

Quaker oats company

[Business](#), [Company](#)



McDonald's is adopting the marketing concept philosophy. In marketing concept, a company makes the customer, and the satisfaction of his or her needs the central focus of all its business activities. In this concept, executives of an organization are driven by their passionate desire in delighting their customers. (www. marketingteacher. com) This concept maintains that the key in achieving the organizational goals of a company is by being more effective than its competitors in creating, delivering and communicating customer value to its chosen target market (Kotler 2000).

It starts with a well defined market, focuses on customer's needs, coordinates all the marketing activity affecting customers and makes profit by creating customer satisfaction. For many years now, McDonald's has been the largest and best-known global foodservice retailer world wide. Yet on any day, even as the market leader, McDonald's serves less than one percent of the world's population. Their outstanding brand recognition, experienced management, high-quality food, site development expertise, advanced operational systems and unique global infrastructure position them to capitalize on global opportunities. (www. mcdonalds. com)

McDonald's vision is " to be the world's best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness and value, so that we make every customer in every restaurant smile". To achieve their vision, they are focused on three worldwide strategies: 1. Be the best employer for our people in each community around the world. 2. Deliver operational excellence to our customers in each of our restaurants. 3. Achieve enduring profitable growth by expanding the brand

and leveraging the strengths of the McDonald's system through innovation and technology" (www.

mcdonalds. com) One of McDonald's corporate philosophies is to make the customers want to come back for more. McDonald's employees are trained and motivated to make a huge difference in providing customer satisfaction. They try to give back to the community it serves. " McDonald's is an organization founded on a heritage of giving back to the communities in which we live and work. Being a good citizen has been inherent in the fabric of the company since its inception. " (www. mcdonalds. com)

McDonald's was built on a simple vision formulated by Ray Kroc: quality, service, cleanliness, and value. This formula has driven McDonald's to success but at the same time has stagnated its growth and development. In the words of Alec Horniman as cited by Parry (2001), McDonald's executives were totally absorbed in " doing yesterday better. " In an interview with Ed Rensi, former president of McDonald's USA, in 1989, he was asked: " What's on your mind these days? " To this simple question, Rensi replied " We've got some 20, 000 bathrooms that need to be cleaned every day.

" But when he was asked where McDonald's would be in year 2020, he replied: " I can't tell you; I just want to make sure that all the bathrooms are clean tomorrow. " (Parry, 2001). The McDonald's executives have focussed so much on their products to the point that they believe they know what their customers really want. As a result, much of their time and efforts are focused on their products and services and how to satisfy these wants. Problem arises when the needs and wants of the customers change as what

happened to McDonald's. When the customers started asking and demanded for more, McDonald's just didn't know how to respond.

According to Parry (2001), " the result was a series of reactive missteps driven by attempts to infer what customers wanted by looking at competitive products (e. g. , the Whopper) or listening to analysts. McDonald's position as one of the strongest and largest food chain has been affected by the bad image of the nutrient content of its food. Time Magazine reported that in a 2001 consumer survey by Sandelman and Associates, McDonald's came in dead last out of 60 chains for taste and quality of ingredients. One concern also is whether restaurants are similar to retail stores wherein the lower customer spending is a real problem.

According to Analyst Mason Leith of Zacks Equity, fast foods or quick-service restaurants are not likely to be susceptible to consumer spending trends unlike the expensive casual-dining restaurants. To increase its sales, McDonald's has launched its Chipotle restaurant chain. Much of McDonald's troubles came from the accusation of some of its customers that Ronald McDonald has become bloated. McDonald's strategy has been criticized that it spends more time opening new stores and finding more ways to improve its services rather than slimming down its menus.

Result of this is the consistent low ratings for its food and the left and right lawsuits. The increasing demand by consumers for fresher and healthier food has pushed McDonald's and other fast food chains to alter its menus.

McDonald's has changed its cooking oil to trim cholesterol-raising trans-fatty acids, and is now planning to introduce more value-for-money meals on its

menu. As a response to this problem, McDonald's launched a worldwide leadership initiative to help families live balanced and more active lifestyles by focusing on menu choice, physical activity, and education.

It also formed a global Advisory Council made up of health, fitness, and nutrition specialist to help the company in its efforts. To further prove its seriousness, McDonald's hired Cathy Kapica, formerly senior scientist and director of nutrition education at the Quaker Oats Company, as director for worldwide nutrition. McDonald's has also strengthened its presence in the Web. Realizing the powerful effect of the Internet worldwide, McDonald's invested on its website and web solutions.

Through its web presence, McDonald's aim to expand its customer base by building brand awareness and by improving the public's perception of its food and nutrition quality. McDonald's reported that it found the Internet "an effective tool for reaching its target 18-to 49-year-old target market, since TV doesn't reach 27 percent of that segment, but 76 percent use the Internet for more than an hour a day. Online advertising, when combined with TV and radio, increased positive brand perception by 9 percent, according to the findings. " (www. clickz. com)