

Promotional Strategies of McDonalds and Market Effects

Jonathan Rodrigues^{1,*}, Nikhil S², Suraj Jacob³

^{1,2,3}Undergraduate Student, Department of Management Studies,
Christ University, Bangalore

***Corresponding Author:**

E-mail: Jonathan_r@outlook.com

Abstract

This article discusses the various marketing strategies and promotional forces of McDonalds. McDonalds uses several different means to help them in achieving revenue and increasing a positive customer engagement toward their products. Three main sources of doing so are franchise revenues, the property returns that they receive from renting or sublease to franchises and retail sales. In spite of the difficulties and extraordinary rivalry in the business sector, the McDonalds holds a solid position with the assistance of its effective marketing strategies. Customer perception of the taste of their burgers may outweigh that of Burger King.

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Introduction

McDonald's is the world's leading global food service retailer with over 36,000 locations in over 100 countries. More than 80% of McDonald's eateries worldwide are possessed and worked by independent local specialist men and ladies. Founded in the United States in 1940, the company started off as a barbecue restaurant operated by Richard and Maurice McDonald. In 1948, they reorganized their business as a hamburger stand using production line principles. Businessman Ray Kroc joined the company as a franchise agent in 1955. He subsequently purchased the chain from the McDonald brothers and oversaw its worldwide growth. A McDonald's restaurant is operated by either a franchisee, an affiliate, or the corporation itself. The McDonald's Corporation incomes originate from the rent, sovereignties, and expenses paid by the franchisees, and additionally deals in organization worked eateries.

Review of Literature

In a recent report on the conceptual analysis of McDonalds fast food chain, it fundamentally takes into contemplations, critical changes throughout the years. Furthermore, investigates the vital business choices that prompted, or framed a premise of these progressions. In addition it helps us to recognize the organization's centre capabilities and the upper hand it picked up. It additionally highlights the issues confronted by the organization. A little correlation with Burger King serves to benchmark McDonald's execution.

Considering the colossal history of McDonalds and the number of changes in authority, the principle

highlight of the contextual investigation is flimsiness in administration. The component was profoundly compelling in changes and contrasts in connection of guardian organization with establishments and staff.

Likewise, a conspicuous element that needs an exceptional control is the establishment's administration. The organization has a high rate of franchisees (more than 90 %) however, McDonalds is the world's finest and leading food service company with more than \$40 billion sales from 30, 000 plus outlets all over the world. Be that as it may, this organization didn't become rapidly in view of fortune. McDonalds has come to where they are presently because of diligent work and powerful showcasing systems.

The Big Mac - Promotion strategy

McDonalds as we all know is one of the leading fast food chains across the globe. The slogan 'I'm loving it' is even more popular than many celebrities to the masses around the globe. Burger King holding a market share of over 15% among other top fast food franchises like KFC, Burger King, Hardees, etc. Understanding McDonalds marketing strategies is very varied and includes diverse research in various strategies implemented in different countries. McDonalds has successfully taken their most popular product - The Big Mac, across most of their markets in today's world. This success story emerged out of creating a brand name for itself with its early modernization into the minds of the consumers.

The advertising objective of the company, simply put is to make the consumers aware of an item, like it and remember it. McDonalds have till date, successfully conquered most of their markets with a wide rand of products, but the Big Mac has created an entirely different era in the sales for the company.

McDonalds follows five different promotion strategies for almost all their products including The Big Mac, being altered for different markets.

Sales Promotion

- Sales promotion basically consists of conducting and encouraging activities that promote McDonalds through various contests, programmes, functions and distribution of free coupons, which help in the attraction of its consumers.
- Various contests like 'the happy family moments', 'coast to coast', 'NFL love' have increasing boosted their sales and market share by creating an awareness of the brand and instilling it in the minds of the consumers.
- These promos and contests also go live on twitter and other social media networks that raise attention of the brand day by day.

Public relations

- The public relations play's a very silent et vital role in the marketing and promotion of the products at McDonalds. Increasing credibility of the brand and increasing value are two important determinants in creating a sustainable market which has been achieved by this company.
- Creating employee customer relationship has always been something that McDonalds hasn't failed in. They know that the attitudes and behavior of their employees serve a huge role in today's market.
- Public relations of the company help them market their most popular product by merely stating the nutritional facts, the need and desire that will enhance customer satisfaction.

Direct marketing

- Direct marketing as the term suggests, is a method of directly marketing to your consumers by means such as telephone marketing, E-mail based marketing, online marketing, etc.
- McDonalds aim mainly at being immediate, customized, interactive and well suited to highly targeted markets.
- The online websites that McDonalds hosts to different countries offers direct information to the consumers on their diverse products and services, giving the consumers sufficient knowledge about their products and deals.
- Home Delivery system also works in an effort of direct marketing as they serve the consumers need by delivering the products directly to their houses being one of the very first success food chain to do so.

Personal selling

- Personal selling acts as a direct tool in building the consumer preference, suggestions and feedback. Since personal selling involves customer feedback directly to the employees of McDonalds, they treat this mode of promotion very high and valuable.
- In McDonalds to achieve personal selling means to have a good relationship with customers even for the few minutes that it takes to place and order and serve

it. McDonalds keeps a count of even the smallest of detail to ensure their customers are happy and satisfied.

- Face to face communication that is encountered in personal selling gives the employee time to create a good impression of the company which is considered of great importance to the Marketing department of McDonalds worldwide.

Advertising

- An advertisement is targeted to attract the masses of people at an instance of time. Being one of the most popularly used methods of promotion by most of the companies around the globe, advertising has yielded higher fruits than most of its other promotion strategies for McDonalds.
- Consume normally buy what they see and that is the ultimate goal of advertising. In the form of billboards, media, print ads, television commercials and online commercials, McDonalds have surpassed most of their competition.
- The Big Mac, McDonalds most bought product worldwide has had over millions of advertisements located across cities around the world.

Celebrity spokespersons have also played a great role in the branding of the product and the franchise in today's world. Celebrities like Michael Jordan, Venus Williams, Samuel L Jackson, Kobe Bryant, Larry bird, Justin Timberlake and so many more have played an influencing role in the perspective of the consumer.

Standing as the official sponsor of the FIFA world cup in 1994, the National football League in 2012, The Super Bowl in 2013, The Nascar in 2008, NBA, Olympics, etc. are many segment cleverly attacked and conquered by the company in an early stage taking them to where they are today.

Methodology

The basic information and data base for this particular research was gathered from various sources of secondary data. Many of the facts presented are referred from various business magazines and online articles. However the researchers have also gathered some amount of primary data for this research from the outlets of the above company within their reach.

Scope

The scope of the study is limited solely to the markets visited by the researcher for the purpose of research; this may hence not be a total reflection of the impact of the company's activities in all markets. This study focuses on the promotional activities and its impact on Big Mac. The research tries to find the importance of a diversified promotional strategy on the success of a brand. The researcher aims to find how the activities of the company have been successful in driving sales and

the market share of the company by focusing on various promotional activities.

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