitute product is becoming more relevant. RFC must adjust to produce products that are appropriate for the train or to change the product's perception as a healthier food.

Industry rivalry in the food industry is fierce, with several companies competing for the same market share. To remain competitive, RFC must continue to innovate in terms of product, pricing, and promotion. A more aggressive marketing strategy and product differentiation can help RFC stand out in the marketplace.

Porter's Five Forces analysis indicates that Texas Rangers Fried Chicken faces significant challenges from industry competition and substitute products. However, strengths in brand loyalty and quality of ingredients will help it maintain its position in the market. The strategy of continually innovating its menu and services and strengthening relationships with suppliers and customers is critical to the company's sustainability and growth in Taipei, Taiwan.

CONCLUSION

In conclusion, Rangers Fried Chicken (RFC) is in a growth phase and must face various opportunities and challenges in the highly competitive Taipei fast food market. RFC benefits from its high-quality and authentic Texas-style fried chicken and strong brand image, which differentiates it from major competitors such as McDonald's and KFC that are already in the mature phase. To capitalize on the opportunities, RFC can use digital tools such as online ordering systems and loyalty programs such as special promotions on major holidays to increase customer engagement. In addition, expansion by opening new branches can drive growth and broaden customer reach. However, RFC must face intense competition, changing consumer preferences, and potential risks from suppliers and new market entrants. Strategically addressing these factors will be critical for RFC to maintain and strengthen its position in the Taiwan fast food market.

This study has limitations because it only uses secondary data from library references, such as journals and company websites. Therefore, the results of the study may not fully reflect accurate conditions.

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