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Understanding and Engaging in the Customer Experience

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Introduction

Currently, companies have changed their ways of providing services to their customers. Earlier they used to provide service where they would launch products and services according to their preferences (Aune, 2010). But now companies are more likely to bring in products and services in the market according to the demands of the customer and their wishes since customers always thrive for the product consuming which they will get the scope to fulfill their desire. McDonald's is one of the largest food chains in the UK and has 38,695 restaurants across the world (Mcdonalds.com, 2020). Being a quality control officer, I have got the scope to imply quality management tools in the pandemic situation to ensure quality output everywhere. In this report, I have analyzed the factors that influence McDonalds ability to maximize customer value along with the effectiveness of proper quality management process to fulfill customer requirements.

1. Critical analysis of the factors that influence McDonalds' ability to maximize customer value.

To provide maximum value to the consumer's organizations needs to figure out the goal of them and the workability of their activities according to their ability (Galetto, 2011). McDonald's is the largest food chain in the world. They have superior delivery, supply chain and sustainable policies for which they are a common favorite place for people. During the COVID 19 pandemic situation, every restaurant is facing challenges due to the change in choosing food by the consumers. In this situation, McDonald's has to offer unique value to cope with this situation. To figure out the ability of McDonald's for providing maximum value to the customer's value chain model, value net model is worth to be analyzed. The current ability of McDonald's to provide maximum value to the consumer is discussed here –

Value chain analysis

Value chain analysis is considered to a framework that is used to identify the activities which can create and bring in value for the organization and consumer in the business (Wallo et al., 2019).

Inbound logistics: Inbound logistics refers to the business activities accomplished for receiving materials, warehousing, controlling the inventory from the suppliers (Aune, 2010). The raw materials collection process from the suppliers is very strong in McDonald's along with warehousing. This is why, MacDonalld's bring in raw materials to restaurant based on the customer's demand. Customers never go away from the restaurant for the shortage of the food items for proper inbound logistics responsible to carry the materials from the warehouse in time.

Operations: Operations are considered as the procedure to convert the raw materials of the business into the final product or service for the consumers. This is related to factory and manufacturing work. 80% of McDonald's restaurants are owned by the franchisor of McDonald's where these franchisors have to collect the raw materials from the actual head office of McDonald's to prepare their foods (Mcdonalds.com, 2020). Thus in any country or place where McDonald's has not opened a branch yet, people out there can find them available there through the franchising of it. In the current pandemic situation, the franchised

restaurants are strategically guided by the owner of them. They are adding food materials that have a health benefit to people not causing any immunity losing matter.

Outbound logistics: Outbound logistics are considered as the business activities used for distributing the final goods to the consumers (Heady and Smith, 2013). It requires storage and distribution channels, supply chains. McDonald's restaurants are operated in three ways. They are sit-down restaurants, drive-through and the other is counter-service. Since the current lockdown situation obliges people to not coming out or stay in a crowded place, in this situation the drive-through and counter service is the best-suited platform to serve the customers with their needs since they cannot sit in the restaurants and enjoy foods like before.

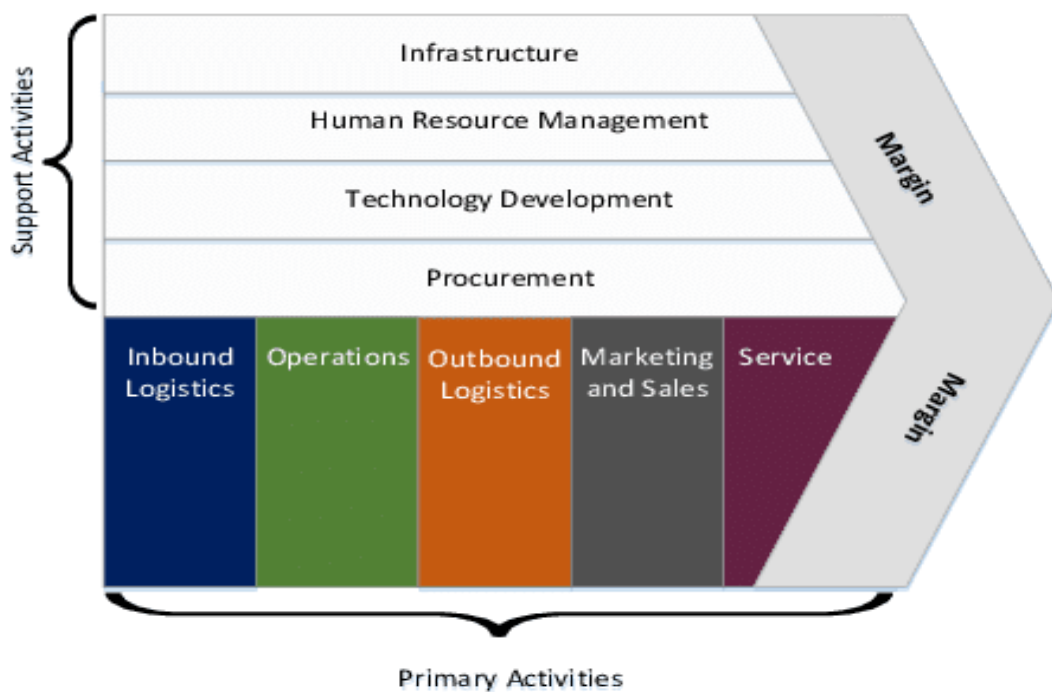


Figure 1: Value chain model

Source: (Lutz, 2014)

Marketing and sales: The responsibility of marketing is to communicate with the customers and know their needs and requirements along with the procedure to add value to the customers. Sales are responsible to ensure the reach of the goods to the customers (Ludwiczak, 2016). McDonald's advertisements are hugely produced through print media and social digital marketing. Their sales team is working extensively on coping with the requirements of consumers in the pandemic situation.

Service: Service is the accumulated matter of customer service, maintenance, refund etc. During the pandemic situation, McDonald's' service team is working with so much dedication and creativity. Since people cannot go out to purchase their necessary things, McDonald's is providing home delivery service to them with the least charges for this. Even the restaurants owned by the head office of McDonald's have offered 24/7 delivery service to the customers so that people can enjoy their food at any time.

Value net model

The value net model is an elaboration of Porter's five forces model is considered as the framework to analyze the capability of the organization to meet the needs of consumers (Nahm, 2013). It has four components – customers, competitors, complementors, and suppliers. **Customers:** Customers are the community whom the organization targets to gain its goal by providing goods and services. McDonald's believes in the strategy of more customers, more revenue since their target market is the middle and higher class for the people through their pricing is arranged in such a way that every class of people may find something perfect for their match (Lax and Mau, 2013). During the COVID 19 pandemic situation, people have become more conscious of their food habits since it has been found that obesity is prone to reduce the immunity system in people. The main product of McDonald's is a fast-food item for which they may see deem as their customers in this situation.

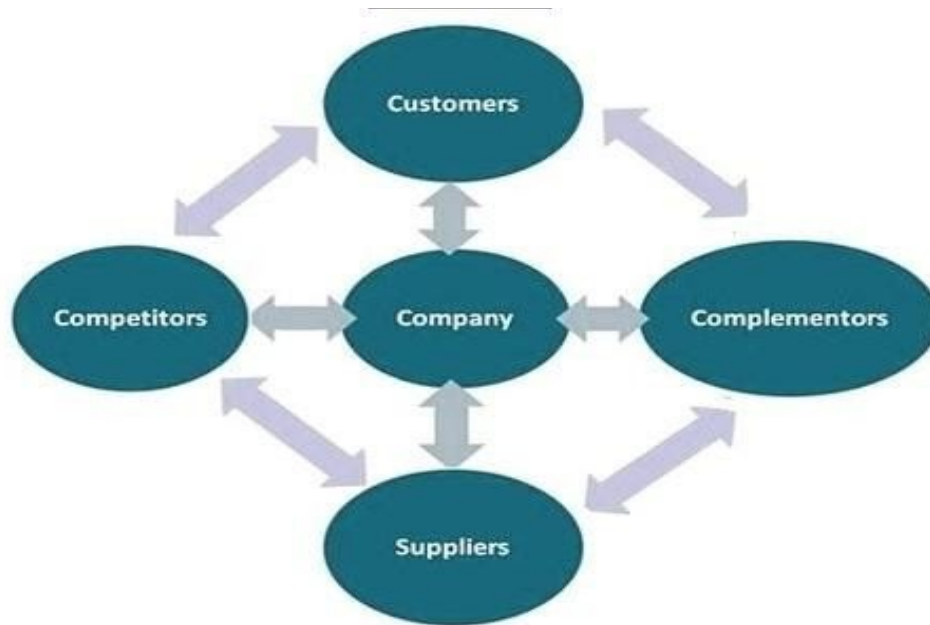


Figure 2: Value net model

Source: (Tian, 2017)

Suppliers: Suppliers are the community from whom the main organization collect their raw materials to prepare the final products. The main supplier of meat-related raw materials McDonald's supports a huge portion of them all by ownself. The rest of the needed materials are collected from suppliers around the world (Walters and Rainbird, 2017). The maximum firm of McDonald's is in New Zealand. During the pandemic situation when flight and shipment among countries have been stopped, they faced a shortage of materials, but after the shipment policy got flexible they have mended their shortage by fulfilling the demand of materials.

Competitors: Competitors are considered as the parties who are fighting against the particular business to establish their one in the market. It is not necessary the business competitors must produce the same type of product, rather competitors are the ones who can offer something to fulfill the temptation for the particular needs of consumers (Richardson, 2016). The need to fulfill hunger can be solved by McDonald's' burger, or Pizza hut's pizza, or simply any other food items. This is why McDonald's always promotes themselves in such a way to make themselves superior to other cuisines of food providers. In the pandemic situation, there is a wave of preferring healthy, organic food items that are contrary to the

policy of McDonald's. To stand strong in this war, McDonald's has to prove that they are a healthy option for consumers.

Complementors: Complementors are the parties who provide opposite types of products to the customers but together provide a different value to the customers (McNair, 2013). Such as – bread and butter, fast food and soft drinks. McDonald's opted for such a thing to reach more customers along with the complementors' target market too. For this, McDonald's has gone in affiliation with Pepsi several times to make a perfect duo of fast food and drinks to the people.

McDonald's has several unique strategies that have made them successful in business across the world. In the current era, organizations do not focus on the product or service they prepare rather what value they providing to the customer whether the product or services are alike with others (Aune, 2010). Value-based business is sustainable in the market. McDonald's has expertise in some fields which is beneficial to maximize the customer value of them. They are discussed below –



Figure 3: Dimensions to maximize customer value

Source: (Galetto, 2011)

Conformance of requirements: Conformance of requirements are considered as the thing which makes the consumer intentional about making the purchasing decision of a particular product. McDonald's has shaped its business strategy keeping some drivers of people in mind. For people who love to hang out with friends, they have dined in the facility and mega offers. Currently, people are more concentrated on healthy food to reduce the risk of fewer immunity systems in the body. In such a situation McDonald's has launched a "happy-healthy meal" for health-conscious people.

Product selection: The value proposition of a product is selected based on which organization offers and promotes all their products and services (Wallo et al., 2019). McDonald's' value proposition of their product is tasty food along with a cheaper price which is loved by all.

Price and brand: A common trait of people is that they always want products and services when they think they are getting something more valuable than the price they are paying for (Heady and Smith, 2013). McDonald's has utilized this thing very efficiently. They offer people a less costly product for bulk and mega purchase of their product at the same time. This thing encourages people to buy more to get a reduction in the purchased price and get more value.

Value added service: One of the most highlighted value offered to consumers by McDonald's is providing convenient service to customers. McDonald's has launched the first-ever drive-through service where people can purchase foods not even getting down out of vehicles which depicts how fast their product delivery is. This has become convenient for people at large (Lutz, 2014). Even during the pandemic situation, launch of home delivery service within 1 hour at the least possible charge is another dimension of adding value to make it convenient for the consumers. Though McDonald's targets the middle class of people they have shaped up their menu in such a way where each class of people will find something suitable according to their taste and demand. They have food items starting from basic to gourmet ones too. Even during the pandemic situation when they started to lose some customers who are trying to adapt to healthy fresh food items, they have launched product items targeting the health-conscious people.

Relationship and experience: McDonald's maintains a powerful relationship with their customers. They provide loyalty points, cards to the regular customers of their brand. It is very normal when a restaurant has many franchises across the world, there is a sheer possibility of quality reduction when there is no direct governance to those stores. But McDonald's has not faced any legal claim against the quality of the food which is overwhelming to the customers this is why they believe they are getting the best food at the minimum price. The food offering along with the soothing environment of McDonald's provides customers an enjoyable experience which increases the customer value.

2. Identification of the systems that supports McDonald's quality processes and providing a critical understanding of the extent to which those systems are effective in meeting customer requirements.

In the current era, the policies of companies have changed a bit. Previously organizations ought to launch products and services according to their wishes and push those products in the market. But now, before launching or adding any item in the market, organizations analyze the mind of customers whether they require it or not along with how to fulfill the requirements of customers (Ludwiczak, 2016). This is considered more sustainable when companies pay heed to the requirements of customers in terms of serving customers.

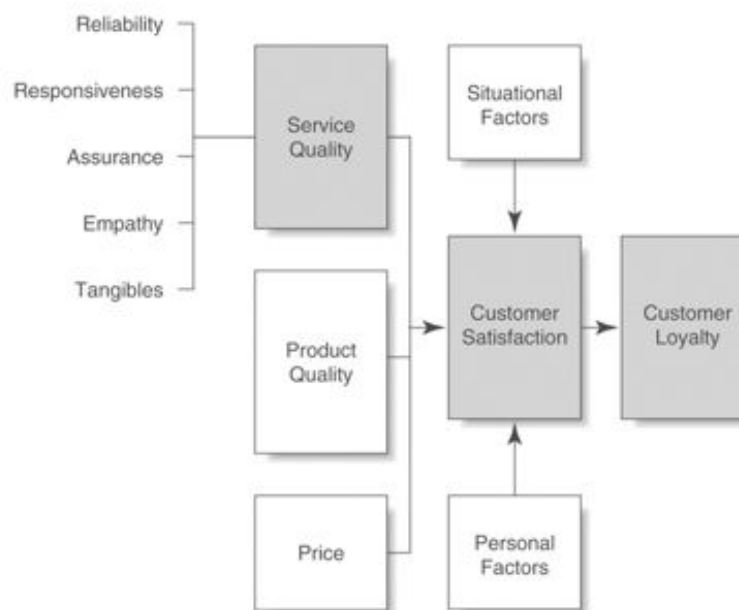


Figure 4: How quality service & product fulfil customer requirements.

Source: (Galetto, 2011)

Since I have been working in McDonald's as a quality control officer for six months I have got the scope to observe directly on how the board members and authorities bring about new things and modify their business activities according to the demand of customers. The goal of organization is ensuring loyal customers which originates from providing quality, service & product. This ends up having customer satisfaction of that brand binging about customer

loyalty which is the utmost level of meeting customer requirements. To ensure the quality in service & product McDonalds can practice these items to ensure customer requirements –

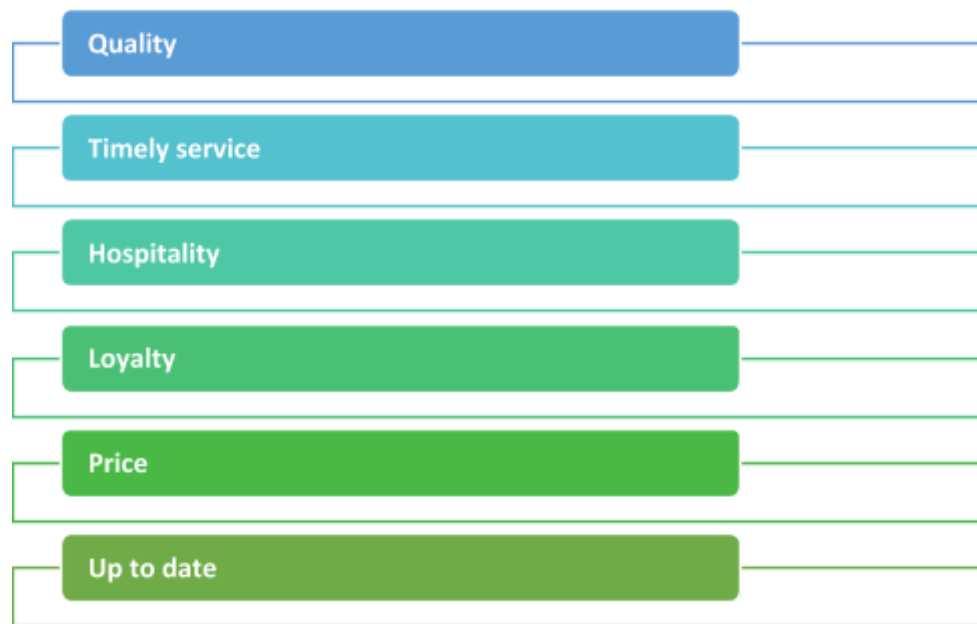


Figure 5: Customer requirements from restaurants

Source: (Nahm, 2013)

Customers usually require some criteria among which if one of them is missing at the restaurants the customers may choose to not come over there again. For the restaurants, the most important requirements of customers are that the foods must be fresh and quality (Lax and Mau, 2013). Even the lack of quality in preparing the food is considered as a crime. This is the basic requirement of customers that the food must be well prepared. There is a paradox between the timely service and fresh food. Customers want fresh food but at the same time, they do not want to spend much time getting that food. So, the restaurants have to keep this thing in mind. McDonald's has launched its drive-through and counter system service for timely service. Price plays a vital role as a requirement for the customers, similar food adding with much value is considered as a gourmet product for which customers are willing to pay more. A significant requirement of customers is they want up to date service from restaurants (Tian, 2017). Such as in the pandemic situation, they expect healthy food from fast-food chains, home services from restaurants and so on. Restaurants have to keep pace with these requirements all the time as possible. The environment of the restaurant plays a role in terms of adding value to the requirements of the customers. Customers intend to pay more bills or

tips with average food when the environment for the restaurants is very good and service as well.

Being a quality control officer in McDonald's I have implied several quality control techniques in the management as a trial and error basis to figure out which technique works best on this organization in terms of producing quality service to fulfill customer requirements. They are –

Total Quality Management process

Total quality management is a process where the organization focuses on the customer and incorporates decision making employees in a continuous process (Walters and Rainbird, 2017). The TQM model is basically used in the customer-oriented organization. In McDonald's, I have implied the TQM model in the management to increase the quality so that it inherits the fulfillment of customer requirements.

The TQM process focuses on customers. So when it is implied in McDonald's it has been observed that the decisions were customer-centric. In the global pandemic situation, when the restaurant business was facing downfall because of choosing healthy food by the customers, McDonald's opted for the decision to provide the same food items with health benefits. This has ensured the requirement for quality for customers. Total employee involvement ensures the active participation of employees in physical work along with giving opinions (Wallo et al., 2019). This has encouraged employees to work for the goal of this organization. And every employee has been friendly and helpful to the customers. This has fulfilled the requirement for hospitality. TQM is process-oriented which ensures whenever a decision is taken the full-fledged process of this function is acknowledged by the employees. It helps to reduce confusion and employees can work structurally in McDonald's. For structured method maintenance, it has improved the quality of work and reduces miscommunication.

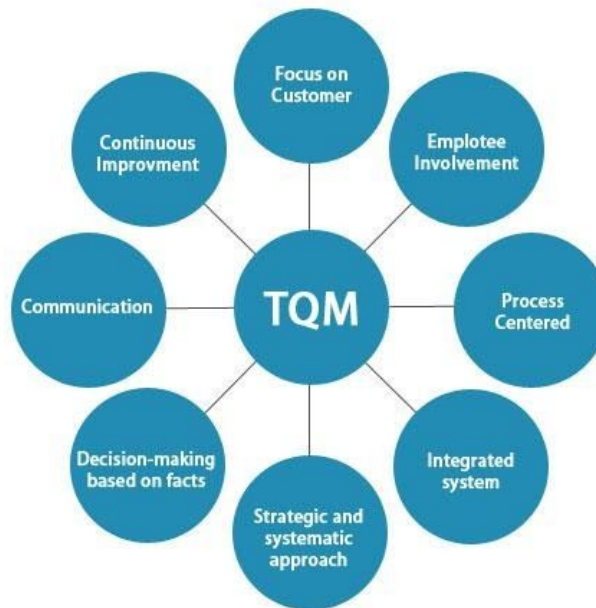


Figure 6: TQM model

Source: (Galetto, 2011)

In McDonald by implying the TQM model, it has been benefited by the strategic and systematic approach. A strategic approach helps the employees know how to make the goal happen in reality (Heady and Smith, 2013). Thus, when McDonald's took the decision to go online to get orders, it took very little time to convert the employees' traditional mind-set into the updated one. Along with getting quality products, customers expect organizations like McDonald's to also take care of their employees too. TQM is an employee based model. So, when the global pandemic has begun, McDonald's decided to shut down its stores in the lockdown time to reduce the health risk of its employees. TQM encourages to take decision based on facts. As soon as the pandemic situation arises, McDonald's collected data and analyzed it to figure out the nearer future condition based on which they have taken their decision. The up to date decision has benefitted the customers to get service through the online platform.

ISO 9001

ISO 9001 is a certified standard for an organization that is given when the management is run following a proper process to hold quality in the products and services (ISO 9001, 2020). Business organizations opt for achieving this standard since any organization having this title

is considered as internationally certified for the quality products and services. ISO 9001 is a compiled matter of five management process. They are – quality manual, quality policy, quality objectives, quality records and quality documents (Lutz, 2014). While working in McDonald's I have applied for ISO 9001 at the International Standardization Organization for which I have been suggested to ensure some policies in this organization. Through this is still on process but some of the criteria of ISO 900 has been achieved to date. The quality manual is the process of recording all the process of collecting the raw material to reach the products to the customers. This phase is important as most organizations emphasize quality products by pressurizing their employees in an agitated environment (Ludwiczak, 2016). For not letting this happen, ISO 9001 has included a quality manual system where how the employees will be managed and the work procedure is recorded. Having a quality manual in the McDonalds clears up the doubt of customers on how the foods have been prepared. Here customers can be sure about the quality of the food which fulfills their requirements for quality.



Figure 7: ISO 9001 process

Source: (Nahm, 2013)

Quality objectives in ISO 9001 portray what objectives the organization possesses. Though maximum business organizations fix their objectives related to earning profit but here the process check their way to earn a profit, the fare policies etc (Lax and Mau, 2013). Since McDonald's ISO 9001 has been implied and for this, the objectives have been set in a proper way which depicts that this organization is working to provide quality food at a reasonable

price across the world. Even being one of the largest fast-food giants, McDonald's has not faced any issue regarding their quality this is why customers can get their demand for proper maintenance here. McDonald's has started to record up to date. They have fare investment and pricing policies (Tian, 2017). By following ISO 9001 McDonald's has recorded all its activities which are guaranteed by ISO that they have fare policy in cost icing. So, the customers get their fair purchase price in this restaurant.

Continuous improvement process

The continuous improvement process is referred to as the quality management tool which is implied through continual improvement. This improvement takes place in products, services, processes in an improvement based way which is also known as an incremental improvement (Walters and Rainbird, 2017). McDonald's' continuous improvement process has been implied. The aim of this process is to achieve efficiency and maintain quality management in the organization. While implying quality management tool in McDonald's, to check so the cost does not increase, the PDCA cycle is used which ensures the proper utilization of this method achieving efficiency.

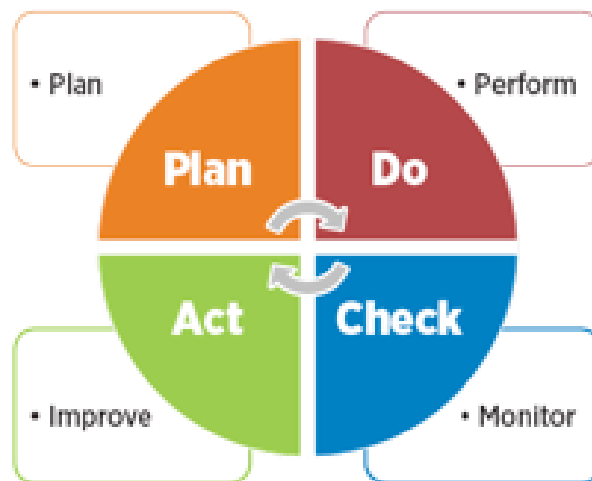


Figure 8: PDCA cycle

Source: (Richardson, 2016)

PDCA cycle has four continuous processes that proceed through a cycle. They are – planning, checking, acting and doing. The first step is planning anything (McNair, 2013). When it comes to the PDCA cycle in McDonald's the first phase has taken place in a random decision

to see whether it works out for managing the quality in the organization to fulfill the requirements of customers or not. In the pandemic situation, initially for tackling the situation, McDonald's decided to shut down the dine-in activities in the restaurant. They have decided to run on online service and takeaway service for the customers. This decision fulfill the customers' requirement is an up to date restaurant who decided to serve through online orders whilst other restaurants opted for complete shut-down.

After a period of time, McDonald's checks the reaction of customers whether they are served properly or not. They collected the feedback of customers and asked for suggestions to fulfill their requirements. This has fulfilled the requirements of customers for prioritizing their opinion to serve them (Klaus, 2015). Later, after checking all the activities and opinions they got the vibe that customers want to get back to the dine-in system of McDonald's. Then the authority for McDonald's took steps on maintaining hygiene, safety and security for people which ensures the Act step of the PDCA cycle in the continuous improvement process. These steps taken by McDonald's for ensuring the customer requirement fulfillment has ensured the hospitality of McDonald's towards customers and how they have managed the environment safer for the customers.

Conclusion

In this report, there has been a comprehensive discussion on understanding the customer experience through the different conditions of business organization. During the pandemic situation where every business has faced some unexpected change in their desired outcome,

McDonald's has been successful until now to tackle the situation. It has been found that affiliation with complementors, win-win pricing, quality service and goods, value proposition, and convenience are related to increasing the customer value in McDonald's. This report has found that customer requirements from McDonald's are quality & timely service, hospitality, loyalty, proper pricing. It has discussed several quality management processes along with the TQM model, PDCA cycle and ISO 9001 to analyze the effectiveness of them in meeting customer requirements. The TQM model and the PDCA cycle have been fully efficient to generate quality management. Though the ISO 9001 achieving process is yet to be accomplished but it will bring about customer engagement eventually after making the benchmark of acquiring this certificate.

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