

McDonalds and tesco promotional mix



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1A. Mc DONALD'S: COMPANY OVERVIEW

Dick and Mac McDonald founded the very first drive-in and self service restaurant in California, US in 1940. Today McDonalds is one of the leading fast-food retailer having more than 32, 000 local restaurants [1] across the globe. With a mass penetration and exhilarating brand image, McDonald's is serving more than 60 million people in approximately 117 countries of the world [1]. To establish its market presence and differentiate from its competitors, McDonald's has created a number of logos and road signs depending upon its operations as for example dine-in facility drive-through etc. Following are few examples illustrating different logos:

[2] Different Logos of McDonald's

1. 1 THE PROMOTIONAL MIX STRATEGY

McDonald's has employed an effective promotional mix strategy for the marketing of its products and services. For the organisation to penetrate within a specific market, it is essential to gain maximum knowledge about the culture, taste, climate, consumer needs etc. to design a correct set of promotional mix for marketing its marketing campaign. The right choice of the promotional mix helps the organisation to communicate the benefits of its products and services to the consumers (O'Shaughnessy 2003, p. 110). McDonald's core consumer base is built upon children, business personnel and fast-food lovers. Followed by which the promotional mix strategy used by McDonald's is advertising and sales promotion.

[1] [http://www. aboutmcdonalds. com/mcd/our_company/mcd_history. html](http://www.aboutmcdonalds.com/mcd/our_company/mcd_history.html)

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[2] [http://www. aboutmcdonalds.](http://www.aboutmcdonalds.com/mcd/media_center/image_gallery/logos.html)

[com/mcd/media_center/image_gallery/logos. html](http://www.aboutmcdonalds.com/mcd/media_center/image_gallery/logos.html)

O'Shaughnessy, J., 2003. The marketing power of emotions, Oxford: Oxford University Press, 2003.

1. 2 ADVERTISING

The promotional mix strategy followed by media advertising is always favourable as it reinforces the existence of the organization and also helps in persuading the consumers to buy. The advertising tools include print media, electronic media, billboards etc. for promotion. McDonald's too employs certain effective promotional techniques with the help of advertising tools.

Print Media, TV Commercials

McDonald's utilises aggressive media advertising as a tool to promote its products. With the help of television commercials, newspapers and magazines, the organisation has successfully managed to create a positive image of its brand. The scrumptious representation of its food products on the hoardings not only attracts its consumers but also helps to keep them well informed about the new arrivals.

[3] Images of Burger and Fries

Social Networking

Today social networking websites have become extremely popular and since most of the traffic on these websites is followed by the younger generation therefore, it becomes essential for the organisations like Mc Donald's to demonstrate their market presence. To keep itself connected with its core

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consumer base, McDonald's has created pages [4] on the most popular social networking websites that includes:

Facebook <http://www.facebook.com/aboutmcdonalds>

Flickr <http://www.flickr.com/photos/aboutmcdonalds>

Twitter <http://twitter.com/mcdonaldscorp>

These pages confer all the related information about the latest news and upcoming events about McDonald's and also updates about new deals and offers.

[3] http://www.aboutmcdonalds.com/mcd/media_center/image_gallery/products.html

[4] http://www.aboutmcdonalds.com/mcd/media_center

PUBLIC RELATIONS

Public relations play an integral role in today's marketing world. The multinational organisations having vast operational framework take part in certain international affairs like exhibitions, charitable work, rallies and sports events. McDonald's has also been involved in such large scale events which not only execute a positive message but also facilitate in the advertising of its brand image.

The 2010 Olympic Winter Games

The 2010 Olympic Winter Games were held in the beautiful city of Vancouver located in the host country of Canada. Since the brand image of McDonald's represents youth and therefore, it continues to participate in sports events.

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McDonald's has formally announced its involvement as the Official Restaurant for the eighth consecutive games [5]. The company is all set to feed more than 10, 000 of the world's best athletes, coaches and the Olympic officials. It is yet another component of McDonald's smart promotional strategy as millions of people across the globe will acknowledge the presence of McDonald's as a worldwide partner of this Olympic movement.

2010 FIFA World Cup South Africa

FIFA World Cup is an event that is anxiously awaited by diverse range of age groups everywhere across the world. Mc Donald's always seek for such events that create an extravaganza to target a mass audience. The organisation is an official sponsor and the official restaurant of the 2010 FIFA World Cup South Africa. With more than 32, 000 restaurants in more than 100 countries, McDonald's will bring the FIFA World Cup to life for millions of customers and employees around the world.

[5] Logo for the 2010 FIFA World Cup

[5] [http://www. aboutmcdonalds. com/mcd/media_center/press_kits. html](http://www.aboutmcdonalds.com/mcd/media_center/press_kits.html)

SALES PROMOTION

The sales promotions are usually short-termed or time specific strategies that are designed to attract the new customers or to replenish the relationships with the existing ones. The sales promotional campaigns offer attractive deals, work on pricing and put forward new products. The buy-one-get-one deals, gifts and prize schemes are few examples of such sales promotions.

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Toys, Scratch Cards & Lucky Draws

Children are the target consumer base of McDonald's and hence it becomes inevitable for the organisation to develop such promotional strategies that may create enthusiasm in children. Happy Meals are offered with small toys which excites children. McDonald's also introduces lucky draws, numerous schemes for winning prizes and child competitions from time to time as for example, Happy Meal toys, Big Mac Hockey Contest, card games etc. The promotional tactic of scratch cards is also utilised for marketing which comes with combo meals. Adding to this, Mc Donald's also offers econo-meals and value meals.

[6] Toys offered by McDonald's

Meals Designed for Healthy Eating

The consumer world of today is getting more cautious about organic food and healthy eating and realising this McDonald's has come up with a plan of preserving its existing clientele along with attracting new customers. The company has designed Happy Meals with intent to promote healthy eating in children. The organisation has teamed up with DreamWorks Animation to put forward a series of toys including Shrek, Donkey and Puss in Boots to endorse fruit, vegetables, and low-fat dairy and fruit juices. By promoting the healthy eating McDonald's has tried to penetrate within the consumer base that intentionally avoid the fast food products as they consider it to be fattening and un-healthy. This is a smart promotional campaign that will benefit the organisation by pulling in the new segment of consumer base to the existing database of the company.

[7] Shrek Themed Happy Meal

[6] <http://www.kathysfastfoodtoys.com/McDonalds2.html>

[7]http://www.aboutmcdonalds.com/mcd/media_center/press_kits/McDonald_s_Shrek_Forever_After_Global_Happy_Meal.html

1B: TESCO: COMPANY OVERVIEW

Tesco is the leading retail super market in UK having a mass penetration of approximately 90% with an annual turnover of more than 1 billion. Tesco is an internationally recognised brand name which is not only restricted to food and grocery items but is also extended its operation to the non-food products.

[8] Official Logo of Tesco

1. 1 PRODUCT RANGE

Food Ranges: Milk, eggs, butter and all grocery items

Non-food Ranges: Books, DVDs and Electronic products

Others: Dieting clubs, flights and holidays, music downloads electricity etc.

1. 2 CORE COMPETITORS

The list below indicates the core competitors of Tesco in UK. All of the listed below companies are the leading supermarkets in UK and operates almost in same range of products and categories. The competition for Tesco is extremely fierce in UK as the quality of products and services offered by these supermarkets are relatively same hence it becomes difficult for anyone

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to send out. However, Tesco with its comparatively huge operational network has got a leading position since it has got smaller or bigger outlets in almost every other corner. The promotional techniques offered by these supermarkets is more or less the same but Tesco ensures its distinct identity by introducing smart marketing mix followed by carefully designed promotional mix.

Tesco

Asda

Sainsbury

Waitrose

Morrisons

1. 3 THE PROMOTIONAL MIX STRATEGY

Tesco has designed an intelligent promotional mix strategy that reflects a prudent thought process behind its campaigning. Tesco has successfully managed to achieve a vital role in the routine life of every household and its progress lies in the success of its creatively devised promotional strategy.

The core constituents of Tesco's promotional mix are as follows:

1. 3. 1 DIRECT MARKETING

In combination with a number of meaningful promotional tactics, Tesco is successfully following a direct marketing strategy. Once a customer is registered on their main website -and starts shopping, the company keeps on interacting with that customer via phone, emails and text messages from time to time.

Emails Messages

The comprehensively designed website stores the contact information of the customer and the efficient direct marketing team of the organisation keeps a track record of customer's buying behaviours. Tesco sends promotional offers, necessary information, new products and special deals via personalised email addresses to the customers. Moreover, Tesco also sends out feedback forms and surveys via emails to keep updated with the continuously evolving customer's needs and choices.

Text Messaging

This is yet another way of close interaction with the customers. Tesco keeps on sending useful information about the new offers and products via text messaging. The company ensures that the customer never misses out anything offered by them and by doing so the company also develops a certain place in the customer's everyday life.

1. 3. 2 MEDIA CAMPAIGNING

Like its core competitors, Tesco too needs to make heavy investments on media campaigning even though its market presence is humungous. The competitive environment of today doesn't allow anyone to fall short when it comes to media campaigning. Media is one of the most powerful and decisive element of the overall promotional strategy.

TV Commercials

To differentiate from others it is essential to highlight the key features of the organisation in the TV commercials. Tesco primarily focuses on its accessibility as its network is comparatively broader. The commercials also

highlight its healthy eating and organic products. Moreover, the TV commercials are designed to offer a little extra eye-catching moments to ensure that the commercials stay in the customer's minds for a longer period of time.

Interactive Websites

In addition to its main comprehensive website, Tesco has launched a number of other web pages including Tesco Apps, Tesco Diet, and Talking Tesco etc. The links to these web pages are also made available on the main website and the link to the main website has been kept prominent on all other web pages.

1. 3. 3 SALES PROMOTION

Tesco is facing a cut throat market competition and therefore, it has to keep on designing innovative promotional strategies to address the consumer needs and offer them a pleasurable shopping experience at the same time. Keeping in view of the rising level of inflation and recession period, Tesco has come up with ground-breaking promotional tactics as rewarding their customers.

Club Card Points

By introducing the Club Card rewards point, Tesco has made shopping a lot more fun and exhilarating experience for the consumers. The reward points can be collected by shopping via the online website which can be accessed by going to its website [8]. This promotional technique attracts the customers looking for discounts and saving options.

[8] Image of Tesco Club card

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[8] <http://www.tesco.com/>

Tesco Apps

Tesco has launched a direct mobile website which enables its consumers to shop for groceries from absolutely anywhere on their mobile by downloading the Tesco application from the website [9]. The online shop also allows the customer to add or delete an item from the online shop accessed via the mobile. The mobile application also enables the customer to access the favourite list which makes the process much easier. This application is an innovative promotional technique which attracts the consumer base that has an extremely busy life.

[9] Image of Tesco Apps

1. 3. 4 PUBLIC RELATIONS

With its mass penetration in the consumer market, Tesco completely comprehends with the idea of consumer satisfaction which can be achieved by listening to them. It has been established that the customer sentiments drastically changes about a certain product depending upon the positive or negative image they build by experiencing the offered level of services. Believing the same, Tesco maintains close connections with its customers with the help of numerous methods.

Talking Tesco

The company has introduced a distinctive website named as Talking Tesco so that its customers know that their say matters and is always encouraged. The web page [10] is designed to collect the feedback from its customers along with any issues or grievances and it has been ensured that the <https://assignbuster.com/mcdonalds-and-tesco-promotional-mix/>

relevant team members respond to the complaint or enquiry as soon as possible. The web page also displays a personalised email address i. e. talking. totesco@uk. tesco. com to directly contact the team and get a quick response.

[9] <http://www. tesco. com/apps/>

[10] <http://www. tesco. com/talkingtesco/>

Tesco Diets

Tesco believes in maintaining strong bond with its customers so that their loyalty can also be preserved. Tesco has introduced an interactive website which offers a personalised fitness programme that is designed to encourage people for healthy eating, maintaining a balanced diet and follow an exercise regime that may help in reducing weight. By registering on the website an individual can receive personalised daily workout programme and log the progress. Moreover, scrumptious recipes, tips, diet plans and interactive tools are also available on the website for free. These kinds of interactive and informative websites help the consumers to develop a positive image about the brand and thereby, develop a relationship of trust between the retailer and the consumer which eventually benefits the organisation.

[11] Image of Tesco Diets

[11] <http://www. tescodiets. com/why-join/90078>

2. Explain the role of promotion within the marketing mix for a successful promotional campaign.

PROMOTION

Promotion is the fourth marketing-mix element which is crucially important for a successful marketing campaign. There are a number of tactics involved in the promotional activities in order to communicate the message to the consumer base. Depending upon the nature and size of the campaign the target market is selected which could be a focus group; a particular market segment based on culture, tastes, and religious believes etc. and promotional materials are designed to influence these customers.

2.1 PROMOTIONAL TOOLS & THEIR ROLES

There are a number of tools which are helpful in the promotion of the products. These tools include:

Advertising

Advertising is a method of communicating with the end-customers and passing on a message about a particular products or services. There are several ways of advertising including print media such as press releases, newspapers, magazines, broacher, hoardings and leaflets or it could be electronic media such as radio, television or internet. The advertisements are external mass-mediated messages which do not necessarily influence the individual consumers as desired because these messages are filtered through interpersonal communication channels and the perceptual systems of the consumer before acquiring any implications however, they do influence the consumer's buying behaviour (Schiffman and Kanuk 2000, pp. 129-35). The advertisements are typically designed to penetrate a larger

segment of the consumers. Since the advertisements represent pictures and the information about the product therefore, it is expected to develop a certain image in the consumer's minds. The TV commercials or radio advertisements are also meant to connect with the target market. The repeated telecast of commercials and the entrance of print media in the sitting areas of every household have developed a different paradigm of marketing. With the help of

advertisements the manufacturer attempts to send a clear message to its consumer. O'Guinn, Allen, and Semenik define that the meaning of the advertisement is determined through a

Schiffman, L. G., and Leslie L. K., 2000. Consumer Behaviour (VII ed.), Upper Saddle River, New Jersey: Prentice-Hall, Inc.

subtle but powerful process of meaning construction by consumers (O'Guinn, Allen, and Semenik 2003, p. 202).

Sales Promotion

The advertisements are intended to instigate a desire amongst the target market about a particular product as a result of which the consumer develops a need to purchase it. However, the competition is fierce today and almost every other competitor more or less uses the same tactics to attract the customers. Here comes the need for exploiting different promotional tools. The sales promotion is an effective way to manipulate the pricing strategy and gain advantage over the competitors. The cost of a product plays a vital role when it comes to the consumer's decision making process.

There is segment of consumers which do not necessarily look for designs, colours and quality instead they always look for discount deals.

Depending upon the market density the sales promotion strategy may do wonders with a product. The markets that are rich in similar brands may not get competitive advantage but may boost sales for a limited period and on the other hands, where the markets where the positioning of brands are dissimilar, the sales promotion may aid in establishing the roots of a new brand or may even help in penetrating deep in the market. The main objective is to utilise this tool in an effective manner. The smartly designed sales promotion campaigns can help the retailers to get rid of the old or unsold stocks and make ways for new arrivals.

It is important to note that the sales promotion technique might give quick results or might take a little longer to benefit however, the overall performance of the sales promotion strategy can be monitored and measured over the time. The main role of the sales promotion campaign is to attract new customers because the benefits associated with this technique are short termed and hence it is difficult to break the loyal customers. It has been estimated that the tremendous rise in the number of brands and a decrease in the efficiency of traditional advertising due to increasingly fractionated consumer markets has lead to augment the need for developing sales promotion strategies (Brierley 2002, p. 132).

Public Relations

The main objective of the public relations technique is to exploit the consumer's sentiments in the benefit of the organization. The public relations tactics primarily involves the people

O'Guinn, T., Chris A. and Richard S., 2000. Advertising (II ed.), USA: Southwestern Publishing.

Brierley, S., 2002. The advertising handbook, Abingdon, Oxon: Routledge.

having potential impact on a company's operations to achieve its goals and objectives, which include both retailers and the customers. The idea is to maintain healthy and positive relationships with the individuals and groups of mutual interests working together for the benefit of the organization. This could be charitable event, a cultural show which is not directly related to the interests of the company but definitely portrays the social responsibilities of the organization towards the society in general. This may in return have a great impact on public sentiments which will lead to maximise sales. The organizations sponsoring the shows ensure that appropriate coverage has been given to such public events and activities thereby, highlighting the positive image of the organization through news and information media. The press conferences, contests, meetings, and other social events are all part of public relations which is intended to draw the attention of general consumers towards their products and services. It is the responsibility of the advertising agencies and the public relation specialists to foresee the possibilities of evolving goodness out of the brand image (Arvidsson 2006, p. 88). On the other hand, several irrelevant issues are also touched by the multinational

organizations by supporting certain causes which eventually impacts the organizational objectives in achieving its goals. It has been observed that many corporate companies do not necessarily seek profitability out of public relations tactics however; the brand imaging culture of today evidences that public sentiments plays a vital role in the success and failure of products and services. The multinational organizations and corporate companies acknowledge the importance of public sentiments and therefore, it has been established that marketing public relations departments are essential to directly support corporate and product promotion and image management (Arvidsson 2006, p. 96).

Direct Marketing

It is a time consuming process which requires the collection of data about the target consumer market. The direct marketing technique is based on an in-house data base which provides sufficient information about the targeted consumers to facilitate the direct marketing teams to offer the best services possible which may suit the client's needs. A number of multinational organisations and corporate companies conduct extensive researches, polls and public surveys to collect the consumer's views about certain products. The responses obtained are thus incorporated into the database and are updated from time to time. The process could be very time consuming and therefore, a number of organisations buy the mailing lists and

Arvidsson, A. (2006) Brands: meaning and value in media culture, Abingdon, Oxon: Routledge.

contact information of potential customers that is tailored to a precise specification. It is an effective promotional tactics which involves a number of different techniques to execute a well-designed marketing plan. Direct marketing may involve the use of emails, letters, phone calls etc to reach the targeted consumers. This method is useful in targeting a specific group of customers and sends them personalised messages which may have a distinct impact as compared to the TV commercials or regular promotional tactics. It has been observed that a segment of consumers prefers to be personally addressed as it gives them some extra importance (Levy 2003, p. 108). This technique is welcomed by a consumer base that is psychologically inclined towards introvert lifestyle. The main role of direct marketing technique is to get realistic results as the promotions are designed to target the listed customers and therefore, the response level obtained from them can give an idea of how well the campaign is working. Today, the competition is getting tough and the organisations seek for improved results therefore, direct marketing techniques are adopted to measure the effectiveness of the promotional campaigns and make necessary alterations where required.

Personal Selling

Personal selling is another tool used to devise an effective promotional campaign. It involves the employment of sales representatives in order to carry out the day to day sales activities. The personal selling technique is not very well complimented by the fast paced environment of today as the consumers are much more inclined towards the electronic sales option i. e. via internet. The personal selling option can be termed as the most

expensive means of promotion, as human involvement requires certain expenses, and supplementary benefits however, a number of companies still maintain their sales force and encourage door to door selling. Personal selling is effective with the consumer base that is not very fond of following the commercials and is not capable of using internet. These customers have got the psyche of believing what they see in real. They may prefer trying a product before their final decision making process. The sales personnel are highly trained to deal with such customers and also taught to utilise personalised elements and techniques to convince the customers. The door-to-door selling techniques are quiet time consuming and might not get instant results for the

organisations however, they seem to be effective in unapproachable client base to get the competitive advantage. Salespeople are trained to make presentations, answer objections,

Levy, S., 2003. Roots of marketing and consumer research at the University of Chicago, *Consumption, Markets and Culture*, 6(2): 99-110.

gain commitments to purchase, and manage account growth (McFall 2004, p. 63). The main goal of a sales person is to convince the customer on the spot and achieve the company's target by maximising sales activities which can also be achieved by the word of mouth if the customer is happy with the way the sales person has presented the product. The technique is all about maintaining a good reputation with the end customer where the sales person serves as a face of the company. Therefore, the sales force must be well acquainted with the product knowledge in order to satisfy the consumer's

enquiries related to the product. The personal selling strategy is considered to be out of fashion due to growing e-technology and web based marketing strategies however, the effect of personal interaction with the consumer can never be ignored. Combined with a correct set of promotional mix a successful marketing campaign can be designed.

McFall, L., 2004. Advertising: a cultural economy, London: Sage.

Explain the role of advertising agencies in the development of a successful promotional campaign – the evidence that you have to produce is a fact sheet.

3. ROLE OF ADVERTISING AGENCIES IN PROMOTIONAL CAMPAIGNS

The ever-increasing range and diversity of market products has given rise to plethora of brand consciousness as a result of which the significance of information, persuasion and convincing the customer has become a key feature within the consumer market. Advertising is a vital tool that provides an opportunity for the companies to connect with their target market and to escalate the marketing process, advertising agencies has been pioneered that serves as a bridge between the company and its consumer base.

FACT SHEET

The advertising agencies facilitates in the development of positive consumer culture.

They serve as an effective mediator in between the market products and their consumers.

For a successful promotional campaign, an advertising agency aims to benefit its client by maximising sales opportunities.

The advertising agencies externalise marketing as a management function and create a body of specialised knowledge about markets and consumers (Wilson and Thomson (2006, p. 112).

They comprehend with the client's objectives, product knowledge and the target consumer base.

The advertising agencies conceptualise the overall promotional activities.

The products are well understood and the process begins by constructing the image and identity of the brand.

A team of professionals are involved in the process of brainstorming innovative ideas to achieve the set targets.

Extensive research is conducted to study the market trends and consumer needs are identified.

Depending upon the size of the budget, an advertising agency creates effective

Wilson, J. and A. Thomson (2006) The making of modern management: British management in historical perspective, Oxford: Oxford University Press.

promotional campaigns.

Advertising agencies makes a strong effort to create and maintain the goodwill of the brands.

The agencies are involved in the process of managing a trade mark's augmentation to a key symbolic element of marketing strategy (Brierley 2002, p. 97).

The agencies devise a marketing communication strategy for mass promotion with the aim of selling

The aim is to create a direct link in between the manufacturer and end-consumer by reducing the efforts of sales activities of wholesaler and retailers (Levy 2003, p. 103).

Developing a brand image that creates desire for the advertised products.

Follow competitor-based approaches to market segmentation and product positioning (Cano 2003).

Study the behavioural and psychic dispositions of the consumers which are heavily influenced by the brand imaging.

Strategically manipulate the socially-shared symbols in order to facilitate the market penetration.

They offer meaning and symbolic connotations to the marketed product which helps the consumers in decision-making process.

The advertising agencies plan and design the promotional campaign in such a way that the desired information about a product shall be presented to consumers in a presentable manner (Arvidsson 2006, p. 56)

Review the progress of promotional campaigning and improvise necessary alterations where required.

Maintain and replenish the bond between manufacturer and the consumers.

Brierley, S., 2002. The advertising handbook, Abingdon, Oxon: Routledge.

Levy, S., 2003. Roots of marketing and consumer research at the University of Chicago, Consumption, Markets and Culture, 6(2): 99-110.

Cano, C., 2003. The recent evolution of market segmentation concepts and thoughts primarily by marketing academics, in E. Shaw (ed.) The romance of marketing history: proceedings of the 11th Conference on Historical Analysis and Research in Marketing (CHARM). Boca Ranton, FL: AHRIM, 2003.

Arvidsson, A., 2006. Brands: meaning and value in media culture, Abingdon, Oxon: Routledge.

In a report – explain the reasons behind the choice of media in a successful promotional campaign.

4. INTRODUCTION

With the passage of time the competition in the corporate world has become increasingly fierce that has enabled the marketing sector to grow. Marketing can be done by a number of ways depending upon several associated factors however; the role of media in every form is an essential element of the

marketing world. The rising trend of e-connectivity and social networking practices has made it obligatory for the organisations to incorporate media as a tool for a successful promotional campaign. It has been greatly observed that the adoption and implementation of media within the promotional campaigning of a product gives better results as TV, radio, internet connectivity, e-commerce practices and social networking technologies offer a great potential for creating new markets. The incorporation of media within a promotional campaign gives a new meaning to the continuously evolving market trends and consumer behaviour a