

# McDonald Case Study

## Behind McDonald's Worldwide Success Secret

### Introduction

McDonald's was started by McDonald brothers (Mac and Dick) in 1937 as a hamburger stand. The McDonald brothers served a limited menu and focused on quality and quick service. In 1955, Ray Kroc bought the rights of the restaurant and started the McDonald's chain. Right now it is one of the largest fast food chain in the world with around 3200 franchised restaurants worldwide. They have about 447000 employees.

The restaurant's core principles are quality, service, cleanliness and value. It is the world's largest restaurant chain serving over 69 million customers every day in 100 countries. It is the world's second largest employer with 1.7 million employees.

### Reasons behind McDonald's success

1. Maintain consistency:

Ray Kroc wanted the restaurants to have consistent high quality food and uniform methods of preparation. No matter where in the world, McDonalds have the same menu, food wrapping and design of the building. The company has launched Hamburger University which trains emphasizing on consistent restaurant operations procedures, service, quality and cleanliness.

## 2. Establish Brand Presence:

McDonald's has a great brand presence around the world. A strong brand presence means a connection with customers. The golden arches and "I'm Lovin' It" slogan reminds the customers of their childhood. Their consistent taste, it is an emotional experience for the customers no matter where in the world they are.

## 3. Taking Risks:

Even though the company has a consistent taste it is not afraid to take risks with their menu and has introduced a lot of new items other than hamburgers, fries and shakes.

## 4. Adaption to customer's taste:

It is important to understand the needs of customers. McDonald's has tried to

adapt to the needs and wants of its customers. For example, the company scrapped the supersized option and is offering healthier options as the world is becoming more health conscious. The company also offers on basis of the local demands like in India, 50% of the menu is vegetarian. In China, they have introduced options like Szechwan style spicy chicken wings, seafood soup, rice, oriental sauces and more.

## 5. Inexpensive:

The McDonald's sell quality food with low prices and thus is affordable for all. This always attracts customers.

## 6. Fast Service:

The service at McDonald's is very fast and efficient either inside or drive through. The McDonald employees are trained by the company to provide quick service.

## 7. Emphasis on local management:

McDonald's hires locals especially the management to gain acceptance in a country by its citizens. This is based on the "think global, act local" theme of the company.

## 8. Politically sensitive strategy:

One of the company's major success is to avoid political confrontation in the markets. For example, in India, the Hindu population do not eat beef and the Muslim population do not eat pork. So McDonald's introduced "Maharaja Mac" which has lamb patties instead of beef and they also introduced vegetarian options like McAloo Tikki burger and other common Indian dishes.

## 9. Environment Friendliness:

To achieve a positive reputation, McDonalds follow national and local policies of a country. They tries to establish services that are environment friendly by providing financial contributions and sponsoring community related activities to promote environmental protection. They have pledged to make its packaging and restaurants more earth friendly.

## 10. Accessibility:

McDonald's is trying to be accessible by improving the domestic restaurant websites and mobile applications for all users including those with disabilities.

## 11. Education Opportunities:

McDonald's "Archway to Opportunity" provide eligible employees to earn high school

diploma and receive college tuition assistance. This results in well trained and loyal employees.

## 12. Spot and Grow Talent:

About 40% of McDonald's executives start as hourly employees. McDonald's reward their employees by allowing them to work their way up. This builds a company that is full of employees who knows inside and out and are extremely loyal.

## 13. Cross-selling:

McDonald's has the most famous cross-sell of all time, "would you like fries with that?" it is an effective method to co-promote other products with the products that are being sold.

## 14. Technological advantages:

McDonald's uses technology to streamline their processes and improve efficiency. The customers can use self-ordering system called "touch order" to place orders directly from their tablets. They use technology to improve supply chain management and allow customers to access information to make more informed decisions about their food.

## 15. Food Safety:

McDonald's suppliers has food safety management systems including Good Manufacturing Processes (GMP), a verified Hazard Analysis Critical Control Point (HACCP) plan and crisis management, food security and other applicable programs. This builds a trust of the customers on the McDonald's.

## Conclusion:

These are factors that are the reasons behind the world wide success of McDonald's and the trust of their customers on the company for all these years.

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