

Chapter 2 Marketing Question #2

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Well, a company like McDonald's can use their licensing to establish a product within the market and to build a brand that will grow and mature. Making smart branding decisions up front is crucial since a company may have to live with their decisions for a long time. McDonald's can use their resources wisely to produce marketing that is targeted and effective with the understanding of the marketplace. In addition, McDonald's has a brand (hamburger patties) that most people enjoy eating.

Wherefore, licensing adds dimensions to their business. Companies like McDonald's with licensing can obtain a higher return on an investment and justify the cost that incurred in designing and offering their proprietary software solution(s). According to (How Brand Licensing Can Help Lead Your Expansion, November 2022, <https://www.forbes.com/sites/forbesbusinesscouncil/2022/11/15/how-brand-licensing-can-help-lead-your-expansion/>), licensing also benefits core businesses by allowing them to create a revenue stream with minimal investment. Allowing McDonald's to allocate funds internally toward more risky projects. Furthermore, licensors can keep an eye on licensed products. While their internal team develops the rest of their business.

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Reference

- 1) How Brand Licensing Can Help Lead Your Expansion, November 2022,
<https://www.forbes.com/sites/forbesbusinesscouncil/2022/11/15/how-brand-licensing-can-help-lead-your-expansion/>)