

meaning that customers enjoy the experience more and are much more likely to come back and that will therefore lead to more sales and an increase in profit for Mc Donald's.

Ineffectively

However, Mc Donald's have used the Ansoff matrix ineffectively as well. They as a business have not been able to diversify their business enough. They are still solely in the food and more precisely the fast food industry. The reason for this could be to do with the reputation that Mc Donald's have built up on them being cheap not the best quality potentially not the healthiest but nice food. Therefore, with this reputation they may find it difficult to enter other markets for example nobody would go out and think to buy a Mc Donald's phone as they would assume it wouldn't be the greatest quality as it doesn't match the reputation they have built. The fact that Mc Donald's haven't been able to diversify their business is a bad thing because it means that they are limited to one specific market limiting the profits that they are able to make. Also, in recent years fast food businesses like Mc Donald's have been seen as unhealthy and people are becoming more health conscious meaning, they have stopped going to Mc Donald's harming their sales. If the fast food industry was to shrink and there was less demand for fast food, then Mc Donald's would be severely affected as they have no other products in other markets meaning they have nothing to fall back on.

The second way that Mc Donald's have not used the Ansoff matrix effectively is in their attempts at market penetration. This is essentially the way that Mc Donald's encourage existing customers to increase the number of products they buy. The reason I don't think Mc Donald's have done this effectively is that for such a big multi-million pound business their social media following is considerably lower than other businesses at their level. In the modern age social media is a great tool for businesses to promote their products and the fact that Mc Donald's don't do this as much as other businesses could mean they are really missing out on potential sales and therefore their profits are not as high as they could be if they did do this. If Mc Donald's were to improve their use of social media they may be able to entice more customers for example teens who use social media the most they may see a promotional offer or new product that they wouldn't have seen if it hadn't been on social media as teens don't watch Tv as much as older generations and they certainly don't read newspapers which may contain adverts. So social media is the best way for Mc Donald's to attract these types of age groups and such a big customer base would be useful for Mc Donald's as it would provide more sales.

Overall judgement

Overall, I believe that Mc Donald's have used the Ansoff matrix effectively. By using it Mc Donald's have effectively been able to develop their products to make them more desirable to their customers. They have been able to adapt to the turbulent markets and by doing this they have been able to survive. By creating new products that they believe customers want using feedback from the customers this has meant that the customers are much more likely to want to buy the products on offer and therefore Mc Donald's will sell more therefore meaning the business can continue to grow. Mc Donald's use of market development also leads me to think they have successfully used the Ansoff matrix as they have capitalised on newly emerging economies like those of Nigeria where they can see a gap in the market and now can meet the demands of even more consumers and increase their profits even more and then go on to use this money to re-invest into other aspects of the business. I do believe that Mc Donald's should try to diversify their business if they can into another market as I