



“Marketing strategy of Mc Donald’s India”

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Abstract:

This research paper talks about the dynamics of Mc Donalds supply chain strategy in India which focus on the challenges and distinctive features in maintaining the efficiency and customer satisfaction. Mc Donald’s is an international player in the fast-food industry who has showed extraordinary skills in syncing its brand image with subtleties of local market. This paper gets into the complexity of the strategies that they used in India which contributed to their success by changing and adapting to the local taste and preference.

The main factor of their strategy is their focus on awareness on cultural sensitivity and their taste and preferences. This paper also talks about the CSR activities taken up by McDonald’s by addressing issues like safety of food and engaging with community and sustainability. This paper also dives the use of technology for advertising and apps used for ordering online and all the efforts taken up for marketing to improve the level of satisfaction for customers.

McDonald’s approach of marketing is diverse which is combined of adapting to local taste and preference, strategies used for pricing the items in the menu, promotional activities that they have conducted keeping in mind the cultural sensitivity, and integrating the technology into their business. In conclusion this paper gives an understanding and important insights about their success strategies in India.

Keywords: McDonald’s India, Cultural sensitivity, digital marketing, corporate social responsibility, adaptability, competition, consumer preference.

Introduction

The market of fast food is evolving every day globally and McDonald’s is the best example for their innovation and adaptation to the local cultural and taste preference. McDonald’s entered the market in 1990s, in India who had the challenge to attract different type of consumer base due to its diversity in India and their different taste preference. This research paper dives into the marketing strategies used by them in India where the game was between branding and adapting to local taste.

India is home many various culture, food, language and taste which make difficult for these corporations to enter and concur the market. Understanding the strategies for success used by McDonalds like combining the fast-food with flavours and taste with local preference. To understand this, we need to understand the branding strategies, marketing strategy of the company. This paper also shows the journey of McDonalds using price strategy, marketing strategy maintaining supply chain and managing campaigns for promotions.

By this we get into the local adaptation where menu should be according to the taste and preference of Indians where it is majorly vegetarian food so it need different marketing strategy so keep up with this strategy, they need to improve quality of food by importing or sourcing raw materials from different places that suits Indian taste better

This paper also talks about the CSR activities conducted by McDonalds and how their values go well with the marketing strategies, by talking about the issues like safety of food that is consumed, impact on environment and engaging community by doing all this McDonal’s not only created brand image but also connected with local people socially.

The world is transforming into digital technology where McDonalds is using this technology to market their brand and made mobile application by incorporating system of online ordering which will improve customer satisfaction, convenience and enhance the experience. This paper also helps to gain insights about their marketing strategies which helped them to compete in this market and stand out from rest of them. And this paper also talks about the importance of understanding local taste and preference and their sensitivity where it is much more complex like in India so it is important to understand all these before getting into the market for success.

Objectives

1. The main objectives and goals of this research paper is:
 - To know how McDonald changed their marketing strategy from global to Indian market to serve unique taste and preferences.
 - To know the success strategies of the McDonald's like advertisements, campaigns, and efforts made by them to differentiate itself from its competitors.
 - To know how the McDonal's used technology to engage and improve the customer satisfaction.
 - To understand the CSR activities initiatives taken up by the company which helps in improving their brand image.
 - To understand the challenges that they faced when they entered the Indian market.

Discussions:

Swot analysis

Strengths

1. They adapted to the taste of local customers: McDonald's offers many vegetarian options in the menu to serve the Indian customers by adding flavours that resonate with the local taste and preference.
2. Brand recognition: they are strong brand recognised all over the world and made their presence stronger in India. With their brand value and their quality, they were able to occupy the market.
3. Effective supply chain strategy: their supply chain strategy is very strong they make sure they are able to deliver and provide necessary items to their outlets on time. This helps them to maintain the quality of their food.
4. Engaging in community services: McDonald's has taken initiative in many community service programs like education development, improving skills and conducting hygiene programs.
5. They entered digital technology by providing online services for food delivery which helps in improving convenience of the people

Weaknesses

1. The food was considered unhealthy by consumers which will make the people who are health conscious to reduce the visiting of customers to restaurant.
2. Price of the items: people in India consider these foods as expensive than local chains which limits the customer base.
3. Competition from local eateries and other global food chain with this intense competition the market share may be reduced

Opportunities

1. Expansion: India is a developing country with population of urban people growing they can reach different consumer base by expanding their chains in new cities.
2. Healthier menu: they can introduce healthier menu for attracting the health-conscious people by which they can promote trends of health and wellbeing.
3. They can introduce different marketing strategies to target different set of audience to attract and engage them by using social media.

Threats:

1. They need to focus on local taste and preference as the taste of customers keep on changing so they need to adapt to that.
2. Regulations issues: government keeps on changing the rules regarding the safety of food, tax which will affect the industry and its operation.
3. Economic fluctuations: the recession and any other economic fluctuations in the economy can affect the buying habits of the customers.

Porters five force model

1. Threat of new entrants is considerably low because
 - McDonald have strong brand image and recognition globally which make difficult for new entrants to compete with all these food chains
 - They need huge capital for competing with these food chains and build chains globally
 - It may be difficult for new entrants to cope with the rules and regulations of different countries.
2. Bargaining power of suppliers is considered low to moderate
 - McDonald source their products from different and diverse suppliers which decreases the supplier power of individual to some extent
 - They give more control to their supply chain by limiting their sourcing of certain items to vertical integration.
 - McDonald needs quality products which will impact the suppliers in meeting certain standard requirements.
3. Bargaining power of buyers is considered moderate
 - The buyer choice is more due to different options in food from traditional food to fast foods and starters they have different options which make them to have little bargaining power.
 - People in India are more budget and price sensitive which will affect the McDonalds if customers choose more affordable choice
4. Threat of substitutes is considered moderate
 - The people who are health-conscious individual will go for healthier menu which could impact if restaurants can bring in more healthier options which suits the consumer taste and preference.
 - They have the threat of substitutes foods with traditional ingredients for people who are interested in Indian taste and flavours.
5. Rivalry among the firms considerably high
 - They face high competition from the international and local fast-food restaurants in India
 - The competition is very high in case of price and promotions for increasing their market share.
 - Competitors innovate marketing strategies who introduce menu that attract customers more.

Marketing mix

1. Product
 - It consists of foods like chicken, beef, potato and they offer mainly of food products like burgers, fries, sandwiches etc. they even have dessert options and a range of refreshers.
 - They change their menu according to the changing trends and taste in the market. Based on the trends and potentiality of the franchise they add the items to the menu.
 - They used beef to make hamburgers in United nations but when they entered India, they changed the beef into chicken or veg options.



2. Price

- They price their menu focusing on the middle-class families and above. They price their product differently in different nations but they won't compromise with the quality of food.
- They price their products by looking into the factors like knowing the demand, looking into the price of the rivals and their cost incurred and understanding the target and finally they select the price based on that.
- They made strategies for pricing like bundle pricing where they offer meals with other food in a bundle with price discounts
- Psychological pricing is another strategy they use price like \$99 without rounding off where it seems cheaper and consumer perceive it as affordable.
- In India they used this tagline “Aap Ke Zamane Mein, Baap Ke Zamane Ke Daam”. In the year 2008 to attract middle class customers.



3. Place

- They have almost 38000 locations which are spread over hundred countries where they operate in hybrid mode and customer can decide to dine or they can opt for take away
- They have outlets like kiosks where certain items like dessert are served so these outlets are setup temporarily in the events occurring places like sports and concerts.
- They provide the best ambience with clean and sanitized outdoor settings and also seating area inside.



4. Promotion

- McDonald spent huge money for promotions by advertising and campaigns to boost the name of their brand.
- They spend money on traditional media like hoardings, television etc. and to attract kids they started digital marketing with “Ronald McDonald”
- They arrange campaigns for seasonal events like they made a new menu for Christmas 2022 with many Christmas, themed treats.
- They also offer discounts to increase the volume of sales and stand out from their competitors.
- They also launched festivals make families which was a digital on the festival season in south and west part of India.



CSR activities

Corporate social responsibility is the commitment the firms have on how to interact and collaborate with environmental activities and community engagement the CSR policies used by McDonalds are using LED lights with low energy and the cooking oil that is used is made into biodiesel for transportation trucks. They recycle card boxes that are used.

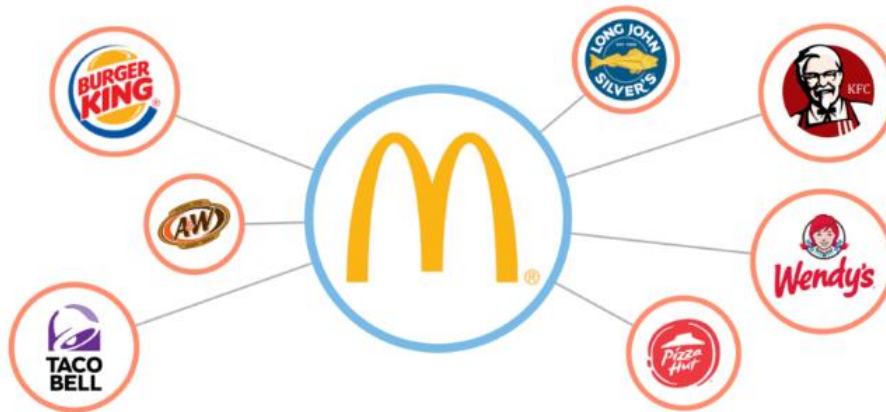
Their corporate strategies include job are provided more to entry positions whereas top position jobs are less in number. The word McJob was introduced to provide employment to low paid jobs.

They source their ingredients from responsible suppliers where they apply certain principles for sourcing, they mainly focus on climate change, water resources protection, forest conservation, and reduce packaging waste. And also, they comply with carbon disclosure project. They are taking many initiatives to reduce waste and recycle the packages.

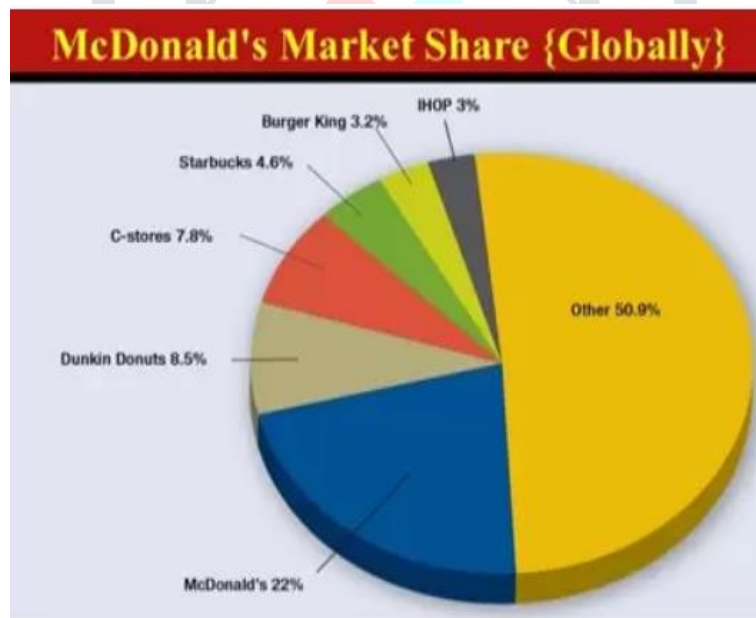
Social policies include they understand and try to satisfy the customer better than any other and many approaches like Ronald McDonald charity and many more community engagement programs like feel- good projects and they provided twelve million free foods to health care workers during covid 19 pandemic as thanks giving. And started kitchens for health care worker who served around 100000 meals.

They also aim to have equal number of male and female employees by 2030 and want to boost minority representation to 35% in US ranks.

McDonald's competitors:



Market share of McDonald's



Conclusion:

- McDonald's is one of the best examples for adapting to Indian taste and preference and was able to be successful.
- McDonald's use of technology in their business has helped them to provide customer satisfaction and a chance to engage with customers.
- Their efforts to win Indian customer by introducing menu according to the local customer taste has helped them to differentiate itself from their competitors.
- McDonald's CSR initiatives has helped them to connect with customers in a better way and form better connection.

- Their concern and initiatives that they have taken regarding environment and community engagement has helped them to create a strong brand image.
- With all the challenges regarding health concerns McDonald's is able to stand out from the rest by taking the best initiatives and adapting to the local trends by maintaining their values.

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