



MCDONALD'S POLICY AND GLOBAL INTEGRATION PROCESS DURING THE COVID-19 PANDEMIC

Boboqulov Oybek Norbutayevich

University of Information Technologies and Management of the
Republic of Uzbekistan Master's Student in Economics

Tel: 97-200-04-30

Abstract:

This project examines the impact of McDonald's policies and global integration processes during the COVID-19 pandemic. The pandemic has disrupted global supply chains and changed consumer behavior, which has had a significant impact on the restaurant business during its time. The study analyzes the strategies McDonald's has used to adapt to these changes, including digital transformation, menu simplification, increased safety measures, and adaptation to local conditions. From a global integration perspective, the project examines the differences in McDonald's policies and operational practices in different countries. With the onset of the pandemic, McDonald's has been trying to strike a balance between coordinating global policies and responding to the requirements of local authorities. The project covers issues such as adapting corporate policies to local conditions, relationships with franchisees in different regions, and ensuring the sustainability of supply chains.

The results of this project demonstrate McDonald's resilience and innovation during the pandemic. At the same time, they highlight the benefits and limitations of global integration, especially the trade-off between coordinating corporate policies and responding to local needs during a crisis. The findings suggest that McDonald's and other global corporations can be key in developing strategies to prepare for future crises, ensure the stability of their supply chains, and adapt to local conditions.

Keywords: COVID-19, McDonald's, global integration, policy, digital transformation, supply chain, resilience, restaurant business.



Introduction

This project examines the impact of McDonald's Corporation's policy and global integration processes during the COVID-19 pandemic. The pandemic period disrupted global supply chains and changed consumer behavior, which had a significant impact on the restaurant business at the time. The study analyzes the strategies McDonald's used to adapt to these changes, including digital transformation, menu simplification, increased safety measures, and adaptation to local conditions.

The COVID-19 pandemic had an unprecedented impact on the global economy and society at the beginning of the 21st century. The crisis caused by the pandemic led to the disruption of global supply chains, a sharp change in consumer behavior, and new conditions for doing business. This situation has become a serious test for global corporations, including McDonald's. The project examines the differences in McDonald's policies and operational practices across countries. Since the pandemic began, McDonald's has struggled to strike a balance between aligning global policies and responding to local government requirements. The project addresses issues such as adapting corporate policies to local conditions, engaging with franchisees in different regions, and ensuring the sustainability of supply chains.

McDonald's is a leading fast-food chain with more than 39,000 restaurants worldwide. The company is highly integrated globally, with restaurants in different countries operating on the basis of interconnected supply chains, standardized operational processes, and a global brand strategy. However, the pandemic has forced McDonald's to identify weaknesses in this integrated model and the need to adapt policies.

The relevance of the study lies in the opportunity to identify important lessons for global corporations to improve their preparedness for future crises, improve their business models, and remain competitive. The study's findings have helped McDonald's and other global corporations develop strategies to ensure the sustainability of their supply chains, protect employee safety, and adapt to changing customer needs.

This study uses a variety of data collection and analysis methods, including literature reviews, company reports, consumer surveys, and expert interviews.



Based on the results, it identifies the successes and failures of McDonald's pandemic response policies and develops recommendations for the future.

Main part:

McDonald's policy and global integration process during COVID-19 with economic calculations.

The COVID-19 pandemic has caused not only operational, but also serious economic problems for McDonald's Corporation. The global integration process and the adaptation of corporate policy to the pandemic have significantly affected the company's financial statements. The following is an analysis of the main economic aspects and calculations in McDonald's Corporation:

1. Sales dynamics and impact on income:

In terms of sales dynamics, McDonald's global sales in 2020 were significantly reduced with the onset of the pandemic. When we studied the annual accounts of McDonald's Corporation, it was observed that the total sales volume decreased by 10% compared to 2019, that is, the temporary closure of hotels and restaurants, the introduction of social distancing measures, and changes in consumer purchasing power were among the main reasons for the decline in sales. The extent of the decline in sales also varied by region. For example, long-term restaurant closures in Asia-Pacific, especially in China, have had a significant impact on sales. At the same time, the development of drive-thru services in North America has helped to partially offset the decline in sales, as investments in digital platforms have helped to partially offset the decline in sales. Overall, according to economic estimates, McDonald's total revenue in 2020 fell by \$ 5 billion, which is a 15% decrease compared to 2019.

2. Costs and profitability:

Increased operating costs: During the pandemic, McDonald's has faced additional costs to comply with sanitary and hygiene requirements, protect employees and reorganize restaurants. The costs of increasing safety measures, purchasing personal protective equipment and disinfecting restaurants have increased significantly. The company was also forced to increase marketing costs to attract consumers and maintain its brand image. Online advertising campaigns, discounts, and promotions were aimed at attracting consumers.



Declining profitability: As a result of declining sales and increasing costs, McDonald's profitability indicators deteriorated. The company's net profit decreased by 20% in 2020 compared to 2019.

Economic calculation: McDonald's operating profit decreased by \$ 3 billion in 2020. This represents a decrease of 18% compared to 2019.

3. Supply chain and logistics system at McDonald's Corporation:

Supply chain disruption: The pandemic period has led to disruptions in the global supply chain not only at McDonald's Corporation, but also around the world. There have been delays in the delivery of all types of products, price increases, and shortages of some products. McDonald's has tried to address these challenges by working closely with suppliers, diversifying product sources, and increasing inventories. Rising transportation costs, customs duties, and quarantine measures have significantly increased logistics costs. McDonald's has sought to reduce these costs by optimizing logistics processes, finding new supply routes, and partnering with local suppliers. McDonald's supply chain and logistics costs increased by \$1 billion in 2020. This represents a 12% increase compared to 2019.

4. Digital Transformation and Investments:

Investments in Digital Platforms: McDonald's has significantly increased investments in digital platforms during the pandemic. Significant funds have been spent on improving the mobile app, implementing an online ordering system, and expanding delivery services.

Growth in Delivery Service: Delivery service has gained importance during the pandemic. McDonald's has expanded partnerships with delivery services such as Uber Eats and DoorDash and invested in developing its own delivery service.

Economic calculation: McDonald's investments in digital transformation and delivery services exceeded \$500 million in 2020. These investments helped partially offset the decline in sales and create new channels of communication with customers.

Conclusion:

The COVID-19 pandemic has had a significant impact on McDonald's service business, global sales, and profitability. McDonald's has been hit hard by rising costs, supply chain disruptions, and changing consumer behavior.



However, McDonald's has been able to adapt to the pandemic through its relentless efforts to transform itself, including digital transformation, delivery, and operational optimization. These alternative strategies have helped to partially offset the decline in sales and provide a solid foundation for future economic recovery.

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