



A CASE STUDY ON MCDONALD'S MARKETING STRATEGIES

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CASE STUDY:

EXECUTIVE SUMMARY:

McDonald's is the one of the most successful and the best-known brand around the world. A huge volume of sales and the retail outlets in 116 countries with the franchises format speaks in volume about the brand. McDonald has become a leader of the food industry and influences the consumer behaviour through conducting a customer audit and focus on the customer services the responses to competition and always use the marketing techniques to the earlier development. McDonalds success due to focus on their Customer Satisfaction. And they always find the way to make the customer satisfied with the fast service by creating an environment clean. The McDonald is a successful and still growing fast. Company will use its marketing plan and implementing carefully its marketing strategies across its global outlet and franchises. They use the strategy plan to win for worldwide expansion and the strategies that 5ps that consist the price, promotion, product, place, and people. McDonald's is one of the largest spenders on advertisement. McDonald spend the over \$1.2 billion in advertisement foe beating the all-over fast food companies. And the McDonald's facing the many challenges from the unlikely source of customer like who complain that the company will uses its advertisement messages to targets kids and also the challenges of staff turnover, risk of food infection and the threats from the competition.

Now the company will focus on the healthy organic food and the customer's demand for the future growth. McDonald's expand their business and its market into the foreign countries through the primary methods like franchising, company owned restaurant and the ventures. McDonald's simplifying menu, convert food to local tastes, offering custom burger and sandwich, and rolling out the mobile service such as payment and online ordering, and opening a social media "dialogue" with customer to serve their growing concern of decreasing sales to the tough competition.

This Teaching case is essentially derived to cater the need of discussion among the Industrial domain, professionals and students of higher education. The case is open for discussion and has the professional to derive conclusion on true perspective of McDonald's marketing strategies and resolution to the dilemma.

McDonald's:

McDonald's Corporation was established in 1940, in San Bernardino, California and it's a largest food service retail corporation are known for its hot and fresh fries, chicken product, breakfast items, soft drinks, hamburgers, and wraps and deserts. It operates about 30,000 restaurants in over 199 countries. In UK the majority of McDonald's on franchise basis. The slogan of McDonald's is "I'm Loving' It". It's become a largest food service and supplier in the world which serve an approximately 70 million customers per day. They earn by the operating restaurant, franchising and investing in properties. And by the responses to changing the customer taste then added to its menu salads, fish, smoothies and fruits. Product are offered as either "dine-in" (customer will eat in the restaurant) or "take-out" (customer will take the food off the premises). The annual event of McDonald's is an McHappy Day. The percentage of the day's sales are going to charity. It's a signature fundraising event for Ronald McDonald House Charities. Branding was developed the personality for an organisation, product and service. The branding will work only when the organisation is behaves and present itself in a consistent way. Further the development of McDonald's retail outlets has emerged to provide a comfortable setting with the host of features including Wi-Fi wireless connection, the promotion of exclusive record deal and also its own corporate branding through trademarked of McDonald's and familiar logo – the Golden Arches.

McDonald's includes specific aspects of its service provided by packaging, look and desirability. Including a non-tangible and tangible features of the service and the products. McDonald's was success in their relationship with the supplier and the promises loyalty in the business in exchange for innovation. McDonald's was responded to the lost customer by returning the back to their roots like superior food quality and cleaner nicer restaurant facilities. McDonald's are marketed toward families and the children it presented as a fun place to go with your family. The McDonald's operations competitive strategy was focuses on the cost, speed, and nutrition. McDonald always prioritize making the customer "happy". McDonald's is the largest worldwide franchised food service organisation.

McDonald's MARKETING STRATEGY

Marketing strategies are played a significant role for developing the any type of business. McDonald's is employing the varied marketing strategies such as customer relationship management, and creating a good customer experience integrated marketing communication, and social media marketing. The hard work of the company to attract the clients and turn out to be very inefficient and random. McDonald's main objective is to ensure that the product must fulfil the customers demand and maintain the long-term relationship with those clients. McDonald is thought according to the customer's taste, life style, value system, language and perception. The McDonald's was famous for their hamburgers which are made from beef and pork burgers. Due to the religious reason some of customers and to satisfy their demand and preference. McDonald's was coming up with the chicken and fish burgers to suite those religion's customers. The McDonald's customers are loyal to the brand and McDonald's was pay them back by giving them first priority to the customer's satisfaction so as to came up with loyal customer base on the McDonald brand. The company will constantly improve their products and services according to the fast change desire and the taste of customer. One of the examples is the launching a chicken Maharaja Mac and the Chicken McNuggets. McDonald's offer a specific level of happiness and fun to its customers.



The pricing of McDonald's was developed in order to attract the middle class and lower-class individual and the result was seen the customers base. The main business strategy of McDonald's is investing in advertising and franchising model. Advertise towards the children and families. McDonald's change with the customer's demand to improving the restaurant image by showing transparency. McDonald's utilize the marketing promotion are Contest, Coupons, and Public Relation. McDonald's main objective of advertising is making people

aware of the item, feel positive about the item, and remember the item. The staff of McDonald's are encouraged to be friendly and provide service with the smile that focuses on customers satisfaction. McDonald's always tries to leader with the dominance when it comes to vale and continue focuses on developing and selling the products that can be served. McDonald's is creating a recognizable image.

The Golden Arches is said to be most recognizable symbol in the world. McDonald have a website where you can ask a question and then they will respond. It's called our food, your question. McDonald's is committed to providing high quality, safe and healthy food. It recognizes the relationship between a balanced diet, lifestyle and health. The success of the social media strategy by McDonald's has enabled it map its strategies in attempt to meet objectives. McDonald's used social media for a marketing and promotions and customer engagement. In a Facebook with more than 78.5 Million followers of McDonald's are quite popular, and 3.3 million followers on Instagram, 3.5 million followers on Twitter which has a large fan base for a fast food brand, number of McDonald's followers on linked are 650 K.

CASE CONCLUSION:

The marketing strategy is in place, responsibilities are given to different individual so the plain can be implemented. McDonald's has used innovation in its product and services in order to gain a competitive advantage in the market. Strategies that are implemented by McDonald's it includes many basic essentials feature like market research, innovation ideas, forecasting consumer demand, customers view. Organizing, planning etc, that are few elements that play a vital role for successful and a brand name of product. McDonald's has used an aggressive strategy to sustain its position as a market leader due to intense competitive rivalry in the service industry. To understand the customer's need marketing mix is widely used. To achieve success in the marketing campaigns, organization need to understand their target market and their expected levels of products or services. Hence, the dilemma crops up which become the board aspect to be discussed upon – *Does the brand of McDonald's make it differentiated from other brands? Or Does the growth opportunities for McDonald's in emerging markets by virtue of its international marketing strategies prove to be successful?*

TEACHING NOTES FOR THE CASE:

TEACHING OBJECTIVES:

The following Teaching Objectives may be considered with respect to the case:

1. To examine cultural attributes of McDonald's brand and uniqueness from other brands.
2. To understand the essence of marketing strategies of McDonalds brand.
3. To present the readers an opportunity to deliberate upon the essentials of McDonalds brand.

LEVEL OF ANALYSIS:

The present case is a type of teaching case with focuses on illustrate case approach. The analysis attracts understanding on the McDonald's brand. This case is suitable for the practical & case study approach at the level of Management Students. To be specific BBA Final Year students & MBA Students shall have a deserving benefit out of this General Management case. Executive MBA Students & start-ups in respective Industry may be also get benefited. Industry at large will be party to the benefits of the learning from the case.

CASE ASSIGNMENTS:

As part of the case study delivery, participants may be assigned certain tasks pre & post delivery of the case.

Pre-discussion Task: Gather the fair information on marketing strategies of McDonald's and related products through E-source.

Post discussion Task: Conduct review of further literature pertaining to the theme of case.

BOARD DISCUSSION QUESTION:

1. What main internal features/strengths (set on activities or resources/capabilities) is McDonald's competitive advantage built on?
2. What should McDonald's do to continue growing its revenue and earnings?
3. What barriers to imitation (or replication) exist that will ensure that McDonald's competitive advantage will be sustained in the long run?

SWOT Analysis:

STRENGTH

- 1. Tenth Most Valuable Brands
- 2. Tasty Food
- 3. McDonald's - A Real Estate Company
- 4. Technology Initiatives
- 5. Technology Acquisitions
- 6. Highest Brand Value in Fast Food Brands
- 7. Improved Quality Control and Health Protocols

WEAKNESS

- 1. The franchise business model
- 2. Supply chain interruptions
- 3. Lack of Employee Satisfaction
- 4. McDonald's Breakfast Menu Has Lost Its Charm

- Value Meals
- Innovation Products
- Global Expansion
- Rebuilding the Brand Image
- Mobile and McDelivery

- Risky Investment on Technology Initiatives
- Fierce Competition from Competitors
- Cultural Threat While operating in Various Countries
- New Age Fast Food Trends
- Constant Environmental Concerns

READING REFERENCES:

The following references may be helpful in gaining further insights on the theme of the case:

What is the secret to McDonald's Global Branding Success, (November 5),
www.maistro.com

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POTENTIAL BENEFITS OF THE CASE:

➤ **Students of Management Education:**

- Case Study exposure on McDonald's Marketing Strategies aspects. Students shall gather learning on the marketing strategy adopted by McDonald's in light of the theme of the study.
- The case will be helpful in Marketing Management Subjects and overall shall support in gaining better marketing aspects.
- The case shall assist in learning the fundamentals of McDonald's Marketing Strategies.

➤ **Executive of Companies:**

- The case being a marketing management topic, this will support the management in augmenting strategies at the organization in various aspects, which eventually shall benefit the Organizations.

➤ **Start-ups in respective Industry:**

- The new companies stepping in the business will find the case as a good example of allied function along with marketing the core activities of businesses.
- They will inculcate the value of developing business and giving back to the society.

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Acknowledgement:

I acknowledge the support of SSR Institute of Management & Research (IMR), Silvassa on motivating me to undertake the literary exercise. I thank & appreciate the guidance received from Dr. Rajesh Kumar Pandey, Associate Professor, SSR IMR, Silvassa.