

The impact a phenomenon such as globalization has on companies' marketing strategies

The Case of McDonald's

Introduction

Globalization is a trend through which economies around the world can connect with each other. This gives them the opportunity for a wide range of business activities all over the world. It can be defined as "a 'vogue' word that refers to opening up and increasing internationalization of markets, worldwide communication and mobility, changing consumption patterns and lifestyles, key positions of multinational firms in world markets, and shifting of industrial activities all over the world" (Panayotou, 2019).

It is important to inform people on the true impact of globalization since it can be rather helpful and make a positive impact. As we can see, globalization has great direct influence on many aspects of our lives, from individuals to small and large firms.

CONTACT

Helena Arroyo

Email: harroyo1@csustan.edu

Phone: (209)5684395

Research Question

Are the companies active in international business, unlike the local firms, having an impact on their marketing strategies due to globalization? The purpose of this research is mainly to acknowledge the challenges that companies with an international reach must face when it comes to their strategies while local firms don't. The different adaptations that companies must do with their marketing can be overlooked. This research intends to shine a light on this since globalization is an ongoing phenomenon.

Background and Literature Review

Due to globalization, professionals can face different challenges including delocalization of costumers toward offshore locations and the increase of purchases from multinational enterprises. Also, the global networks influencing, marketing, management, etc. and lastly, the threat to multinational enterprises' intellectual property. Dealing with an international market can require several alterations on strategies in order to overcome those challenges. Multinational enterprises may face them in their efforts to balance regional or worldwide integration and local responsiveness, and in- and out-sourcing have significant implications for marketing decisions. (Samiee, et al., 2019)

Besides those external challenges, multinational enterprises must adjust their marketing research to the international setting. There can be three major problems to keep in mind. These include selecting the most profitable research projects, the comparability of results due to the different nations and respective cultures, and they organization of the research at a global scale. (Majaro, 2012). Multinational enterprises must consider many different aspects that are not present in a domestic marketing research. The efforts and marketing decisions a firm takes to overcome the challenges have to be adequate to the respective market.



Globalization is all about the interrelationships between countries around the world, so that means there are more than one marketing mix that multinational enterprises must consider. They need to adjust their strategies depending on their goal and their willingness to satisfy their domestic and international customers. "An increasing number of companies are operating on a global or regional rather than a national scale. Thus, new parameters are added to management decisions calling for a rethinking of organizational strategies and planning procedures. Marketing is no exception to this rule" (Wind et al, 1973). This statement demonstrates the early influence of globalization on companies' marketing strategies and the possibility of an even greater one due to the lower trade barriers around the world.

Multinational enterprises have the necessity to adapt to the circumstances that globalization has created in order to remain relevant against their competitors. "Despite the above-mentioned challenges, more and more multinational enterprises expand their operations internationally since international activities are fundamental to their performance" (Matthyssens, et al., 2008). Because of globalization, a lot of them internationalize at an early stage of their development but then again, their strategies change accordingly to cover all possible markets. After acting one can measure the impact of this phenomenon by analyzing the international impact or success of their products.

Methods

Design - For this study, an observational research will be utilized to prove the hypothesis of the research question. "The goal of observational research is to describe a variable or set of variables. More generally, the goal is to obtain a snapshot of specific characteristics of an individual, group, or setting" (Price, J. C. R. P. S. 2017). Different Enterprises will have their marketing strategies looked at along with the impact globalization has on them. For this, an extended literature review will be conducted. The research will be of quantitative nature where the non-numerical information will be analyzed.

Participants - This study will be based on a multinational fast-food chain such as McDonald's. It is known worldwide with a brand value of almost 130billion USD. This enterprise will be chosen due to its big success at different scales. Even though it has similar products throughout its stores, its marketing strategies vary from country to country. The countries of interest will be the US (for a domestic scope) and China which the second country with the most McDonald's. The setting will not be controlled or changed due to it being an observational research and no alterations are made.

Materials - For this research, primary and secondary sources will be used. They will be gathered from the CSUSTAN's library, specifically from databases like Business Full text, Business Source Premier, ABI/INFORM Collection, among others. Public information on the company's official websites will be investigated as well. This information will include an analysis of two of the P's (product and marketing) of its marketing mix.

Procedure - Databases will be used to know information about different marketing strategies. After that, the company's official Website and social media will be reviewed as well in order to identify the marketing strategies of both McDonald's US and China. McDonald's China will have more emphasis since it is the one being heavily impacted by globalization. The Chinese location along with its marketing strategies will then be compared to demonstrate how they must adapt to its market. Lastly the US stores will come into place and be compared with the previous findings to reaffirm the influence of globalization.

Expected Results

The results will prove the influence of globalization and the different marketing mix companies face depending on the country. Changes in the products, advertising and consumers will demonstrate where multinational enterprises strategies differ from domestic ones. Both countries will have similarities across their menu but there will be more differences due to the different cultures in the markets thanks to globalization.

Significance

This research will be relevant to my field of study since globalization is an ongoing phenomenon creating challenges for enterprises. The lowering of trade barriers and increase of foreign direct investments have a direct impact on consumer's trends and therefore marketing strategies. This research will have the advantage of being relevant not only on the food industry but in all different multinational markets. Although helpful, the research itself will have disadvantages of not being able to analyze every aspect of all different marketing strategies implemented by companies.

Acknowledgements

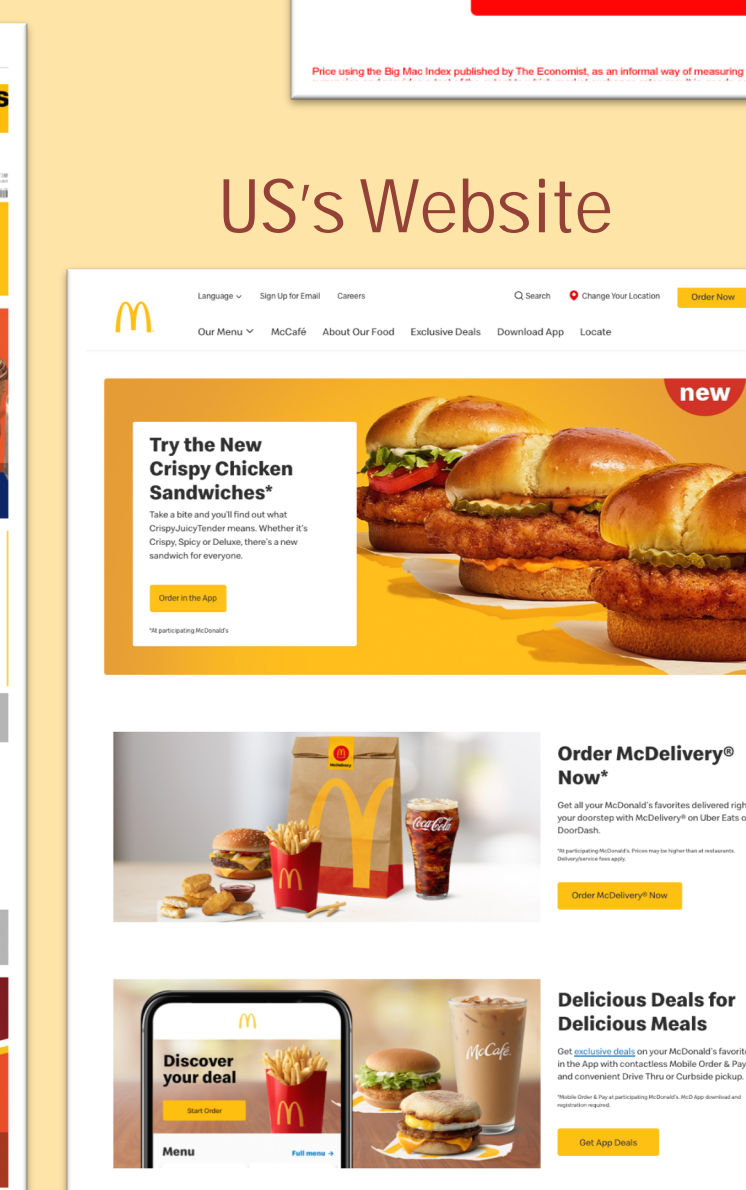
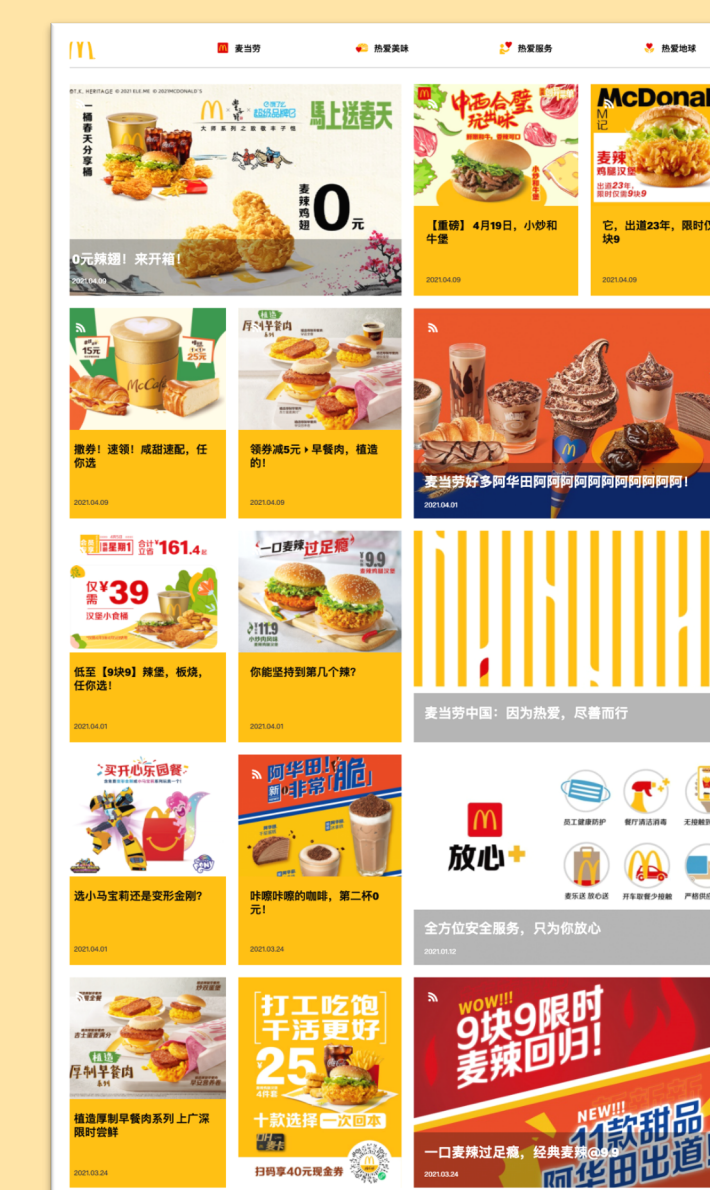
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China's Website



US's Website



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