

What is Marketing at McDonald's?

In this activity, we will use a quick overview of McDonald's in their early days to identify the reasons for their success throughout the world and the contribution of marketing (if any) to their overall performance. This will help in gaining a good sense of the scope of marketing in a large firm.

A Little McDonald's History

Let's face it – pretty well everyone we know has eaten at McDonald's at some time or other. But why is McDonald's so successful? Particularly as many people would agree that their food is only just OK. Therefore, if it's not their core product offering driving their success, then what is?

To find out, let's go back to the beginning of their success story. It was in the 1950's when Ray Kroc, a milkshake machine salesman, got a big order from the McDonald's brother's hamburger store. They bought six machines that had the capacity to make 48 milkshakes at one time!

Ray was fascinated to find out why a local hamburger store would want to make so many milkshakes. He found out that they had very efficient processes and systems that enabled them to make many hamburgers in a short period and serve many customers quickly. Obviously, Ray saw significant potential in this local hamburger store and initially worked with the McDonald's brothers to expand store numbers.

Since then, McDonald's has streamlined, fine-tuned and systematized their food production process even further. This allows them to provide great speed and consistency of product. This gives their customers the reassurance of knowing exactly what they are going to get, no matter which McDonald's store they visit.

Today, McDonald's is a major owner of real estate and has stores in thousands of key locations throughout the world. This obviously provides great convenience to customers. And to make their offering even more convenient, McDonald's have added drive-thru options and extended trading hours at many of their stores.

They also provide a good range of facilities including easy parking, comfortable seating, playgrounds, restrooms, and sometimes even free newspapers – all within clean and modern surroundings. Despite their success, in recent years McDonald's has tried to adapt to the changing needs of the market with their broader and healthier menu. And to support this change, they have heavily promoted their new menu in order to keep their strong brand relevant with today's consumers.

Student Discussion Questions

1. Outline the reasons why McDonald's have been so successful throughout the world. (Use both the information in the case and your own knowledge.)
2. Which ones are the more important reasons?
3. Which of the reasons that you have identified would be considered to be part of the 'marketing function'?
4. Therefore, in your opinion, to what extent have marketing related activities contributed to their global success?