

McDonald's marketing challenges

[Business](#), [Marketing](#)



What Marketing Challenges Does McDonald's Face in the Future?

The market for McDonald's is going global and has been changed by health concerns, introducing new marketing challenges. McDonald's profits are increasingly coming from overseas. The European market led by France, Germany and Spain enjoys larger revenues than the US already, and the Asia, Pacific, Middle East and Africa markets are expanding rapidly (McDonald's 2007).

When entering a new market, the marketing department needs to examine the customers, the company as it exists in the new environment, and the competitors. Additional external considerations include the Economic, technological, political/legal, cultural and social environments (Perreault 2006). Features such as price points, access to media sources for advertising, laws and regulations, and eating habits and attitudes must all be evaluated for each new region entered. This market research and monitoring of effective implementation is a big undertaking that requires changes in how headquarters deals with franchises. Marketing management needs to rely more heavily on outside consultants, and analyze more data before making decisions.

In addition, the demand for traditional greasy McDonald's food is going down as concerns for health increase. McDonalds has already shown its ability to change by taking the super size option off its menu in the wake of the movie " Super Size Me." New menu introductions such as apples and milk cater toward health conscious yet busy parents. McDonalds has also responded to

an emphasis on higher quality, more expensive food by introducing gourmet coffee, the Angus burger, and chicken sandwich options (Bogoslaw 2007). However, the new climate for fast food has allowed many competitors to threaten McDonald's top position as McDonalds struggles to revamp its image.

Marketing Organizations Need to Be More Customer Oriented and Market Driven Than They Have Been.

With the rise of technology, mass media has become less effective. On demand services have lowered exposure to advertising. As a result, marketers need to try harder to put their ads in people's hands via cell phones, product placement, and other innovative strategies. This results in greater customer research and approaches tailor-made for consumer demographics. Unfortunately for many companies, this requires redesigning their entire culture, turning their focus outward to markets rather than internal bureaucracy.

What results is an external culture with "capabilities for market sensing and market relating" (Staying Close 1999). Market sensing is made possible with tools that understand how people are getting information about products, buying habits, and changes in market trends. Market Relating involves changing products and marketing strategies to meet the changes identified in the market. The more customers have access to instant technology, the faster companies need to change their strategies to compete with other companies, and the more fads will change as a result of the volume of information to which consumers have access.

Bibliography

1. Bogoslaw, David. 2007. McDonald's Sales Jolt Higher. BusinessWeek, September 11, 2007. (Accessed October 24, 2007)
2. McDonald's Global Sales and Profit Momentum Continue. 2007. McDonald's Press Release October 12, 2007. McDonalds Corporation. (Accessed October 24, 2007 from http://www.mcdonalds.com/corp/news/fnpr/2007/fpr_101207.html)
3. Perreault, William D and McCarthy, E. Jerome. 2006. Essentials of Marketing 10th ed. New York: McGraw Hill/Irwin.
4. Staying Close, but Not Too Close, to the Customer. 1999. December 10, 1999. (Accessed October 24, 2007 from <http://knowledge.wharton.upenn.edu/article.cfm?articleid=112>)