# Quality Management of McDonald’s

## Introduction

Quality management plays a very important role in occupying a remarkable position in the customer’s mind (Early, 2012). In food industry, quality management plays is related to satisfying the expectations of the customers (Qin and Prybutok, 2009). The operational activities of the company in delivering product and service to the customers determine the level of service quality.

The research paper discusses the operational process of the world-renowned American fast food chain McDonald's in delivering enhanced customer service. The ITO framework is used to map each of the operational process that helped in identifying the problems involved in service quality delivery. The paper provides recommendations to McDonald’s in dealing with the identified quality problems as well as discusses the perceived challenges involved in implementing those improvement suggestions. This paper also reflects a literature review of the customer perceived service industry quality management procedure.

## Organizational Background

McDonald's is an America based burger and fast food chain with its business operations spread all across the globe (McDonald's, 2017a). The company is known for its commitment towards providing high quality and uniform food items to the global customers. It gives valuable importance to the feedback shared by the customers in enhancing and modifying its present range of product and services (McDonald's, 2017a). The company’s present product offerings consist of burgers, sandwiches, salads, chicken fries, egg muffins, french-fries, desserts, milk shakes and beverages. The company has developed attractive combo meal packages to attract the customers towards its offerings. McDonald's provides a friendly and fun environment for the people to enjoy its food with friends and families along with free Wi-Fi services. McDonald’s seeks to attract a large number of customers with its Happy Meal combos to be enjoyed by the families as well as the “All Day Breakfast” menu for people, who love to quickly grab their breakfast before heading to work (Forbes, 2017).

## Process of Operation

***Production and Quality Management:*** One of the important operational aspects of McDonalds in delivering its product and service to the global customers lies in its effective production and quality management all over the world (McDonald's, 2017a). The operational functionality of the company centers on its consistent and uniform service quality anywhere in the world. To achieve uniformity in quality, the company has adopted the franchise mode of operation (McDonald's, 2017a). The franchising method allows McDonald’s to control both the interior and exterior architectural designs of the restaurant outlet and also ensures that the franchisee uses the essential ingredients and equipment from the company certified suppliers only (Aliouche and Schlentrich, 2011). It involves following the standard protocol set by the company for preparing the food items.

Every McDonald’s food item has its own shelf line, beyond which it is considered unsuitable for consumption (Bader, 2014). Therefore, each and every restaurant outlet ensures that the products are manufactured according to the consumer demand and no item results in being left over. Every item involved in preparing the food products has a label specifying the time duration, till which it is feasible to be used (Bader, 2014). To ensure quality service, McDonald’s follows a concept of Mystery Shopper, where officials from the company visit the restaurant as an ordinary customer to have a quality check on the services and products offered by that particular restaurant outlet (McDonald's, 2017a). The official takes different aspects of maintaining high quality standards into consideration like hygiene and cleanliness maintained in the kitchen and restaurant and the overall experience of a customer since providing order to obtaining the service. The efforts undertaken by the company to manage its diverse and global business operations are the key factors for its success in the fast food industry of the world (McDonald's, 2017a).

***Advertising and Promotional Activities:*** McDonald’s has developed an effective advertising and promotional channel to attract the customers and make them aware of the products and services offered (Montgomery and Chester, 2009). The company uses the most effective way of advertisements that comprises of print media, television advertisements, billboards and newspapers. McDonalds also uses the sponsorship method of promotion to reach its target audience. The company is known for developing attractive advertising and promotional strategies on any new product launch and ensures that the marketing message is successful in creating a remarkable impact on the customer’s mind (Montgomery and Chester, 2009). McDonald’s provides discount coupons to the customers as a part of its promotional activities.

The Input-Transform-Output (ITO) Model is used for the purpose of describing the procedure involved in transforming the initial inputs into the final product or service outcomes. It aims to define different steps involved in a project throughout its life (Early, 2012).

**Table 1: ITO Framework of McDonald’s Operational Processes**

| **Operation Process** | **Inputs** | **Transformational Activity** | **Output** |
| --- | --- | --- | --- |
| Managing consistent production and uniform quality in the global business environment | * High quality ingredients * The latest technologically equipped machineries. * Franchising method of service delivery | Franchising method provides uniform and consistent quality by ensuring the use of ingredients and machineries from McDonalds’s certified suppliers. | High quality services available in all the restaurant outlets of McDonald’s result in creating brand loyalty and high level of customer satisfaction. |
| Advertising and Promotional Activities | * Social media promotion * Newspaper, television, billboards, print media advertising. | The use of different form of advertising and promotional activities will help in making the people aware of the different products offered by McDonald’s. | The attractive advertising and promotional activities help the company in attracting a large number of customers to the company’s products and services. |

(Source: Author’s Creation)

## Literature Review

The literature review section of the paper discusses about the concepts and viewpoints of different authors regarding quality management and perceived level of customer expectation from the product and services provided by an organization. This paper analyzes the previous theories and literature scholars considering the quality management procedure of fast food service industry.

### Quality Management

According to Kobylanski, Pawlowska and Strychalska-Rudzewicz (2011), quality management plays a significant role in the fast food companies for ensuring satisfaction of the customers in the highly competitive business environment. It ensures the consistent and uniform product and service delivery of an organization to its final customers. The process of quality management focuses on the four main components of effective quality planning, assurance, control followed by total quality improvement (Kobylanski, Pawlowska and Strychalska-Rudzewicz, 2011).

Akbar and Parvez (2009) have pointed out that organizational product or quality of service is the relative difference between the customer expectations and perception concerning the product or service received. The quality management procedure of a fast food restaurant chain is concerned with maintaining a good and communicative relationship with its potential customer base. It also involves evaluation of the behavioral characteristics of the customers with the purpose of identifying the factors that are highly related to their perceived expectation level regarding product or a service (Qin and Prybutok, 2008).

### Quality Management and Customer Expectations

According to Kobylanski, Pawlowska and Strychalska-Rudzewicz (2011), customer satisfaction plays a significant role in the quality management process, as it takes the manufacturing aspect and the delivery procedure of the company’s product and service into consideration. This is the main reason, for which the companies ensure maintaining high quality standards in their product and service offerings. The business organizations go on innovating themselves to offer the highest quality standards with comparison to its competitors (Kobylanski, Pawlowska and Strychalska-Rudzewicz, 2011). High quality and innovation are the two most important driving forces that ensure maintaining the expectations of the customers.

Customer satisfaction and quality are highly interrelated and both contribute significantly to the success of an organization (Kobylanski, Pawlowska and Strychalska-Rudzewicz, 2011). An increase in quality of service by the organization directly influences the customer satisfaction level. It is essential for the firms to understand the requirements and expectation level of the customers to develop their product and services (Kobylanski, Pawlowska and Strychalska-Rudzewicz, 2011). According to Qin, Prybutok and Zhao (2010), the ability of business firm to fulfill the expectations of the customers is considered as one of the significant activities that involves delivering product and service quality by conforming to the customer needs and requirements.

Customer expectation fulfillment is considered as the decision made between the two dimensions of satisfaction and dissatisfaction towards a particular product or service (Malik, 2012). According to Malik (2012), there are two different human psychological dimensions governing the success of an organizational quality management program. Cognitive nature compares the customer expectation level with the quality of the product or service provided by an organization (Malik, 2012).

According to Thai (2015), effective quality management process of a company consists of delivering a product or service that will result in making the customers feel proud of its ownership. The company should ensure that the customers’ requirements are given adequate importance while developing the product or service and those are satisfied in an appropriate and convenient manner (Thai, 2015). The expectation level of the customers in relation to the quality aspect of a firm’s offerings and the level of product or service quality is considered to be either expected standard or predictive expectation standard. According to Thai (2015), expected standard refers to the objective evaluation of the product’s probabilistic performance level and predictive expectations refer to the customer’s estimates regarding the anticipated level of product or service performance and its perceived quality.

Thai (2015) has identified that customer satisfaction takes place in three steps of satisfaction, delight and dissatisfaction; created due to the quality service gap existing between the expectation levels of the customers along with the customer’s perception regarding the product or service. Moreover, the increased awareness regarding the maintenance of food quality standard has increased the quality management aspect of fast food industry to a great extent (Trienekens and Zuurbier, 2008). The increased awareness has resulted in proliferation of the quality standards worldwide. This initiative directly impacts the expectation level of the customers, thereby making quality management an important aspect of the organizational customer focused activities (Trienekens and Zuurbier, 2008).

According to Kobylanski, Pawlowska and Strychalska-Rudzewicz (2011), customer satisfaction and expectation fulfilment mainly focus on the comparison of the expected and perceived quality of product or service purchased by highlighting varied characteristics of the product or service. Customer product and service expectations are concerned with three levels of expectation level, i.e., ideal, desired and normative expectations. The three levels of expectation differ to the extent the customer is satisfied from a particular product or service.

According to Thai (2015), satisfying the desired level of customer expectation is perceived as measuring the quality of a product or service. The perceived relationship between quality management and customer expectation includes several standard quality management regulations. The standard quality regulations strongly influence the satisfaction level of the employees (Thai, 2015). Customer satisfaction and expectation fulfilment refer to the level of fulfillment of the customer’s expexattions.

Fast food firms should leverage the satisfaction level of the customers by providing them with products and services according to the perceived customer expectation (Kanyan, Ngana and Voon, 2016). This is possible by having a close and accurate evaluation of the customers’ needs and choices with regards to the products and services offered (Kanyan, Ngana and Voon, 2016). Quality management also takes into consideration the ways, by which an organization aims to meet the desired level of customer expectations. Therefore, the firms should ensure that the process of product and service delivery seems appealing to the customers that strongly impacts the fulfillment of the desired customer expectations.

### Organizational Benefits

Organizations perceive their satisfied customers as one of the most significant assets with strong economic viability to earn competitive advantage in the present business environment. Satisfying the customers’ expected level of quality and service influences their retention rate together with high degree of brand loyalty (Kobylanski, Pawlowska and Strychalska-Rudzewicz, 2011). It also influences the company in securing its future investment opportunities, decreases the relative price sensitivity and customer’s complaint regarding any product or service (Kobylanski, Pawlowska and Strychalska-Rudzewicz, 2011). According to Malik (2012), effective quality management plays a very important role in building a long-term relationship with the potential customers of a business firm.

Quality management impacts the business performance of a company by strengthening its core competencies, thereby helping the firm in obtaining a strategic position in the high demanding fast food marketplace amidst fierce competition from other brands (Qin and Prybutok, 2008). The economic advantage gained by the firms through high quality satisfaction of the customers has made it ubiquitous for the business organizations to gain competitive advantage over their competitors through high quality product and service offerings (Qin and Prybutok, 2008).

Quality management system not only satisfies the customers but also ensures effective achievement of the desired business objectives of an organization (Akbar and Parvez, 2009). It ensures the stable and reliable accomplishment of the objectives with the use of resources and latest technological equipment essential for maintaining high quality standards. The quality achievement objective initiates with the identification of customer needs and preferences, followed by culminating them in the final contentment (Akbar and Parvez, 2009).

## Potential Quality Issues

The operational process concerning the global production and quality management procedure of McDonalds suffers from several service quality gaps between the perceived and expected level of customer satisfaction (Raju, Singhand Tariyal, 2015). The company suffers from the listening gap, which exists between the company’s perception and the expectation level of the customers. This gap is mainly due to lack of adequate information regarding the customer’s preferences and expectations. McDonald’s suffers from proper market research to determine the actual level of demand quality (Raju, Singhand Tariyal, 2015). Moreover, the franchise mode of global operation to ensure uniform quality fails to satisfy the high expectation level of the customers. The quality issue is mainly due to the fact that services offered in the global business locations are more under the control of the franchisee rather than the actual company (Raju, Singhand Tariyal, 2015). This results in creating differences between the perceived and expected level of service quality among the customers. The restaurant outlets differ slightly in terms of their architectural coordination, which is considered as one of the major issue of lack of fulfillment of the customer’s desired expectation level (Raju, Singhand Tariyal, 2015). The cleanliness and hygiene maintained by McDonald’s in each of its global restaurant outlets are also major issues of quality concern to the customers (Raju, Singhand Tariyal, 2015).

The advertising strategy adopted by McDonald’s in promoting its happy meal campaigns faced severe violation of the customer’s expectation, as the company had highlighted its products to be healthier by completely ignoring the level of junk ingredients contained in it (Sweney, 2007). The customers had high expectations with McDonald’s product and were highly attracted to the healthier advertising campaign. However, all the expectations regarding the consumption of healthy and fat free products went in vain, when the customers actually came to know about the percentage of junk content (Sweney, 2007). The company faced this issue in its “Happy Meal” advertising campaign. The “Happy Meal” menu contained hamburgers and french-fries that are considered as high content junk food item by the government based advertising broadcasting regulator, Office of Communications (Sweney, 2007). The attractive advertising campaigns of McDonald’s successfully attracted children towards the products, thus raising the concern of parents (Boffey, 2014).

### Recommendations to Solve Quality Issues

The identified issues of the global operational process of McDonald’s need to be overcome to satisfy the customer expectations. McDonald’s needs to ensure whether the franchisee companies are abiding by the standard protocols set by the company regarding production and service delivery. It also needs to find out whether the architectural coordination of the restaurant outlets are attractive and convincing enough to the potential customers. The company officials must keep a regular coordination with the franchisees to find out the level of cleanliness and hygiene maintained in the process of service delivery. This strategy can be achieved by enhancing the frequency of Mystery Shoppers. McDonald’s needs to motivate the employee working in the outlets by making them realize that they work for the company and not for the franchisee. It should also include providing adequate training to the employees while serving the valuable customers. The employees should have an attitude of care and apprehension towards the customers of all age groups.

McDonald’s should ensure that its advertising campaigns do not highlight anything that might result in loosing customer’s faith towards the company. It should focus on developing attractive advertisement and promotional strategies that will help the customers to relate their expectation level to the service offered by McDonald’s.

### Challenges Involved in Implementation of Identified Solutions

McDonald’s largely relies on the franchisee mode of business for its global operation. It will be very difficult for the company to go and check whether each and every individual restaurant outlet follows the standard set by the company (Aliouche and Schlentrich, 2011). It is also not possible for the company to conduct quality check on a frequent basis due to the presence of diverse restaurant outlets all over the world.

The advertising campaigns of McDonald’s highlighting healthy food items have attracted a large number of customers especially children (Boffey, 2014). The company follows this strategy to make its presence felt in the competitive business environment. The absence of using the tag of healthy food items by McDonalds’ might result in losing its present demand among the children towards consumption of burgers and fries.

## Conclusion

McDonalds’s, the leading fast food chain of America, has a diversified global presence. The company is known for its wide range of products and enhanced service in the competitive business environment. To manage the global business operation, McDonalds’s has adopted the franchise mode of operation in its production and quality management process. The main aim of the company in this context is to provide consistent and uniform service quality. The company has an attractive advertising and promotional strategy to attract the customers towards its attractive combo meals. However, the franchising process results in posing challenges to the company, as the restaurant outlets in the global locations are more under the control of the franchisee than the actual company. The promotional efforts have been accused of advertising junk food items as healthier, thus raising concern for the parents, as children are highly attracted to the products of McDonald’s.

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