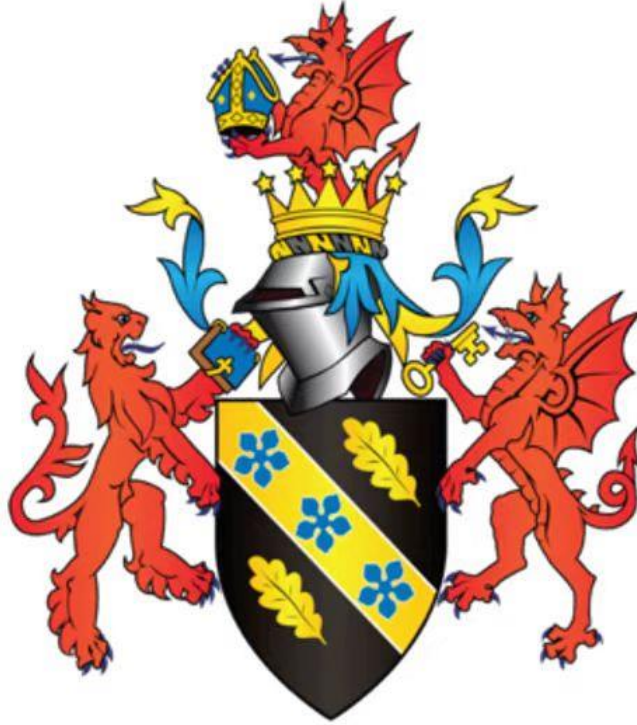


Marketing Management: McDonald



Student's Name: Xiaoyin Xie

Student's Number: 2218648

Module code: BMMB7012

Tutor's Name: Daniela Hellyer

Table of Contents

EXECUTIVE SUMMARY.....	3
INTRODUCTION.....	4
MAIN FINDINGS.....	5
CONCEPT AND IMPORTANCE OF MARKETING	5
MACRO AND MICRO MARKETING ENVIRONMENTS.....	5
TARGET MARKET	6
SELECTION OF MEDIA.....	7
MEASURING SUCCESS.....	8
CONCLUSION.....	9
RECOMMENDATIONS.....	10
REFERENCE LIST.....	11

EXECUTIVE SUMMARY.

Businesses need to do a lot of marketing for them to experience maximum profitability while still attaining customer satisfaction. McDonald's is an example of a business with an elaborate marketing management structure that acts as a guide toward the accomplishment of its objectives. This report intensively looks at the marketing structure at McDonald's and investigates the media used in marketing. It also accesses the feasibility and effectiveness of the structure in place. McDonald's heavily relies on social media as a way of marketing itself. This is done through posters and literature distributed to the public.

McDonald's main target market is the youth, women, and children. The business has experienced a few challenges in the implementation of its marketing strategy, for instance, many people have criticized their menu arguing that it is constituted of mainly unhealthy food. The franchise also experiences wrangles among the many outlets. This report suggests possible solutions to these shortcomings. The company should aim towards incorporating healthier foods with less sugars and fats into its diet. McDonald's should also have a policy that dictates employee treatment and problem-solving guidelines in case problems arise.

INTRODUCTION.

The major reason why firms are established is to make profits. A firm aims to know what its consumers want and seek ways to produce it and make profits at the same time (Iacobucci, 2018, p. 2). The interaction between the firm and the customers is termed marketing. All firms need to have a department or a section set aside for planning and overseeing marketing. The process of decision-making, planning, execution, and control of strategies that enable the firm to advertise its services or products to the public is called marketing management (Parmar, 2013, p. 4). It refers to the execution of activities that causes both the firm and the customers to benefit. Every firm needs very elaborate and functional marketing management so that they can achieve the set goals. It is believed that only monopolies pay less attention to marketing since they offer services that are unique and have already established themselves in a way that needs little to no publicity. When it comes to other normal businesses that are far from being monopolies for example a business that deals with the production and sale of food to the public for instance McDonald's, it is very important to have in place a system that gives provision for the engagement of the consumers in the services offered so that they can give ideas about the food they want so that the firm can offer it to them. This makes the customers satisfied and at the same time, the company makes profits from the sales. This paper critically examines the role and importance of marketing management and delves deeper to evaluate the existing marketing strategies employed by McDonald's and thereafter sheds light on the weaknesses of the marketing management in play. It finally gives recommendations on what can be done to address the weaknesses pointed out.

McDonald's is a renowned fast food chain business established in 1955 by Ray Kroc its headquarters is based in Chicago (McDonald's, 2022). It is renowned for its consistent menu marketed and sold in its over 38000 outlets in 100 different locations all over the world. The company markets itself through its unique menu which has small alterations depending on the culture and other factors that affect marketing management that is unique to some places. The marketing management at McDonald's is spearheaded by a Global Marketing manager who oversees the planning and implementation of different marketing strategies that can be attributed to the growth of the restaurant since its establishment. The company makes good use of socials to make sure it is known and that the sales made are increasing with an increase in population. McDonald's is not a monopoly but it has managed to be one of the most renowned food businesses for some time. Through publicity and the elaborate strategies put in place, the business has been able to sell over 99 billion burgers as of 2017.

MAIN FINDINGS.

CONCEPT AND IMPORTANCE OF MARKETING

Marketing is the process of making the consumers involved in the goods and services offered to them and at the same time generating money for the firm involved. The marketing concept dictates that the firm should aim at producing what people want to purchase not sell what they like to produce ((Parmar, 2013, p. 5). Marketing is birthed when what is supplied in the market is more than what is demanded. When this happens, the firms need to conduct advertisements to publicize their product as one with the best value among the many products available in the market. Marketing is essential because it enables a firm to achieve the institution's goals and ensures profitability. It also ensures client satisfaction and to a large extent plays a role in the business interest since it encourages innovation and creativity among people. For a firm to achieve its marketing goals it has to be more relevant and effective compared to the other firms that offer competition to it in terms of meeting consumer needs. It is very important since it is through it that the firm learns the needs of the clients and works toward bringing customer satisfaction.

McDonald's as a business uses money as the major resource in marketing management. Money is needed to make alterations that act as marketing activities for the business. For example, furnishing the outlets to make them appeal more to the clients is a very good way of marketing that involves the use of money by the firm (Day and Elliott, 2003). The company also uses the monetary resource to retrain its staff to make them exhibit professionalism when dealing with clients including the ones that are very difficult to deal with. Some time ago there were reported cases of employee-customer wrangles that could have dented the image of the company. This called for immediate damage control which came in the form of training employees to help them relate better with the customers they served.

Another key resource used by the company based on the above argument is human resources. The employees are encouraged to heavily invest in their relations with the clients. This would in turn help sustain the customers in the shop by selling to them the idea that the people serving them are experienced and very capable of meeting their demands in a professional and friendly way.

MACRO AND MICRO MARKETING ENVIRONMENTS

Marketing environment is the name given to all variables that affect the business in any way. The macro marketing environment of a business refers to the forces outside the company that affect the organization, for example, the political environment, economic position of the country, cultural and societal factors, technological factors, legal factors, competition from other firms, and the natural surroundings of the business (Parmar, 2013, p. 9). On the other hand, the micro-marketing environment of a firm comprises factors

close to the company that affects its ability to perform. These factors are the company, the suppliers, the marketing intermediaries, the customers, and the public.

McDonald's macro marketing environment has affected the marketing strategies put in place because the different franchises based in different countries have had to align their marketing strategies with the laws of the country in question. For example, in McDonald's restaurants in countries such as Saudi Arabia, the menu which is a form of marketing is very different compared to McDonald's in non-Muslim countries (Bostock, 2020). The marketing strategy in such a country is influenced by the culture that is very particular and states that the sale of pork products is illegal. The marketing management is therefore fixed to the products permitted to be sold in a given country.

Another macro marketing environment affecting McDonald's is the politics in some countries. A country like Saudi Arabia's marketing strategy must incorporate some political sentiments for it to sit well with the country's leadership. In 2017, McDonald's published an advertisement declaring their support and loyalty to Crowned Prince Mohammed bin Salman of the time. Such macro marketing environments influence the marketing strategies to be set up at any given time (Bostock, 2020). The demography of any given location determines the marketing strategies to be employed by a company for example McDonald's pays close attention to the ages of the target audience before a marketing strategy is brought to play in any of its outlets. The legal system of a country or location also influences the marketing strategies implemented. In a country where tax requirement laws are harsh, McDonald's is very subtle when it comes to the method it partakes in as a way of marketing. The restaurant has to have the culture, demography, politics, and technology of a business before marketing strategies are decided on or even executed.

The company itself is the first micro-marketing environment of any company. The personal company policies determine the strategies to be put in place. The intermediaries or middlemen help the company to move its products from one place to another. They determine how far and wide marketing needs to go based on the merchandise that is feasible to be moved. McDonald's suppliers also play a big role in showcasing (mcdonalds2016, 2016). Customers are a very important part of the micro-marketing environment of McDonald's since they are the target of any form of marketing. The business works towards customer satisfaction therefore it is forced to consider the customer when coming up with any marketing strategies. For instance, in Arab countries, the customers are majorly Muslims so McDonald's has been forced to come up with marketing that assures the consumers that the food is Halal and that their needs have been met accordingly.

TARGET MARKET

McDonald's target market mostly consists of women, young people, children, and families as a unit. Women because research conducted in Korea showed that it is easier for a woman to walk into a fast-food restaurant and order food for herself without feeling

embarrassed or uncomfortable. Also, the number of women who are alcoholics is less than men therefore women are likely to pay attention to the marketing of a firm that provides non-alcoholic drinks (Anaf et al., 2017). For women with children, McDonald's is preferable to them because they will not cross paths with people who are on drinking sprees as they eat peacefully with their children. Children also enjoy being in spaces with food, drinks, and fun because they are believed to be fun-loving and easygoing. Families are the biggest target market of this fast-food restaurant. This is because most families enjoy outdoor gaming and eating. Young people are also targets of McDonald's marketing because they prefer to have the majority of their hangouts in affordable food joints. McDonald's is however working to have a male audience because they tend to be flexible and rarely take time in the food joints since they move away as soon as they finish eating.

The target audience is decided by the top leaders in marketing management who sit and draw a structure dictating how the advertisement will be done and who the target audience will be. The materials used to capture these audiences are McDonald's literature for example pamphlets and brochures, and marketing strategies that include the use of incentives, and appealing offers and deals. It is a tradition that most of the products in this restaurant are introduced to the public through the use of television. The advertisements are structured in a way that speaks to everyone hence making the restaurant market itself as a lover of family and good times. McDonald's is very consistent when it comes to incorporating customer preferences into their menu therefore it is easy for the consumers to give their personal and genuine opinions knowing fully well that they matter. The company also makes very good use of its website by having pictures of happy families having meals together (Anaf et al., 2017). McDonald's is very serious when it comes to maintaining its image and therefore engages in charity acts such as Victoria Police and Ronald McDonald's House charities. This paints the restaurant as a business that gives back to the community.

Another form of marketing is the use of posters and sign boards that are placed in busy places. McDonald's is a large business that houses a huge number of employees. Through their interactions with the customers daily, they are encouraged to offer the best services to the customer as a way of marketing. The company had resulted to retrain its staff to be more professional as a way of marketing itself (Day and Elliott, 2003). These marketing strategies have been effective to a certain extent and have yielded a good number of desired results over time.

SELECTION OF MEDIA.

The main channels used by McDonald's as ways of marketing include the use of the internet and various social media platforms. The business has a very informative and engaging website where most of its information is easily made available to customers. There are images of happy people eating and engaging in conversations in various outlets. It is also on the website that people can access the literature used as means of advertisement (McDonald's, 2022). The business also has a very intense networking department that embraces creativity and the innovation of the members who come up

with ideas that are beneficial to the business. Social media platforms are also used to showcase the various community projects the firm engages in to create a Halo effect. This has been effective because it enhances the reception of the firm's activities by the public making marketing objectives attained to a very large extent (Anaf et al., 2017). The strategies have made McDonald's a brand that people relate to and make them feel like the firm is giving back to the community. Some of the marketing strategies have not worked as intended. The graphics and packaging containing food from the restaurant have been a major area of critics. They portray the company as a business that is not keen on ensuring that the customers' health is a priority because their specialty is on food and drinks that contain too much fat and sugar (Anaf et al., 2017). They have been put in the limelight several times because of the nature of the food they sell and advertise.

MEASURING SUCCESS

One of the strategies McDonald's uses to gauge the effectiveness of its marketing campaigns and strategies is the use of questionnaires online. McDonald's intensely uses questionnaires on their social platforms which are answered by clients and then they conduct evaluations on the answers. The main aim of their marketing strategy is to bring contentment to the customers therefore the customer is the best source from which effectiveness and success can be judged. When one goes to their social media platforms, some surveys ask the customers about the quality of food the service they received in the outlets, how the delivery process was for the client, and the prices they paid for the food they obtained among other things. After the collection of data McDonald's sits and evaluates its success (Harrington, Ottenbacher and Fauser, 2017). Through these channels, it is clear that the main objectives set by the business have been achieved to some extent due to some stereotypes created about McDonald's. A lot still needs to be done to ensure that the customers are happy. The food market is very competitive therefore the force behind marketing and publicity to the client needs to be very strong and consistent.

What is focused on majorly in this assessment is the level of customer satisfaction, the nutrition in their food, the affordability of their cost, and the speed of their service. The parts that have not attained maximum success when it comes to their operation or marketing can be breached by being more involved with the customer and seeking feedback face-to-face during their real-life experience at the shop or during delivery.

CONCLUSION

Based on the research above, it can be concluded that McDonald's is a company that is very strategic when it comes to marketing management. The biggest aim and objective are customer satisfaction. This is achieved through the quality of food offered the price which is considered affordable the speed of service and the delivery options available. It is a concern that many fast-food restaurants including McDonald's are not very keen when it comes to the nutrition of the food they serve to the customers. The menu has been flagged several times since it mainly constitutes of foods rich in fats and sugars. This is a big blow since the menu is one of the marketing strategies in place A study showed that there is a very high report rate of obesity mostly among children due to the consumption of foods from such businesses (Mills and Thomas, 2008). This is a big blow to the marketing management strategies of the company.

Another challenge that is experienced by McDonald's as a business is poor coordination and cooperation between the franchises in the different locations. This is a major challenge because marketing is not done well through all the wrangles and disagreements (Littman, 2019). The employee pay across the franchises varies with others being below the required amount (Valax, 2012). This makes the employees not fully affect the marketing strategies set aside for them to effect. It has become a struggle for the head to bring the franchises together and that is one of the reasons why McDonald's sales are reported to be depleting. The decision-making procedure in new franchises is somewhat vague since they are still trying to find their ground (Mcgill and Slocum, 1994, p. 32). The initial franchises are fully operational on the 385-page manual which makes it easy for the leadership to move past hurdles that come in the way as they implement the marketing strategies in place.

RECOMMENDATIONS.

- McDonald's should revise their menu and incorporate foods that are rich in vitamins and other nutritional elements. They should reduce the amount of sugar and fat they used in the preparation of their food and pay close attention to the impact it has on the bodies of those who consume it. Since children are the majority consumers of the food produced by McDonald's they should have a menu specifically for children that is rich in the food groups that build the children's bodies positively. The graphology used on the menu should be reasonable and logical in the eyes of the public. They should not portray an image of unhealthy living but should employ the use of greens and foods that are healthy which will make people feel like the company cares about the health of their consumers.

- On the issue of coordination and cooperation between the franchises under McDonald's, there should be a policy that addresses how conflict and wrangles are dealt with by the company. Audits should be done regularly on the employee pay and revisions be done to ensure that the employee's needs are addressed and are handled in a way that will enable them to have the morale to promote the business activities. The working conditions of the employees should also be put into consideration. When the franchises are being renovated focus should not be on the places used by customers alone to be looked into but the working area of the employees should also be renovated.

REFERENCE LIST.

Anaf, J., Baum, F.E., Fisher, M., Harris, E. and Friel, S. (2017). Assessing the health impact of transnational corporations: a case study on McDonald's Australia. *Globalization and Health*, 13(1). doi:10.1186/s12992-016-0230-4.

Bostock, B. (2020). *I visited a McDonald's in Saudi Arabia to see how it compared to the US and UK, and can say the McArabia and Chicken Mac are a force to be reckoned with.* [online] Business Insider Africa. Available at: <https://africa.businessinsider.com/strategy/i-visited-a-mcdonalds-in-saudi-arabia-to-see-how-it-compared-to-the-us-and-uk-and-can/kpp5fv0> [Accessed 14 Dec. 2022].

Day, S. and Elliott, S. (2003). THE MEDIA BUSINESS: ADVERTISING; At McDonald's, an Effort to Restore Lost Luster. *The New York Times*. [online] 8 Apr. Available at: <https://www.nytimes.com/2003/04/08/business/the-media-business-advertising-at-mcdonald-s-an-effort-to-restore-lost-luster.html> [Accessed 14 Dec. 2022].

Evans, J.R. (2011). Retailing in perspective: the past is a prologue to the future. *The International Review of Retail, Distribution and Consumer Research*, 21(1), pp.1–31. doi:10.1080/09593969.2011.537817.

Harrington, R.J., Ottenbacher, M.C. and Fauser, S. (2017). QSR brand value: Marketing mix dimensions among McDonald's, KFC, Burger King, Subway and Starbucks. *International Journal of Contemporary Hospitality Management*, 29(1), pp.551–570. doi:10.1108/ijchm-06-2015-0300.

Iacobucci, D. (2018). *Marketing Management*. 5th ed. Boston, Ma: Cengage Learning.

Littman, J. (2019). *4 challenges McDonald's new CEO must overcome.* [online] Restaurant Dive. Available at: <https://www.restaurantdive.com/news/4-challenges-mcdonalds-new-ceo-must-overcome/567117/>.

McDonald's (2022). *Our History: Ray Kroc & the McDonald's Brothers | McDonald's.* [online] mcdonalds.com. Available at: <https://www.mcdonalds.com/us/en-us/about-us/our-history.html>.

Mcgill, M.E. and Slocum, J.W. (1994). *The smarter organization : how to build a business that learns and adapts to marketplace needs*. New York: J. Wiley.

Mills, J.E. and Thomas, L. (2008). Assessing Customer Expectations of Information Provided On Restaurant Menus: A Confirmatory Factor Analysis Approach. *Journal of Hospitality & Tourism Research*, 32(1), pp.62–88. doi:10.1177/1096348007309569.

Nordhielm, C.L., Dapena-Barón, M. and Wiley, J. (2015). *Marketing management : the big picture*. Hoboken: John Wiley & Sons, Copyright.

Parmar, J. (2013). *Marketing Management*. Lulu.com.

Valax, M. (2012). Beyond McDonald's CSR in China: corporation perspective and report from case studies on a damaged employment reputation. *Strategic Direction*, 28(11). doi:10.1108/sd.2012.05628kaa.006.