

Evaluate how
effective mcdonalds
are when marketing
their products
flashcard



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For companies such as McDonalds marketing is very important they use a variety of techniques and in this report I am going to evaluate how effect McDonalds uses these techniques when marketing their products. I will first off explain the technique and then evaluate using logical opinions, interpreting the data and discussing weather or not it is reliable and valid.

The first technique I am going to discuss is objectives. These objectives are decided by the marketing team or by the managers and are also known as SMART objectives for example an objective that I have found on the McDonalds website is to open 30 new drive thru restaurants per year from 2011 in order to make McDonalds even more convenient. This is a SMART objective because it is specific being 30 measurable they can record if it's been achieved. Achievable because McDonalds have the resources to do it, realistic due to the amount of resources they have and time-bound being 2011. Objectives like this can be very useful for business to use as they make the target seem more reasonable and the approach can be adapted and changed in order to meet the objective.

This technique could be used in all aspects of the business and can be decided at any time helping the business to keep on track and in turn keep profits as high as possible. My opinion on this is that having an objective that can be tracked and is to a time bound schedule would be very useful. The reliability would be guaranteed if the target was met and it would make the setting of the objective highly valid. The second technique that McDonalds would use is something known as the Ansoff matrix. This is a table that is split into four sections which are market penetration this is when the business aims to achieve growth with already existing products. The next is <https://assignbuster.com/evaluate-how-effective-mcdonalds-are-when-marketing-their-products-flashcard/>

market development this is when a business try's to grow by targeting existing products to new markets.

The next is product development this is when a business develops new products to aim at is existing market. The last is diversification this is when a business grows by diversifying into a new market with a new product. The Ansoff matrix is used because it is important in making sure businesses are always doing their best and focused on expanding for example if they have an already established market that is buying existing products and they begin to stop bringing in new products their customers may begin to loose interest in the company. To stop this from happening McDonalds have launched new products such as the taste the American range and the festive menu. That is only available for a limited time only meaning that they will excite existing which is of key importance and perhaps even bring in new customers.

I think that the reliability of using the Ansoff matrix is very high as seen with McDonalds for example they were not very diverse and in past years didn't really offer a menu to vegetarians or diabetics however over the last few years they have expanded their product range in order to facilitate the needs of potential customers with such products as fruit bags and carrot sticks as well as products such as diet coke. However I think that McDonalds have not used diversification to its full potential. I think that they have missed opportunities in expanding their business especially considering how iconic the brand is. They could have for example gone into airlines or hotels expanding into new markets with a fresh new product whilst still being able to offer their previous products.

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Businesses the size of McDonalds would not be hit as hard as most in a recession (when there are two consecutive negative quarters of growth GDP growth domestic product usually caused by lack in confidence in the public) but even so their was a drop in 2008 (sourced from BBC news) due to the recession and it most likely would have been more if they hadn't changed and adapted their strategy to suit the economical environment. In 2008 McDonalds launched many new products and also brought out a menu that is still expanding today. This is known as the saver menu which offers a variety of food and drink that can all be brought for 99p. This was a very successful campaign which they advertised greatly to make sure it was known. McDonalds also launched such products as 20chicken nuggets to share. Products such as this were launched to ease the pockets of their customers otherwise they may have lost a lot of business from customers leaving due to not having the money to spend.

This was clearly a successful strategy as McDonalds are now still as strong as ever. Another time that survival strategies are put into place is during a boom period (when there is a sudden rise in growth of an economy usually caused by good new such as the Olympics or Christmas). This because the climate becomes very unstable and boom periods don't generally last that long before they dip so it is best not to do anything to risky. McDonalds during recent booms haven't decided to expand drastically and this may be why because they fear that it may have repercussions when the GDP dips again. McDonalds is an iconic brand and studies have been done in America were it shows that children are more likely able to identify Ronald McDonald than Jesus (Sourced from documentary on channel 4 supersize me). This just

shows how big McDonalds is and how successful they are at marketing this is mainly due to branding.

This is where they use their symbols and slogans that represent their brand to market their products. For example McDonalds branding on its advertising is everywhere from bus shelters to cinemas and all over their restaurants from trays to drinks and every other item of packaging just to make sure that everyone is aware of their brand and it is clear that McDonalds have been successful they have been lucky enough to strike a deal with the Olympics to open two new restaurants in the Olympic village. This shows just how popular McDonalds is. The reliability of using branding as a form of advertising is very high as it is easy to see that it has been successful by the sheer volume of the population that knows about McDonalds the validity is also very high as McDonalds have gained so many customers due to them recognising the brand through their advertising.

Businesses such as McDonalds provide a service and product in which they aim to keep their customers coming back for more. This is why they use something known as relationship marketing. There are three types the first is transactional which is where a customer will buy a product and usually not come back again or at least on a consistent basis for example a gift shop or a market stall. Then there is relationship which is what McDonalds aim for this is when the business try's to build a relationship with their customers in order to gain their loyalty hoping that they come back again and in turn buy more. This would then lead into the third and final type which is value for lifetime customers this is where they would become loyal to one shop for

example if someone was to become loyal to McDonalds they would instead go to them rather than Burger King, KFC or Subway.

In order to do this they need to provide a wide range menu that provides a choice in order for customers not to get disinterested. I think that McDonalds do this very well providing a large variety of meals ranging from fish burgers to chicken sandwiches providing an option for everyone or just an alternative option this would therefore improve the reliability of them gaining value for lifetime customers. Through research I have found that McDonalds have been voted number one for consumers preferred choice of fast food restaurants for many years now (sourced from daily mail) proving that this method is very valid. In conclusion I think that McDonalds marketing team do very well at all these techniques and all of them have benefited the restaurant gaining them customers that will come back time over time as well as still bringing in new potential customers.

For example by expanding their range or due to the sheer amount of money they put into brand advertising just to get huge amounts of recognition. However one key area in which I found no data of McDonalds' succeeding in or even trying was diversification into new markets with new products such as hotels in which they could make huge profits but haven't tried. This is perhaps because they have been smart and saw that they could have made a loss or it could just be a missed opportunity. Overall though McDonalds is such a huge and successful business it is hard to be negative towards how they run.