KFC Italy Group Project

Group 6

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I. Understanding the Business

  KFC, a company of Yum! Brands, Inc, has a history full of success and innovation. The company seeks to provide its customers around the world with efficient and high-quality fast food to enjoy, whether it be in one of KFC's 26,000 plus restaurant outlets or from the comfort of their own homes. KFC's target audience is people who like fried chicken; anyone can enjoy their menu items and everything KFC has to offer. The company prides itself on extending value to its customers through its well-known brand reputation, convenient ordering services, affordability, and extensive sales and marketing network. KFC primarily services its customers directly through restaurants where personnel are available to take orders, respond to complaints and questions, and/or offer advice relating to menu items. The company also allows its guests to sign up for rewards programs and memberships where there are various deals and discounts available, aiming to encourage returns. KFC also presents its website and social media platforms as a point of contact for customers to obtain information and communicate directly with the business.

  KFC offers a wide range of products, specializing in pressure-fried chicken pieces, seasoned with Colonel Sanders' recipe of 11 herbs and spices. Along with fried chicken, the menu also includes homestyle sides such as mashed potatoes, sweet corn, mac and cheese, biscuits, etc, desserts such as cookies and brownies, and drinks to pair with your meal. Customers have the option to get a meal to feed themselves or get a meal large enough to feed their family, friends, and/or co-workers. Aligning with its convenience value, KFC has a wide range of service options for its customers. For their in-person consumers, diners are able to order at a self-serving kiosk within the restaurant, or, as mentioned prior, employees are available to take orders via walk-up registers or drive-thru. For those who prefer digital services, KFC also presents its customers with an online ordering option through the app where users can readily pick up their meal at a nearby location or get their meal delivered to them.

  After exploring the KFC Italy mobile app, our first impressions are that the app operates like any other mobile food service app. The homepage shows promotions, coupons and news articles, followed by

the order page where users can select their method of ordering (dine-in or takeaway) and select their nearest location. Next, the "Create Your Order" page shows users different menu categories that the KFC Italy mobile app offers such as Chicken Menus, Burger Menus, Snacks and Sides, and Desserts, along with additional coupons and offers. We also noticed its bold colors. In contrast to the style in the U.S., we are used to a more simple and minimalistic style. It was kind of hard to navigate through being some of the words were hard to read because of the small font in some areas. To order a product, users first select a product from the categories, followed by a selection of sides, drinks, and dipping sauces. It was noticed that the prices were mainly highlighted instead of the pictures being and food ingredients being the center of attention. After their selections are completed, users are then brought to the cart where they can review their order and proceed to make a payment. On the payment page, users can select if they want to pay now within the app or pay in-store. In the app, the macro-conversion goal is to complete a purchase/ complete an order. Some of the app's micro-conversion goals include: downloading the app, registering for an account, utilization of the Click & Collect services (coupon and app content interaction), signing up for promotional notifications and emails, and viewing news articles and videos on the app.

Based on the video presentation for KFC Italy, the app accounts for 10% of their business. According to the data on their GA4 property, the KFC Italy app's total revenue was $9.83 million, from October 1, 2021, to September 30, 2022. The data also shows that the average revenue KFC gained per user was $7.43. The revenue from the app was gained exclusively through e-commerce purchase. KFC Italy had 335, 476 total purchasers throughout the given time period and they account for 100% of the total revenue ($9.83M) gained from the app between October 1, 2021, to September 30, 2022. According to calculations, the estimated economic value of users completing the macro-conversion goal is the monetary value of the average order size in the app, $29.25.

After reviewing the KFC Italia app, there is a noticeable amount of perks and benefits to using the app. The first factor of KFC Italy's app that entices users to complete a purchase is that the company included a full menu selection which allows users to get the same products in-store and on the app. This

allures customers to complete their purchases because they'll be able to find their favorite food items they enjoy in person, on. The second factor contributing to users wanting to buy products in the app is the convenience and usability of the Click & Collect app concept, features, and functions. Since the COVID-19 pandemic, customers and several other companies began utilizing online options to adapt to the changes in the restaurant industry. Ordering online, skipping the line, and having the option to pay online or in-store; this factor attracts customers by providing users with a more convenient, less time-consuming way to order from KFC. Another factor that persuades users to order in the app is the coupons offered exclusively on the app. This entices users to complete their purchase because they are satisfied with the amount of money they are saving.

On the other hand, there are a couple of factors that could deter customers from buying through the app. One factor is the language barrier. The KFC Italy app doesn't have the ability to translate to a given user's language of preference. An example of a possible issue is when Americans or any non-Italian speaking citizens are traveling to the country and do not know much about the foreign language before visiting, causing the navigation of the app to be challenging. A second factor that could act as a deterrent to customers completing purchases could be technical or operational issues limiting menu items and coupon availability. This would discourage customers from purchasing KFC through the app because they don't have access to the features and menu items they want on the app. A third deterrent could be a purchasing barrier that makes it harder for customers to complete their purchase. KFC Italy's requirement for users to have to register for the app before completing a purchase dissuades customers from completing their purchase because it negatively affects the ease of purchase for customers.

II. Macro-Insights Analysis

Looking at the app's insights between October 1, 2021 and September 30, 2022, the total number of Users is 1.3M and the total number of Sessions is 5.9M, making the app's number of repeat visits 4.6M times. According to Google Analytics, the number of engaged sessions per user is about 2.8 and the average session duration is 49 minutes and 25 seconds, which is more than enough time to place an order in the app. Also, the site's bounce rate is 36.8%, meaning that less half of users are leaving the app after opening. One reason could be that visitors are not seeing items they're interested in on the app's homepage. With this information, we can assume only a small number of users aren't reaching the macro conversion step on the app.

Reviewing the overview of Users and Sessions within the app, there are upward spikes that occur on either Fridays, Saturdays, or Sundays. Based on that, we can assume that users are more likely to utilize the app on the weekends than the weekdays. A big spike occurred on Thursday, March 17, 2022 that saw 17,540 Users coming from an assigned channel session. After doing some research, it was found that KFC had a free delivery promotion and the last day to participate was March 19th so visitors may have rushed to the site before the deadline. Traffic saw a downward trend on holidays like Christmas Eve and New Years Eve. We can assume that on those days, visitors prefer to eat home cooked meals and spend time with family and friends so site traffic is lower during those times.

According to the insights shown in Google Analytics regarding KFC's User Interests data from October 1st, 2021, to September 30th, 2022, we can see that 18.20% of total users were in the Affinity Category. Among those individuals were shopper/value shoppers who viewed the app the most with a total of 42,487 users. These users are followed by food & dining/foodies with a total of 40,809 and media/entertainment lovers with 40,516 users. 16.18% of total users were in the In-Market segment category.
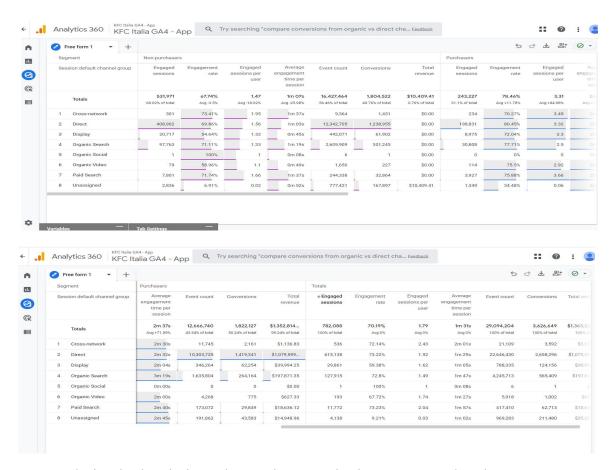
For KFC Italy's user acquisition data from October 1st 2021 to September 30th 2022, we can see that a vast majority of their users come from three major sections; organic search, direct, paid search.

Organic search is the number one overall metric in user acquisition with 41.4% of all user acquisition and direct is number two being 30.2%, meaning that a large majority being over 70% of the people who end up on KFC Italy's App know exactly what they want and where they need to find it. The third big player in KFC Italy's user acquisition comes from paid search being 22.1% with the remainder coming from other common channels such as paid displays, referrals, and other advertising. When looking at KFC Italy's referrals, we can see that the number one referral is from linktree, followed by the majority of the rest of the referrals coming from social media channels such as Facebook, Instagram, or TikTok. Overall, the major insights that can be gathered from looking at this user acquisition data come down to the paid search functions not nearly creating enough of a buzz comparatively to the organic search and direct search channels. This means that we should either move away from advertising the app or push the advertisements further. However, because the KFC Italy app does not have any way to generate ecommerce revenue, as their main goal with said application is not centered around this, their current advertisement strategy of focusing more on in store purchases might be beneficial. With that being said, there could also be a benefit to increasing the app's advertisement if KFC Italy plans on expanding the app further in the future in order to potentially gain ecommerce revenue.

III. Purchaser vs. Non-Purchaser Comparison

After examining the Non-Purchasers vs. Purchasers channel group sessions, it is noticed that there is a high number of users coming to the app from direct, organic search, and display. For Non-Purchasers, a great number of users are coming from direct searches (408,902 users) and organic searches (97,763 users). Although Purchasers are coming from the same channels, their engagement is less with 198,831 engaged sessions coming from direct channels and 30,808 sessions coming from organic search. While analyzing the conversion data, the team noticed a large number of Purchasers and Non-Purchasers are coming from direct channels with Purchasers having a conversion rate of 77.89% and Non-Purchasers at

68.66%. Next, looking at organic search for Non-Purchasers, there's a conversion rate of 14.50% and for Purchasers, a conversion rate 16.69%. Lastly, through display channels we see a close, but low conversion rate of 3.42% Purchasers and 3.43% Non-Purchasers. Looking at the analysis, we can assume these numbers are a result of the fact that a large number of both Non-Purchasers and Purchasers have the KFC app downloaded on their devices, increasing the number of "direct" sessions. The large number of organic search sessions are likely coming from users who don't have the app downloaded and are using a browser to order.

Segment	Non-purchasers							Purchasers			
Session default channel group	Engaged sessions	Engagement rate	Engaged sessions per user	Average engagement time per session	Event count	Conversions	Total revenue	Engaged sessions	Engagement rate	Engaged sessions per user	Average engagement time per session
Totals	531,971 (68.02% of total)	67.74% (Avg -3.5%)	1.47 (Avg -18.02%)	1m 07s (Avg -25.98%)	16,427,464 (56.46% of total)	1,804,522 (49.76% of total)	$10,409.41 (0.76% of total)	243,227 (31.1% of total)	78.46% (Avg +11.78%)	3.31 (Avg +84.98%)	
1 Cross-network	301	73.41%	1.95	1m 37s	9,364	1,431	$0.00	234	70.27%	3.49	
2 Direct	408,902	69.86%	1.56	1m 03s	12,342,705	1,238,955	$0.00	198,831	80.45%	3.32	
3 Display	20,717	54.64%	1.32	0m 45s	442,071	61,902	$0.00	8,975	72.04%	3.3	
4 Organic Search	97,763	71.11%	1.33	1m 19s	2,609,909	301,245	$0.00	30,808	77.71%	2.5	
5 Organic Social	1	100%	1	0m 08s	6	1	$0.00	0	0%	0	
6 Organic Video	79	58.96%	1.1	0m 49s	1,650	227	$0.00	114	75.5%	2.92	
7 Paid Search	7,801	71.74%	1.66	1m 37s	244,338	32,864	$0.00	3,927	75.88%	3.66	
8 Unassigned	2,836	6.91%	0.02	0m 52s	777,421	167,897	$10,409.41	1,349	34.48%	0.06	

Segment	Purchasers				Totals						
Session default channel group	Average engagement time per session	Event count	Conversions	Total revenue	↓Engaged sessions	Engagement rate	Engaged sessions per user	Average engagement time per session	Event count	Conversions	Total rev...
Totals	2m 37s (Avg +71.89%)	12,666,740 (50.24% of total)	1,822,127 (99.24% of total)	$1,352,814...	782,088 (100% of total)	70.19% (Avg 0%)	1.79 (Avg 0%)	1m 31s (Avg 0%)	29,094,204 (100% of total)	3,626,649 (100% of total)	$1,363,2... (100%...)
1 Cross-network	2m 30s	11,745	2,161	$1,136.83	536	72.14%	2.43	2m 01s	21,109	3,592	$1,1...
2 Direct	2m 32s	10,303,725	1,419,341	$1,079,599...	615,138	73.22%	1.92	1m 29s	22,646,430	2,658,296	$1,079,5...
3 Display	2m 04s	346,264	62,254	$39,994.25	29,861	59.38%	1.62	1m 05s	788,335	124,156	$39,9...
4 Organic Search	3m 19s	1,635,804	264,164	$197,871.35	127,915	72.8%	1.49	1m 47s	4,245,713	565,409	$197,8...
5 Organic Social	0m 00s	0	0	$0.00	1	100%	1	0m 08s	6	1	
6 Organic Video	2m 00s	4,268	775	$627.33	193	67.72%	1.74	1m 27s	5,918	1,002	$6...
7 Paid Search	2m 40s	173,072	29,849	$18,636.12	11,772	73.23%	2.04	1m 57s	417,410	62,713	$18,6...
8 Unassigned	2m 45s	191,862	43,583	$14,948.96	4,138	9.21%	0.03	1m 02s	969,283	211,480	$25,3...

From analyzing the data, it shows that Purchasers tend to be more engaged on that app as compared to Non-Purchasers. Being there was a spike in more engagement on weekends, we can see that Purchasers were more prone to make Purchases and follow through with the whole process whereas Non-Purchasers usually made it to the homepage and stopped on, got through clicking through their cart and didn't finish. Crossing Purchaser/Non-Purchaser status with devices, there are clear purchase

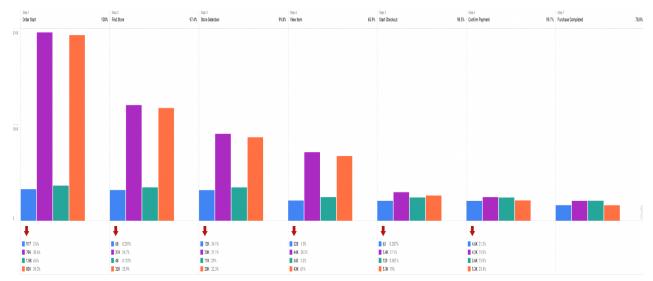differences that vary based on the mobile platform. From the data shown (Purchasers), 55.37% used Android with a total of 256,490 users. IOS had a total of 47.69% with a total of 220,937 users. As far as engaged sessions, Android users had a total of 1.6 million sessions while IOS had 1.2 million.

Comparing Purchasers' and Non-Purchasers' actions in the conversion funnel based on their device platforms, there were many interesting findings. The team decided to analyze the funnel from September 8, 2022 to November 7, 2022, giving us two months of data to dissect. Entering the funnel at the Order Start step, there are more IOS Non-Purchasers (206,053 users) than Android Non-Purchasers (203,042 users) and more Android Purchasers (38,529 users) than IOS Purchasers (34,761 users). Looking at the number of users for each segment, there are more Purchasers entering the funnel on an Android device and more Non-Purchasers entering on an IOS device, which is important to note. Surprisingly, there are more Non-Purchasers starting an order than Purchasers but, as expected, Non-Purchasers end up having a higher abandonment rate than Purchasers with 39.23% Android Non-Purchasers and 38.58% IOS Non-Purchasers.

Non-Purchasers, both IOS and Android, have high completion rates throughout steps one through three averaging at about 71% for both device platforms. However, looking at the Store Selection step, the team noticed that more Purchasers, both IOS and Android, are abandoning the funnel there than Non-Purchasers with a rate of 38.05% (IOS Purchasers) and 28.96% (Android Purchasers), IOS Non-Purchasers only have a 21.06% abandonment rate and Android Non-Purchasers have a 22.27% rate. We can assume this is because those individuals don't see a location that they prefer or is close enough to them to order from. Moving to the View Item step, Non-Purchasers start to exit the funnel with IOS devices having a 58.17% abandonment rate and Android users at 60.97%. We can assume this happened as a result of those individuals not being interested in the items they saw on the app being as though they completed the steps prior to as if they were going to complete an order.

Moving down the funnel to the Start Checkout step, only 15.27% of IOS Non-Purchasers that entered the funnel made it to the step and only 13.66% of Android Non-Purchasers made it. This is expected since these individuals aren't ordered from the app and are less likely to complete their order. For Purchasers, 62.96% of IOS users that entered the funnel made it to the step and 66.45% of Android users made it, which is also to be expected.

Step	Segment	Users (% of Step 1)	Completion rate	Abandonments	Abandonment rate
1. Order Start	IOS Purchasers	34,761 (100%)	97.36%	917	2.64%
	IOS Non-purchasers	206,053 (100%)	61.42%	79,498	38.58%
	Android Purchasers	38,529 (100%)	95.39%	1,777	4.61%
	Android Non-purchasers	203,042 (100%)	60.77%	79,646	39.23%
2. Find Store	IOS Purchasers	33,844 (97.36%)	99.8%	68	0.2%
	IOS Non-purchasers	126,555 (61.42%)	75.27%	31,295	24.73%
	Android Purchasers	36,752 (95.39%)	99.87%	48	0.13%
	Android Non-purchasers	123,396 (60.77%)	74.08%	31,983	25.92%
3. Store Selection	IOS Purchasers	33,776 (97.17%)	65.95%	11,501	34.05%
	IOS Non-purchasers	95,260 (46.23%)	78.94%	20,060	21.06%
	Android Purchasers	36,704 (95.26%)	71.04%	10,631	28.96%
	Android Non-purchasers	91,413 (45.02%)	77.73%	20,362	22.27%
4. View Item	IOS Purchasers	22,275 (64.08%)	98.53%	328	1.47%
	IOS Non-purchasers	75,200 (36.5%)	41.83%	43,744	58.17%
	Android Purchasers	26,073 (67.67%)	98.68%	343	1.32%
	Android Non-purchasers	71,051 (34.99%)	39.03%	43,322	60.97%
5. Start Checkout	IOS Purchasers	21,947 (63.14%)	99.71%	63	0.29%
	IOS Non-purchasers	31,456 (15.27%)	82.9%	5,380	17.1%
	Android Purchasers	25,730 (66.78%)	99.5%	129	0.5%
	Android Non-purchasers	27,729 (13.66%)	80.97%	5,277	19.03%
6. Confirm Payment	IOS Purchasers	21,884 (62.96%)	78.81%	4,637	21.19%
	IOS Non-purchasers	26,076 (12.65%)	84.07%	4,153	15.93%
	Android Purchasers	25,601 (66.45%)	86.13%	3,551	13.87%
	Android Non-purchasers	22,452 (11.06%)	76.61%	5,251	23.39%
7. Purchase Completed	IOS Purchasers	17,247 (49.62%)	-	-	-
	IOS Non-purchasers	21,923 (10.64%)	-	-	-
	Android Purchasers	22,050 (57.23%)	-	-	-
	Android Non-purchasers	17,201 (8.47%)	-	-	-

IV. Conversion Funnel and Abandonment Analysis

Step 1		Step 2		Step 3		Step 4		Step 5		Step 6		Step 7	
KFC Order Start	100%	Find store	96.2%	Localization finish	99.8%	View item list	68.3%	begin checkout	98.6%	kfc payment confirm…	99.6%	purchase	82.9%

■ 2.8K 3.8%		■ 125 0.177%		■ 22K 31.7%		■ 658 1.4%		■ 178 0.374%		■ 8.1K 17.1%			
■ 79K 46.6%		■ 32K 35.3%		■ 9.1K 15.7%		■ 43K 88%		■ 5.3K 90.5%		■ 558 100%			

Step	Segment	Users (% of Step 1)	Completion rate	Abandonments	Abandonment rate
1. KFC Order Start	Purchasers	73,532 (100%)	96.17%	2,815	3.83%
	Non-purchasers	168,509 (100%)	53.36%	78,597	46.64%
2. Find store	Purchasers	70,717 (96.17%)	99.82%	125	0.18%
	Non-purchasers	89,912 (53.36%)	64.75%	31,697	35.25%
3. Localization finish	Purchasers	70,592 (96%)	68.26%	22,403	31.74%
	Non-purchasers	58,215 (34.55%)	84.34%	9,118	15.66%
4. View item list	Purchasers	48,189 (65.53%)	98.63%	658	1.37%
	Non-purchasers	49,097 (29.14%)	11.98%	43,216	88.02%
5. begin checkout	Purchasers	47,531 (64.64%)	99.63%	178	0.37%
	Non-purchasers	5,881 (3.49%)	9.49%	5,323	90.51%
6. kfc payment confirmed	Purchasers	47,353 (64.4%)	82.9%	8,095	17.1%
	Non-purchasers	558 (0.33%)	0%	558	100%
7. purchase	Purchasers	39,258 (53.39%)	-	-	-
	Non-purchasers	0 (0%)	-	-	-

People using the app generally follow this conversion path. Users start their order, find the store, finalize location, view item list, begin checkout, kfc confirms payment, and complete then their purchase. When comparing purchasers vs. non purchasers, in terms of purchasers, most people that abandoned the funnel would leave at the localization finish and KFC payment confirmed having 31.74% and 17.1% abandonment rate respectively.

Most people tend to abandon the funnel right before they have to actually pay for their order, and people tend to use the application as a way to check the pricing for things including delivery, so it is not very surprising that people tend to have that 17.1% abandonment rate that we have observed from the graph. The more surprising of the two largest abandonment rate sectors is the localization finish, as this is an international corporation seeing that people leave when the application is checking which country they're from is not incredibly out of character, but it is weird to see so many people leave. My hypothesis

is that these people are leaving due to the fact that they chose the wrong app for their nation, and unintentionally landed on KFC Italy.

For those individuals who don't purchase, the majority begin to abandon the funnel during the last three stages being View Item List, Begin Checkout, and KFC Payment Confirmed, all having over an 88% abandonment rate. This makes a lot of sense when you have the information that these people did not make the purchase, as they physically cannot make that interaction with the app if they had purchased.

From the hypothesis stated above on the idea that people who purchase from the application tend to abandon most frequently when they're going through the "Localization Finish" event. They are being diverted from KFC Italy to a different KFC app or site that is not currently being considered by the Google Analytics section we are viewing. In terms of non-purchasers, people are being distracted by potential opportunity costs with other apps that are not being tracked. The best way to solve this could be to offer discounts to people who have products in their cart, as that could incentivize people to actually complete the purchase.

V. Put it Together

According to our research across the different elements of this project, we've come to gain a better understanding of KFC Italy's app and its users. Our research allowed us to better understand and analyze the KFC Italy App in its entirety and look over some important factors such as measuring user interests and behaviors, engagement and conversions, interactions and many more.

Looking at user behavior and sessions, the team noticed that a large portion of customers are on the site for an average of 49 minutes and there's a bounce rate of 36.8%. As we are impressed with the low bounce rate and we know this is more than enough time to make make a purchase at the end of the conversion funnel, we also understand that the average session duration of 49 minutes could also be an issue as it could mean that users aren't navigating through the app as swiftly as they should be. This slow navigation could

be a result of a layout issue within the app. The team also noticed that the site receives the most traffic on the weekends (Friday, Saturday, Sunday) or right before the expiration date of a coupon deal or sale. This was expected because people are more likely to choose to order out over cooking meals at home on the weekends and when they know they're saving more money.

A large number of users are coming from direct and organic search, which is expected from a mobile application as the majority of users will have the app downloaded and if not, they'll search for it through the web browser. There's a good conversion rate among purchasers through all the steps in the funnel with an exception of the View Item step (Step 4). The team noticed that there was a 60.97% abandonment rate among Android Non-Purchasers and an abandonment rate of 58.17% for IOS. We assumed that this was due to those individuals not being interested in the items they saw on the app or items they wanted weren't available or harder to find. Through our research, we also determined the macro-conversion goal, completing purchase. We defined some barriers to conversion including language barriers, technological and operational barriers, and purchasing barriers. As far as customer segments showing differences in conversion behaviors, we discovered a few findings. One of the first findings we found was that there are more Non-Purchasers starting an order than Purchasers but, as expected, Non-Purchasers end up having a higher.

With all of our findings and research, we came up with some recommendations for KFC in terms of app design and marketing strategies in order to increase conversion success. Starting with the app itself, we suggest KFC make an overall revamp to the app's design. Coming onto the app, we are greeted with KFC's homepage. Its bright and bold design is nothing but eye-catching but is very chaotic to navigate through. We suggest creating a more minimalist feel to the app, allowing users to navigate through the app using pictures instead of as many words. This allows more flow to the app and customers to be able to identify the food and make it more appealing to the eye. Shifting focus to the login

process, we noticed that there is no way for the user to remember their password after logging in. We suggest creating a feature to ask the customer if they would like to remember their password while also including a way to use the face recognition feature to login. This will prevent customers from having to constantly change their password if they forget. Ultimately over time, customers are more prone to return knowing their information is saved and personalized.

Another suggestion we feel would benefit would be to create a better customer experience, making it more personal. Creating a loyalty program for customers would create a line of consistency as far as returning customers. When a customer creates an account, by the user's patterns, KFC should create a section where KFC can suggest orders or have a banner pop up on the screen prompting customers to add items to their cart. Customers enjoy being able to have the luxury convenience, displaying suggestions with side items, drinks, and desserts with prone customers to add them to the cart simply because they may have forgotten something. Lastly, to finish the customer experience, we suggest adding a "continue as guest" feature. This is a feature that allows customers to browse and pay on the app without having to create an account. By doing this, many of the customers who abandoned the app due to it being "too time consuming" will possibly choose to go through with the purchase more likely.

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