

Understanding mcdonalds history and strategy analysis



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McDonalds Corporation is the worlds largest chain of fast food restaurants, serving nearly 47 million customers daily through more than 31, 000 restaurants in 119 countries worldwide. McDonald's sells various fast food items and soft drinks including, burgers, chicken, salads, fries, and ice cream. Many McDonald's restaurants have included a playground for children and advertising geared toward children, and some have been redesigned in a more ' natural' style, with a particular emphasis on comfort: introducing lounge areas and fireplaces, and eliminating hard plastic chairs and tables. Each McDonald's restaurant is operated by a franchisee, an affiliate, or the corporation itself. The corporations' revenues come from the rent, royalties and fees paid by the franchisees, as well as sales in company-operated restaurants. McDonald's revenues grew 27% over the three years ending in 2007 to \$22. 8 billion, and 9% growth in operating income to \$3. 9 billion.

History analysis:

The business began in 1940, with a restaurant opened by brothers Dick and Mac McDonald in San Bernardino, California.

Their introduction of the " Speedee Service System" in 1948 established the principles of the modern fast-food restaurant.

The original mascot of McDonald's was a man with a chef's hat on top of a hamburger shaped head whose name was " Speedee." Speedee was eventually replaced with Ronald McDonald in 1963.

The present corporation dates its founding to the opening of a franchised restaurant by Ray Kroc, in Des Plaines, Illinois on April 15, 1955, the ninth McDonald's restaurant overall. Kroc later purchased the McDonald brothers' equity in the company and led its worldwide expansion and the company became listed on the public stock markets in 1965.

With the expansion of McDonald's into many international markets, the company has become a symbol of globalization and the spread of the American way of life. Its prominence has also made it a frequent topic of public debates about obesity, corporate ethics and consumer responsibility.

McDonald's Corporation pioneers the training of its franchise owners in 1961 with the opening of Hamburger University. This move was aimed to maintain manager and franchisee loyalty in spite of a highly competitive market.

First Mcdonal's in 1940

Strategic Planning

Strategy is defined as the determination of the basic long-term objectives of an enterprise and the adoption of courses of action and allocation of resources necessary to achieve these goals.

The time length for strategies is arbitrary, but is probably two, three, or perhaps as many as five years. It is generally determined by how far in the future the organization is committing its resources. A strategy may include major policies.

The purpose of strategies, then, is to determine and communicate, through a system of major objectives and policies, a picture of the kind of enterprise

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that is envisioned. They furnish a framework for guiding thinking and action. Their usefulness in practice and their importance in guiding planning do, however, justify the separation of strategies as a type of plan for the purpose of analysis.

Under how the marketing plan supports strategic objectives

Phillip Kotler defines marketing as “ Satisfying needs and wants of the customers through an exchange process”.

Strategic objective means core objective of company is achieved by some strategy.

McDonald’s main objective is globalization. McDonald’s CEO and marketing executive periodically faces urgent strategic marketing challenges that can affect the future of the company for many years. Frequently these decisions are made without having an opportunity to study the situation and make the best possible decision.

A better approach is to perform an annual comprehensive review of markets and opportunities, then make long-term strategic decisions without the distractions of day-to-day marketing and sales activities. Daily decisions then fit into the company’s overall strategic marketing goals.

Strategic marketing planning process to look at the McDonald’s from the customer’s point of view by asking questions that have a long time horizon, such as:

What needs or problems cause customers to consider buying from our McDonald's?

What improvements in the customer's personal or business life can we enable or improve?

Which customer market segments are attracted to McDonald's?

1. 2 identify the component parts of the marketing plan

Situation Analysis

External Analysis

Customer Analysis

Internal Analysis

SWOT Analysis

Situation Analysis

The situation analysis helps to determine where our organization presently stands. It should examine what's going on outside of the organization, what's happening with consumers, and how the business is functioning internally.

External Analysis

What external changes are taking place in target market (city, county, state, country and around the world) that could potentially impact McDonald's business? Some things to investigate are:

- Changes in political positions and legislation national levels

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- Changes in technology (new equipment)
- Trends and taste in society's values and habits
- Competitors
- Economic conditions (purchasing power)

Customer Analysis

Before developing a marketing plan it's important to find out what consumers want and how they make purchase decisions. This may require some marketing research. Think about these factors:

- Potential customers
- Consumer buying behavior
- Which item is more sale then other and why?

Internal Analysis

Knowing the state of the McDonald's and its resources helps to determine where it is strong and what areas need attention. The following also include in the marketing plan

- Current state of human resources
- Business's performance according to competitors

SWOT Analysis

Conducting a SWOT (strengths, weaknesses, opportunities, threats) analysis is essential in assessing the company's position and serves as a guide to developing marketing plans.

Benefits of a SWOT Analysis

A SWOT analysis provides a fairly simple, low-cost way of assessing the company's position. It presents information that is important in developing business and marketing plans, as well as setting organizational goals and objectives. It tells you where the company currently sits, and where it needs to go in the future.

When McDonald's conduct SWOT analysis

- Examine your company's strengths, weaknesses, opportunities, and threats from a customers' perspective. If you're having trouble viewing issues that way, ask customers what they think through feed back form which is present on very McDonald's or conduct surveys to view over all target market.
- Separate internal issues from external issues.

The company's strengths and weaknesses are internal; opportunities and threats are external. The main think is, first McDonald's analysis these two other factors are present in us yes or not. If the answer is yes, the issue should be classified as external.

Some things to consider about company when determining your strengths and weaknesses are:

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- Size
- Scale
- Customer Perceptions (changing taste, what they need new)

McDonald's is doing some research on existing competitors, industry, and the environment in order to complete the opportunities and threats portion of your SWOT analysis. Here are some main points to consider:

- Trends in the competitive environment
- Trends in the technological environment (update technology)

Once McDonald's finished his SWOT analysis, include the resulting strategy in business and marketing plans. Some key actions to take include

- Transform strengths into capabilities by matching them with opportunities in the environment.

Strength: The company has a very efficient order fulfillment and process very fast way

Opportunity: There is an unfulfilled need for the company's product in other countries

Capability: The Company is capable of providing its taste worldwide

- Convert weaknesses into strengths by investing strategically in key areas.

Weakness: Employees are not familiar with the latest technology (lack of on job trainings)

Investment: sends employees to classes, workshops, and conferences

Strength: Employees now have inside information on cutting edge technology

- Weaknesses that cannot be converted into strengths become limitations. Any limitation that is obvious and meaningful to consumers must be minimized.

Meaning to consumers: Consumers may not be able to find the new items verity

Minimization: Allow consumers to purchase through other channels, such as McDonald's open parcel window if any person want to take away he don't need to stand in queue in side the McDonald's, he drives to that window and make order.

2.2

Mitigation Plan¹ – A defined set of tasks agreed upon by appropriate members of the Project Team that will be executed in the current week's Project Plan with the express purpose of reducing a given Risk's Likelihood and/or Impact. All Risks with a Likelihood of 3 or more and/or an Impact of Operational or Profound must have a defined Mitigation Plan. (NOTE: a given Project Team may choose to define Risk Mitigation Plans for Risks with lower Likelihood and/or Impact rankings). All tasks in the Mitigation Plan should be

assignable to a single accountable resource associated with the Project. Each Task must be granular enough to be accomplished within one week's time by the assigned resource, i. e. the tasks listed in a given Risk's Mitigation Plan are expected to flow from the Risk Matrix onto the team's Project Plan.

(NOTE: For Mitigation Plans whose complete Task Set requires more than one week to complete, the Project Team may find it helpful to indicate in this Risk Matrix column from week-to-week which of the specific tasks in the Mitigation Strategy have been completed to better help in the visual tracking of the progress of the Mitigation Strategy.)

2.3

Marketing plan

Four steps of market plan are following:

Conduct a communications marketing analysis

Establish objective

Create a budget

Prepare a promotional strategy

Conduct a communication market analysis

Competitive analysis

Opportunity analysis

Target market analysis

Customer analysis

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Positioning analysis

Competitive analysis

Fries of identify our major competitor and communication strategies and tactics of each competitor. Scour the landscape for competing and similar events that are happening around the same time. We Find out what similar events is charging for admission; consider how your product differs from theirs and what will give you the edge. We can turn similar competing events into an advantage through joint promotions. But be careful, as joint promotions can sometimes confuse the marketplace.

- Number and size of major competitors and Particular strengths and weaknesses of competitors
- Cost or funding advantages that competitors have
- Pressure from substitute products (home entertainment products and services).

Opportunity analysis

We see competitor what are their opportunities. Where your product will exist your competitor is heavily saturated. What's opportunity that is not being followed? Are your competition is ignored by customer.

Target market analysis

Here are some examples of the kinds of markets you might be targeting. If we don't have this information from our own ongoing research, we can put together a profile from reading the research of others. For example, we can

obtain magazine readership profiles from the advertising department and many arts funding agencies have market research. This is a step-by-step guide to creating a campaign strategy...

Market size:

To make a successive product you must need to collect information about market and his size and segment.

Mostly people have didn't knowledge about computer due lack of interest and knowledge. Our product barrier is very small network of telecommunication and high prices in computer prices.

Customer analysis

Identify the current customer of the company and your competitor. Analyze who is potentially customer who do not purchase the product but may become interested. Then analyze your product customer like what's his age, sex employee, unemployed, and his psychograph profile which is given below:

- Age: 40% aged 40 to 54 and 45% 18 to 39
- Sex: 25% female
- Employment: 70% working
- Psychographic profile: 45% experiential cluster,

Experience new groups and enjoy new and different things. Attracted to visually interesting performances and like to be made to think.

Positioning analysis

All promotions are related to our or our company's overall market positioning for us or our company. Positioning differentiates your company or offers our competition and should appeal to our target market.

Market positioning

Look at other companies, how they promote themselves, their audiences, their location, their programming. We differentiate organization or event in relation to the competition. Here are some examples:

- The market leader, the market challenger.
- As attracting younger or older audiences, family audiences, cutting edge or more mainstream audiences
- Your spectacular location, entrance policies

Establish communication objective

Our product advertising mission is to making an effective advertisement according to our budget and cost effective advertising. Our objective is as follow:

Develop brand awareness

Change consumer beliefs or attitude

Increase good/service category or attitude

Enhance purchase actions

Encourage repeat purchase

Build consumer traffic

Enhance firm image

Increase market share

Increase sales.

Create a communication budget

Percentage of sale

Meet the competition

What we can afford

Objective and the task

Quantitative model

Prepare communication strategy

Communication is not just about persuasion – it's about education and image-building, about listening to and engaging with people of all ages from all kinds of backgrounds.

The theory of communication

Introduction

Know yourself

Know your audience

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Know your competitors

Market positioning

WRITING YOUR COMMUNICATIONS STRATEGY

Introduction

Communication objective

Target Audience

Key Messages

Key Selling Points

Personality and Tone

COMMUNICATIONS PRACTICE

Introduction

Communications Channels

Words

The Image