McDonald’s Corporation

Name:

Institution:

McDonald’s Corporation

McDonald's Corporation, fast food organization that was founded in late 1940. The organization started as a restaurant. Maurice and Richard McDonalds managed the organization. The founders and managers of the organization established the organization as a hamburger outlet. Later, the founders turned their investment into a franchise. McDonald’s Logo was launched in 1953 in Arizona. A businessman named Ray Kroc purchased the organization from the McDonald's brothers in 1955. After the purchase, the headquarters of the organization were moved from Chicago to Illinois in 2018. Based on revenue, McDonald's is ranked the biggest eatery in the world. The organization serves more than sixty-eight million customers in more than one hundred countries globally daily. Research has shown that McDonald’s is known mostly because of its hamburgers (Qureshi and Hassan, 2013). Apart from hamburgers, the organization sells other fast food such as French fries, soft drinks, milkshakes, and other breakfast items. In the recent past, the organization has introduced healthy foods such as salads into its menus to satisfy customer needs since many customers prefer healthier food.

**SWOT Analysis**

**Strengths**

Strengths are positive attributes of the organization. Strengths are the attributes that can enable McDonald's to achieve its goals. Since strengths are internal to the organization, McDonald's has some degree of control over them. For the organization to succeed, it should work on improving its strengths.

* Tenth most valuable brands

According to a survey carried out in late 2019, McDonald's is one of the most valuable brands worldwide. The strong brand has enabled the organization to dominate the industry despite the strong competition. A strong brand serves as a campaign tool, and it helps the organization attract more customers. This has enabled it to be successful even in challenging economic times.

* Tasty food.

Many customers feel that McDonald's has the tastiest fries in the food industry. This makes the customers choose the food offered by the organization over food from its competitors. As a result, its profits have remained relatively high.

* Real estate investment

Apart from selling fast food, the organization has made a massive investment in real estate. The organization has many premium locations worldwide. This allows it to reach more prospective customers. Apart from that, the organization has been able to have an alternative source of income if the food business is not booming.

**Weaknesses**

Weaknesses are negative attributes that can hinder an organization from realizing its goals. For the organization to be successful, it has to minimize its weaknesses. The franchise business model is one of the key weaknesses of the organization (Yuece, 2012). Having a complicated network of company-related restaurants can expose the organization to some risks. Apart from the organization has faced a lot of disruptions in its supply chains in the past. This can interrupt business operations and therefore lead to losses.

**Opportunities**

Opportunities are chances presented by the environment in which the organization operates. When the organization capitalizes on opportunities, it can gain a market advantage. One of the opportunities that McDonald’s has is value meals. The organization launched a different menu that enabled it to improve its sales significantly. Apart from that, the organization has to make an effort to introduce more innovative products in its menus to keep its customers. McDonald’s also has the ability and opportunity to expand to serve global markets.

**Threats**

The organization has made a major investment in state-of-the-art technology. Although the investments look positive and promising, they can pose some risk to the organization. Different people from different people in the world have different cultural trends (Yuece, 2012). This may affect the effectiveness of the company's operations. Apart from that, there is stiff competition from rival establishments such as Chick-fil-A.

**McDonald’s Corporate Social Responsibility**

The organization has made a lot of effort in corporate social responsibility. The organization is passionate about their food, and they are always working on ensuring that it offers safe and delicious food to its many clients. The organization is keen on ensuring that its production and supply processes have minimal effects on the environment. McDonald’s does not only care about the value of their customers but that of animals as well. McDonald's focuses on improving the living standards of its employee by the members of surrounding communities. One of the ways they do this is by incorporating fruits and vegetables into their menus. The organization has also launched initiatives aimed at making it easier for the youth to secure employment. Apart from that, the organization hosts house charities geared towards making a positive contribution to society.

Corporate social responsibility enhances the competitiveness of an organization by influencing decisions undertaken by stakeholders. Because McDonald's is involved in corporate social responsibility, it may favor stakeholders over its competitors.

**Bargaining Power of buyers and sellers**

McDonald’s should look into the power of its customers on financial performance. Customers put a lot of pressure on McDonalds since they can easily change to another organization because the commodities are not highly differentiated. This makes the customers have strong bargaining power. Apart from that, since many restaurants in the food industry, customers can choose to obtain services from other suppliers. This has made the customers have strong bargaining power. On the other hand, suppliers influence the organization since they influence the company's ability to produce goods (Qureshi and Hassan, 2013). For the organization, suppliers have weak bargaining power due to a large number of suppliers and the presence of a high general supply. The organization's competitive strategy is focusing on customer satisfaction. For McDonald's, the key to success is making customers happy.

Reference

Yuece I. (2012). *SWOT Analysis of McDonald’s and Derivation of Appropriate Strategies*, GRIN Verlag

Qureshi A., Hassan M. (2013). *Impact of Performance Management on the Organizational Performance: An Analytical Investigation of the Business Model of McDonalds,* International Journal of Academic Research in Economics and Management Sciences 2(5)