Effective/Differentiating Marketing Strategies of McDonald's in Malaysia And Indonesia

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ABSTRACT

McDonald's has become one of the world's most known fast-food companies. The success of McDonald's in growing business makes some individuals genuinely curious as to how McDonald's developed their marketing process and strategy as marketing strategies perform crucial roles for businesses to grow eventually. This case study aims to determine the effective marketing strategies of McDonald in Malaysia compared to with those in other countries such as Indonesia and provide recommendations to deal with the situation McDonald's is faced with. This research, using comparative analysis and focusing on 4P marketing mix components, focuses on the analysis of products, prices, places, and promotions.

Keywords: Differentiate, Indonesia, Malaysia, Marketing Strategies, Marketing Mix, McDonald's

INTRODUCTION

McDonald's year after year remains a fast-food restaurant franchise dispersed over more than 110 countries around the globe. It has created fast-food restaurant trends and new lifestyles in the midst of a global society. Serving domestic quality food and beverage menus, McDonald's restaurants should establish criteria to stand out from other competitors and to successfully position itself (UKEssays, 2018a) since they, with the well-known reputation, directly compete against international, national, regional, and local food product retailers.

The steadily competing business world makes business people have to draw up effective marketing strategies to be up against and win the cut-throat competition. This research is beneficial to conduct since they, as well-known and international standard fast-food restaurants, need to develop and implement an effective marketing strategy. Their recent marketing strategies in Malaysia and Indonesia are creating products and services with

the best opportunities for making profit and following people's tastes. This is due to the marketing strategy starts with market research to pay attention to optimal target consumers, differences among competitors and in recent trends. This research paper aims to determine the difference between McDonald's effective marketing strategies in Indonesia and Malaysia, and provides recommendations for improving the situation in McDonald's. When responding to changing consumer tastes and their negative reactions due to unhealthy dietary habits, McDonald's hardly produces its innovation by adding a much healthier menu of salads, fish, juices/smoothies, and fruits. This makes it a hangout for young people. Further, it has used a new service of online ordering and payment.

All McDonald's restaurants in Indonesia are halal certified for it is a Muslim-majority country. They follow the Halal regulations, for instance, by not serving pork-based products, and only using beef, chicken, and fish. Their most famous products are breakfast, meat, chicken, fish, beverages, desserts, happy meals, McCafe, and snacks. They also have special products for breakfast with guaranteed fast service and affordable prices. They also offer a wider variety of local food menus, such as chicken porridge, *nasi uduk*, spicy chicken, *rica-rica* chicken rice, Sosro bottled tea, and *klepon* cakes (McDonald's Indonesia, 2020).

In Malaysia, Mcdonald's restaurants comply with Islamic regulations (halal standards) supervised by the Malaysian Islamic Development Department (McDonald's Malaysia, 2020). Thus, the process of animal slaughtering uses the same halal techniques as in Indonesia. It also does not provide pork and bacon ingredients. Their best-selling product is McD Fried Chicken. The other popular menus are Spicy Chicken McDeluxe (a burger with crispy spiced chicken thighs, lettuce, and special sauce in corn flour bread), Grilled Chicken Burger (a burger served with grilled chicken thigh, iced lettuce and charcoal sauce and toasted sesame seed bread), chicken rice package served with traditional chilli sauce, cucumber slices, fried chicken package, and beef eye egg, and iced Milo drink. The McSavers Breakfast features Malaysia, 2020). Technological advances have increased the efficiency of McDonald's services because their customers can order by phone or e-commerce applications online. In addition, there is a 24-hour service that will increase its sales and revenue as customers can visit McDonald's or order online when they are hungry at midnight.

KFC is the primary competitor of McDonald's Company. KFC has affected the profitability of McDonald's for they are in the same fast-food market. Additionally, McDonald's fights of the competition by offering relatively practical and cheaper food with fast, friendly, clean, comfortable, and consistent service. As the market gets more competitive with other new brands, McDonald's progressively follows accelerating market trends and consumer demand. Due to the market opportunity, fast food restaurants always change the menu to adapt to competitors' strategy and consumer tastes. McDonald's also takes the risk by adding too many new kinds of changes in the menu, makes the additional services overload and slows down the process. The competitive advantage will reduce at the end. Hence, McDonald's can use the following ways to solve the risks they face, including rebuilding the brand image, creating innovative products, and exploring Asian markets.

McDonald's brand name is an essential matter requiring special care to maintain their reputation among people by providing healthier foods, preserving natural ingredients, and using them as advertising material plant into people's mind that McDonald's is

synonymous with healthy foods. In addition, to make customers choose McDonald's over the new fast-food places, McDonald's should make efforts to develop new innovative items in their menus. McDonald's Indonesia offers local dishes. Depending on the geographical and cultural conditions, the introduction of more innovative goods may help McDonald's maintain its magnetism for a longer period of time.

Lastly, the demand for fast food in Malaysia and Indonesia, along with the growing middle class and millennials, is rapidly growing. People are pursuing a fast-paced era nowadays. In recent years, the economies of Malaysia and Indonesia have developed rapidly as well. This has led to an increase in middle-class consumers' purchasing power. McDonald's can launch approaches that allow it to expand its permeation into Asian markets. This will enhance both the customer base as well as revenue. A PESTLE analysis, including political factors, economic factors, socio-cultural factors, technological factors, legal factors, and ecological factors, is worthwhile to analyze and monitor the macroenvironmental factors which profoundly may bring a substantial impact on an organization's performance.

The political factors are the government policies and actions affecting the macroenvironment of McDonald's business and economy (Greenspan, 2018). More than 100 countries were already operated by McDonald's, as McDonald's politics is exposed everywhere. Generally, McDonald's is the same with other restaurants. It must abide by the health and hygiene regulations set by the government. Several government agencies have placed pressure on fast-food sectors, as those in Malaysia and Indonesia. Progressively, the fast-food industry is viewed as less healthy products, promoting obesity, high cholesterol, and cardiovascular problems, and causing the market to drop. McDonald's also has a policy of sexual and racial harassment. This is to ensure that the employees are served based on their appropriate performance, abilities, and talents and neither makes referring to ethnicity, hue, national origin, gender, ethnic origin, disability, nor marital status (Rajawat et al., 2020)

Economic factors are related to the impact of economic conditions and trends on the macroenvironment of McDonald's (Greenspan, 2018). Economic changes and affects business performance both directly and indirectly. The global, regional, and local economy will bring particular impacts on McDonald's industrial environment by external factors, including in developing countries, sluggish but steady growth (opportunity), Covid-19 pandemic (threat), and in developed countries, fast growth (opportunity). The economic factors are significance to McDonald's development around the world. Exchange rate is a determinant factor to consider importing or purchasing local's raw materials. Tariff on imported raw materials, taxes, unemployment rates, and severances are other factors to consider for effective and intelligent decision making.

The global financial recession crisis at the end of 2007 have bring a dramatic fall in global trade and a rise of unemployment in several countries (UKEssays, 2018c). However, Malaysia made such a good scene that it was not seriously impacted by the recession compared to the neighboring country, Singapore. Malaysia learned the previous financial crisis that occurred in 1997 (UKEssays, 2018c). In addition, McDonald's successfully solved the issue by lowering food costs and selling value-added meals. This is the same way how McDonald's managed to retain sales figures and to perform better than its rivals. The Malaysian economy is currently rising at a rate of 4.5-5% per year. At an average of 2.95, the Malaysian Ringgit rate on the US Dollar was steady (UKEssays, 2018c).

The social conditions that support or restrict McDonald's business are referred to social culture factors (Greenspan, 2018). Malaysia and Indonesia are multireligious and multicultural countries. Both countries have more than 50% of the Muslim population. Therefore, Islam also became an official religion in Malaysia dan Indonesia. In Malaysian food industry, 'Halal' certification played a significant role (Muhammad, Isa, & Kifli, 2009). To respect culture and comply with regulations of the country, McDonald's does not launch any product which contains pork, using the Halal logo. In addition, it complies with strict 'Halal' compliance by purchasing the key ingredients of the raw materials from 'Halal' qualified suppliers.

McDonald's has the potential to grow stronger since customers are increasingly propensity to buy fast food instead of cooking at home. This tendency is often linked to people's busy living in urban environments. People will prefer eating in fast-food restaurants like McDonald's to prevent wasting time from cooking at home.

As it may bring limitless potential for tourism sectors (Nurlaila, 2020), cultural diversity also creates plenty of opportunity for fast food companies like McDonald's. For example, McDonald's generates a variety of products preferred by consumers from different local and regional markets. In addition, the rise of healthier lifestyles is also a challenge as products from McDonald's contain criticism of the detrimental effects on health. However, McDonald's can add to the healthy menus such as fresh fish slices and fresh vegetables.

With the meals, McDonald's can also offer the best possible way to avoid being hungry. By this opportunity, McDonald provides its efficient work practices, since this fast-food model provides an effective method for people to fulfil their many needs (Ritzer, 1996, pp. 9-11). Not only do people meet the basic hunger requirements by finding common food to eat, however, they also emphasize more factors, such as price. The economic crisis has typically made customers more wary about their expenditure on fast food (Mintel, 2009).

Technological factors linked to the effect of technologies and relevant trends on the macroenvironment of McDonald's (Greenspan, 2018). Technology will help to plan, order, forecast sales, and food traffic and make it easier for consumers to make payments. Technology can also be used as a platform to provide simple and cheaper ads on the internet to attract more potential customers. Hence, people are increasingly and constantly relying on technology nowadays. Moreover, in every aspect of Malaysian and Indonesian lives, social networking sites play an important role, in particular, the younger generation who are heavy internet users.

McDonald's also has its own website and other online social media sites to spread information such as various promotions and activities in different countries. However, it lacks of certain aspects in which other rivals are well ahead. For example, McDonald's recently has only had an internet ordering system. However, the delivery service is insufficient and sometimes does not cover most areas in Kuala Lumpur or other big cities. Therefore, McDonald's has to devise the best plan to adapt to the changing consumer needs to succeed in the dynamic business world in this millennium or internet era.

McDonald's has transformed into more efficient and advanced technology usage such as self-service ordering kiosks to attract and retain all customers. McDonald's has launched its digital ordering platform and upgraded customers' experience with the selfservice ordering kiosks. Digital technology has created a new style for customers to

easily make ordering and payment for their meals. It brings a lot of convenience for those who rush to get work and increase the sales. In addition to that, McDonald's explained that these kiosks will not result in lay-off and the workers will be moved to other departments to save time for making a fresh meal (Peterson, 2017). This emphasizes that kiosk marketing could improve the efficiency of ordering and the quality of the meals. It also creates a competitive advantage for McDonald's in the long term. When individuals order their own food through the kiosk, most of them will tend to add on to their order. Furthermore, McDonald's had expanded its capacity for call centers that "can now manage up to 70,000 calls compared to 20,000 before" (Anyassignment, 2019).

Addedly, the effect of laws or regulations on firms relates to legal factors (Greenspan, 2018). By imposing new requirements, changes in legal systems and new laws shape the remote or macro-environment of enterprises. In some workplaces and schools, health regulations set restrictions on the accessibility and availability of fast food. McDonald's revenues from these market segments are threatened by this legal trend (Greenspan, 2018). McDonald's also faces the threat of higher minimum wages, resulting in higher prices and costs (Greenspan, 2018). This external factor, however, has limited influence on the business of the company. Overall, the legal external variables impose significant threats that McDonald's marketing strategies must address.

The ecological factors linked to natural environment trends and how these trends affect the remote or macro-environment of McDonald's (Greenspan, 2018). It is used to examine the impact of ecological trends on businesses and customers. To reinforce its brand and business performance, McDonald's can enhance its environmental programs and sustainability (Greenspan, 2018). For instance, "McRecycle" program (UKEssays, 2018b). These efforts are aimed at addressing the opportunities associated with an increasing interest in corporate environmental programs and a growing focus on sustainable business practices (Greenspan, 2018). Besides, the change in climate conditions affected the availability and stability of food supply of McDonald's. Hence, McDonald's needs to further broaden its supply chain to resolve this effect. The ideas are sensible to be applied in McDonalds in Malaysia and Indonesia. They both are truly unique to their own local culture, promotion strategies, customer loyalty, and technology advancement.

As most Malaysians and Indonesians are Muslims, halal (permissible) is an important issue. In Malaysia, all food and beverages of McDonald's need 100% halal certification by Jakim (McDonald's Malaysia, 2020), whereas those provided by McDonald's Indonesia need the *Sistem Jaminan Halal* (SJH) certificate from LPPOM MUI (McDonald's Indonesia, 2020). Besides, MacFood Services, which help McDonald's to export grocery items to the market in the northeast Islamic countries, is McDonald's main supplier (Rajawat et al., 2020).

To meet the halal requirements, McDonald's hired at least two Muslim kitchen workers in addition to assigning two Sharia experts as Sharia advisers to the internal halal committee (Rajawat et al., 2020). A flu shot from a health centre, recognized by the government, is required before the workers work (McDonald's Malaysia, 2020). Other than that, the protein supplier of McDonald's in Malaysia - MacFood Services Malaysia Sdn Bhd, is a worldwide halal market supplier. All protein components such as chicken slices and nuggets is processed in accordance with the hygiene and safety requirements of Islam (Rajawat et al., 2020).

To retain its charm among other competitors like Burger King and KFC, McDonald's should make innovations on their menus that are only available in certain countries. The creativity of fast-food brands depends on the development of conducting the promotion. Central developers must always consider how to introduce alternative promotions to reach more customers in which McDonald's are franchised. As in Malaysia, McDonald's introduces *Nasi Lemak* McD and Mix and Match adapting to Malaysian local taste (McDonald's Malaysia, 2020). In Indonesia, it adjusts to the Indonesian local taste as it has PaNas Spesial and Pamer 5 McD (McDonald's Indonesia, 2020). In addition to television advertisement, the promotion may be devised alternatively by other methods such as social media like Instagram, Facebook, and Twitter and organizing campaigns to reveal new products in accordance with the local market's interest.

To generate Malaysia and Indonesia customers' loyalty, McDonald's needs to provide convenience for customers by multitude of promotional strategies to continually survive in the competitive fast-food industry and to attract consumer attention. Besides, it is necessary to establish strategies on how to make consumers satisfied with the services to make McDonald's a leader in the fast-food industry.

Technology advancement let McDonald's in Malaysia and Indonesia transform into a more efficient service as they launched self-order kiosks and McDonald's app to attract customers. For customers' excellent experiences in using the kiosks, McDonald's has launched and upgraded its digital ordering platforms (Duprey, 2019). It also increased the sales of since the less time is needed to serve the customers.

RESEARCH METHOD

This study is an exploratory research which aims to assess and evaluate marketing strategies of McDonald's in Malaysia and Indonesia. Multi-method approaches including literature review, online survey, and document analysis were used to achieve the objectives of this project.

As part of secondary data collection, peer-reviewed academic journals were utilized as a source of literature review. The literature review process assisted to identify research gaps which may be useful for this project in terms of making attempts to fill the gaps. The literature review was conducted to synthesize existing understandings and research of topics related to marketing strategies of McDonald's, its operating model, and outcomes of its strategies. This helped position the research and provided context inferred upon when analyzing the questionnaire responses and writing up the report at the end of the project.

To conduct the literature review, Google Scholar and respective universities library database were utilized to obtain peer-reviewed academic journal articles. The focus of the literature review was on multinational companies marketing strategies, operations of multinational food companies in Malaysia and Indonesia, marketing parameters, and business ecosystem for multinational enterprises. Conducting a literature review informed the theoretical background of this study. However, known theories such as PESTLE analysis has been outlined as relevant frameworks for this project. In addition, reliable newspaper articles and think pieces were to identify current trends and information regarding the marketing strategies of McDonald's.

A questionnaire survey was conducted to obtain insights about multiple actors associated with the operations and strategies of McDonald's in Malaysia and Indonesia, including customers, and staff of the restaurants. This enabled us to obtain relevant information from several individuals quickly, easily and at low-cost, with rich and diverse data providing perspectives about customer experiences and perceptions about McDonald's marketing strategies. A total of 100 respondents, as an ideal sample size, were selected almost from different countries such as Malaysia and Indonesia. The online survey was semi-structured interviews with a combination of both close-ended and open-ended questions. Participants responded the survey anonymously to ensure research ethics principles are adhered to. The document analysis process involved evaluation and gleaning of relevant information from sources such as company websites of McDonald's in Malaysia and Indonesia. The online questionnaire survey was generated by Google Form.

The online questionnaire was promoted mainly through social media platforms (Facebook and Twitter), and if possible, handed out to the prospective respondents. The questionnaire responses were analyzed thematically to draw out key trends and data visualization was used to present this data in an effective and accessible way. Addedly, graphs and other charts were used to analyses trends in quantitative data such as age demographics. The research conducted within this project was synthesized into a report of a research paper for publication.

RESULTS AND DISCUSSION

The document analysis siphoned and gained an in-depth understanding of key strategic policies of McDonald's. Additionally, the document analysis helped to compare information obtained from the interviews with the marketing strategies of McDonald's.

Marketing strategy refers to a series of integrated actions and decisions intended by the company to achieve its marketing goals and fulfil the value requirements of its customers (Slater & Olson, 2001). It comprises market segmentation and decision-making and the development of a positioning strategy depending product, price, distribution, and promotional choices (Kumar, Rahman, Kazmi, & Goyal, 2012, p. 484).

According to Varadarajan (2010), marketing strategy, in terms of product offerings, is about an organization's integrated decision-making pattern which defines its key choices in terms of products, markets, marketing activities and marketing resources in the formation, communication and/or delivery of products providing values to customers in exchange for them. A clear market definition, a good match between corporate strengths and market needs, and superior performance in key business success factors relative to competition, should define an effective marketing strategy (Mongay, 2006, p.5)

McDonald's marketing strategy is typically to standardize the products and services worldwide. However, in certain countries such as India, McDonald's must conform to religious rules or laws and local traditions (Goodstein, 2001; Goyal & Singh, 2007; Vignali, 2001). Marketing mix is controllable variables which can be coordinated by an organization to meet its target market (Khan, 2014). For the development of brand equity, it is highly critical.

This study analysis focused on price, product, promotion, and place intensity as well as store image elements. Research has found that marketing mix components have



positively impact in building brand equity (Yoo, B., Donthu, N., & Lee, 2000). Cengiz & Yayla (2007), Shahhosseini & Ardahaey (2011), and Suprihanti (2011) believed that marketing mix could define marketing components and offer to be more effective. They also stated that satisfaction is increased by marketing mix. One of the renowned models is 4Ps (product, promotion, price, and place).

Price is the primary deciding factor for customer satisfaction (Virvilaite, Saladiene, & Skindaras, 2009). The price value of products and services are that consumers most estimated after they are consumed. Yeu, et al. (2012) argued that a significant determinant of the price charged is client's perception of the value. Consumers have their own psychological image of what an item is worth. However, one of the bad things is once the company uses a low price as a marketing tactic, the consumers will consider that quality of the products has been compromised. This concludes that putting a price is of importance for the brand.

McDonald's has offered "Mc Savers" and "McValue Meal" in Malaysia delivering genuinely affordable food prices in a certain period of time. However, this raised some issues of their availability. Many customers have been more prudent in their food shopping over recent years. They more highlight the importance of money even more (Mintel, 2009). Therefore, the price of fast-food restaurants today is becoming increasingly important to retain customers, particularly when the economic crisis takes place recently (Mintel, 2010).

Companies provide products or services on the market (Goi, 2010). Products are those offered to customers for purchasing and for their satisfaction. Yeu et al., (2012) underlined what comes first when offering menu products, that is the potential customers have a massive amount of flexibility to decide on where and how they can utilize their cash. Hence, McDonald's puts a significant focus on creating menus consumers will satisfy with. It takes cultural factors into consideration to serve customers in Malaysia and Indonesia.

As to promotion, Goi (2010) pointed out that promotion is an essential element for companies and the vital part of the whole marketing process. Promotion is one of the marketing selling tactics should be involved with communication (promotion) to succeed in any marketing program. Promotion deals with sales promotion, advertisement, personal sales, direct marketing, and public relations. McDonald's in Malaysia and Indonesia have been using advertisements on TV, online social media sites, such as Instagram, YouTube, and in the press like newspapers and magazines.

Additionally, Goi (2010) had mentioned that the strategy of location suggests how a company distributes products or services to the end-user. It does not only concern the physical venue but also the delivery points of the products (Yeu et al., 2012). In Malaysia and Indonesia, the main place for McDonald's to distribute its products are restaurants, self-service kiosks, McDonald's app, and Mc delivery.

A set of questionnaires are formed to survey effective/differentiating marketing strategies of McDonald's and customers' satisfaction in Malaysia and Indonesia. These questionnaires consisted of two parts, respondent's demographics (see Table 1) and McDonald's consumers' satisfaction (see Table 2). For the latter part, there were questions on the aspects of menu, taste, price, services, promotions, and suggestions



to improve McDonald's. These questions were designed in multiple-choice questions, linear scale, checkboxes, and short answers.

Responses		Frequency	Percentage (%)	
Geno	der			
	Male	38	38	
	Female	62	62	
Age				
	20 years old and below	23	23	
	21-29 years old	59	59	
	30-39 years old	10	10	
	40 years old and above	8	8	
Natio	onality			
	Malaysian	54	54	
	Indonesia	46	46	
Have	you ever heard about McDonald's?			
	Yes	99	99	
	No	1	1	

Table 1. Summary of Respondents' Demographics (N=100)

Table 1 shows the demographics of 100 respondents. There were gender, age, nationality, and popularity of McDonald's. Majority respondents are females (62%) and came from the age group of 21 to 29 years old (59%) This implies young people are the majority of consumers in McDonald's. Besides, most respondents are Malaysian (54%). In addition, as the majority of respondents (99%) have ever heard about McDonald's, it leads to a conclusion that McDonald's had made successfully well-known for their company in Malaysia and Indonesia. It built up a corporate symbol and the populated advertising had helped McDonald's to create a brand image and logo in millions of people's minds.

ICD

Responses	Frequency	Percentage (%)
What are your favourite products on McDonald's	Trequency	
	24	24
Burgers	31	31
Ice cream	33	33
Mc Porridge	6	6
Mc Nasi Lemak	11	11
Mc Breakfast	18	18
Mc Spicy Fried Chicken	9	9
Mc Mix and Match	11	11
Mc Happy Meal	17	17
PaNas Spesial McD	18	18
Pamer 5 McD	14	14
What do you think about the change in the size of McDonald's food in recent years?		
Extremely Small	4	4
Smaller	34	34
Neutral	54	54
Bigger	7	7
Extremely Bigger	1	1
Do you think the menu for McDonald's is various?		
Yes	68	68
No	31	31
Not Sure	1	1

Table 2. Survey on McDonald's Consumers

Are you satisfied with the taste of McDonald's food?

- E			_		
	1 - Highly Unsatisfied	0	0		
	2 - Unsatisfied	5	5		
	3 - Neutral	18	18		
	4 - Satisfied	50	50		
	5 - Highly Satisfied	27	27		
Will you agree that McDonald's image is changing to become healthy?					
	Yes	57	57		
	No	43	43		
What kind of services are launched by McDonald's that you are satisfied with?					
	Drive-Thru	68	68		
	Dine In	46	46		
	Self-service kiosks	55	55		
	Online Ordering McDonald's Apps	44	44		
Please choose the relevant reasons to support the choice that you choose above.					
	Giving its clients the ability to order, pay for and collect their beverages without waiting in line	73	73		
	Celebrities often take pictures with menu food of McDonald's	20	20		
	Good customers services	43	43		
	Become a perfectly neutral public venue where people can meet	37	37		
	Purchased McDonald's products with more lower value price	28	28		
Do you think what types of promotions are used by McDonald's is effective?					
	Social Media	83	83		
	Television Advertising	40	40		

			_	
	Campaign	17	17	
	Promotion	1	1	
	MCD Apps	1	1	
	Treat the customers	1	1	
Do you like McDonald's				
	Yes	85	85	
	No	15	15	
Which aspects do you think need to improve by McDonald?				
	Price	64	64	
	Food Variety	53	53	
	Service	30	30	
	Promotions	51	51	

Table 2 shows the summary for the survey on McDonald's consumers consisting of questions about McDonald's products, size, taste, menu, price, promotion, services, image, and aspects to improve.

The most favorite McDonald's products chosen by the respondents were the ice cream products (33%), and burger products (31%). Malaysia and Indonesia are tropical countries; they love cold food or drinks. As a result, ice cream was the food most respondents ordered. In conclusion, McDonald's has innovated its products according to geographic and cultural conditions to meet specific consumers' needs.

Most of the respondents (54%) stated that the size of McDonald's food in recent years was neutral and reasonable. There were 68 respondents (68%) mentioned that by McDonald's menu was various. This signifies that McDonald's successfully produces delicious and suitable food and service for all consumers.

Most of respondents (50%) were satisfied with the food taste. It proves how McDonald's excellently maintain its pre-set quality and consistency. A total of 38 respondents (38%) thought that the price of McDonald's products is expensive, implying their dissatisfaction of the price. Majority of respondents (57%) agreed that McDonald's changes its image to sell healthy products. This underlines that most of respondents are starting to give attention to a healthy lifestyle and be more conscious of their dietary.

Further, the majority of respondents (68%) were satisfied with the drive-thru service due to effectivity. The most relevant reason for customers satisfaction was providing customers the ability to order, pay for and collect their beverages with no queue (73%).



As McDonald's is trying to replace human services with technology, the ordering process become more efficient, allowing consumers to save their time.

A number of 83 respondents argued that using social media like Facebook, Twitter, Instagram, YouTube is the most effective media to promote McDonald's new food menu. Since most of the respondents 21 to 29 years old, they were social media heavy user. This also emphasizes that social media plays a vital intermediate in promoting McDonald's products especially among the young people. The majority of respondents (85%) also mentioned that they like McDonald's. At last, 64 respondents (64%) suggested McDonald's to improve the price of the products.

The comparison of different aspects on McDonald's in Malaysia and Indonesia

McDonald's practices franchising as its internationalization business strategy (Yeu et al., 2012). In various geographical areas across Malaysia and Indonesia, the original concepts remain put into practice as the franchisor regulates the decision-making of the business operations (Yeu et al., 2012). Therefore, McDonald's core products in its menu are burgers with different tastes, french-fries, soft drink, and desserts flavors, applied to all McDonald's restaurants in Malaysia and Indonesia. In addition, McDonald's branches around the world have similar and distinct features in the implementation of marketing strategies. In terms of products, McDonald's Malaysia and Indonesia are almost similar in culture in which all the food and beverages produced by McDonald's require halal certification. The difference are the food menus of McDonald's in Indonesia tends to be spicier than those of McDonald's in Malaysia.

In terms of services, both McDonald's in Malaysia and Indonesia provide the self-service kiosks where customers can make orders in front of them, pay with credit, debit card or e-wallet such as GrabPay, and they can bring the foods from the counter for dine-in or take away. In terms of place, most McDonald's outlets around the world have a similar decoration in their interior or exterior. In terms of promotion, the promotion tools they use are social media and television. In terms of price, the food price of McDonald's Malaysia is slightly more expensive than that of McDonald's Indonesia.

Idea Application

Installing Technology by McDonald's

McDonald's was spending its money to invest and install new technology, such as selfservice kiosks. This can reduce customers' waiting time. They simply need clicks, place the orders, then wait at the collection counter as their waiting number to be called. The payment could be made by debit or credit card, and Touch n Go eWallet. This lets customers skip the counter and the queue. It really helps customers to reduce their waiting time (Bates, 2017). McDonald's also develops McDonald's apps to let customers order via online apps. In addition, it develops the drive thru bringing convenience to customers and lets them just place orders and collect them on their cars. Furthermore, it develops electronic payment, using a debit/credit card or scan the QR code of Touch n Go, with a few minutes to take (Rajawat et al., 2020). To perform day-to-day operations smoothly, McDonald's is using the best equipment to operate (Rajawat et al., 2020, p 7).

Redesigning McDonald's Kitchen Layout

McDonald's constantly upholds the principle of keeping its kitchen and dining environment cleanliness, food freshness and serving efficiency (Rajawat et al., 2020). These are highly important as they are the most determinant factors for costumer's

satisfaction. Therefore, McDonald's has their own specific format to execute the entire process. For instance, we can see McDonald's assembly line is efficient for it takes only around 90 seconds. First, the workers will see the order on the screen. Then, they will start bun toasting for 11 seconds. The bun is spiced with condiments and it needs about 20 seconds. Then, the next worker starts wrapping the patty with a bun and this takes 14 seconds. Next, the order is immediately taken to keep it fresh. Lastly, the cashier gives the order and does the payment. This will take about 45 seconds. It takes one minute for customers to receive their orders. Since the kitchen work is evenly distributed the customers could finish their payment and receive their orders in a short time (Khurram, 2012; Rajawat et al., 2020).

Besides, McDonald's also innovates new kitchen layouts to improve customer satisfaction. McDonald's has installed new bun toasters holding 11 seconds to toast the buns. It also has installed high-efficiency fryers. McDonald's eliminates some extra steps and some production levels controlled by computers (Patil, 2012; Rajawat et al., 2020). This allows the chips are fried in a short time. Furthermore, McDonald's maintains a good relationship with suppliers to ensure that they ship the ingredients on time. As a result, McDonald's can ensure that the operational run smoothly (Rajawat et al., 2020)

Organizing Special Promotion

Providing affordable products, engaging in unfair trade practices, limiting the dissemination of agricultural diseases, and giving beneficial effect to the communities are Mc Donald's vision (UKEssays, 2018b). McDonald's has conducted several promotions to attract and encourage customers to buy more at a lower price. In particular, McDonald's launched RM 5 cashback with Touch n Go e-wallet and 20% discount by grab pay in Malaysia (McDonald's Malaysia, 2020). Besides, it conducts the promotion of IDR 50,000 by Go-pay, 50% discount by using Debit Mastercard, and the promotion of IDR 30,000 discount by McDelivery in Indonesia (McDonald's Indonesia, 2020). Similarly, in Malaysia it has free delivery service by FoodPanda app (McDonald's Malaysia, 2020). These promotions are to encourage customers to use cashless and apply social distancing during COVID-19 pandemic.

CONCLUSIONS

It would not be an easy task to become a worldwide brand. The market of McDonald's products is intensely competitive since their competitors have equal access to the customers. McDonald's adaptation strategy is to fit consumers' needs according to their culture. The various brands are hard to stand out due to the competitive nature of the market (Mintel, 2007).

They have made a successful adaptation in Malaysia and Indonesia. It has given its fastfood chains a wider reach around the world, while today's customers are looking for a fast choice and affordable food. McDonald's has a strong sense of quality service and customer satisfaction that makes it possible for Malaysia and Indonesia to market its products, modified to cater the tastes and favor of their customers. Reasonable prices had been introduced, effective promotions were carried out, and special offers were made. These are some of the strategies to gain support from different people around the globe.

However, the company needs to consider the issue about the increasing competitors. It has greater control over their ingredients for quality and safety protection with Hala



regulations. Its marketing mix is adaptable to distribution locations, promotion plans and pricing according to local market requirements. McDonald's revolved its menu to keep loyal customers.

Concisely, the value of McDonald's to its customers makes McDonald's successful. Excellent market differentiation strategy and awesome innovation capacity make it remain in one of the top positions of the fast-food industry. McDonald's must evolve its business approach to local needs. However, there are still a lot of obstacles and improvement such as the unhealthy food labels, and its service quality issues. McDonald's Company should continuously improve the management to maintain sustainability and eliminate the label.

Nonetheless, as most of the respondents were not satisfied with the price, variety and services, McDonald's ought to improve its marketing strategies, adjust the price ranges of the product. As the wage is decreasing and the economy is dipping, consumers are more sensitive to price (Fougere, Gantier, & Bihan, 2010). McDonald's is encouraged to use the pricing strategies such as value-based pricing, especially when the product is no longer in high demand and the economy is unstable. Value-based pricing is setting the best price for a product or service depending on customers' needs, financial capacity, expectations, and what alternatives competitors offer. It shows the value that the consumer expects within the service or products. Lowering the sizes or price could maintain the profitability. Quarterly promotions, such as buy 1 get 1, free vouchers, and cashbacks may retain and attract more customers, as those with lover income could afford.

In addition, McDonald's should increase products variety to attract more customers. It is a key factor of consumer's decision of which fast food restaurant to choose (Duecy, 2006). More variety of food and drink choices will appeal to a broader range of customers. A new taste and more innovative set meals could fulfil the customers' taste bud after researching consumer flavor. McDonald's might invite more beverage or food partners instead of solely cooperating with Coca-Cola. By adding some new beverages like fresh fruit juice or coconut water can also link McDonald's into a healthier image as well as to cater customers who demand less sugary water. Addedly, keeping up with the latest trend and consumer's taste gives another advantage.

McDonald's needs to standardize staff service skills, sets up clear standards and provides them with professional training before they start working. This is to improve customer service, maintain loyal customers, and improve its bottom line. Service determines restaurant ability to attract more loyal customers since excellent service will keep consumers coming back. To raise customers' loyalty rates, McDonald's needs to gather strategic information to discover their customer's needs. Then, commit to delivering the customers services that exceed expectations and inspire customers to stay loyal in McDonald's (Mujtaba, & Patel, 2007). Therefore, McDonald's should develop specific incentives to reward top performers and penalize poor performing staff. This is to ensure staff efficiency to meet customer's needs and to attain customer's satisfaction. Thus, despite the global competition, the company has successfully suited people's culture and needs. McDonald's is an organization that loves to learn as well as prepare and accept change.

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