

McDonald's  
philosophy for  
business expansion  
as explained in the  
first (india) es...



**ASSIGN  
BUSTER**

1) Describe McDonald's philosophy for business expansion as explained in the first (India) video case. The world's largest burger chain developed one of the most challenging initiatives by expanding its business to India.

McDonald's was definitively taking huge risks by pursuing a market with a different culture such as India. However, McDonald's has been able to adapt its menu and restaurant operations because they understood Indian Culture since the beginning. Because many people in India are vegetarians due to religious reasons McDonald's formulated special products to cater Indian culture and palate. They respected the cultures of their customers by not serving any beef and pork items in their restaurants. Another key success for McDonald's in India was the establishment of close relationships with local suppliers, who provide McDonald's with the highest quality and freshest ingredients to make their products. Subsequently this also provided employment opportunities and long term careers to Indian people.

2) Describe any ONE challenge faced by McDonald's when entering the market in India. How was this particular challenge different from any other new market expansion for the company at that time? Moving into a land of sacred cows for a hamburger company was a bit of a challenge.

The challenges were not just financials but cultural and religious ones.

McDonald's was able to adapt their menu and thus they were respecting their customers' religious beliefs. By opening beefless and pork-less restaurants in India McDonald's was able to succeed. McDonald's overcame all the challenges by focusing on its core values of delivering quality products at affordable prices to Indian people. McDonald's has been able to adapt its menu and restaurant operations because they

understood Indian Culture since the beginning. Because many people in India are vegetarians due to religious reasons McDonalds formulated special products to cater Indian culture and palate. They respected the cultures of their customers by not serving any beef and pork items in their restaurants.

3)According to the video case, what specific marketing strategies and tactics/actions did the company use in order to address/overcome the specific business and marketing challenges they faced when launching McDonald's in India? (Relate to the marketing mix/4Ps). In addition to customizing the menu to meet the needs of an Indian customer, McDonald's also used joint ventures with local businesses as their tool for expansion into India.

In regards to the product strategy they had the challenge of changing the ingredients of products such as the Big Mac into a veggie alternative. Additionally McDonald's decided to maintain its pricing strategy by keeping low prices to make them accessible to low and middle income families. The price of their product comes from the cost of ingredients, labor cost, among other fees. Even though some of their ingredients come from different parts of the world, they managed to maintain the same low prices. In regards to the promotion they have made famous TV commercial campaigns, billboards and definitely their logo is a well-known brand around the world. Therefore, McDonald's has known what to do to increase their presence in India, making them one of the top favorite fast-food restaurants in India.