CLO Business Decision Making Project Part 1

Sales Decline at McDonalds Inc.

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This was an interesting assignment and after much thought, the company I selected is McDonalds. McDonalds is the world’s largest chain of fast food restaurants serving numerous nations across the world. McDonalds restaurant are operated in terms of franchisee, affiliate or the cooperation. The company gains revenue from rent, fees and royalties from its franchises and sales from its operated stores. The company offers different products including hamburgers, chicken, French fries, milkshakes and desserts among many other items. Based on the policy of the company, McDonalds does not make any direct sales of food products instead organizes and supports the supply of food to restaurants through legalized third party operators.

**Sales Decline Problem**

McDonald revenue fell by 11% in the first quarter of 2015, which reflects the adverse sales fall experienced. The company is struggling to improve its sales due to the negative forecasts among its segments. The management of the company is always seeking to improve the competitiveness of the company towards meeting the consumer’s needs. This would help in improving the overall sales growth and performance (Ritchie, Lewis, Nicholls & Ormston, 2013). The newly introduced menu items and promotions failed to attract new customers from its competitors. For example, its stores in France and Russia failed to offset the competition in the UK. This has forced McDonald to close some of its underperforming restaurants in U.S and China.

**Research Variable**

One research variable is units of sales revenues sold by the company. Sales revenues are an important variable, which proves effective in understanding the nature and implications of the sales decline problem. The understanding and research on the amount of the sales revenue will be useful in understanding the problem facing McDonalds Inc. The sales variable is an independent variable, which depends on other variables including the promotion levels and success of marketing campaigns. Thus, the understanding of the variable is critical in promoting the overall research of the sales decline problem.

**Methods of Data Collection**

In the collection of data for the research, the research will rely on both the qualitative and quantitative research methods. This will help in collecting both qualitative and quantitative data for the variables. The qualitative research data involves the information, which is not in numerical form. This could be collected through open-ended questionnaires, unstructured interviews and observations. Qualitative data involves the descriptive data, which helps in analyzing the quantitative data appropriately (Hair Jr et al., 2015). The qualitative method is useful in studying the sales declines problem from the individual stores level and perspective. This becomes increasingly important since the company will be able to directly obtain issues influencing the reduced sales in the stores. Without having a strong perception about the issues affecting sales at the individual stores level, it would be difficult to understand the overall perception of the general problem of the sales decline.

In addition, the collection of the quantitative data will give the researchers numerical form data, which is organized in different units of measurements. The sales variable data obtained could be organized in designed graphs, or tables with the raw data and figures. Conducting experiments on the sales would obtain quantitative data, which could be used to understand the research problem of sales decline. Therefore, it is critical to conduct mixed quantitative and qualitative research methods and data to understand the research problem of declined sales.

**Validity and Reliability of Data**

To determine whether data collection methods would generate valid and reliable data, the evaluation methods become very important. The reliability assessment helps to assess the degree which the methods will produce consistent results and findings. The researchers will have to conduct test retest reliability, parallel forms of reliability and inter rater reliability tests which are important in assessing the degree to which the different researchers relies on the data and how they agree on the reliability of the data and information collected.

In terms of validity, the researchers should rely on the different validity tests and assessment programs to validate the data and information. These include face validity, construct validity, formative validity, and sampling validity. The researcher could rely on the tests to determine the validity of the data and information (Bryman & Bell, 2015). To understand whether the data is reliable and valid, the researcher will observe whether the research data aligns to the subject matter of the research concerns of sales decline at McDonalds.

**References**

Bryman, A., & Bell, E. (2015). Business research methods. New York, NY: Oxford university press.

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Ritchie, J., Lewis, J., Nicholls, C. M., & Ormston, R. (Eds.). (2013). Qualitative research practice: A guide for social science students and researchers. London, UK: Sage.