

Getting it Right at McDonald's



By Tim Powell, Managing Principal

It seems that everyone is an armchair historian or strategist for McDonald's these days. There are those who believe the Golden Arches has played its last card and should just give up on those finicky Millennials, while others believe McDonald's is as sustainable and Americana as Kraft Mac and Cheese and Disney World.

I fall somewhere between. As a professional in the foodservice industry, I am also a long-time customer of McDonald's (I especially dig the Egg McMuffins by the sack.) In my quasi-personal and professional experience, here are a few suggestions to the strategists in Oakbrook and Burger University to help McDonald's get on the right track.

▶ **BURGER AND FRIES ARE THE DRAW**

There are 60 million US customers served per day. Dare I say there are a few people ordering high-calorie, high-sodium burgers and fries of supposedly unknown origin? Yes, Chipotle is the popular kid on the block, but McDonald's is The Fonz: Great in High School and the real thing.

▶ **PLEASE GET MY ORDER CORRECT**

And not only at the drive-thru. I asked for an Egg McMuffin in a quiet restaurant on two occasions and was disappointed to see I had four egg biscuits when I got home to a hungry pack of wild adolescences.

▶ **THE DRIVE THRU SHOULD NOT BE PARKING TOO**

There are two spots reserved for those whose drive-thru order is not quite ready. What is the point of the drive thru if one is to park, referee the kids and wait for an employee to come deliver food to the black minivan that is now billowing smoke? Seems like there could be better execution here and it certainly plays into my choice of restaurants.

▶ **EXECUTE SEAMLESSLY "BREAKFAST ALL DAY"**

As of this writing, stores nationally are launching breakfast. Finally. Breakfast is reportedly 30% (or \$10 billion) of the chain's revenue. It would seem therefore, that breakfast is a success that may reap greater rewards if expanded. McDonald's will hopefully overcome its hiccups, and gain share back from the likes of Taco Bell.

▶ **GOOD, BETTER, BEST HOT BEVERAGES**

During the Great Recession, McDonald's seemed to have success with dollar-priced hot beverages. The specialty coffee equipment in McDonald's is well-equipped to make creative, highly customized and bolder (and some might say more bitter) coffee drinks. And beverages are very, very profitable and are what draw customers. Offering different tiers of price and quality hot beverages provides lacrosse mom's with choice, for example.

▶ **THEORY AND PRACTICE ARE OPPOSITES: PUT OAKBROOK MBAS AT THE CASH REGISTER**

I once had on my first resume "handled customers, sometimes irate, in a high pressure environment" referring to my days as a waiter in a dinner theater. Developing the "consumer journey" and segmenting consumers into neat piles of hamsters is very different than testing the theories in person and in a highly chaotic and unpredictable environment. My suggestion is, put the corporate marketers, researchers and strategists at the cash register for a week. See and experience firsthand the fickle, disgruntled and sometimes impatient customer storm out the door.

For additional strategic planning insights tailored to the foodservice industry, please contact tpowell@foodserviceIP.com