

Was McDonald's Adaptive or Just Lucky?

Firms generally need to adapt their marketing strategy to the changing environment. With this exercise, you need to consider whether McDonald's successfully and proactively leveraged the changing factors in the macro-environment, or whether their business operation at the time just happened to be quite suited to this new environment. In other words, was it an adaptive strategy or just lucky?

A Little Bit of McDonald's History

While McDonald's origins go back to the 1950's, the majority of their growth (and indeed other fast-food companies) has been primarily achieved from the mid-1970's onwards. Over this time period, there have been a number of significant changes to the macro-environment, including:

- Increase in family affluence, with more dual-income families emerging
- This change also meant that families became more 'time-poor'
- Increase in the consumption of 'ready-to-eat' food
- Increase in advertising - across many different mediums
- Increase in car ownership (multiple cars in the same family)
- Improved technology and databases (used in McDonald's for purchasing and logistics)
- Increase in concerns over health issues relating to food

Student Discussion Questions

1. Which of the above changes were likely to be highly beneficial for a fast-food chain like McDonald's?
2. Do you think that McDonald's deliberately adjusted their operations (in the 1960s-1970s era) to better fit this environment, or were they just 'in the right place at the right time'?
3. If the social environment of the USA were still like it was in the 1950s (traditional Moms staying at home looking after the family), do you think that McDonald's would be as prominent as they are today?
4. Why do you think that McDonald's have generally become the fast-food market leader in most countries in which they compete? (That is, why didn't other fast-food chains out-perform them?)
5. To what extent do you believe that 'luck' plays a part in business performance?