Page 1346 - 1366 **DOI:** *https://doij.org/10.10000/IJLMH.112954*

INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 5 | Issue 2

2022

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Mcdonald's Entry into India

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ABSTRACT

McDonald's is one of the largest food-chains across the globe and a leading brand in the fast food chain industry. The name has now entered almost every common Indian household in the world by establishing hundreds of outlets within a couple of years. The entry into India wasn't easy for McDonald's. It faced a lot of religious, political and cultural problems yet overcame all of them successfully. Despite of the fact that McDonald's was renowned for its hamburgers, it became quite difficult for it to achieve the same status in India as they were made of beef or pork. Indians worship cows and treat them as holy animals, hence it was difficult to find a vegetarian alternative for their hamburgers and also to combat the religious constraints annexed to it. This paper deals with the problems faced by McDonald's upon its entry into the Indian market and how it overcame them.

I. INTRODUCTION

McDonald's was mainly faced with the religious, cultural and political impediments. They intricately studied the market and implemented appropriate business and market strategies to resolve all the constraints. The important problem in India was to find a vegetarian alternate for beef in burgers and to survive alongside its competitors like KFC, Dominos, Subway, etc. The objective of this paper is to evaluate the different strategies adapted by McDonald's during its entry into India.

McDonald's, a fast-food restaurant chain which gained global recognition over the years revolutionized the fast-food industry. What started as a single burger joint is now operating world-wide making it one of the world's most valuable brand with a net worth of around 106.4 billion dollars. The American fast-food chain which is currently headquartered at Chicago, Illinois has ventured almost every country in the world with its signature hamburgers using the most effective entry and marketing strategies.

McDonald's brothers Richard and Maurice first started off as a food-stand restaurant, then as a successful carhop drive and subsequently turned the company into a franchise (McDonald's, n.d.). Once they realized that they made major part of the profits from their iconic hamburgers,

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they closed their successful carhop drive-in and devoted to a streamlined system with hamburger and a few other dishes in the menu (Bryson, 1994). They then focused on improving their efficiency by creating appealing architecture and designs. For example, the new designs involved glimmering exterior, the golden arches and their mascot Speedee.

They also implemented new marketing techniques to change McDonald's from a sit-down restaurant to a fast-food chain and later forming franchises to expand regime. With help of one Mr. Ray Kroc, McDonald's brothers managed to enter into many future franchise agreements. Whilst they both argued over the control of business, Kroc purchased the brother's equity share in 1961 driving them out of the restaurant and aggressively promoting a world-wide reach. McDonald's is currently operating in 120 counties serving around at least 68million customers daily (Corporate overview, 2013). The company ventured into a large number of countries using the franchising technique which also helped it yield millions of profit from the business.

McDonald's found its way into India by a joint venture between Vikram Bakshi and Amit Jatia. This paper deals with how McDonald's successfully encountered challenges while entering into India and the strategies undertaken to overcome them. Needless to say, the decade long rivalry between Vikram Bakshi and McDonald's had a massive impact on tarnishing the brand image, the company still managed to establish its goodwill. Due to Bakshi's mismanagement in corporate affairs and alleged breach of franchise terms, his contract with the restaurant chain was terminated as a result of which he could no longer use any McDonald's intellectual properties. The various marketing and business tactics helped McDonald's rebound with its competitors.

II. MCDONALD'S INTERNATIONAL

McDonald's is a fast food chain known for hamburgers and fries, founded by two brothers namely Richard McDonald and Maurice McDonald in California circa 1940. Ray Kroc, who was a businessman joined the company in 1955 as a franchise agent when he was trying to sell expensive milkshake machinery and continued to purchase the chain from the brothers. Ray would buy all land, build future restaurants on it and lease them out to his franchisees which earned him a major profits. The brothers hesitantly agreed to sell their franchise to Ray for 2.7million USD in 1961 after some contemplation (CBS Sunday Morning, 2017) . Now, it is one of the most successful and largest restaurant chain with a whooping revenue 21.07billion USD as of 2020 (Owler, 2020) and serving millions of customers every day. The company started to grow gradually after Ray took over it establishing thousands of franchise around the world. McDonald's "Happy Meal" made it the largest toy distributor globally. After Ray's death, the Hamburger University helped in running the company with effective, best-trained managers in the fast-food industry. They tried to stay ahead of their competitors Burger King and Wendy’s.

After 1970, a major re-design was done to McDonald’s in 2006 which adapted the “forever young” design with renovated dining zones. The company only owned 15% of chains and the rest franchised out (Business Casual, 2017) and these account for two-third of revenue which amounts to 18.2billion USD but the company reserved only 2.9billion USD. On the other hand, the franchises earned 9.2billion USD revenue and the company kept 7.6billion USD out of it. Even during the recession in 2008, McDonald’s continued to have a same store sales increase for 55 months continuously, opening 600 new outlets with 29% return on equity (PolyMatter, 2020). Experts call McDonald’s “recession proof”.

McDonald’s is first a real-estate company. As per the balance sheet reports of 2019, 39billion USD is the current value of all its property and equipment before it reports depreciation making it the fifth largest real-estate owner in the world (PolyMatter, 2020). It receives majority part of franchise revenue from the rents collected rather than the hamburgers. In 2019, 64% of its 11.6 billion USD in franchise was earned only in the form of rent.

The visions for McDonald’s is to be the best quick service restaurant experience. McDonalds has won many awards for its excellent service in the fast food sector and has set the bar high for other fast food chains as well. There are more than 32,000 local restaurants serving more than 68 million people in around 130 countries each day and a revenue of about $23 billion. 70% of restaurants in the globe are now owned and run by independent local businessmen and women, some of which are open 24 hours a day (Tilwani, Patel, Singh, Singh, & Goyal, 2020). McDonald's has become a symbol of globalization, which is frequently referred to as society's "McDonaldization." McDonaldization is a redefinition of scientific management and rationalization. McDonaldization may be defined as the process by which "fast-food restaurant ideals are coming to permeate increasingly more segments of American society as well as the rest of the globe."

III. CULTURAL, RELIGIOUS AND POLITICAL CHALLENGES

The liberalization policies enacted by Government of India which allowed foreign fast food companies to enter India in the early 1990’s. The entry of McDonald’s in India started on October 13, 1996 in Delhi as a joint venture between Oak Brook III and two local partners: Hardcastle Restaurants Private Ltd. in western India, and Connaught Plaza Restaurants Private Ltd. in northern India. The franchise was with Vikram Bakshi’s Connaught Plaza in east and north India, and Amit Jatia's Hardcastle Restaurants in west and south India. Hardcastle restaurants had an equal joint venture between McDonald's and Amit Jatia, the vice-chairman of Westlife development who managed the "Quick Service Restaurants" [QSR] sector. The joint venture was a strategic alliance move. It entered India as a subsidiary company called MIPL (McDonald's India Private Limited) (E.B.Kevin, 2020).

The hamburgers it originally made had beef or pork as their base meat. This was one of the greatest challenges faced by the company upon entry into India, as beef or pork consumption was against the cultural values and religious sensitive (as 80% Indians followed Hinduism). Let alone that, no meat was consumed by majority of Indians and hence it turned out to be a hassle to renovate something new to fit in the orthodox traditional food habits. This led to the making of "McAloo Tikki burger". Chicken Maharajah Mac was invented as a vegetarian alternative to replace McDonald's signature burger, Big Mac beef burger (Jatia, 2014). India is the first country to have an all vegetarian course at McDonald's for which the company had to reengineer its whole menu. Even mayonnaise and soft-serves were 100% vegetarian and McMasala, McImli were also introduced. In the beginning, only Chicken Nuggets, Fillet-O-Fish, fries, sodas, and shakes were available from the original McDonald's menu. Overall, menu localization was less than 5% in other nations, but it was 33% in Asia and 75% in India (Rangnekar, 2020).

The Foreign Direct Investment was allowed as 100% from August, 2017 for food products manufactured in India which allowed McDonald's to invest more in India and has also created employment opportunities (Kapoor, 2018). The young population of teens and adults were key drivers of QSR which was an added advantage to McDonald's.

Later on, it faced strong opposition from political parties like Shiv Sena and BJP. The party members of BJP were headed by Bajrang Dal, held an open protest against the company's outlets attacking and demolishing some of its branches on 4 May, 2001 in the suburbs of Mumbai (Assignmentpoint, n.d.). When McDonald's official announced on Twitter that its outlets in India will serve Halal meat and are certified for the same, it faced strong opposition from the right-wing Hindus (Kuchay, 2019). India with a population of at least 80% Hindus who consider consuming meat as a sin, this led things get arduous. This led to boycott of the products all over India and online platforms with boycott campaigns. The change in policies and regulations have also had its own set of impact on the company.

IV. What did McDonald's do to overcome the challenges

Amit Jatia who handles the south and west chains of the country played a major role in the growth of McDonald's in India. Only 3 per 100 meals were only eaten in a month during 2003. After the prologue of Rs.20 Aloo Tikki burger, an Indianised version of local street food with mashed potato and peas with Indian spices, it was a tremendous hit. This increased the eating out upto 10 times per 100 meals and 320 million customers a year mostly aged between 19 to 30 years at that time. Yet another strategy was the introduction of high quality soft-serve ice-creams at an affordable rate.

McDonald's had to strive hard to deliver best food experience and bring a splice to life blended with cultural values. It first needs to eliminate the pre-conception in people's mind that McDonald's was an American brand rather bring in a diversity of Indian cultures matching the standards. It focused mainly on the design of the outlet and curated menus to satisfy various needs and special requirements of the assorted and diverse population till the year 2000. To overcome the language barrier (more than 200 languages are spoken in India), national launches were conducted in at least eight languages, reducing the danger of misinterpretation and the inability to connect with their target market, which is a major strategic problem. It gradually started to introduce non-vegetarian products in the menu to strive alongside its competitors like KFC and also while honoring the diverse culture. Restaurant Management System (RMS) was introduced for efficient internal management. Separate utensils, employees with different uniforms, separate kitchen, preparations and wrapping were also there for vegetarian and non-vegetarian section. Made For You (MFY) food preparation strategy is a unique concept where food is prepared as customer places his order which helped the strengthening of quality standards. RMS brochures were handed out to people to assure them of the segregation of vegetarian and non-vegetarian which was also inclusive of kitchen tours. In such a market, the cultural component had to be considered, since any omission may jeopardize the company's global reputation, limiting its ability to expand.

McDonald's mainly focused on urban markets which targets only 8% target group of the population after the demographic analysis. McDonald's focused on the urban market, where fewer than 30% of India resided, low income levels in India which would make McDonald's pricey for most, and Indian dietary habits that would take years to change to western preferences were the primary reasons for such a small target group (Rangnekar, 2020).

There were mainly 4 initial strategies that was taken up by McDonald's during its entry:

i. System

McDonalds had an effective system and exploited the minimum labor available especially the thousands of those who were unemployed and were in search of work.

ii. Convenience

Since McDonald's was already a well-established brand around the world, so people were very much familiar with it. In India, McDonald's launched its outlets in all public places including major shopping malls, highways and in other crowded places.

iii. Familiarity

The golden arches, Big M Ronald McDonald's clown and happy meals all became a trademark for McDonald's which made people to easily recognize it.

iv. Menu

The menu has diverse meals to satisfy the kids, adults and also the old. The assorted range of exclusive vegetarian menu attracted a lot.

V. How different strategies were followed in each step upon entry into India?

- ***Entrance strategies***

Indians generally have a pre-conception in their mind that anything that is foreign is pricey. So to capitalize on the high price sensitive economy, McDonald's adapted penetration and three circles strategy. This played a major role in localization and branding of the company to the commons. The meals were also introduced as vegetarian exclusive at a lower rate, and the soft-serve ice-cream which was for just 7 rupees and the Aloo Tikki Burger an Indianised version of vegetarian burger were a huge hit in the market.

- ***Training strategies***

Service is what McDonald's considers to be one of its vital success factor. So every trainee were trained extensively and critically to serve the customers up to their full satisfaction with friendly service and accuracy of orders description, delivering it within a short period. The management trainees with a business degree were given exclusive training in Indonesia who were tutored by experienced management trainees from real estate, human resources, alongside global directors. Customer interactions, exposure and operation training within restaurants were all part of the training to help build a successful team and to develop hassle-free, user-friendly environment. Induction training was also conducted for new joiners in the company. The projected sales of each outlet was evaluated to facilitate staff requirements. The Unique Selling Proposition was QSCV standard which is the quality, service, cleanliness and value for money. World-class training is incorporated to serve customers with quick service, high-quality meals in a vibrant ambience at affordable price.

- ***Supply strategies***

McDonald's believed in maintaining a strong and solid relation with its suppliers. Only local produces from local market was obtained to maintain the healthy standard and quality of foods while maintaining the flavor to gratify the Indian requirements. McDonald's preferred local suppliers to global suppliers. It followed its prominent cold chain technology which involves the state-of-the-art food processing technology, creating a world class manufacturing facility in India. In 2020, the total investments in supply chain was almost 3billion rupees. McDonald's also imported international food processing technologies to maintain the quality of its burger patties.

- ***Marketing***

The television commercials of 'Toh Aaj McDonald's Ho Jaye' for an enjoyable contemporary place for families, 'McDonald's Mein Hai Kuch Baat' for family celebrations and 'Har Chotti Khushi Ka Celebration' for enriching life of consumers was also an initiative of McDonald's that focused on family dining which later became its USP. The new advertising of prices of the Yesteryears and "Happy Price menu" started to attract a lot of customers. The Happy Price menu was a marketing initiative as a part of the iconic "i'm lovin' it", launched in 2003. McDonald's then started its marketing by launching one of its finest Rs.7 soft-serve campaign which in turn helped the company establish the value proposition of the company.

McDonald's had the constant need to bring in new concepts and ideas to sustain its position as foodtailer. The creative minds led to the introduction of breakfast outlets, online orders and birthday parties. The success of McDonalds in India is not going to run out soon with its iconic signature dishes. Its success could be measured by its continuous growth in Indian for the past years in the fast-food market with almost around 210 outlets across India.

VI. Cold-chain technology, penetration, three-circles and other strategies

McDonald's offered burgers at a low rate with an all vegetarian menu to satisfy the Indian palate. It started to conduct regular studies to track the consumer behavior in India. This customer review could help marketing managers to estimate the growth rate, focus on target segment, reason for popularity of a product, industry trends, frequency of purchase, etc. The customer life-time value can also be estimated and changes can be made accordingly to retain existing customers as it is expensive to get in new customers. Customer life time value must be focused upon rather than developing a particular product because the former is more valuable. Some conclusions from the research were that people were unaware of the food in McDonald's, so an advertising campaign was started with the objective to assure people of the quality standards. Researches also indicated that people wanted a lot of vegetarian options. Consumer's insights were taken to introduce new meals to the menu. To devise pricing strategies, price sensitivity scans were conducted and the inflation levels were also reviewed. Open pricing where different prices to different target segments and distribution channels was adapted for price flexibility. This way it's both affordable for the customer and is also the best price for a product. The prices in India, were in fact half the price in US. McDonald's used the generic strategy in cost leadership which involves minimizing costs to offer products at a comparatively lower price.

McDonald's had quite a few important generic competitive strategies while entering into India. The first is cost leadership where the industry forces helps McDonald's to offer products at a cheaper rate. Economies of scale, supply chain management, raw material access, proprietary technology, supplier diversification all account in determining the price. It must also be ensured that there still remains a profit margin while not compromising on the quality. The second is differentiation strategy which helps to evaluate value proposition. This is to determine the acceptability of a new unique product or an offer. Third is the cost focus strategy where McDonald's strives to improve its cost advantage and the last generic strategy is of differentiation focus wherein it depends on the target segment (Dash, n.d.). Market strategies must be devised focusing on the target group.

McDonald's focused on quality products and contracted only with the best suppliers in India to maintain its standard. McDonald's always believed in maintaining a strong relation with its suppliers, distributors, and logistics which was one of its primary importance. McDonald's has a unique connection with its partners across the world that they have no formal agreements with any of its suppliers or distributors, and the relationship is solely based on mutual trust and support. Produce from local suppliers were brought which inculcated state-of-the-art food processing technology ultimately leading to improvement in quality. The local souring of products helped to build an authentic Indian flavor in the meals. Fresh Lettuce is sourced from Pune, Delhi, Nainital and Ooty; Cheese from Dynamix Dairies, Baramati, Maharashtra; fresh Buns from Mrs. Bector Foods, Phillaur, Punjab & Khopoli, Maharashtra; Sauce from Mrs. Bector Foods, Phillaur, Punjab, Chicken Patties, Vegetable Patties, and Veg.Pizza McPuff from Vista Processed Foods, Taloja, Maharashtra; Dairy Products are sourced from Amrit Food, Ghaziabad, UP (Hrpl, 2009). All these supplies were ensured that they comply with HACCP (Hazard Analysis and Critical Control Points) food safety standards. This was the initial step towards the concept of “cold chain”. The cold chain distribution system involves state-of-the-art food processing technology and the vertical integration supply chain works for them. It is a process where temperature controlled supply chain ensure the perishability of goods and semi-finished products are transported. This helps to maintain uniform taste in all outlets. The company spent four years developing its unique cold chain prior to its introduction in India, which has resulted in a veritable revolution in food handling, helping farmers on one side and allowing customers to acquire the greatest quality food on the other side that are both fresh and affordable.

McDonald's targeted the low-class and middle-class families who comprise majority of the Indian population and altered the pricing accordingly. McDonald’s was mindful that eating out at restaurants was mainly a family affair in India that was ascribed mostly during the evenings and weekends. The traditional family dining concept was projected as fine-dining restaurant with its introduction of breakfast combos. The television commercials like ‘Toh Aaj McDonald’s Ho Jaye’, ‘McDonald’s Mein Hai Kuch Baat’ strived to seek attention of families. One of the important marketing campaigns in the history of McDonald's was the 'i'm lovin it'' one.

McDonald’s used the penetration technique and the three circles strategy to capitalize the price sensitive Indian economy which ultimately led to the localization of the brand. It adopted penetration technique and three circles strategy. Breakfast combos and budget meals made the penetration technique effective. Penetration pricing is a marketing technique used by McDonald’s to gain market share by selling new products at a lower price than its competitors like KFC, Dominos, and Subway, etc. The three circles are overlapping circles like a Venn diagram that represent customer’s needs, competitors offerings and the particular company’s offerings. Every area of intersection shows how consumers experience product of McDonald’s and its competitors. It gives a fair view of the market and McDonald’s analysis this to proceed further. This was also the time when all the branded entered into India. It adapted various aggressive expansion strategies and made its way into every common household. Cross-cultural market-based product adaptation was one of the strategy to meet with the cultural environment. The prohibition of smoking and alcohol consumption in restaurants showed a significant result as 48% increase in footfalls and 30%hike in sales (Assignment Point, 2011). While other companies faced loss upon entry, McDonald’s intricately scrutinized the Indian economy and implemented strategies accordingly.

McDonald's works hard to give the best service to its customers and trains each and every staff accordingly. It ensures that the outlets have a friendly service and quick deliveries. It maintains its quality throughout every outlet and the managerial personnels are trained globally. Yet another clever strategy was that the outlets all had the same interior, same staff training, same menu and same quality to make people familiar with any outlet they enter and provide them comfort. This uniformity helps to maintain their consistency and customer experience.

McDonald’s adapted the franchise model to expand its regime and penetrate into large markets. This franchising technique helped McDonald’s to push its gross margins, operating income and also gave it a stable revenue with lower operating costs and risks (Qumer, 2019). There is always a fear of uncertainty in the minds of company owners, even when launching a franchise. The company had to invest a lot due to the purchasing power of the company. Regardless of the hefty investment, the fear of risk is lower with McDonald's since the profits are quick and company owners reach the breakeven point much sooner. However the franchising was met with issues of closure of around 169 outlets from Connaught Plaza Restaurants due to violation of financial agreements, mismanagement and financial irregularity which costed McDonald’s 3billion and its reputation. The McDonald's receives its major parts of revenue from the rent, royalties, fees paid by the franchisees, and from the sales in company-operated restaurants.

(A) Marketing strategies of McDonald’s

There are various things that needs to be considered before implementing marketing strategies, like optimization of resources, identification of opportunity, product life cycle, launch, redesign and testing of product, positioning, skills and expertise of managers. Market research must be based on availability of resources to figure out the needs of customers. Then customer value proposition is to be done using product design and testing for product positioning. The product will be launched once deciding upon the pricing, service system, distribution and supply chain. Once launched, the product life cycle needs to be supervised in all stages of introduction, growth, maturity and decline while still maintaining the brand equity.

McDonald’s needs to analyse its internal environment and external factors before making any marketing update. The budget, skills, execution, its effectiveness and impact on the company, optimization of resources should all be taken into consideration. Given the heavy competition in the fast-food industry, it is imperative for McDonald’s to advance steps carefully as once the consumer needs are not met, it might lose its brand loyalty. Since the marketing position is pretty strong for the company, it can afford to spend on marketing, launching new products, research, product design, building customer care network and IT network to support production and distribution (Dash, EMBA Pro Marketing 5C analysis for McDonald's in India case study, n.d.). The supply chain system can help in scaling up the production.

McDonald's segments the demographic scale, targets the group and then product positioning is done with respect to its competitors. Position has to be done strategically against competitors and counter-campaign must also be instituted to retain customers. Product line depth, targets different segments of a same product range; if the depth is high then the individual products needs more focus than the main brand. A broader product line would require higher market spending and positioning strategies (Dash, EMBA Pro Marketing 5C analysis for McDonald's in India case study, n.d.).

Something terned STP [Segmentation, Targeting and Positioning] was implemented by McDonald's. The demographic segmentation is for kids, families and teenagers based on their life-style. Then the target audience are set and additional facilities are positioned to attract them. It focused on urban market population where not even half the population resided, after the demographic analysis mostly due to the distinction in income levels of the classes. Based on geography (across metropolitan and cities), demography (children, adults and family), psychography (based on convenience and life-style and to provide a place to enjoy a relaxed meal) and behavioral (special party menu) attitudes, income, profit, brand loyalty, value proposition, etc. the customer segmentation is done. McDonald's has positioned itself as a family restaurant that is budget-friendly too, by introducing its "Happy Meal" line in the fast-food chain.

The marketing model widely used by McDonald's is the 4P model which is the Price, Product, Place and Promotion.

i. Pricing

McDonald's has priced its foods affordable to be accessed by all range of customers and middle-affluent customers too. This is why exclusive vegetarian meals were introduced in India at a minimal rate. Another important thing to note is that inflation in prices can reduce the income from sales.

ii. Product and Service management

They offer a wider range of products catering to every needs which owes to the strategic market segmentation. Be it the 100% vegetarian options offered upon entry to India and separate departments for vegetarian and non-vegetarian or the user-friendly environment that provides swift service, yet focused on keeping the theme of fun and happiness. The appearance, quality, packaging, brand and support are all discussed here. In India, McDonald's classifies its products as branded affordability (whether the customer can afford to buy a particular product) and branded core value products (the signature product that is successful and it's uniqueness from others).

iii. Place or Distribution

McDonald's operates widespread range of outlets, drive-through, kiosks and franchisees all around the country even at religious sites like Vaishno Devi.

iv. Promotion

It promotes themselves by advertisements with celebrities and influencers, sponsoring in events, TV commercials, banners, posters, SMS updates of offers, radio advertisements, pamphlets, discount cards for meals, contests, breaking deals, offers on meals and so on. All the promotion techniques have lured customers thereby increasing its sales. In India, promotion of vegetarian meals was done extensively to adapt to the culture.

There are other marketing strategies as well:

i. Financing

McDonald's makes all its profits and revenue from their franchises across India and deduct all the expenses they incur and then they have their product.

ii. Marketing Information management

McDonald's is constantly renovating, updating their menu and marketing channels keeping up with new trends and analyzing sales. To replace their beef meat, vegetarian alternative like potatoes were included and menus were updated to include vegetarian meal combos.

iii. Selling

McDonald's has around 400 outlets across the country to facilitate access to 3billion people in India and is also aiming to establish more restaurants.

(B) Business Model strategies

- ***Franchise model***

The Company owns just 15% of the entire number of restaurants. Franchisees run the remaining 85% of the business. The firm has a rigorous training and monitoring programme for its franchisees to guarantee that they comply with the brand's Quality, Service, Cleanliness, and Value principles (QSCV).

- ***Product Consistency***

The organization has been able to achieve constant product flavor and quality across regions by creating a sophisticated supplier networked operation and distribution system.

Repositioning of product can be done in a line or minimize sale of product with low product differentiation or introduce a new product with high product differentiation.

- ***Act like a retailer and think like a brand***

McDonald's is concerned not only with current sales, but also with maintaining its long-term brand reputation.

VII. Porter's five forces model analysis for McDonald's

Michael Porters model helps in understanding the external environmental factors and their level of intensities with respect to a business. Here McDonald's external factors are analyzed using this model to predict 5 levels of factors like threat of new entrants and substitutes, bargaining power of suppliers and customers, and extent of rivalry with competitors. McDonald's ensures strategic display of management by incorporating generic growth intensive strategies to fight against the external forces and to thrive alongside its rivalries in the market.

(A) Threat Of New Entrants

New entrants to a market may pose as a threat to existing companies in the particular market. This force is moderate for McDonald's.

New entrants may have a partial impact on the market share and financial performance of McDonald's (Gregory, 2018). Creating a brand name will be difficult for new entrants among the well-established brands like McDonalds, Subway, Burger King, etc. due to lack of expense to build a brand to match these companies standards. The brand loyalty urges customers to hold on to the company and new threats would not pose a chance. The capital investment, marketing cost, distribution and licensing cost would be expensive for new entrants. To prevent the new entrants from entering into the market, the well-renowned competitive brand like McDonald's will try to lower their prices to reduce threats.

This force will lose power in case of high degree of product differentiation. If the regulations of the nation encourages new entrants then there are chances for new entrants to become a threat.

(B) Threat of substitutes

Threat of substitutes deals with the close alternatives of a product in the market and their effects on firm's progress. This force is very strong for McDonald's.

There's availability of high number of substitutes with low switching costs and high performance-to-cost ratio of substitutes. Availability of global fast food chains like Burger King, Domino's, Subway, etc. and other domestic restaurants also serve as an alternate substitute for McDonalds. Due to the low switching costs, it is easy for people to choose substitutes of McDonald's even as a result of slightest change in costs, additional offers or healthy substitute. Performance to cost ratio is high due to best quality and customer satisfaction or experience of almost all the restaurants. To avoid shifting to substitutes, the company should improve product standard, customer service, time to prepare food, etc. It should provide customers with better experience and better value for money than its competitors. It should also try to maintain its brand loyalty among existing customers for a long-term.

Imitation of the company's products do not pose a great threat but imitation of the brand's standardization which ensures profitability and efficiency will cause harm to the brand.

(C) Bargaining power of suppliers

Bargaining power of suppliers is about the impact of suppliers and raw materials on company's production. This force is weak for McDonald's.

Large number of suppliers and lack of vertical integration of suppliers contribute to the weak force. Regional and global association with suppliers is crucial which McDonalds has been trying to follow in its Indian venture. Most branches of McDonalds do not have a vertical integration of supply chain which means there's no control over the distribution of products to various firms. Since the raw materials are available everywhere, the firm has an opportunity to receive its products from other suppliers who offer the same at a cheaper rate which significantly leads to a weak force in overall supply. With lower dependency on few suppliers, the price sensitivity may tend to increase. CSR activities and stakeholder management approaches can help here (Gregory, 2018). Cost-benefit analysis, product design and further diversification of product line may contribute to reduction in supplier's bargaining power.

(D) Bargaining power of customers

Bargaining power of customers deals with how the demands and decision of customers influence the business. This force is very strong for McDonald's.

The low switching costs for customers amidst the large number of substitutes gives them more bargaining power. People choice may tend to change other than from McDonalds due to the price or offers or taste that the competitors provide. Customer loyalty is important for McDonald's to survive as it would help create a strong base of customers who will choose McDonald's over its rivalries.

The company has to serve the best quality products with exceptional service all at an affordable rate. The bargaining power of buyers indirectly influence in accomplishment of objectives and goals, and decreases profit. Backward integration of buyers where they prefer to yield the product themselves rather than purchasing it is far more detrimental to McDonald's. Product diversification, new products targeting particular segments, marketing and promotional strategies are important (Henry, 2018).

(E) Rivalry

Rivalry is about the competition existing in the market. This force is very strong for McDonald's.

McDonald's faces high competition due to the saturation level of the market. This is mainly due to the large number of firms and low switching costs. There are a variety of global chains and local restaurants who equally and aggressively advertise their products in the market which strengthens the force of rivalry. Also its competitors like Subway, Dominos, Wendy's, Burger King, etc. offer products at a considerable rate which is even more disadvantageous to the McDonald's corporation as people tend to easily switch to others. This can be mitigated using strategic development of marketing techniques.

Since the rivalry for McDonald's with Burger King, Wendy's, Domino's, Pizza Hut, Subway, etc. is quite persistent, it is high likely that profitability is low and hence resources must be spent on marketing skills. Aggressive targeting and pricing strategies is important to offer a differentiated product which should increase the switching costs. It is also important to work on customer relations.

The Café run by McDonald's are being competed by Starbucks and Costa Coffee for a market share. While on one hand, introduction of burgers and sandwiches by Dunkin Donuts and introduction of burger pizza by Domino's posed a threat to McDonald's, on the other hand Indian brands like Haldirams and Bikanerwala have standardized themselves and are expanding into the next tier of cities. McDonald's has to adapt to different strategies to overcome different problems. New innovation and cultural preferences need to be catered to people's needs customizing in-house experience. Future growth of the brand requires innovation and technological advancements.

VIII. CSR INITIATIVES OF MCDONALD'S

The CSR initiatives by McDonald's also turned heads and come back to the restaurants. Some of the CSR activities are:

- ‘Litter Patrols’ was started by McDonald's where its employees go around the market every day, picking up garbage all over the city.
- McDonald’s Spotlight an interschool performing art competition.
- Millennium Pune Festival (search talents for children between 8 to 15 years) is a children’s programme in collaboration with UNESCO and Disney World Resort is being sponsored by McDonald’s.
- Sponsoring the Pulse Polio program with an objective to make India polio- free country until 2005.
- Celebrated World Children’s Day and supports for education of girl children in an initiative known as the “Blue Dot” (Paul.K, 2017).
- Mcdonald’s hosts an annual charity event called McHappy Day where a part of the revenue goes towards charities.
- Ronald McDonald House Charities provides housing facilities or hospital rooms for families with children under medical care (Laprade, 2018).

McDonald’s has contributed a lot during the covid times helping people during the lockdown. It has spent millions to help people in need and also supported local communities. McDonald’s India started to distribute safe, healthy and hygienic meals in and around Bombay partnering with Salaam Bombay Foundation (Jani, 2020). They even used their clown mascot wearing a mask to spread social awareness regarding Covid.

IX. Future plans

McDonald’s plans to expand its organization by improving its standards and by multiplying the outlets throughout India even in the religious places of Vaishno Devi and Amritsar. A few hundred outlets is not access to the billion population in India. Drive-through will be targeted in the future by connecting up with gas stations along highways, where the present 40 outlets will be increased to 100. McDonald's now has around 250 outlets in India, with over 400,000 customers every day. Hardcastle has 130 eateries, while Connaught Plaza operates 120 restaurants, with plans to quadruple that number to 500 in the next three years (Tilwani, Patel, Singh, Singh, & Goyal, 2020). It's astonishing that no organized player has been able to cross 100 Indian cities even after 23 years of existence. McDonald's intends to achieve this goal by expanding its supply chain and operations on a broad scale.

McDonald's plans to improve footfall in its locations by introducing new meals, increasing seating, adding birthday party sections, delivering products to customer's homes, and expanding across India. McDonald's has announced the debut of its McSpicy and McEgg which are among the new products on the morning menu. The iconic McAloo Tikki burger, which was developed in-house, accounts for 25% of the company's total sales and is gaining popularity in other nations. The restaurant's hours have also been extended from 7 a.m. to 11 p.m.

McDonald's India is introducing a series of concept restaurants as part of a brand overhaul. Improved digital capabilities to improve client experience, and plans to establish 5-10 more locations in the city over the next 18 months. The McDonald's branch in Mumbai, dubbed 'Experience of the Future' (EOTF), contains self-ordering kiosks, table service, and numerous new menu items. (Tilwani, Patel, Singh, Singh, & Goyal, 2020). It also plans on collaborating with PETA to establish a new CSR initiative. There are some healthy alternatives on the menu. The company's efforts in the area of sustainability have been bolstered by the installation of smart hand washing devices which would save around 4 million gallons of water each year. It has also made use of energy-saving LED lights, sell reusable cups and biodegradable cutlery.

X. Conclusion

Surviving neck-to-neck competition with its rivalries, yet McDonald’s has managed to hold its fort down strong. It has come a long way defeating all religious, political, environmental challenges and overcoming the problems like introduction of vegetarian alternative menu, lack of resources and infrastructure. The mission of McDonald’s is to provide for a delicious food for everyone and to enjoy the meals in a peaceful environment. With its continuous renovation, it has upgraded itself every year to become one of the most successful and most loved fast food chain in India. With its localization of menu at affordable prices and standard quality, it has and will continue to retain its brand loyalty of customers. It positioned itself with all the family and religious values while retaining the global aspects. It first started to make an Indianised version of the international menu and then targeted masses with its campaigns of “Happy Meals” where people were able to afford good quality of food at a cheaper rate. It has recently introduced golden guarantee campaign revamping its strategy to ensure safety standards and quality even during the pandemic with contactless deliveries.

Despite the difficulties and strenuous challenges faced by McDonald’s upon its entry into India, it has made it name into every household. There hasn’t been a single person who hasn’t eaten or heard of McDonald’s. With its intricate strategies that were applied extensively to attract a diverse range of population. Not only did McDonald’s succeed in luring customers but also in bringing them back again and again. It is thus safe to say that McDonald’s has seen a massive growth and success in India by establishing more than 200.McDonald’s has come a long way and has already won a lot of customers. It will continue to keep adapting to new trends and enter new markets to expand its regime in the future.

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