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MARKETING FUNDAMENTALS A1

Marketing Fundamentals Analysis and Evaluation - McDonald's

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Table of Contents

Introduction	3
Discussions	3
Recommendation	9
Conclusion	9
References	10

Introduction

According to the fundamental concept of management the marketing is basically recognised as an action or promotional approach of a business relating to selling a business productive unit for services along with the basic objectives of gaining general business objectives. Follow the same prospect marketing management is basically recognised as a planning, controlling and also decision making approach of business for completing some significant advantages efficiently. It is basically applied for presenting the current marketing position of McDonald's relating to general business operational approaches.

Discussions

Marketing is recognised as profitably using the results of studying short term and long term needs of those who can pay for a one-time, or in most cases, a steady flow of service or product placement. According to the statement provided by Kotler *et al.* (2017), through the application of efficient marketing processes a business establishment can positively enhance the present productive unit's volume and also maintain a proper sustainability approach in the business significantly. In accordance with the management structure providing proper realising the present customer demand, present market opportunities compared with the other business establishments and along with proper research and distribution process a business can positively structure the overall marketing strategy for efficient business developmental prospect. On the contrary, **marketing process** is recognised as a series of steps that allowed to a company for understanding the significant volume of customers' issues, proper evaluation of marketing opportunities and also used to create proper marketing material for gaining the volume of desired profitability and targeted customers.



Figure: Marketing strategies of Organisation

However, followed the same prospect Clow and Baack, (2013) opined that for efficient business performances the decision makers are also required to structure efficiently the overall marketing mix so that the organisation can provide efficient importance to the financial performances along with completion of basic business objectives. With the efficient performances of the business marketing process, the decision makers can positively evaluate the present marketing position relating to the requirement of productive units, for the basic purpose of maintaining efficient consistency between market demand and supply level.

According to the statement provided by Blythe, (2014), through providing significant importance to the marketing process related to the business mission, objectives, situation analysis along with Strategic implementation and controlling an organisation can positively provide a positive business environment in the entire organisation. On behalf of the present marketing process the primary stages of business, which are relevant for processing the overall business performances properly are briefed underneath.

According to the present operational structure of McDonald's, the organisation consists with the basic **Mission** of providing significant importance to the food habits of individual peoples along with positive expansions of business performances on a global basis. On the contrary the organisation maintains the basic **Objectives** of providing significant movement through maintaining consistency with velocity for driving efficient profitability growth and also intended to provide better servicing and productive experiences to individual customers on a global and daily basis. In case of **business Strategy**, the CEO Chris Kempczinski has provide importance two different approaches, where in the first case the organisation is focused on

developing the present core business through related services and food products and in case of second approaches it provide focused to the platform for growth through maintaining efficient competition along with KFC (Kempczinski, 2020). In case of business **Situational analysis**, it can be considered that due to the present pandemic of COVID- 19, the overall volumes of business revenues are significantly decreased and most of the customers are avoiding restaurant services positively. In that scenario, the management of this company has initiated some significant strategies related to awareness program and sanitisations for efficient business services.

According to the opinion provided by Housden, (2010), the internal and external both the environmental factors are used to influence the overall operational approaches of a business significantly. Through maintaining proper consistency between different environmental factors, the evaluators can significantly provide efficient business approaches in a more convenient manner. In accordance with the present operational structure, the present **Political** factors are basically used to influence the process of business opportunity related to international trade agreement. However, it can also equal opportunity and threat over business processing through identifying governmental guidelines related to diet and health. In case of McDonald's, the present political positions in the United Kingdom provide a favourable as well as unfavourable position also. For example; political factors can provide pressure on McDonald's that is basically subjected to criticism regarding impact of products on consumer's health. However, the same factor can also provide an opportunity through providing some relevant changes in business generic competitive strategies including intensive strategies.

In accordance with the present performances, in case of **Economic** factors, related to the developed countries a slow but stable growth can be noticed. In accordance with the present circumstances, the overall economic factors of the nation are used to contribute favourable position for the business of McDonald's. According to the economic report the organisation has contributed around £3.36 billion in the accounting year 2017, which is basically £54.5 billion compared with previous year performances. The organisation has provided £1.44 billion to their suppliers for maintaining consistencies in business productive demand level. Through such contributions it provides efficient development of business performances in the nation efficiently. According to **Social** factors, the present social trends are basically influencing the opportunity of disposable incomes through efficient services among individual customers. In the present busy schedule in the United Kingdom, with proper productive services it basically influenced the diverse set of consumer preferences and different marketing conditions. The business is basically based on some significant criticism related to their adverse health effects

related to productive units. On behalf of the present social aspects it can be considered that it generally providing a favourable business position for efficient growth of the business.

In this scenario, the company has an opportunity through developing the present menu and productive quality for providing efficient business developments. According to the present **Technical** approaches the organisation's present moderate research and development activities are basically used to provide a significant opportunity for industrial development. Present automation approaches of the business require significant changes along with mobile services related to the customer's home delivery services for efficient development in business performances. Through the implementation of such alternation the business can significantly develop their present operational structures and it is basically providing the favourable business position compared with other aspects.

In case of **Environmental** aspects, the organisation can develop these particular aspects along with maintaining sustainability to strengthen its brand and business performance. In the present Pandemic scenario, due to the impact of COVID- 19, the overall present restaurant services are decreasing rapidly and its impact over the economic condition negatively. In such a moment the organisation needs to provide diversity approaches for efficient supply chain related present climate position. Along with the maintenance of general **Legal** guidelines provided by the government related to health and safety factors the organization can positively provide an efficient business position in the food industry.

In accordance with the present performing structure **Market segmentations** are generally divided into four different aspects related to Geographical, Demographical, Behavioural and Psychographic. Out of which McDonald mainly used to follow the demographical context where market are segmented through age, gender, life-cycle stage, income and occupational aspect also. **Targeting customers** are generally in case of this company are related within the age of 8 years to 45 years, who are basically used to consume such productive food units. **Positioning** of a business are refers to the selection of business marketing mix, which will be suitable related to targeted customers segments.

According to the opinion provided by Baines *et al.* (2014), the process of marketing mix is generally recognised as a set of actions that generally is maintained by the decision makers of a business with the basic intentions of promotional approaches relating to a particular productive unit in the market. With the proper application of an efficient marketing mix evaluators are generally competent to provide some significant guidelines to put the right product in the right time in the right place for generating efficient volume of business profitability compared with the other organisation under the same industry.

In accordance with the present business operational approaches, in the case of McDonald's, the application of 4P's marketing mix is generally noticed. Through the positive application of such marketing approaches an efficient business environment with proper enhancement of business productive unit's demand is generally noticed. Those marketing mix in case of this organisation are used to contribute an efficient value with proper quality maintenance.

McDonald' is mainly engaged in providing food **Products** and its mainly popular for its different types of burgers. Along with those this business is also used to provide significant breakfast items, soft drinks and fish wraps, fruits oriented products according to present marketing demand. However, in the present Pandemic scenario related to COVID-19, the organization has provided efficient importance to the cleaning and sanitisation process for serving healthy productive units. In case of **Pricing strategies**, the business used to engage various price bundling strategies but basically offer bundling products including different meals according to customer requisition. It is mainly focused on psychological pricing strategies for providing and a portable productive unit for every customer. The business is providing a significant focus on the lower middle section in society, So that every person can use the server products by the business (The Economic Times, 2020).

At the present scenario, in case of business **Place**, the business has expanded to more than 110+countries along with more than 36,000 restaurants with different sections. Most of the restaurants are providing indoor and outdoor facilities so that customers can positively get the proper ambiances to enjoy their foods. Following the present scenario the organisation used to initiate some significant **Promotional** strategies for the primary purpose of expanding the overall business operation on a global basis. At the current pandemic scenario, the business is used to initiate some significant promotional approaches for aware customers about the positive-ness of productive services that are generally offered by the company along with proper maintenance of quality assurance.

According to opinion issued by Jobber (2016), along with the external environment the internal environment of the business is also used to influence the overall operational approaches significantly. Such internal factors are related to business Strength, weakness, threats and opportunities. In the case of McDonald's the present **Strengths** are related to business equity position on a worldwide basis, according to a survey around 42% of food productive services are produced by this organisation in the United Kingdom. Along with this Present balance sheet position and overseas market opportunities provides significant strength for this organisation. However this particular business also consisted along with some significant **Weakness**, which are related to decline in present market capitalisation value and current weak Product

development approaches along with decreased quality structures. Apart from that, the business is also having **Opportunities** related to international business expenses and also joint ventures along with some other supermarkets with the intentions of Business expansion on a global basis. Along with this, the present Operational performances also creates some significant **Threat** for the business, which are related to the application of government guidelines related to health and diet control, slowdown in Chinese economic position and the present pandemic COVID- 19.

As per the statement provided by Baines *et al.* (2014) application of **Porter's five forces** area also influenced the overall operational approaches of McDonald's significantly. In case of present **competitive rivalry** generally the business is providing the **strong or high volume of forces** due to availability of several other business establishments in the same industry like KFC. However, following the same prospect, the **bargaining power of buyers** also provides a **strong or high efficiency for forces** due to availability of different foods services. Compared with the customer the overall volume of the **suppliers bargaining power** provides **weak or low forces** due to availability of large numbers of suppliers and vertical integration of suppliers. In case of **threats related to substitutes**, basically this organisation provides **strong or high forces** due to the availability of several other food Producers and local bakeries. Even the overall switching cost of such productive units is comparatively lower, for such reasons it basically creates the strong forces for the business. As this industry is presenting the low switching cost and also a high variable capital cost function including significant cost of brand development opportunities the overall level of new entrance is basically providing a moderate force for this organisation.

According to the general concept of management studies, application of PESTEL analysis can be used to provide significant analysis of business external environments with the application of which the management can efficiently implement some relevant strategic plans for developing the present performance along with the business desired objective volume. However it also has some significant difficulties under which it basically creates a burden over the business management regarding business counselling approaches. Compared with the application of SWOT and five forces, the use of PESTEL can be completed to derive efficient business results for overall business development and further growth initiatives.

In accordance with the present invention it can be considered that both the internal and external environment is used to influence some significant opportunity as well as straight for the business in this present pandemic situation. However in order to overcome and also maintain a

positive business environment the organisation should properly apply the internal as well as external opportunities and strength of the business to enhance present productive volume along with proper and healthy productive opportunities for customers.

Recommendation

According to the present performance structure of the business it is basically recommended to the management to restructure their present marketing segment and marketing mix positively so that it can efficiently develop the volume of present business performances and other capacities. Additionally, it should also provide efficient focus on implementing some significance strategies in this present pandemic scenario for developing the overall business capacities and revenue structure along with creating proper awareness among the individual customers. Even the management should also restructure their pricing strategies and cost control initiatives for gaining a relevant amount of business revenues.

Conclusion

In accordance with the present enumeration it can be considered that the application of marketing mix and marketing courses are essential for a significant development of business performances. Following the same prospect an efficient importance is also required to provide the significant internal as well as external business environmental factors for efficient developmental approach.

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