

McDonald's strategy

[Business](#), [Management](#)



McDonald's Strategy McDonald's strategic direction is characterized by the implementation of an optimum and effective business model which focuses upon identifying significant changes in consumer preferences, highlighting trends and discovering modifications in the market to manage business operations successfully. As noted in the example presented in Illustration Capsule 1. 1, McDonald's strategy titled Plan to Win reiterates and continues the company's legacy of leading transformation to meet customer expectations and demands. Given the economic conditions which emerged across the globe because of the economic recession of 2010, McDonald's adopted a combination of the cost focus and differentiation strategies to boost sales. This campaign comprised of initiating cost cutting measures in business operations, maintaining the affordable of menu offerings and improving the menu to address changing customer preferences. According to Mourdoukoutas (2013), McDonald's has previously demonstrated similar patterns of adopting a specific strategic direction in the past starting from the 1960s when the company identified the customer's demand of having access to a menu which offered both affordability and convenience. Consequently, the organization realized the onset of globalization as a fundamental trend that emerged in the decade of 70s and 80s thereby, choosing to take the McDonald's brand worldwide because of favorable conditions. The company's strategic decision-making in the past therefore, reflects that the organization carefully tailors its strategy around its most valuable element - the customers. Henceforth, the organization's strategies have surfaced as winners when other companies have failed to make a mark or have succumbed to unfavorable economic conditions.

Moreover, the company also recognizes the implications of competition in a highly volatile industry which is also an important consideration behind the success which it has been able to achieve and sustain.

References

Mourdoukoutas, P. (2013). Starbuck's and McDonald's Winning Strategy. Forbes. Available online at [2nd July, 2014]