



McDonalds

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Case study 2: McDonalds

Analyse two different countries where the company is and find out differences in the Marketing 4P's

While in USA get a **price** around \$5.04 for a BIG Mac, the most representative burger at McDonalds, in UK you can get it for \$3.94 for the same, a 78% of the original price. However, some of us have been to both countries and there is a significant change on the size and taste of the burger.

As for **promotion** is easy to find bigger promotions in UK rather than USA, due to the popularity of the fast food in USA, which makes the company not to offer such big promotions. In fact, specifically in UK the prices are lower ought to the constant strategy of promotions in McDonalds, which drove the company to maintain the promotion prices.

As for the **product** the called "american burger company" has 33% more calories in the US than in UK, again, confirming our hypothesis of differences in size between burgers. On top of that, the european country has more green product in it like lettuce as well as tomatoes, making it more healthier than the american one, also making it more healthier to a target of clients which is taking a closer look on this mater.

At last the **selling point** is mainly composed by McDonalds places where people go and sit to eat in the UK. However, in USA is much more common to rely on drive throughs, becoming the main revenue of the franchises, which dedicate less space to accommodate sitting clients.

Going international

You belong to the Board of Directors of *El Corte Inglés*, the Spanish retailer. You want to internationalise your company and you need to choose one or two countries where you think there is a good options to establish the company there. Where will you go and why?

Country 1: Argentina

Why? We believe that El Corte Ingles expansion to Argentina would be a good option due to the fact that the citizens of the country could have easily access to European and local products in one whole building, on the other hand is a country that has grown a lot during the past years.

Country 2: Canada

Why? Because of the weather, due to the extreme cold temperatures, when people have to go shopping they rather go to an indoor place where they can find all the products they are looking for at the same building than to walk in the streets and use the car to go different places. We think it would be a good option to establish the company there because culturally will be approved and seen as something normal.

Stimuli & Barriers

If you want to enter in a foreign country, let's say USA, and internationalise your product, let's say a Spanish Bio Cava, what are going to be the main stimuli and barriers you expect to find?

- People who are not used to organic products and the difference in taste.
- Regulations of the country; origin requirements, taxes on alcohol beverages, meet the requirements of the State and Local jurisdictions because of their own importation requirements.
- The tariffs for consumers are much higher.

Key decisions

If you want to enter in a foreign country and internationalise your product, which decisions do you have to make?

- To have a successful business model perfectly defined in the country of origin, and with the appropriate mechanisms for its permanent adaptation to the market and implementation in the team.
- Make an in-depth analysis of the environment and the target country; draw up a list of opportunities and threats, and plan how to access the new market.
- Identify the most appropriate marketing strategy to apply in each country where you want to establish the company.
- Study the economic and financial viability of the project.
- Diversify risk, drive geographic and functional expansion.
- Allocate the necessary financial and human resources. The best professionals for our marketing campaign and for the company in general must lead the internationalisation project.
- Legal issues. Analyse in depth the possible legal barriers to entry into the country, as well as the possible export licences needed for products.