

Analysis of McDonald's Marketing Strategy in China

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ABSTRACT

The development of McDonald's in the Chinese market is getting better and better, which is inseparable from McDonald's marketing strategy in the Chinese market. The purpose of this article is to explore the factors of how McDonald's has achieved its current achievements in decades. The author will further explore McDonald's marketing strategies and the unique strategies of other fast food brands and provide some suggestions for McDonald's future marketing strategies. This article uses the literature survey method to study the process change of McDonald's from entering the Chinese market to successful promotion. Through the collection of literature, this article finds that McDonald's has a unique marketing strategy in China. McDonald's combines marketing with Chinese consumers, Chinese characteristic culture, Chinese geography and China's consumption level to better enter the Chinese market.

Keywords: *McDonald, marketing strategy, Chinese consumer, Chinese market, fast food.*

1. INTRODUCTION

Nowadays, one can see McDonald's one after another in the streets and alleys of China, and McDonald's has become a common choice for students and office workers for their daily meals. McDonald's has become one of the fastest-growing fast food companies in China. As a foreign fast food brand, the main reason why McDonald's went abroad to successfully enter China is that its marketing strategy is significantly different from other domestic and foreign catering companies. In the domestic fast food market, the advantages of foreign brands represented by McDonald's are still Obviously, for such brands, localization in China is also an important development goal. McDonald's has more advantages than other fast food companies in terms of localized marketing, integration with local culture, consumer psychology, promotional methods, products, channels, and prices. The literature survey method is very helpful for the research of this problem. This article explores and analyzes McDonald's marketing strategy through literature analysis. The purpose of this article is to understand the history and current situation of McDonald's entering the Chinese market, as well as the changes in strategy. The author will also further explore the process and influencing factors of McDonald's gradually occupying a dominant position in the Chinese market.

2. CURRENT SITUATION OF MCDONALD'S PRODUCT MARKETING

Every year, McDonald's will conduct regular publicity in the Chinese market with the help of online platforms such as WeChat, Weibo, and Douyin short video. The reason is that McDonald's attaches great importance to the marketing strategy of Chinese social media[6].

For example, in early 2020, McDonald's proposed a new product "5G fried chicken" advertisement. The reason why the topic of the advertisement is "5G" is because a electronic technology company "Apple" launched the new iPad Pro at that time, which caused heated discussions on the Internet. The concept of Apple's new product was again cited by McDonald's, and its advertising copy claimed to produce a "5G new product", which drew consumers' attention. However, the actual "5G" of McDonald's new product is the five outstanding points: "Chunk" "Taste" "Tender" "Juiciness" and "Crispy" associated with McDonald's fried chicken.

Due to the McDonald's consumer groups are mainly young consumers, McDonald's uses the high attention base of online hot keywords to combine their company's new products with these online hot topics, or associates them with related fields, so that products can be combined with popular keywords. That strategy

arouses the interest of young consumers and increases the network popularity and attention of McDonald's new products. Besides, it also expands the effect of publicity. The interaction between consumers and brands on social media allow the brand image be continuously shaped. In addition, the interaction also makes the brand discussions increased and online marketing carried out.

3. "INTEGRATION & DIFFERENTIATION" ADVERTISING MARKETING STRATEGY

The general direction of McDonald's advertising is basically the same all over the world. However, it will be changed for different areas at different time of the year. This strategy is based on the combination of "integration" and differentiation[7].

3.1 The selling is seasonal.

For the reason that China has a long history, China has many unique traditional festivals that other countries do not have. At the same time, because Chinese people have special corresponding feeling for different Chinese traditional festivals, McDonald's has launched a series of "festival-limited" products based on the mental needs of consumers and the characteristics of those special Chinese festival customs. The seasonal products effectively and continuously increases McDonald's influence in the Chinese market. For example, starting in 2016, McDonald's started launching short commercials video on the social media before the Spring Festival. The advertising slogans focused on "train tickets", "Spring Festival Gala", "Reunion", and "Red Envelopes" and other Spring Festival elements that are associated with Chinese characteristics. Those keywords effectively capture the Chinese people's desire for family reunion before the Spring Festival. As traditional festivals, such as the Spring Festival, are unique to China, McDonald's seized the Chinese people's mood for the Spring Festival reunion and made relevant advertisements, which aroused emotional resonance and promote the consumer's consumption on the relative products.

3.2 Selling products in particular region.

his strategy is to be corresponded with the different taste and cultural customs of different regions. Different from the sweet and spicy sauce that is sold in other regions, McDonald's once launched a unique "region-

limited "chili sauce" in Sichuan, China. As the supply of peppers in Sichuan is abundant, the local people's dietary tastes are mainly spicy taste. McDonald's notices the differences in regional eating habits in different regions of China, and develops new products that meet local tastes and regional characteristics. From the perspective of the enterprise, "integration" makes the brand strategy of different countries and regions the same, and there will be no divergent development. "Differentiation" enables McDonald's to be recognized by local consumers, and emotionally increase consumers' favor to the company, thereby McDonald's can promote the consumer's consumption.

3.3 The influence of posters

When people click on the McDonald's official website, or walk into the McDonald's ordering table to order food, they can see McDonald's promotions or new product posters, with the title usually "the second one is half price" "McDonald's spicy Chicken drumsticks for a limited time of 9.9 yuan", "New Ice Cream", which are good examples of McDonald's poster promotion. In most cases, McDonald's poster colors rarely use cool colors to make posters. McDonald's uses a lot of bright colors and puts colors with great contrast together, and the striking color contrasts cause a huge visual impact. What is more, it allows customers to notice new products at first sight after entering the restaurant. At the same time, McDonald's will enlarge the pictures, names, new product icons, and prices in the posters, which attract consumers' attention. McDonald's takes the method of amplifying the visual effect, to make their consumers quickly obtain key information thereby promoting the dissemination and sale of new products.

3.4 Product diversification

In recent years, in the Chinese market, people's dietary status has been constantly changing, and consumers will choose from three meals a day to multiple meals a day[8]. In order to meet consumers' dietary needs during the rest of the meal, McDonald's opened up the afternoon tea market, extending from fast food to Mc Cafe and dessert stations, providing ice cream, tea, coffee, desserts and other products. McDonald's stratifies consumer demand and consumption power in the market and launches related products to meet the diverse consumer needs of consumers and achieve the purpose of increasing turnover.

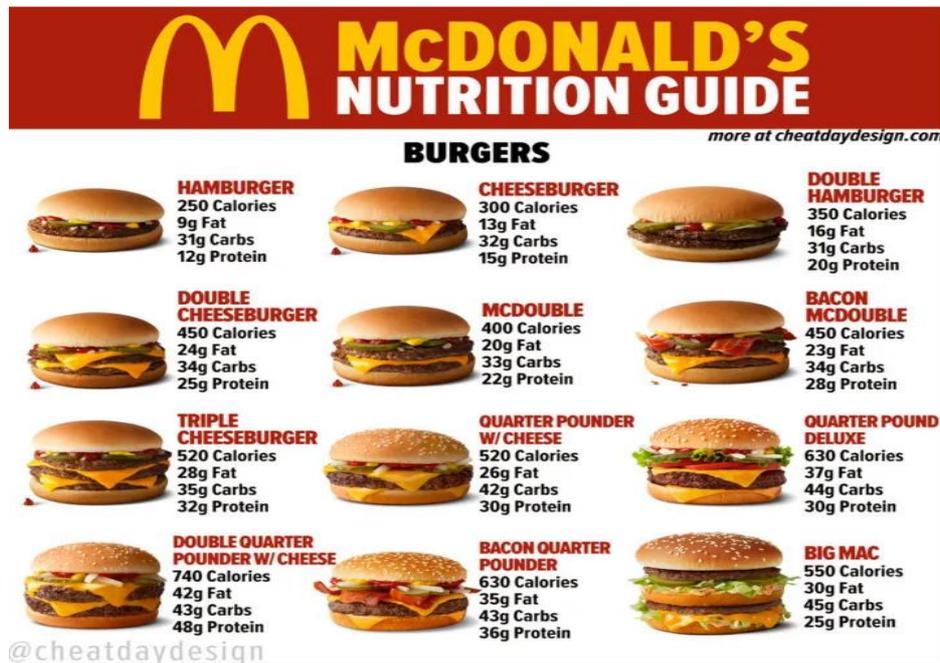


Figure 1 McDonald's Burger Products

4. THE FACTORS OF MCDONALD'S MARKETING SUCCESS

4.1 Consumer psychology

Secondly, the author cannot deny that McDonald's has a good insight into the psychology of Chinese consumers, which helps them to implement strategies that can respond effectively and increase sales. Consumers will have a brand awareness of the brand of the product, and this awareness will indeed affect consumers' purchase choices. [1] This situation is no exception in China. If a brand has a special appeal, it will establish a connection between Chinese consumers and the brand. By using brand awareness, McDonald's can design effective marketing activities to stimulate consumers. [2] In China, brand spokespersons will have a relative impact on Chinese consumers. In good circumstances, the spokesperson will increase consumer trust in the brand and thus increase the sales of products. McDonald's officially released a new brand concept in 2020-"Because of love, do the best", and announced that Jackson Yee has become the brand spokesperson. [3] Jackson Yee has a large number of fans in China and has a young and active image of adolescents. The announcement of the new spokesperson brought a good positive response to McDonald's. With the release of Jackson Yee's new movie "A Little Red Flower", McDonald's also launched a new dessert with a small red flower cone. After the launch of this event, many McDonald's stores in China sold out this cone, and many consumers lined up to buy this cone. As the Chinese people and consumers pay more and more attention to

environmental protection, now all of McDonald's paper food packaging will use 100% of the original paper certified by the Forest Stewardship Council (FSC). By 2022, McDonald's plans to open more than 1,800 green restaurants that meet the LEED certification standards issued by the US Green Building Council. This means that more than 95% of McDonald's new restaurants will pass stringent green building certifications and become more environmentally friendly. This caters to the yearning of Chinese consumers now and makes the brand of McDonald's improve in the hearts of Chinese consumers. [3]

4.2 Channel strategy

McDonald's stores in China are widely distributed. The year 2021 is the 31st anniversary of McDonald's entering the Chinese mainland market. From the first restaurant in Shenzhen in 1990, it has grown to more than 3,500 restaurants nationwide. [3] Such a large number of stores will allow customers to have McDonald's allows customers to have multiple choices. McDonald's restaurants will not let customers give up buying McDonald's food due to location issues. Because no matter where people go, there are many restaurants, and consumers have many choices. This creates a relatively flexible situation. If McDonald's has few stores, it will lose many potential customers. Moreover, McDonald's is also very cautious in choosing the location of the restaurant. They will choose more places with many potential consumers, such as shopping malls or leisure and entertainment venues. The huge number of stores and convenient location make McDonald's attract more customers. At the same time, most McDonald's restaurants can provide

takeaway delivery services. They deliver food by themselves rather than relying on a third party. They will strive to deliver them within 30 minutes each time they deliver.

4.3 price strategy

According to the seventh census of the National Bureau of Statistics, among the population of China, the population aged 0-14 is 253,383,938, accounting for 17.95%; the population aged 15-59 is 894,376,020, accounting for 63.35%; and the population aged 60 and above is 264,018,766., Accounting for 18.70%, including 190,635,280 people aged 65 and over, accounting for 13.50%. [4] Among China's 31 provinces, there are 2 provinces with a population of more than 100 million people, 9 provinces with between 50 million and 100 million people, and 17 provinces with between 10 million and 50 million people. There are 3 provinces with less than 10 million people. The five most populous provinces are: Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia. [4] The five cities with the highest GDP in 2020 are: Shanghai, Beijing, Guangzhou, Chongqing and Shenzhen. [5] The main consumer users of McDonald's are concentrated in 15-59 years old, with a large population and more developed cities. Because McDonald's is a slightly more expensive brand for the overall consumption level of Chinese consumers and is a young image brand. Mainly aimed at this consumer group can increase their sales to a greater extent, because these customer groups are more willing and able to buy McDonald's products.

5. DISCUSSION

McDonald's has developed very rapidly in China. It took only 30 years or so to occupy a dominant position in the fast food industry in China. Its various marketing strategies are worth learning from other brands, whether it is from Chinese consumer psychology, channel strategy or price strategy and so on. It is very efficient to formulate different marketing strategies according to the characteristics of Chinese consumers, and it has helped McDonald's win more Chinese markets. In the next few years, it is suggested that McDonald's can continue to consolidate its current reputation in big cities, and expand and strengthen its takeaway delivery business during the epidemic.

6. CONCLUSION

This article mainly focuses on McDonald's marketing strategy in China. Which focuses on the use of McDonald's marketing localization, product strategy, channel strategy and price strategy. Marketing localization includes McDonald's combining Chinese characteristics with local culture and food characteristics such as Sichuan hot sauce, hiring

spokespersons combined with consumer psychology, and promotion methods through different media advertisements. These strategies have enabled McDonald's to develop very rapidly in the Chinese market in a short period of time. However, there are still some shortcomings in this paper. For example, the location and area of each store is not inquired, and only a rough statistics can be made. In the future, people can ask McDonald's for the specific store list and sort out statistics. Future research can mainly explore how McDonald's chooses the consumer groups it appears in, and why it chooses them.

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