A Study on the Marketing Strategy of McDonald's with a Focus on Customer Satisfaction in Raipur, India

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Date:
May–June 2025

Abstract
This research explores the marketing strategies employed by McDonald's, with a focus on understanding how these strategies contribute to customer satisfaction and brand loyalty. The study investigates various elements such as product offerings, pricing, promotional techniques, and distribution channels used by McDonald's in the Indian market. Primary data was collected through a structured questionnaire, while secondary data was sourced from existing literature and online resources. The research objectives included evaluating the effectiveness of McDonald's marketing mix, identifying consumer preferences, and analysing the impact of marketing tactics on consumer behaviour. Findings reveal that consistent quality, value-based pricing, and localised promotional campaigns significantly influence customer satisfaction. The study concludes with suggestions to enhance customer engagement and maintain a competitive edge in the fast-food industry.

Keywords:
McDonald's, Marketing Mix, Customer Satisfaction, Fast Food Industry, India, Consumer Behaviour, Convenience Sampling.

Summary

Title:

A Study on the Marketing Strategy of McDonald's

Objectives of the Study:
- Understand customer response toward McDonald's product offerings.
- Evaluate attributes of McDonald's selling efforts.
- Assess customer perception of physical evidence (ambience, cleanliness, etc.).
- Analyse how these elements contribute to customer satisfaction and brand loyalty.

1. Introduction & Contextual Background:

Customer and Customer Satisfaction

In any business, continual feedback is essential to improve customer satisfaction, which serves as a vital indicator of consumer purchase intentions and loyalty. Customer satisfaction data are widely collected to understand market perceptions and serve two primary purposes. Internally, these data reinforce the importance of customer-centric practices by guiding efforts to enhance the consumer experience with the company's products and services.

Customer Definition

A customer is an individual or organisation that purchases or consumes a product or service and has the freedom to choose among various goods and service providers. Businesses aim not only to attract customers but also to retain them by fulfilling or exceeding their expectations.

Satisfaction Definition

Customer satisfaction refers to the level of contentment a customer experiences after purchasing a product or service. It is influenced by the comparison between the product's actual performance and the customer's expectations:

If performance falls short, the customer is dissatisfied.

If performance matches expectations, the customer is satisfied.

If performance exceeds expectations, the customer is highly satisfied.

Thus, managing and improving customer satisfaction is critical for building loyalty and long-term business success.

Marketing Mix: Summary

The marketing mix refers to the strategic combination of key marketing elements that form the foundation of a company's marketing strategy. Traditionally known as the 4 Ps—Product, Price, Promotion, and Place—modern extensions often include People as a fifth element. These components help businesses meet customer needs effectively and achieve organizational goals.

Product:

Refers to goods or services offered to satisfy consumer needs.

Involves decisions related to design, quality, size, brand name, packaging, range, and testing.

The aim is to develop a product that delivers value and meets market demands.

Price:

A crucial factor affecting demand, revenue, and profitability.
Pricing decisions involve research and consideration of costs, competition, demand, and government regulations.
Elements include base price, discounts, credit terms, and freight charges.

Promotion:

Encompasses all activities aimed at informing and persuading customers.

Includes advertising, personal selling, and sales promotions.

An effective promotional mix blends multiple methods based on budget, product type, and market conditions.

Place (Distribution):

Deals with making the product available to customers at the right time and place.

Involves decisions about channels of distribution (wholesalers, retailers), location, and logistics.

Requires continuous evaluation of channel performance and transportation efficiency.

People:

Refers to employees and their role in delivering customer satisfaction.

Recruiting the right staff, providing proper training, and retaining talent are vital for long-term success.

Positive customer experiences through excellent service lead to customer loyalty and word-of-mouth promotion.

Process:

Refers to the procedures, mechanisms, and flow of activities involved in delivering a product or service to the customer.

Efficiency in process design ensures smoother customer experiences, time savings, cost reduction, and consistency in service quality.

It plays a critical role in service-based businesses where the delivery often occurs in the customer's presence, affecting overall satisfaction and brand perception.

Physical Evidence:

Encompasses all the tangible elements that shape a customer's perception of a business.

Includes product packaging, branding, physical environment (e.g., store layout), staff appearance, and even digital touchpoints like websites and social media.

Strong, cohesive physical evidence supports brand identity, builds customer trust, and can influence buying decisions.

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Research Objectives

To analyse customer responses towards the product.

To understand customer attitudes towards personal selling techniques.

To evaluate customer perception regarding physical evidence in marketing.

Research Hypotheses

H_0 (Null Hypothesis): There is no significant relationship between the quality of the product and customer response.
H_1 (Alternative Hypothesis): There is a significant relationship between the quality of the product and customer response.

H_0: There is no significant influence of personal selling on customer attitude.
H_1: Personal selling significantly influences customer attitude.

H_0: Physical evidence does not significantly affect customer perception.
H_1: Physical evidence significantly affects customer perception

Literature Review

J. Culliton (1948) – In his Harvard University research bulletin, Culliton emphasized managing marketing costs to curb inflated profits. He laid the groundwork for modern marketing by shifting focus from top management to customer-centric approaches.

Jerome McCarthy (1960) – A renowned marketing professor, McCarthy introduced the 4P's of Marketing (Product, Price, Place, Promotion), providing a foundational framework known as the Marketing Mix.

N.H. Borden (1964) – In the Journal of Advertising Research, Borden expanded on the marketing mix, presenting it as a strategic managerial concept and emphasizing its importance in decision-making.

Jerome E. McCarthy (1964) – Further built on his earlier work by refining the 4P classification systematically and promoting a global managerial approach to marketing.

P.M. Banting & R.E. Ross (1973) – Their study revealed a strong link between customer satisfaction, repurchase intentions, and both pre- and post-purchase behavior, underlining the financial benefits of consumer-centric marketing.

Bernard H. Booms & Mary Jo Bitner (1981) – Emphasized employee motivation and service orientation in service-based organizations, recognizing the vital role of frontline staff in promotion and distribution.

Carl McDaniel (1982) – Highlighted the role of marketing research in designing effective marketing mixes. His work focused on practical applications in both developed and developing markets.

G.L. Shostak (1984) – In Harvard Business Review, Shostak advocated for systematic service design and measurement of service capacity and productivity, stressing operational efficiency in service delivery.

S.F. Hunt & J. Goolsby (1988) – In their analysis of marketing paradigms, they acknowledged the marketing mix as a central, enduring concept despite shifts in theoretical approaches.

M.J. Bitner (1991) – Introduced the services marketing mix, noting evolving consumer preferences and quality expectations, thereby promoting a systems approach to service marketing.

M.J. Bitner (1992) – Explored the influence of physical surroundings on customers and employees. Her framework underlined how environmental design could support both marketing and organizational goals.

Al Ries & Jack Trout (1993) – Critiqued the assumption that well-funded marketing programs guarantee success. Using General Motors as a case, they stressed brand identity and strategic focus over budget size.

R.P. Fisk, W. Brown & M.J. Bitner (1993) – In the Journal of Retailing, they traced the evolution of services marketing, offering fresh insights and innovative distribution ideas, and highlighting the rising importance of service delivery systems.

Research Area: Marketing Research

Marketing research is the process that connects marketers with consumers, end users, and producers through relevant information. It is essential for:

- Identifying and defining marketing opportunities and problems.
- Generating, refining, and evaluating marketing actions.
- Monitoring marketing performance.
- Enhancing the understanding of marketing as a process.

Marketing research involves specifying the required information, designing the method of data collection, managing the data-gathering process, analysing the data, and interpreting and communicating findings for informed decision-making.

Research Design

According to Kerlinger

 "Research design is the plan, structure and strategy of investigation conceived to obtain answers to research questions and to control variance."

Marketing research designs are classified into the following types:

1. Exploratory Research Design

- Focuses on exploring unexplored aspects of a subject.
- Heavily dependent on the researcher's intuition and background.
- Aims to understand the what, how, and why behind research questions.
- Often used in the initial stages of research.

2. Descriptive Research Design (Used in this study)

Descriptive research is used when the goal is to:

- Determine characteristics of a specific group.
- Estimate the proportion of people who behave in a particular way.
- Make predictions regarding market trends or consumer behaviour.

3. Causal Research Design

- Investigates cause-and-effect relationships between variables.
- Used to measure the impact of one factor on another.
- Helpful in business planning and operational decision-making.

Sampling Design

A sampling design is a framework or roadmap for obtaining a sample from a given population. It includes:

- Population: The entire group of individuals relevant to the research.
- Sampling Frame: A list or database from which the sample is drawn.
- Sample Unit: The individual elements or units selected for the sample.
- Sample Size: The number of units included in the study.
- Sampling Technique: The method used to select the sample (e.g., random sampling, stratified sampling, convenience sampling, etc.).

Sources of Data Collection

Marketing research may involve both *primary* and *secondary* sources of data.

1. Primary Data

Primary data is *first-hand information* collected directly from the source for a specific purpose. Techniques include:

Observation

Interviews
Questionnaires Schedules

2. Secondary Data

Secondary data is pre-existing information gathered from various published or recorded sources. These include:

- Books Websites
- Journals
- Reports
- Newspapers
- Government and company publications

Findings

o It was found out that out of 50 respondents, 24 respondents are highly satisfied with the quality of the product, 13 respondents are satisfied, 08 respondents feel moderate, 02 respondents are dissatisfied and the remaining 03 are highly dissatisfied.

o It was found out that out of 50 respondents, 10 respondents are highly satisfied with the varieties of product as per flavour, 26 respondents are satisfied, 10 respondents are moderate, 03 respondents are dissatisfied, and the remaining 01 are highly dissatisfied.

o It was found out that out of 50 respondents, 16 respondents are highly satisfied with variety of product as per size, 20 respondents are satisfied, 11 respondents feel moderate, 02 are dissatisfy and remaining 01 are highly dissatisfy.

o It was found out that out of 50 respondents,25 respondent is highly satisfied with product having hygiene, 17 respondents are satisfied, 05 respondents feel moderate, 02 respondents are dissatisfied and remaining 01 are highly dissatisfy.

o It was found out that out of 50 respondents, 20 respondents are highly satisfied with the Mc Donald's product having Good Aroma, 12 respondents are satisfied, 08 respondents feel moderate, 07 respondents are dissatisfied and remaining 03 are highly dissatisfy.

o It was found out that out of 50 respondents, 15 respondents are highly satisfied that Mc Donald's staff are presentable, 18 respondents are satisfied, 06 respondents feel moderate, 10 respondents are dissatisfied and remaining 01 are highly dissatisfy.

o It was found out that out of 50 respondents, 18 respondents are highly satisfied that the staff of Mc Donald's are having communication skills, 13 respondents are satisfied, 10 respondents feel moderate, 07 are dissatisfy and remaining 02 are highly dissatisfy.

o It was found out that out of 50 respondents, 20 respondents are highly satisfied that the staff of Mc Donald's having proper knowledge of the product 18 respondent are satisfied, 09 respondents feel moderate, 02 respondents are dissatisfied and remaining 01 are highly dissatisfy.

Limitations

Since the road to improvement is never ending, this study also suffers from certain limitations:

a)   It is possible that the information supplied by the informants may be incorrect.

b)   Questionnaire methods involve some uncertainty of response. Co- operation on the part of informants in some cases is difficult to judge.

c)   The sample size is limited.

d)   The scope of the project is limited in the sense that only McDonald's has been taken for consumer research.

e)   Language is one of the worst problems; some of the consumers are unable to understand English.

Some consumers are not interested in filling questionnaire.

Conclusions

From the above analysis, we conclude that McDonald's is growing fast by satisfying its customers by providing proper quality and maintaining consistency in taste, and also has an impressive strategy of marketing the products in the form of a marketing mix element.

Mc Donald's is one of the largest fast-food companies in the world. They continue their path for success by keeping their customer in mind regarding their product selection as well as their prices. Mc Donald's has been successful in operating within the food service industry though efficient strategies and quality standards which enables them to gain competitive

advantage. As evidence by its international market growth, Mc Donald's has already been efficient in gaining entry even in the most challenging markets.

In conclusion, Mc Donald's has been successful because of the value the company gives for its customers. Hence despite the controversial beginning of Mc Donald's in India, the company managed to adapt to its people's cultural needs. Indeed, Mc Donald's is a learning organization, one that is willing to learn and open to change.

Suggestions

The suggestion to McDonald's is to:

- Consistency can be maintained in the taste and quality of the product.
- McDonald's soft drink is more of an ice and less of a cold drink.
- Advertising should be made more effective.
- More items can be included in its product link.

- Include more veg. option.

Growing health trends among consumers