

Globalization and cultural diversity marketing essay



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Introduction

This is a report of case study which contains about McDonald's work practice have impacted on different cultures and how these different cultures have impacted McDonald's operation.

Introduction to the Case study and McDonald's

This case study explores the reasons behind the changing destiny of McDonald's. It then converses its move into healthier menus and the ' I'm loving' it' campaign, and terminates with a discussion of the world Cup burger promotion.

About McDonald's

McDonald's is th world leading fast food service retailer with more than 32, 000 local restaurants serving more than 60 million people in 124 countries each day. They mainly sell hamburgers, chicken, French fries, breakfast products, milkshakes and soft drinks.

2. Globalization and Cultural Diversity

McDonald's has become symbolic of globalization, due to its vast economic and cultural impact in all parts of the world. In countries all over the world McDonald's Big Mac prices can be used to compare and measure those nations currencies purchasing power equality.

McDonald's is closely recognized with the United States culture and lifestyle, its international business expansion has been termed part of Americanization and American cultural imperialism as well.

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McDonald's has been facing competition because arrival of the sandwich bars, coffee shops and a broader variety of fast-food options has placed more stress on McDonald's to protect its market share. Because of competitive force, the trend towards healthy eating has put increasing pressure on McDonald's. so they have come up with healthy alternatives and transparency of ingredients

In the UK, public consciousness of healthy eating has been increased by a series of healthy scares, from BSE crisis in 1996, which affected confidence in British beef, to the current possibility of a bird flu pandemic, which may prompt fears about the safety of poultry. To overcome the BSE crisis, it put more emphasis on white meat such as chicken rather than beef. It experimented with a range of Quorn-based vegetarian meal, with limited success

The company also believes it can provide for customers by creating menus that are adapted to local preferences while sustaining its iconic American appeal. This shows McDonald's using expertise in multi-local marketing strategies.

Hoping to capitalized on football fever they have announced the launch of its World Cup Burger: ' The Biggest Ever!' the World Cup Burger was designed to promote the official partnership of McDonald's with the event. This new product seems to rise in the face of the current public attention to obesity.

3. McDonald's Global Strategies

McDonald's vision is to offer the world best and fastest service restaurant to its customer. In the business, being best means consistently satisfying customers better than anyone else.

Ray Kroc who was a founder of Mc Donald's, from the day he opened his first restaurant, he promised to give his customer high quality products, served quickly with a smile, in a clean and pleasing environment, and all at a fair price. Quality, Service, Cleanliness and Value (QSC&V) became the attitude that drove McDonald's business.

Supporting to vision there are some global strategies being followed by McDonald's world wide:

They have to come up with

Continuous innovation in its menu, amenities, marketing, operations and technology.

Expanding its global approach by sharing best practices and leveraging their best people and technology resources around the world.

Long term re-invention of the category in which it competes and the development of other business and growth opportunities.

Developing its HR at every level of the organization, beginning in its restaurants.

Continue the flourishing implementation of changes.

4. Cultural Diversity in McDonald's

If business wants to be successful globally, cultural sensitivity must be at the heart of everything they do. So McDonald's adopt the culture where they operate and made some changes to achieve market growth. I analyze Singapore and India how McDonald's adopt their culture

They come up with diverse line of products to different countries:

India- Sandwich sauce, Shakes and soft - serve products do not contain egg sequentially to offer more variety of vegetarian consumers

Uruguay- McHuevo (hamburger with a poached egg on top)

Norway - McLaks (grilled salmon sandwich)

German - Beer

Thailand - Samurai Pork Burger

Taiwan - Rice Burger

4. 1. McDonald's in Singapore

In Singapore McDonald's opened its first restaurant 1979. At present, they serve 1. 2 million customers every week over 110 McDonald's restaurants across the island. 7, 000 employees keep the McDonald's restaurants running in order

Adaptation of menu to Singaporeans' Tastes

For 30 years McDonald's has been in Singapore and also improving its product over the years. They have made changes in the ingredients by using healthier alternatives such as the use of non fat oil for its French fries

Since its beginning in 1979, McDonald's Singapore has come up with products that are unique to the tastes and lifestyles to outfit with the taste of the local Singaporeans. Not only their tastes and ingredients are unique but are the names of the burgers introduced for Singapore market also reflect the uniqueness.

McDonald's has made its dietary information about its menu available to its customers since March 1999. Customers can also order any of the McDonald's Singapore food without grill seasoning or dressing. Customers who find the mayonnaise or tarter sauce used in the burger too flattening can place special orders for their burgers to come without these sauces.

When being too sensitive is a bad thing - McDonald's makes a big blunder with their Doraemon plush toys in Singapore.

McDonald's started selling cartoon character miniatures showing the 12 animals of the Chinese zodiac calendar, but the pig was replaced by love god Cupid because they said it did not want to cause offense Muslims.

After a decision to leave the animal out of its Chinese zodiac collection which upset many in the mostly ethnic Chinese and as many Chinese customers complained in chat rooms and blogs that they would not have a chance to buy the animal sign of their birth year.

For this issue, finally McDonald's apologized to Singapore and brought a pig back to its toy menu (Appendix- 1).

Home delivery and online services

They have introduced a home delivery service for those who seek convenience in Singapore. However, due to lack of expertise and equipment, the McDonald's Delivery Service (MDS) in Singapore is currently limited to certain areas of the state.

McDonald's Singapore offers you to ordering your next meal online quickly and easily with " Mc Delivery 24/7" (the only delivery service that never sleeps!).

Negative impacts

In the western countries elder peoples were grew up eating fast food and it has become a part of their culture. But in Singapore McDonald's places less importance on the elder peoples due to the culture of older Singaporeans. McDonald's Singapore is still not a strike with the elderly people because of the health consciousness.

Though, they have planning to overcome this situation in the next 5 years, when McDonald's will become part of the older Singaporeans culture, as they have grown up eating burgers.

4. 2. McDonald's in India

McDonald's started its first restaurant in the year 1996. Initially, Indian critics were anxious about the success of McDonald's for three specific reasons:

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India has a distinctive food culture, which has survived for centuries. Attracting Indians towards American pattern of food consumption is a intimidating task.

Multinationals are considered as a threat to the local market and culture.

In India most people prefer to eat in groups at home. Dining out is a rare trend.

But McDonald's was created a history became the top brand in chain retail food services in India (Appendix – 2). McDonald's attract devotions of Indian consumers with a blend of Indian flavor in fast food products. McDonald's has an image of American fast food chain so it wants to fit well with this changing Indian cultural landscape. They introduced several new products for Indian customers in order to get accepted and successfully blend into local Indian culture.

Family- Centric and Child- Centric

McDonald's has sited itself as a family restaurant in India. Its outlets are called “ McDonald's Family Restaurant,” as opposed to simply McDonald's as in other parts of the world (appendix – 3). McDonalds has become an eye-catching place for working and busy young people on weekdays. On weekends, residents in Delhi and Mumbai bring their children to McDonald's so that they can relax, while their children play in McDonald's hugely popular play places.

Children are extremely powerful medium for relationship building in India. So that McDonald's has made everything feasible to attract children. Its “ Happy <https://assignbuster.com/globalization-and-cultural-diversity-marketing-essay/>

Meals” and additional Lego toys are great attraction for children. McDonald’s fun Zone appeals to children and parents, because they are considered secure, reliable, hygienic, and kids affable.

McDonald’s also promote birthday parties in India. Indian cities like Mumbai, Delhi, and Bangalore most young people live in small, overcrowded flats; it has become a convenient place for birthday celebration.

McDonald’s has become a trendy place for many adolescents, who use the outlets as a place to meet their boyfriend/girlfriends, still a tricky matter with Indian middle-class families.

Employment

McDonald’s employed mostly youngsters around the world and gave them with work opportunities. McDonald’s globally employed over one and half million workers, over half of them were under 21 years old. McDonald’s provided job opportunities to youngsters in India pursuing their education.

Supply Chain

McDonald’s spent a few years setting up a unique supply chain, even before opening its first restaurant in India. In India McDonalds focused on making a successful supply chain to execute its QSCV principle (Quality, Service, Cleanliness and Value), pricing flexibility and new product launches from time to time. One of the distinctive concepts of McDonalds supply chain in India was Cold Chain. This system brought about a absolute revolution, hugely benefiting the farmers at one end and allowing customers at retail

counters get the highest quality food products, absolutely fresh and at great
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value. Major supply chain of McDonalds was build by the following list of suppliers:

Dynamix Dairy Industries (Supplier of Cheese)

Trikaya Agriculture (Supplier of Iceberg Lettuce):

Vista Processed Foods Pvt. Ltd. (Supplier of Chicken and Vegetable range of products including Fruit Peas

Radhakrishna Foodland (Distribution Centers for Delhi and Mumbai)

Amrit Food (Supplier of long life UHT Milk and Milk Products for Frozen Desserts)

Potato Farming in Gujarat

In early 1991, potatoes production was discontinued, as the right quality of potatoes could not be sourced. McDonald's required some variety of potato which had to have certain length, high solids content and low moisture content.

However, as per its initial promise to local sourcing, McDonald's and its supplier partner, McCain Foods Pvt. Ltd. (the world's largest French fries company), worked closely with farmers in Gujarat and Maharashtra to expand process-grade potato varieties. Gujarat potato crop was used to make McDonald's ' Chatpatey' Potato Wedges.

Major Challenges for McDonald's

Major challenge was beef because Hindus do not eat beef and Muslims do not prefer to eat pork. McDonald's doesn't serve any beef or pork in any of their menu and introduced Maharaja Mac to fit with Indian culture.

India is not a vegetarian country; about 20% of Indians were vegetarian. When we closer look at state- level food behavior in India it reveals that food preferences may differ generally among the country's 30 states and six union provinces. For vegetarian customers McDonald's offers McVeggie, McAloo Tikki, Paneer Salasa Wrap, Crisp Chinese, Veg McCurry Pan, and Pizza McPuff (Appendix - 4). For non vegetarian customers they offer Chicken maharaja Mac, McChicken, Filet-O-Fish, Chicken McGrill, Chicken McCurry Pan.

McDonald's has wanted to enforce strict standard in product development and cooking so as not to mess up cultural sensitivities of the vegetarian customers of the Indian society. All foods are strictly separated into vegetarian and non- vegetarian lines and separate utensils are used for cooking vegetarian and non vegetarian foods. French fries in India are not flavored with beef tallow. Even the mayonnaise and ice cream contain no eggs.

Rivalry from Local Food vendor

Local food vendors had been doing there business for years and also they are familiar with the market. Local food business understood the psychology of the consumers and operated accordingly to their aroma, taste and lifestyle.

5. Conclusion

McDonald's is a leading fast food retailer in the world. If business wants to be successful globally it should want to adopt and learn the culture where they operate. Then they can be successful and increase their market share.

McDonald's as a symbol of success and modernity Mc Donald's have becomes more popularity although have changed the nutritional patterns leading to expenditure of meat goods, which are high in fat and energy there are some anxiety in health conscious.

6. Recommendation

McDonald's should want to include more promotional and advertising measures to raise its market share.

Due to the growing health conscious they should want to offer less calories products.

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Appendixes

Appendix - 1

Appendix - 2

Appendix - 3