

McDonald's

McDonalds Corporation is the world's most recognised and largest provider of foodservice serving millions of customers daily around the world and operates in almost 37000 restaurants in more than 120 countries. It was initiated in 1940 with a restaurant opened by brothers Richard and Maurice in California. After since its incorporation in 1955, McDonald's has sold more than 100 billion hamburgers. Franchises around the world. Ray Kroc joined as a franchise agent in 1955, they partnered and Ray Kroc bough McDonald's for 2.7 million in 1961. The current CEO of McDonald's is Stephen James Easterbrook.

- a firm's organisational culture defines their traditions, habits and values that influence their worker's behaviour
- uses their organisational culture to attract customers and qualified employees
- their organisational culture emphasises HR development and efficiency
- organisational culture supports business growth and success in the international fast food market

Culture

People centricity

- prioritises employees needs and development and supporting people
- encourages employees to engage management to help improve processes and procedures

Individual learning

- organisational culture highlights importance of lifelong learning
- company offers training and development opportunities through Hamburger university (internships, global mobility, leadership development programs)
- motivates employees to keep them learning

Organisational learning

- firm uses individuals learning to develop organisational knowledge to improve business heights
- carries out meetings that encourage employee feedback and knowledge sharing

Diversity and Inclusion

- wide range of diverse employees
- firm has strict rules about uniform/ punctuality
- all premises are cleaned before and after opening and closing time
- working environment is free from harassment and unlawful discrimination (under their diversity policy)
- McDonald's corporate value has 'people' under one of their pillars – providing training to make employees feel valuable, enhance positive image of company and enhance communication skills, time management, team skills etc
- CSR
- they sponsor many neighbourhood beautification projects
- ethical animal treatment

Globalisation

Positive impacts

- economy is booming in Asian economies, has positively affected McDonald's business
- can lead to increased employment rate in Asian countries
- due to technological advancements, McDonalds is performing better
- low energy consumption of machinery and increase operational efficiency with Echelon's LonWorks technology
- technology enables franchises to create easy operating working environment, facilitate preventive maintenance and provide new services at the same time
- reduced maintenance costs due to technology
- sociological factor of: increase health consciousness, high demand for high population growth, cultural norms and career attitudes
- targets middle class segment and captures niche market=
- made use of same logos and interior design to build brand image
- helps decrease financial risks
- less competition because of good brand

Technological aspect

- drive thru
- phone ordering/ 24/7 delivery
- free wifi at McDonald's branches
- social media presence

Negative impacts

- increased competitiveness in market – can offer special discounts (increased promotion)
- adapting to local culture to suit the needs of locals
- food inflation crisis in china – can damage fast food industry
- health consciousness is a threat to McDonald's as it is perceived as the icon for obesity

Innovation

- menu updates to keep up and stay on top of dietary needs of consumers
- children menu – happy meal (first entrance into market)
- sponsorships – FIFA 2010 sponsorship, Singapore youth Olympic games 2010
- Mccafe

Ethics

- consumer packaging made from renewable materials
- recycling used cooking oil
- creation of environmentally friendly biodiesel
- providing educational materials in their restaurant and working with teachers in school
- CSR: Ronald McDonald house charities
- Accused of wage theft, poverty level pay and mistreatment of pregnant workings in Brazil, resulting in protests
- Negative impact on environment due to hundreds of factories around the world
- Continued use of paper and plastic based cutlery, abusing environment by cutting down trees etc
- Selling unhealthy food

- CSR: investment in eye care hospital
- Ethical issues with food: feeding cows steroids to make more beef

Marketing strategy:

- ATL: billboards, tv advertisements
- Focuses on internal marketing
- Slogan “I’m loving it”
- Short names of products so that people can remember easily
- Sales promotion: distribution of free coupons, function events, twitter contests
- Public relations
- Direct marketing: telephone marketing, email, websites
- Personal selling: customer feedback, face to face communication
- Celebrity endorsements

Change

- Healthy breakfast and inclusion of salad in their menu
- Renovating restaurants to make it more modern and progressive