

Innovative market research functions

Elena Aleksandrova^{1*}, *Natalia Razina*¹, and *Vera Golovina*¹

¹ Plekhanov Russian University of Economics, 117997 Moscow, Russia

Abstract. The relevance of the article lies in the discussion of the marketing strategy and success of companies that have achieved world fame. The purpose of the work is to conduct an assessment of the company's activities, as well as to show how, using elements of marketing, you can achieve tremendous success. The task of the study is to study the market, the proper organisation of fast food, and the study of the psychology of people. The results of the research will allow managers of organizations to increase the efficiency of using human capital. The novelty of the development is determined, in our opinion, on the one hand, by the methodological approach to the correlation of many existing versions of the interpretation of this problem. Also, within each direction, the corresponding concepts are defined, on which they are based, and which, in turn, reflect the real prerequisites for the diversity of versions in the past and present. It is known that marketing is a continuous process in which goals change: when one is achieved, a new one is set. Here, it is of no small importance to involve children and adolescents in the use of hamburgers through the organisation of playgrounds, family trips and food sets for children with toys.

1 Introduction

To understand the ups and downs of the company's activities, a little background is necessary. Dick and McDonald's opened their first restaurant in San Bernardino, California. It was then in 1948, that such a concept as "fast food" appeared. Ray Kroc got McDonald's to act as exclusive franchise agent in 1954. "Franchising is "leasing" a trademark or commercial designation. The use of a franchise is governed by a contract" [www.wikipedia.ru]. By 1959 there had been over a hundred restaurants, and in 1961 Ray Kroc bought all the rights to the company from McDonald's.

"Already from the early 1960s, the company placed great emphasis on advertising, becoming one of its most recognisable brands. In 1962, two golden arches forming the letter *M* became the company logo, the following year a billion-dollar hamburger was sold and a red-headed clown named Ronald McDonald was introduced to attract children "[www.wikipedia.ru].

In 1965 the company went public, listing its shares on the New York Stock Exchange. In 1968 the "Big Mac" was introduced to the market and the thousandth restaurant opened, in 1969 the five billionth hamburger was sold and since 1970 McDonald's was represented in all 50 states. In 1973, restaurants began selling ready-made breakfasts. Since 1975, the

* Corresponding author: galinaguravleva@rambler.ru

specialists of the company have resorted to a completely new form, namely, service directly in cars. It was this service that significantly increased the revenue of the McDonald's system. Since 1979, Happy Meal sets for children were started, which included a toy, which also increased the income of the company.

2 Materials and methods

Theoretical and methodological issues of the theory of marketing are widely studied in the modern economic scientific environment. The principle of historicism, a systematic approach, was applied taking into account the comparative-historical approach to such phenomenon as development of a network of McDonald's. The method of historical and genetic analysis has also been used to determine the essential content of the phenomenon in question.

Review of research and recent publications. While working on the article, the provisions of foreign scientists' researches by Frederick F. Reichheld, J. Fox, Karl Polanyi, as well as publications of such modern researchers as Kotler F. Lisin D.A., Nikishkin V.V., Mikhailova N.I. and many others were used.

3 Problem statement

By the end of 1983 McDonald's came out on the second place in the world on retail sale of chicken meat.

McDonald's announced plans to open 40 more restaurants in Russia. In the same year, the company began changes to the Happy Meal line-up in favour of healthier eating. Under the new standards, the menu will not include cheeseburgers and chocolate milk, the items will only be available as an optional extra. The calorie content of the menu will not exceed 600 calories. Currently, 28% of children's menus in the 20 countries where McDonald's has a presence meet these parameters, but they will be rolled out in 120 countries. The company also intends to cut back on artificial colours, preservatives and flavourings. The share of fats and added sugar in McDonald's products will not exceed 10%. It is planned that by 2022 50% of children's menus will comply with the new requirements" [www.wikipedia.ru].

"McDonald's completely renovates all its restaurants every 10-15 years. Usually they replace the hall decor, redesign the facade, upgrade the ventilation and air conditioning system, however, as digital technology advances, high-tech equipment has been installed in the halls in a timely manner: electronic terminals for receiving orders on the Mc Auto, paying for orders in the hall. Surveys were practised [3].

McDonald's has been a phenomenal success in the last 50 years of its existence alone. When America finished participating in World War II, as industry and commerce boomed, people felt the lack of time. For years, business was conducted during the 2-2.5-hour lunch. Businessmen would meet in an elegant restaurant, have a drink or two, eat a hearty lunch followed by dessert and coffee. This was considered a civilised way of doing business. Selling goods or concluding contracts was done during a leisurely meal in a pleasant atmosphere. Lunch was an extension of the business day.

Over time, the pace of business increased so much that people had less and less time. Very quickly the mood of Americans changed. Instead of having a midday lunch with a couple of drinks and a leisurely business chat, American businessmen started saying that they did not have time for lunch and just wanted a quick bite to eat on the go. In the eyes of the businessmen, it became desirable to make themselves look like very busy people who really do not have time for a slow, pleasant, civilised lunch. Everyone was in a hurry, and really or not, it no longer mattered. People felt more important if they didn't have time to stop and

have a bite to eat. This self-sacrifice and denial of the basic necessities of life flattered the vanity of Americans and boosted their self-esteem as they sacrificed themselves. People also liked the idea that they were involved in the fast pace of life and business, and really didn't have time to enjoy such frivolities as food. America was the epitome of the concept of "Make it quick, make it urgent, I don't have time." [1].

As mentioned above, Ray Kroc was the owner of a small restaurant in the Chicago suburbs. It was with great concern that he noticed that the number of customers at lunchtime had begun to drop alarmingly. He prepared special dishes, trying to make them tastier and more appetising. To his shock and bewilderment, he soon noticed that people did not have time to digest what they ate, let alone enjoy their lunch. They preferred to eat something in a hurry, but that "something" had to be hot and tasty.

With that in mind, he opened the first McDonald's hamburger tray. He cancelled the long menu and decided that they would only sell burgers and drinks. The hamburger would be fresh, hot and juicy. He started advertising food that would be cooked in less than 60 seconds. You could order a nutritious hamburger on a toasted bun with a lettuce leaf, tomato and pickle. As a side dish, you could order crisps with ketchup and a Coke or milkshake. The whole lunch could be over in ten minutes!

America embraced the idea of what is now known as the quick service industry. The marketing strategy that Ray Kroc devised appealed to people who liked to think they were too busy to eat a full lunch, but who thought it was unhealthy not to eat at all. So, McDonald's met their needs.[5]

The next step was to place McDonald's outlets in strategic locations across America [1]. Today there are literally thousands and thousands of McDonald's food outlets across the country, as well as competing companies that have joined the growing market of fast food outlets. It is interesting to note that the McDonald's hamburger, along with chips and Coca-Cola, has a very low nutritional value. The hamburger itself contains quite a lot of fat and is also fried in fat. Mayonnaise and ketchup, which are put on the hamburger, also have very low nutritional value and contain a lot of cholesterol. Coca-Cola contains a lot of sugar and caffeine and again has a very low nutritional value. All these important factors have passed the attention of the American consumer.

As America became obsessed with the concept of busyness, no one had time for an intelligent, relaxed, nutritionally balanced lunch. With this in mind, McDonald's sold America the concept of marketing that there should be a brightly lit, freshly decorated McDonald's on every corner, waiting for hustling customers. The American consumer has paid the price for adherence to this concept by eating food of very low nutritional value, as well as indigestion, elevated cholesterol levels and a habit of poor dieting. Today, although McDonald's is thriving and growing at an increased rate, more and more Americans are beginning to realize that McDonald's is not the answer to the demand for a properly balanced diet. [2, 6].

In order to maintain the level of growth, the campaign decided that children and teenagers should also be attracted to eating hamburgers. The marketing principle to achieve this was a very clever twist. Literally overnight, playgrounds grew up near all McDonald's outlets, attracting children. Now a trip with dad to McDonald's on a Saturday afternoon was a rewarding experience for the child. He could ride a horse, swing on the swings and eat a burger and chips with a Coke. McDonald's employees spent millions of dollars to reorient the eating habits of American children.[8]

McDonald's success in America is not based on providing quality balanced food at reasonable prices, but is the success of a marketing strategy that encourages and complements the sense of ego that we are so busy and important to others in our daily lives that we do not have time to eat a normal meal and we grab a hamburger on the go while working.[7]

In recent years, as medical reports and publications by nutritionists have made the American public more concerned about their health, people have gradually moved towards eating quality food at lunchtime. Realising this, McDonald's created a salad buffet because the American public became so health-conscious that the trend of eating fresh fruits and vegetables became very strong. McDonald's, expecting a change in the public's mood, immediately took this into account and created an extensive salad buffet in its outlets. McDonald's next challenge was to expand the business beyond lunches. They developed a breakfast menu that included a glazed or scrambled egg on a bun (muffin) - a McMuffin egg. Again, McDonald's applied the marketing concept that all of America is too busy and, in a hurry, to get to work and has no time for a hearty breakfast. Again, millions of dollars were spent on television commercials showing a happy American driving to work, holding the steering wheel of a car with one hand and a McMuffin egg in the other hand. Again, the concept of a quick meal in a hurry is being sold to the American public, but this time it's breakfast. However, this idea fails, because at the same time as multi-million-dollar advertisements convincing the American public that a quick breakfast is exactly what they need, the American medical community and nutrition experts have stated that a balanced breakfast consisting of fresh fruit, whole meal or grain cereal bread, orange juice and skim milk is absolutely essential for good health. Eggs, which are high in cholesterol, can be eaten no more than twice a week. After the American public realised that eggs contain a lot of cholesterol, which contributes to heart disease, they began to change their habits in accordance with doctors' recommendations and eliminate eggs from their diet. With this public sentiment, the McDonald's breakfast idea failed.

This is a perfect example of a very successful company, which for a long time did a multi-billion-dollar business based on the principle of marketing that found the support of the American public. At the same time, that company failed in another area because, literally before their eyes, the mood and tastes of the American public changed dramatically. The multi-million-dollar breakfast business at McDonald's proved a failure. Again, this is an example of a marketing principle tested for lunch, but proved, contrary to assumption, inapplicable to breakfast. Recently, when asked about the failure of the McDonald's breakfast idea, the company's representatives said in little more than passing that eggs have been a staple of the American diet for over 200 years. Who could have foreseen the change in public mood? The answer could have been a thorough and in-depth marketing analysis that would have shown McDonald's that the time for a quick breakfast on the go had not yet come [11].

On the other hand, manufacturers of breakfast cereals have started trumpeting that whole grain foods are very important for nutrition and those Americans who want to maintain good health for a long time should start each day with a good nutritious breakfast. Needless to say, the breakfast cereal industry is thriving and McDonald's breakfast idea has failed [4].

In 1990 McDonald's opened its first restaurant in Moscow. On the opening day, 30,000 people visited it. This was a record for the McDonald's chain.

Since opening its first restaurant, McDonald's has seen strong annual growth in the number of locations as well as regional expansion. The biggest increase in outlets took place from 2014 to 2016. During this period, the chain reached 543 outlets from 371 outlets. The intensity of the growth was 46.3% (Figure 1).

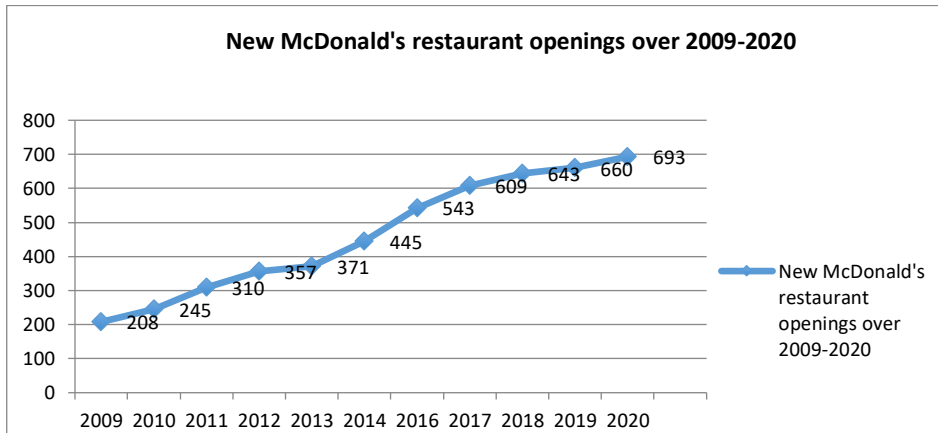


Fig. 1. New McDonald's restaurant openings from 2009 to 2020

The largest number of the company's outlets are focused in Moscow (189), with the northern capital in second place (78 restaurants). There are considerably fewer branches in Nizhny Novgorod and Kazan (28 and 27 respectively).

According to Romir's ratings of visibility and trust in brands present in Russia, McDonalds has been at the top of the ranking every year. The visibility index (% the share of all Russians who know about the company) of McDonalds reached a value of 88% in January 2021 [15].

The company's active marketing strategy has contributed to the chain's rapid development and growth in customer demand. In recent years, comparable sales growth has been driven by its Accelerating the Arches strategy, which includes centralised marketing, menu development and digital offerings (online ordering, delivery, MacAuto) and loyalty programmes.

Now let us consider the McDonald's restaurant chain in Moscow. The global success of the campaign was that they offered food that could be eaten on the go. People in many parts of the world have imitated Americans, so in many cases American-made foods have been a huge success. The hamburger has been a staple of American food for 100 years, which means it is not something new to Americans in taste. In order to determine if McDonald's will be successful in Moscow, marketing has to find out, will the Muscovites like the hamburger? Will they like a hamburger with Coca-Cola? And do they have time for a leisurely long lunch. The aim of a hamburger lunch is to save money by eating as cheap a meal as possible. Is this fact true in Moscow? Is a hamburger in Moscow before McDonald's. an expensive meal?

If you consider the enormous cost of maintaining their farms to provide meat, their greenhouses to provide vegetables, if you add to that the enormous cost of preparing and delivering fresh meat, vegetables and other products to the restaurant, you'll see that the costs very quickly exceed the norm, and the hamburger becomes an expensive food in Moscow.[9]

From a marketing point of view, a McDonald's restaurant has no place in Moscow, and it shouldn't be successful. But it could become famous by giving the impression that Muscovites are crazy about hamburgers.

4 Discussion

We believe that a detailed development of the topic and public discussion of the issue would help to develop a more accurate strategy for dealing with the challenges outlined in the research study.

The problem of such eating and the associated mass spread of obesity and the metabolic syndrome to which it leads has become very topical in recent decades, including those for Russia.

5 Conclusion

McDonald's is a very wealthy organisation, and they can easily write off small losses through global advertising and public opinion. So, from that point of view, having McDonald's in Moscow is the right and wise decision by the company. Global popularity costs millions for McDonald's, and I think that was the main reason for having a McDonald's restaurant in Moscow. The profits and losses of doing business in this case do not matter. Global popularity marketing is worth all the costs and is a very important factor for McDonald's [10, 12].

However, with the start of the special military operation in Donetsk and Luhansk, thousands of sanctions have fallen on Russia and many companies, including McDonald's, have begun to close under their influence. On 14 March 2022, the chain of American restaurants suspended its work in Russia (each month of downtime in the Russian market cost the corporation about 50 million dollars). On 16 May the company announced its complete withdrawal, and on 12 June 2022 the new Russian chain *Vkusno i Tochka* opened its restaurants in the premises of the former McDonald's. The first restaurants to rebrand were in Moscow and then gradually in all the regions where they operate.

According to Romir research estimating the index of trust and brand visibility in the HoReCa segment in 2022 KFC (80%) is already leading among Russians, followed by Dodo Pizza (78%), Burger King and Shokoladnitsa (75% each), while *Vkusno - and Spot* (McDonald's) has dropped to 74%. At the end of Q3 2022, sales in the fast-food restaurant sector were up 5% compared to the same period in 2021, with Russians visiting *Vkusno i Dot* on average 6.5 times. In the same period last year, the frequency of shopping at McDonalds was 7.4 times. Among Muscovites, the frequency of purchase decreased from 8.7 to 7.5 times.

Respondents' values have a significant impact on subjective brand evaluation factors. In 2022, the importance of the core values of family, security, and honesty remained stable for the Russians. The importance of fairness, financial well-being, attractiveness, patriotism, and social status has increased.

Fast food restaurants are being transformed to fit in the current situation, and with that, the customer is adapting. The main aim is for the market to recover from two crises. Thanks to the fact that foreign producers, and Macdonalds in particular, have managed to gain credibility in the eyes of the Russian consumer and people have grown to like their quality and range, they stand a good chance of achieving positive results in the foreseeable future planning period.

From a theoretical and practical point of view, the materials in this article can be recommended for use in the educational process of economic universities within the proposed topic, as well as for researchers' employees who are in search of new ideas that determine the future direction of civilisational development.

References

1. A.L. Abaev, V.A. Aleksunin, M.T. Gurieva, *Marketing in Branches and Spheres of Activity*-2nd ed. revised and extended (Publishing and Trading Corporation Dashkov and K, Moscow, 2020)

2. A.Y. Borisov, E.V. Aleksandrova, M.I. Scripnikova, N.A. Razina, *Some Promising Areas for the Development of Behavioral Economic (Scopus)*, in International Scientific and Practical Conference Operations and Project management: strategies and trends (Strategies and Trends in Organizational and Project Management), Springer **380**, 198-202 (2022)
3. F. Kotler, Marketing 4.0. Turning from traditional to digital. Foresight technology on the Internet (ESCMO, Moscow, 2019)
4. N.A. Kotova, D.A. Butusova, Marketing in Russia and abroad **5**, 75 (2020)
5. D.A. Lisin, Y.V. Ponomarev, Management and Economy in the XXI Century **1**, 48 - 51 (2017)
6. A.S. Makarova, S.N. Basova, Young Scientist **8**, 122-125 (2017) [Electronic resource] URL <https://moluch.ru/archive/43/5174/> (date of reference: 06.11.2021)
7. N.I. Mikhailova, Marketing in Russia and abroad **6**, 27-29 (2018)
8. N.S. Nosova, Customer loyalty or how to retain old and attract new customers (Dashkov & K, Moscow, 2020)
9. V.V. Nikishkin, M.D. Tverdokhlebova, E.V. Aleksandrova, V.N. Kovnir, Lecture Notes in Networks and Systems this link is disabled **380**, 406–410 (2022)
10. F.F. Reichheld, Sincere loyalty: the key to winning customers for life (Mann, Ivanov & Ferber Publishing, Moscow, 2018)
11. M.I. Skripnikova, Y.I. Smirnov, E.V. Aleksandrova, Bulletin of Plekhanov Russian University of Economics 1(97), 204-209 (2018)
12. J. Fox, How to become a sales wizard. The rules of attracting and retaining clients (Alpina Publisher, Moscow, 2017)
13. D. Jaques, dans Jean-Louis Laville, A.D. Cattani, Dictionnaire de l'autre économie (Gallimard, Paris, 2006)
14. K. Polanyi, *On Belief in Economic Determinism*, in Karl Polanyi's The Great Transformation: Past, Present and Future (State University Higher School of Economics, Moscow, 2006)
15. Romir Research Holding. Brand visibility and trust ratings. www.romir.ru