

McDonald's®

TO: Amanda Mabry
FROM: Kerry Gudjonis
SUBJECT: Individual Brief
WHEN: December 13th, 2016

Introductory Paragraph

Throughout this brief I will be analyzing key information regarding the McDonald's brand, such as category and competitive data as well as target audience findings. I will then use that data to develop insights that I will use to propose McDonald's next marketing campaign, including my "big idea" as well as mock-up ads.

Brand Overview & History

McDonald's is a fast food restaurant that specializes in burgers, however the menu has a great amount of variety (including salads, desserts, and coffee products) in order to cater to the needs and desires of a wide range of demographics.

Created: April 15, 1955 Originally by Dick and Mac McDonald, then later bought and brought to life by Ray Kroc

History: Kroc came across McDonalds when it was run by Dick and Mac, he was thoroughly impressed with the way in which they operated, focusing on a small menu to ensure quality and speed. The brothers were looking for a new agent so Kroc saw it as an opportunity to do something great. It was said that his goal was to "serve burgers, buns, fries and beverages that tasted just the same in Alaska as they did in Alabama."

Current Owner: Steve Easterbrook

Category Information

Category: Quick Service Restaurants

Despite yearly growth, the fast food industry has been in a bit of slump due to the rising popularity of fast, casual restaurants. However, the market is expected to show an annual growth of 2.5%, which shows promise.

Market Leader: McDonald's

Direct Competitors

Burger King
Wendy's
Five Guy's

Indirect Competitors

Chipotle
Subway

Sales Figures for Fast Food // Quick Service Restaurants:

RANK ▲	COMPANY	2015 U.S. SYSTEMWIDE SALES (MILLIONS)	2015 U.S. AVERAGE SALES PER UNIT (THOUSANDS)	NUMBER OF FRANCHISED UNITS IN 2015	NUMBER OF COMPANY UNITS IN 2015	TOTAL UNITS IN 2015	TOTAL CHANGE IN UNITS FROM 2014
→ 1	McDonald's	\$35,800.0	\$2,500.0	12,899	1,360	14,259	-91
2	Starbucks	\$13,300.0	\$1,062.2	4,962	7,559	12,521	303
3	Subway*	\$11,500.0	\$424.3	27,103	0	27,103	145
→ 4	Burger King*	\$9,530.0	\$1,337.4	7,074	52	7,126	-16
5	Taco Bell	\$8,820.2	\$1,460.0	5,227	894	6,121	170
→ 6	Wendy's*	\$8,811.9	\$1,540.0	5,090	632	5,722	-58
7	Dunkin' Donuts*	\$7,620.0	\$903.8	8,392	39	8,431	349
8	Chick-fil-A	\$6,825.9	\$3,977.3	1,646	337	1,983	96
9	Pizza Hut	\$5,703.8	\$725.0	7,311	511	7,822	-109
10	Panera Bread	\$4,900.0	\$2,500.0	1,071	901	1,972	92
~							
→ 26	Five Guys	\$1,319.5	\$1,123.0	813	402	1,215	52
27	Culver's	\$1,196.0	\$2,183.8	552	7	559	31

Shifting Trends:

The Fast food industry has been facing increasing competition from Fast-Casual restaurants, such as Chipotle and Panera Bread. This is due in large part to the recent cultural trend in health consciousness. This has lead to growing consumer desires for fresh and healthy food that has been grown or raised responsibly, a theme that the fast-casual industry is centered around. In an effort to keep up, many fast food restaurants, McDonald's included, have been re-evaluating their food processing methods to emulate those of the Fast Casual restaurants, such as using locally sourced food.

Emphasis on Digitalization:

In the age of this digital revolution, consumers have stated their interest in a more digital or technological experience when it comes to dining. McDonald's has made it their mission to pioneer a modern fast-food experience that will likely revolutionize the dining out experience as we know it. In 2016, the company announced it's new concept of touch-screen ordering, in which the costumer will place their order via a digital station. Once placed, they will wait for their meal at a table until a worker deliver's it to them. This concept is ground breaking, as it allows for a greater customer service experience by eliminating the barrier of the counter. It also modernizes McDonald's image, therefore reaching out to a younger, more tech savvy generation.

Competitive Analysis

	Average Price of a Burger	Bundle Options	Breakfast Options	Healthy Options	Kids Options
McDonalds	\$1 - \$4	McPick 2 for \$2	Yes, All Day	2 Salads, Grilled Options, Wraps, Apple Slices, Oatmeal	Happy Meal w/ Toy, Mighty Kids Meal w/ Toy, Playpens
Burger King	\$1 - \$7	None	Yes, Limited Hours	2 Salads, 1 Veggie Sandwich, Oatmeal	Kids Meal w/ Treat
Wendy's	\$2 - \$7	4 for \$4	None	Many Salad Options	Kids Meal w/ Side
Five Guys	\$5 - \$9	None	None	1 Veggie Sandwich	None

Feature 1: Bundle Options

This feature has benefited the brand by allowing customers the choice not to choose. This makes the customer feel as though they're getting more while still spending the same amount or less. This feature has increased overall sales.

Feature 2: Breakfast Options

There are only 3 meals in a day, it is within a restaurants best interest to capitalize on all 3 meals rather than focus on 2, especially if they wish to reach out to a wider range of psychographic needs while also keeping up with the competition.

Feature 3: Healthy Options

There has been a cultural shift, especially among millennials, towards health consciousness. Consumers care about what they are eating and where it came from. Any fast food restaurant that doesn't build on this trend will fall behind.

Competitive Map



When deciding between burger places, consumers look for a restaurant that offers the highest quality food without breaking the bank. McDonald's has always been valued for their low prices. However now that they are altering their food making methods and procedures, they will also become known for their high quality products and service.

SWOT

McDonald's lack of healthy options has always been a weakness due to cultural shift towards health consciousness, their recent advances on their menu and food quality procedures should conquer that weakness.

An opportunity that McDonald's has recently capitalized on is modern technological upgrades to the way in which customers place orders. In the process this update will decrease negative connotations towards the restaurant while improving customer service.

McDonald's biggest threat is it's competition among fast food as well as fast-casual restaurants which have steadily been gaining market share in the QSR industry. McDonald's hopes to stay in the game by catering to millennials desires.

Global Reach // Accessibility			Lack of Healthy Options
Family Friendly			Negative Connotation
Affordable			Poor Customer Service
	S	W	
Increase in Healthier Options	O	T	Cultural Shifts Towards Healthier Lifestyles
Technological Advances			Competition Among Fast-Food Burger Places
Menu Upgrades			Shift Towards "Insta-Worthy" Meals

Target Audience Profile

Primary Target Audience: Millennials

Demographics:

Age: 18-36

Income: \$25-4\$8K

Marital status: Only 21% married

Mostly US born

23% w/ Bachelors Degree or Higher

Psychographics:

Less likely to own cars

Desire authenticity when shopping

Believes technology makes their lives easier

Spends most time on Facebook in comparison to other social networks

They care about a brand's social impact

Positioning Statement

For young adults, ages 18-36, who appreciate a modern and convenient dining experience, McDonald's is the quick service restaurant that offers state of the art technological advances while maintaining a strong dedication to high quality service and food.

Data shows that McDonald's target audience (millennials):

Believe technology makes life easier:

I chose to highlight McDonald's recent strategies to modernize their restaurants and set the bar for all other restaurants in the digital age.

Care deeply about a company's commitment to health and wellness:

I also brought to attention McDonald's devotion to their customers. Whether it's improving customer service or setting new dietary goals to be reached; McDonald's cares.

Brand Persona

Casual

Although McDonald's is implementing drastic changes to its menu and brand experience, it is still a fast food restaurant that strives for customer convenience and satisfaction.

Trustworthy

McDonald's is going above and beyond to listen to the wants and needs of consumers and implementing changes that tend to those desires. They are a company that listens and truly cares for its customers.

Modern

McDonald's realizes that times are changing, and rather than live in the past they are taking strides towards the future by offering state of the art advances in digital dining that will improve customer service and satisfaction.

Michelle Obama is a woman who embodies the core values of McDonald's. She is a strong, contemporary woman who cares deeply for the health and wellness of all citizens. She simply radiates trust and will stand up for what's right.

Archetype: The Innocent

McDonald's driving ambition is simple: to make its customers happy. They always emit optimism and strive to do no harm.

Think: Coca Cola, Dove, Disney



“Big Idea”

Tap Into Happiness

Message:

With McDonald’s state-of-the-art digital dining, happiness is just a few taps away.

Support

This idea is structured around McDonald’s recent technological advances that utilize “digital stations” and touch-pad ordering screens instead of cashiers. It is a pioneer concept that will likely determine the future of how all other fast food restaurants operate, in order to compete with fast casual restaurants.

The campaign that I am envisioning is high-tech and will really hype up the new idea of “digital dining”. By doing so, it will generate buzz and interest among the millennial crowd, which is McDonald’s target consumer and also biggest skeptics. It is shown that millennials appreciate the convenience of technology, so promoting an advanced fast-food dining experience will grab their attention and get them in the door.

Once the customers see for themselves the unique experience that McDonald’s has to offer, they will also notice the steps McDonald’s has been taking to become more health conscious, including personalization options. As well as their numerous goals that strive towards a more environmentally-friendly food making process. (Another feature that millennials deeply value)

This campaign will prove that McDonald’s has been listening to the concerns of consumers, and now it’s time to show them all that is waiting for them behind the shiny new screens. And it’s all just a few taps away.

Execution Examples



This is an example of a form of interactive guerrilla marketing would be placed around cities in which the new touch screen stations have been implemented. It will be a fun way for customers to interact and test out the new system.



The McDonald's app will feature a limited edition quiz-game that a customer can play to receive a free item, such as a small fry, ice cream, or an entree item of their choice. This idea incorporates the tech-savvy aspect since it is a smart phone and also gets people into the restaurant to get their free item.

Citations

"Fast Food Industry Analysis 2016 - Cost & Trends." Fast Food Industry Analysis 2016 - Cost & Trends. N.p., n.d. Web. 13 Dec. 2016.

Whitehead, Shelly. "The Behemoth Moves: McDonald's Makes Major Menu Changes." Www.qsrweb.com. N.p., 01 Aug. 2016. Web. 13 Dec. 2016.

Strom, Stephanie. "McDonald's Introduces Screen Ordering and Table Service." The New York Times. The New York Times, 17 Nov. 2016. Web. 13 Dec. 2016.

Strom, Stephanie. "All-Day Breakfast Helps Lift McDonald's Out of Its Slump." The New York Times. The New York Times, 23 Apr. 2016. Web. 13 Dec. 2016.

Strom, Stephanie. "McDonald's C.E.O. on All Day Breakfast, Hourly Wages and Wall Street." The New York Times. The New York Times, 12 Nov. 2015. Web. 13 Dec. 2016.

@qsr magazine. "The QSR 50." QSR Magazine. N.p., n.d. Web. 13 Dec. 2016.

"Millennials: Breaking the Myths." Millennials: Breaking the Myths. N.p., n.d. <http://www.nielsen.com/us/en/insights/reports/2014/millennials-breaking-the-myths.html> Web. 13 Dec. 2016.

Staff, Editorial. "Fast Food Menu Prices - Don't Be Surprised By The Cost of Fast Food." Fast Food Menu Prices. N.p., n.d. <http://www.fastfoodmenuprices.com> Web. 13 Dec. 2016.