



McDonalds Corporate Sustainability

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## McDonalds

### 1.0 Executive Summary

McDonalds is a Multi National Corporation that is currently under a lot of pressure to become more 'green'. This report looks at the issues facing the company and the opportunities it can take to achieve this goal. The issues researched are those surrounding obesity, nutrition, pollution, energy saving ideas, wastage and what McDonalds is doing to play its part in helping to achieve environmental sustainability and help to fight climate change. Following the research, it is seen that McDonalds are implementing several measures to help, such as reducing their wastage which is seen as their main issue to address by making their packaging thinner and converting their used chip oil into bio-diesel to power their delivery fleet. There are other options that they need to be thinking about though. As a huge worldwide company, they contribute a massive amount of waste and this can be reduced if they take the appropriate action.

### 2.0 Introduction

The aim of this report is to outline the authors' educated definition of Environmental Sustainability and apply this to evaluate the positive and negative impacts an organisation can have upon the environment. McDonalds will be the organisational focus for this report. (See Appendix 1)

By taking an in-depth look into how the global organisation McDonalds interprets their definition of environmental sustainability, and the positive and negative impacts that this global organisation is having upon the environment will enable the authors of this report to make educated recommendations. A strategy with specific measures which the company could undertake in order to become more sustainable over the next five years will be recommended, thus enabling McDonalds to positively contribute to the sustainment of the environment for future generations.

The objectives of this report will be to introduce why environmental sustainability is important, give an educated definition of environmental sustainability, McDonalds restaurants participation within this matter and conclude with recommendations for McDonalds to raise awareness and contribute to environmental sustainability for future generations, following findings from detailed research.

## 2.1 Why environmental sustainability is important

If biodiversity continues to decrease; e.g. animals and micro-organisms become extinct as a direct impact from the result of climate change and global trade, and the human species continues to grow, resources will become scarce ([www.nhm.ac.uk](http://www.nhm.ac.uk)). The human race has increased in population and developed technical advances. This has led to the increase in CO<sub>2</sub> emissions and other toxic chemicals and the decrease in natural resources due to consumption increase; thus having a detrimental effect upon the environment ([www.bbc.co.uk](http://www.bbc.co.uk), The Guardian, The Hadley Centre and Hall, R (2009)).

This is an important subject area to focus on as it affects many different people from many destinations. The repercussions of one nation will not just remain within that nation but will create a global impact. Climate change is caused by increased levels of Carbon Dioxide (CO<sub>2</sub>) and other polluting gases within the Earth's atmosphere. They form a blanket of gas around the atmosphere which raises the Earth's temperature. The UK has 1% of the world's population and produces 2.3% of the world's CO<sub>2</sub> emissions (Carbon Dioxide Information Analysis Centre, 2008). Kyoto Protocol sets countries upper level allowances of CO<sub>2</sub> emissions which has led to many organisations switching their energy production from natural resources (oil, gas) to renewable forms (wind, solar, tidal). This ensures products are sourced in an environmentally friendly way in a bid to become more environmentally sustainable. This is also now seen as an ethical trait which is attractive to consumers when marketing a product. The government are also considering increasing tax on items which are detrimental to the environment in a bid to become environmentally friendly ([www.bbc.co.uk](http://www.bbc.co.uk), The Guardian, Friends of the Earth).

## 2.2 Definition of Environmental Sustainability

Environmental sustainability is the process of maintaining our natural and physical environment for future generations. Natural resources are currently being used by humans at a rate faster than they can be replenished. Environmental sustainability looks to reduce this shortfall in resources by looking for eco-friendly alternatives, e.g. if a tree is felled to provide wood for energy or shelter, then for this to be done sustainably another tree of the same species would be planted in its place. The same can be seen with food as this seems to be the reasoning behind many species extinction (Friends of the Earth Trust/Limited, (2005) Campaigns).

### 2.3 McDonalds Restaurant

McDonalds is a global chain of fast food restaurants. Due to the size of McDonalds; as a global corporation, and the limited word limit within this report the authors of this report will focus their attention on McDonalds based within the UK

There are several issues facing McDonalds regarding the environment, obesity, nutrition, pollution, climate change and global warming .

### 2.4 Methodology:

This report was mainly based on secondary research using both internal and external sources such as websites, journals, books, government figures on fast-food consumption and litter produced and obesity figures, the company's annual reports and the company's Intranet. Newspaper articles from credible newspapers available online, such as The Guardian were also used which are fairly reliable and eliminate bias.

When viewing any information from the company's website and Intranet, it is possible that there may have been elements of bias which had to be taken into account so the company can portray themselves in a good light, reducing the credibility of the accounts.

Primary research consisted of an interview with one of the managers of the McDonalds restaurant in East Grinstead, West Sussex. This provided a first-hand account and overview of the company and the management, health and safety and waste prevention techniques currently in place, all of which is qualitative data. The interview was a quick and easy method of gaining valuable information which

normally would not have been available. Facts and figures were obtained from the company's Intranet and the website [www.makeupyourownmind.co.uk](http://www.makeupyourownmind.co.uk), which provides diverse information on McDonalds.

### 3.0 Findings

Research as identified within methodology has led the authors' of this report to identify the following:

#### 3.1 Obesity

Following the film 'Super Size Me' in 2004, McDonalds were criticised and partly blamed for the obesity surrounding the globe. The star, Morgan Spurlock, ate only McDonalds food for 30 days, three meals a day, seven days a week. ([www.imdb.com](http://www.imdb.com),) He believed that fast food was the main cause of obesity which affects nearly one in every four adults in England, ([www.dh.gov](http://www.dh.gov),) and affects a third of the US population ([www.naturalnews.com](http://www.naturalnews.com)) Overweight and obese people are costing the NHS in excess of £4.2 billion in the UK alone. ([www.dh.gov.uk](http://www.dh.gov.uk))

McDonalds already had a lawsuit against them in the USA where a group of children blamed the food as the reason of their obesity and the health problems associated with this. ([www.news.bbc.co.uk](http://www.news.bbc.co.uk)) McDonalds fought this statement by claiming that by 'going large' or 'supersizing' your meal, is simply not enough to cause someone to become obese.

In 2004, McDonalds stopped their 'Supersize' option on the menu and spoke of plans to introduce healthier foods to the menu. They launched their 'Salads Plus' menu in 2004 to appeal to a wider market of people, consisting of salads, Quorn and apples. The new menu proved to be incredibly successful for them as they saw a 56% profit increase in the first quarter of launching. ([www.news.bbc.co.uk](http://www.news.bbc.co.uk)) This was successful as research that showed that 40% of mothers who took their children into McDonalds for a Happy Meal didn't order anything for themselves. This now enabled them to eat something healthy which in turn increased revenue and recognition for the company.

In 2005, McDonalds then launched a new 'Deli Menu' which was set to rival another fast food chain Subway, which was seen to be more a more healthy choice of lunch.

McDonalds invested a vast amount of money marketing the new Delis in an attempt to show consumers that they shared their concerns in the rise of obesity levels ([www.brandrepublic.com](http://www.brandrepublic.com)). The aim of the Deli menu was to reiterate to customers the quality of the food that the company was using in their food. They emphasised the grilled 100% chicken breast, offered both brown and white bread to allow customers to make their own informed choices about what they wished to eat.

McDonalds of course cannot be found faultless in the war against obesity. The Chief Marketing Officer, Larry Light, took the post in 2002. Light said that the brand image of McDonalds in that year was seen as 'out of date, boring' ([www.guardian.co.uk](http://www.guardian.co.uk)). McDonalds target audience in 2002 was that of children aged 7 ([www.guardian.co.uk](http://www.guardian.co.uk)) and Light changed the focus from young children to people in their twenties. This previous advertising to children so young can obviously be said to play a part in childhood obesity.

### 3.2 Nutrition:

To accompany their continuous fight against obesity, McDonalds started to place nutritional information about their products on the packaging of the food in 2006. This was another attempt to reassure customers of the quality of the food they were serving. They used symbols and colours to make it easy to understand and provided the consumers with information on fat and salt content, which could then be seen at a quick glance. Offering nutritional information was not a first for McDonalds as they have been providing it since 1984. However, this information was often difficult to get, placed on the back of tray-liners and later on, on the McDonalds website ([www.brandrepublic.com](http://www.brandrepublic.com)). By introducing this new 'open' approach, McDonalds hoped to show the public that they were serious about fighting the war on obesity.

McDonalds launched a new campaign in 2007 advertising their Happy Meal to children. This was seen as a breach of OFCOM regulations (not advertising foods that are high in fat, salt and sugar to children) ([www.brandrepublic.com](http://www.brandrepublic.com)) but McDonalds spoke out saying that they were only advertising the healthy options of organic milk, fruit bags and carrot sticks. They also state that the changes they have made to their Happy Meals are responsible ones and that the trip to McDonalds and the food that a child eats is solely the responsibility of the parent and the choices that the parents make ([www.guardian.co.uk](http://www.guardian.co.uk)). They have not however, removed the

unhealthier options from the Happy Meal menu and so this whilst this advertising can be seen as pro-active against McDonalds' fight against childhood obesity, the temptation is still there for children to choose the widely known unhealthier options.

### 3.3 Pollution:

There are currently 33 million vehicles on the UK roads ([www.environmental-protection.org.uk](http://www.environmental-protection.org.uk)). As vehicles contribute 22% for the UK's total carbon emissions, McDonalds wanted to help reduce their carbon footprint. They currently have 155 delivery trucks delivering to around 1400 restaurants across the UK on average 3 times a week ([www.mcdonalds.co.uk](http://www.mcdonalds.co.uk))

In 2007, McDonalds vowed to 'go green' by converting waste oil from fry vats into bio-diesel which in turn would run their 155 delivery trucks ([www.lowcvp.org.uk](http://www.lowcvp.org.uk)). The bio-diesel contains 85% used cooking oil and the remainder is made up of pure rapeseed oil which McDonalds says is trying to reduce ([www.lowcvp.org.uk](http://www.lowcvp.org.uk)). This change from diesel to bio-diesel is claimed to save 1675 tonnes of carbon a year or the equivalent of taking 2424 family cars off of the road each year ([www.lowcvp.org.uk](http://www.lowcvp.org.uk)). Not only this, but McDonalds are also saving around 6 million litres of diesel a year ([www.lowcvp.org.uk](http://www.lowcvp.org.uk)). This is an encouraging act as they use less crude oil, which is there is limited supply of, and bio-diesel does not harm the environment as it produces fewer emissions than lorries which run on petrol. Bio-diesel is also more energy and waste efficient than regular diesel or petrol, and is a more sustainable fuel ([www.ezinearticles.com](http://www.ezinearticles.com)). The used cooking oil is approximately 10% of the total McDonalds waste, and as there are several issues regarding recycling food packaging with food remnants still on them, this is an excellent step for McDonalds to be taking.

### 3.4 Energy

McDonald's has discovered that with 31,000 plus restaurants in 118 countries, coming up with one environmental blueprint for all of its restaurants is impossible. The company is trying out a number of individualised environmental initiatives ([www.environmentalleader.com](http://www.environmentalleader.com)).



A pilot project to generate electricity from restaurant waste is cutting carbon emissions from waste disposal by 54%. Eleven McDonald's restaurants in the U.K participated in the project, in which a waste contractor, transports the waste to an energy recovery facility and converts it into electricity and heat. The scheme will save each restaurant from sending 100 metric tons of waste to landfill each year, cutting their carbon footprint by half, and help to provide heat for 130 public buildings nearby. The 11 restaurants are also piloting a range of energy-efficient technologies. Solar panels have been installed in 13 McDonald's restaurants in the UK. Also wind turbines are to be installed on three of the McDonald's restaurants participating in the 'waste to energy' scheme and a larger turbine is also being installed and ways of rolling it out nationwide are being investigated. ([www.mcdonalds.co.uk](http://www.mcdonalds.co.uk)). All the restaurants use low energy lamps and have light level sensors installed to control external lighting. All new lighting systems also have high frequency fittings. McDonalds is also experimenting with geothermal sources for heating and cooling at other locations worldwide as alternate source of energy.

According to Kevin, (2008) saving resources and energy and reducing the impact on the environment through optimum design and operational practices are the most important aspects. The most promising alternative energy source is energy efficiency. Machinery must do more using less energy. Within the restaurant, the two key areas of focus are the heating and cooling systems and the cooking appliances, which together account for approximately 80% of a typical restaurant's energy use ([www.crmcdonalds.com](http://www.crmcdonalds.com)). McDonald will use a networking system with the aim of cutting energy consumption by at least 10% in its restaurants. By using the restaurant's electrical wiring as a communication pathway, the fryers, grills, air conditioning and lighting would be programmed for optimal efficiency. The grills do not heat up at once or slow or turn off exhaust fans during the downtime in between meal rushes. This technology is being tested in the USA and if successful, would be made standard in new and remodelled restaurant because of the huge cost to franchisees ([www.fypower.org](http://www.fypower.org)).

Many 'clean' energy technologies can be expected to take a decade or more to graduate from the germ of an idea to a full-scale roll-out as part of the world's energy architecture. ([www.sefi.unep.org](http://www.sefi.unep.org)) The government has, for many years, been less

than whole-hearted in its support for the expansion of renewable energy. This has been evidenced not least by a lack of significant R&D funding, disorganised and over-complex schemes for demonstration programmes, and a lack of support in the planning process (Management of Environmental Quality: An International Journal (2008)). McDonalds is working in partnership with the Environmental Defence Fund and other organisations setting firm targets to reduce their green house gas emission ([www.edf.org](http://www.edf.org)).

### 3.5 Waste

Waste is one of McDonalds biggest problems, and main concerns for the environment. A lot of paper and food is wasted every day across the many restaurants and this is an area that needs serious attention. It is also one of the easiest areas to invest into and if successful can improve their brand image. ([www.makeupyourownmind.co.uk](http://www.makeupyourownmind.co.uk))

In the UK, McDonalds serves approximately 2 million customers a day ([www.makeupyourownmind.co.uk](http://www.makeupyourownmind.co.uk)). This would result in huge amounts of waste accumulating at McDonalds, most of which does not get recycled and goes straight to the landfill sites. The consequences of these actions can be catastrophic on the environment. It is especially important for a large company like McDonalds to try and recycle all consumer waste, given the large scale of production it manages. Whilst efforts have been made by McDonalds to use recyclable materials to produce their packaging for their drink cartons and their burger and fries boxes, it is only a small step and there is still plenty that can be done. Currently, 82% of consumer packaging is made from renewable materials where 30% comes from recycled fibre. The recycled fibres are sourced from well-managed forests to ensure sustainable deforestation ([www.crmcdonalds.com](http://www.crmcdonalds.com)). Most of the consumer waste that McDonalds produce can be recycled, but McDonalds claims that it cannot recycle anything consumers have used since there may be food residue left which would react with the chemicals used to break down the material into recycled products ([www.makeupyourownmind.com](http://www.makeupyourownmind.com)). This results in all the waste going directly to landfill sites, which can be hazardous to the environment, as they can cause serious pollution of groundwater, ultimately contaminating the water that people drink (Strahler, 2004).

Since the materials which McDonalds use i.e. paper packaging, is not recycled, McDonalds has to produce more. While 82% of consumer packaging is made from renewable materials, the other 18% comes from non-renewable materials. This would mean that for the packaging to be made, trees would have had to be cut down from forests. Trees are a vital factor in the ecosystem as they provide the planet with oxygen that is needed for humans to live. They also take-in the CO<sub>2</sub> in the air, which is one of the greenhouse gases contributing to global warming, so effectively they take a part in decreasing global warming. Trees also reduce soil erosion, desertification and flooding as they absorb the water (Strahler, 2004). For McDonalds to be more eco-friendly they should reduce the number of trees that they cut down to produce their food packaging and try to replant a tree for everyone that they have cut down, benefitting the environment.

Another positive act McDonalds are doing is redesigning their restaurants with recycled materials, to be more eco-friendly. Most of the restaurants now have solar panels, cutting down the amount of electricity and energy they use, and saving costs. Seating and tabletops are made from recycled aluminium as opposed to unrecyclable plastic. There are also now copper roofing systems being implemented from recycled radiators and wires. These changes are better for the environment and help save McDonalds rising costs in electricity (Journal on Environmental Health (1993)).

McDonalds also needs to try finding ways to reduce the amount of waste its consumers throw on the streets. In the UK, McDonalds made up more than a quarter of all fast-food litter and was named the most littered brand in the country by researchers at the Keep Britain Tidy campaign. McDonalds needs to take greater responsibility for the amount of packaging waste they produce and the litter it creates. However, it can be argued that they do provide the necessary bins needed for customers to dispose their rubbish in and so it is the responsibility of the customer to dispose of their rubbish correctly. The amount of litter on the streets with McDonald's name on it can tarnish the image of McDonalds and contradict all the good that they are doing in reducing the amount of paper packaging they use ([www.businessgreen.com](http://www.businessgreen.com)). Possible methods of tackling this problem are for McDonalds to encourage people to eat-in more, thereby reducing the amount of

waste that leaves the restaurant. This can be done by introducing incentives for people to stay in or offering a small price discount if they stay in to eat. They should post anti-litter signs in their restaurants to discourage littering in the streets and they should provide more bins nearby their restaurants so customers can dispose of their rubbish.

### 3.6 Environmental Protection Agency

Under the Environmental Protection Act 1990, every business has a legal responsibility to manage their waste, its disposal, collection and treating, whilst it is in their possession. It also requires passing the waste to authorised person in order to dispose of it correctly.

In the ENCAMS publication 'Your Rubbish and the Law, The guide for business'(2006), there are procedures presented, which should be followed in accordance to the regulations:

- Provide enough litter bins, preferably covered ones. Locate them in the most convenient position in both working and non-working areas, inside and out of the premises.
- Ensure bins are of a sufficient size for the quantity of litter produced.
- Empty and clean bins on a regular basis.
- Set aside adequate storage space for trade waste, either inside the building or in an enclosed area outside.
- To prevent spillage or refuse bags splitting, put refuse out as near as possible to the time of collection.
- Refuse containers should be taken back into your premises immediately after they have been emptied to avoid unsightliness and danger to pedestrians.
- Trade refuse containers must be of adequate capacity and in good condition.
- Place refuse containers in a sheltered place to avoid spillage and exposure to wind. Keep them secure from theft, vandalism, animals or scavengers.

- Takeaway food shops should have litter bins outside their premises (by agreement with the council) and display notices encouraging customers to use them.
- Carry out regular clean ups, including the rear of premises, car parks and delivery and storage areas.
- Encourage a litter-conscious attitude and code of conduct amongst staff at every level. Train new staff to follow these guidelines.
- Keep within the law by having a trade refuse collection agreement with the council, the council's contractor or a private contractor authorised to carry waste.

According to the Department for Environment, Food and Rural Affairs (Defra) (2009) total municipal waste in England for period 2007/2008 reached 28,506 thousand tonnes (see Appendix 3). The figure has fallen in comparison with period 2006/2007 from 29,144, but it is still a large number, which can be reduced. In 2007/2008 54% of waste ended up in landfill, and only 34% has been recycled, which only rose by 3% compared with the previous period.

In Appendix 2 Defra (2006) summarises the types of waste arising by type of business. The Hotels & Catering sector is third on the list of producing the most waste. In this sector the most waste produced is classified as; "other non-metallic", "non-mineral wastes" and "other mixed general waste". Next are "paper and card" then "food", which can be reduced.

In the current climate people are thinking more about how their actions impact the environment. Many of them are deciding whether or not to use a company based on their environmental standpoint. "Going green" involves significant costs for companies, which in most cases will bring savings in the future as well as portraying a recognisable image for customers who care about environment.

McDonalds states to be '*committed to taking "total life cycle" approach to solid waste, examining ways of reducing materials used in production and packaging, as well as diverting as much waste as possible from the solid waste stream*' (McDonald's Corporate Responsibility Report, 2008). They follow three courses of action:

Reduce- This relates to reducing weight and/or volume of packaging and also reducing the waste sent to landfill. This means adopting thinner and lighter packaging, adopting new technologies or using alternative materials. McDonalds Europe achieved an annual 2000 ton reduction in the consumption of non-renewable materials through the launch of a paper salad bowl and wooden coffee stirrer. The McFlurry spoon has been also redesigned, which eliminated 286 metric tons of polypropylene plastic and in a Big Mac carton, 423 metric tons of paper materials were saved. (McDonald's Corporate Responsibility Report, 2008)

Reuse- wherever feasible within McDonald's operations, they implement reusable materials without compromising on safety and sanitation standards and customer service.

Recycle- The company aims to maximise usage of recycled materials. They recycle all of its cardboard packaging. According to McDonald's Corporate Responsibility Report, 2008 they are the largest user of recycled paper in their industry, applying to items such as tray liners, Happy Meal Boxes, carryout bags and napkins.

Waste produced daily by McDonald's differs depending on restaurant. A Drive-Thru can produce 91-153 kg a day, and a high street restaurant averages 104 kg ([www.makeupyourmind.co.uk](http://www.makeupyourmind.co.uk)).

McDonald's also is working on food wastage. In the hospitality business it is impossible to reduce it to zero, but it is important to lower it as much as possible. The company monitors the amount of food sold at the different times throughout the day, and restaurants use this information as a guide how much food should be prepared and how much more likely will be sold. In consequence McDonalds waste less than 1% of food stock. ([www.makeupyourmind.co.uk](http://www.makeupyourmind.co.uk))

#### 4.0 PEST

##### Political:

As a global corporation, McDonalds has to ensure it complies with all regulatory and legal laws in the UK. These laws include health and safety laws, trading laws, employment laws which include the Minimum Wage Act, environmental regulations.

In Europe, McDonalds has to abide by three pieces of legislation which affect packaging: The European Packaging and Packaging Waste Directive (2004), The Packaging (Essential Requirements) Regulations (2003) and The Producer Responsibility Obligations (Packaging Waste) Regulations (2007). All three legislations require McDonalds to reduce packaging, so waste is minimised, and to recycle and recover any materials that can be. The latter legislation places an obligation on all UK companies to reduce packaging if they earn in excess of £2 million per annum or handle more than 50 tonnes of packaging a year, which applies to McDonalds ([www.wrap.org.uk](http://www.wrap.org.uk)).

McDonalds also has to pay landfill taxes which is set at £2.50 per tonne, which, assumingly, would add up to be a huge sum for McDonalds considering they have over 1225 restaurants in the UK alone ([www.defra.gov.uk](http://www.defra.gov.uk), [www.makeupyourmind.co.uk](http://www.makeupyourmind.co.uk))

The Nutrition Labelling and Education Act (1990) requires companies to disclose nutritional information in their foods, which McDonalds has abided by, by printing the nutritional facts on the food packaging ([www.fda.gov](http://www.fda.gov), [news.bbc.co.uk](http://news.bbc.co.uk)).

#### Economic:

Despite the current global economic recession, many people are still indulging in take-aways. McDonalds saw its profits rise at the end of last year to \$4.3 billion compare to \$2.3 billion in 2007. People are now looking for ways to save money whilst demanding a good quality meal, which McDonalds offer with their Value Meals ([www.uk.biz.yahoo.com](http://www.uk.biz.yahoo.com))

Increased prices for meat and other ingredients have made McDonalds' food costs rise. Therefore in order for McDonalds to make a profit they have had to raise the prices of some of the items on the menu, including their popular Double Cheeseburger which rose from \$1 to \$1.19 ([www.articles.latimes.com](http://www.articles.latimes.com)).

Since most McDonalds restaurants are operated by franchisees, the volatile changes in interest rates could be a threat or an opportunity on their borrowing expenses. If the interest rate stays low, debts can be repaid more quickly and would save the franchisees money, but if interest rates start to rise, it would make repayments and

further borrowing harder. In the UK, the interest rates are currently 0.5% which is beneficial to the franchisees.

### Social:

Globally, the population structure is changing with a more dominant younger generation. This can be a positive thing for McDonalds as children are their main advertising target. When younger children go to McDonalds, their parents also go and tend to order, meaning extra revenue for the company. Teenagers also find McDonalds to be a place to meet and socialise with their friends ([www.mcspotlight.org](http://www.mcspotlight.org)).

Customers now want more choice in the food that is offered to them, particularly in take-away restaurants. This combined with an increasing awareness of a healthy and active lifestyle has forced McDonalds to change their menu to include more healthy options such as fruit and salads.

People's lifestyles have become busier with more people eating out and on the go, rather than at home. This has resulted in the increase of take-away restaurants, including McDonalds opening more outlets in different countries. This combined with the increasing number of people with cars has led McDonalds to open more Drive-Thrus. In 2006, there were reportedly more than 26 million cars registered for use on UK roads ([www.whatcar.com](http://www.whatcar.com)). This can add to more environmental problems as cars give off gas emissions, increasing the number of greenhouse gases in the air and thereby accelerating the rate of global warming.

Lifestyles of people are changing as younger people are staying out later at night, and always looking for something to eat. McDonalds has therefore extended its opening hours in an attempt to gain more customers.

Work is now more portable and many people find it easy to work with their laptops in coffee shops such as Starbucks and Costa. McDonalds has tried to enter this market by introducing free Wi-Fi in their outlets and by offering customers espresso drinks called McCafe ([www.guardian.co.uk](http://www.guardian.co.uk)).



McDonalds tries to cater to the different eating habits and cultures in all the countries it operates in. For example, in India where many Hindus don't eat beef for religious reasons, McDonalds have introduced more vegetarian and chicken options, including the McAloo Tikki and Chicken Maharaja Mac. In Europe, McDonalds offers beer and in Japan they offer Green-Tea flavoured milkshake. In Hong-Kong, where rice is the special delicacy, McDonalds serve rice burgers, where the burgers are in between rice patties instead of bread ([www.triffter.com](http://www.triffter.com)).

McDonalds has also made a great impact on society by creating their own charity - 'The Ronald McDonald Houses Charities', which builds family homes next to hospitals that parents and siblings of sick children can stay in free of charge for as long as required. They have also tried to appear more environmentally aware by advertising their successes in reducing paper wastage by recycling and making packaging thinner.

#### Technological:

Increasing technological advances has made the process of ordering and managing stock supplies easier. McDonald's orders stock according to the number of customers on average that visit the restaurant. There may be seasonal and daily fluctuations which can be easily amended.

McDonalds has also introduced new technology in their Drive-Thrus where the customers speak into a speaker-box and their order is shown to them on screen as they order reducing the number of mistakes .

## 5.0 SWOT

### Strengths:

- Reduced their packaging waste
- Made boxes, bags and napkins thinner
- Using waste to help power buildings and so helping to reduce their carbon footprint.
- Turns old chip oil into bio-diesel to power their delivery trucks

- Listen to what their customers want and have introduced healthier options to the menu.
- Strong brand name and easily recognisable
- Global market-leading position
- Sponsors of the FIFA World Cup increases brand recognition
- Product innovation e.g. breakfast menu
- Affordable prices and high quality products
- Nutritional information on food packaging
- Children's Happy Meals and the toys offered
- Promotion-McDonalds invests huge amounts of money in advertising campaigns and sponsorships
- Environmentally and socially aware – helping communities and setting up own charity, 'Ronald McDonald House C'harity'

#### Weaknesses:

- Huge costs incurred by switching to alternative sources of power
- Cattle grazing erodes the land and so each serving of red meat creates 15 times more damage than serving poultry
- No in store recycling for customers or staff
- McDonalds makes up 29% of all takeaway litter found on the high street (second only to cigarette stubs to the floor)
- Critics have named McDonalds a symbol of US 'cultural imperialism'
- Low employee productivity
- Increasing food costs

#### Opportunities:

- Better forecasting to help reduce the waste
- Making less food, or 'cook to order'
- Ordering less products so that food does not exceed its sell -by-date and is thrown away
- Turning food wastage into compost – already doing this across a few stores but make it worldwide

- Setting up recycling bins for customer rubbish and store rubbish
- Reducing packaging, e.g. not giving bags out if not needed
- Becoming more eco-friendly and reducing the amount of waste produced

#### Threats:

- Animal Rights and environmental activists
- High costs of implementing recycling facilities
- Foreign Policies that could be brought over here from Taiwan meaning restaurants can be fined thousands of US Dollars if they do not encourage customers to recycle and if they themselves do not recycle.
- Fight against obesity
- Increased legislation on waste production and food safety and information
- Rising raw material prices
- Increased competition
- Accusations about the sources of their meat, treatment of their workers.

#### 6.0 Conclusion

As can be seen from the research that has been undertaken, McDonalds has embraced the opportunity to help fight climate change and achieve environmental sustainability. They have helped to reduce their wastage by making all of their packaging thinner, and also power their delivery fleet on used chip oil (which accounts for 10% of their total waste). They have also successfully reduced their carbon footprint by using bio-diesel which has effectively removed 2424 family cars off UK roads.

Whilst these efforts have been both commendable and recognised, there are still many avenues left for McDonalds to investigate such as using alternative energy sources. This has already been successfully trialled in some UK towns where McDonalds organic waste is reused to generate electricity and heating for local buildings. McDonalds should look to implement this across the whole of the UK.

## 7.0 Recommendations

Following the successful trials of converting waste into electricity, one of the main recommendations for McDonalds is to roll this out across the whole of the UK. This would dramatically reduce their carbon footprint and also reduce the amount of waste they are sending to landfill.

Another recommendation would be to introduce recycling facilities within the restaurant where customers can dispose their rubbish into separate sorting bins e.g. one bin for paper boxes, one for plastic bottles, one bin for organic waste i.e. food residue and another for recyclable materials i.e. cups and boxes. The organic waste can be decomposed at composting sites and used as organic soil and fertiliser for McDonald's suppliers, and the recyclable waste can be recycled and used again. This will substantially reduce the amount of waste McDonalds produce and send to the landfill sites. This scheme will benefit the environment as there are more materials being recycled and reused and less waste in landfill sites. McDonalds will also benefit as they will cut their landfill tax as there is less waste and save money.

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