

Retail food marketing assignment

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Marketing Concepts MAR110 Major Report The Australian Takeaway Food Retailing Industry 17 May 2009 34 pages Word Count 3391 Table of Contents Executive Summaryiii Introduction1 Discussion3 1Markets3 1. 1Trends in Size3 1. 2Growth4 1. 3Profit4 1. 4Sales4 1. 5Distribution5 1. 6Customers5 1. 7Competitors6 1. 8Other Stakeholders7 2Major External Factors9 2. 1Demographic Factors9 2. 2Economic Factors9 2. 3Technological factors10 2. 4Political factors11 2. 5Natural Factors11 2. 6Cultural Factors12 3Competitive Comparison ??? reaching the consumer13 3. 1Market Mix Audit13 . 2McDonalds Woodbine ??? the marketing concept at the local outlet. 15 3. 3The flaw in the concept16 4Conclusion16 5Recommendations17 References18 APPENDIX AA APPENDIX BB Executive Summary The purpose of this report is to analyse Australia's current takeaway food retailing industry from both the Macro and Micro perspectives and to also provide recommendations to the market in general. The Australian takeaway food retailing industry is one of the highest profit making sectors in Australia, which has experienced considerable growth over the past five years.

This report gives an overall understanding of the trends in size, current growths and profits, sales, distribution, customers, competitors and current stakeholders that surround the industry. These factors are considered to be the driving characteristics of the industry in general. The report then looks at the macro-environment and the factors that really impact on the Australian food retailing industry. The macro-environment consists of demographic, economic, technological, political, natural and cultural factors.

The take-away food retailers must look into the macro environment or they will find it hard to run a successful outlet. Each factor coexists with another because without a complete understanding of the majority of influential environmental factors then the competitive advantage. Is more difficult to gain. Without demographic factors being realised it's impossible to foresee what economic factors can take place as these cannot be predicted.

Technology helps run the business efficiently, which ties in to the natural factors as this is how companies produce their products.

The political side looks at what regulations and limits the business has and also what it is allowed to achieve. Finally the cultural aspect looks at what can diversify a company from another and also the vast differing backgrounds and products it maintains. Finally the report compares the marketing strategies of the major players in the Australian food retailing industry. It then focuses on McDonalds and gives a more in-depth analysis of their particular marketing approach. With any of the major competitors sharing many similarities in the marketing concept of promotion, price, product and distribution, a certain degree of mirroring competitors is evident on a macro level. At a micro or local outlet level, an example of a suburban McDonalds outlet is used to display the influence the local consumer and business has on the corporate entity. McDonalds Woodbine is influenced by the specific needs of the target markets in the local area, the proximity of competitors and what they offer and is able to utilise it's flexible, diverse menu to capture it's market share.

Information was obtained from various online websites, journals and marketing textbooks. Recommendations included diversifying the product
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offerings with a new premium brand, continuing to market to the teenage market, competitors striving to overcome McDonalds pulling market share instead of pulling out of the market, retailers in general offering healthier options as this has proven to be a huge driving force being recent growth in profit and market share and lastly retailers considering the possibility of offering delivery services to increase customer satisfaction.

In summary the healthier options have proven to be the driving force behind a major increase in sales over the past five years. The younger age groups are the highest consumers of this industry product therefore marketers need to focus on this demographic in order to maintain a sustainable industry.

Competitors need to ensure they do not pull out of the market when faced with a retailing giant such as McDonalds. Introduction Aim

The purpose of this report is to analyse the current market situation of the Australian take away food industry from Macro and Micro perspectives to provide recommendations to further enhance marketing opportunities in the medium to long term. Scope The report is limited to corporations with a relatively large market share of the industry. Methodology In researching the influencing factors of the marketing concept of major take away food retail organisations, information was collected from online material on company websites, marketing textbooks and industry reports before presenting the findings.

Assumptions It is assumed that this report will provide a discussion point for marketing professionals in the takeaway food industry and for marketing students for an understanding of the marketing influences of the industry.

Limitations The report is limited to the research findings available on company websites and industry reports and does not provide up-to-date statistical information available from the ABS. The report focuses on the major industry players and specifically the McDonald's corporation when depicting the local requirements.

Background

The Australian take away food retailing industry is extremely competitive and quite mature. These factors make it very difficult for new entrants into the market to succeed. All competitors have goals to increase their market share and increase profits through increased turnover. The marketing concept is very important to the success of these organisations with price, product, promotion and placement of outlets being extremely important to attracting target markets, promotion and positioning of products being extremely important to attracting target markets.

Plan The report will first give an overview of the market situation, the trends, competitors and characteristics of the industry, it will then explain the major external influences on the industry before giving a consumer specific comparison of the major competitors and specifically analysing how a local McDonalds store operates the business to cater to the needs of local consumers.

Markets

1 Trends in Size The Australian takeaway food retailing industry has two broad sectors, which are; fast food operators and milk bars.

Segmentation occurs in terms of the products Segmentations within the industry consist of; Hamburgers 30% Pizza 20%, Other goods 17%, Chicken 12%, Sandwiches, rolls baguettes and foccacias 8%, Salad and juice bars 6%,

Fish and chips 4% Pies, pastries 3%. A number of consumer requirements have intensified the demand for fast food over the years. Consumer awareness of implementing a healthier diet has increased overall sales and has stimulated the new growth areas for current and potential entrants such as salad and juice bars.

Takeaway food retailers have always based their competition on price and value for money for their meals. Due to the emphasis on healthier options, competition is vastly becoming more varied and retailers now have to look at variety of options and nutritional value as well as value for money. In 2008-2009 the takeaway food retailing sector will include around 22, 900 enterprises which will be a 1. 8% increase compared to 2007-2008. 2 Growth The growth of easy to prepare dinners and the “ meal solution” sector is primarily due to the increase in women returning to the work force.

Families have been forced to look for alternative meal solutions due to the time limitations, which has in turn lead to an increase of competition from supermarkets with home meal replacement emphasis. Organisations are looking to increase meal solution product lines in order to satisfy the increasingly time poor Australian households. 3 Profit The takeaway food retailing industry is one of the highest profit making sectors in Australia. According to IBIS World (2009), takeaway food will post sales of \$12. 43 billion in the year to June 2009. IBIS World also estimates that this ndustry accounts for about 85% of total takeaway food retailing with the remaining 15% derived by sales from supermarkets, automotive fuel retailers and convenience stores. [pic] 4 Sales In a survey conducted by the ABS (IbisWorld 2009) it was found that an increase in income led to the decrease

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in spending on takeaway products. This trend is thought to arise primarily because households with higher income brackets are thought to dine out more often as opposed to purchasing takeaway. The population distribution of a region is closely linked to demand for takeaway food products.

Suburbs with a high proportion of consumers aged 65+ will experience a much lower demand for takeaway food products compared to a suburb with a high proportion of consumers aged between 18-24. 5 Distribution NSW is the current leading state for takeaway food retailers within Australia with a 32. 5% share of stores. This is due to the fact that one third of the Australian population resides in this state. Victoria comes in second accounting for 29. 5% of the country's establishments followed by Queensland which contains 18. 0% of retailers.

Western Australia accounts for some 9% of the stores and South Australia comprises 7%. Location is the primary reason for the following states accounting for such a low percentage of retailers; Tasmania accounts for only 2%, ACT 1. 5% and lastly the Northern Territory accounts for 1% of retailers within Australia. 6 Customers Market segmentation for the Australian takeaway food retailing industry is based on the age of the consumer. Consumers aged 18-24 represent the largest percentage of the takeaway purchasing market currently equating to 30% of the total.

This demographic segment is thought to be the highest percentage due to the likelihood of a person this age being single or attending TAFE or University. Due to the nature of being a student (i. e. lifestyle, long hours, time-poor, not fussy about the implications of fast food consumption) and the

lower income a student receives, this segment strives to find “value for money” meals such as well priced meal combos from convenient time-flexible establishments. Consumers aged 14-17 are classified as the “teenage market” representing 22% of the total market purchasing takeaway usually after school or on weekends in the company of friends.

Consumers aged 25-34 represent 18% of the market. Consumers of this age are generally married with young children and view takeaway as a quick and easy alternative to home cooked meals. An increase in work hours and expenses associated with children such as childcare are seen to have a major impact on the young families’ decisions to purchase low cost takeaway food products. Consumers aged between 35-49 represent 15% of the entire market share. Consumers in this category generally purchase healthier takeaway products such as rolls and foccacias and mainly consume takeaway in social situations.

Consumers aged between 50-64 represent 10% and are also thought to purchase healthy takeaway alternatives but prefer to eat mainly home cooked meals. Finally, consumers aged 65 and over currently represent 5% of the total market share and are thought to purchase takeaway products mainly for their grandchildren. 7 Competitors A recent demand for healthier options has given rise to retailers and many new healthier products within existing retailers. This demand has created a larger landscape for competitors and has also increased competition resulting in a 1.3% rise in retail sales.

Takeaway food retailing giant McDonalds has benefited enormously from its relatively new “healthier options” range which is not only a healthier option but also relatively low in price. According to the McDonalds CSR report (2007) its Global comparable sales showed an increase of 6.9%, including U.S. 4.0%, Europe 8.5%, and Asia/Pacific, Middle East and Africa 9.0%. The major organisations for 2009 are McDonalds with 17% industry revenue. Yum! Restaurants (Pizza hut and KFC) 16%, Competitive foods (Hungry Jacks) with 4.3% and Australian fast foods (Red Rooster) with an industry revenue share of 2.%. [pic][pic]

8 Other Stakeholders Food Safety Standards Australia ??? Are a bi-national Government?? agency. Their main responsibility is to develop and administer the ‘Australia?? New Zealand Food Standards Code’?? (the Code), which lists requirements for foods such as additives, food safety, labelling and GM foods (Food Safety Standards Australia New Zealand 2009). Sustainable Supply Steering Committee ??? A McDonalds Committee that helps with the developments of strategies to help McDonalds reach it’s vision of a sustainable supply system.

Worldwide Corporate Relations Council ??? Oversees all issues regarding social and environmental issues. Global Environmental Council ??? Acts as a forum for best practice sharing on local environmental initiatives and programs. Corporate Responsibility Department ??? Provides coordination, leadership and support on social responsibility policies, programs and reporting. Quality Assurance Board ??? Board members provide food safety regulations and quality strategies for takeaway food retailers. [pic]

Major External Factors Demographic Factors The demographic environment is of great importance to marketers as it involves the study of people, and it is

people in the form of consumers that make up the market (Elliott, Rundle-Thiele, Waller & Paladino, 2009). There are a number of demographic trends that are important to marketers. Some of these include: – The changing age structure of the population in Australia, one of the major changes in the age structure of the population is the decreasing birth rate and increase in the number of elderly people.

This means that marketers in the fast-food industry are having to market their services and products at different target markets as many of the current markets are becoming smaller and smaller. For example, McDonald's have recently started aiming advertising campaigns at the elderly and offer free tea and coffee to the 60 plus age group. – As the population grows it also expands and shifts geographically. For fast-food services this means that they may need to shift location or open new stores to keep up with demand. Increasing ethnic diversity – Overseas immigration has led to an increase in not only population but also the ethnic diversity of Australia. The impact this has on a market such as the fast-food industry includes understanding different cultures and tastes; Hungry Jack's introduced promotions not long ago like the “ Satay burger” to cater for Asian tastes. This possibly the most important external factors in the marketing of take away food as it allows the monitoring and controlling of target market segments. 2 Economic Factors

There are two key economic concerns for marketers; these are changes in income and changes in consumer spending patterns (Elliott et. al. , 2009). Changes in income may indicate trends and explain slumps in sales for the fast-food industry. By monitoring changes in interest rates, unemployment, <https://assignbuster.com/retail-food-marketing-assignment/>

business and consumer confidence and retailing expenditure using economic forecasting fast-food outlets are less likely to be surprised by economic depressions or bursts of growth. Economic forces can be used to predict future sales rates and suggest the required number of service staff to have working at anytime.

Takeaway food giant McDonald's have made their economic concerns as a top priority because if this fails then it's very easy to see demise in market share. 3 Technological factors Technology is often thought of as the greatest force affecting us now. It has allowed us to do things that were once only dreamed about and has created a number of new markets and marketing opportunities. There are a number of technological trends that should be monitored by marketers, these include:

The fast pace of change – It is important for organisations to keep up with the fast pace of change, otherwise they will find they fall behind competition. A recent example of fast-food companies keeping up with technology is McDonald's installing EFTPOS machines in their stores and drive-throughs, this additional service provided by McDonald's increases the value of the experience to the consumer. Increased regulation – The majority of the recent improvements in technology in the fast-food industry have been due to increases in regulations.

Specifically an increase in health regulations has caused safety standards to become stricter. This has been good for consumers as it means they can enjoy the product knowing that the quality and service with which it is delivered is to the best possible standard. That's why McDonald's introduced

the heart tick value meals, with additions of low fat yoghurts, smoothies and similar products. Technology is also a great tool to monitor all of the macro environmental forces.

4 Political factors

The decisions made by marketers can be strongly affected by the political environment. Recent examples of trends in the political environment include: increased regulation of business, the introduction of the GST made an effect on the fast-food market as prices of fast-food increased while other food products would remain the same. Due to this fast-food outlets would place more emphasis on their service rather than the product, stressing that ‘ you can’t get service like this at home’, to differentiate themselves.

There is also a greater concern for ethics, which companies have to be aware of.

5 Natural Factors

There are three major concerns within the natural environment. Not all affect consumer services; however they can have an effect on the fast-food market as part of the product is tangible. These are:

Shortages of raw materials – Many resources that once may have seemed to have an infinite supply are now seen as precious and greater efforts are being made to find alternatives or cut down usage. Some examples of these are:

McDonald’s use recycled paper to wrap their hamburgers, therefore reducing the amount of forestland that is cut down. Increased pollution – Pollution has a major effect on how consumers view an organisation. These days an environmentally aware company is likely to be more popular than one that is not. Increased pollution has already had effects on the fast-food market. In 1991 McDonald’s changed its packaging from polystyrene boxes to paper in

response to consumer demands for a more environmentally friendly packaging.

This makes up an important part of the ‘service’ element of the fast-food market; consumers receive the peace of mind that the product they are eating has had minimal effect on the environment. Government intervention – There are now controls in place to make sure organisations are doing minimal damage to the environment. Organisations in the fast-food industry can either oppose these regulations or help develop them. McDonald’s sponsors’ days like “Clean-up Australia Day” which also makes up an important part of the “service” element of the fast-food market, this again is showing us that McDonald’s is environmentally aware. Cultural Factors There are three major cultural forces that influence marketers: these are persistence of cultural values, subcultures and shifts in secondary cultural values. Of these secondary cultural values have the greatest effect on the fast-food market. When the market is interested in convenience, they are more likely to buy fast food; if the market’s secondary values suddenly shift and become interested in fitness and health, they will be less likely to buy fast food (Elliott et. l. , 2009). Competitive Comparison ??? reaching the consumer 1 Market Mix Audit The comparative table on page 14 list differences and similarities existing among the four major industry players. McDonalds seeks to maintain it’s dominance on market share by evaluating and diversifying its product and brand concepts. In an interview with Kim Johnson of McDonalds Woodbine, Kim described the attempts of competitors to copy some of the McDonalds concepts as short term viewed and unsustainable.

McDonalds views itself as the price leader but is always challenged to increase the quality and value image with consumers, i. e. adoption of recent under \$3 products advertised on radio. Hungry Jacks with the closest product offering to McDonalds has a total 4% of total market share compared to McDonalds 17%. With current corporate philanthropy projects like youth foundation “endeavour”, bushfire appeal, sports sponsorships and keep Australia beautiful, Hungry Jacks are keen to adopt a similar approach to the CSR strategy of McDonalds.

McDonalds have been successful over a number of years through it's McHappy Day/Ronald McDonald House charities, Local sport encouragement awards/scholarships. During the interview with Kim Johnson, Kim describe the only major gap between McDonalds and competitors as the service and delivery system of Pizza Hut and Dominoes. The online/phone ordering and pick-up or home delivery system is quite unique among the major competitors, whilst many smaller organisations adopt this approach, McDonalds is always reviewing the capability of this level of service at a local level but is yet to adopt or trial it. | McDonalds | Hungry Jacks | KFC | Pizza Hut | | Product | Core product ??? Burgers, fries | Core product ??? Burgers, fries | Core product ??? Chicken (pieces, nuggets, | Core product ??? Pizza with variety of | | | Salad Plus/Healthy choice range (everyday | Alternative ??? chicken burger range | strips, burgers, wraps, rolls) | bases/styles | | | alternative to core) – Wraps/Rolls ??? Beef, | Beverage ??? Soft Drinks, Milkshakes, Coffee, | Sides ??? salad selection, potato selection. | Alternative ??? pasta (attempted re-brand | | | Chicken, Fish.

Salad | Water, Juice | Beverage ??? Soft Drinks, Water, Juice | thwarted by consumers) | | Beverage ??? Soft Drinks, Milkshakes, Coffee, | Concessions ??? ice-cream | Frozen cake, ice cream. | Sides ??? garlic bread, chicken wings | | Water | Junior items ??? nuggets, mini burgers. | Junior items ??? nuggets, mini burgers. | Beverage ??? Soft Drinks | | Cookies, Cake, Pie, ice-cream | | Ice cream, pastries. | | Junior items ??? nuggets, mini burgers, cut | | | | apple, toys | | | | McCafe concept | | | | Price | All major players participate in mixed pricing strategies influenced by the competition, margin and penetrative pricing (especially for new products) while the entire pricing | | structure is quite traditional where specific items and bundle price remain under \$5 and most adopt an approach to avoid whole dollar amounts with most prices at the 95c rounding. | Promotion | New product offers ??? flavour of the month | New product offers ??? flavour of the month | New product offers ??? flavour of the month | New product offers ??? flavour of the month | Advertising ??? personality | Advertising ??? “ the burgers are better” | Advertising ??? suppliers, fresh chicken | Advertising ??? Direct mail, product/price, | | CSR ??? Ronald McDonald House | CSR ??? bushfire appeal, sport sponsorship, | | “ hot, fresh, value” | | | “ keep Australia beautiful”, youth | | | | foundation, employee foundation. | | | All competitors operate with a “ pull policy” with the intention of pulling consumers toward the business | | Place | 760 outlets | 300 outlets | 570 outlets | 350 outlets | | | | home delivery, phone ordering | | All competitors operate in high volume traffic locations e. g. a major shopping centres, major arterial roads and highways, the emphasis being on conveniently located for the consumer. | Source data ??? www. mcdonalds. com,. au, www. hungryjacks. com. au, www. kfc. com. au, www. pizzahut. <https://assignbuster.com/retail-food-marketing-assignment/>

com. au, IBIS World (2009) 2 McDonalds Woodbine ??? the marketing concept at the local outlet. In assessing how McDonalds Woodbine reaches the local consumer, it's important to understand how the outlet uses the promotional mix at a national, regional and local level. Firstly, the available resources are the required labour, McDonalds has a national management and marketing team, currently, Helen Farquhar is the Director or Marketing.

Budgets for advertising and promotion are distributed through the channels from national to outlet requirements. For example, a national initiative may be television advertising for a new product, while the local requirement may be point of purchase signage for that product. McDonalds Woodbine is operated by a Store Manager with support of the Regional Marketing Manager, accountable for eleven outlets. The target market for McDonald's Woodbine is under fifteen year olds, closely followed by the young family market. The core product of McDonalds is food. At the expected level this food is produced at a consistent standard, within a short time frame (between 30 seconds and 3 minutes) in well presented, attractive packaging.

At the augmented level McDonalds Woodbine provides amenities such as large children's play area, washroom facilities, large car park, " drive thru' service and a McCafe in a large relax dining area offering cable television, local and national newspapers and Wi-Fi connection to electronic devices (Elliott et. al. , 2009). McDonalds Woodbine offers the national menu and is a company owned outlet. The building structure is due for a renovation within 3 to 6 months. The locality of the outlet is on a major arterial road close to industrial/commercial complexes with local residential areas. The closest

competitors are Hungry Jack's, KFC, Red Rooster, Krispy Kreme and Sizzler all within 200 metres.

The IBISworld industry report (2009) describes the food retail industry as mature but it is a sustainable industry based on the satisfaction of basic consumer needs. As McDonalds Woodbine is a corporation owned store, 100% compliance with company price standards are expected, where franchised McDonalds are guided to adopting pricing strategies according to local needs. As fluctuations in price are not accepted, McDonalds Woodbine chooses to fluctuate the communication of it's menu according to local activities. These activities include type of meal time i. e. breakfast offers, small snack time lunch and larger meals for dinner and late night meals, it also monitors local sporting attractions, festivals and similar activities and adopts product offers to attract people within different market segments.

McDonald's Woodbine operates twenty four hours per day, seven days a week due opportunities existing from the buying patterns of the local market. 3 The flaw in the concept The flaw in the concept for McDonalds Woodbine and others in the local area is the impression the International McDonalds group has on local business owners. Kim Johnson stated that events to support the local community such as McHappy Day are not supported by local business owners and VIP's as they feel it is the " Heartless American Enterprise" that only benefits. This situation has evolved through a local business owner who originally developed up to eleven McDonald's franchises in the local area in the early to mid eighties only to be bought out by the corporation in the late nineties.

It is this type of example that contrasts the community friendly message McDonalds hopes is received and inhibits overall market share targets.

Conclusion In summary the Australian takeaway food retailing service is one of the largest industries in Australia and has experienced a massive growth in profit and market share over the past five years due to the increase in healthier options and the publics aversion to foods high in saturated fats. The gradual shift in the attraction to healthy options or even the companies promotion of these items provides a long term sustainable offering to consumers conscious about the quality of take away foods.

The dominant target market is in the pre-adolescent years and decreases only slightly as people get into their thirties, all major companies are effective in their promotion to these target markets. Recommendations McDonalds should further diversify it's product offering with a new premium brand utilising it's buying power, resources and systems to further capture increased market share and avoiding a market decline for the current brand. McDonalds should continue to market it's brand to the teenage market for sustainable growth in the long term. Competitors should maintain strategies to overcome McDonalds rather than pull out when McDonalds counter acts on the plan.

The Australian takeaway food retailing industry in general should focus on healthier options as this has proven to be a major driving force behind overall sales in the past 5 years. Retailers should look at offering a delivery service. This may be expensive but could work to produce increased sales and customer satisfaction for customers who may find they don't have the time to visit outlets. References Elliott, G. , Rundle-Thiele, S. , Waller, D. and <https://assignbuster.com/retail-food-marketing-assignment/>

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McDonalds marketing strategy questionnaire | Prepared by: | | Date: | 01. 05.

2009 | Purpose To capture the key principles of the McDonalds marketing strategy at the front line retail level. To determine how McDonalds

xxxxxxxxxx translates the McDonalds marketing strategy to the local

consumer. This questionnaire is divided into the following question sections:

1. Background2 2. Market3 3. Target Audience4 4. Competition5 5.

Communications7 6. Sales and Buying Process8 7. Pricing9 Background What

business is McDonalds Woodbine in? (What needs does McDonald’s meet in

the marketplace?) Food retailing | | Community involvement | What services

and/or products does McDonald’s xxxxxxxxxxxx provide? | Food | | Amenities | |

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Children's birthday parties | | McCafe vs. Core food offering | What are the business objectives of McDonald's xxxxxx over the next two years? Including - Number of customers Revenue Profit Market share Increase of current 11,000 customers per week | | Increase on current average spend of \$7.00 | | Maintain and increase market share | Market What is the market opportunity? What is the market size? (With respect to geography and to industry.) | Expansion into other suburbs e. g. Camden, Wollondilly | How can the market be segmented into logical customer groupings? | Usually in socio-cultural methods e. g. ge, family status, social activities | What are the key industry trends that are fuelling your success? What industry trends can inhibit your success? | Fuel ??? family area | | Inhibitor ??? competitor presence | How will the economic climate affect your business? | Increasing the opportunity to be the friendly alternative to other, more expensive dine out options. | Is your business or market affected by business cycles or seasons? If so, describe how it is affected. Low periods found in Sept/Oct and Feb/March | Target Audience What market segments are you targeting? | Families | | Under 15 year olds | What is the customer's primary reason for buying or wanting to use your product and/or service? | Appetite satisfaction | Are there any issues or concerns that the target audience might have regarding this type of product or service? | Nutrition requirements | Why would someone prefer your offering versus that offered by the competition? Promotions ??? new products, bundle deals | | Service and amenities | Competition What categories of competition threaten your success? | Competitors offering additional service (home delivery) | | Promotions | Which companies pose the greatest threat, and how do they differentiate themselves? What strategic or tactical elements do they use that threaten <https://assignbuster.com/retail-food-marketing-assignment/>

your success? | KFC | | Hungry Jacks | Pizza Hut | | Krispy Kreme | | QSR dining restaurants such as Sizzler | How do you differentiate McDonalds xxxxxxxxxxxxxx to best combat competition? | McCafe | | Parties | | Better chicken/choices | Product offering What need is the McDonalds xxxxxxxx offering designed to fill? Identify the need for each target audience. Happy Meal | | Quarter Pounder options for footy | | Late night big meals | | Seniors ??? small meals/discount | How do you deliver those features identified? | Time of day e. g. as above, breakfast etc |

Of these features, which ones differentiate McDonald's from the competition? | No breakfast at KFC | | Competitors copy offering | | Time of day offerings in " Drive Thru" by diverse offering | What improvements could you make to your offering to better meet customer needs? | More consumer driven initiatives e. g. all day Hot cakes and McCafe (toast) | What new offerings would your customers most like you to develop? | Requests occur regularly and McDonald's listen to many valid requests but couldn't think of good example of current | | need.

A past need was reintroduction of the 20 pack of chicken nuggets. | | Also possibly services like Home delivery | Communications What does each of your identified target audiences believe about McDonalds Woodbine today? | Consistent value | | Consistent quality | | Community presence | What is the single most important message that you must communicate to ALL of your target audiences? Nutrition | | Value | | Community | What kind of personality does McDonalds xxxxxxxxxxxxxx want to portray in it's communications? What tone? What flavour? | Community friendly | | A business that believes in the value the product offers | Sales and Buying Process

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What is the process for selling your products and/or service (list the key milestones in the process)? | Counter purchase | | Drive Thru (consumers key indicator to determine speed of delivery) | Who is involved, both from our company and from our sales channel partners, in each step of the sales process? | McKey (past walkers) | | Providers of technology | What purchase process steps do the members of your target audience follow?

Does this process vary based on the vendor that they select? If the process does vary, explain how and/or why? | Point of purchase decision | | Ambience influences decision | | Smells, visual merchandising, other consumers habits. | What buying criteria does your target audience use to select an offering? | Price | | Convenience | | Impulse |

What criteria does your target audience use when selecting a vendor? | Systems of delivery | Pricing How important is price in the decision process? | Very important when considering dining alternatives to restaurant vs. takeaway. | What is your current pricing structure, including discounts, product options, bundle deals, and so on? Do your customers understand it? | All discounts, bundles, options are directives from Head Office. | Which of your competitors is considered the price leader? What does the price leader charge for its offering? How does the price leader determine its price? McDonalds is the price leader but monitors Oporto, KFC and Hungry Jacks. | What can be done to reduce costs without affecting quality? | Supplier cost reduction | | New more efficient plants | | Changes in Macro factors | What is the perceived value of your offering as compared to its price? | Consistent | What commodities/services do you currently include in the price of your product? What other services could you consider now and in the future?

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More stand alone McCafe | | Home/Business delivery | | Increase playland's with Mothers pampering service (SPA) | Are competitive price changes anticipated in the near future? | Always negotiating better deals with suppliers to give better prices to consumers. | What industry trends are going to drive prices down? What industry trends are going to drive prices up? | Price influenced by increased demand in current times | | Increased output makes costs more efficient therefore stabilises price. | APPENDIX B
May 5, 2009 XXXXXXXXXXXXXXXXXXXX Marketing Manager XXXXXXXXXXXX Dear Ms XXXXXXXXXXXX:

The interview you gave last Friday on the marketing plans for McDonalds xxxxxxxxxxx and the xxxxxxxxxxx region was excellent. I learned a great deal and plan to use the information in my research for the group business report. There is a definite need for people studying business and marketing topics to meet people like you with your great practical and hands on experience to better understand how theory relates to a “ real world’ example. Your information provided an excellent forum for my group to generate our own opinions and recommendations for food retail marketing needs. Thank you again for such an informative and pleasant meeting. Sincerely, xxxxxxxxxxxx
Student xxxxxxxxxxxxxxxx