

Marketing plan phase

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Marketing Plan - Phase III MKT/421 Marketing Plan - Phase III In this phase of the Marketing Plan, Team A will describe the attributes of McDonald's New Turkey Burger - A Healthy Nutritional and Delicious New Alternative as well as the pace at which the Turkey Burger will move through the product life cycle and the factors that will affect that movement. Also discussed will be how the product life cycle will affect the marketing of the Turkey Burger, identification of the positioning and differentiation strategies as well as appropriate price strategy for the Turkey Burger.

Attributes of McDonald's New Turkey Burger

A Healthy Nutritional and Delicious New Alternative -

1/3rd Pound patty made from fresh lean turkey breast with finely chopped onions and savory seasonings

Grilled to perfection

Topped with lettuce, tomato, and cheese

Served on a healthy whole wheat sesame seed bun

Available in a value meal served with apple slices, yogurt or salad

Nutritional Facts:

Serving Size: 1 burger

Calories: 320

Fat: 6g

Carbs: 8g

Protein: 20

20% less fat than a hamburger alternative

Our turkeys are farm raised and fed with all natural healthy foods

Preferred; 7 out of 10 times in a blind test with other leading hamburgers

and chicken sandwiches from the top five fast food chains.

American Heart Association has given their seal of approval for a healthy alternative sandwich. Our product is labeled in compliance with government regulations.

Product Life Cycle

McDonald's turkey burger is the healthy yet delicious new alternative for consumers. This new product idea will undergo the phases of a product life cycle. "The product life cycle describes the stages a really new product idea goes through from beginning to end. The product life cycle is divided into four major stages: (1) market introduction, (2) market growth, (3) market maturity, and (4) sales decline" (Perreault, Cannon, & McCarthy, 2011). In the introduction stage of the turkey burger, McDonald's objective is to build product awareness and develop a market for the burger. Informative promotion is an essential method to communicate potential customers about the benefits of the new turkey burger.

"In the market growth stage, industry sales grow fast—but industry profits rise and then start falling" (Perreault et al., 2011). During this stage the company will seek to build brand preference and increase market share. Adding qualities while maintaining the quality of the burger may increase the demand of the product. This stage is the best time to invest in advertisement for a broader audience.

"The market maturity stage occurs when industry sales level off and competition gets tougher" (Perreault et al., 2011). At maturity stage, the strong sales diminish and persuasive promotion becomes crucial for the company. "The primary objective at this point is to defend the market share

while maximizing profit” (QuickMBA. com, 2010). The company can achieve this by enhancing product features and enforcing competitive strategies. During the sales decline stage new products replace the old and competition becomes more vigorous. However, McDonald’s strong brand will continue making profits until the end. During this stage the company has several options: maintain the burger and possibly rejuvenate it by adding new features and offering new benefits; reduce costs and continue to offer the turkey burger to a loyal market segment; or discontinue the product and liquidating the remaining inventory (QuickMBA. com, 2010).

The success of this new product is critical in driving profitable growth in the already established McDonald’s company. McDonald’s managers must know how to deal with the growth and decline of the new turkey burger.

How will the product life cycle affect the marketing of your selected product (McDonald’s Turkey Burger)?

During the product life cycle, the company’s main aim will be to create awareness of their new product that has not yet been identified by the customers. Certain effects will occur on the company. One of them is the high cost that is involved. McDonald’s Turkey Burgers will have to invest more on marketing thus lesser profits. Secondly, the company will try to induce more acceptances so that it can gain initial distribution to its new markets. Thirdly, the company will spend more towards customers to increase awareness and demand of their products. In addition, the company will need to spend more money so that it can come up with the best distribution strategies and a good channel of distribution to reach more customers. Lastly, the company will try to be more cautious to avoid

competition from already established food companies such as the Kentucky Fried Chicken.

Once the first stage is over, the company will start showing signs of better returns on the investments that it has made. The customers and the channels of distribution will start to respond. The demand of the product will start to increase in the market and increased profits will begin to be realized. Another impact is the effects of competition. The major impact that the company is going to experience during this stage is the level at which the rate of information spreads to the consumers. The consumers begin to get awareness of the product to be sold and any distortion of information will lead to the company having a bad reputation that will damage its image. In addition, the rate of interest will increase. It means that they will realize a higher profit as compared to the first stage. If the company introduces another product during this stage, the product will succeed (Niemann et al., 2008).

The third stage is the maturity stage. This stage has some several impacts. One of the effects is duplication. The effect occurs in that the product is available in duplicate markets. Secondly, competing products that will have the similar features and capabilities like those that McDonald's Turkey Burgers has will increase. Thirdly, the effect of competition will increase on the company. This is because of the increased outreach to customers that it has and the level of awareness that the consumer has. Other competitors will use the weapon of penetration pricing. This will aim at driving out the company from the market. Furthermore, the growth of sales may be lesser as compared to the second stage. Lastly, the effect of sales revenue will be

felt in that the sales revenue will increase and the company at this stage becomes a source of income.

The last stage in product life cycle is the stage of decline. The effects to be felt during this stage are that the company will start experiencing fewer product sales. This is because of the increase in competition from competitors. Secondly, there will be fewer customers of the product. This can be because of the availability of many substitutes and the availability of complements. The third effect will be a declining level of profit. This is because of the reduced level of sales and minimal sales revenue (Stark, 2007).

In conclusion, the product life cycle is divided into four major stages. These are market introduction, market growth, market maturity, and sales decline. During these stages, five major elements are involved. They are sales, costs, profits, customers, and competition.

References

Niemann et al. (2008). Design of Sustainable Product Life Cycles. New York: Springer.

Perreault, W. D., Jr., Cannon, J. P., & McCarthy, E. J. (2011). Basic marketing: A marketing strategy planning approach (18th ed.). New York, NY: McGraw-Hill Irwin.

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