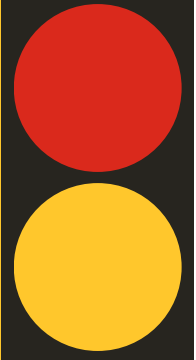


MARKETING PLAN

MCDONALD'S HAPPY MEALS

NOVEMBER, 13, 2023



Introduction

Product Description

The Happy Meal is a popular meal option at McDonald's. It includes a main item, a side, a drink, and a toy. The primary item can be a hamburger, cheeseburger, or small serving of Chicken McNuggets. The side can be French fries, apple slices, a Go-Gurt tube, or a salad. The drink can be milk, juice, or a soft drink. The toy is a significant attraction for many kids. It's important to note that item availability varies by country and restaurant size.



McDonald's Happy Meal Toy

The history

- The history of McDonald's

McDonald's Corporation is a global fast-food giant founded in 1955 by Ray Kroc. It has become one of the world's largest and most recognizable fast-food chains.

- **The history of Happy meal**

The meal's name was an offshoot of a 1960s McDonald's jingle, in which it called itself the "happy place." "It's such a happy place / Hap, hap, hap, happy place," it went. Dick Brams, an advertising exec at McDonald's, pitched the idea of a Happy Meal to Bob Bernstein of Bernstein-Rein. Bernstein refined the idea and presented it to Paul Schrage, who approved it for national rollout in 1979. Dick Abrams was later recognized as the "father of the Happy Meal" by McDonald's in 1988.

This is a notable inscription from an official, gold-plated Happy Meal box in 1987 to mark the menu item's 10th anniversary for Bob Bernstein.

"McDonald's Happy Meal 10th Anniversary 1977-1987

To Robert A. Bernstein, Bernstein-Rein Advertising

Thank you for bringing the Happy Meal, a bold idea, to the McDonald's System.

Your insight and conviction truly has made McDonald's a fun place for children for the past 10 years!

McDonald's Corporation

September 1987"

The product usage overview

The Happy Meal experience begins with its distinctive packaging. In China, the box is often adorned with vibrant and culturally relevant graphics featuring popular characters or themes that resonate with children. The Happy Meal provides children with an interactive and engaging experience during the meal. The inclusion of the toy serves as a source of entertainment, making the dining occasion not just about food but also about play. Sometimes, the cardboard box outside the children's package could also be made into an apple for added playability.

Visual Aid: Imagine a visually appealing Happy Meal box covered in colorful illustrations of beloved characters, capturing children's and parents' attention.



McDonald's Happy Meal Box

Happy Meal is more than a meal. It's a planned and visually attractive experience, with tasty food, relevant toys, interactive play, and a family-friendly atmosphere. Visuals, from packaging to toys, make it a memorable dining experience for families.

The needs and wants are addressed

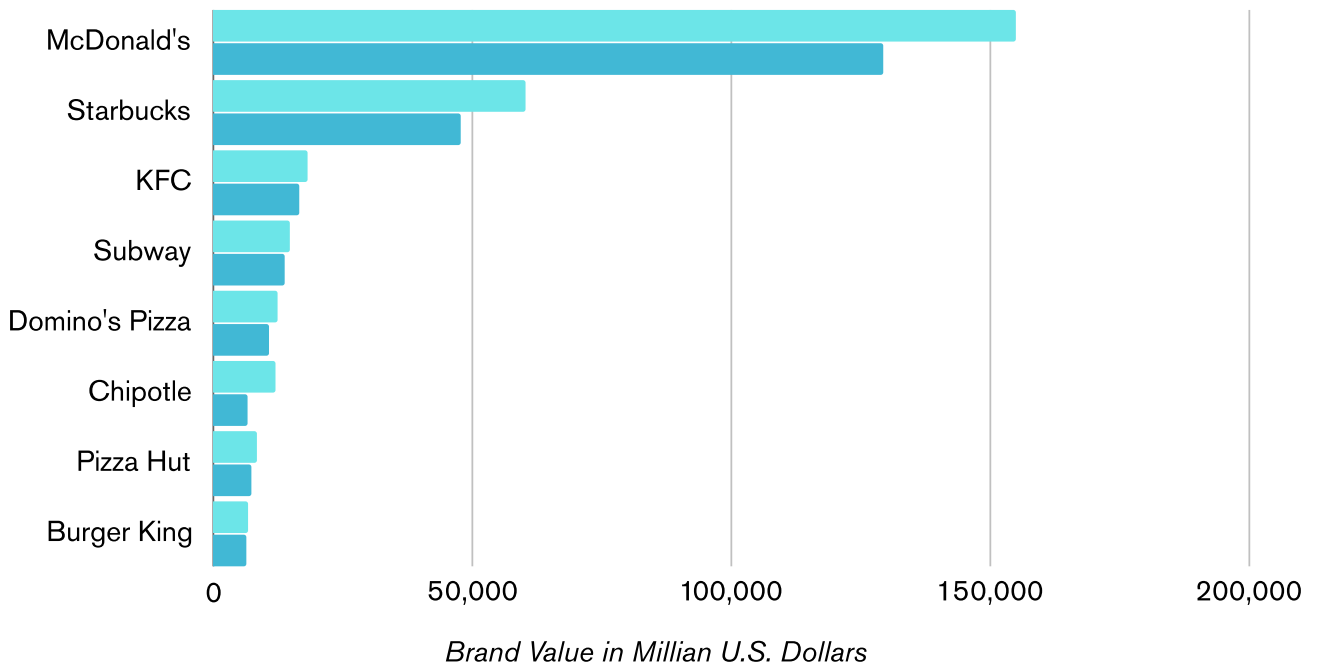
The Happy Meal is primarily designed for families with young children who desire a quick and convenient meal and young adults who want to keep up with the latest trends. Busy parents who do not have time to cook for their children find it very convenient to visit McDonald's for a quick meal while still satisfying their children's preferences. The unique toys included in the Happy Meal provide children with an exciting experience, and they eagerly anticipate whether they will receive a new toy or one they already have. This is particularly true in China, where domestic social media platforms such as Jieyin Weibo often influence young people to purchase and collect McDonald's toys. Some of these toys are suitable for pets, allowing pet owners to dress up their furry friends.

"Although his version of the Happy Meal centered on the designs outside the box, toys became its main appeal. McDonald's turned into one of the largest toy distributors in the country and the toys became collectors' items. Vintage Happy Meal toys now sell for up to \$50 on eBay."

Industry Overview

McDonald's is a fast-food or quick-service restaurant (QSR) chain that serves affordable food items quickly. The fast-food industry is large and growing worldwide, driven by busy lifestyles, urbanization, and

changing consumer preferences. McDonald's faces competition from global and local fast-food chains, including Burger King, KFC, Subway, Starbucks, and local market players. In the fast food industry, **McDonald's had the highest brand value in the world, estimated at nearly \$155 billion, way ahead of the next closest competitor, Starbucks.**



Source - Statista

The Consumer, The Competition, and Marketing Research

In today's fiercely competitive business world, effective marketing and branding are crucial to a company's success, and McDonald's is a prime example of this. Behind the scenes, McDonald's has expertly crafted and executed marketing campaigns that have propelled the brand to unparalleled heights. By positioning itself uniquely in the fast-food market and winning the hearts and appetites of customers, McDonald's has harnessed the power of strategic marketing to maintain its dominant presence.

The Consumer

McDonald's target market is spread worldwide and encompasses a wide range of age groups, from children to older adults. As per the 2020 data, the typical customer is a married woman aged between 41 to 56, who particularly enjoys McDonald's breakfast.

Most of McDonald's audience is lower to middle-income families in both urban and rural areas. They are loyal customers, visiting a McDonald's restaurant an average of 44 times a year.

In 2015, McDonald's responded to a shift towards healthier fast food choices by reducing oil and salt content and adding healthy options to the menu. This focus on healthy dining remains a key aspect of McDonald's brand today.

- **Target Market Chart**

- a. McDonald's Target Market Segmentation

McDonald's is a global brand with a diverse audience. To understand their target age group and advertising strategy, we analyze demographic, geographic, behavioral, and psychographic data. Let's dive in.

- b. McDonald's Demographic Segmentation

McDonald's target age group is consumers from 6 to 70 years old, both male and female.

McDonald's serves multi-generational families with Happy Meals and playgrounds for kids, McCafe coffee and breakfast for moms, and combo meals for family outings. Their target market includes employees, professionals, and students who appreciate the value-conscious meal options and free Wifi.

- c. McDonald's Geographic Segmentation

McDonald's serves an international audience with restaurants in 120 countries, in both urban and rural areas. **More than 37% of McDonald's stores are located in the US.**

In 2021, France and Germany had the most McDonald's restaurants of all European countries. In 2021, McDonald's in the US generated over \$8 billion in revenue, while the rest of the world combined accounted for more than \$12 billion.

McDonald's is continually expanding in Asia Pacific – in 2020, China had the largest number of restaurants (4,400 stores), compared to 2,900 in Japan and 1,023 in Australia.

- d. McDonald's Behavioral Segmentation

McDonald's target audience is mainly lower to middle-class consumers, who are interested in fast, cheap, and convenient food.

McDonald's drive-thru has become more popular during the pandemic. The average drive-thru purchase in 2020 took 349 seconds. The company has taken major steps to become a healthier brand, such as removing artificial preservatives from Chicken McNuggets in 2016 and replacing liquid margarine with butter in breakfast items in 2015.

- e. McDonald's Psychographic Segmentation

The typical McDonald's customers are characterized as 'easygoing' and 'careless', yet at the same time, they are loyal to the brand and eat fast food regularly.

Mostly working-class people, the McDonald's target audience has an annual household income of \$48,000 to \$65,000, and these customers are likely to use coupons and take advantage of McDonald's \$1 \$2 \$3 Dollar menu items.

For the savvy millennial customer base that includes many foodies, McDonald's is looking to innovate with gourmet ingredients and healthier options. The brand also localizes its menu according to region; in India, for example, 50% of the menu is vegetarian.

Table 1. *Type of burgers in each country*

Country	Chicken "burger" types	percentage	Beef "burger" types	Percentage	other(fish/veggie)
U.S	2	16.66%	9	75%	1
China	3	23.07%	8	61.53%	2
Brazil	3	17.64%	14	82.35%	0
Egypt	12	42.86%	14	50.00%	2/1
India	4	50.00%	0	0%	1/3
Germany	3	23.07%	7	53.8%	2/2
Australia	5	25.00%	13	65.00%	2/1

Table2. *McDonald's Segmentation, Targeting, and Placement*

Type of segmentation	Segmentation criteria	McDonald's target segment
Placement	Reigon	Domestic and international
	Place	Urban and rural areas
Demographic	Age	8 – 45
	Gender	Males & Females
	Life-cycle stage	Married couples, single people, friends, old age
	Income	Middle class
	Occupation	Students, employees, teachers, regulars
Behavioral	loyalty	Loyal customers
	Benefits	Cost benefits and time efficiency
	Personality	chill & carefree personality
	User status	Fast food eaters
Psychographic	Social class	Lower, working, and middle classes
	Lifestyle	Mainstream individuals

● Purchasing Influences:

- a. Psychological: Happy Meal addresses the need for food (bottom of Maslow's hierarchy) and the desire for entertainment and novelty (higher on the hierarchy).
- b. Social: Cultural influences include the popularity of fast food in modern society. Family, friends, and peer influence contribute to the decision to purchase Happy Meals.
- c. Situational: Children's requests and parents' convenience drive impulse purchases of Happy Meals, while young people may buy them for social media campaigns and their collectability.

The Competitor

McDonald's and Burger King are among the top global fast food chains and have long competed over their signature burgers, the Big Mac and Whopper, respectively.

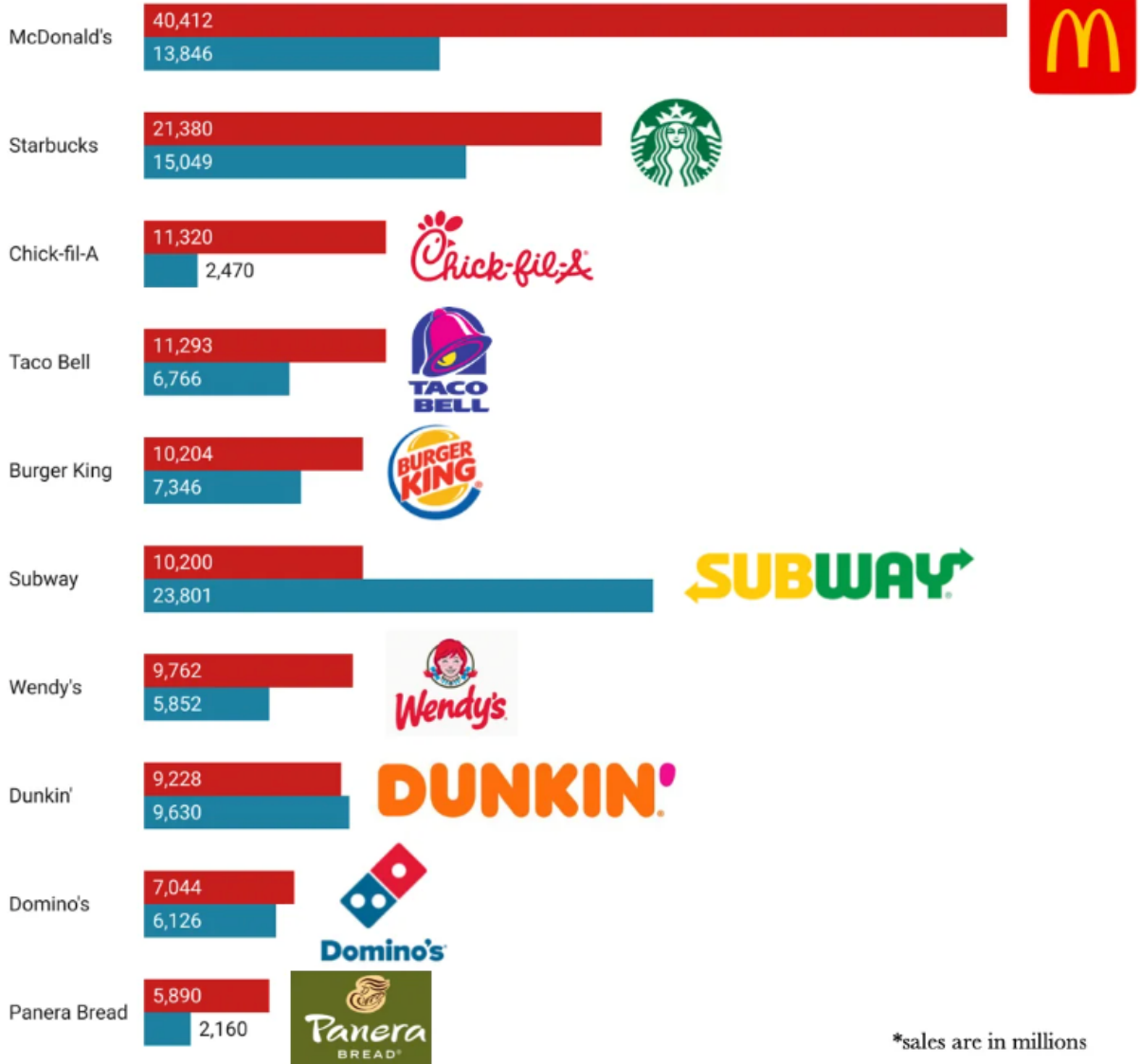
Although McDonald's is way ahead in brand value, Burger King is giving McDonald's a run for their money. In 2020, Burger King even edged slightly higher in terms of revenue: **\$19.2 billion for McDonald's**

compared to over \$20 billion for Burger King.

McDonald's competes with Yum Brands (Taco Bell, KFC, Pizza Hut), Wendy's, Subway, Chipotle, as well as local brands like Hungry Jacks (Australia), Sbarro (Russia), and Pret A Manger (UK).

Top 10 fast food restaurants in sales vs the number of outlets they have in the US

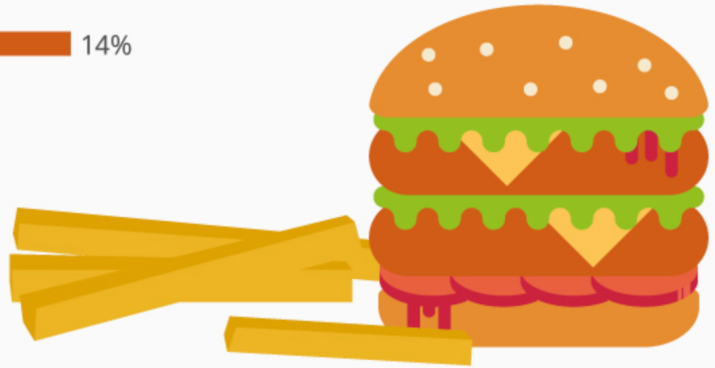
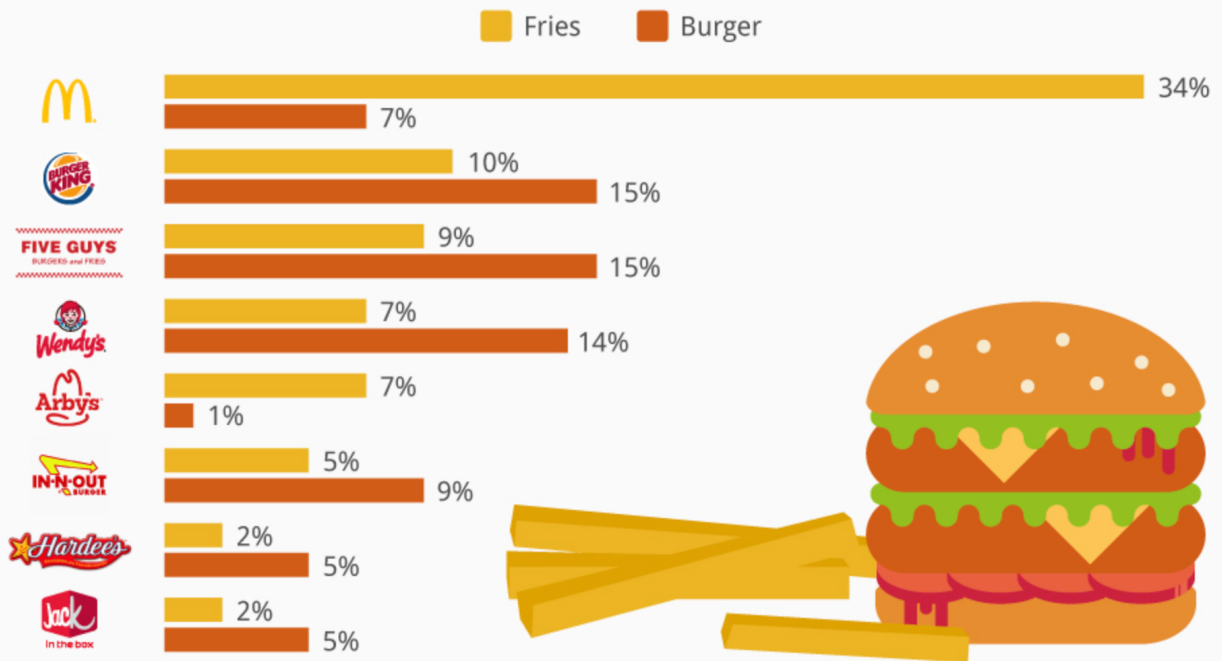
■ Sales ■ Number of outlets



Source - Statista

Which Fast Food Chain Has The Best Burger & Fries?

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



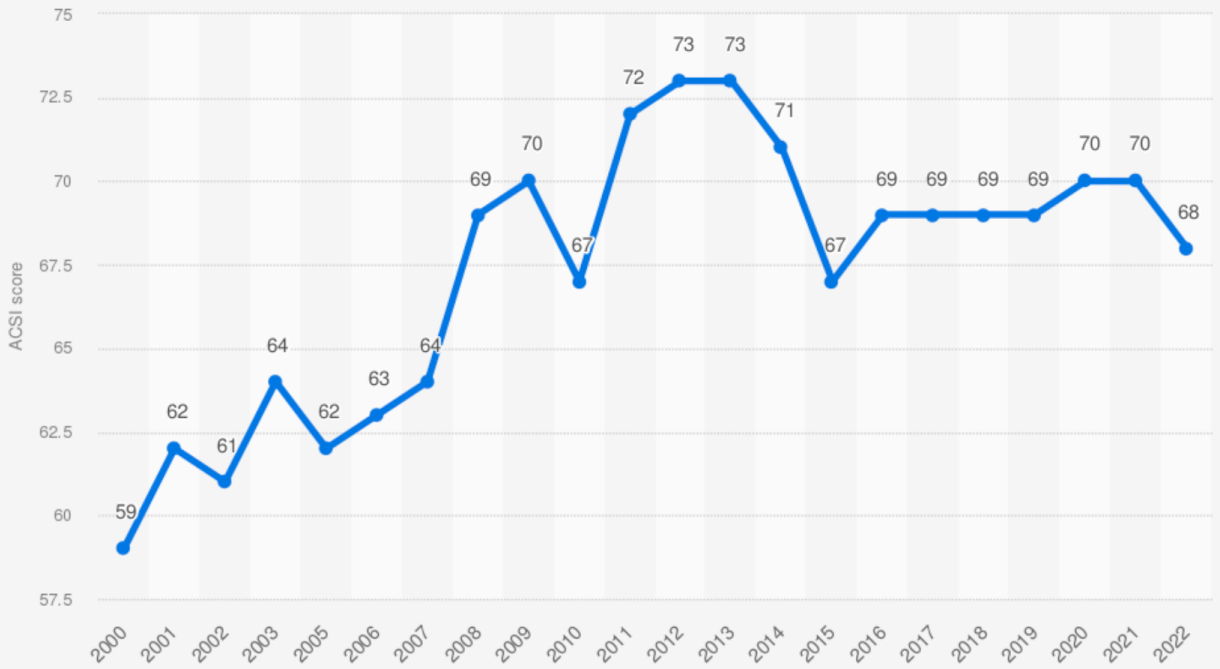
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n=1.2m Survey conducted from 8/27/2014 to 9/16/2014
Source: YouGov

statista

Source - Statista

American Customer Satisfaction Index scores of McDonald's restaurants in the United States from 2000 to 2022



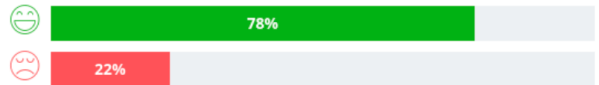
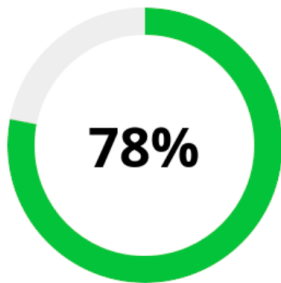
Source
ACSI®
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Additional Information:
United States; ACSI®; 2000 to 2022

Source - Statista



McDonald's Customer Loyalty



Source - Statista

Marketing Research

Survey Questions:

What factors influence your decision to purchase a Happy Meal for your child?

How often do your children request a specific Happy Meal toy?

What improvements would you like to see in the Happy Meal experience?

How do you perceive the nutritional value of Happy Meals?

Are there specific promotions or tie-ins that would make you more likely to choose a Happy Meal?

Conclusion

To successfully promote and sell McDonald's Happy Meals, it is important to understand the target audience, analyze competitors, and conduct thorough market research. With more and more people using social media nowadays, a soft promotion can be done on platforms like TikTok. Inviting bloggers with a large following to share the toys they have just bought can be an effective way to promote Happy Meals. However, it is important to control the number of advertisements to avoid over-promotion and achieve marketing goals without annoying customers. This information can help guide strategic decisions to ensure the product meets consumer needs and preferences in a competitive market. Happy Meals' colorful and entertaining nature, as well as strategic partnerships for toy tie-ins, contribute to its ongoing popularity among children and families.