

### **Health Threats by McDonald's**

**Khogilavaanni A/P Pathmanathan<sup>1</sup>, Daisy Mui Hung Kee<sup>2</sup>, Sivanesswaren A/L T. Pandiyan<sup>3</sup>, Jeyvendranathan A/L Yuganathan<sup>4</sup>, Pria Nanthini A/P Sivakumaran<sup>5</sup>, Yousef Talal Alrashed<sup>6</sup>**

Universiti Sains Malaysia<sup>1</sup>

Correspondence Email: khogilavaanni98@gmail.com

Universiti Sains Malaysia<sup>2</sup>

Universiti Sains Malaysia<sup>3</sup>

Universiti Sains Malaysia<sup>4</sup>

Universiti Sains Malaysia<sup>5</sup>

College of Business Administration, Kuwait<sup>6</sup>

### **ABSTRACT**

McDonald's is an American fast food company, founded in 1940 as a restaurant operated by Richard and Maurice McDonald, in San Bernardino, California, United States. Currently, McDonald's is the world's largest restaurant chain by revenue, serving over 69 million customers daily in over 100 countries across approximately 36,900 outlets. In 2014, McDonald's was ranked fifth place 2014 as Most Valuable Global Brand.

Based on the online research done, the issues faced by McDonald's are price sensitivity, increased competition, health threats and many more. The main issue faced by McDonald's that we are going to focus is the health threats caused by eating McDonald's. The phrase "fast food" has almost a negative connotation these days. The average McDonald's meal contains so much of sodium, unhealthy fat, sugar and empty carbs. In fact, the processed fat in McDonald's food promotes endothelial dysfunction which is linked to erectile dysfunction down the road. Multiple studies have indicated that eating McDonald's food could lead to serious health risks such as heart attack, diabetes and high blood pressure.

The purpose of this project paper is to analyze the challenges or issues faced by McDonald's and suggest some business ideas for the company to overcome the challenges. Online research and brainstorming with group members regarding this topic are one of the crucial methods used to collect information regarding this topic. By suggesting a business idea to McDonald's, it is expected to help McDonald's overcome this issue quicker.

### **CHAPTER 1: INTRODUCTION OF THE COMPANY**

Looking back, there has been a drastic change in the food-habits people have been following around the globe over the years. With the dawn of the fast food revolution, pizzas and burgers have been ruling the taste buds of people around the world. Globally, the fast food industry generates revenues which is higher than the economic value of most countries. It is no secret that 'unhealthy' is a synonym for fast food, it is not called 'junk food' for no reason. However, this trend took a 'U-turn' back to healthy eating habits because of the growing health concerns. People are becoming more diet and health conscious by the day, by limiting and in some cases entirely avoiding fast food and switching over to healthier food options.

McDonald's is well-known for serving up fast, convenient, and affordable meals to millions of people all over the world every year. However, the question remains: is McDonald's healthy? The main issue faced by McDonald's that we are going to focus is the health threats caused by eating McDonald's. The phrase "fast food" has almost a negative connotation these days. The average McDonald's meal contains so much of sodium, unhealthy fat, sugar and empty carbs. McDonald's most famous menu items are higher in salt, calories and sugar than they were 30 years ago, it's been claimed Daniel Jones at The Sun reported that a Big Mac and Filet-O-Fish now has three times the sugar that burgers contained 30 years ago, while regular French Fries have 42 per cent more calories. The statistics from the survey indicate that parents are mostly buying meals with at least one unhealthy item for kids, and that overall, nearly all kids' meal items exceed recommended levels of calories, saturated fat, sodium and sugar. In fact, the

processed fat in McDonald's food promotes endothelial dysfunction which is linked to erectile dysfunction down the road.

Processed food, like McDonald's, eaten on a regular basis or even three to four times a week can have a major effect on one's body. Multiple studies have indicated that eating McDonald's food could lead to serious health risks such as heart attack, diabetes and high blood pressure. McDonald's uses an excessive amount of preservatives to make their food last for long periods of time. Our project provides recommendations on how can McDonald's overcome this issue. McDonald's can introduce menus that use healthier ingredients. Coke and other soft drinks can be replaced with healthier juices. McDonald's can not only introduce vegetable-based food menus but also use vegetable oil instead of oil with meat extract.

## **CHAPTER 2: BACKGROUND OF IDEA**

### Product and Services

Upstart rivals have been able to capitalize on consumer demand for food that is perceived as healthier and made with fresher, natural ingredients. McDonald's has built a global empire based on the consistency of its products, down to the thickness of fries and the number of pickles on a sandwich. But the age of the Big Mac and fries has given way to the age of organic kale and small-batch aioli. McDonalds use Trans - fat and beef oil in their food. Although it is not illegal, it affects badly on customer's health. Consequently, a number of customers who care about their health stop eating at McDonalds restaurants.

There are some steps to solve this type of health issue in McDonalds. This company can develop new products, specifically fresh burger or healthy dessert. McDonald's could announce that they would no longer market their fewer nutritional options and also took some new actions with including fruits and vegetables in many of their menu combinations. McDonald's efforts to compete for health-conscious customers by featuring food choices that are lower in fat, salt or sugar content than its more traditional burger and fries' options. On its menu boards and store promotions, and through advertising campaigns, McDonald's could promote juice, low-fat milk and water as the drink choices in Happy Meals for children, although customers would still be able to buy carbonated drinks.

A new crop of healthy food chains is popping up around the country. These rising companies offer nutritious dishes that are just as affordable, convenient, and tasty as the food served at chains like McDonalds. In the past decade, healthy grab-and-go chains like Sweetgreen, Dig Inn, and By Chloe have launched to appeal to those consumer preferences. Such purveyors specialize in locally sourced, often organic food that has fewer calories than most traditional fast food items and features more vegetables.

Therefore, In a recent survey by Deloitte, [over 75%](#) of respondents reported they had healthy eating habits, and 83% said the typical fast-food menu didn't offer enough healthy choices. This 83% can be reduced by McDonalds if they try to introduce a healthy menu's to customers.

### Market Opportunity Analysis

McDonald's is a business that focusing in the fast food industry. McDonald's is the largest chain of fast food restaurants in the world.[1] It has more than 35,000 outlets worldwide. Throughout its history, McDonald's has experimented with a number of different offerings on the menu.[2] In 2007, McDonald's had only 85 items on its menu. In 2018, McDonald's grew to 145 items on its menu.

McDonald's also starts its journey as the largest fast food industry in Malaysia. McDonald's mission is to be the leader in the Quick Service Restaurant (QSR) industry by maximizing Profits and through our Principles of QSC & V (Quality, Service, Cleanliness & Value) consistent with the needs of our Customer, Employees and Community. McDonald's vision is to be out customers' favourite place and way to eat.

The fast food trend in Malaysia has benefited McDonald's as they are able to capture more customers. They would like to look at convenience place to eat as McDonald's provide it for them. The technology advance has improved McDonald's services efficiency as their customer able to order through phone and online. The growing internet users in Malaysia supported for this kind of service and the 24 hours service will open a revenue window for McDonald's as customers look for quick meal at late night.

The increase of competitions from KFC, Subway, Burger King, and others has made the competition for McDonald's in Malaysia tighter. Customers have more range of fast food being offered and they would have no brand loyalty with one brand. McDonald's need to fight back with their promotion and advertisement to gain the customers feeling. The health concern has become a main treat for almost all the fast food industry as most customers concern on healthy foods. Fast food is considered unhealthy because of too oily. This will reduce the number of customers to purchase fast foods. So, McDonald's should take in count of the health issue to compete with the other competitors.

#### Political, Economic, Social and Technology Environment

Consumers of the 21st century have become more demanding in regard to healthy and safe food putting pressure on food producing and handling companies. When it comes to food preparation Proper hygiene is very important. McDonald's must respond to political laws and influences in over a hundred countries. Like any other restaurant, they must comply with health and hygiene regulations. If their food doesn't hold to by a certain regulation, they would be shut down. Their employees must also believe in and follow the practices to all food and health laws while working in any given location. To handle such a high-pressure environment, McDonald's can practise several methods to ensure high standards. They can use automation in large part of process to remove the inconsistencies that result from human cooking. Moreover, by ensuring that there are multiple processes in place, so that even if something were to go wrong with one of McDonald's processes, it is picked up by another and there isn't a safety issue as a result. Another layer of protection that multi-site businesses can add is wireless food safety monitoring. It means that food safety managers can see what is going on across the whole business in real-time from any location.

Besides political environment, McDonald's is affected by economy of each country they operate in. Purchasing their raw material is one of the smartest decisions that McDonald's should make. Number of tariffs and tax payments are the important criteria that they always took into consideration. Additionally, McDonald's should factor in the unemployment rate of each location they're in. The company is known for its high turnover rate, meaning they hire and lose workers on a consistent basis. But the McDonald's will face the real struggle at the place where the rate of unemployment is higher.

McDonald's is always facing a negative brand image across the globe. This is because they are having consumers who are jumping on the intermediate fasting bandwagon. They're seeking ways to strengthen their bodies without sacrificing health. McDonald's is trying solve this. You can swap out high sugar ingredients in their drinks for a low-calorie alternative. And, as mentioned above, they've recently come out with high-protein smoothies. However, consumers are still complaining about the high sugar content in these drinks. It's not an easy task for McDonald's to shed its unhealthy image, but it's necessary if they want to survive among other fast food companies who are reshaping their menu for their customers.

As the technological environment it doesn't seem McDonald's has a strong need for technology like other retail giants. The technology they use is necessary to improve staff productivity, communication amongst teams, and produce food as quickly as their customers expect. McDonald's is also active on social media. They use Facebook and Instagram ads to nab their customers' attention with their new or returning offerings. Although McDonald's is incredibly well-known (and needs a little introduction), not capitalizing on social technology will only give their competition, like Wendy's, known for their witty and hilarious Twitter conversations, an advantage.

### **CHAPTER 3: JUSTIFICATION OF IDEA**

McDonald's takes great pride in serving its customers around the world every day with safe and high-quality food. The ability of McDonald's suppliers to deliver safe and high-quality products that consistently meet our requirements, as well as all applicable laws and regulations is of critical importance to the continued success of the McDonald's System. McDonald's is one of the socially responsible companies also, McDonald's maintains a high-quality food from sustain suppliers such as farmers as so on, when we compare McDonalds with the other "fast food sector" McDonalds is one of the tops in all aspects. Be looking to the social things that McDonalds are making in the communities the McDonalds operate in we found that McDonald focus on energy efficiency, sustainable packaging, waste management and green restaurant design. Environmental Scorecard for McDonald's suppliers is to measure and reduce their water, energy, air and waste impact from the Sustainable fish supply in 2007, more than 91 percent of fish for McDonald's originated from sustainable fisheries Rainforest Protection Policy in place since 1989, commitment to refuse beef sourced from rainforest areas Evolution of nutrition information disclosure which began in 1973 completed rollout of Nutrition Information Initiative Workplace recognition recognized by the Great Place to Work Institute in over 30 countries where we operate.

We have to know is not always a matter of healthy and unhealthy food, it's a matter of a socially responsible company or not. When we look at McDonalds we like at a true social responsible firm who want to make profit and caring about customers and environment as well, we should all respect this policy because when we talk about a company who should seek profit it's difficult to make good profit and being "green" or environmental friendly and maintain customer value. When we look at the food safety and quality issue "Food safety is a never-ending process for McDonald's, from raw materials, through the facilities and distribution centers, and all the way to the restaurants," says Lamont Rumbors, director of quality systems for McDonald's USA. "It's a top priority at McDonald's. It's a fundamental standard of our business and our heritage, and will never be compromised."

McDonalds also have a Supply Quality Management System (SQMS) which works to maintain a safe and a high-quality food for their customers. The expectations outlined in this system are essential for the effective management of food safety and quality by all McDonald's food suppliers. McDonald's food suppliers must have food safety management systems in place, including Good Manufacturing Practices (GMP), sanitation programs and a verified Hazard Analysis Critical Control Point (HACCP) plan, as well as crisis management and food security programs. In 2010, after consultation with experts from our food supplier partners, external inspection firms and internal McDonald's key staff, our SQMS was updated. In addition to our own programs and policies, we have been leading the effort in harmonizing food safety standards and audits within the food industry by working with the Global Food Safety Initiative (GFSI). This will allow our suppliers to reduce redundant audits and focus their resources on continuous improvement activities.

Management commitment is a critical step to create a positive food safety and quality culture. Supplier management from all levels of the organization shall provide measurable evidence of its active engagement and commitment to the Supplier management shall also ensure that appropriate communication processes are established within the company and that communication takes place regarding the effectiveness of the food safety and quality management systems, development and implementation of the food safety and quality management systems. Supplier management shall continually improve its food safety and quality management systems effectiveness by clearly identifying the necessary skills and competencies for all of its employees with functions having an impact on delivering safe and quality products to McDonald's restaurants.

Supplier management shall review the company's food safety and quality management systems at planned intervals (at least annually) to ensure its continuing suitability, adequacy and effectiveness. This review shall include an assessment of opportunities for improvement and the need for changes to the food safety and quality management systems as identified by supplier or required by McDonald's. In some countries, there are regulatory requirements that a qualified



person or persons must be involved in such review. Suppliers shall have processes and procedures in place to ensure training and implementation of employee hygiene practices. Such practices shall result in the sanitary handling and delivery of safe and quality products to McDonald's restaurants.

Equipment used in the manufacturing of food shall be of hygienic design and located to allow proper maintenance and cleaning to protect the food product from allergen cross contact and contamination of food, food contact surfaces or food packaging materials. Equipment shall be in good repair to assure that production of product meets food safety and quality requirements.

#### **CHAPTER 4: APPLICATION OF IDEA**

Sometimes a simple mistake can have grave consequences. What may seem like a small food safety mistake can cause serious illness with long-term consequences. Food safety is very important especially for McDonald's which has built a global empire based on the consistency of its products. From the field to the front counter, McDonald's quality ingredients go through many comprehensive safety and quality inspection checks. McDonald's food safety standards meet or, in many cases, exceed government regulations. To avoid such cases, they can use automation in large part of process. It will help to remove the inconsistencies that result from human cooking. The machine wirelessly collects multiple orders from a bank of self-service menu kiosks, displays the names of the guests whose orders are being prepared, pipes the various ingredients from refrigerated hoppers into a spinning wok to be cooked and tossed, and dumps the hot meal into a compostable bowl waiting on the counter below. Only then does a human handle any part of your meal, adding fresh ingredients and handing over the order, a process designed to take as few as three minutes.

Disadvantages of automated equipment include the high capital expenditure required to invest in automation. For instance, an automated system can cost millions of dollars to design, fabricate, and install. A higher level of maintenance needed than with a manually operated machine, and a generally lower degree of flexibility in terms of the possible products as compared with a manual system.

Another important aspect of food safety is ensuring that there are multiple processes in place, so that even if something were to go wrong with one of McDonald's processes, it is picked up by another and there is not a safety issue as a result. Moreover, we can able to identify the fault in each process to correct it. We cannot do this to one straight process mechanism because all the things have to be done from previous. But the disadvantages of using multiple processes in food production in fast food restaurants can lead to consume a lot of time. This can make a disappointment to the customers because the food they ordered have to come across multiple process which make them to wait.

Cleanliness is Happiness. Cleanliness, hygiene, and sanitation are the most important aspects in the restaurant business. Regardless of how tasty your food maybe, you dishes creative, and your service excellent, consumers will not want to flock to your establishment if it is not clean. The local department of health automatically closes anything below a C down. Food hygiene means the cleanliness associated with food. Many people associate this with washing hands before eating. But good food hygiene extends beyond this. Poor food hygiene is the cause for many avoidable diseases and even deaths.

Importance of cleanliness related to food starts with the preparation of food. The raw substances used for cooking should be washed thoroughly with water before being cooked. Greater attention is needed for something which would be consumed raw, as salads or fruits. If possible, they should be cleaned with hot water. This is because there is risk of contamination of the vegetables or fruits with soil containing infectious germs. Many microbes like the ones causing typhoid, gastroenteritis, diarrheal diseases, abdominal cramps, even liver infections, among others, are passed in stools of infected persons and mix with the soil. This contaminated soil can become the source of propagation of infection.

More attention is needed in case of cleaning of meat products. Raw cut or uncooked meat can be a source of serious infections like toxoplasmosis, neurocysticercosis, etc. The surface used for cutting the meat, the knife used should be very clean. If possible, the meat handler should wear gloves before handling the meat. Meat should be cooked well before being consumed. Whether one takes vegetable products, milk or meat products, it should be ideally freshly prepared. Freshly cooked meals are always more nutritious, palatable and also hygienic. Many microbes tend to multiply in stale food, which can be toxic to even the liver and kidney. Refrigeration is not 100 per cent safe. Microbes causing dysentery like salmonella, neurological infections like listeria can grow in refrigerated food substances. Refrigerated food should not be reheated and consumed many times. Cooked food should be covered well if there is a delay in eating. Open food items attract dust and flies, both of which harbor and transmit infectious germs.

Cleanliness during serving of food is equally important. Persons involved in both cooking and serving food should have clean hands and trimmed nails as microbes can harbor in the grime and dust below nails if one has big nails. The serving vessels, spoons, plates and other cutlery to be used needs to be very clean and grease free. Because, unclean vessels and cutlery can become source of acquiring and transmitting germs.

Eating from common plates and using common cups and glasses for drinking may be a way of showing affection and camaraderie but is also a source for transmission of germs. Microbes living in one's mouth as harmless commensal can pass into another person's body through common cutlery, among others, and may make him sick if his immunity is low. Washing hands before eating ensures prevention of many diseases. It is also vital to see that garbage generated during cooking, serving and eating of food should be thrown in a waste basket or pit with lid for manure. It should never left open to rot as that attracts disease transmitting flies and pests. The government's directives in public restaurants, hotels, among others, regarding food hygiene are useful in preventing food poisoning.

So, McDonald's should focus on this type of cleanliness of restaurant so that customers are attracted to their services cause customers often demand clean services.

## **CHAPTER 5: RECOMMENDATIONS**

There are a few recommendations on how to overcome the health threats caused by

McDonald's, which includes:

### **1. Introducing healthier burgers and desserts in the menu**

McDonald's could introduce menus' featuring food choices such as burgers filled with varieties of vegetables or burgers complemented with fresh salads that are much lower in fat, salt or sugar content than its more traditional burger and fries' options. McDonald's could also promote juice, low-fat milk and water as the drink choices in Happy Meals for children. This way children would not have to drink carbonated drinks when they order Happy Meal. Carbonated drinks to be consumed by children at young age is no good because sugar-laden drinks have been proven to increase cases of Type 2 Diabetes

### **2. Implementing a tight selection process of McDonalds' food suppliers through**

#### **Supplier Management System**

Supplier management shall review the company's food safety and quality management systems at planned intervals (at least annually) to ensure its continuing suitability, adequacy and effectiveness. Food suppliers should be chosen wisely because it is through the food ingredients that they supply, McDonald's prepare its burgers and other food items. The expectations outlined in this system are essential for the effective management of food safety and quality by all McDonald's food suppliers. When suppliers of McDonalds' are inspected and chosen wisely

through a tighter system, we can ensure that there will be no issues in preparing customer's orders as the ingredients used are of good quality and safe to consume by customers.

### **3. Using hygienic designed equipment in manufacturing process**

Equipment used in the manufacturing of food shall be of hygienic design and located to allow proper maintenance and cleaning to protect the food product of McDonalds' from allergen cross contact and contamination of food, food contact surfaces or food packaging materials. Equipment shall be in good repair and inspected from time to time to assure that production of product meets food safety and quality requirements.

### **4. Using automated equipments in processing customers' orders**

To avoid McDonald's food safety standards meeting or, in many cases, exceeding government regulations, they can use automation in large part of process. It will help to remove the inconsistencies that result from human cooking.

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