SECRET BEHIND McDONALD’S WORLD WIDE SUCCESS:

Since the start of the company in 1973, McDonald’s corporation began spreading domestically throughout the United States thus establishing its brand recognition.

McDonald’s started to get global by opening its first franchise outside USA, in Canada & Puerto Rico in 1967. Then in 1971 they expanded the chain to Asia (Tokyo Japan), Europe (Netherlands, Germany), 1979 Rio De Janerio, Brazil and 1990 Russia and China.

China was McDonald’s first country where they researched heavily before opening up their restaurants. In fact through globalization and internationalization, McDonald’s was able to develop marketing strategies , while at the same time customizing them for different regions in accordance to the cultural and national variations in order to serve specific target markets. The company conducts heavy research in regions where it desires to open locations based upon a few elements including social, cultural, technological, political and economic situations. McDonald’s key to success is its business slogan of “think global, act local”. This has allowed the company to achieve financial success in every region it opens its fast food restaurants.

Internationally McDonald’s earns high revenues in India. India is one of the toughest markets to enter for foreign businesses, due to the governmental strict policies. Reason behind such policies is solely based on Indian government trying to protect its domestic businesses and employment for its citizens. Vasant Vihar, a prosperous residential area in New Delhi was the initial location that McDonald’s opened up its first store in India in 1996. Mc Donald’s launched their first restaurant in Pakistan in 1998 in Karachi. Since then almost 60 restaurants have been opened. The strategy behind this success used by the company was research and development of its foods. Taste and preferences vary across the globe; therefore the company thoroughly analyzes the preferred tastes, especially to not offend the local cultures. For example, India is a country where beef is highly unpopular due to religious purposes. So the company had to come up with burgers that were not made with beef, but rather with chicken or lamb. The company had to create flavors that were spicy in order to meet the general taste preferences. Some of other success strategies include:

# 1: Emphasis on local management:

Throughout the world McDonald’s prefers to hire local management, specifically its managers to gain acceptance into the country by its citizens. The company established two joint ventures with two local entrepreneurs in New Delhi who were selected to manage the fast food restaurant. This strategic move allowed the company to gain easy access to the bureaucracy associated with the government.

# 2: Political sensitivity strategy:

Company’s major success was to develop ways of avoiding political confrontation with the Indian government. The other major concern was to be careful of the religious sensitivities in India. Almost 80% of Indians do not eat beef and over 150 million Muslims do not eat pork, therefore instead of supplying the normal Big Mac, which consists of beef, the company developed the Maharaja Mac that is made of two lamb patties. Other foods were also added to the non-standardized menu including McAloo Tiki Burger and other common Indian dishes.

# 3: Employment Opportunities:

Foreign enterprises often hesitate to hire locals in their companies, specifically at the managerial positions, however, McDonald’s research concluded that in order to survive the tough Indian government it would have to hire locals as cashiers, cooks, managers etc. as well as provide jobs for the country’s agricultural workforce. In fact McDonald’s outsources its products to several Indian companies throughout India. This provides evidence to the Indian government that McDonald’s is not only customer friendly but also employee friendly.

# 4: Environmental Friendliness:

In order to achieve a positive reputation as well as follow local and national policies of a country, McDonald’s tries to establish services that are environmentally friendly. India is an example where the company provides financial contributions and sponsors several community related activities in order to promote environmental protection. This is primarily seen within schools, thus indicating that the company also supports local schools.

# 5: Corporate Citizenship:

In order to better its reputation this multinational firm gives back to the local citizens in all countries it operates. For example the company provides several financial donations to local organizations. This is one way to encourage consumers to eat at its restaurants, as it is an incentive that is used to spread the name.

# 6: Pricing:

As the value of the currencies varies worldwide, McDonald’s is often forced to change its pricing strategy in accordance to its target market. It seems that the company tries to maintain a price range on all its products based on location, income distribution. Where ever they open their restaurant like Delhi, Beijing and so on they initially attract middle and upper class citizens as they can afford the prices. After this they slowly target the lower middle class citizens by adjusting their pricing; however its popularity continues among lower, middle and upper middle class.

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