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Subject: COMMUNICATION SKILLS

McDonald

History of McDonald:

The McDonald family moved from Manchester, New Hampshire to Hollywood, California in the late 1930s, where brothers Richard and Maurice McDonald ("Dick" and "Mac") began working as set movers and handymen at Motion-Picture studios. In 1937, their father Patrick McDonald opened "The Airdrome", a food stand, on Huntington near the Monrovia Airport in the Los Angeles County city of Monrovia, California with hot dogs being one of the first items sold. Hamburgers were later added to the menu at a cost of ten cents with all-you-can-drink orange juice at five cents. In 1940, Maurice and Richard moved the entire building 40 miles (64 km) east, to West 14th and 1398 North E Streets in San Bernardino, California. The restaurant was renamed "McDonald's Bar-B-Que" and had 25 menu items, mostly barbecue.

In October 1948, after the McDonald brothers realized that most of their profits came from selling hamburgers, they closed down their successful carhop drive-in to establish a streamlined system with a simple menu which consisted of only hamburgers, cheeseburgers, potato chips, coffee, soft drinks, and apple pie. After the first year, potato chips and pie were swapped out for french fries and milkshakes. The carhops were eliminated, making the new restaurant a self-service operation. Richard and Maurice

took great care in setting up their kitchen like an assembly line to ensure maximum efficiency. The restaurant's name was changed again, this time to simply "McDonald's," and reopened on December 12, 1948.

In April 1952, the brothers decided they needed an entirely new building in order to achieve two goals: further efficiency improvements, and a more eye-catching appearance.

In late 1953, with only a rendering of Meston's design in hand, the brothers began seeking franchisees. Their first franchisee was Neil Fox, a distributor for General Petroleum Corporation. Fox's stand, the first with Meston's golden arches design, opened in May 1953 at Central Avenue and Indian School Road in Phoenix, Arizona. Their second franchisee was the team of Fox's brother-in-law Roger Williams and Burdette "Bud" Landon, both of whom also worked for General Petroleum. Williams and Landon opened their stand on August 18, 1953 at 10207 Lakewood Boulevard in Downey, California. The Downey stand has the distinction of being the oldest surviving McDonald's restaurant.[5] The Downey stand was never required to comply with the McDonald's Corporation's remodeling and updating requests over the years because it was franchised not by the McDonald's Corporation, but by the McDonald brothers themselves to Williams and Landon.

McDonald's is the world's largest restaurant chain by revenue,[9] serving over 69 million customers daily in over 100 countries[10] across 37,855 outlets as of 2018.[11][12] Although McDonald's is best known for its hamburgers, cheeseburgers and french fries, they feature chicken products, breakfast items, soft drinks, milkshakes, wraps, and desserts. In response to changing consumer tastes and a negative backlash because of the unhealthiness of their food,[13] the company has added to its menu salads, fish, smoothies, and fruit. The McDonald's Corporation revenues come from the rent, royalties, and fees paid by the franchisees, as well as sales in company-operated restaurants. According to two reports published in 2018, McDonald's is the world's second-largest private employer with 1.7 million employees (behind Walmart with 2.3 million employees).

International

McDonald's Corporation is one of the most successful global restaurant chains around the world. They have used effective management and global expansion strategies to enter new markets and gain a share of the foreign fast food market. This case presents how McDonald's has achieved this enormous success, its best practices in the global food industry, international growth trends and challenges, and various lessons that have been learned from their expansion in foreign countries. Overall, the case provides a discussion of how McDonald's creates both customer and brand loyalty for their products and services. This case focuses on McDonald's international success, challenges and strategies.

SWOT Analysis

This McDonald's SWOT analysis reveals how the most successful fast-food chain company of all time uses its competitive advantages to continue dominating fast-food industry.

It identifies all the key strengths, weaknesses, opportunities and threats that affect the company the most. If you want to find out more about the SWOT of McDonald's, you're in the right place.

Brand Awareness

Attitude of service is a very strong point of McDonald's to impress customers by the professional, prompt and friendly. Those have been become a symbol of McDonald's.

Weaknesses

It will be harder and harder to find prime locations to build a set of golden arches. The U.S. is saturated with its restaurants, so growth will have to occur internationally, posing potential cultural challenges.

While the annual dividend hikes are likely to continue, the dividend growth rate has been slowing and will probably continue to slow or level off.

Opportunities

There are opportunities for new restaurants outside the United States, and McDonald's has been taking advantage of them. China is a great opportunity for the company, as is much of Asia.

Menu innovations are limited only by imagination.

- Low interest rates provide cheap capital for growth. In addition to dollar-denominated debt, McDonald's recently became the first foreign company to issue yuan-denominated bonds in Hong Kong

High Growth In China

McDonald's is to open 1,250 new restaurants in China over the next five years as it focuses on high-growth markets to boost sales.

This would make China the fast food chain's second-largest market after the US.

McDonald's also wants to open 250 outlets in Hong Kong and South Korea in the same period.

High-growth markets including Russia accounted for nearly a quarter of McDonald's total sales in 2015.

The firm already has more than 2,200 outlets in China.

It's looking for franchisees in all three Asian locations, and plans to franchise 95% of its outlets worldwide in the long-term.

High Growth In Russia

McDonald's is thriving in Russia, with the number of restaurants growing 6% last year, as compared to the global average of 1.5%, The Wall Street Journal reported. And most of the restaurants in Russia cook with ingredients that are sourced from local Russian suppliers, according to the Journal.

Pest Analysis

Political Factors Affecting McDonald's Business

This aspect of the PESTEL/PESTLE analysis refers to the effects of governmental actions and policies on the remote or macro-environment of McDonald's business and the economy as a whole. Governmental intervention can determine the rate and path of business development. Pest is dividing in four parts

- 1)P mean political
- 2)E mean Economic
- 3)S mean Social
- 4)T mean Technological

Political factors:

McDonald's must respond to political laws and influences in over a hundred countries. Like any other restaurant, they must comply with health and hygiene regulations. If their food doesn't abide by a certain code, they would be shut down. Their employees must also adhere to all food and health laws while working in any given location.

Economic factor

The economy of 100 countries

It's not only the United States' economy that affects McDonald's success. The economy of each country they operate in ultimately affects their results. They must decide whether it's a smarter decision to purchase raw materials locally or to ship them in. The number of tariffs for imported resources and foreign incorporation taxes plays a vital role in this decision.

Social Factor

Socio-cultural factors: A negative brand image across the globe

Consumers obsessively scrutinize what they're putting into their bodies. We're seeing a rise in low-carb and low-sugar diets. People are jumping on the intermediate fasting bandwagon. Why? Because they're seeking ways to strengthen their bodies without sacrificing health.

Technological factor

Less tech but stronger impact

Cosmetics revolve around selling products online. Retail giants, like Amazon, designed their business structure for internet use only. Compared to these, it doesn't seem McDonald's has a strong need for

technology. But that's not true. The tech they use is necessary to improve staff productivity, communication amongst teams, and produce food as quickly as their customers expect.

Wars And Conflicts

War and Conflicts, the notion that no two countries with McDonald's franchises have ever gone to war with each other. People in McDonald's countries, he said, "don't like to fight wars. They like to wait in line for burgers," and "countries with middle classes large enough to sustain a McDonald's have reached a level of prosperity and global integration that makes warmongering risky and unpalatable to its people."

Although Friedman's idea was somewhat tongue-in-cheek and not necessarily meant to be taken literally and absolutely, it does not seem to have held true in all cases.

Some may disagree over which armed conflicts truly constitute "wars," but a look to the Balkans disproves the McDonald's theory. The first McDonald's in what was then Yugoslavia opened up to much fanfare on 24 March 1988 in Belgrade, now the capital of Serbia:

Food Safety

Food safety, quality and choice

We're passionate about our food and take great care that what we serve every day is safe, great quality, offers choice and is produced in a responsible way. We use real, quality ingredients to elevate the taste of our food and the spirits of people who enjoy it all over the world.

We strive to offer a diverse menu to give our customers the meal and snacking options they need for their entire family. We believe customers should have easy access to nutritional information to help them make informed food choices when they visit our restaurants.

Advantage of Technological

Technology is used throughout the company in many ways to help McDonald's perform at a consistently high level. From service tills, to stock control, training, research, administration and office work, business would be a lot more difficult to conduct without the use of computers and the rapid advances being made to improve business throughout all areas. This all goes into providing a stress free and efficient service when customers order their meals.

Order via handset

You can complete and pick up your McDonald's order at any participating restaurant. When you arrive at a participating McDonald's restaurant, you need to check in and choose how you want to pick up your order—pick up Curbside, Inside the Restaurant or Drive Thru. These options may vary by restaurant and time of day. When you check in with your preferred pickup method at the restaurant, your mobile order is completed and your registered payment card is charged by the restaurant.

Remember, never use the McDonald's App while driving! Only check in when you are safely stopped at a McDonald's restaurant, and make sure your location services settings are turned on. If you have any questions or are unsure of what to do, you can always see a crew member inside the restaurant and give them your mobile order code at a participating McDonald's.

Strategies

In McDonald the business strategy for the company is to make food fast available to its customers at a very low competitive price but to get profit as well by reducing the cost of the product and expanding the business world wide. Operations strategies play a very important role in achieving organizational goals.

Business life cycle

The marketing plan is a very important plan in an organisation. It really is an idea which concern about today's and future of the organisation. It gives a wide idea about the company aims, goals, and objectives to become success. In an company marketing plan laid on according to the organisations perspective and mission in mind. Marketing plan made to fully support seeks and strategic goals and to successfully overcome the tactical aims. Marketing plan shows the entire success that your company wants to be.

Marketing plan is a structured way of working with marketing strategies which is not a collection of incomprehensible bits and pieces. It requires to be run in the organisation systematically and have to be monitored and updated. Because within an company their business or services are goes according with their marketing plan it effects the organisations strategies so it must be evaluate to ensure weather the company reaching their goals.

Marketing plan is a planned program of marketing resources to achieve marketing targets.

Marketing strategy is contains total organisation goals. It offers a broad explanation of the organisation, a brief description of the company products or services and organisations account of their goal customers or clients, and defines organisations role in likeliness to the competition. Marketing strategy is actually a file that organisations use to gauge the appropriateness and efficiency with their marketing plan.

Recommendations

1. Service Differentiation: McDonald's needs to focus on service differentiation strategy in order to position the restaurant as a superior service restaurant in the minds of the target consumers. The service differentiation strategy implies that McDonald's shall offer superior services at each step of the customer touch points right from the placement of order through the delivery of the products.

2. Personnel Differentiation: The availability of well-trained staff is essential for delivery of high quality service to the customers. McDonald's should continue to invest in the training and development of its employees to ensure high service quality. Well-structured training programs shall ensure the long term growth of the organization.

3. Integrated Promotional Mix: McDonald's can implement an integrated promotion mix that has a balance of both traditional and modern digital media for brand promotions. McDonald's must recognize the importance of digital media in the promotional mix for organizations, and should devise digital marketing strategies to engage with the online customer base.

4. Product Augmentation: McDonald's can offer additional product and service features such as food on demand and home delivery so as to provide convenience to customers. Product quality can be further enhanced with fresh ingredients. McDonald's should continue to invest in menu customization and menu standardization strategies to attract and connect with target customers in diverse geographical markets.

Franchises in Asia

In Asia, the number of restaurants was 2,146 in 2016, reaching 2,179 in 2018. There, high-growth markets were China, Indonesia, Malaysia, the Philippines and Thailand. The store count in the Pacific region has also risen. In the Middle East, the number of restaurants has increased from 1,285 stores in 2016 to 1,435 stores in 2018