

Micro environment of mcdonalds in india



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INTRODUCTION

More than 58 million people and 31000 local restaurants are engaged in McDonald's as it is the world's largest food service retailer. More than 75% of McDonald's restaurants worldwide are owned and operated by independent local men and women.

McDonald's sells various fast food items like chicken, burgers, ice-cream, fries etc. 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. McDonald's long history began with founder, Ray Kroc. The strong foundation that he built continues today with McDonald's vision and the commitment of their executives to keep the shine on McDonald's Arches for years to come. McDonald's has become the best-known fast food brand in the world. And after Coca-Cola, the hamburger is the best-known American food invention to spread around the world.

The lives both of the people who produce food and the people who eat it is affected by the Mc Donald's food industry.

The first McDonald's opened in Des Plaines, Illinois in June 1955. In five years there were 200 restaurants. After ten years the company went public, and the share price doubled to \$50.00 in the first month. By 1995 there were over 18,000 restaurants worldwide.

In 1996, McDonalds signed a ten year global marketing agreement with the Walt Disney Company to promote and help each other. Coincidentally, Ray Kroc and Walt Disney first met in an Army camp in Connecticut in 1918, when both were unknown visionaries. Xerox took 63 years to make its first billion dollars; IBM took 46 years. But the McDonald's Corporation managed to surpass one billion dollars in total revenue in just 22 years.

Aim:

To explore and examine the globalization of McDonald's in India.

Objectives:

- * To investigate and analyze the data on the globalization of McDonald's operations in india and the home country.
- * To analyze global issues like entry mode, social and cultural issues economic and political conditions, impact of globalization, benefits and problems associated with it.
- * To provide recommendations and analyze the findings.

Reasons for selecting McDonalds:

McDonald's is the largest fast-food restaurants chain in the world that specializes in hamburgers, French fries, and soft drinks. McDonald's is nearly 50 million customers and more than 120 countries worldwide. there are various reasons for selecting the Mc Donald's. It is a well-known brand name. The other multinationals and its success story is the main reason for selecting the Mc Donald's. McDonald's has become emblematic of globalization, sometimes referred to as the "McDonaldization" of society.

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The economist magazine has used the word mac in his index for comparing the living standards and purchasing power around the world. by providing the standardization the company is being credited and high quality service globally. The adaption of local approach and values alongside social, cultural and environmental issues leads to the success of Mc Donald's globalization. Its success thrives on adapting to consumer demands. What makes McDonald's stand out from the rest of the fast food industry is its creation of a set of standardized procedures and its changes in order to satisfy consumer needs. The methods which McDonald's uses entering foreign market is lead to the company's international success." Think global, act local" describes the goal which McDonald's follows in foreign countries. Introducing American culture to the world the company raises its success, profitability, and compatibility. McDonald's globalization model serves as an example for many other franchises. McDonald's uses the in-country production mode entering foreign countries. International restaurants are either company-owned, joint ventures, or operated by franchisees

MICRO AND THE MACRO ENVIRONMENT OF THE MC DONALD'S

Micro environment(internal environment)

The forces that affect the ability to serve its customers and are close to the company are referred to as micro environment. it comprises of competitors, publics, suppliers, customer markets etc..

The internal environment of the company refer to as the the company aspect of microenvironment. It comprises of the departments such as department of purchasing, accounting, finance, operations etc.. Each of these departments

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has an impact on marketing decisions. For example, research and development have input as to the features a product can perform and accounting approves the financial side of marketing plans and budgets.

The suppliers of a company are also an important aspect of the microenvironment because even the slightest delay in receiving supplies can result in customer dissatisfaction. Marketing managers must watch supply availability and other trends dealing with suppliers to ensure that product will be delivered to customers in the time frame required in order to maintain a strong customer relationship.

Marketing intermediaries includes marketing service agencies, financial intermediaries, physical distribution firms etc. These all are involved in company for selling, promoting and distributing the products to the final buyers. Resellers are those that hold and sell the company's product. They match the distribution to the customers and include places such as Wal-Mart, Target, and Best Buy. Physical distribution firms are places such as warehouses that store and transport the company's product from its origin to its destination. Marketing services agencies are companies that offer services such as conducting research, Financial intermediaries are institutions such as banks, credit companies and insurance companies. , advertising, and consulting etc.

The customers are the another aspect of microenvironment from consumer market, business market, government market, international market and reseller market are different types of customer markets. who buy goods and services for their own personal use for the use of goods in their households

made up of individuals is known as consumer market. Those who buy goods and services for producing products to sell is known as business market. The business that purchase goods to resell for profit is different from reseller market. These are the same companies mentioned as market intermediaries. The government market consists of government agencies that buy goods to produce public services or transfer goods to others who need them. The customers are included from the previous categories and International markets include buyers in other countries.

Microenvironment include companies with similar offer for goods and services and it is also a competitors factor.. To remain competitive a company must consider who their biggest competitors are while considering its own size and position in the industry. The company should develop a strategic advantage over their competitors.

The final aspect of the microenvironment is publics, which is any group that has an interest in or impact on the organization's ability to meet its goals. For example, financial publics can hinder a company's ability to obtain funds affecting the level of credit a company has. The newspapers and magazines are published as an article for the interest of the companies and their editorials for the media to influence customers opinion. From this the company is affected which put the restrictions by the laws and the legislation passing through it.. Citizen-action publics include environmental groups and minority groups and can question the actions of a company and put them in the public spotlight. Local publics are neighborhood and community organizations and will also question a company's impact on the local area and the level of responsibility of their actions. The general public can greatly

affect the company as any change in their attitude, whether positive or negative, can cause sales to go up or down because the general public is often the company's customer base. Those who deal with the construction and the organization are employed in the company.

Macro-Environment (external environment)

The forces that affect the micro environment and are the part of the larger society refer to as the macro environment. It includes concepts such as economy, natural forces, politics, culture and technology.

The study of human population in terms of age, location, size, gender, occupation is known as demography. This is a very important factor to study for marketers and helps to divide the population into market segments and target markets. An example of demography is classifying groups of people according to the year they were born. These classifications can be referred to as baby boomers, who are born between 1946 and 1964, generation X, who are born between 1965 and 1976, and generation Y, who are born between 1977 and 1994. Each classification has different characteristics and causes they find important. This can be beneficial to a marketer as they can decide who their product would benefit most and tailor their marketing plan to attract that segment. Demography covers many aspects that are important to marketers including family dynamics, geographic shifts, work force changes, and levels of diversity in any given area.

Another aspect of the macroenvironment is the economic environment. This refers to the purchasing power of potential customers and the ways in which people spend their money. Within this area are two different economies,

subsistence and industrialized. Subsistence economies are based more in agriculture and consume their own industrial output. Industrial economies have markets that are diverse and carry many different types of goods. Each is important to the marketer because each has a highly different spending pattern as well as different distribution of wealth.

The natural environment is another important factor of the macroenvironment. This includes the natural resources that a company uses as inputs and affects their marketing activities. The concern in this area is the increased pollution, shortages of raw materials and increased governmental intervention. As raw materials become increasingly scarcer, the ability to create a company's product gets much harder. Also, pollution can go as far as negatively affecting a company's reputation if they are known for damaging the environment. The last concern, government intervention can make it increasingly harder for a company to fulfill their goals as requirements get more stringent.

The most fastest changing factor in the macro environment is the technological environment. This includes all developments from antibiotics and surgery to nuclear missiles and chemical weapons to automobiles and credit cards. As these markets develop it can create new markets and new uses for products. It also requires a company to stay ahead of others and update their own technology as it becomes outdated. They must stay informed of trends so they can be part of the next big thing, rather than becoming outdated and suffering the consequences financially.

From the laws and the government agencies influence the limits of the organisations and individuals in the society for the political environment. The important fact is that to aware the restrictions and their complex for their products which is regulated in both state and federal laws. There are even restrictions for some products as to who the target market may be, for example, cigarettes should not be marketed to younger children. There are also many restrictions on subliminal messages and monopolies. As laws and regulations change often, this is a very important aspect for a marketer to monitor.