

McDonald's prospects for success beyond the burger and fries model

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In the late 1990s McDonald's in an effort to revive the downward moving sales figures launched new growth initiatives. Diversification strategy to boost sales and capture new markets was adopted by the Chairman and CEO Jack M. Greenberg. This led to acquisition of Donatos Pizzas and some other food brands in the hope of providing the consumers with a range of products under one roof. This strategy was not a success in the coming years and McDonald's decided to sell back Donatos Pizzas in the year 2003.

The fast food chain decided it was better strategy to position themselves as special burgers and French fries outlets than be tied with other food items as pizzas. The leading brand has been positioned as quality retailer of hamburgers and French fries over the years. It is a strategic error to associate the burger brand with other food items as it may spoil the existing image of the company. The consumers' perception of the brand closely relates to burgers and fries.

The name McDonald's has become synonymous with burgers and French fries across the globe. It is true that growing health consciousness among consumers and the risks associated with high calorie food has eaten up a segment of the fast food market. The McDonald's has effectively countered this by introducing salad variations in their menu cards. The adaptation to local tastes and culture across the globe is also a smart move by the company but it essentially remains the burger and fries brand in the minds of the consumers.

Hence a deviation from this model will not be strategically correct. Controversy around McDonald's - reasons A brand as big as McDonald's that

has become a symbol of success in the fast food industry across the globe has been a target of criticism and protests time and again. The company has been criticized for encouraging unhealthy eating habits among the present generation and held responsible for increasing obesity and health related problems.

It has been the target of protesters across the world for promoting a food culture that is not only unwanted but also exploiting the poor workers who are paid low wages, and other acts of polluting the environment. It has also been accused of being a profit making enterprise that has no respect for other cultures. The big multinational companies spend enormous amount of funds on advertising and promotion every year with the objective of market penetration and profit earning. The marketing and strategic planning of such companies are analyzed and debated over.