

# *The 4P Analysis of the McDonald's Marketing in the United States*

Rikang Jiang<sup>1,a,\*</sup>

<sup>1</sup>*Faculty of Humanities and Social Sciences, University of Ningbo Nottingham Chian, Ningbo, Zhejiang, 315100, China*

*a. hmyrj2@nottingham.edu.cn*

*\*corresponding author*

**Abstract:** Marketing plays a crucial role in determining the success of a company. Regardless of how good the product is, its profitability is what ultimately matters. McDonald's, originally established as a normal restaurant in the United States during the 1940s, has now evolved into the leading global food service retailer with over 38,000 locations across more than 100 countries. As the world's largest fast food supplier, McDonald's ensures consistent quality of their drumstick burgers both in Beijing and the United States while also adapting their marketing strategies and products to cater to local tastes in different places. For instance, considering India's religious beliefs that prohibit consumption of beef or pork, McDonald's does not offer any such products in India. This essay aims to analyze McDonald's marketing strategy by using the 4P theory. It is evident that McDonald's has implemented a lot of marketing techniques to attract customers; however, there are still areas where improvements can be made.

**Keywords:** McDonald's, marketing strategy, 4P theory, global food service.

## **1. Introduction**

In the contemporary business landscape, the success of companies heavily relies on effective marketing business. McDonald's, a renowned global brand, has achieved remarkable growth and expansion over the years. It has pioneered the concept of fast food and changed the way Americans eat. McDonald's expanded from a single hamburger stand into a prominent American icon in just a few decades. With over 30,000 locations across the globe, the company now serves more than 40 million customers daily and generates \$40 billion in annual revenue, solidifying its position as the world's largest restaurant chain by sales. Extensive research has been conducted on its marketing approaches, yet there is still room for in-depth analysis. The background of this study lies in the significance of understanding how McDonald's navigates the diverse and competitive global market.

This research will first analyze the target market of McDonald's and then describe the 4P theory. Next, this paper will examine McDonald's marketing methods from the perspectives of product, price, place and promotion in turn. Finally, it will present the limitations of the 4P theory along with suggestions for McDonald's improvement. This essay will only focus on introducing McDonald's marketing practices in the United States and help their managers to improve their service quality. The findings are expected to provide valuable insights for businesses aiming to enhance their marketing

effectiveness. It also contributes to the academic field by enriching the understanding of marketing strategies in the context of global brands like McDonald's.

## 2. Target Market

McDonald's has, to some extent, changed people's eating habits. Approximately in every 16 residents, or 1,500 people, in the town visit the local McDonald's on any given day. Breakfast makes up the largest share of sales at 30%, followed by lunch at 24%. The remaining sales are fairly evenly distributed, with 15-16% coming from the afternoon, dinner, and late-night/early morning hours [1].

Big Mac's makeover reveals that McDonald's has three main target customers: mothers, children, and young adults [1]. McDonald's can provide fast, convenient, and high-calorie food, and buying McDonald's directly can effectively reduce the stress of preparing meals for mothers. Young people also like the convenience of high-calorie food provided by McDonald's. And children like McDonald's high-sugar, high-oil food and also like the toys it offers. McDonald's mission is to make delicious feel-good moments easy for everyone.

## 3. Understanding McDonald's Marketing Strategies through 4P Theory

In the 1960s, Neil Borden conceptualized the marketing mix principles. He proposes the 12 factors that make a company to be successful. The factors were product, planning, pricing, branding, distribution, place, personal selling, advertising, promotion, packaging, display physical handling, fact finding, and analysis [2]. E. Jerome McCarthy then summarizes these 12 factors into 4 factors and creates the 4P theory. The 4P theory is using product, place, price, and promotion to analyze company marketing [3].

### 3.1. Product

The product positioning of McDonald's is not only focused on providing customers with higher cost performance meals and high-quality service, but also on catering to the specific needs of their target customer base. By accurately recognizing that their target customers are primarily in the 18-45 age group, who belong to the middle class and lower class in both urban and rural areas, McDonald's has successfully tapped into a market segment that may have limited time or financial resource to prepare a filling and tasty meal.

For these individuals, McDonald offers a convenient solution by providing delicious, affordable and safe meals. The affordability factor is particularly important as it allows customers to enjoy a satisfying meal without straining their budgets. In fact, average meal price in different country is different, in US is just 10.5\$ in 2023 and it is very small comparing with the US average income in 2023 which is 31000\$ [4].

While successfully decreasing the manufacturing cost by assembly line and focused staff training, McDonald's also focus on the food safety. According to its official website, "making food safe and high-quality is the top priority of McDonald's" [5]. The company implements strict standards and utilizes equipment for supervision in every stage of manufacturing and distribution. Ingredients sourced from farmers and suppliers must meet rigorous standards, with continuous temperature monitoring systems installed on the trucks of distribution suppliers. These companies are also dedicated to making sure its products are made with sustainably sourced ingredients and that animal welfare is carefully considered [6].

In addition to providing food, the fast food industry also offers a range of services provided by waitstaff. These services aim to enhance the overall dining experience for customers. One key aspect that sets fast food chains apart is their unique service offerings and special menu options. McDonald's has implemented a standardized training program for its staff members. This ensures that every

employee is equipped with the necessary skills and knowledge to provide exceptional customer service. The company places great emphasis on creating a pleasant and efficient environment in all of its restaurants. Regardless of which restaurant you visit, you can expect to receive the best quick-service restaurant experience from their servers. They are trained to be attentive, friendly, and responsive to customers' needs. Whether it is taking orders accurately or promptly addressing any concerns or inquiries, McDonald's staff strive to ensure that each customer feels valued and satisfied.

Moreover, some McDonald's locations go above and beyond by offering additional amenities such as Wi-Fi access for customers' convenience. This allows patrons to stay connected while enjoying their meals or even catch up on work if needed. Additionally, many restaurants have designated children's facilities where young ones can engage in fun activities while waiting for their meals.

### 3.2. Price

Leaksmay states that the attraction of price to customers is absolute [7]. McDonald's introduction of a new 2-dollar menu called McPick enabled customers to purchase two foods for only 2 dollars, resulting in a 35% increase in McDonald's share price. This demonstrates the reasonable pricing strategy adopted by McDonald's in the United States. "Prices by Country of McMeal at McDonald" reveals that the average price of a meal in America is 11 dollars, which is much lower than 3,400\$ the per capita wages in the United States [8]. McDonald's is also trying to minimize the total price for customers when they order in the app; if customers order in the app, they can decrease their postage and packing fee by ordering over 15 dollars. Discount and Comb meals are offered to decrease prices of customers seeking affordable dining options.

### 3.3. Place

The place is also an important factor for marketing. Lin reveals that convenience and speed play an important role in the fast-food industry, and suppliers' places primarily determine these factors [9]. Using the information on the office website, McDonald's has built restaurants near the customer, such as in neighborhoods, airports, malls, tollways, and colleges. McDonald's also puts the same attention on the online as on the offline. While increasing the number of restaurants in order to reduce the impact of place (restaurant location) on customer consumption. McDonald's built the mobile ordering and delivery apps to let customers order online and get food without going out. Let customers experience the convenience of third-party logistics. And by setting points to allow customers to place more orders online, cultivate online consumption habits.

### 3.4. Promotion

McDonald's spends a lot on promotion. McDonald's created MyMcDonald's Rewards program in their app. In this program, for every dollar a customer spends on the eligible products, they can earn 100 McDonald's points. The customer could just use a certain amount of reward to exchange the free food or combo. To encourage customers to download the APP, they can get a free large potato just by downloading it.

McDonald's also uses other means to promote. McDonald's, as the first restaurant to sell toys in children's set meals, has great appeal to children because people can't buy toys separately, which greatly inspires children to ask their parents to buy fast food. And constantly design new toys and advertisements to attract children to continue to buy. Until now, the children's meal is still the main product purchased by children.

Public relations are also important to promotion. McDonald's knows this; now the propose of McDonald's is to feed and foster communities. In addition to building a brand that offers fast and convenient service to customers, McDonald's is also building a folksy brand that appeals to millennial.

McDonald's uses social media as a promotion measure. For example, McDonald's launched a milkshake which called Grimace Shake in 2023. But after the launch, a short TikTok video about Grimace Shake suddenly went viral. It's just a guy drinking a milkshake and then it turns into a scary scene. But the video went viral, prompting McDonald's officials to make a similar video at the same time. It also helped Grimace Shake sell out for months to come.

### 3.5. Other Marketing Strategies

McDonald's has other measures to promote sales. Lin indicates that the employee will affect the efficiency of all elements in 4P [8]. Because when it comes to implementation, staff are also an important factor. He also mentioned that enterprises can improve their overall efficiency if they can manage human resources well. make good human resource management, the entire performance can also be enhanced. So McDonald's is also doing a lot of people management in this area. For example, the University of Hamburg was created to train employees with leadership skills.

## 4. Limitations and Recommendations

With the improvement of marketing measures, the original 4P is not enough to explain the existing marketing means of the company; the 4P needs to be more detailed, and the role of other factors in promotion is missing, such as the role of servers on promotion or the role of employees on promotion. Moreover, many methods now have a mixture of two elements, and the 4P theory is difficult to explain alone. Rajawat reveal that McDonald's success is not only due to the success in promotion but also other factors such as financial strategy and culture establishing [9].

In terms of short-term suggestions, McDonald's in the United States may emulate its Monday promotions in China (offering a specific combination of dishes and a certain discount price on Monday). Although this may cause people to form the habit of consuming on this day, it can provide customers with the opportunity to try new products one by one. Maybe we can build up customer demand like a bank card. In addition, it is possible to ask customers' opinions or retain the created dishes and menus before developing new products. Many new McDonald's products were not very popular at the beginning, leading to their disappearance in the long river of history. It seems that McDonald's can set up "memory" stores in a certain area to sell products that are not sold in other places.

Long-term suggestion, hopefully, McDonald's will show outwardly its behavior towards ensuring the healthiness of its food, by making more people realize that McDonald's possesses the responsibility and ability to be a responsible provider of fast food. Reassure people about the quality of food and free McDonald's from the label of being dirty and unhealthy.

## 5. Conclusion

This paper utilizes 4P theory to analyze and associate it with McDonald's, a prominent player in the fast food industry worldwide. By examining the four elements of product, price, place, and promotion, this paper provides both long-term and short-term advice for McDonald's.

However, it is important to acknowledge that one limitation of this essay is the lack of comprehensive information about McDonald's. The research was primarily based on information available on their official website. Unfortunately, there was no access to detailed data regarding the benefits or a comparison of costs and benefits associated with their marketing tools. To overcome this limitation and further research in this area, scholars could utilize this essay as a foundation to apply the 4P theory to other companies within various industries. By expanding the scope beyond just McDonald's, researchers can gain a more holistic understanding of how different organizations implement marketing strategies using these four key components. By conducting such comparative

studies across multiple companies or industries, researchers can identify best practices and potential areas for improvement in terms of product development, pricing strategies, distribution channels selection, and promotional activities. This would contribute significantly to advancing knowledge in marketing management theories while providing valuable insights for businesses seeking effective marketing approaches.

In conclusion, although limited by its reliance on publicly available information from McDonald's official website without specific cost-benefit analysis data; nevertheless, this essay serves as an initial step towards applying the 4P theory effectively not only for McDonald's but also for other companies operating in diverse sectors around the world.

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