

MY  
MARKETING  
PROPOSAL

## The Marketing Proposal

For my marketing proposal I am investigating the possibility of McDonalds selling pizza. I have carried out all of my market research on the likelihood of pizza being a success in McDonalds and discovered that there would be a demand for this product.

The Marketing Objectives for my new product must also be SMART. Marketing objectives are an essential part of the marketing plan, so I need to state my objectives for pizza at McDonalds. My marketing objectives are:

- To create a marketing proposal for a new product which will be successful.
- To gain a foothold of the pizza market share in the next 12 months. I will do this by an extensive advertising campaign throughout the Ballymena area. The reason for this is because currently McDonalds does not sell pizza so they have no percentage share in the pizza market, if they enter this market they will then want to have gained some of its customer base.
- To decrease competitors sales percentage. McDonalds will want to persuade some of its competitor's customers to come and purchase their pizza instead of from Domino's and Pizza Hut etc. This will have an effect on these businesses and so may decrease their sales due to McDonalds taking their customers.

From my company research I found some of the company objectives for McDonalds. They are:

- Average annual sales and revenue growth of 3% to 5%
- Average annual operating income growth of 6% to 7%

Hopefully offering a wider product range will help to increase these targets set by McDonalds Corporation. Pizza will increase customer base and should then help meet these objectives.

## Marketing Mix for New Product

### Product

The product, which I have chosen for my marketing proposal, is pizza. I have chosen pizza because McDonalds have a vast menu and product range. They offer breakfasts, meals and desserts. McDonalds caters for everyone – children, adults and vegetarians. They offer salads, sandwiches, burgers, chicken burgers and chicken nuggets. Just recently they have also started to sell carrot sticks and fruit in their Happy Meals, as this is a healthier option. The only fast food product, which McDonalds fails to sell, is pizza.

Pizza is becoming increasingly popular within the fast food sector and has increased its market share rapidly in the past few years whereas burgers however have decreased in sales. Burgers are McDonald's strength and they specialise in selling them, the Big Mac especially is its strong hold. In order for McDonalds to increase their sales% they must change with the times.

Although McDonalds offers a wide variety of food, the majority of their competitors are selling pizza. There are already a large number of restaurants in the Ballymena area that sell pizza to their customers. McDonalds will try to persuade these customers to come and purchase their pizza from them instead of where they currently purchase pizza. ✓ good

My research showed there is a demand for three different sizes of pizza. They are 7 inch, 9 inch and 11 inch. These are also the sizes which some of my competitors are offering, although Big Al's sell their pizza by slices and in Pizza Hut it is small, medium and large sized pizza. As there is a demand for all three sizes of pizza McDonalds will offer all three sizes, in order to meet all the potential customers' wants. Pizza will also be available in the Happy Meals for the children and they will receive a free toy with this. The size of pizza in the Happy Meals will be relatively smaller. Children will receive slices of pizza instead of having to be given a 7-inch pizza. ✓

Different people like different toppings on their pizza. McDonalds will offer all the standard types of pizza such as Margherita, Pepperoni and Maryland. From my research it was clear that the majority of people said they would like to choose their own toppings without having to choose from a set menu. This means that McDonalds will also have to provide a wide range of toppings in order to meet all their potential customers' needs. Below is a list of the toppings, which McDonalds will provide: ✓ evidence from research.

- Pepperoni
- Salami
- Bacon
- Chicken Fillet
- Chilli Beef
- Peppers
- Mushrooms
- Pineapple
- Sweet corn
- Onion
- Cheese
- Tuna
- Tomato

The packaging of my pizza will have to meet McDonald's standards. McDonald's emphasised strongly on recycling and aims to maximise their use of recycled materials. This means that the packaging, which the pizza will be, put in needs to be recyclable. It will also need to display the Golden Arches – McDonald's logo and the company's colours, which are red, yellow and white. By displaying these on the pizza's packaging, customers will know that the pizza has been produced by McDonalds. ✓

McDonalds currently have a system where once you have finished your meal you put all your rubbish in the bins provided around the restaurant. They will not be practical for pizza boxes, so therefore the current bins will have to be replaced with bigger bins so as the pizza boxes can fit too. ✓

Direct selling is where the channel of distribution only involves the producer and the consumer. The wholesaler is not needed so this saves money. McDonalds uses Direct selling as they produce the product and distribute it to their consumers immediately after it is made. ✓

### Promotion

McDonalds in Ballymena is a franchisee, which means all their advertising will be provided by McDonalds Corporation in the United Kingdom. A franchisee only owns the right to run the business, they do not have the authority to use their own advertising or make their own decisions involving their outlet. Instead they will be given instructions by the franchiser, which they will be expected to carry out so as all of the McDonalds franchises will be promoting the same practices. Every McDonalds, which you enter, offers the same food and is designed in a similar way. This keeps in line with the McDonalds theme. They are all decorated using the same colours and are portrayed as a clean and friendly restaurant. McDonalds in Ballymena will be only offering pizza on a trial basis and so will then have permission to use their own advertising techniques when promoting pizza in the Ballymena area. ✓

Promoting pizza for McDonalds will only be aimed at the Ballymena area and target market, as this is where their main customer base lies. As this new product is only on a trial process it will not need to be advertised through television as this would be too expensive and pizza would only be offered in one branch, which will not be convenient for every one. However if this trial is successful McDonalds Corporation will then take care of the major advertising through television and also by providing posters for each franchise of McDonalds in Northern Ireland. ✓

The promotion, which McDonalds in Ballymena will use, will be to a much smaller scale. McDonalds may use both of the local newspapers, the Ballymena Guardian and the Ballymena Times. This will help create awareness to those in the local area. They may also wish to advertise on the local radio station Seven fm stationed at 107 fm. Both of these options will help readers and listeners to be conscious of the fact that pizza will now be served at McDonalds in Ballymena. ✓

*Focus on target market*

McDonalds Corporation has created a good corporate image for McDonalds and so every branch of McDonalds is expected to follow the objectives, which the Corporation has set. The company focus immensely on recycling and being environmentally friendly. This is why it would not be good idea for McDonalds to hand out leaflets in Ballymena town centre. Most people when handed a leaflet on the street throw it on the ground and this creates litter on the streets. As each leaflet would have McDonald's golden arches on them it would be the solid responsibility of McDonalds to pick all the leaflets off the ground. This would not give McDonalds a respectable reputation, as they would be creating more litter and rubbish on the streets, one of the things they strive to avoid therefore contravening their objectives. ✓

Instead of giving out leaflets and flyers in the street, McDonalds Ballymena may put leaflets in through the letterboxes of those houses in the Ballymena area. From my questionnaire I discovered that the majority of people who use McDonalds are from Ballymena and the surrounding villages such as Galgorm, Harryville and Broughshane. This means that everyone within the Ballymena area will have knowledge of McDonalds selling pizza. The leaflet will have to be made from recycled paper so as each household will be able to put the leaflet in the blue recycling bins which every house in the Ballymena area is provided with. Otherwise this would be going against McDonald's main policy. ✓

*relation to research*

There is also the possibility of using special offers and vouchers. These could be given out either by handing them out in the town centre to potential customers. This would mean that once people are given a voucher they might decide to use it while they are in the town as McDonalds is convenient to them. The other option is to put special offer coupons in through people's letterboxes along with the leaflets. If people are not interested they can then put it in their recycling bin. The special offers influence people to use the facility as they feel they are receiving a bargain. ✓

In all McDonald's restaurants it is a matter of hygiene to place tray liners on each tray in the restaurant. This is an opportunity for McDonalds to advertise their products on these tray liners. They could also promote pizza by using this clever method of advertising.

As pizza is only a trial product in the Ballymena area they will be able to advertise through posters in the local area. These posters will be restricted to the Ballymena branch, as no other McDonalds will be offering pizza. The posters could be displayed in busy areas around the town, but not in away, which may appear to be an eyesore. Billboards would also be a good way of promoting pizza in McDonalds throughout the town. ✓

### Place

McDonalds is currently situated in the Pentagon Retail Park just outside Ballymena. This retail park contains Halfords, At Home and McDonalds. These outlets may also provide trade for McDonalds. McDonalds is walking distance from the town centre where all the main shopping outlets are. There are pedestrian crossing zones on the way down to McDonalds, which makes it safer to cross the road as McDonalds is situated at a main junction. There is free parking facilities in the car park beside McDonalds, which provides Mother and Toddler and disabled car parking spaces to meet their needs. This is convenient for those who have not been in the town centre and are coming from other areas, which means they can by pass the centre of the town where the largest amount of traffic is likely to be. McDonalds is situated at one of the major junctions in Ballymena, where most traffic will have to pass through at some stage. All the flow traffic that passes past here can be going to Belfast, Antrim, Coleraine, Cullybackey, Galgorm and Broughshane. ✓

Ballymena is a large town, which attracts many people, as it is a main shopping town. The population of Ballymena is 28,717 people, which gives McDonalds a large target market. Everyday Ballymena is lively and there are always a large number of people within the town, on weekdays it is filled with mainly pupils from the local schools. McDonalds is near Cambridge House, Ballymena Academy and St. Louis also people who attend the Further Education College also use McDonalds on their lunch breaks. The bus and train station is also near to McDonalds, which means pupils from schools further out from the town, will be able to walk from the bus to McDonalds. In order to get to the town centre from the station you have to walk past McDonalds, this may persuade pupils to use McDonalds, as it is convenient for them. At the weekend both people from Ballymena and visitors to the town may be looking for a place to eat, as McDonalds has a good reputation and is well known people are likely to choose to eat there.

McDonalds Ballymena branch has created a child friendly environment. There are Mother and toddler toilets along with disabled facilities. In a separate area of the restaurant there is a section specifically made for children, this is where children's birthday parties may be held. McDonalds also provide baby chairs for those parents with small children, and balloons are provided for kids as well. In the Ballymena branch there is also the Drive Thru. This is convenient for those in a rush, and who don't wish to have a sit - in meal.

### Price

There are many different types of pricing strategies. For my marketing proposal there are two options which are available Destruction and Competitive pricing. Destruction Pricing is when a company sets its prices at the lowest possible price. This may mean that competitors will find it hard to compete due to these really low prices. Destruction pricing may also result in the firm making a loss as they wont be making a profit with each sale. I felt that the most suitable method of pricing would be Competitive Pricing. Competitive pricing is where there are a large number of competitors selling similar products. In order for a business to compete in a competitive market they will have to set their prices closely in line with their rivals.

If a business sets their price for a product at remarkably low price consumers will question why this product is so cheap. They may feel the product is to a poor quality and so may not purchase it as they presume the product is too cheap. On the other hand if a product is priced too expensive consumers will feel that it is not worth the money. This is why it is vital that a company chooses the right price for their product.

McDonalds is well known for its good quality, fast service and cheap products. As McDonalds product range is already priced at a price which everyone can afford, the new product will also have to be priced at a price, which will suit everyone.

From my Primary research I discovered that the price which most of my potential customers would be willing to pay for pizza was £6. This means that in order to gain these peoples custom I must then meet their requirements.

target of proposal

In order to survive I also must keep my prices in line with my competition. From my secondary research I discovered what my competitors were charging for their pizza. Big Al's sell their pizza by slices, 6 slices ranges from £4.50- £6.00 and an 8 slice pizza ranges from £6.10- £8.30 and Pizza Hut's prices begin at £5.00 to £9.00 depending on the size of pizza and toppings. As my competitors are charging similar prices to what my potential customers said they would be willing to pay I think this would be a reasonable price. ✓

From my survey there was a demand for three different sizes of pizza, they were 10inch, 12inch and 15inch pizza. It was clear that the larger the size of pizza the more money consumers would be willing to pay. This gave me the reasoning of having each size of pizza being sold at a different price:

- 10 inch pizza - £3.99
- 12 inch pizza - £5.99
- 15 inch pizza - £7.99

*evidence of competitors research*

I took these prices from my survey results and they are also similar to my competitors and in some cases slightly lower. This means that I will be able to gain those customers who said they would be willing to pay these prices for pizza at McDonalds. McDonalds will also be able to compete against its main competitors. Pizza will also be available in the children's Happy Meals. Therefore it will be priced at £1.99, as this is the price for all the Happy Meals. ✓

My marketing mix for my new product shows that pizza would be a good idea as this product has a demand. The pizza sector is increasing rapidly in popularity and McDonalds is missing this opportunity for increased sales by not currently offering one of the most popular fast foods. There are a wide variety of promotion techniques but only some of them will be appropriate for advertising pizza in the Ballymena area. I have decided to use Leaflets, Billboards, Tray liners, newspapers and the local radio station 107 fm. These methods will enable me to promote only to the local area. I only want to advertise in the Ballymena area, as pizza will only be available in the Ballymena branch of McDonalds. Ballymena is a very busy large town, which receives a large number of visitors every year. It therefore has a large customer base and target market. ✓

### PESTEL Analysis

A PESTEL analysis is an assessment, which businesses will carry out regularly so they can decide to launch new products. PESTEL stands for:

- Political Factors
- Economic Factors
- Social Factors
- Technological Factors
- Environmental Factors
- Legal Factors