

Marketing plan phase 4 assignment

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Marketing Plan Phase IV Xxxxxx MKT/421 January 15, 2012 Donald “ Skip” Gregory Marketing Plan Phase IV (Online Marketing Trends, 2011). The Brass Tacks * Price: \$24 Billion in annual revenue * Place: 33, 000 local restaurants, 119 Worldwide with around 80% independently owned * Promotion: Internet, television, radio, newspaper, magazines * Product: Food and beverages McDonald’s mission is, “ To be our customers’ favorite place and way to eat” (McDonald’s Inc. , 2012). Since 1955 McDonald’s have been building a multinational and multicultural international business that satisfies customer’s Worldwide (McDonald’s Inc. 2012). McDonald’s is the leading global food service retailer with more than 64 million people served daily in 119 different countries (McDonald’s Corp. , 2011). More than 80% of McDonald’s restaurants are owned and operated by independent local men and women (McDonald’s Corporation, 2011). McDonald’s restaurants are Worldwide and some of the different places have their own specialty products (McDonald’s Corp. , 2011). McDonald’s has been working hard to create the goods and service experience that will keep customer’s coming back.

The Plan-to-Win they have been using to market their products consists of focusing on people, products, place, price, and promotion (McDonald’s Corporation, 2011). So far the current marketing plan has been working to launch McDonald’s to the forefront of fast-food suppliers in the World. McDonald’s is innovative and uses every promotional opportunity to meet its goal to be the World’s favorite place to eat. The company is connecting with customers through the many social networking sites like You Tube, Twitter,

and Face Book. Although McDonald's has a basic menu, it caters to the different tastes of consumers around the World.

The McVeggie Burger (Betty Crocker, 2011). The vegetarian and the health conscious consumers need a new quick place to eat. McDonald's can market a new product called the McVeggie. The McVeggie will be made with a fresh garden veggie patty, and it will be offered on a whole wheat or white bun. Customers will have the choice of lettuce, tomatoes, cheese, along with mustard, mayo, and ketchup. Offering the McVeggie as a value meal with a drink and either fries, carrot sticks, or apple slices at one great low price will help market this exciting new product.

The McVeggie will also be available as single or a double burger. The McVeggie burger will be the first step to a whole new healthy way for the vegetarian to get fast food on-the-go. McVeggie SWOTT Analysis (HRM Advice, 2012). Veggie burgers have come a long way since their first offerings in restaurants. High protein content without the risk of red meat is one benefits vegetarians can enjoy (Collins, 2005). Lower saturated fat content for larger serving sizes is another attractive quality for veggie burgers (Collins, 2005).

If the veggie burgers are higher in soy, the protein content is high without the health risks associated with consuming red meats (Collins, 2005). Offering a vegetarian option for burger lovers will allow McDonald's to offer heart-healthy eating options for current customers as well as attract a new customer base with something other than salads. Flavor, texture, and price can kill a veggie burger campaign. McDonald's faces a challenge when

deciding to offer a veggie burger option. Consumers expect high quality for a low cost from McDonald's, and the expectation will be no different for the veggie burger.

Ensuring the burgers are prepared with high quality ingredients while maintaining a low price tag will be a challenge. The texture of the burgers will also be a challenge because they are oftentimes squishy and fall apart. Flavor cannot be left out of the mix of challenges in this venture, either. If the burgers do not meet the taste standards the consumer is searching for the texture and price will not matter. Opportunities abound for McDonald's in the area of marketing for the veggie burger. Choosing the best option for veggie burger supplier will be the first step toward success.

A supplier with a proven record for customer satisfaction can offer McDonald's the competitive advantage with the new burger option. Aligning the flavor, texture, and price for the veggie burger, along with a proven brand name will be the best way for McDonald's to gain the customer support needed to make the burger a success. McDonald's uses the same beef patties in the hamburgers to make the wraps they offer to customers. The same technique can be applied to the veggie burger patty to make veggie wraps with more substance than just lettuce, tomato, and cheese in a tortilla.

This would be a way to expand on the uses of the veggie patty without incurring any extra cost to the restaurant. Customers will have more options for the veggie choice and can lower carbohydrate intake. Guarantees are not likely to come with the introduction of a product like the veggie burger. The

idea of flavorless cardboard patties springs to mind when thinking of burgers. Appealing to existing customers or enough new customers to make the veggie burger a success is an obstacle McDonald's will have to overcome before starting such a venture.

Polling customers with a vegetarian diet and offering taste tests can help with the risk. Also creating a sample menu option for a test-run can help build appeal for the veggie burger. The biggest threat will be keeping the prices right and the quality good. Veggie burgers are available at sit-down restaurants at the same cost as regular burgers, and they seem to be enduring. Marketing trend restaurants like Red Robin use to create buzz for their veggie burgers can help McDonald's with their veggie burger promotion. Regional research may allow McDonald's to offer the veggie burger in limited areas to begin with.

Once the demand reaches the target McDonald's predetermines they can expand the veggie burgers to other areas where the vegetarian market has less option and exposure. For example, California has a large population and high health food content on the market. McDonald's can start offering the veggie burgers in states like that to begin with and expand if they are successful in those markets. Marketing Approach for McVeggie (Kumar, 2011). The marketing research approach that would best suit introducing the McVeggie into the fast food market is taste-testing with the vegetarian consumers.

In malls tables can be set up to taste-test the new McVeggie against other vegetarian sandwiches to see if it stacks up. Consumer research is valuable

for the organization to make sure they put out the best product possible for their new customers. Vegetarians are growing in numbers across the World and it is time for McDonald's to step up for the vegetarian's on-the-go.

Vegetarians are the people who are going to be purchasing the McVeggie and if they do not like it they will not sell in the store. All fresh ingredients and vegetables will be used to make the sandwich authentic and taste good.

Another marketing research approach that can be used is positioning.

Making sure the McVeggie is in the best possible location for the product to succeed is a must. Countries like India, where the population does not eat much meat, would be a perfect place for the McVeggie. Not all areas are going to take to the McVeggie, so it needs to be in the right locations. Taste-testing is a key to finding the right areas to sell it. Target Market (We Market Stuff, 2010). Successfully identifying a target market is an important step in the process of forming and maintaining a profitable business (Dunkly, 2011).

Crucial decisions about marketing issues, such as the type of ad to lead off a campaign, are based on the target market (Dunkly, 2011). Companies consider several important factors when identifying a specific consumer (Dunkly, 2011). McDonald's new item the McVeggie is tailor made for vegetarians and anyone looking to eat healthier. The target consumer could be anyone looking to eat a vegetarian diet or eat healthier. More and more people are starting to eat healthier and it is time for McDonald's to tap into that market. Differentiation and Positioning

The emergence of food chains has pressured industry participants to continually add features and cut prices (Armstrong, 2005). McDonald's is a

market leader in the fast food and beverages industry, but they are now facing tough competition from the new entrants. It has to continuously update the menu and the business strategies to compete with the young new comers. McDonald's Competitors: * Burger King ?? * Subway ?? * Yum Brands * Wendy's * KFC ?? Burger King is second to McDonald's in competition of hamburger and the new McVeggie fast food chain.

Compared to McDonald's it has more number of franchised restaurants with approximately 90% of owners operating a franchise (Burger King, 2011). The largest competitor is Burger King because they have a veggie patty. Each patty would be made differently to differentiate. Both places are fast food restaurants, but Burger King cooks theirs on the fire grill and McDonald's will grill theirs. ?? The burger from McDonald's comes in a single or double patty and the one from Burger King comes with one patty. Each one will taste different and you may like one more than the other.

In some states McDonald's is easier to find than a Burger King. The McDonald's veggie patty will be available in a wrap. McDonald's will strive for the better taste and consistency quality, and will hope to appeal to a larger number of vegetarians, vegans, or health-conscious consumers. Product Life Cycle McVeggie will surely move through the product life cycle in its entirety. It will eventually meet all stages and go from beginning to end of a new product. The four major stages the new McVeggie burger will be going through is market introduction, market growth, market maturity, and sales decline (SkyKiwi, 2010).

Given that it will reach each stage, the pace at which it does so will vary. Depending on how the McVeggie burger is introduced to the market will set the pace it is at for the rest of its life cycle. The new product is essentially a new type of product being introduced into the market and qualifies to meet the requirements of the product life cycle which will make it easier to go through each stage. (Carroll, 2012) The introduction must be consistent and strong. The new McVeggie burger will need to make an impact on the target market in order to keep its life cycle as long as possible.

Its pace will start slow in the market introduction but gain momentum in its coming stages since the target market will be seeing the new product and purchasing it upon its availability. Market growth will occur next and hopefully quickly prove the product's market introduction was a success. This will continue with swift pace until it reaches its peak with market maturity which will be when the sales will start to decline thus the pace at which it moves from market maturity to sales decline will mirror the transition at a slow pace.

Once the McVeggie burger reaches its sales decline trend, there will be a few contributing factors. It is no longer a new product and the target market has been reached. Customers have made their decision if they will continue to purchase the product or move on to the next best thing. If this happens, it will be back to the drawing board to find a new product to introduce in hopes that it will make it through the product life cycle at a slower pace possibly never making it to a sales decline and end of life. The McVeggie burger, since there is nothing else like it on the McDonalds menu, may reach that goal.

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It may be able to stay within the second and third stages at market growth and maturity. It is impossible to know exactly what will happen when a new product is introduced but as long as the marketing is done correctly, an accurate expectation can be advised. McVeggie Marketing Mix (Marketing Plan, 2012). * Price: ?? \$1. 99 (Burger King charges \$1. 99)(Zunitch, 2002). * Profit oriented while remaining competitive * Distributed from McDonald's headquarters or an authorized veggie patty distributor * Marketed toward vegetarians, strict vegans, and the health conscious * Place: Participating McDonald's Restaurants Promotion: Commercials, magazines, billboards, radio, Internet, taste-tests, coupons * Product: McVeggie burger & Wrap * Set apart because the McVeggie is available as single patty, double patty, or a wrap * McDonald's reputation for consistent taste across regions * Veggie patty either created at McDonald's test kitchen or distributed from a reputable manufacturer of veggie patties Promotion Schedule for McVeggie The first step in developing an initial sales promotion schedule is determining the price for the McVeggie burger at McDonald's.

Any product or service has basically two values (Kayo, 2012). The first is the advertised or assigned value and the second is the perceived value, or what is called the price-value relationship (Kayo, 2012). The purpose of the sales promotion is to alter the price-value relationship and decide how much the McVeggie will cost. This is determined by the cost of raw materials, labor, and how much profit will be added into the final price (Kayo, 2012). First determine price-value and relationship-value parameters.

The second value of a particular product is the perceived value, or what a customer is willing to pay for that product (Kayo, 2012). Research similar <https://assignbuster.com/marketing-plan-phase-4-assignment/>

products and study pricing compared with benefits. Some products have a higher price than perceived value and are slow movers, selling rarely (Kayo, 2012). Sometimes a products perceived value is higher than its actual price. These type of products fly out the door as people cannot buy them fast enough. Finding a balance between the perceived value and actual price is the goal here. Once that goal is met we find the perfect price for the McVeggie.

Determine the benefits. The benefits of the McVeggie are to bring the vegan and vegetarians to the fast food industry for food on the go. There aren't many fast food restaurants that cater to the vegetarians out there so this product could entice a new target market to come to McDonald's. A questionnaire asking for specific information regarding the McVeggie could analyze the positive and negatives aspect of the product. Once this data is collecting McDonald's could find out a lot about this new product to make sure they put out an excellent product. Determine the theme of promotion.

Once the price and benefits are clearly identified, it's time to start thinking of ideas that will showcase any additional benefits of the McVeggie (Kayo, 2012). If research was done with potential customers that information gathered there will be used here to develop the initial theme of the sales promotion (Kayo, 2012). The theme will be showing the McVeggie to customers and showing how good it tastes. The main benefit of the McVeggie is to bring a new customer to McDonald's which in turn brings in new profits is the main goal of the sales promotion.

Many businesses make the mistake of trying to cram every single benefit into one sales promotion (Kayo, 2012). Doing this will only make the sales promotion appear scattered and unclear to most consumers (Kayo, 2012). These types of catch-all sales promotions will be lost in the sea of clutter that already exists in consumer??? land (Kayo, 2012). The media vehicle that is going to be used is television commercials and billboards. McDonald's has the funds to run television commercials and also provide billboards to get the new McVeggie out into the public.

There is an average of two televisions in each home in the United States so advertising using commercials is very smart to do (Kayo, 2012). Billboards showing the new McVeggie on highways and at McDonald's restaurants will get customers to want to try it and see if it is worth all the hype. Lastly, consult a professional. Creating and implementing a successful initial sales promotion can be a daunting task (Kayo, 2012). There is an order that has to be followed in order for this process to be done correctly. It may be time to consult with a local advertising or marketing agency (Kayo, 2012).

These companies work with this stuff on a daily basis and they will know what will work and what will not work. Yes, there will be a cost, but some designers, copywriters, ad agencies, or marketing firms will work within a pre-determined budget (Kayo, 2012). Advertising (P. Terry's, 2012).

McDonald's will use the radio to inform potential local customers because it is inexpensive, television will allow access to regional or national audiences but will cost more. Printed materials in newspapers, flyers, and coupons with the logo on them and can be mailed to mailing lists.

Then use the electronic way by using website for consumers as well as word of mouth by people telling people. The PR department is going to focus on creating the business image. This is going to be involved in the community with initialed good sources with the public and the press releases. The sales promotions will be offering free samples, coupons, loyalty programs to encourage purchases of the new product. The veggie burger should be an easy product to promote (Unknown, 2012). McVeggie Public Relations Opportunities

Public relations help build awareness of companies, products, services, technologies, people and issues among key audiences and influencers. It helps companies create an identity in the industry, media and community. Public relations is the use of editorial outlets magazines, newspapers, broadcast, special events, newsletters and other PR tools to convey a message to a targeted audience. Public relations are a discipline of management much like finance, accounting, human resources and law. McDonald's uses television commercials, magazines, billboards, radio, and Internet.

McDonalds is all over the world. The best way to get the McVeggie products out would be to create a commercial, an Internet ad, and ads for magazines. We could also use a billboard on a highway. Each ad avenue can get the word out to consumers about the new product. McVeggie Channel Management McDonald's operates and distributes their products through direct and indirect suppliers. The company holds suppliers to strict standards and maintains a focus on ethics, environment, and economics (McDonald's

Inc. , 2012). Sustainability and direct relationships with suppliers is important to the company.

Bringing the McVeggie to market using the existing supply chain management system already in place for McDonalds will be the most cost effective way to proceed. If the veggie patty is designed and made in the test kitchen for McDonald's then the company will most likely pass off the recipe to a manufacturer for mass production and then it will enter the supply chain like other products developed in the test kitchen (i. e. fruit and yogurt parfait). Choosing to use an existing veggie patty product available from a retailer will probably be the best way to proceed.

In the Quality Center for McDonald's the process for choosing the patty with the best taste, texture, and price will be done. Once the patty is chosen the company can partner with the manufacturer to start the supplier relationship. Burger King operates under this type of system for their veggie burger by partnering with Morningstar Farms (Burger King, 2012). McVeggie Budget The word budget is defined as an organization's plan for how it will raise and spend money during a given period. McDonald's bases its prices for its coffees, beverages, smoothies, soups, salads, and sandwiches on the " retail profit analysis" provided by the suppliers.

The suppliers for McDonald's have been in business for several years and have developed a solid pricing strategy. McDonald's will execute an approach that will construct consumer awareness and demand. The budget for promotional effort will be \$5000. 00; this will include advertising, coupons, internet time, in house promotions, etc. The personnel also realize

that in years to come, when other competitors enter the market, other tactics must be taken into consideration for sponsorship in order to uphold market share. * Sales

McDonald's is basing their projected coffee, beverages, smoothies, soups, salads, and sandwiches sales on the financial snapshot information provided to them by McDonald's Internet sales will be estimated by calculating the total number of hours each computer will be active each day and then generating a traditional estimation as to how many hours will be purchased by consumers. * Cost of Goods The cost of goods sold for McDonald's products was determined by the retail profit analysis that was obtained from McDonald's. The cost of internet access is \$600.00 per month paid to Century Link for networking fees.

The cost of email accounts is 20% of the selling price. Fixture costs 15 computers, six printers, six scanners, six copy machine, six fax machines, two telephones, and decoration all for a total of \$50,000. * Payroll Expense The total cost of payroll will be \$7500 per month * Rent Expense The total cost of rent will be \$2000 per month * Utilities Expense The total cost of utilities \$1000, this includes gas, garbage disposal, electric, local calls, long-distance calls, and modems. * Marketing Expense The total cost for marketing will be \$5000 * Insurance Expense Total cost for insurance for the first year will be \$1500

Legal and Consulting Fees The total cost of obtaining legal consultation will be \$1000 * Depreciation * Accounts Payable McDonalds acquired a \$25,000 loan from the bank at a 5.75% interest rate. The loan will be paid back at

\$700 per month. Control and Monitoring A marketing plan must be proven once it is established. It must show that it is doing its job entirely. If there are areas to improve, there are quantifiable elements that help evaluate, monitor, and control the effectiveness of the marketing plan. With our marketing plan some of those quantifiable elements include long run and short run expenditures.

It is easy to quantify marketing expenses and investments in the short run but a broader awareness may take months or years. Enhanced brand image, greater customer loyalty, and improved new product prospects are part of that long term outputs our marketing plan should have evaluated, monitored, and controlled. Researching is the key element in evaluating our projected and overall effectiveness. Knowing what the strict marketing plans guidelines are if evaluations are conducted, this will ensure the marketing plan is kept on track and followed. Controlled and continuous monitoring is also necessary.

Management is a large part of this element to monitor the marketing plan. A management team is in place to closely monitor all aspects of the marketing plan at all times. From consumer behavior to finance, the market plan is broad and expands over a continuous allotment of time. The management's team is never done. The effectiveness is also measured by a team of specialists. Most of the time people conclude if something was effective by the outcome. This is not the case with our marketing plan. Effectiveness is needed to be measured at all thresholds of the plan. Once each step is completed, advertising, budgets, sales, etc. an overall assessment of the outcome will need to be conducted. This will ensure that the next step can

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start and if anything needs to be altered to adhere to the plan, it can be done before the marketing plan goes any further. Reference Armstrong, G. (2005). Marketing: An Introduction (10th ed.). Prentice Hall. Betty Crocker. (2011). MONSTER Veggie Burgers. Retrieved from [http://www.bettycrocker.com/recipes/monster-veggie-burgers/b11cfc4c-28cb-44bc-9518-9c9c6977f979?sc=Veggie%20Burger%20Recipes&term=Veggie%20Burger&itemId=f3e a068a-b251-4633-9e85-eaacc631ba75](http://www.bettycrocker.com/recipes/monster-veggie-burgers/b11cfc4c-28cb-44bc-9518-9c9c6977f979?sc=Veggie%20Burger%20Recipes&term=Veggie%20Burger&itemId=f3e%20a068a-b251-4633-9e85-eaacc631ba75).

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