



Comparative Analysis of Advertisement and Sales Promotion Strategies of McDonald's & Burger King

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ABSTRACT:

Food diversity is an unsaid characteristic of India's rich culture, which is divided into numerous regions and states. Indians have traditionally preferred home-cooked food, which is both a religious and a personal preference. However, as a result of greater understanding and impact of western culture, there has been a modest shift in consumption pattern among urban Indian households. As a result of economic changes, a slew of multinational fast-food chains have entered India. Today, the fast-food sector in India is adapting to Indian culinary preferences and expanding. It is growing popularity among Indian youth & younger generations, and it is quickly becoming a way of life. This research presents an empirical assessment of the notion that MNCs' sales promotion techniques, such as high advertising, combination offers, low-cost meals, and Indian-inspired menus, have radically transformed every area of the FMCG market, notably in food goods, with a focus on Chennai. This research looks at the worldwide marketing mixture in two key markets. The goal is to examine and comprehend the similarities and variations in the implementation of the global marketing strategy by McDonald's and Burger King. This study employed comparative analysis to focus on the 2P marketing mix method, which is based upon promotion & sales analysis. This research was conducted in Chennai City. McDonald's has used several types of its 4P in its foreign marketing mix, depending on both localization and globalization tactics, according to the study.

Keywords: International Marketing Mix, Localization and Globalisation, Advertising, sales promotion strategy.

I. INTRODUCTION

According to Sheth & Parvatiyar (2001), the area of international marketing presents three comparison criteria for analyzing marketing efforts by firms. Comparative characterizations, which explain what marketing has been done in different countries; comparative interpretations, which describe the same structural determinant affiliated with country differences; and comparison prescribed medications, which describe how well a country positions itself more to specific marketing planning as well as processes by inter firms are the first three determinants.

The main focus is on defining, explaining, and managing cross-national marketing methods (Toyne, 1989). Traditional international marketing is expected to be phased out in favor of integrated global advertising, resulting in a two-dimensional shift, according to many academics (Sheth & Parvatiyar, 2001; Gronroos, 1994). The first is integrative marketing, which emphasizes cross-functional coordination and collaboration above functional adaptation across national boundaries (Thangaraja, 2016). The second shift will place a larger emphasis on target audiences' cross-national similarities rather than international differences. In the 1960s, academic circles explored the marketing strategy and also the 4Ps (product, pricing, location, and promotion). According to Gronroos (1994), the marketing mix generated by an ion is optimized, or rather fulfilled. Yoo et al. (2000) looked at the role of promotional strategy on brand equity development.

Their research looked at price, store image, promotes higher levels, marketing, and price promotion as well as other factors. They discovered that certain aspects of the marketing mix have a favorable or negative impact on brand equity. The Internet, as according to Riyad & Myfanwy (2002), plays a crucial role in international marketing in the electronic age. To begin with, Internet marketing on a global scale has altered some components of marketing mix. The goal is to make your plan more engaging. Second, the Internet creates a fundamentally different environment for worldwide marketing, necessitating a new strategy. As a result, a new global marketing model may be required to explain promotional activities in the digital age. In this case, we investigate McDonald's and Burger King because, as Martin (2000) points out, they have successfully created their global standardization as a value of products, and marketing mix methods in Chennai City becomes our key emphasis.

II. Review of Literature:

Marketing Strategies of McDonald:

It is underlined in recent research here on theory building of the Fast-food chain network that crucial changes over time are taken account. It also investigates the major corporate decisions that influenced or framed those developments. It also helps us recognize the organization's fundamental competencies and the competitive advantage it has achieved. It also highlights the challenges that the organization is facing. A minor affiliation with Burger King serves as a benchmark for McDonald's execution. Given McDonalds' long history and the number of changes in power, the contextual

study's main focus is on flimsiness in administration.

The diversity and disparities in the guardian group's relationship with establishments & personnel were particularly noteworthy in this component. Similarly, the administration of the establishment is a major component that requires thorough control. McDonald's has a large percentage of franchisees (over 90%), but it is also the world's biggest and most important food service company, with over \$40 billion in revenue from over 30,000 locations worldwide. Regardless, this company did not grow swiftly as a result of luck. McDonald's has achieved its success via hard work and excellent marketing methods. For the Big Mac, a promotional strategy was devised. McDonald's is among the most well-known high speed chains in the world, as we all know (Thangaraja, 2016). The phrase "I'm enjoying it" is more popular than most of the other celebrities among the general public around the world. Burger King has a market share of over 15% among other major fast-food franchisees such as KFC, McDonalds, Hardees, and others.

Evaluating McDonald's marketing strategy necessitates extensive research on numerous marketing methods utilised in different countries. McDonald's has successfully introduced its most successful brand, the Big Mac, all across majority of its markets in today's world. With its early modernity, this success storey resulted from the formation of a branded product for itself with the minds of consumers. Simply said, the purpose of a company's advertising is to make consumer know of, like, and remember a product. To date, McDonald's has successfully conquered much of their territories with a wide assortment of things, but still the Big Mac has heralded a new era inside the company's sales. McDonald's uses five distinct promotion strategies for almost all of their products, such as the Big Mac, which varies based on the market.

Sales Promotion - In order to attract customers, sales promotion comprises arranging and marketing events that advertise McDonald's, including such contests, programming, activities, and the distribution of free coupons. - Various contests, such as "the happiest special moments," "cross country," the "NFL love," have gained market share by increasing brand awareness and cementing it in the minds of customers. - These contests and promotions are also carried on social media channels like Facebook and Twitter, enhancing brand exposure slowly but surely (JeyaRani & A, 2016).

Media affairs - In the sales and marketing of McDonald's products, marketing communication plays a minor but critical role. This company has increased brand credibility and increased value, both of which are important factors in establishing a long-term market. - McDonald's has long emphasized the development of employee-customer relationships. They recognize the significance of their employees' behavior and attitudes in today's industry. - The public relations section of the corporation supports them in promoting their most successful product by merely stating the nutrition information, the necessity, and the desire that will boost consumer happiness.

Direct marketing - As the title suggests, marketing strategy is a means of actively marketing to your clients by telephonic, e-mail, and online methods. - McDonald's emphasizes speed, personalization, engagement, and specialized market suitability. - In many countries, McDonalds' internet websites give consumers with clear information about their numerous goods and services, able to make informed purchasing decisions. - The Home Delivery System, that was one of the earliest successful fast-food chains to do so, is another form of product marketing in action, as it satisfies the demands of customers through delivering the product directly to their homes.

Personal selling is a technique for determining a customer's preferences, making suggestions, and receiving feedback. Personal selling is viewed as particularly beneficial because it involves direct feedback from the client to McDonald's employees. - Personal selling at McDonald's requires keeping a pleasant relationship with customers, even if it's only for the very few minutes in order both place & serve an order. McDonald's pays close attention to small details in able to preserve their customers pleased. - Personal selling necessitates face-to-face connection, which enables employees to form a positive brand impression, which is critical to McDonald's marketing teams around the world.

Advertisement - An advertisement is intended to draw a big number of people to a certain location at a specific time. McDonalds' advertising, being one of the most extensively used promotion methods by most companies around the world, has produced better outcomes than just its other marketing efforts. Advertising's ultimate goal is to persuade clients to purchase what they see. In terms on signage, media, print ads, tv commercials, and online advertisements, McDonald's has surpassed the most of its competitors. McDonald's greatest popular product, its Big Mac, has been advertised in over a million cities throughout the world.

I. Marketing Strategies of Burger King: Burger King distinguishes itself from the competitors by allowing customers to customize their orders with a variety of extras such as fries or onion pieces, cheese, bacon, mayonnaise, ketchup, mayo, lettuce, tomato, pickles, & onion. Burger King intends to offer Coffee at star bucks to all of its US locations in the future. Burger King sells coffee as well as iced coffee varieties in a variety of tastes (vanilla, mocha flavors whipped toppings) According to MC, BK set their prices. Profit maximization is part of BK's pricing strategy. Burger King and McDonald's have just teamed up to provide a \$1 triple cheese burger. Burger King plans to do is provide \$1 slush drinks as an alternate to McDonald's \$1 cocktail mixer throughout the summer. Burger King uses concentrated targeting, which comprises focusing on a certain client group's need. The demographic segment of immature adults is the target of this campaign. Especially among young males who do not watch advertising on television and

spent all of their time online. They are willing to try new things (Thangaraja, 2015). Burger King caters to a limited segment of the market.

Burger King focused on the young adult market, especially immature men. Burger King is marketed as a low-cost, high-quality, and delicious source of nourishment. Burger King outperforms McDonald's in terms of service quality, cost, and nutrient variety. Burger King Britain has released a new Christmas advertisement wherein the 'King' bestows a special present on the clown. In their competition, Burger King's advertisements have been both hilarious and fierce.

In 2015, Burger King proposed combining the two strands in a "beautiful, peace-loving burger" which would be sold for September 21, Global Peace Day. Peace Someday, a non-profit organization that supports teaching materials to hundreds of schools in 131 countries, would receive the funds. McDonald's, on the other hand, turned down Burger King's proposal to create a Chopper for peace.

It is getting more difficult for the company to grow its customer base due to the presence of several local, national, or international fast-food chains. Due to a variety of issues, it is difficult for enterprises in this industry to expand their market share in developing countries.

- Terms of per capita income
- Low literacy and poverty levels
- Low living standards

Burger King operates in a franchised model enabling physical presence in order to keep operating costs low, and it promotes online market by providing discounts to customers so order to increase customer satisfaction by offering convenience & controlling costs. Burger King customers are folks who want to eat and drink safe, tasty fast food. In underdeveloped countries, the majority of Burger King consumers are between the ages of 15 and 40, but in industrialized countries, customers of all ages favor the fast-food brand. Burger King has identified a flaw in what appeared to be a profitable marketing plan. It indicates the company's decreasing profitability at a time when most of their so-called "Super Customers" are leaving, with the following reasons:

Irrelevant marketing: BK advertising targeted customers aged 18 to 34, and its commercials were targeted solely at this demographic. Its marketing plan was to focus on customer amusement, but something was lacking, and as a result, customers stopped viewing its advertising since they were uninteresting. The premise seemed to be that humorous advertisements could attract and retain their intended audience. However, as the economy and culture of the United States evolve, BK is losing most of these customers.

Customer focus: They aren't providing customers what they want, which is part of the problem. While their competitors launched lighter, healthier menu items, Burger King focused on an advertising campaign more of what they felt customers wanted. People are eating healthier now, so the silly advertising and bigger burgers aren't as appealing (Arumugam, Thangaraja, 2016).

Less emphasis on children: As can be seen, MC's primary target market is children, which is its greatest strength & competitive advantage. However, because BK is not concentrating on this niche, it is losing market share. Changes in product formula; It's excellent to experiment with different flavors or menus to appeal to customers, but it doesn't always succeed because different clients have varied preferences. If BK continues to change its recipe on a regular basis, it risks losing customers. If they wish to adjust the recipe, they should first research their clients.

Limited menu: Burger King has a large selection of products on its menu, but there are still many more that could be introduced to entice customers; however, BK is not concentrating on it; instead, its primary focus is on its Burgers. It offers a large selection of burgers, and it is losing clients since it is not focusing on other areas, such as desserts. Burger King is implementing new policies and practices to improve customer happiness, such as monitoring client flow throughout the store with cameras and checking customer behavior and movement within the restaurant.

III. Comparative Analysis:

In the fast-food industry, McDonald's & Burger King are fierce competitors. McDonald's, on the other hand, is clearly a leader due to its significantly higher size and market share. Burger King appeared to be posing a challenge to McDonald's a few years ago. McDonald's, on the other hand, appears to be better positioned to respond against Burger King, thanks to its All-Day Meals and concentration on healthier food items, as well as a new emphasis on McCafe.

McDonald's has been rapidly franchising its locations over the last two years, and as both burger behemoths move toward a nearly 100 percent franchised model, we predict both participants' franchised restaurants to grow at a comparable rate. However, because McDonald's does have a larger base, their restaurant growth will be higher in absolute terms in the coming years:

The average royalty income per McDonald's franchisee shop is much larger than that of Burger King, owing to the former's higher market share and higher number of customers per restaurant.

Number of Franchised Restaurants							
	2014	2015	2016	2017	2018	2019	2020
MCD	29,544	30,081	31,230	32,230	32,830	33,430	33,930
Growth (%)		1.8%	3.8%	3.2%	1.9%	1.8%	1.5%
BK	14,320	14,951	15,667	16,167	16,567	16,867	17,167
Growth (%)		4.4%	4.8%	3.2%	2.5%	1.8%	1.8%

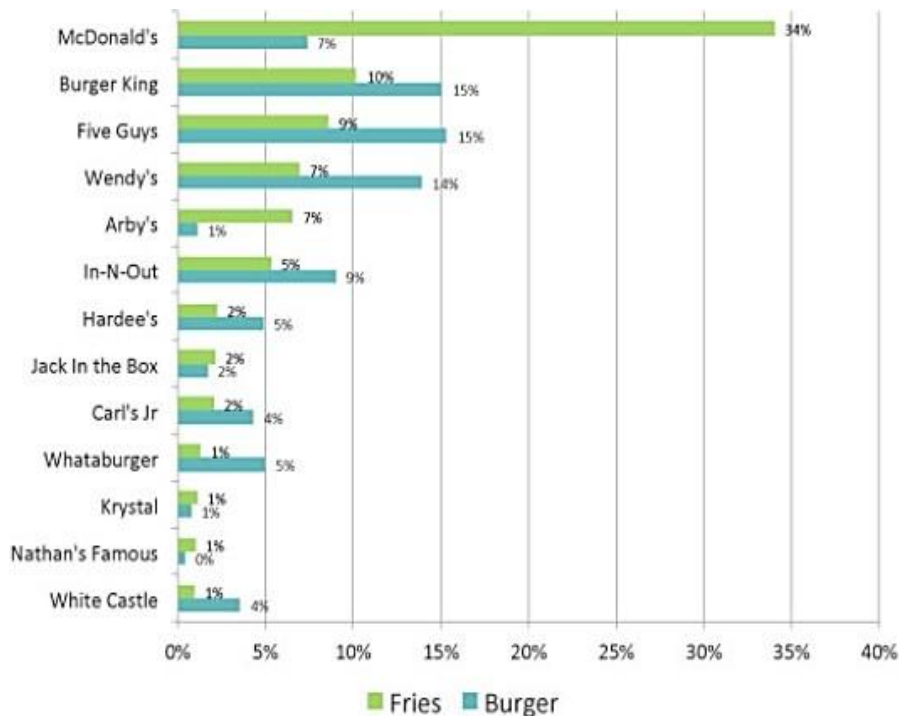
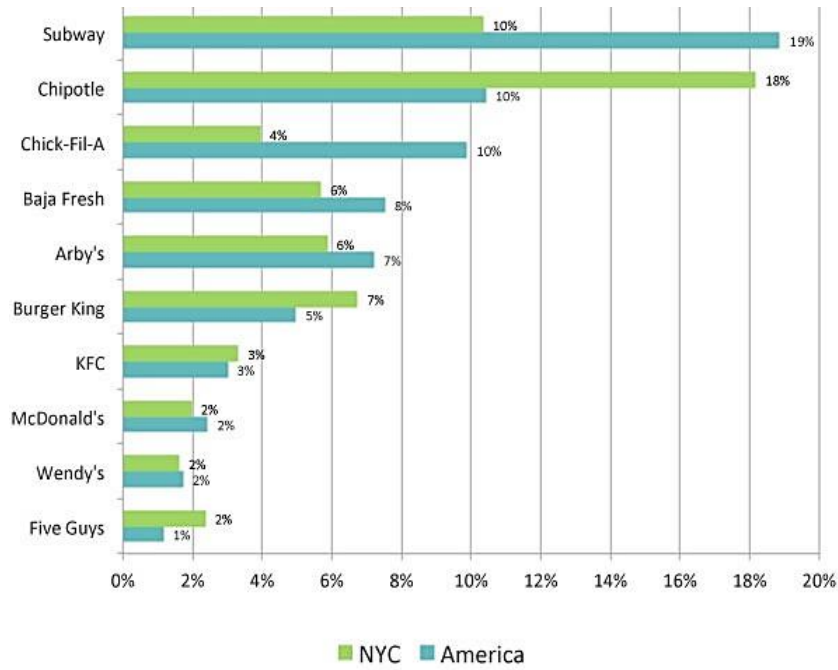
Average Royalty Revenue Per Franchised Restaurant (\$ K)							
	2014	2015	2016	2017	2018	2019	2020
MCD	104.42	99.09	100.22	101.98	103.52	104.45	105.29
Growth (%)		-5.1%	1.1%	1.8%	1.5%	0.9%	0.8%
BK	70.21	68.37	68.70	69.05	69.39	69.74	70.09
Growth (%)		-2.6%	0.5%	0.5%	0.5%	0.5%	0.5%

We predict McDonald's royalty income to grow faster than Burger King's, owing to the company's increased traffic driven by food innovation, technology investments, and improved branding. When comparing comparable sales growth data for the past 6 months of both burger behemoths, it's clear that McDonald's has the upper hand.

Comparable Sales Growth						
	Q12016	Q22016	Q32016	Q42016	Q12017	Q22017
MCD	6.2%	3.1%	3.5%	2.7%	4.0%	6.6%
BK	4.6%	0.6%	1.7%	2.8%	-0.1%	3.9%

McDonald's is also testing its "Experience of a Future" locations, where customers may make orders via kiosks, reducing time and allowing them to tailor their food more easily. Burger King & McDonald's are both expected to implement mobile ordering services this year.

Restaurant Brands Worldwide, on either hand, looks to be falling behind in terms of menu innovation, healthier menu selections, and technological initiatives. Burger King is substantially smaller than McDonald's and hence has a bigger opportunity for growth and expansion. However, it looks that the business is unable to keep up with McDonald's menu & technology advances, and as a result, it is unlikely to acquire market share or grow quicker in the next years.



IV.CONSUMER PREFERENCES TOWARDS BURGER KINGAND MCDONALD'S.

Customers have increased expectations of the food manufacturing process as well. Businesses have already been compelled to change as a result of requirements for high ingredients and less animal suffering. Customers are increasingly demanding reduced pricing, prompting many retailers to provide discounts and special offers. After years of customer pressure, McDonald's began serving breakfast all day.McDonald's first opened its doors in 1994, and it has been luring customers for the past 20 years.

It is among the most popular fast food chains in the world. The reasons that people are faithful to McDonald's are as follows: It has the easiest access to the major market, making it the first choice over Burger King. Customers claim that their choice for McDonald's is based on the high quality of service and beautiful packaging. Customers at McDonald's have stated that they know their menu by memory and that they do not require a menu before ordering. However, Burger King's client base still is a lot compared to McDonald's. Burger King customers are aware that its locations are less crowded than McDonald's, making takeout less stressful.

Burger King has a lot more flavor, and it's been argued that now the Burger Wars aren't just about taste; they're also about the complete experience as well as the strategies that go on behind the scenes. Because they are well-known global brands, MC and BK may continue to compete in the market. Burger King argues that complex ideas detract from the overall brand image, that too many menu items confuse customers, and that providing less quantity and variety while maintaining quality is the way to go. Your customers are your assets, and if you ignore them, they will believe you are only concerned with profit. For example, in 2010, MC's work was far superior to Burger King's, and people in a negative way portrayed Burger King in order to compete in the clown's market. However, in the last five years, BK has emerged as an exceptional growing brand, outperforming popular fast food outlets. Today, we see a strong response from brands who focused on their brand and client loyalty. McDonald's thinks in terms of consumer preferences, value systems, lifestyles, perceptions, and language, all of which represent the company's dedication to increasing and improving customer happiness. McDonald's has already been recruiting and employing individuals to assure high-quality products and services, as well as training employees to improve their knowledge and abilities in order to achieve the highest standards of quality and provide customer pleasure.

V. CUSTOMER LOYALTY OF MCDONALDS AND BURGER KING:

There are several methods for determining satisfaction levels. McDonald's, for example, conducts various surveys to obtain feedback from its consumers and also recent restaurant experience in order to determine customer happiness. McDonald's Store Manager stated that the company has been creating and implementing various steps in response to consumer input in order to improve customer happiness in the future. Burger King, on the other hand, uses a customer satisfaction tracker known as a customer experience programme, which is one of the most unique approaches to measuring customer satisfaction, according to store managers. These programmes are useful for investigating and analysing customer experience, as well as retaining existing customers and attracting new customers. Furthermore, the data obtained through this programme assists BK in focusing on the organization's operational areas such as food quality, cleanliness, and service speed, among others. These tracking tools provide real-time feedback to the entire BK.

This makes sense because a massive 88 percent of consumers who dine at McDonald's will return that following year, whereas the return percentage for Burger King is only 73 percent. In addition, 80 percent of Burger King consumers also visit McDonald's in a given year. McDonald's is a more preferred choice when it comes to taste. When that comes to quality, Burger King provides the best bang for your buck because you receive more burger for your money. When it comes to foreign presence, McDonald's appears to be in more locations than Burger King, but Burger King has a smaller footprint than McDonald's. BK is the ideal choice for clients who want to eat burgers, whereas MC is the best choice for customers who are health conscious. According to studies, MC creates various advertisements for adults and children, but BK's advertisements are the same for everyone. BK used to rely on word of mouth and media advertisements to reach out to its customers, but times have changed, and BK is now relying on company websites, social networks, food-related sites, YouTube, Facebook, Instagram, and other platforms to connect out from its customers (Thangaraja, A, 2015).

VI. Recommendation:

Based on the findings, we can conclude that, in order to improve performance and fulfil their goals, the organization should first focus on resolving internal challenges.

- It is proposed that McDonalds engage in active involvement in social media platforms in order to facilitate more frequent interactions with its customers.
- People are becoming more health conscious these days, thus MC not only should focus on taste but also introduce a nutritious menu.
- Because MC has a higher turnover rate, it is recommended that they hire more carefully & motivate their employees on a regular basis.
- As we can see, Burger King does not have the most up-to-date inventory supply chain system. They should embrace the most up-to-date technology and update it on a regular basis.
- Burger King is constantly up against competition. To compete, MC Burger King needs expand its global store count in accordance with client demand. Because the company is less accessible to its customers than competitors such as McDonald's, it is losing business.
- To solve present product mix limitations, Burger King can undertake the following recommended strategies:
 - Diversify/widen product mix

• Improve service quality • Address this same healthy lifestyle trend The company should focus on recent trends in fast-food markets, and thus on the demands as well as expectations of customers from various segments; The company should be committed to delivering or offering quality products and services, as well as offering competitive prices for their foods; It is critical to develop and implement various business strategies.

VII. CONCLUSION:

McDonalds, according to my analysis, is the better fast-food chain. Today, better technology makes it easier to manage resources more effectively. MC is a very good strength food company in the world, with significant growth potential because to its maturity stage. It can also be used to launch new items. McDonald's intends to expand its international presence. Although McDonald's may have more issues than Burger King, there is no such thing as a perfect company in the world. Burger King also is attempting to compete with McDonalds. While burger king may be superior in many areas, McDonalds remains the world's leading fast-food company due to its long history and, more significantly, great consumer loyalty.

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