Macdonald’s strategic management case study sample

Business, Marketing

The Macdonald’s case demonstrates the concept of strategy as defined in the text. From the case, a strategy is perceived to be a mix developed to enhance business growth, to attract, please and retain customers. Besides, it presents the ability to have a better competitive edge via successful competition in the market. Endless desire to achieve set objectives is also a recipe to strategic competitiveness. These however can only be achieved by reorganizing a business’ operations. Notable strategies employed by the Macdonald’s Cooperation revolve around cost leadership, differentiation and focus strategies. The case also provides a nice lead-in to discuss anticipated environmental changes and how McDonald's is positioning itself for future success.

Macdonald’s Cooperation employs a cost leadership strategy to have a better competitive edge in the market. This strategy was employed after the cooperation realized that its sales and stock price plunged. It countered the situation by offering customers high quality products at a cheaper price. Macdonald’s coffee drinks are offered at a price that is lower than those of its competitors such as Starbucks. Nevertheless, the drinks create value for customers as it offers as they are of high quality and being priced cheaply. The cost leadership strategy demands that the business be the overall cost leader. The buyers are able to perceive that the products offered are comparable and thus acceptable (Nag, Hambrick and Chen, 2007). Macdonald’s cooperation also employed a best-cost provider strategy by giving buyers more value for their money. It undertook this strategy through integrating good-to-excellent product attributes at a lower cost than competitors. This is clearly demonstrated by Macdonald’s Cooperation’s case.

Differentiation strategy is also demonstrated. In fact, Macdonald's Cooperation's employs the strategy by remaining unique in the industry. It decides to offer products widely valued by the customers. From the case, Macdonald's decided to become less diversified. It disposed off its interests in the Chipotle Mexican Grill restaurant and at the Boston Marker chain. This was to allow the business have a defined quality, extraordinary service, and an unusually positive brand image. To remain strategically competitive, the business sought to differentiate its products from those of the competitors in ways that appealed to an extensive clientele. Macdonald's cooperation decided to improve product quality. It majored on product innovations and upgrades of existing properties instead of rapidly continuing to expand the number of core product units. This resulted in improved quality and hence increased sales volume and stock price in the subsequent years.

A focused or market niche strategy based on differentiation was as well undertaken by the company. Macdonald's cooperation concentrated on a narrow buyer segment and outdid rivals by offering customized products that met buyers tastes and requirement better than the competitors' do. Macdonald's cooperation focused on product innovations and upgrades of its products to meet customized buyer needs. To effectively undertake this strategy, it added McCafe coffee bars to all of its US locations in 2009. Adding a Southern-style chicken sandwich to the line of chicken based offerings made the business be fully focused to a given line of buyers which it satisfactorily satisfied its needs and requirements. Besides, convenience strategy was employed as part of niche marketing. Macdonald's cooperation’s coming up with a Southern-style chicken sandwich to the line of chicken based offerings allowed buyers to make orders from in-store kiosks at their convenience.

In conclusion McDonald's is positioning itself for future success. The advantages of long term success factors are sustainable. The competitive strategies employed are sustainable and thus presented with an advantage to adjust rapidly to the environment than its competitors do.

Reference

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