

McDonalds
corporation one of the
most influential
brands marketing
essay



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McDonalds corporation is one of the most influential brand names that has a global presence and is the leader in the fast food industry. Its increasing influence world wide has often been compared to the domination of US over the world economy and it has been regarded as symbol of Globalization. It started as a small burger shack operated by Dick and Mac Donald and it was bought by Ray Kroc who adopted the principles of mass production and standardization and made it a global brand known for its burgers and Fries. It has become a household name, and has also tried to portray its image as an organization that cares for small children. McDonalds supports small kids suffering from life threatening diseases. It has tried to reflect an image of an organization that provides wholesome food and an environment of fun and joy. However it has also been responsible for segmenting its customers and targeting the vulnerable age group of young kids. Its promotion and communication efforts have largely been targeted towards the small children and it has lured them to eating food that is increasingly being objected by various consumer associations and environmentalists all over the world. Its market segmentation strategies have mainly targeted the young kids who are attracted by the advertising and packaging of the food, which has resulted in taking up the food habits that are promoted by McDonalds. Its market growth in Asian economies has largely been responsible for altering the food habits of small kids who find it easy and comfortable to order a meal consisting of Burgers, French Fries and a bottle of coke without any knowledge of its long-term implications.

Its promotion and communications program have targeted the youth as they can be most easily be influenced and help them to make profit. McDonalds

also offers free space to children to celebrate their birthdays. It also offers young kids with toys and an outside area for playground, which is further enticing. All these initiatives have led to development of a perception in the minds of small children that if they want to have fun and a happy time they should go to McDonalds. In order to promote itself, McDonalds' have also got their names on educational products like stationary products and on some of the computer games and programs. This has been very cleverly done by McDonalds as young kids often have a feeling that the brand name McDonalds' is something that has the approval of their educational institutes. Thus the small kids are lured, and even when objected by parents, schools pay no attention to the fact that it is not in their long-term interest. Thus we can say that large number of children diseases and problems like: obesity, asthma, stomach problems, diabetes have something do with children altering their food habits and instead of taking up wholesome nutritious food they are increasingly adopting junk food (Watson 2006).

Thus the segmentation and targeting of vulnerable young kids might be legally right but is a gross violation of business ethics. Business ethics can be said to be taking actions or decisions, which are, just, fair and right. It involves looking at things from different perspectives and taking decision that does not hamper the well being of society, and children being the torch bearer of nations should not be exposed to such promotional efforts as their mental faculties are not so developed that they can take decisions which are in their interest.

This unethical problem occurred because of the organization pursuit to increase their profits and market share in the emerging economies of the <https://assignbuster.com/mcdonalds-corporation-one-of-the-most-influential-brands-marketing-essay/>

world. In the current situation business firms are facing a tough situation and a fierce competition. This sometimes creates a pressure on them to indulge in an unethical market practices, McDonalds saw this strategy as a way to its growth and establishment and high profitability.

Ethics is related to dealing with values and principles that are integrated to an organization and they influence the business decisions of a firm related to their social responsibility with respect to external environment.

The ethical problem with respect to McDonalds targeting young kids is that it shows that they are neglecting social responsibility of taking care of well being of children's health. Ethical theories provide the standards that help us to analyze any business practice in term of ethics. There are different theories which have different perspectives. Some of the ethical principle are beneficence least harm, respect for autonomy and justice. The principle of beneficence guides business organization to do what is good and beneficial. In case a business organization is faced with an ethical dilemma the choice should be made in favor of that option which is least harmful. The principle of respect for autonomy believes that individuals should be allowed to self regulates them. We can see that the promotional efforts of Mc Donald have violated both the principles of Beneficence and respect of autonomy for children. These principles form the basic foundation of different ethical theories. Ethical theories accentuate different aspects of an ethical dilemma and help in addressing the problems.

The theory of Deontology

It suggests that while taking a business decision, individuals should be abiding by their obligations towards other members of the society. A person should be consistent with his actions and duties. This theory also describes that some people who are able to exceed their obligations and duties, those people are referred to as supererogants. For example people may sacrifice their lives for the well being of others. However this theory has an inherent flaw which is related to the case of conflict of duties. At times we can be facing a conflict for example as the leader of trade union a person may have an obligation to work for satisfaction of aspirations of his followers and protest against some of the unfavorable decisions of management. However he is also obligated to fulfill his role as a member of organization and ensure that the organization objectives are achieved and work is not hampered in any way.

The theory of Utilitarianism

According to this theory the best way to judge a business decision is to base it on the criteria that the best decision is one, which leads to maximum good for maximum number of people. It provides a better yardstick and a logical and rational approach towards dealing with an ethical dilemma. This theory has further categorized two different categories of utilitarianism: Rule utilitarianism and Act utilitarianism. Under act utilitarianism a person engages in an activity that is most useful for most people and is above legal regulation. Under rule utilitarianism a person understands an action that is fair according to the laws of the land. This theory also suffers from the limitation that it becomes quite difficult to predict the future outcomes that

are most beneficial for all. For example there can be a case that a person gives shelter to some of his friend and also provides them warmth by arranging fire but the fire leads to the burning of the house and all the friends get critically injured. This was something that the individual would not have visualized.

The Rights ethical theory

This theory favors protection and promotion of rights of an individual, which have a social recognition. However the social values also need to be ethical in practice and there have been cases in history where there have been conflicting cases of social ethical priority. For example in some countries there is a freedom of religion which respects the rights of individuals to practice and preach their own religion but there also have been cases where people belonging to one religion have been persecuted. For example Jews were persecuted in Germany (Murphy & Laczniak 1981).

The Casuist theory

This theory tries to compare ethical problems with similar ethical problems and come up with the best possible decision that is based on the experiences of life. However one may not have a rich set of experiences to make him smart enough to take the best possible decision.

The Virtue ethical theory

This theory is based on the assumption that virtues and principle of one's own life is the best criteria to solve an ethical problem and when faced with a dilemma an individual should take a decision that is in consistency with his virtues and principles. This however is plagued by the limitation that it does

not take into account that a person's values also get changed and modified over a period of time.

Thus we can say that these theories can to a large extent help in solving the ethical dilemma that are faced by business organizations. However we also need to accept the fact that since every theory has its own flaws, business organization need to use them in combination so that they are able to come out with the best possible decision. Ethical theories can provide the necessary framework for the marketers, which can help them in setting up standards against which they can compare their strategies and business decisions. It can also help them to establish a compliance mechanism so that they are able to take actions and decisions, which fulfill ethical expectations. Ethical theory can provide necessary guidelines to the top management to frame their organizational policies and values. It has been found that firms, which follow ethical norms, are found to be favored by the customers and have a competitive advantage over other firms.

In the case of McDonalds the organization should not have targeted the young kids who are the vulnerable section of the society. Although McDonald's tried to make some changes to its product mix (e. g. adding fruits to its happy meals and salad to normal offerings). But there could have been other ways of positioning McDonalds. They could have made use of the theory of Deontology and should have thought over the implications, which their decision can have on the long-term health of children. They should have understood the obligation towards the young children who are a very important part of the society. They should also have used the theory of utilitarianism and should have considered over their decision of targeting <https://assignbuster.com/mcdonalds-corporation-one-of-the-most-influential-brands-marketing-essay/>

young kids as to how it could lead to maximum good for maximum number of people. Because young kid's knowledge about products, the media, and selling strategies is usually not as well developed as that of adults, children are likely more vulnerable to psychological appeals and strong images. By targeting the young kids of the society McDonalds have raised many people against them. If they had considered their decision on the basis of this theory they would have thought of not targeting young kids. The theory of casuist would have helped them to consider the long-term implications of their business action, which could jeopardize the health of children. They would have realized that the future outcome could not be favorable for the children if they take up the habit of eating burgers and French fries leaving aside the wholesome and nutritious food that is easily available.

Thus to conclude we can say that ethical theory can prove to be useful for the marketers in solving the ethical problems which they face while taking their business decision or devising a marketing strategy. Ethical theories provide a framework and the standards against which business can compare their decision and actions to understand whether they are able to fulfill the ethical norms. However it also needs to be accepted that in the current scenario the ethical theories alone do not have much practical relevance if there is an absence of a strong ethical leadership and a well formulated ethical code of conduct (Lackzniak & Inderrieden 1987). A strong ethical leadership is able to get the required commitment from the other members of the organization and helps in formulating strategies which follow the ethical standards. A strong ethical leadership will be able to consider the long-term implication of the business decision and will take actions which

comply with the ethical norms. Ethical theories should find a place in the ethical codes in different organization and a strong ethical leadership needs to be committed to these codes of conduct for a business firm to behave ethically.