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Benchmarking of Mc Donald Vs Burger King

Benchmarking is the continuous process of comparison of our processes, products and services over those of competitors or those companies recognised as leaders in order to identify and adopt best practices. Benchmarking experiences are applicable to both manufacturing companies and organisations that provide services, and in this case will be made a comparison between two major fast food companies: McDonald's and Burger King.

McDonald's is an American company that has made the leap and left of its original market to conquer the world with its quality. The secret of success is to offer an excellent balance between quality and price. The first place in the history of fast food service was opened by the McDonald brothers in 1948 in San Bernardino, California; E. U. A. BURGER KING was founded in Miami, Florida in 1954 by James McLamore and David Edgerton, two young entrepreneurs who started a business based on a different concept to that which existed so far, offering guests quality food served quickly.

Marketing Strategies

McDonald's applies the same competitive strategy in all countries. Its aim is to enter the market as quickly and establish the brand as soon as possible through high advertising. The company tries to differentiate their products and services by creating unique characteristics that are perceived important by customers. McDonald's also carries out value in the most efficient way possible seeking to reduce the operating costs and thereby increasing the profits.

Using the new strategy, the Burger King plans to develop the concept "As you wish", conveying the message that leads the market from the 70-highlights the consumer freedom to choose the menu, the ingredients that compose it and also ' provide the best and largest burgers'. The main

objective of Burger King is to let consumers know that they are the decision makers and the menus can be really as they want.

Marketing Mix

Product: The Product Category of Mc Donald includes Breakfast (Juice, Hot Cakes, Eggs and Ham, Coffee, Yogurt with fruit, Mc Muffin with cheese and sausage Mc Muffin), Classics (Big Mac, Ham Burger & Cheese Burger, Mc Niffica, Mc Pollo, Mc Tocino and nuggets), Happy Meal (includes games or action figures), Salads (gourmet & garden salad), Desserts (Mc Flurry or ice cream) and Beverages (Coca-Cola, Soda and orange Juice).

Burger King has a vast variety of products on their menu. Whopper is its main product, made from 100% beef on the grill. The Product categories include at the grill (Whopper with cheese, double Whoop, Mega Angus XT), Breakfast (Yogurt, Croissan'wich, Burrito, Hot cakes), Salads (Caesar Salad, Tender grill, chef salad), Desserts (Sundae, Junior Sundae, Pay, cones) and accessories (Potatoes, rings, Soda, Cheesy tots).

Price: Mc Donald uses economic pricing through the promotions offered a high quality product at a relatively low price or pricing based on the value perceived by customers. An artificial price is set relatively high, with a corresponding discount, which represents a significant psychological savings for the customer

Burger King offers affordable, economical and suitable for all white audience he addresses. They produce high quality and hygiene, and therefore pay a fair price. Unlike the competition that offers reasonable prices, but product quality leaves much to be desired. In addition, from time to time offer some dishes, like hamburgers tremendously places special low price.

Distribution: McDonald's has important and impressive distribution system and supplies. The products come in small batches two or three times a week from major supply centres. But McDonald's is not an enterprise that needs many intermediaries, thus the distribution channel is fairly short, such as McDonald's with respect to their brokers use what is called exclusive distribution strategy.

Target Market: The Targeted customers of Mc Donald range from 14 to 25 years age and young parents with a child between 2 and 8 years old. Those looking for a fun place where you eat. Given the aging population average, McDonald holds particular interest in the adult market (Tony, 2000).

Burger King Consumers are segmented into Kids, Teens and adults. Burger King is committed to offering each of its products that claim public, but focuses mainly on Teens and Adults, as a differentiating strategy of McDonald's, which is more oriented to children and families.

Communication: McDonald's uses as a communication tool for their product, advertising, promotion and sales force, which are non-personal and controllable, so the company can ensure both content and form of the messages emitted.

The advertising campaigns of Burger King are focused primarily on television and radio as well as outdoor billboards to carry out promotions. In addition, the chain has begun to extend their media, giving more attention to the Internet, as part of the target audience regularly manages the network, making it an optimal channel for promoting product (Christopher, 1996).

Target Costing of Nissan:

In the Past, Nissan had formed ways of introducing new products which are termed as its target costing system. The new models of products were classified into three phases, conceptual design phase, production development phase and production phase (Robin, 1994)

In the initial phase, the projects were initiated that launch new products. The main aim was to assure that Nissan will achieve specific level of market share. The budgets were set over the forecast vehicles to be sold and the relevant cost associated with the product development. The total lifecycle of the product was determined and analysis was done to ensure that the product brings positive contribution. A profitability analysis was also done based on the historical cost and latest cost of the target price. The targeted selling price was determined by considering the internal and external factor and then calculating the Targeted cost after deducting the profit margin.

In Product development phase, the order sheets were drafted for the new product versions. The quotations were provided by suppliers over the cost and delivery time. The concept of value engineering was used to predict the cost of every function in the vehicle. The target cost is extended for all the components. The costs of components are then compared with allowable cost, if it does not exceeds with the allowable cost then Prototypes of the vehicles are constructed and the process is entered the third stage. The resultant output at this stage is classified as final target cost.

In Nissan, the Target Costing system is used for long term strategic planning, Cost controlling purpose, selecting the best product mix and for the identification of unprofitable products.

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