

McDonald's success

Business



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McDonald's is one of the world's largest corporations and a chain of restaurants supplying hamburger fast foods. The company serves nearly 47 million customers in a day worldwide. Additional to its signature chain of restaurants, Mcdonaldshas held an interest in investing in the Chipotle Mexican Grill (Franchise Direct). McDonald's restaurant operates under a franchisee, a corporation or as an affiliate.

The corporation's revenues are sourced from the rent, fees paid from franchisees, royalties, as well as company-operated restaurants sales.

McDonald's revenues in year 2007 grew 27% over the past three years to \$22. 8 billion, showing a 9% growth in income to \$3. 9 billion. The primarily sales of the company are hamburgers, chicken products, breakfast items, French fries, soft drinks, shakes, cheeseburgers, and desserts (John 65-78). Responding to obesity trends in nations within the western countries and in the face of enormous criticism over the products' healthiness, the company modified its broad menu to include a variety of alternatives considered exceptionally healthy for the human population including wraps, salads, and fruit (Franchise Direct).

The success of McDonalds is an extensive history one of prodigious concern bearing in mind that it builds the roots of its growth internationally. Ray Kroc, aged 52 years old, started an investment using his life savings to become the distributor exclusively of a milk shake maker named the Multi-mixer (McDonald's publication). Hearing about the hamburgers stand in California owned by Mac McDonald and Dick running eight Multi-mixers, he packed up and headed west. This was in 1954. Ray Kroc never in his life ever experienced such a enormous number of people being served so quickly.

He pitched this idea of operating many restaurants to the McDonald brothers, deeply convinced that he ultimately could sell eight of his operating Multi-mixers (John 65-78). It was late in 1955 that he opened the first restaurant Des Plaines, Illinois restaurant. Accomplishments and Milestones have followed for the company ever since (John 65-78). Today, McDonald's operates tens of thousands restaurants and serves millions of people in a day worldwide. This paper looks in detail McDonalds & how their company is so successful internationally.

Body The incredible international success and growth of McDonald's sums up overly with the first thought from Ray Kroc's mind (Franchise Direct). The determination in him proved that it was the basis of success. For any international business or one that aspires to expand internationally, there is nothing admirable than having a broader vision of expansion. Strategizing of internationally expansion comes from that initial vision, which is what brings in the element of growth and acts as the basis for the huge expansion in the future of the company's operations. On the same note, McDonald's success hails in the approach that it took the first time it started operating worldwide. Today, peoples' thought of franchising concept draws the minds to McDonalds as the great example of the same (Mark).

This is because McDonalds serve as a prime example of a corporation operating as a franchise (McDonald's publication). McDonalds might not be the first franchise business because there were thers for instance Isaac Singer, the sewing machine inventor who gets credit for the franchise idea but the approach for McDonalds gives it the credit of success (Franchise Direct). The hamburger chain operated by McDonalds internationally is what <https://assignbuster.com/mcdonalds-success/>

exemplifies franchising success certainly (John 65-78). One may ask, “ How did the Hamburger chain grow from a single store literally to the most popular restaurant for fast food and successfully using the franchise operation worldwide? Raymond Kroc approach was excellent because he did not first start out as an operating restaurant owner; however, he started as an equipment supplier to interested restaurants after he mortgaged his home and invested all his savings in a distributorship for a variety of milk shake maker (Franchise Direct). This is what drew the interest of McDonalds, and they started the franchising business.

An essential factor contributing to franchise success is the consistency in commitment to high quality standards (McDonald's publication). McDonalds franchise restaurants since their inception have become well known especially for defining and inspired vision created by Kroc overly for the restaurant business. “ Service, Quality, Cleanliness and Value” have been the company's motto, which has pushed the customers knowing that no matter their destination of travel, they could solely rely on the high qualities from McDonalds (John 65-78). It was simply building trust from customers an aspect that hails for generations and continues to grow stronger by day (Mark). The marketing approaches for the franchise have also been brilliant and provided insights, therefore, producing many winning strategies (Mark). The launch of “ HamburgerUniversity” in 1961 in Illinois Elk Grove to train all franchisees in all aspects of McDonald's management has been an excellent strategy one that has builds an international uniformity in McDonald's products (Franchise Direct).

Kroc also had in mind and targeted families as the main and best market share. The approach resulted in the huge debut of the strong “ Ronald McDonald” character on television late in 1963, played first by Willard Scott (Joe). It is expedient to note that McDonald's success has thrived on adapting to demands from consumer (John 65-78). The development of franchising principles involving continual adaptation and innovation to market conditions has been excellent for customer satisfaction (Mark). This has led to a variety of products leading to an extensive choice of products for the great niche of customers (McDonald's publication). With the first starting, of a simple hamburger, milkshake restaurant, and French fries McDonalds franchise has expanded and experimented its menu catering to changing tastes, as well as consumer demand world wide (Joe).

McDonalds has since then introduced the “ Filet-of-Fish” sandwich ideally in the Cincinnati area particularly for Catholics who were confined to not eating meat on Fridays meaning that the company has had the customer in mind for generations an aspects that has been giving it the go ahead and strength of the global market (Franchise Direct). The international success of McDonalds as a corporation is the new marketing adaptation to the new times (Mark). The world over in the recent times has shifted to online marketing as well as shopping, which is why many successful companies have devoted themselves to go online (John 65-78). The consumer demand for MacDonald's products has been extensive making the company to introduce the WiFi with Nintendo in some locations (McDonald's publication). The delivery service has been excellent in regions for instance Singapore, where consumers of respective McDonalds products phone and order the

products with the company delivering the same within 24 hours (Franchise Direct).

The company also departed ideally from its freestanding units, installing quick service kiosks especially in the busiest places, like airports and malls an approach that has seen the company increase its sales and fame in many fast food consumers (Mark). McDonalds franchise operations has not only survived but has also thrived through recessions and boom times an aspect that has seen the company keep strong up to date and has reacted successfully to consumer trends (McDonald's publication). It was one of the franchise restaurants primarily to post nutritional information regarding its menu, and offering more nutritional products including salads and other options recently owing to the consumer demand for healthier products (Franchise Direct). There is no doubt the company has considered all factors that consumer satisfactions are subject to making it success in the international business (Mark). Conclusion It is evident that McDonald's is one of the world's largest corporations and a chain of restaurants supplying hamburger fast foods.

The company is, therefore, on the list of companies, which have seen successful international expansion. The company serves nearly 47 million customers in a day worldwide and continues to expand internationally, an aspect that has surely proclaimed the company as a success. The international success draws from innovativeness, customer satisfaction and appropriate strategizing on marketing approaches. In summary, McDonald's business model is what sees it through the international expansion. Its operating Franchise Model has been the sole success approach.

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McDonalds owns only 15% of the number of restaurants for the company with the 85% remaining operated by other franchises. The strategy has been the secret of success for the company, one that makes it spread internationally with ease. The company also follows a comprehensive framework of monitoring and training of its franchises in this case ensuring that they adhere to the Cleanliness, Quality, Service, and Value propositions, which are in the offer by the respective company to its broad spectrum of customers. On the same note, product Consistency for the company has been the secret behind customer satisfaction. It is through the development of sophisticated operations, distribution system and supplier networked that the company has developed its exceptional ability of achieving consistent product taste as well as quality across the extensive geographies.

McDonalds, on the other hand, act mainly as a retailer but thinks ideally like a brand. In this case, McDonald's focus is mainly not on delivering sales only for the immediate present, but on the same note, protecting its long-term reputation for its brand. It is a splendid example when linking companies to international expansion.