



# **COMPANY ANALYSIS**

# MCDONALD'S MALAYSIA@GERBANG ALAF RESTAURANTS SDN BHD

PRINCIPLES OF ENTREPRENEURSHIP (ENT 530): CASE STUDY

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#### EXECUTIVE SUMMARY

The first section of this case study will introduce the background of Fast Food Industry. After the brief introduction is problem statement for the industry and purpose of study. The next section is Information about the Fast Food Company was select – McDonald's Malaysia. The information is about background of the company, organizational structure, product/services, business strategy and financial achievement. Next is the analysis of the company. The analysis is being analysed based on the SWOT Analysis and Business Model Canvas. This analysis is to analysed McDonald's strengths and also its weaknesses the next segment will be the finding and discussions. After that the conclusions will be reported. Lastly, the issues and problems are brought up and recommendations are given to improve the situation.

#### **1. INTRODUCTION**

#### 1.1 Background Of The Study

In our ever-increasingly globalised world, the fast food industry represents billions of dollars yearly and is still growing, specifically in Asia. Most Survey was done reveals that Asians are the world's greatest fast food fans. From most observation or research was done, Asia Pacific consumers really like eat at take-away restaurants at least once a week.

Along with the fast changing lifestyle, eating out habit is becoming a part of modern lifestyle which has driven customers to try new things and experiences. These changes have then led fast-food industry to grow rapidly and become one of the fastest growing business sectors in recent years. The increase in the number of outlets, sales volume, recognition and popularity has witnessed the success of fast food industry.

Fast food industry is one of the global businesses and has grown rapidly in the past few decades. Malaysia is no exception to this development. The fast food concept arrived in Malaysia with the opening of an A&W restaurant at Jalan Tunku Abdul Rahman in Malaysia in 1961. Since then, many multinational fast food players have set up their business in Malaysia. From onion rings to double cheeseburgers, fried chicken to pizzas, FFRs in Malaysia are growing up faster.

Fast food is becoming popular in Malaysia because many multinational fast food players have opened their outlets either jointly with Malaysian partners or independently. Although there are many fast food players in Malaysian market such as McDonalds, KFC, Burger King, A&W, Kenny Rogers, Nando's, Pizza Huts, Domino's Pizza, Subway,

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Dunkin Donuts and Big Apple, almost 85% of market share in the Malaysian fast food industry is controlled by three foreign market players such as Mcdonalds, KFC and Pizza Hut.

#### 1.2 Problem Statement

In definition, customer satisfaction refers to consumer evaluation of product and service's performance in fulfilling customer expectation. In fact, achieving customer satisfaction still remains as biggest issue for majority in Malaysia fast food industry. Customer satisfaction issue become serious due to the fact of possibility of customer satisfaction could lead to customer loyalty and become significant determining factor of sustainability and profitability of business while the factors influencing it are still vague. The dynamic nature of customer needs and wants necessitate firm in industry to be responsive in order to identify key point to satisfy customer.

#### 1.3 Purpose Of The Study

Based on statement above, the overall of purpose is to examine between how customer loyalty is importance to fast food industry. They are follow as:-

- 1. To examine what kind of changes did fast food player to improving consumer loyalty.
- 2. To examine how can fast food player improve consumer loyalty
- 3. To examine that food quality has positive influence on consumer loyalty.

# 2. COMPANY INFORMATION

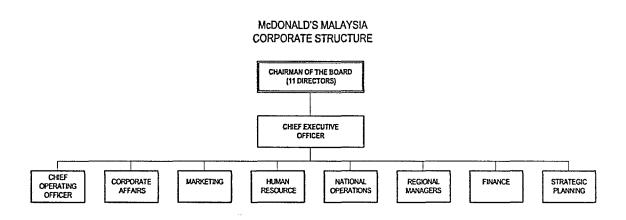
# 2.1 Background

McDonald's first made its way to Malaysia in December 1980 when McDonald's Corporation, USA give Golden Arches Restaurants Sdn Bhd the licence to operate McDonald's restaurants in Malaysia. The first restaurant opened at Jalan Bukit Bintang, Kuala Lumpur on 29 April 1982.

McDonald's Malaysia in wholly owned by Lionhorn Company Pte Ltd of Saudi Arabia, under the franchise system known as 'Developmental Licensee' (DL).

From this system, McDonald's Corporation in USA transfer their ownership to McDonald's Malaysia to the Lionhorn Pte Ltd. The Lionhorn Pte Ltd has been licensed to operate fully McDonald's Malaysia and Singapore. McDonald's Malaysia now has more than 260 restaurant located entire Malaysia.

# 2.2 Organizational Structure



# 2.3 Products/Services

McDonald's takes into account cultural factors in serving the Malaysian consumer. The food serve is Halal and servers local taste as well. They have wide range choice of menu similar with burger king. McDonald's Malaysia also serves healthy food but this will effect on the taste and consumers eating experience. For instance, saturated oil that now is replaced with Trans fat oils have change the taste of the McDonald's famous fries.