

## **Universal promoting methods of Mcdonald's Corporation (with regard to India and Russia)**

**Manu Nandal**

Assistant Professor, Dept. of Management Studies, B.P.S.M.V, Khanpur Kalan, Sonipat, Haryana, India

### **Abstract**

McDonald's is that the world's largest chain of hamburger nutrition restaurants. It serves in additional than one hundred countries. With the growth of McDonald's into several international markets, the corporate has become a symbol of globalisation and therefore the unfold of the american manner of life. Its prominence has additionally created it a frequent topic of public debates concerning fatness, company ethics and shopper responsibility. The McDonald's Corporation's business model is slightly totally different from that of most different fast-food chains. These characteristics gave me a scope to review on Mcdonlads regarding 2 countries that's India and Russia wherever all the style & preferences are totally different. This analysis paper embrace the worldwide operation, selling methods with product, pricing, promotion, menu food variation in each the countries and additional future plans that company have in each the countries. The Technique is employed that's SWOT analysis with field survey. Conclusions and suggestion are drawn from the analysis.

**Keywords:** universal operation, scheme, pricing, encouragement

### **Introduction**

World's largest chain of hamburger aliment restaurants is serving around sixty eight million customers daily in 119 countries across thirty six, 525 retailers. Based within the America in 1940, the corporate began as a barbecue edifice operated by Richard and Maurice McDonald. Ray Croc was the founding father of McDonald's Corporation. McDonald's success these days is rooted within the work of all 3. The McDonald's Corporation's business model is slightly totally different from that of most alternative fast-food chains. Additionally to normal franchise fees and selling fees, that area unit calculated as a proportion of sales, McDonald's may collect rent, which can even be calculated on the idea of sales. As a condition of the many franchise agreements that vary by contract, age, country, and placement the Corporation could own or lease the properties on that McDonald's franchises area unit placed. In most, if not all cases, the franchisee doesn't own the situation of its restaurants. the corporate presently owns all of its property – valued at an estimated \$16 to \$18 billion. However, in recent times, there are calls to bear the company's America holdings into a possible realty investment firm. the corporate earns a big portion of its revenue from rental payments from franchisees. These rent payments have up 26 % over the past 5 years, and presently account for one fifth of the company's total revenue.

The corporate proclaimed at its capitalist conference on November ten, 2015 that it might not bear its property into a real-estate investment firm. The CEO, Steve Easterbrook mentioned that following the fund possibility would create overlarge a risk to the company's business model. The UK and Ireland business model is totally different from the U.S, in this fewer than 30 % of restaurants area unit franchised, with the bulk beneath the possession of the corporate. McDonald's trains its franchisees and management at Hamburger University in Oak Brook, Illinois In alternative countries, McDonald's restaurants area unit operated by joint ventures of McDonald's Corporation and alternative, native entities or

governments. As a matter of policy, McDonald's doesn't build direct sales of food or materials to franchisees, instead organizing the availability of food and materials to restaurants through approved third party provision operators. In step with aliment Nation by Eric Schlosser (2001), nearly one in eight employees within the U.S. have at it slow been utilized by McDonald's. Workers are inspired by McDonald's firm. To keep up their health by singing on to their favourite songs so as to alleviate stress, attending church services so as to possess a lower vital sign, and taking 2 vacations annually so as to scale back risk for infarct. Victuals Nation conjointly states that McDonald's is that the largest personal operator of playgrounds within the U.S., in addition because the single largest empor of beef, pork, potatoes, and apples. The choice of meats McDonald's uses varies to some extent supported the culture of the host country.

### **History**

1940- Opened Restaurant by Richard and Maurice McDonald in California, 1953-Ist McDonald's with arches opened in Phoenix, Arizona, 1955- Businessman Ray Kroc joined the company as a franchise agent, 1961- company first filed for U.S. trademark on the name McDonald's with "Drive -In Resturant Service", 1967- company first filed a U.S. trademark on a clown-like man having puffed-out costume legs, 1968 Introduction of Big Mac and shift to Network Television, 1970 -1600 restaurants, 1980- 6000 McDonald's Restaurants, 1990- record sales, 1994- Kuwait City, Kuwait. 2001- Faced with a class-action lawsuit for advertising its fries and hash browns as vegetarian, even though they include beef flavouring

### **Profile**

- **Founded- McDonald's:** May 15, 1940; 76 years ago, San Bernardino, California
- **McDonald's Corporation:** April 15, 1955; 61 years ago Des Plaines, Illinois

- **Founders -McDonald's:** Richard and Maurice McDonald
- **McDonald's Corporation:** Ray Kroc
- **Headquarters-**Oak Brook, Illinois, U.S. (Moving to Chicago in 2018)
- **Number of locations-**36,525(2015)
- **Key people -**Andrew J. McKenna (Chairman), Steve Easterbrook (President and CEO) **Products-** Hamburgers, chicken, French fries, soft drinks, milkshakes, salads, desserts, coffee, breakfast
- **Number of employees-** 420,000 (2015)
- **Slogan-** I'm Lovin' It

### Universal Operation

McDonald's has become emblematic of economic process, typically mentioned because the "McDonaldization" of society. The social scientist newspaper uses the "Big mac Index": the comparison of an enormous Mac's value in numerous world currencies is used to informally decide these currencies' getting power parity. European country has the foremost big-ticket huge mac within the world as of July 2015, whereas the country with the smallest amount costly big mac is Bharat (albeit for a maharaja mac—the next most cost-effective huge Mac is Hong Kong).

Product at Universe -Hamburgers, numerous kinds of chicken, chicken Sandwiches, Irish potato, Softdrinks, Breakfast things and desserts Some McDonald offers salads and eater things, wraps and alternative localized fare on seasonal basis-McRib Sandwich.

- India - veg nuggets and big macs (Maharaja Burger)
- Germany-beer and McCroissants
- Turkey-Chilled yogurt drinks
- Italy-cold pasta, espresso
- Japan- teriyaki Burger
- Netherland-Vegetarian Burger
- Philippines –McSpaghetti
- Norway-McLake (grilled salmon sandwich)
- Uruguay-McHuevo (poached egg hamburger)
- Thailand-Samurai Pork Burger with sweet sauce

### Pricing and promotion

Pricing-Regional pricing and periodic low-price with high price on new taste menus Promotion –Television, radio, customer mailing, point of scale display, direct mail and frequent sales promotion.

### Review of Literature

1. Kshitiz Sharma, "A Case Study On Mcdonald's Supply-Chain in India" 2013, McDonald's is that the world leader in QSR. Their presence in 118 countries with 33,000 restaurants glorifies its position as world leader and as nourishment large. This vast network isn't simple to manage wherever guest expectations are clean, hygienic, tasty and fast food on every occasion. The credit of this successful accessibility goes to the distinctive provide chain management and management over this whole vast network. McDonald's is gift in {more|in additional} than forty cities of India with 250 eating shops and adding more every now and then. This vast provide chain is entirely outsourced with none legal contact with them. Some distinctive options of this provide chain managements are lean management, multi-layered supply-chain, cold chain, Hub and Spoke system. For coaching their employees

company takes all its measure through intensive programmes like provider Quality Management Systems (SQMS) and therefore the Distributor Quality Maintenance Program (DQMP). The explained model can facilitate to understand the flow of supply chain.

2. Mohammad Assad Siddiqi," Mcdonald's Corporation Analysis Of Financial Statements", 2014, This report aims to investigate the monetary results of McDonald's over a 5 year amount and to compare it with its competitor Burger King. They represent 2 massive names within the Food business. They're very much associated with one another. The categories of food they serve are somewhat similar. This analysis can primarily be accomplished by conducting a detailed ratio analysis on the monetary knowledge available for the last 5 year amount.
3. Hilly, Nimiya Raju, Shikha Singh and Monica Tariyal, Service Quality of Mcdonald's, 2015, The services are the economic activities characterised by immateriality, nonuniformity and difficult to evaluate. However these options haven't acted as a barrier in enlarging the scope of services that is incredibly wide and profound particularly in rising economies like India. Services became an important a part of our lives particularly the services offered by quick food business. The growth of fast food business in India has been manifolds. With the benefit in doing business and therefore the lifetime of young professionals running sort of a bullet train the demand of chain of nourishment restaurants has been on a higher aspect. The standard of the services provided to the shoppers therefore becomes a matter of study. The extent of services offered by these chains of restaurants ought to be exorbitant, enabling the shoppers to feel delighted. Thus, this paper studies the service quality of the famed nourishment chain of restaurants - McDonald's. During this study, Servqual instrument has been used to establish the gaps between the customers' expectations and perceptions relating to McDonald's.

### Research methodology

The review is engaged with the field survey and interview to obtain the SWOT analysis of mcdonald as a over view and secondary data is used for the research study.

### Mcdonald's in India

It opened doors in 1996 (Resturants in Mumbai, Delhi, Pune, Ahemdabad, Vadodara, Jaipur, Noida, Faridabad, Doraha, Manesar and Gurgaon) 50-50 J.V Partnership between U.S. And 2 Indian businessmen AMIT JATIA'S company Hardcastle Resturants Pvt. Ltd (McDonald's Restro in Western India) VIKRAM BAKSHI'S company Connaught Plaza Resturants Pvt. Ltd (McDonald's Restro in Northern areas).

There are 300 McDonald's Resturants in India and have QSCV (Quality, Service, Cleanliness and Value).

### Strategy in India

Localisation by keeping in mind that if something can sell in India it will sell anyplace. value sensitivity studies are conducted before crucial evaluation even the rate of inflation is reviewed extremely advanced Around 9000 hamburger buns, 3500kg of tomatoes, 2000 kg Iceberg lettuce and more than five hundred slices of cheese on a each day. These are

delivered to 225 restaurants around the country involving forty completely different suppliers and exploitation more than sixty refrigerated trucks.

### Logistic

From the farmers given to the suppliers, then processes and distributed to the distribution centres. The standard of provides is maintained by exploitation customised multi-chamber temperature controlled trucks. Then, it dispatched to the restaurants relying their needs Cold, Clean and on time delivery primarily based logistical through warehouse.

### Growth and future prospects

- Company plans to invest Rupees 150 crore in the current fiscal to open 40 new restaurants in India.
- Company mantra is GLOCALISTAION.
- Web Ordering recently launched
- Working on the Introduction of a new menu for breakfast, currently this being offered at selected restaurants.
- On health conscious consumers, in 2008 introduced new whole grain wrap made by multigrain bread (barley, oatmeal, ragi, wheatflour and maida) and a vegetable salad.
- Chicken McNuggets introduce-0 gram trans fatper serving.

### McDonald menu in India

- Burger, wraps
- Econo meal
- Burger, wrap & chicken (a la carte)
- Extra value meal (burger+coke pet bottle+medium fries)
- Happy meal (burger+mazaa/coke pet bottle+toy)
- French fries
- Beverages
- Toppings
- Desserts
- A la carte

### McDonald's in Russia

It was George Cohen, head of McDonald's Canada, who started an almost impossible dream of introducing a McDonald's hamburger in Russia. It took twelve years of efforts and eventually in April 1988, he convinced the officers of Moscow that McDonald's are often discovered in Russian culture. once fourteen years of intense negotiations; McDonald's finally entered into the Russia on January thirty one, 1990 the primary day of McDonald's in Russia bust the record for inaugural sales in McDonald's history serving over thirty,000 customers on the primary day itself.

### Strategy in Russia

McDonald's Russia has enclosed potato wedges, cabbage pie and cherry pie. within the year 2005, McDonald's initiated breakfast menu and stronger occasional at completely different locations in Moscow that enabled commuters United Nations agency left early for work, to avoid traffic and intake out. The rating of the beverages has been kept within the Russian budget and their competitors Starbucks. This includes cabbage pies, potato wedges and cherry pie. The Pushkin square McDonald's likewise because the Arbat are 2 of the locations wherever the McCafe was introduced. The Alexander Pushkin sq. McCafe serves a mean of 600 transactions per day and it's

seen that 6 out of ten people like better to have beverages at McCafe than alternative restaurants.

### Supply chain management in Russia Suppliers

When McDonald's initial opened in Russia, a majority of the raw materials used weren't grownup in Russia whereas as of currently over seventy fifth of raw ingredients required for McDonald's are provided by over one hundred thirty independent Russian suppliers. Several agricultural consultants are of the view that McDonald's had modified the manner Russians ate and currently the "Corporation" is also deciding what ought to be grownup within the country.

### Food processing

McDonald's invested with around \$45 million for the development of 105,000 square foot food process and distribution centre in South-West suburb of Moscow, referred to as McComplex. McComplex assures that an adequate provider of high-quality standards are created available. In Russia, the McComplex produces all the pies that are sold in the country and it additionally exports pie to all Europe. Around 13,500 pies are made each hour and works for twenty hours each day the complete provider of fries and wedges for McDonald's Russia comes from McCain Foods restricted, Poland, and therefore the fishes from Cargill in Europe. Some quantity of meat is foreign from Germany, Lithuania and Brazil that is mixed with Russian beef to satisfy the McDonald's standard of 18-22% fat.

### Quality and Safety

The facilities at McDonald's Russia are modern, clean; the processes are efficient and economical whereas there's a clear evidence of the standard and client satisfaction.

### Logistics

Supplying the raw materials in McDonald's Russia may be an important challenge in itself due to its geographical options. McDonald's Russia purchases raw materials from over one hundred thirty native suppliers. Due to poor road networks and diverse geography of the country, it's a big challenge to move raw materials.

### Growth and future prospects

After the opening of first McDonald's in Russia it simply went a method – UP. In 2002, McDonald's was active in twenty three cities that had a total number of 74 restaurants consisting of 9,000 workers. In 2005, it grew to thirty seven cities with 17,000 workers. Recently, McDonald's marked twenty years of business in Russia having expanded its business in sixty Russian cities with over 245 restaurants that serve around 950,000 customers daily with the help of its 25,000 workers. The US based food service big said that in 2010 they'll be investment \$135 million with a read to inaugurate forty five restaurants.

### McDonald's product in Russia

- Sandwiches (filet-o-fish, shrimp roll, beef roll)
- Potatoes (wedges, french fries)
- Salads (vegetable, ceaser, carrot, apple)
- Desserts (muffins. milkshakes. pies)
- Beverages (leamonde in guava and raspberry, juices)

- Coffee tea (cappuccino, espresso)
- Sauces (barbecue, mustard, salsa)

### SWOT analysis

SWOT analysis is not free from its limitations. A truly successful SWOT analysis ought to extend beyond a simple list of strengths, weaknesses, opportunities and threats. A detailed SWOT analysis ought to additionally inspect an opportunity or threat's size so as to see however it's connected with the company's strength and weaknesses. Whereas helpful for reducing a large amount of situational factors into a lot of manageable profile, the SWOT framework includes a tendency to oversimplify the case by classifying the firm's environmental factors into classes in which they'll not always work. The classification of some factors as strengths or weaknesses, or as opportunities or threats is somewhat discretionary. For example, a particular company culture is often either strength or a weakness. A technological change can be a either a threat or a chance. Maybe what are more important than the superficial classification of those factors are the firm's awareness of them and its development of a strategic conceive to use them to its advantage.

### Strength

- Strategy-"THINK GLOBAL ACT LOCAL"
- Largest food market share in the world
- Quality control
- Brand Recognition in the 8th rank in Brand Relevance Index in the Forbes

### Weakness

- Weak Product Development
- Quality issues Franchise Network
- Few Seasonal Product Shortage
- Transport Challenges in Logistic
- Low Differentiation In the products

### Opportunities

- Deeper Expansion at International in Asian Market
- Increase profitability by opening joint ventures branches
- Proper Advertising strategy
- Have Healthy line of Food

### Threats

- Competitors are there.
- Encouragement in Balanced Meal with Fruits
- Kid- Focus Marketing Strategy
- Meeting Food taboos of Different Countries

### Conclusion

McDonalds's enlargement In International Market gave a symbol of GLOCALISTAION. This create the corporate to become emblematic for the title "McDonalization" of society on globalization. In Bharat and Russia company need to use engaging and affordability proposition for their client along with taste and preference.

### Suggestions

Focus on Healthy food menu and do Innovations thereon. Have internal control to avoid problems. Attempt to maintain proper provide chain management. Go for more expansion to

the rising economies for earn gross margin. Go for easy Customisation and Affordability.

### References

1. A case study on McDonald's supply-chain in India Kshitiz Sharma Asia Pacific Journal of Marketing & Management Review ISSN 2319-2836 2013; 2(1). Online available at indianresearchjournals.com112.
2. McDonald's Corporation Analysis of Financial Statements -Mohammad Assad Siddiqi. -Express, an International Journal of Multi-Disciplinary Research ISSN: 2348-2052, 2014; 1(12). Available at: www.express-journal.com
3. Service Quality of McDonald's -Hilly\*, Nimiya Raju, Shikha Singh and Monica Tariyal. Global Journal of Enterprise Information System Franchising and the Impact of McDonald's-Gerhardt, Steve, Dudley, Dan, Hazen, Samuel, Journal of Management and Marketing Research, Franchising and the Impact McDonald's New Communication Strategy on Changing Attitudes and Lifestyle-Tianbai Deng, International journal of marketing studies. 1(1). www.ccsenet.org/journal.html
4. Strategy and Repositioning the Brand McDonald's in India-Sameer. Sharanbir Kaur -International Journal of Scientific and Research Publications. 2012; 2(9):1. ISSN 2250-3153.