

# [Mcdonalds no longer the great american meal](https://assignbuster.com/mcdonalds-no-longer-the-great-american-meal/)

[Business](https://assignbuster.com/essay-subjects/business/)

In the 1990s, while competitors were coming up with new and healthier food options, McDonald's was still unable to produce truly innovative products as they were still thinking about how to sell more products rather than what they could sell to their customers.
The lack of product innovation that did not help with marketing efforts, the company's franchisees sales were also affected as they could not keep up with competitor offerings and the establishment of the Consortium hurt the dynamics of the franchise model.
One area the increased fast-food competition in the fast-food industry affected McDonald's was through the company's price-based strategy. By marketing products below the cost to prepare the item, the company cannot sustain this tactical campaign for long if the competitors have a cost advantage.
Alternatives
For marketing purposes, instead of promoting McDonald's new locations, the focus could be on customer demographics. For example, Burger King pursues promotional partnerships with Universal Studios and other production companies like AOL Time Warner and Dream Works because their core demographic includes young adults who enjoy movies and the entertainment industry. Another alternative would be to restructure the franchising model and to view franchisees as business partners rather than as " renters". This collaboration might be useful in providing customer insight as well as the franchisees meet and talk to actual customers every day.
Recommendations
McDonald's is recommended to look into three areas. The first is to improve the food and service quality as it is the company's DNA. The second is to continue with product innovation according to customer preferences. The last is to continue to focus on improving relationships with the franchisees.