

# Hanna C & Angie E

MKT 805 - 01  
Assignment #3



**Employee / Customer  
Service Interaction**



**Improve Digital  
Platforms**



**Revamped Menu**



**Strong brand and  
Customer Trust**



# Executive Summary

## An Analysis of McDonald's current performance

### Situation:

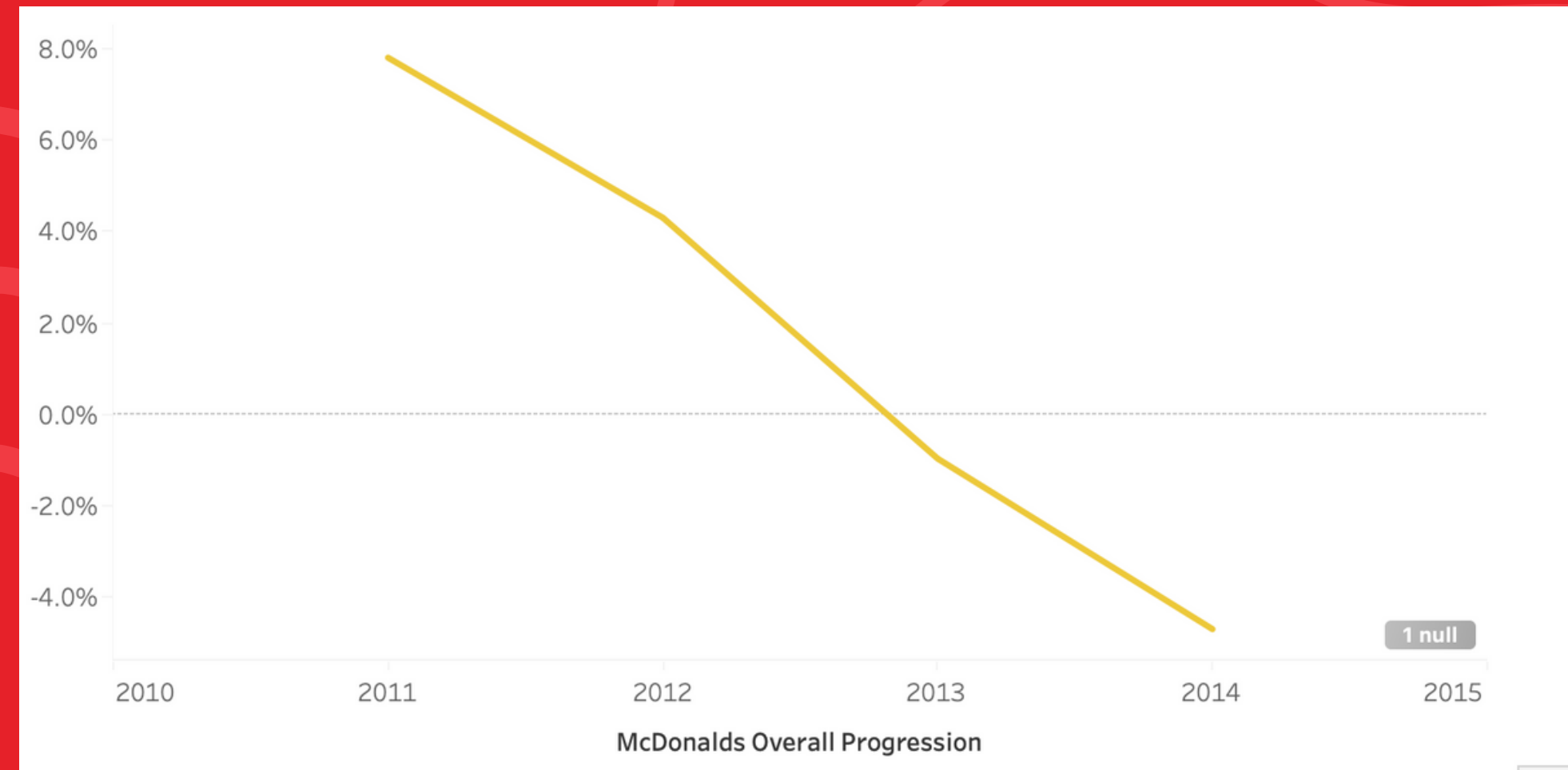
Since 2011 McDonald's performance has been dropping continuously to be considered one of the worst results across all critical areas of the company.

In 2012 Sales growth fell by 1.8%, and the stock share price dropped from outperforming everyone in 2011 to 2012.

Furthermore, our overseas sales were affected by currency exchange, international political problems, and significant scandals.

Additionally, consumers find our menu complex and do not trust our ingredients' quality.

Finally, we have considered being a source of the obesity epidemic affecting our country.



# The 5 Steps on the path to recovering our burger status

The plan behind the healing process of McDonald's

## Question:

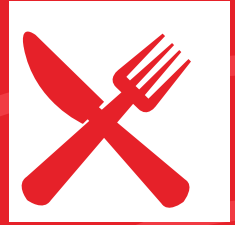
How can McDonald's regain the trust of customers and create loyalty to the product they offer?

Steve Easterbrook, the new CEO of McDonald's, has developed a plan that focuses on five strategic areas that need to be assessed based on the company's latest performance.

- Menu
- Product Quality
- Target a new market demographic.
- Employee experience
- Fast food vs. Fast Casual approach



# Recommendations



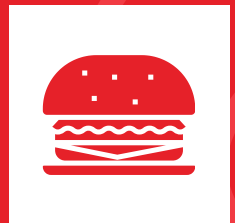
**Revamped Menu**



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# Menu



Any strategy to follow must first assess the core problem McDonald's is facing: The Menu

## PRODUCT QUALITY

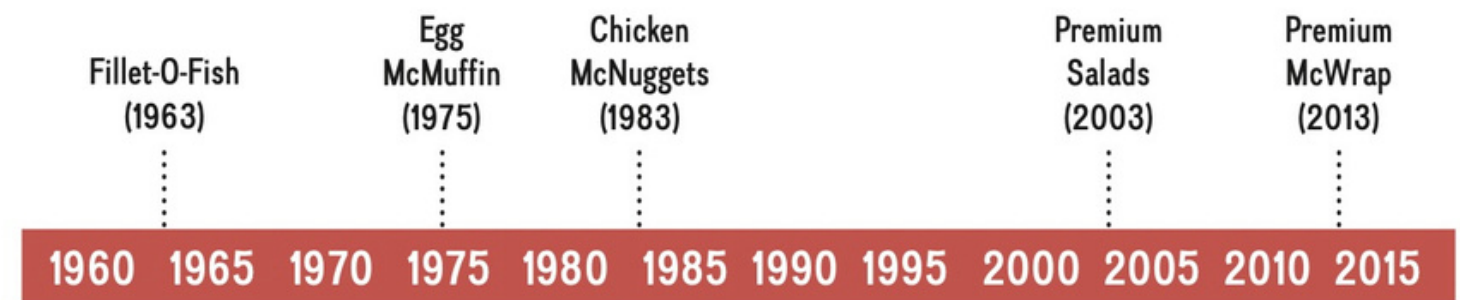
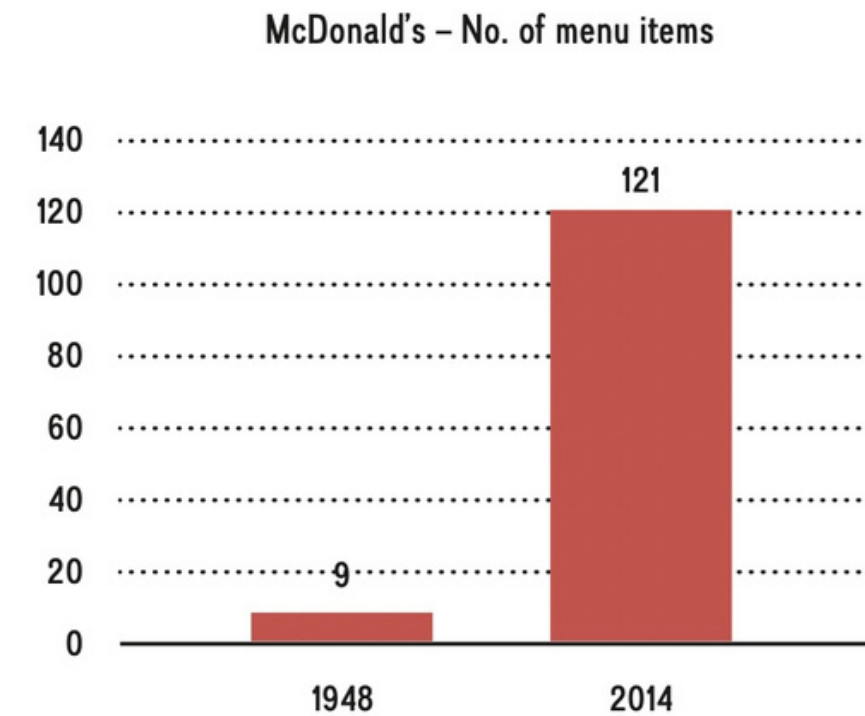
The company will review its ingredients and food preparation procedures to ensure that McDonald's clients get the best products.

## MENU COMPLEXITY

We will redefine our menu to provide an easy understanding of the options. A fast customer service. And the delivery of a quality product.

## FOOD PROVIDERS

We will improve the food quality by ensuring we are using free growth hormone animals and fewer preservatives. We are also, cutting antibiotics used in our chicken or meat supply.



# Regaining our place on the market

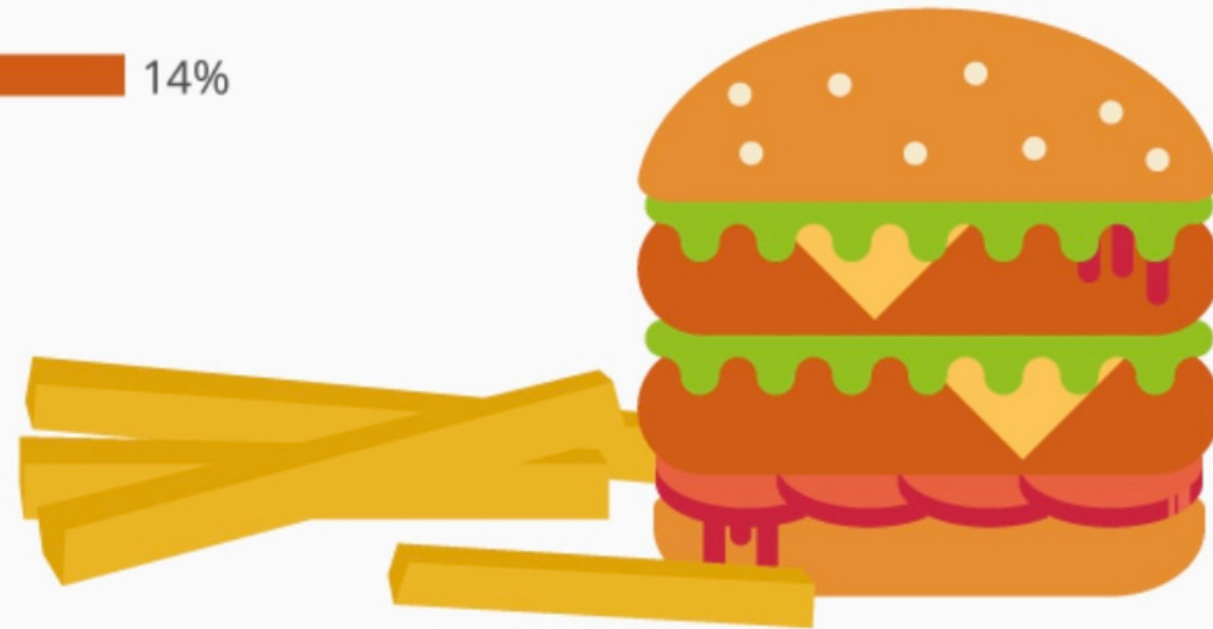
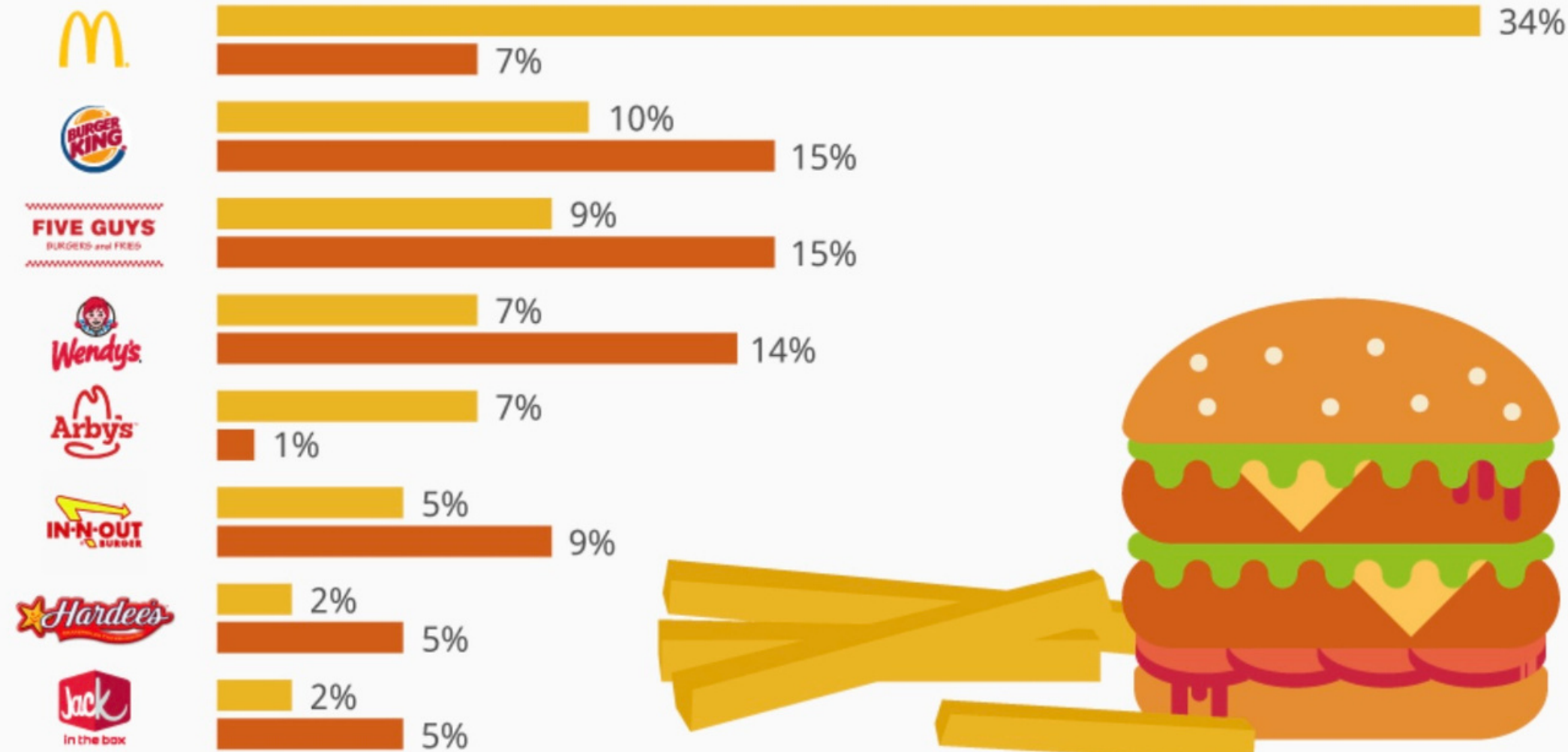


Any strategy to follow must first assess the core problem McDonald's is facing: The Menu

## Which Fast Food Chain Has The Best Burger & Fries?

% of Americans saying the following make the best burger/fries

Fries Burger



We need to remember Ray Kroc's four main principles: quality, service, cleanliness, and value.

Market research indicates that the typical American dines out five times per week. But only 11 to 12 percent of these meals are eaten at McDonald's.

A sub-segment of the fast-casual restaurant industry is the premium burger segment, which grew 10 times faster than traditional fast food chains from 2008 -2013.

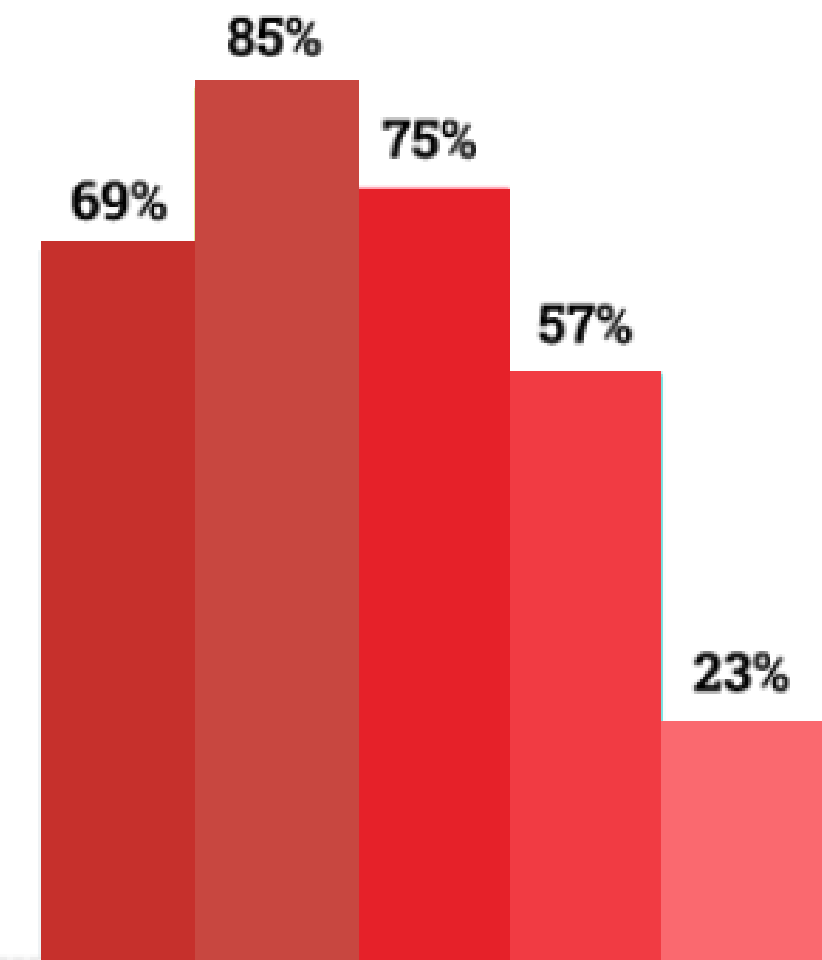


# Digital Platforms




## Social Media Presence


- Overall (18+)
- Millennials (born 1981-1996)
- Gen Xers (born 1965-1980)
- Baby Boomers (born 1946-1964)
- Silents (born 1945 and earlier)



Use social media

@McDonalds

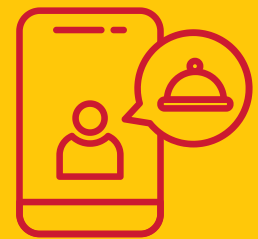
 **Media**  
Create a positive voice for the brand, and complete transparency.

 **Why?**  
Social media is a large part of the Millennial crowd in which we want to appeal to.





# Customer Service Improvements



## Customer Interactions

Improving customer interactions will create trust between the brand and the customer, driving an increase in sales.



## Raise Wages

Raising the Wages will encourage the workers to perform their duties to the best of their ability.



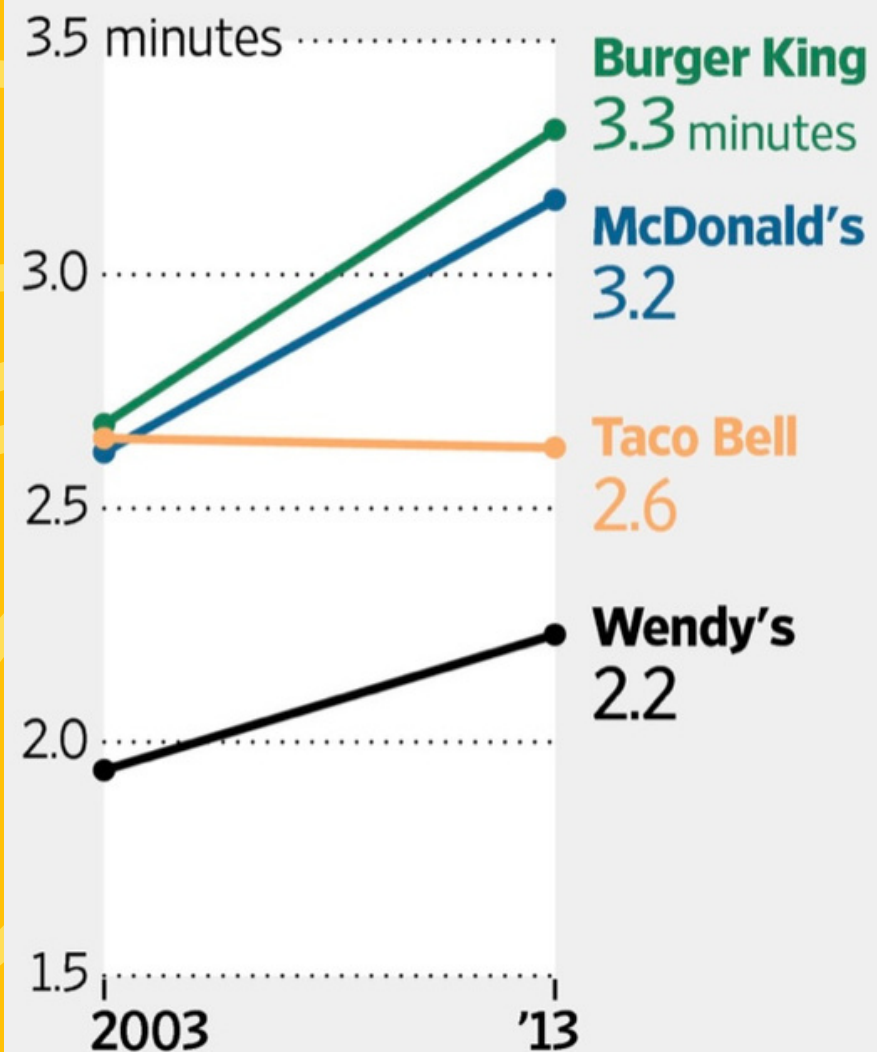


# Fast Food should be Fast



## Slower Window

Drive-thru wait times at selected chain restaurants



**McDonald's** is one of the most successful fast-food chains in the world, serving millions every day.

The drive-thru speed is directly affected by the complexity of the menu and the coordination required for making every item.

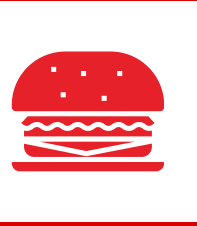
Moreover, our employees should be trained to take orders fast and accurately.

Nevertheless, quality should never be compromised. The freshness, taste, and presentation are the core of our reputation. We cannot allow space for reputational risk.

**According to a survey, nearly 40% of all the orders at McDonald's are made through their drive-thru.**



# A strong selling brand provides trust to consumers



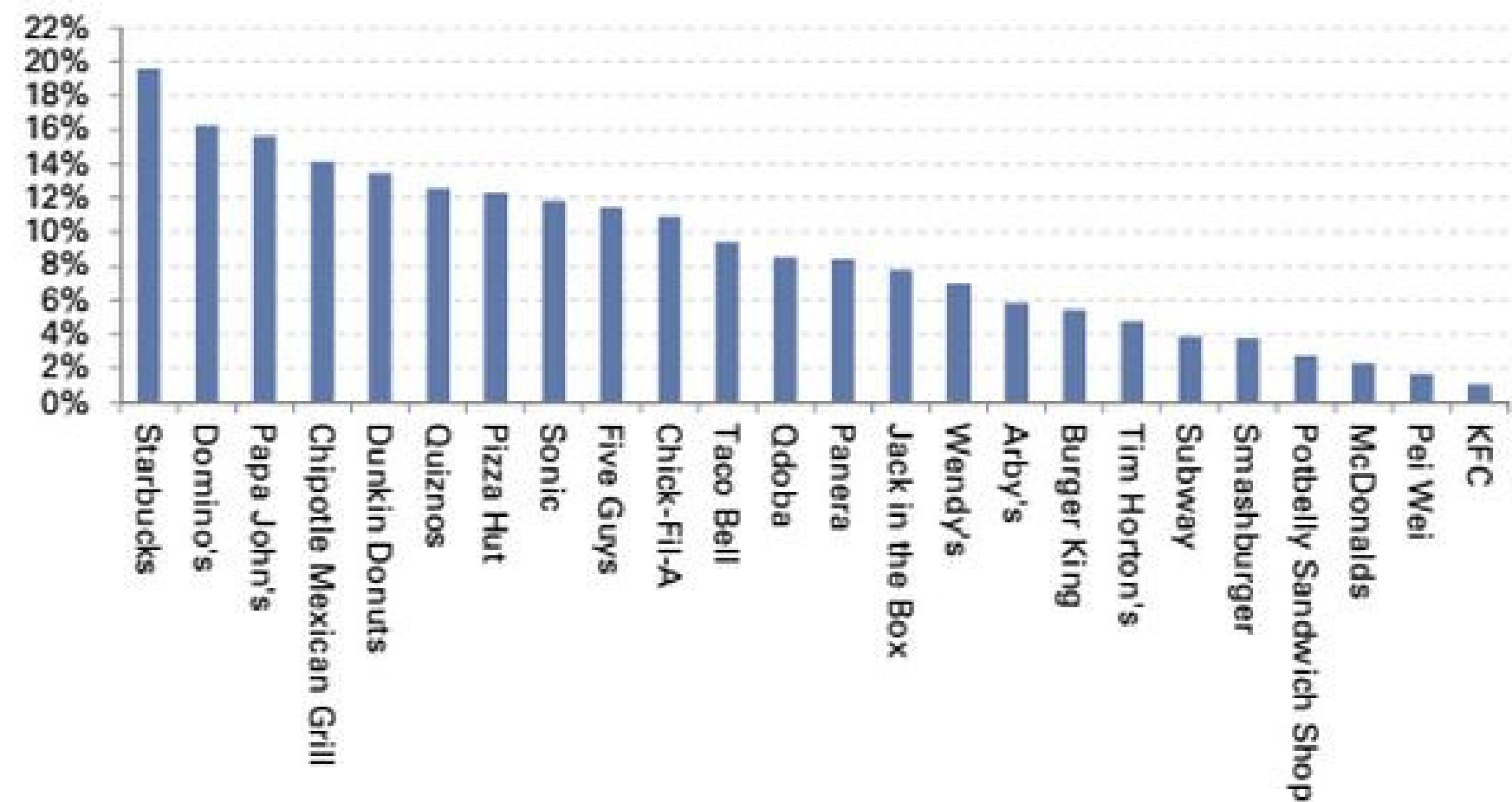
Showing appreciation for consumer feedback makes a business stand out from its competitors.

Fast food restaurants dropped 3.8%, but McDonald's fell by 6% from 2014, holding the firm in the last spot. McDonald's must show consumers that it can be "fresh and healthy" and "fast and convenient."

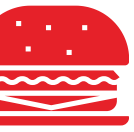
McDonald's weakening position in the industry is due to its failure to develop effective marketing strategies that respond to the needs of young consumers. Millennials are looking for environmentally conscious brands that are part of their healthy lifestyle.



**Exhibit 19: QSR: CMG/DPZ/CMG most over-index to Millennial consumers**  
Delta in conversion scores (% of those aware who have visited a given concept in the past year), Millennial consumers vs. Aggregate population, QSR



Source: Goldman Sachs Survey of 2,000 US consumers



# Why eat McDonalds?



## Ethically Sourced Food

Improving the sourcing of the food, and creating transparency through the menu options.



## Taking Suggestions

A menu made for customers who value their health allows conversation as to how McDonald's can appeal to the healthier demographic.



## In the Community

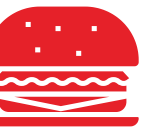
McDonalds values its community, by eating McDonalds 3% of your order goes to providing clean water to farmers.



## Kitchen Improvement

The appliances in McDonald's have been drastically improved to accommodate healthier food options and efficiency.





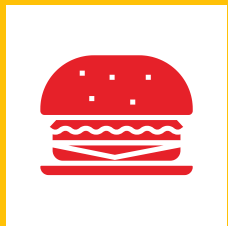
# Let's make the customer our creators

Steve Easterbrook had a fabulous idea to give McDonald's the opportunity to recreate their chain/menu based upon the geography and demographic most served!

According to a study that took a sample of restaurants throughout the U.S., approximately 63% of restaurants had a positive reaction to menu changes based on their location.

We are going to follow a three-pillar plan “brand direction, freedom within a framework, and measurable milestones”





# Let's take advantage of our position in the world

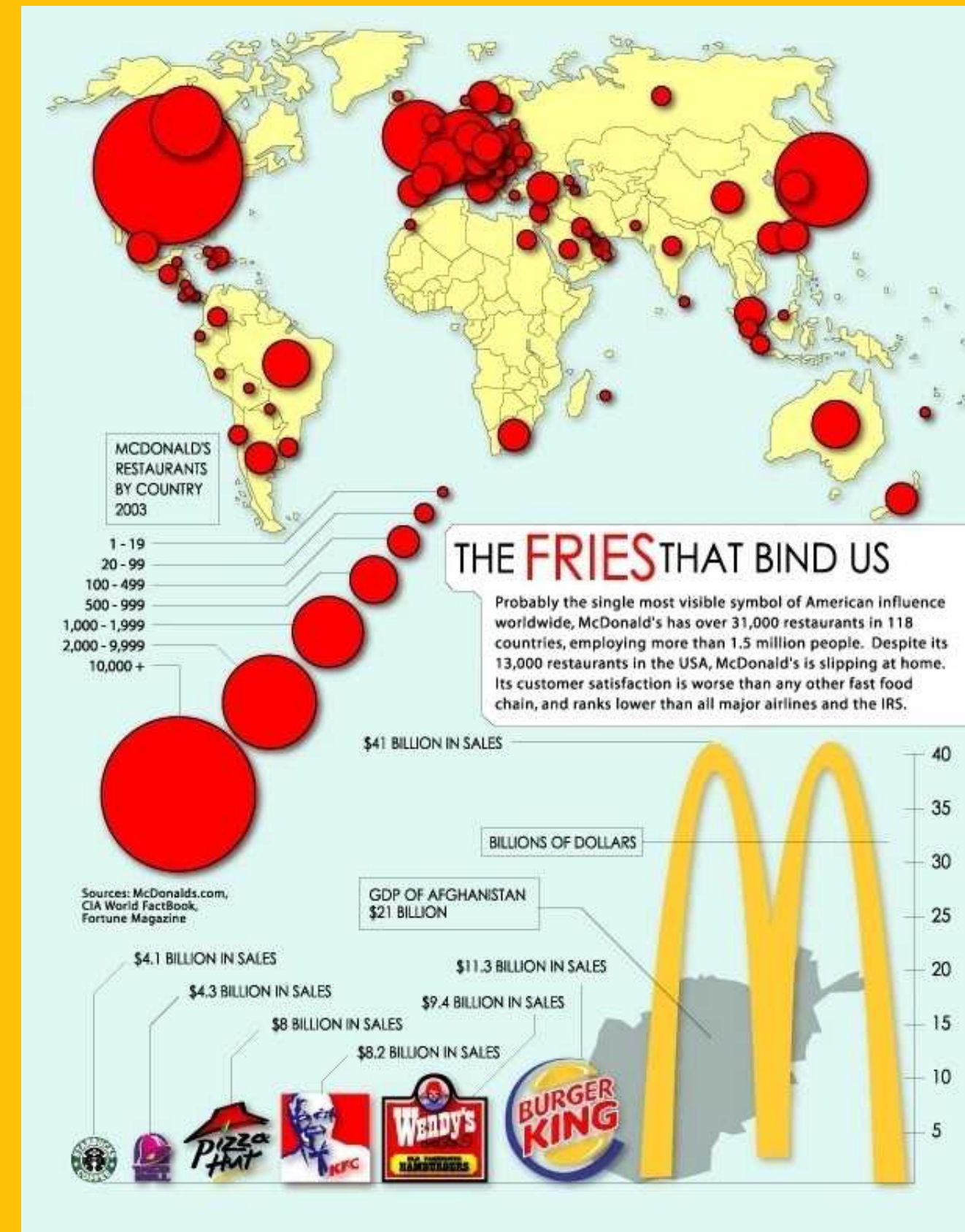
McDonald's is an American Symbol throughout the world. We are in a lot of different countries, serving unique cultures and employing multiple people. The international market represent usually 70% of the company's revenue

Consumer perception of a company is affected by how much an employee shows how proud they are to work for it.

We have already the presence and the locations to bring back the strength of our brand.

McDonald's should be a synonym for comfort, convenience, and food. McDonald's should be a synonym for **HOME**.

We need to become the first option for every customer across the world. We have four goals: to attract more customers, to convince customers to purchase more often, to increase brand loyalty, and to become more profitable.



# Predicted Outcomes



**Employee / Customer  
Service Interaction**



By increasing the wage the employee turnover will decrease by 11% and will contribute to making a happier work environment which will reflect on the customers.



**Revamp  
Menu**



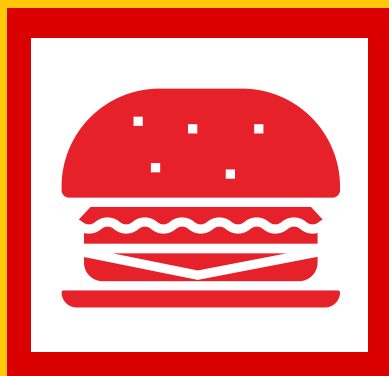
Revamping the menu and adding healthier choices appeals to the millennial generation, as well as giving Mcdonald's the ability to clean up their social Platforms increasing revenue and brand loyalty by 25%



**Improve Digital  
Platforms**



Improving the Digital Platform will result in reaching out to new customers, and creating a positive face for Mcdonald's. Providing an online service for a younger consumer increasing orders by 60%



**Strong brand and  
Customer Trust**



The transparency with customers and the improved customer service will all tie into brand loyalty and consumer trust as they will feel Mcdonald's values them. The more loyal customers the more constants sales we will have in the future.

**Any strategy to be followed must first assess the core problem McDonald's is facing: the menu. Everything else will follow as long as McDonald's can regain its consumers and prestige.**





**i'm lovin' it**

**Thank you!**

**Any Questions?**

