

Learning of McDonald's Operation Management & Consumer Behaviour Analysis: A Qualitative Study

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Abstract

This paper will discuss the overall operation management and the typical characteristics or behaviours of McDonald's consumers. The aim is to demonstrate McDonald's ability to comprehend the diverse facets of consumer purchasing behaviour and effectively manage its operations to address all potential challenges. The research method in this paper uses a descriptive qualitative approach. McDonald's is a globally recognised company in the fast-food industry. The operational strategy of McDonald's is to cut costs, boost product quality, guarantee timely delivery to consumers, and innovate continuously to improve performance. Fast food giant McDonald's can keep expenses down because of careful management. McDonald's never compromises on the quality of its food or service to its consumers. Fast food giant McDonald's uses a just-in-time system to meet customer demands for quick service and high-quality food on the go. Marketing and advertising widely employ the AIDA model to delineate the stages of consumer buying decisions and elucidate how advertisements engage and involve consumers in purchasing. McDonald's advertising employs the AIDA model to draw in consumers and create captivating ads that consistently attract new customers. Examining McDonald's marketing pillars is fascinating, as they are a key indicator of global success. McDonald's has developed a formula of four key elements that effectively maintain a business, set clear objectives, and effectively communicate with its customers.

Keywords: Operational Management, Consumer Behaviour, AIDA Model, McDonald's Marketing Strategy.

1. Introduction

Companies use operations management in today's business environment to compete and ensure the achievement of their goals at a lower cost. Operations management focuses on efficiently managing resources to produce quality products or services. Companies can increase their competitiveness in the global market with excellent operations management. A series of systematically planned activities comprise operations management [1]. This activity involves converting various inputs, such as human resources, raw materials, and technology, into outputs in the form of goods and services. This process emphasises optimising resource use to minimise waste and increase company productivity. Companies can ensure that the products or services produced meet customer needs with a planned and structured approach. Effectiveness in operations management helps reduce production costs and creates added value for customers. Ultimately, companies can achieve sustainable growth through efficient and quality operational processes [2].

Operations management is planning, directing, and controlling the processes that convert raw materials into finished products and services following an organisation's strategic objectives [3]. This way, the company's operations can efficiently produce and deliver its products since they align with its goals. Effective operation management is critical in optimising resources and meeting the company's objectives, such as maintaining product quality and customer satisfaction. In the era of globalisation, companies face fierce competition as they strive to make their products stand out in the market. To stay competitive, businesses must manage their operations effectively, focusing on goods and services [4]. By carefully designing and overseeing their operational processes, companies can deliver products



that meet market demands while maintaining cost efficiency [5]. This allows them to stay ahead of the competition and meet consumer expectations. A well-managed operation ensures that a company generates profits and reduces the risk of loss [6]. Through effective operational strategies, companies can minimise inefficiencies, control costs, and optimise the use of resources. This approach helps businesses to maintain financial stability, improve profitability, and build a strong position in the market, even amidst growing competition [7].

McDonald's has more than 60 million daily customers in over 100 countries and over 32,000 outlets worldwide, making it the undisputed leader in the fast-food service sector. Franchisees from the local community run more than 80% of McDonald's locations globally. Because of its broad reach, McDonald's has kept its dominant position in the fast food industry. In the era of globalisation, the fast-food sector is highly competitive, with many retailers offering similar services. Amid this competition, McDonald's has adapted to the needs of its customers, particularly those with busy lifestyles. Many people skip breakfast because they lack time, and others seek quick meal options. Recognising this, McDonald's introduced drive-thru services, allowing customers to order and receive food without leaving their cars. The drive-thru service has become a significant convenience for customers, enabling them to easily purchase food from McDonald's without the need to enter the restaurant. This service caters to the fast food industry's growing demand for speed and convenience, making it easier for customers to enjoy a quick meal on their busiest days [8]. People today increasingly rely on others to influence their product purchases, be it clothing, food, or other items. Persuasive advertising, in conjunction with social influence, significantly shapes consumer behaviour [9]. Advertisements that are engaging and appealing can effectively capture the attention of potential buyers and motivate them to purchase. Companies recognise the importance of creating compelling advertisements to attract consumers and convert them into loyal customers [10]. To stand out in a competitive market, businesses must craft ads that inform and evoke emotions, creating a strong desire for the product. A well-designed ad can spark curiosity, generate interest, and build a connection with the target audience, increasing the likelihood of a purchase [11]. As consumer preferences constantly shift, companies must adapt their marketing strategies to remain relevant and practical [12]. By using captivating visuals, persuasive messaging, and targeting the right audience, businesses can create powerful advertisements that drive consumer decisions and foster brand loyalty [13].

Some people are drawn to ads and stop in front of stores, curious about what they see. This curiosity often leads them to enter the store and explore the products or services offered [14]. A well-crafted advertisement can pique interest, prompting potential customers to take the next step and engage with the brand. Moreover, effective advertising has a significant influence on consumer decision-making. It helps shape perceptions and creates a desire for the product by highlighting its benefits or addressing the audience's needs [15]. When an advertisement is compelling, it attracts attention and encourages consumers to consider purchasing, guiding their decision-making process. Ultimately, beneficial advertising is crucial in persuading consumers, as it can turn initial interest into action [16]. By tapping into emotions, providing helpful information, and appealingly presenting the product, advertisements can significantly impact consumer behaviour and influence purchasing choices. This paper will discuss the overall operation management and the typical characteristics or behaviours of McDonald's consumers. The aim is to demonstrate McDonald's ability to comprehend the diverse facets of consumer purchasing behaviour and effectively manage its operations to address all potential challenges.

2. Research Method

The research method in this paper uses a descriptive qualitative approach. We conducted an in-depth literature study to collect data, analysing various sources such as articles, company reports, case studies, and other related publications. The research process involved observing market phenomena and marketing strategies implemented by McDonald's, both in terms of operational management and consumer responses to products and services. We qualitatively analysed the collected data by exploring patterns, themes, and key strategies employed by McDonald's. This study highlights McDonald's success in integrating product innovation and local menu adjustments and utilising marketing strategies to attract attention, build interest, create desire, and encourage customer purchasing actions.

3. Result And Discussions

3.1. AIDA Model

Attention, Interest, Desire, and Action (AIDA) are the four components of a program. Advertising and marketing professionals frequently refer to the AIDA model when explaining the events that occur in a customer's mind from the moment they become aware of a brand or product. And when the buyer decides to buy or try out the product. People could learn about the product through advertisements and other forms of marketing communication.

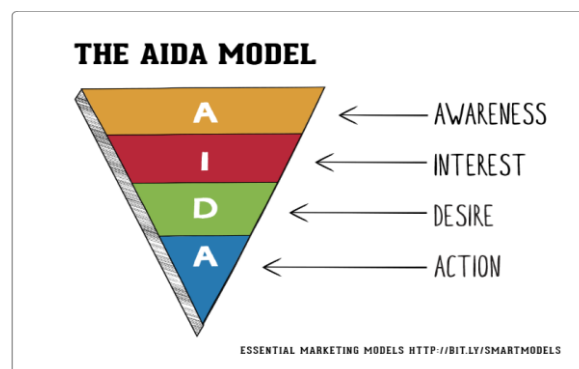


Fig 1. The AIDA Model

The picture above shows the AIDA stages model. The first step is awareness or attention when the consumer becomes aware of the brand or product. Usually, this is done through advertising a product, such as a billboard, television commercial, magazine, newspaper, social media, and something eye-catching and used to attract people's attention, that could be bold word type, images, photograph, sound and voiceovers. The second step is interest, which is information such as the details of the menu and price or availability of the product provided to create consumer interest in purchasing the product because of the advertisement. The third step is desire; desire is something used to make people want to buy that product. That could be the image and language of the advertisement and suggesting the benefit of the product when people purchase the product. The last step is action when the consumer forms a purchase intention or enters the store to look around and engages in a trial or purchases the desired product. Mc Worldwide, Donald's is among the most recognisable fast-food chains. McDonald's restaurants offer various food options using conventional templates like Happy Meals or Value Meals. Fast food giant McDonald's is trying to tailor its menu to local tastes and traditions worldwide. For example, McDonald's in Indonesia, a well-known restaurant, comes up with a menu that is adopted from Indonesia traditional food, Uduk rice, and the consumer's reaction is good. McDonald's continuously innovates its products to maintain customer satisfaction and attract new consumers.

3.2. AIDA in McDonald's

Learning is one of the essential things, and it is the basic foundation in the study of how consumers use or purchase products and services. AIDA is a tool used by marketing research as a chronological stage in precisely analysing consumer characteristics and the market. The AIDA model has been associated with marketing for many years, and AIDA helps describe the exact order of emotions in a particular message or strategy intended to target a person.



Fig 2. Vegetarian Menu in McDonald's

The picture above shows an example of a McDonald's Advertisement in India. The majority of Indian people are vegetarian as a result of Indian people's beliefs. McDonald's can still deliver the product by modifying a particular culture in a country to meet the customer's needs and wants. In the first stage, for instance, in India, McDonald's comes up with a veggie menu such as Mc Veggie, Veg McCurry, Pan Chicken Mc Grill, Chicken Maharaja Mac and others. The advertisement above shows a fascinating portrait of a hand grabbing a delicious wrap, which will attract people to grab one too, with the words "yeah, we went there" to stimulate the customer to come to McDonald's. Moreover, this advertisement shows the part of the AIDA model that needs attention.

The reason McDonald's stores are thriving all around the world is because McDonald's localises the menu to follow the cultures of the country. Commonly, a restaurant wants the best menu to be introduced to the world with no contrast from one country to the others, but not like McDonald's, which happens to make a menu customisable for McDonald's customers' cultures in each country.

The advertising of McDonald's localised menu in Indonesia. Rendang is Indonesia's best traditional food. McDonald's has learned the market very well, and recently, McDonald's has come to a localised menu that most people in Indonesia have been waiting for. Based on our analysis, this menu has a good customer response. Prominent advertising and promotions spread in social media to make people aware of the new product. The advertisement above is located in the McDonald's car park and aims to introduce and address people to McDonald's new menu. McDonald's very often puts advertising in front of the store. So that people will be aware of what food will be ordered and will try the latest menu from McDonald's.

Furthermore, McDonald's carefully standardised food items according to local tradition and culture. As mentioned before, in India, there is no beef available due to the common belief of Hinduism. In Indonesia, McDonald's localises the menu to include Indonesia's best traditional food, Rendang. The many nations, religions, groups, and communities that comprise a culture's subcultures are endless. McDonald's constantly seeks methods to localise its menu by learning about customer buying habits and creating new products that reflect diverse cultures. Continuously innovate the menu to satisfy the customers, maintain a good relationship with the existing customers, and make persuasive promotions for new consumers.



Fig 3. McDonald's Localize Menu in The Middle East

The picture above shows how McDonald's has innovated a new menu by addressing identical cultures for each country. The image above gives another example of McDonald's localised menu in the Middle East, where McDonald's uses Arabic flatbread with a grilled chicken named McArabia, one of the well-known menus in the Middle East. The advertisement will also be localised by putting an Eastern touch or characteristic.



Fig 4. McDonald's Localize Menu in India

The picture above shows detailed menu information for India. As McDonald's localises the menu to meet the customers, McDonald's has provided some Indian taste menus to make Indian customers interested in buying food at McDonald's. Detailed information will attract customer interest because the customer has prepared how much money to buy a particular burgers. To attract consumers, using colour, pictures, and readable words will indirectly convince them to purchase. So that the consumer is not confused when choosing what to buy. Somehow, this detail makes the consumer expect or imagine how it will taste.



Fig 5. McDonald's Menus on Drive-Thru

Not only for dine-in, McDonald's also provides drive-thru services so that the consumer can order without coming into the shops or when the consumer is in a hurry. The picture above shows all the menus when consumers want to order in the drive-thru services. Drive-thru services make McDonald's the pioneer in serving with limited time needed, making people interested and attracted to buy food from McDonald's. McDonald's not only sells food but also provides a better service without decreasing any of the quality that has been going on for a long time. Furthermore, inside the menu, McDonald's gives detailed product information, such as the prices and pictures of the food provided, to create interest in the advertised product. Providing convenience to consumers by giving them detailed information will make it easy to go to the following stages: desire. At this point, the customer has formed a positive attitude toward the brand, known as want. This is something that McDonald's used to make people desire the product offered. It could be image, language, and advertisement.

For instance, McDonald's convinced the consumers that it would benefit them to buy fast food from McDonald's rather than another brand. The ad has to persuade consumers to try the burger because its taste is exceptionally delicious.

3.3. The Strategic Decision of McDonald's

To ensure it remains at the top of the fast-food sector worldwide, McDonald's implements and adheres to effective policies and procedures for its ten strategic decisions. Make products and provide services. As a company, McDonald's aims to offer cheap products in the strategic decision area of operations management. The company bases its product prices and serving quantities on customers' expectations. As a result, McDonald's created economical and satisfying cuisine in terms of size. However, some McDonald's products are minimised in size to make them more profitable. In McDonald's restaurants, customers get many presents if they buy some packages. For example, playgrounds for children, birthday parties, happy meals and toys, games and prizes. So many children like to celebrate their birthdays in McDonald's because McDonald's has a proper place to celebrate birthdays for children. McDonald's already provides all of the birthday stuff, not only food; McDonald's also decorates that place and customers pay for that package.

The organisation strives for quality management to maximise product quality within constraints like expenses and pricing limits. To keep the quality of its products consistent, McDonald's uses a production line system. The consistency of their products meets customers' expectations of McDonald's. McDonald's had characteristics of quality control such as employees, food, and ambience (restaurant). For employees, it means the quality of workers. They always have to smile and be friendly but keep professional, and they have to work with high energy, like working hard, being well-dressed and clean, and ensuring on-time delivery is done. For the quality of food, they have to provide the cleanliness property to cooked that food, and always maintain standard taste of food and ensure the food packaging. For the restaurant's quality, McDonald's has to ensure cleanliness and keep the decor and theme of the restaurant. Designing processes and capabilities. McDonald's strategies are based on efficiency measures that minimise costs. Ensuring process efficiency and meeting market demand are at the heart of the strategic decision area of operation management. The production line method maximises Efficiency and capacity utilisation at McDonald's.

Strategic placement. In making this choice, McDonald's is aiming to maximise their market reach. In its marketing mix, McDonald's uses its restaurants, kiosks, and digital properties, including its website and mobile apps. These outlets allow McDonald's to connect with customers both offline and online. Plan the layout. Instead of prioritising comfort and spaciousness, the technique entails making the most efficient use of the available space in the restaurant. In 1950, McDonald's introduced indoor seating; in 1970, they introduced drive-through windows, now known as drive-thru; and in the late 1980s, they added play areas for children. The end goal of the layout strategy is to design a functional and efficient layout that can match the demands of the firm's competitive environment. The layout can be process-oriented, work-cell, office, retail, warehouse, fixed-position, or production-oriented. Personnel management and work process architecture. Training for skills needed in the production line in restaurant kitchens or other production areas is a key component of McDonald's human resource plans. At this juncture, the emphasis on individual and organisational learning bolsters McDonald's corporate culture. Management of the supply chain. Various locations across the globe can rely on the company's worldwide supply network. With this operational management decision area in mind, McDonald's has adopted a policy of supply chain diversity. This plan aims to lessen the potential hazards to McDonald's supply chain by increasing the number of suppliers from diverse locations.



Fig 6. Supply Chain Management of McDonald's

The picture above depicts McDonald's supply chain management, characterised by a lengthy and intricate chain. In addition, it is reasonably priced, efficiently prepared, and of high-quality cuisine. The restaurant relies on an extensive network of direct suppliers to produce and deliver its final goods. Controlling stock levels. Minimising inventory expenses while supporting restaurant operations is one of McDonald's priorities. The business does not directly supply the eatery with its goods and ingredients. Instead, McDonald's restaurant managers work with regional and local distributors and intermediates to keep track of inventories. In addition, workers should lend a hand to their supervisors when needed. Making plans. McDonald's schedules events according to company policy, considering supply chain requirements, local regulations, and market conditions. For instance, the organisation employs seasonal and regular schedules to account for variations in demand within local markets. At this stage, McDonald's is adaptable and considers the specifics of each regional market.

Keeping up with maintenance. McDonald's managers or franchisees choose maintenance service providers. On the other hand, McDonald's has a network of authorised service providers for its kitchen and production equipment. The next step is for the corporation to take control at both the local and corporate levels. Something distinguishes McDonald's from its competitors. Example: Naturally Crisp Fries. Fries here are anything but ordinary; they're crunchy and delicious. The key is getting your hands on the highest quality potatoes from reliable sources. Next, the potatoes are fried in pure vegetable oil, without any added fats or flavours, and a pinch of salt is

sprinkled on top afterwards. To reduce waste and costs, McDonald's has instituted new packaging protocols that include using a thinner paper-based wrap made of three layers of tissue. McDonald's has been using a system dubbed "Made for You" in all of its restaurants to cut down on food waste since 2009. That's a lot of automated cooking and just food creation done following an order. The substance also regulates the cooking temperature and duration. The result would be a decrease in waste to below 1%.

3.4. How McDonald's Study the Market

Exploring a consumer's behaviour to a company and how a company engages the consumer. The company learns consumer behaviour to make a good decision to increase revenue. Not only revenue, but the company also wants to give more value to the consumer and learn how to get consumer loyalty. The marketing pillars of McDonald's consist of value, variety, favourites, and trust. Using this marketing pillar with different objectives for each drives the company always to maintain a good customer relationship. From this marketing pillar, McDonald's aims to increase sales by demonstrating great value to customers through promotions and rewards. For example, the unique customers that often come to McDonald's will have the privilege of being the first customers to taste the new menu from McDonald's. Second, variety means how McDonald's created a menu, such as a localised menu, and how it follows the latest food trends. McDonald's has to deliver the news to the consumer that McDonald's comes with a new menu and spread the news through social media, billboards, television commercials, and other media. This purpose is to make people aware and have the desire to stop by the McDonald's store. Third, favourites are when the customers become more engaged and have an emotional feeling toward the product or service. For example, when the customers are willing to queue for an hour or more to get our product. This pillar makes the customers passionate about the product and aspiring that our product is a lifestyle. Brand affinity addresses McDonald's product to the customer as something that gives a marvellous emotional connection. Fourth, trust means maintaining a good quality of ingredients and services. McDonald's has to keep by creating mutually beneficial relationships. In other words, trust is about showing the customers that McDonald's delivers food and care. In return, the customers trust McDonald's. For instance, McDonald's has implemented CSR by donating to educate and sustain the surroundings. Last but not least, McDonald's often delivers unexpected things, such as a new localised menu and other big promotions that make customers fall in love with McDonald's.

4. Conclusion

To sum up, when people think about fast food restaurants, one of the first names that comes to mind is McDonald's. Cost reduction, improved product quality, on-time customer delivery, and continuous innovation and performance improvement are all parts of McDonald's operational strategy. As a result of careful management, McDonald's was able to save costs. Every day, McDonald's strives to improve the quality of its food and services for the benefit of its consumers. Incorporating a just-in-time system into their business model, McDonald's can meet customer demands for fast-served quality products and services. The AIDA model is a popular tool for marketers and advertising professionals looking to better understand consumers' steps before making a purchase and how ads influence those steps. McDonald's advertising uses the AIDA model to attract consumers, to create an astonishing advertisement that attracts more and more consumers to become customers. Studying the marketing pillars of McDonald's is very interesting, and it has proved to be an indicator of the success of McDonald's all around the world. McDonald's makes a formula of four practical and essential things: maintaining a business, the obvious objectives, and how to communicate with people.

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