

# McDonald's marketing mix assignment

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Pounded, Hamburger, Double cheese burger, Big Mutant's, Angus Third Founders and Cheddar Macrame. Big Mac and Quarter were the major burgers sold by the company before other burgers were introduced. The burgers were introduced at different times in response to market taste. The burgers range between 45 and 113 grams in weight, while such burgers as Cheddar McNeil are only available in some countries. Chicken, pork and fish products are sold under various names including McCracken, Premium chicken sandwiches, and Snack wrap, Chicken Selects, Macro and Chicken Nuggets.

McDonald's started to serve breakfast in 1977, mainly consisting of sandwiches. Today, McMullen is the main breakfast package served by McDonald's. It also serves various breakfast sandwiches including biscuits, bagels and McBride. With regard to beverages, McDonald serves soft drinks, mainly Coca Cola products, Coffee, hot and iced tea, milkshakes, beer and Iran-Bur. In addition, McDonald's serves various discounted menu including the popular Happy Meal. One of the major aims of McDonald's is to serve standardized products across its chain of restaurants.

The various products served by McDonald's have similar taste in various countries where the restaurant chain is in operation (Anderson & Crock 1987, p. 15). The various products aim at meeting diverse customers' tastes. Although standardization is fundamental to McDonald's, nonetheless, the company has managed to adapt to various tastes in different countries in order to serve specific customers. Product adaptation is needed for various reasons, such as consumer preference and tastes, cultural and religious issues and laws and regulation.

There are various examples where McDonald's readjusted its products in order to meet customer preference, religious and cultural issues. As a global company, McDonald's provides products that are in harmony with cultural and religious requirements of various countries. For example, in Israel, McDonald's serves Big Macs without cheese so as to meet customer tastes. In Indian, the company does not serve beef burger in compliance with the Hindu religion. Instead, McDonald's serves vegetable Nuggets. Instead of beef Big Macs, the company serves mutton - based Maharaja Mac.

McDonald avoids serving pork products but Instead serves menus that are appropriate to the Hindu religious requirements. McDonald's also serve Halal food options In the Middle Eastern countries and In 1 branch In the UK. Beside religious and cultural factors, McDonald's has adapted Its menu to meet the needs of customers from different countries. For example, guava juice was introduced in the McDonald's serves beer with Microorganism in Germany. Another example is the introduction of Samurai Pork burger in Thailand. In its long history, McDonald has introduced new products and withdrawn others as a result of customer taste and market trend.

Place McDonald's operate a chain of restaurants all over the world.

MacDonald restaurant exists in more than one hundred and twenty countries in the world. Initially, McDonald's had its operations in the United States only before expanding to other parts on the world. More than thirty thousand restaurants are mostly located in the urban areas. McDonald's major expansion plans were achieved in 1955 when the company decided to franchise its operations. From then, the company has been expanding its

operations. Globally, McDonald's restaurants provide access to McDonald's products.

This ensures that McDonald's customers are able to access their McDonald's tastes when ever they need. McDonald's continues to use strategic planning for its expansion. In 1998, McDonald's increased its restaurants by 1668 through franchising as well as Joint ventures. With American fast food market almost saturated, the company has focused its attention on investing in foreign markets. New markets in India have been successful and the company is targeting more foreign markets. Price Price has been a major marketing factor at McDonald's.

When the company was started, it sold its products at low prices in order to attract more customers. It is very important however to find a balanced price, not too high but also not too low, because there are some dangers regarding to a low-price policy. On one hand, a low price can be perceived by customers as a consequence of a low quality and on the other hand, Standardization has reduced the cost of McDonald's products, allowing them to be sold at affordable prices. The company has adapted localized pricing policy whereby prices are set according to individual markets rather than the mass market.

This pricing policy is a response to globalization of the company and different market factors in different markets. Instead of having a pricing policy that is based on particular products such as Big Mac, the company has customized its racing depending on particular country. Promotion Promotion is a major factor in marketing. According to Kettle, promotion mix consists of

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advertisement, sales marketing, direct marketing, personal selling, and public relations and publicity (Omaha, 1999, p. 79). Considering these factors, McDonald's seem to localize its market communication depending on an individual country.

Localization of market communication is aimed at using various cultural factors to attract customers' attention. McDonald's needs to evaluate various cultural differences in the countries they operate. Although market communication aims at retorting McDonald's as a global company, it is also aimed at addressing particular market needs of various countries.

McDonald's uses both product and institution advertisement. Particular products such as Big Mac are advertised individually while some advertisements aim at promoting the company.

Direct marketing, personal, sales marketing and public relation are also used. PEOPLE The employees in McDonald's have a standard uniform and McDonald's specially focuses on friendly and prompt service to its customers from their employees. The food manufacturing process at Ms Donaldson is completely transparent I. E. The hole process is visible to the customers. In fact, the fast food Joint allows its customers to view and Judge the hygienic standards at Ms Donaldson by allowing them to enter the area where the process takes place.

The customers are invited to check the ingredients used in food. PHYSICAL EVIDENCE McDonald's focuses on clean and hygienic interiors of its outlets and at the same time the interiors are attractive and the fast food Joint maintains a proper decorum at its joints. Market Segmentation Market

segmentation entail identifying sections of a market with similar characteristics with a view to fulfilling the consumer needs of these segments. A market segment is part of the market but with distinguishable needs that can be served independently.

A market segment consists of people or institutions having one or more factors that create similar preference or demand (Candler & Shank', 1991, p. 39). For a market segment to be valid, it must have a clear distinction from other market segments. In addition, there must be homogeneity within the segment, meaning that it should have similar responses to market stimulus and it should be able to be reached. Identifying market segments is one of the major challenges of market segmentation (Walker 2003, p. 9).

Apart from identifying market segments, the other challenge is to produce products that fulfill the particular needs of the market segments. Although there are various factors to market segmentation, a market segment can be divided into major groups: demographic, geographic, stereographic and psychological segments (McCarthy 1975, p. 56). Geographic segmentation partitions the market in terms of geographic boundaries. Demographic segmentation identifies market segments in terms demographic factor such as age, gender, income and education (Wedded & Kumara 2000, p 45. .

Psychological segmentation makes use of emotions, culture and lifestyle to identify market segments. Stereographic segmentation, on the other side uses both demographic and geographic factors to identify market segments. There is evidence of use of market segmentation at McDonald's. Geographic, demographic and psychological factors are used to partition the market and produce products that serve particular market segments. The major

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segmentation used at McDonald's is demographic, with most of their products targeting children and their mothers.

Unlike restaurants that aim at serving whole meals, McDonald's specializes in fast foods. Various children rodents have been developed over time and marketed towards the target market. Products targeting other age groups have also been developed. Although initially the restaurant chain targeted children and their mothers, McDonald's has now expanded its product range to meet other age groups as well (Love 1999, p. 156). For example, Happy Meal was developed particularly for children while Big Mac targets all age groups. McDonald's has also used other demographic factors to segment its market.

For example, McDonald's breakfast package was developed to serve employed people. The package aims at serving breakfast to employed people who leave their homes early in the morning. As McDonald's became global, geographic segmentation was necessary. While McDonald's initially served similar products to all its market, entrance to other countries required McDonald to serve particular market needs of developed products for particular markets (Love 1999, p. 156). For example, Cheddar McNeil is only found in Brazil while Guava Juice is served in some tropical countries while they are not served in other countries.

McDonald's tries to serve consumer tastes for particular markets (Omaha, 1999, p. 79). For example, burgers in India are relatively different from those in United State or Thailand. With globalization, this segmentation will be the most important market segmentation elements to consider. Psychological

segmentation is also evident at McDonald's. McDonald's has developed products to serve particular psychological needs to its customers. For example, increase in obesity has enhanced people's concern for health.

In response to this, McDonald's has developed products to serve health concerns of this segment. Healthy products such as fruits, fruit salad and Juices have been developed for this factor. In addition, McDonald has introduced or withdrawn various products in response to psychological factors. McDonald's can make better use of demographic segments.

McDonald's has been targeting preteen children. This has led to various products that fulfill children's taste. Since this market segment is limited, McDonald's should aim at targeting other demographic segments as well.

Baby boomers have been very instrumental to the success of McDonald's in the United State but a change in lifestyle among this group could affect the company's sales (Love 1999, p. 137). To counter this, McDonald's should serve products that are more appealing to a wider age group. For example, McDonald's can increase the number of alcohol products in order to attract more elderly people. McDonald's can also respond to increased concerns for health by providing more healthy products. McDonald's can also create a sense of prestige by developing specials restaurants.

Another segment that McDonald's can target is the family. By providing menus that a whole family can enjoy together, McDonald can attract more families to its restaurants. Pricing strategy and Objectives Pricing strategy is an important element in market entry, marketing and profitability. Pricing policy should not only ensure profitability but also help in other marketing



elements. McDonald's pricing strategy makes use of various market elements and production cost. McDonald's initially used prices as a major marketing factor. By targeting young consumers, McDonald's sold their product at high volumes and low prices.

The low prices were aimed at attracting and maintaining customers.

McDonald prices are determined by the parent company as well as the franchise. McDonald's prices differ across various franchises. McDonald's products prices are determined by the cost and expense particular to a locality. In general, McDonald's determined the prices depending profitability and consumer affordability (Intonate & Hennessey 2001, p. 123). The prices are set to ensure that the company gets a profit while setting the prices within the reach of its customers.

The owners are trained on how to be cost effective in their operations in order to ensure that the prices are put within the reach of customers. The balance between profit made and affordability of the consumers is ensured through the company pricing policy (Coachman & Maze 1998, p. 78).

McDonald's pricing policy takes in to consideration of the expenses of producing a product as well as the value of product sold to the consumers. The policy assumes that the consumers are ready to pay a certain prices when they receive a global. McDonald's products are sold at different prices in different countries.

Instead of basing the prices according to products, the prices are customized to individual country market (Love 1999, p. 156). For example, the price off Big Mac is different in different countries depending on market factors.

Pricing strategy is a major factor in marketing. McDonald's succeeded the use of pricing strategy to ensure profitability and growth but also to market its prices. The company used entry prices to enter into new market. The company has also adjusted its prices depending on the prices offered by its competitors.

The company has also adjusted its prices for promotion and by doing this gained customer confidence. Over the last 5 years pricing has been a very important as competition has been fierce. Conclusion McDonald's is the longest serving fast food company. Currently, the company operates in more than two hundred countries and serving more than forty million customers. Analysis of the company's marketing mix shows that the company is global and therefore, targets the global market. Various market segments exist at McDonald's, including geographic, demographic and psychological.

The company can benefit by targeting a wider segment of market. As a global company, pricing strategies that are customized to particular market are necessary. McDonald's marketing mix and pricing policy has enabled it be successful in a competitive area. By focusing on fulfilling new market segments in the global fast food market, the company is assured of growth. In order to further develop and reward customer loyalty it maybe in the interests of McDonald's to introduce a customer loyalty card. The loyalty card would give customer points which can offer discount on a further purchasers made by customers.