



Ray Kroc developed his brand vision for McDonald's around a simple but effective consumer-driven premise: quality, service, cleanliness and value. These values have remained the cornerstones of the company, and today McDonald's is the largest food-service company in the world, with more than 30,000 restaurants serving nearly 50 million people each day in 119 countries and territories, from Andorra to The Virgin Islands.



www.mcdonalds.co.uk



Market Context

McDonald's operates within an increasingly competitive marketplace, but through a combination of quality, value, fast and friendly service, clean and pleasant surroundings, insightful marketing and high street profile, McDonald's continues to have a strong presence in the market.

By the end of 2005, McDonald's had 1,250 restaurants and directly employed 42,963 restaurant staff in the UK, as well as another 25,000 employed by McDonald's franchisees. The chain provides food and drink to around two million Britons per day, and upwards of £400 million is spent annually in its supply chain, much of which is spent on British ingredients.

Achievements and Future Prospects

The strength of the McDonald's brand is recognised by journalists, marketers and analysts. Recently it was named one of the best global companies by Global Finance magazine, while Fortune ranked it number one in the social responsibility category of its Most Admired Companies listing.

The McDonald's brand is extremely high profile and its advertising expenditure corresponds. 2003 saw the launch of a worldwide marketing initiative; the 'i'm lovin' it' campaign. This is a global push that continues to connect the McDonald's brand with its customers around the world.

McDonald's has demonstrated a strong commitment to sports sponsorship and nowhere is this more evident than in the UK, where the brand has long been successfully linked with football – one of the nation's favourite sports. 2006 will see McDonald's sponsor the FIFA World Cup tournament and, as part of this involvement, will give 35 young children a day to remember when McDonald's will recruit them to be one of the children that escorts the players onto the pitch before each match.

McDonald's actively encourages its restaurant managers to put time and resources back into the local community. Supporting local football teams has proved an effective way to do this. Hundreds of youth teams play in kit donated by McDonald's across the country, taking the brand into the heart of everyday British life. Throughout the UK, more than 300 youth teams and 500 restaurants are involved in McDonald's sponsored leagues.



Things you didn't know

McDonald's is now the UK's biggest retailer of pre-prepared fruit.

In India, where the cow is a sacred animal, McDonald's opened its first restaurant that did not sell beef. Instead, mutton is used and the Big Mac is known as the 'Maharaja Mac'.

In the UK, McDonald's uses 100% free-range eggs for its breakfast menu.

The first drive-thru McDonald's was created in 1975 to serve soldiers from an army base in Sierra Vista, Arizona, who were forbidden to leave their cars while in uniform.

Alongside its successes as a business, McDonald's contributes to the communities it belongs to. In the UK it has been involved in a range of good causes from fundraising work with local schools, youth groups and hospitals to supporting environmental and anti-littering campaigns.

Aside from all this, the real achievement of McDonald's is self-evident. No matter how unfamiliar the surroundings, there is always a McDonald's nearby.



Offerings and Values

McDonald's is committed to providing its customers with food of the highest quality. This is achieved by using the best quality raw ingredients, sourced only from approved suppliers and ensuring that food is prepared to a consistently high standard. The menu is continually reviewed and enhanced to ensure that it meets – and wherever possible exceeds – expectations.

To help customers make informed decisions about their whole diet, McDonald's was the first quick service restaurant to provide a complete ingredient listing and detailed nutritional analysis of its menu. Recently this has been supplemented with

the 'Happy Meal Choice Chart', which contains the nutritional information for each one of the 108 different Happy Meal combinations, as well as practical advice for parents to help their kids live active, balanced lifestyles.

This evolution has continued unabated, with 2004 seeing the launch of the new Salads Plus range across key markets around the world – a range of fresh salads, mineral water, yoghurt and fresh fruit. 2004 also saw the introduction of porridge, fruit toast and filled bagels as part of a wider breakfast menu. McDonald's also responded to consumer feedback by offering fruit bags that could be swapped for fries as part of a Happy Meal.

Innovations and Promotions

In 2005 McDonald's evolution continued with the introduction of Toasted Deli Sandwiches, an entirely new range of freshly prepared sandwiches developed around the introduction of 'impinger' ovens, allowing restaurants to produce a wider variety of meal options, while still delivering these new and varied choices within the timeframe people know and expect from McDonald's.

2005 also saw McDonald's continue to distribute a series of 'Brand Books' with each one going to more than 23 million homes throughout the UK, in order to tell people about some of the new choices

1954

Ray Kroc starts supplying milkshake mixers to Dick and Mac McDonald's restaurant in San Bernardino, California.

1974

The first McDonald's in the UK opens in Woolwich, south east London.

1955

Kroc buys a franchise from the brothers and sets up his own McDonald's restaurant in Des Plaines, Chicago.

1977

The 5,000th restaurant opens in Kanagawa, Japan.

1959

The chain sells 100 million hamburgers in its first three years of trading and the 100th branch is opened.

2001

McDonald's acquires a minority interest in the UK sandwich chain Pret A Manger.

1961

Kroc pays US\$2.7 million to buy out the McDonald brothers' interests.

2006

McDonald's UK turnover is in excess of £1.6 billion a year.