

On mcdonalds

Business



McDonald's: A Swot Analysis. Today, McDonald's is a global leader in the food services retail market. The company has approximately 36000 retail locations which serve well above sixty nine million consumers in more than 100 nations. Over 80 percent of the company's retail stores the world over are franchises that are owned fully by local business persons that are independent. The McDonald's System i. e. the company itself, franchise stores together with the suppliers are integral to the success so far realised. It leverages on the system to identify, employ and scale ideas in response to the fast changing consumer behaviour in terms of trends and preferences. The business model implemented has enabled the firm to consistently offer restaurant experiences that are relevant to the local customers and become part of the local communities. A swot analysis of McDonald's is as below.

Strengths.

McDonald has developed a very strong global brand and is highly ranked by Fortune Magazine in its category. It has also successfully portrayed itself as community oriented and socially responsible company that caters for the different cultures it serves. Strong global market presence is another key strength that is backed with the franchise business model that has made it easy to expand and manage the vast locations without much ease. The company's location strategy also works for its business i. e. most stores are excellently located in parks, airports and Wal-Mart stores as well as other prime places. Its adherence to guidelines on safety of food and provision of nutritional information to its customers also helps in growing customer intimacy.

Weaknesses.

A major weakness of McDonald's has to do costs of doing business; it has to

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expend lots of money on training as a result of high staff turnover. It has also concentrated a lot on the fast foods such as burgers instead of the more healthier and organic food types. Its franchise model of operation also faces concerns to with quality as the different franchise owners may not offer the same level of quality. A concern to investors arises from the large variations in the company's profits while its limited variation of seasonal foods impacts on customer confidence. McDonald's therefore needs to address these weak points in order to maintain its brand recognition.

Opportunities.

Due its global position and the franchise business model the company has unique opportunity to further expand to every part of the globe. It can also grow its image by responding fast social changes and customer demands in terms of health. Its Wifi service in the stores if advertised well could earn more customers. It should also give more innovations such as play places for kids at the restaurants as well as fund days. It also can venture more into the beverages space which is more enticing. Opportunity for the company also presents in form of advertising itself as a more responsible company socially.

Threats

A significant threat comes with the advertisement strategy which entices all people whether children or adults hence attracting a lot of criticism. It has also had to fight court suits for selling unhealthy foods with alleged additives that are addictive. This reflects negatively to the company's public image. Competition from many other fast food companies also presents a real threat to the company's business. An increasing focus among customers on healthy dietary habits as well as social changes encouraging balanced meals that

include vegetables also presents a threat as the company does not have balanced meals.

Works Cited.

1. Julie Jargon. McDonald's Faces ' Millennial' Challenges. The Wall Street Journal, 2014.