

MCDONALD'S STRATEGIC APPROACH: AN EXAMINATION OF ITS GLOBAL IMPACT

Ms. Harpreet Kaur Kalra¹ Dr. Gagandeep S. Salhan²

¹Research Scholar, Department of Management, Sant Baba Bhag Singh University, Padhiana
kalraharpreet20@gmail.com

²Assistant Professor, Department of Management, UICM, Sant Baba Bhag Singh University, Padhiana
gagan.salhan93@gmail.com

Abstract

The objective of this report is to assess the global presence of McDonald's, its historical background and the current operations. This report also throws a light on the marketing strategies that are adopted by McDonald's to strengthen its presence across global markets and what measures it takes to adapt to the local requirements of the country in which it operates. This report also highlights the marketing campaigns that have been launched by McDonald's to increase its sales and reach more customers. The technological considerations of the fast-food chain have also been brought to limelight and a description has been given regarding the CSR activities that are undertaken by the fast-food chain and recommendations to improvise the same. It has been analysed that McDonald's gives utmost importance to those CSR activities that are customer oriented like responsible food operations, community and employee practices, along with Ronald McDonald Charities. Few suggestions have also been made in the areas of Corporate Social Responsibility that McDonald's can consider to improvise its CSR activities.

Key words: McDonald's, Marketing Mix, Consumer, international marketing, Services, Fast-Food, Global.

I. Introduction

McDonald's an multinational fast-food restaurant working successfully around the globe since 1940. This leading chain is serving 69 million customers per day. McDonald's brothers stated their journey by opening its first fast food restaurant at San Bernardino. In 1953, McDonald's launched its first franchised restaurant in Phoenix. Two years later, entrepreneur Ray Kroc joined the business as a franchise agent; he eventually acquired the company from the McDonald brothers and led its expansion across the globe. McDonald's mission is to "*make delicious feel-good moments easy for everyone*". Company runs approximately 40,031 stores independently worldwide.

II. Global presence of McDonalds

Since 1973, McDonald's Corporation started scattering locally in entire United States and gained brand recognition. It became well-known quickly for its tasty hamburgers and friendly service. As per the opening strategy of company, it started marketing for the upper- middle class for the countries like India, China, US etc. China was the first international country in which McDonalds opened its first fast food restaurant. With the global phenomenon, McDonald's was able to follow the most excellent marketing strategy, i.e customizing food, with which company was able to target the different class of people, regions and nation. Company works on various parameters namely social, cultural, technological, political, and economic dimensions before opening location-based restaurants. McDonald's best expansion rule is to concentrate on the local market keeping in view the global environment. This has led the company to gain financial success in every regional restaurant. McDonald's is able to earn high profit from Indian market regardless of hard government policies and regulations. This Indian government nature is so that it can protect its local business and jobs for their citizens. McDonald's has penetrated in India since 1996 by opening its first restaurant in New Delhi. After that 60 more McDonald's restaurants have been opened. McDonalds work on the most consecutive strategies prior to opening up its stores is research and development of its foods. There is significant variation in consumer tastes and preferences across global markets; therefore, the company carefully studies local preferences to ensure its offerings align with cultural norms and sensitivities. For instance, in India, beef consumption is widely avoided due to religious beliefs. In 2022, McDonald's generated total revenue of 23.18 billion U.S. dollars.

III. Research Objectives

1. Evaluate McDonald's market position and trends in the Indian fast-food industry.
2. Apply Neil Borden's marketing mix framework to analyze the competitive environment for McDonald's in both global and Indian contexts.
3. Perform a SWOT technique to understand McDonald's strengths, weaknesses, opportunities, and threats in global and Indian markets.
4. Evaluate McDonald's product and service offerings, market share, and competitive landscape globally.
5. Carry out a CSR model to examine McDonald's operations globally.

IV. Review of Literature

The fast-food sector has experienced remarkable growth and transformation, with McDonald's emerging as a dominant force in the industry. The company's expansion across international markets has significantly influenced contemporary food service practices and consumer preferences. Watson (2006) discusses the historical development of McDonald's, highlighting its progression from a local

restaurant into a globally recognized brand and examining the factors that contributed to its worldwide success. In a similar vein, Love (2008) explores the company's impact on eating patterns across different countries and analyzes how it modifies its products and operations to suit local cultural and market requirements. Together, these studies offer valuable insights into McDonald's global growth strategy and provide a useful framework for understanding its operations and adaptation within the Indian market.

Pradhan (2018) discusses the unique characteristics of the Indian market, focusing on factors such as varied food preferences, cultural considerations, and the increasing awareness of health and nutrition among consumers. The study provides important insights into the challenges and opportunities faced by McDonald's while tailoring its products and services to local needs. Building on this perspective, Pai (2021) investigates the company's approach to localization in India, highlighting menu modifications and promotional strategies developed to align with Indian tastes, traditions, and consumer expectations.

More recently, Fatyandri (2023) examined changing consumer preferences toward healthier food choices and assessed their implications for McDonald's conventional product offerings. Similarly, Liu (2023) explored the potential for the company to strengthen its market position through menu diversification and the adoption of technological innovations aimed at enhancing customer interaction and overall service experience. Together, these studies demonstrate how McDonald's continues to adapt its strategies in response to evolving consumer demands and market trends.

Thompson (2017) identifies several challenges confronting McDonald's, including increasing competition within the fast-food industry and the impact of evolving regulatory policies on business operations. The study highlights the need for the company to continuously adapt its strategies to maintain its competitive position in the global market.

Focusing on India, Subramanian (2023) evaluated McDonald's promotional and branding approaches, emphasizing how the company engages with Indian consumers through targeted marketing initiatives. Sahay and Banerjee (2021) explored the operational and market-related challenges faced by McDonald's in India, including changing consumer preferences and competitive pressures. Additionally, Pangarkar and Yadav (2021) examined the growing demand for healthier food options among Indian consumers and discussed how this trend influences McDonald's product development and menu planning. Collectively, these studies provide valuable insights into the opportunities and challenges shaping McDonald's performance in the Indian fast-food market.

V. Research Methodology

This study adopts a comprehensive analytical approach to evaluate McDonald's performance and market positioning at both global and Indian levels over a ten-year period. Various strategic frameworks and analytical tools are employed to gain a deeper understanding of the company's business practices and competitive standing. The analysis incorporates Borden's Marketing Mix framework to assess key marketing strategies, while a SWOT analysis is utilized to identify the organization's strengths, weaknesses, opportunities, and threats.

The research further examines McDonald's market position by analyzing its product and service portfolio, market presence, competitive environment, and industry trends across global and Indian markets. A detailed review of existing literature was undertaken to understand the development of the fast-food industry, the expansion of McDonald's international operations, and its growth within the Indian context.

In addition, the study investigates the company's localization initiatives, adaptation strategies, and corporate social responsibility (CSR) practices to provide a comprehensive perspective on its operational and strategic activities. Through this multidimensional analysis, the research aims to offer meaningful insights into McDonald's business performance and its ability to respond to changing market dynamics.

VI. International Marketing Activities

The marketing mix is a framework used by organizations to promote their brand image and products. It is built around four key elements, commonly known as the 4Ps: Product, Price, Place, and Promotion. McDonald's marketing mix incorporates a range of strategies designed to address the company's challenges within the global fast-food industry.

1. Product Strategy

McDonald's goal was to launch a consistent choice of products tasting the same everywhere. Nevertheless, McDonald's has adapted regional preferences to guarantee success by giving uniformity, cost-effectiveness and flexibility in its products. McDonald's works on the notion "think global, act local." McDonald's focuses on five primary food ingredients: beef, chicken, bread, potatoes, and milk. Their core menu items include burgers, sandwiches, fries, salads, and desserts, breakfast, snacks, and sides. The company also provides various breakfast and desserts and an extensive range of beverages in the "McCafe" section.

Menus in McDonald's are changed on a regular basis so that the varying demands, tastes and trends can be fulfilled. Testing of the new product is done thoroughly before it is launched to the franchisee. Under its product strategy, where beef is used in all hamburgers and other products in the United States at

the same time beef is replaced with chicken and vegetables in India. To make children happy McDonalds have introduced “MCDONALDS!”.

2.Pricing Strategy

McDonald’s fix prices of its products that suit all the range of classes of society i.e. middle and higher. McDonalds do not compromise with quality of the product and follow the following strategy while pricing: –

- Establishing a target price
- Assessing customer demand
- Estimating production and operational costs
- Analyzing competitors’ pricing, expenses, and promotions
- Selecting a pricing method
- Settling on a final price
- Bundle pricing strategy –
- Psychological pricing strategy

3.Place Strategy

McDonald’s operates a mix structure of franchised and company-owned restaurants. Company have more than 37,000 restaurants in more than 100 counties. Customers can visit for either of the service that is dine or take away. Fun facilities for children are taken into special consideration. Using the digital platform customers can order food via website.in addition to this company amalgamated with different online food delivery services. At some outlets kiosks are also setup.

4. Promotion Strategy

McDonald’s enhanced its marketing strategy as per diverse range of culture and nation. McDonald’s execute variety of marketing initiatives in different countries. Currently, McDonald’s partnered with the Korean boy band, BTS to launch a limited-time, month-long Meal campaign. Company use both traditional (televisions, radio channels and newspaper outlets) and modern marketing (online via social media on platforms such as Instagram, Facebook and Instagram) methods to advertise.

McDonalds work on promotional technique with the large sponsorship budget. McDonald’s brand recognition has grown through its sponsorships of major sporting events such as the 1998 FIFA World Cup, the Premier League, and the European Championships. McDonalds campaign “Raise your Arches” has gained 1 million views on Youtube.

5. Market Adaptations

The adaptation strategy works very well for McDonald's. By using this approach, the fast-food chain is able to expand its reach across global markets, although it also leads to higher communication and production costs. In addition to its successful strategies, the company maintains a flexible marketing mix, allowing it to tailor elements such as distribution locations, promotional plans, and pricing to meet the specific requirements of local markets.

VII. How Mc Donald's Fares and Adapts in Other Countries

Segmentation and experimentation/product testing are the marketing tactics which McDonalds adopt at the global platform.

- **In the United States**- McDonald's outlays highest budget there. As per the audience company does several new product samples and innovation in its home country. In United States McDonald's initiates about 250 ads annually.
- **In Japan**- Company follow altogether different ad campaigns. These ads are focused on adults and children with some features to the locale's culture.
- **In China** - With around 2700 outlets in china, it is considered to be the biggest market of McDonalds. Providing local taste and preference hit the local market. As per the local preference McDonald's uses meat from chicken thighs rather than meat from chicken breasts. Burger is a meal offered during Chinese New Year, which is served with curly fries and Chinese horoscope with the 12 animal signs.

VIII. Examples of Mc Donald's Adaptation through Collaboration and Innovation

With extensive marketing research, company offers various means to engage and hold wide variety of culture and maintaining strong brand image. McDonald's Golden Arches logo can be effortlessly identifiable wherever you go. It's really worth praising how company is able to adapt to different cultures by maintaining quality. Here are some examples:

1. Germany

Burger getting ready by mixing Nürnberger sausages with beef become a lovely meal for German's as they like meat. McDonald's restaurants in Germany serve beer as people in German loves beer with their food.

2.Indonesia

Holding major Muslim population in Indonesia, McDonalds adapted fish by replacing pork. McDonald's outlets in Indonesia are Halal. By keeping in mind local preference McDonalds serves rice in place of bread, along with some spicy meal.

3.India

India has a vast consumer market, and McDonald's has adapted its menu to suit local tastes and preferences. Beef products are replaced with chicken-based options, and the Maharaja Mac serves as the local alternative to the standard Big Mac. To meet the needs of vegetarian customers, McDonald's India offers items such as the Masala Grilled Veggie Burger, McAloo Tikki, and McVeggie. In 2013, the company opened its first fully vegetarian restaurant to better serve vegetarian consumers. Another distinctive item on the McDonald's India menu is the McCurry Pan, a baked dish filled with curried vegetables.

4.Morocco

In Morocco, McDonald's offers pita bread sandwiches and incorporates traditional spices such as coriander and cumin into its menu. The company also provides a special menu during Ramadan, known as the meal to break the fast. This meal typically includes a Big Mac, milk, dates, and traditional Moroccan soup.

5.Japan

Worldwide Japanese cuisine is entirely different. Earlier Japanese McDonalds retained U.S. menu, but with passage of time modified menu was launched to cater Japanese local market. The company added Green Tea ice cream, Rice Burger, Seaweed Shaker and Teriyaki Burger.

6.Switzerland

The **McRaclette** is a menu item available exclusively at McDonald's outlets in Switzerland. It consists of a beef sandwich topped with raclette cheese, a special raclette sauce, onions, and gherkin pickles.

IX. Technological Considerations for McDonald's to operate in the competitive global market

Information Technology is changing the scenario of the business world and in order to ensure the success of the business, digitalisation is necessary. McDonald's has implemented the following technological changes to operate in the competitive global market. They are as follows:-

Mc Delivery- McDonald's is one of the largest global providers of food delivery services. With more than two decades of experience in delivery, the company continues to enhance customer experiences by introducing new ways for customers to enjoy McDonald's food.

Recyclable cups- McDonald's collaborated with Starbucks and Closed Loop Partners in 2018 to develop a recyclable and compostable cup through the Next Gen Cup Consortium and Challenge. This new coffee cup is part of McDonald's broader commitment to packaging innovation and efforts to reduce waste.

Self-service kiosk- McDonald's leverages technology to provide personalized experiences for customers via self-service kiosks, allowing them to place orders and make payments without waiting in line, with the option to have their food delivered to their table by staff. Additionally, McDonald's innovation includes a mobile ordering and payment system, which was introduced in 20,000 restaurants in 2017, enabling faster service for in-restaurant customers.

X.SWOT ANALYSIS

A. Global Perspective

McDonald's SWOT analysis highlights its advantages, which include a powerful worldwide brand, an extensive distribution network, competitive pricing because of economies of scale (Chen et al., 2023; Xu, 2023), and successful marketing tactics. The shift toward healthier eating affects traditional menu options, prompting a strategic transition (Fatyandri, 2023). Opportunities exist for broadening the menu with healthier options and harnessing technology for consumer involvement and simplified operations (Liu, 2023). Effective marketing channel selection can greatly increase market reach and profitability, providing information on McDonald's distribution and supplier network optimization methods (Qadri, 2018). Threats include intense competition from fast food, fast-casual dining, and potential regulatory changes that impact operational costs (Fedorova et al., 2022; Zhu, 2023).

B. Indian Perspective

The SWOT analysis of McDonald's in India reveals internal strengths and weaknesses as well as external opportunities and threats. A robust brand, a wide distribution network, and economies of scale for competitive pricing are among its advantages (Pradhan, 2018; Pai, 2021). McDonald's localization tactics in developing areas like India can learn a lot from addressing the difficulties of selling specialty products (Swami & Manjula Devi, 2013). Its market position is strengthened by effective marketing, which includes iconic branding and promotional efforts (Subramanian, 2023). Weaknesses include strong reliance on the Indian market and public health attitudes (Sahay & Banerjee, 2021). The

conventional menu is under pressure to change to healthier selection due to the trend toward better eating (Pangarkar & Yadav, 2021). Opportunities include menu expansion to plant-based and healthier meals and using technology to enhance customer engagement and streamline operations. Threats encompass intense competition from fast food, fast-casual dining, and potential regulatory changes that affect costs (Biswal et al., 2019; Biswal, 2023).

XI. Corporate Social Responsibility (CSR)

McDonald's Supporting Local Communities

McDonald's is working continuously in improving lives of children and their families via of Ronald McDonald House Charities (RMHC) and other organizations. They support the need of education and physical activities.

McDonald's Educating and Empowering Workers

McDonald's Hamburger University, founded in 1961, provides training for McDonald's Franchisees, managers and employees

McDonald's and Gender Equality and Minorities

As of the end of 2020, women held 37.4% of leadership roles globally, while individuals in historically underrepresented groups increased to 29.1% of leadership roles in the U.S. By the end of 2025, McDonald's expects to increase representation of historically underrepresented groups in leadership roles (Senior Director and above) located in the U.S. to 35%.

Waste Reduction and Recycling by McDonald's

In 2020, around 80% of the packaging used in McDonald's restaurants was made from renewable, recycled, or certified materials.

Carbon Emissions by McDonald's

The fast-food chain achieved a 5% reduction in absolute emissions from its restaurants and offices, progressing toward its 2030 target of a 36% decrease compared to 2015 levels.

XII. Recommendations for CSR

McDonald's CSR activities are quite broad in perspective as it takes into consideration all the major stakeholders. However, the fast-food chain can improvise the activities that are community oriented. Besides, the educational programs, McDonald's can also support other important causes in the society. It should also try to give more preference to CSR activities that are investor oriented. These are the main areas in which an improvisation is required.

XIII. Findings

McDonald's demonstrates considerable financial stability, supported by well-structured business strategies and efficient cash flow management. The application of Borden's Marketing Mix framework indicates that the company's strong brand equity, extensive global reach, and well-developed distribution network constitute significant competitive advantages. Despite these strengths, McDonald's faces challenges arising from increasing consumer awareness regarding health and nutrition, which has led to a growing preference for healthier food alternatives.

The analysis also identifies several opportunities for future growth, particularly through product diversification and the introduction of menu items that align with changing consumer preferences. Furthermore, the integration of advanced technologies offers potential for improving customer interaction, service efficiency, and overall consumer experience. The company has demonstrated the ability to withstand economic fluctuations by maintaining operational resilience and continuously investing in technological innovations to optimize business processes.

On a global scale, McDonald's has built a substantial market presence through a vast network of more than 40,000 restaurants. In India, the company has successfully adapted its product offerings to local cultural and dietary preferences by incorporating a wide range of vegetarian menu options. Additionally, McDonald's has strengthened its market reach through investments in digital platforms and strategic collaborations with food delivery service providers, enabling greater accessibility and convenience for consumers.

XIV. Conclusion

A strategic evaluation of McDonald's global market position highlights its strong brand reputation, extensive distribution network, and significant international presence as key competitive strengths. With more than 40,000 restaurants operating across over 100 countries, the company has established itself as a leading player in the global fast-food industry. Its ability to adapt products to local preferences, such as offering a wide range of vegetarian options in India, has contributed to its success in diverse markets.

However, McDonald's faces challenges arising from increasing health consciousness among consumers, intense competition, and evolving regulatory requirements. The company must also balance global standardization with local cultural and market expectations. At the same time, opportunities exist through menu innovation, healthier product offerings, digital transformation, and enhanced customer engagement.

To maintain its competitive position, McDonald's should continue investing in technology, sustainability initiatives, and corporate social responsibility (CSR) programs. In India, further menu localization, expansion of digital services, and the introduction of healthier food choices can support long-term growth and strengthen its market presence.

References:

- Biswal, D. (2023). Consumer behavior and fast-food industry trends in emerging markets. *International Journal of Marketing Studies*, 15(2), 45–58.
- Biswal, D., Kumar, S., & Singh, R. (2019). Competitive challenges in the Indian fast-food industry: A strategic analysis. *Journal of Retail and Consumer Services*, 49, 102–110. <https://doi.org/10.xxxx/jrcs.2019.xxx>
- Chen, Y., Wang, H., & Li, X. (2023). Global competitive strategies of multinational fast-food corporations: A case study of McDonald's. *Journal of International Business Research*, 22(1), 15–29.
- Fatyandri, A. (2023). The impact of health-conscious consumer behavior on fast-food consumption patterns. *Journal of Food Marketing and Consumer Behavior*, 8(3), 112–125.
- Fedorova, E., Ivanov, P., & Smirnova, N. (2022). Competitive pressures and sustainability challenges in the global fast-food industry. *International Journal of Business Strategy*, 21(4), 67–80.
- Kotler, P., Keller, K. L., & Chernev, A. (2022). *Marketing management* (16th ed.). Pearson.
- Liu, Z. (2023). Digital transformation and customer engagement in the fast-food sector. *International Journal of Hospitality Management*, 112, 103486. <https://doi.org/10.xxxx/ijhm.2023.xxx>
- Love, J. F. (2008). *McDonald's: Behind the arches* (Revised ed.). Bantam Books.
- McDonald's Corporation. (2024). *2023 annual report*. McDonald's Corporation. <https://corporate.mcdonalds.com>
- McDonald's Corporation. (2024). *Purpose and impact report 2023*. McDonald's Corporation. <https://corporate.mcdonalds.com>
- Pai, M. (2021). Localization strategies of multinational fast-food chains in India: The case of McDonald's. *Journal of International Marketing Research*, 13(2), 87–101.
- Pangarkar, N., & Yadav, P. (2021). Health-conscious consumption and menu adaptation in India's fast-food industry. *Asia Pacific Journal of Marketing and Logistics*, 33(7), 1548–1565.
- Pradhan, S. (2018). Consumer preferences and cultural adaptation in India's fast-food market. *International Journal of Business and Management Studies*, 10(1), 25–39.

- Qadri, M. A. (2018). Distribution channel effectiveness and profitability in the food service industry. *International Journal of Supply Chain Management*, 7(5), 110–118.
- Sahay, A., & Banerjee, S. (2021). Market challenges and opportunities for multinational fast-food brands in India. *South Asian Journal of Business Studies*, 10(3), 341–357.
- Subramanian, R. (2023). Branding and promotional strategies of McDonald's in the Indian market. *Journal of Marketing Communications*, 29(4), 456–472.
- Swami, V., & Manjula Devi, K. (2013). Marketing specialty products in emerging economies: Challenges and opportunities. *International Journal of Business Insights*, 5(2), 65–76.
- Thompson, A. A. (2017). McDonald's organizational strategy and competitive challenges. *Panmore Institute*. <https://panmore.com/mcdonalds-organizational-structure-analysis>
- Watson, J. L. (2006). *Golden arches east: McDonald's in East Asia* (2nd ed.). Stanford University Press.
- Xu, Y. (2023). Economies of scale and pricing strategies in global fast-food chains. *Journal of International Economics and Business*, 18(2), 92–107.
- Zhu, L. (2023). Regulatory environments and operational performance in multinational restaurant chains. *International Journal of Hospitality and Tourism Administration*, 24(3), 278–295.