**HOSPITALITY AND TOURISM OPERATION RESEARCH EVENT**



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**I. Executive Summary**

We did a rebrand on McDonalds. McDonalds is a huge corporation and many people believe that the food at McDonalds is not healthy. In McDonalds mission statement they want to be people’s “favorite way to eat” and if people do not like the food they will not eat there. McDonalds has a very family oriented target market and many moms want their children to be healthy.

We surveyed, interviewed, and used an online survey website to collect information on what people think about McDonalds. What we found was that people did not think the food was healthy and that they would eat there more if McDonalds had healthier items on the menu.

Our proposed plan was to change the healthy menu and even give it a new look. We would add a chicken and avocado meal as a new option. We would add a healthy section to the kids menu so that the parents would feel more comfortable. We are also going to update the vegetable and fruit sides and make the salads that we offer healthier.

We would start the advertisements for this new promotion in December 2014 to prepare people for the launch in January 2015. We would start off with a six month advertising campaign and depending on return on the investment we would either continue or start to back off the campaign. We plan on spending 275,000 dollars on this project.

The customers will finally have a healthy fast food restaurant and the company would gain a lot. McDonalds would get a much better image and this would also bring in a lot more money and open a completely new target market.

**II. Introduction**

1. **Description of business or organization**

           McDonalds was started as a barbeque stand in California in the year 1940. In 1948 the owners of the restaurant shut down the barbeque stand for renovations and reopened it as a drive-thru restaurant. Upon reopening, the restaurant offered a simplified menu that featured only nine items, one of which was their famous hamburgers. Over time the business started to grow and expansion via the menu options (French Fries in 1949) and restaurant locations started to occur. In 1955, the first official McDonalds opened in Des Plaines, Illinois. By 1965, there were more than 700 McDonald’s restaurants throughout the United States. In 1967, McDonalds expanded internationally to Puerto Rico and Canada.

McDonalds was first started by Dick and Mac McDonald, two brothers who always had a dream of opening a restaurant. When they wanted to expand their company they relied on the help of Ray Kroc, who spearheaded the idea of making McDonalds a franchise. The company is now run by franchisers who own and operate locations all over the United States and the world. McDonalds is headquartered in Oak Brook, Illinois and has nearly 761,000 employees staffing their 32,737 restaurants worldwide.

McDonalds is categorized as a franchise in the fast food restaurant industry. McDonalds offers many different products and is known for their traditional menu offerings; as well as, their occasional “new release” item or customized menu offering based on the area in which they serve. They have things on their menu ranging from snack wraps to ice cream to hamburgers. Their products are known for being cheap and convenient but they have been criticized for their quality of food because it is seen as very unhealthy. The menu only has a few items that are healthy and they need to introduce new products to their menu.

1. **Description of the community**

Our goal is to rebrand McDonald’s franchises throughout the United States.  We have examined the economic, geographic, and demographic factors that are currently impacting the nation and have detailed each below.

**Geographic**

McDonald’s franchises are strategically located and each restaurant property is extensively evaluated before being selected as a potential opening.  A typical McDonalds location is a stand-alone restaurant that is at least 50,000 square feet with additional space being required for restaurants at which the franchisee wants to have a McDonald's Play Place. Space requirements vary depending on whether the play area is inside or outdoors. A corner location with the option to put up signs visible from two major streets is considered optimal, as is a site near a major intersection with traffic signals. Ample parking space is required with size and space requirements being adapted for mall, airport, and some downtown locations.

**Economics**

The economic picture in the United States is slowly returning back to the way it was a few years ago. It is doing a little better with an unemployment rate of 7.9 percent. People are getting back to work and starting to get back on their feet again. Going along with the unemployment rate, the inflation rate is 3.1 percent. When the inflation rate is higher, McDonalds has to raise prices to make a profit. When this happens, people do not want to spend money on things, like food, that they can make for cheaper by themselves. The franchise owners have to deal with the price of the dollar because the more it costs to run and operate a restaurant, the less that the franchiser might be able to spend on other important things such as wages or sanitation.

**Demographics**

People of all races, religions, and ages live in the United States. The main age group in the United States is 25 to 54 years old. The percentage of males to females is nearly even but favors the females more. 80 percent of the citizens living in the United States live in urbanized areas. McDonalds strategically place their restaurants near urban areas because of the population. The races in the United States are mostly dominated by Whites and then by Blacks, Asians, and Hispanics. The language spoken in the United States is 80 percent English and 10 percent Spanish. The Spanish language is rapidly growing in the United States. The two biggest cities in the United States are New York City, New York and Los Angeles, California. McDonalds has over 500 restaurants in these two cities.

**C. Description of the business or organizations mission, target market, and existing branding efforts**

McDonald's brand mission is to be “our customers' favorite place and way to eat and drink. Our worldwide operations are aligned around a global strategy called the Plan to Win, which center on an exceptional customer experience – People, Products, Place, Price and Promotion. We are committed to continuously improving our operations and enhancing our customers' experience”.

    McDonald’s focuses primarily on customer service and the experience that the customer will have. The main goal is to satisfy the customer’s wants and needs, and that is done by using the “Plan to Win” strategy. McDonald’s mission as a company is to have customers want to come back and for McDonalds to leave a good impression on them.

McDonald’s demonstrates appreciation for their customers by providing them a great value and fats meal. The company’s goal is quality, service, cleanliness and value for each and every customer, each and every time.

McDonald’s provides opportunity, nurture talent, develop leaders and reward achievement. The company believes that a team of well-trained employees with diverse backgrounds and experiences, working together in an environment that fosters respect and drives high levels of engagement, is essential for continued success.

McDonald's has a very family oriented target market. Their products and services appeal to many families because they aim to offer a fun and friendly environment for everybody to enjoy. Although McDonald’s appeals to families, they primarily target customers based on demographics. The main target market is children, youth, and families, which is why promotion strategies, such as "The Happy Meal" are geared towards this age group. They still have a smaller target market of older clients who have been going to McDonalds since they were younger.

The company colors are primarily red and yellow. The reason for having these colors is strategically based. Children respond to primary colors the best, which is why McDonald’s uses red and yellow. Red stimulates chemicals in the brain, so it appeals to young children and adults, both of which are a part of the company’s target market. Yellow symbolizes friendliness, which is what McDonald’s strives to be. These two color options play a role in the success of the company.

Another marketing aspect of McDonald’s is the logo. It is known as the "Golden Arch." The Golden Arch is the company’s trademark, which allows them to be recognized globally. McDonald’s trademark is an assurance of quality and consistency. The two arches together create the look of an "M" which represents "McDonald's."

Ronald McDonald is the primary mascot/character of McDonald's. Ronald is a clown that wears the company's main colors, red and yellow. The clown appeals to the younger target market so it is a reminder that the restaurant is a kid friendly environment.

Recently, McDonald's has revamped their store design. By 2015, the majority of America's 14,000 stores will be renovated. The new look is designed to make customers feel more welcome. Although the colors red and yellow are a big part of the company, they have redesigned the interior of the store to look more welcoming, with subtle greens and muted oranges.

With the remodeling of the inside of the store, they are also revamping the outside of the 14,000 United States locations. The new exterior of the store will look more sleek and modern than what it was before. The new design of the store will appeal to their older generation customers and it will make them feel more welcome.

Marketing mix focuses on product, price, promotion, and place. Since the restaurant is targeted to children and their parents, McDonald’s emphasize price because the parents are making the buying decision, usually based on the cost of the item. The development of the "golden arches" and "Ronald McDonald" allows customers to recognize the company and know what to look for when they want quality food at a low price. McDonald's focuses on store placement to find the best locations. Most lone restaurants are located within minutes of a suburb or city. Stores are also being put into malls and shopping centers, so there is always one available and reasonably located for everybody. One kind of promotion that McDonald's uses are catch phrases, such as the famous one, "I'm Lovin' It!" This is a big part of the promotion strategies because it is easily remembered and recognized by many customers. Another strategy that McDonald's uses are sponsorships. This gets the company name out and is a big part in their image building process.

**III. Research Methods Used in the Advertising Media Analysis**

**A. Description and Rationale of Research Methodologies selected to Conduct the Research Study**

To figure out what the people thought was the problem with McDonalds; we used many different methods of research. The primary methods that we used were surveys and interviews. We went to three McDonalds in Charlotte, North Carolina and conducted all of our research. We collected surveys from the customers that came inside at McDonalds and interviewed the employees and managers at each McDonalds we visited. For our secondary research we used previously conducted online surveys and third party websites to collect research.

One method of primary research we conducted was through the use of a survey that we created.  Our survey focused on health factors associated with McDonalds food and the menu options it entails. We decided to do a survey because it was a quick and easy way to collect research and the customers would be more likely to give their opinion on making McDonald’s food better. We carefully created our survey to not sound biased and make it positive. We decided that we were going to survey at three different McDonalds to collect our data.

For the second primary research we decided we were going to sit down and interview 1 manager and 2 employees from each McDonalds and see what their opinions were. We came up with 4 different open ended questions and asked them to input their opinion.We asked all of the people that we interviewed to be honest because the information would only be used for data collecting purposes.

For the secondary research we decided to look for a survey with collected data to compare and draw conclusions from. We used a survey that targeted the health aspect of the food. We tried to stray away from customer service and cleanliness questions because that was not the point of collecting research.

1. **Process used to conduct the selected Research Methods**

The sample size that we used for the survey was 125 people for each restaurant.. We calculated the sample size using the population and the confidence interval. We contacted the manager and asked how many people came into their restaurant every day and then added them all up from each restaurant. With the three restaurants the estimate was that 3000 people came everyday. From this we used a confidence interval of 4. We calculated the 3000 people and the confidence interval of 4 and got 375.

 The sample method that we used was random sampling because we picked random people coming through the door and asked them to fill out the survey. We stood outside the restaurant and asked people that were dining in to fill out the survey and return it when they were done eating. We gave them a customer number to track the amount of surveys that we collected throughout the day at each location. We surveyed during the lunch hour which is 10:30 to around 1:30 three different days. We figured this method would be the best because it would give us a good variation of results to analyze and we could get results from many different factors influencing the outcome of the survey.

**Figure 1.0**

**McDonalds Survey for DECA Business Paper**

1. **What is your Gender?**

Male        Female

1. **What age group best describes you?**

Under 25    25 – 35        36-45        46-55        Over 55

1. **How many times a month do you eat at McDonalds?**

1-3    4-6        7-9        10 or more

1. **How would you rate the health of the food at McDonalds?**

Excellent        Very Good        Fair        Poor

1. **On a scale of 1-10, one being the worst 10 being the best, how would you rate McDonalds food?**

1    2    3    4    5    6    7    8    9    10

1. **Which other fast food restaurants do you go eat at regularly?**

Chick Fil A        Bojangles        Burger King        Taco Bell

1. **What factors do you look for in food?**

Organic        Vegan        Vegetarian

Calories        Cholesterol        Other**\_\_\_\_\_\_\_\_\_\_**

**8. Would you eat at McDonalds more often if they offered healthier food?**

Yes             No

**9. What recommendations do you have for McDonalds on the health of the food?**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We surveyed 375 different people at 3 different McDonald’s locations. We selected 3 very different McDonald’s during research. The first McDonalds 9710 Rea Rd,Charlotte, North Carolina we chose to survey was in the middle of a very wealthy and populated area. The second McDonalds 2625 South Blvd, Charlotte, North Carolina we chose to survey was in a low income, crime ridden neighborhood. The third McDonalds we chose was 10108 Charlotte Hwy  Fort Mill, South Carolina which is right next to the border of Charlotte, North Carolina. We chose this McDonalds because this was a lowly populated area with an agricultural basis for the small little town. We figured that this would give us a varying response from many different types of people. The variation of all of the different responses would give us the proper way to ensure that we make the right changes for McDonalds. Figure 1.0 is the survey that we used at all of the McDonalds locations. Most people agreed to take the survey and the ones that didn’t told us politely that they were not interested. We were not pushy about it and tried not to bother the customers.

**Figure 2.0**

**Interview Questions**

**1. Do you use any organic or health conscious ingredients in your food?**

**2. Is the health of the food the most important thing to the employee/ manager?**

**3. What would you say are the healthiest items on the menu?**

**4. Do you think it would be beneficial to have healthier items on the menu?**

For the interview, we went to the same three McDonalds and asked for them to participate. We interviewed the manager and two employees at the locations right after we finished the surveys at the locations. We chose to interview the manager that was at the restaurant at that time, one new employee and an employee that has worked there for a while. We thought this would give us a new and old perspective of McDonalds. We sat down at a table and conducted the survey when the restaurant was not very crowded.. Each interview was given separately because the employees may not have been truthful around other customers and the manager. We asked them all of the questions and the interview took about 20 minutes for each person. We spent about an hour at each location and the total amount of interviews was about 3 and a half hours. Figure 2.0 includes all of the questions that we asked the employees and managers.

For the secondary research part of the paper, the reliable survey website that we used was [www.my3q.com](http://www.my3q.com). This website has surveys on almost every topic and relies on the feedback from the members of the website. The members are asked to join and their responses are all real. Any spam or bad responses that throw off the credibility of the surveys are deleted because the website if only for serious users and the website needs to be reliable to everyone that visits it. The website had a survey that was answered and the data was collected. It talked about the health of the food and how people rated it. It is another source that ties into our survey and it is a good way to compare and contrast the data from many different sources.We directly used this survey to guide us in making ours and figuring out the right questions to ask when asking about the health of the food.

**IV. Findings and Conclusions of the Study**

**A. Findings in the Research Study**

We found a lot of interesting facts and opinions from the survey, interview, and website we used. We compiled the data from all of the sources we used and it is giving us a good idea on what needs to happen.

**Survey**

**Figure 1.0**

**McDonalds Survey for DECA Business Paper**

1. **What is your Gender?**

Male **42%**      Female **58%**

1. **What age group best describes you?**

Under 25 **15%**    25 – 35 **35%**       36-45 **30%**      46-55 **10%**      Over 55 **9%**

1. **How many times a month do you eat at McDonalds?**

1-3 **75%**   4-6 15**%**      7-9 8**%**      10 or more **2%**

1. **How would you rate the health of the food at McDonalds?**

Excellent   **5%**     Very Good **15%**        Fair   **50%**     Poor **30%**

1. **On a scale of 1-10, one being the worst 10 being the best, how would you rate McDonalds food?**

1 **5%**   2 **8%**  3  **7%**  4 **12%**  5 **18%**  6  **30%**  7  **15%**  8   **5%** 9   **8%** 10 **2%**

1. **Which other fast food restaurants do you go eat at regularly?**

Chick Fil A    **1**    Bojangles **3**        Burger King  **2**       Taco Bell **4**

1. **What factors do you look for in food?**

Organic    **3**    Vegan  **5**       Vegetarian **4**

Calories  **1**      Cholesterol   **2**     Other**\_\_\_\_\_\_\_\_\_\_**

**8. Would you eat at McDonalds more often if they offered healthier food?**

Yes     **85%**        No    **15%**

**9. What recommendations do you have for McDonalds on the health of the food?**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 We learned in the first question that 42 percent of the people we surveyed were males and 58 percent of the people we surveyed were females.

We learned from the second question that the percentage for people under the age of 25 was 15 percent, ages 25-35 was 35 percent, ages 36-45 was 30 percent, ages 45-55 was 10 percent, and the people over that age of 55 was 9 percent.

We learned from the third question that 75 percent of the people ate at McDonalds 1-3 times a month. 15 percent of the people ate at McDonalds 4-6 times a month. 8 percent of the people ate at McDonalds 7-9 times a month. 2 percent of the people ate at McDonalds more than ten times a month.

We learned from the fourth question that 5 percent of the people thought that the health of the food at McDonalds was excellent. 15 percent of the people thought that the health of the food at McDonalds was very good. 50 percent of the people thought that the health of the food at McDonalds was fair. 30 percent of the people thought that the health of the food at McDonalds was poor.

 We learned from the fifth question that 5 percent of the people gave the food a 1. 8 percent of the people gave the food a 2. 7 percent of the people gave the food a 3. 12 percent of the people gave the food a 4.18 percent of the people gave the food a 5. 30 percent of the people gave the food a 6. 15 percent of the people gave the food a 7. 5 percent of the people gave the food an 8.8 percent of the people gave the food a 9. 2 percent of the people gave the food a 1.

We learned from the sixth question that we had many different responses. We ranked them first to last. Chick Fil A came in first. Burger King came in second. Bojangles was ranked third. Taco Bell was ranked last.

We learned from the seventh question that calories were ranked first. Cholesterol was ranked second. Organic was ranked third. Vegetarian was ranked fourth. Vegan was ranked fifth.

 We learned from the eighth question that 85 percent of the people said they would and only 15 percent of the people said they would not.

We learned from the ninth question that the results varied for this question since it was open ended. We got responses such as the cleanliness of the restaurant needed to be improved which is not what we are trying to fix.

**Interview**

The first interview question we asked was do you use any organic or health conscious ingredients in your food? The managers knew the ingredients in the food very well and they were trained. The employees were pretty skeptical about it so they used the nutrition facts to check what they were saying.

 The second question we asked was is the health of the food was the most important thing to them. The managers said that mostly all said that it was not the most important thing to McDonalds because they were more interested in the speed and ease of getting the food to the customer. The employees said that they were told by their managers that the most important thing to worry about was satisfying the customer which was mostly getting the food out fast because the people weren’t there for the health of the food.

 The third question we asked was what were the healthiest items on the menu. The answers from all of the managers and employees with unanimous decision of the salads they offered on their menu.

 The forth question that we asked was would it be beneficial to add healthier items on the menu? The managers said that it would be a great idea because people would get a new image of McDonalds and it would make the brand image go up. The employees thought that adding healthier food would bring in a whole new clientele and it would make the environment at the restaurant very different.

**Website**

On this website we found a survey that the users could take online. The survey asked questions similar to the ones we asked and we used a few of them to add to our research. The website was an online survey from the website [www.my3q.com](http://www.my3q.com). People can join this site and take surveys.

The first question we used from the survey was do you know McDonald's provide healthy food? The results of the survey were that 66 percent of the people knew that they had healthy items and 34 percent of the people did not know about the healthy food at McDonalds.

The second question we used was please indicate if you know the product(s) below. The products listed were: Green salad, Fresh corn cup, Grilled chicken salad, and Mini green salad. 25 percent of the people knew about the green salad. 37 percent of the people knew about the fresh corn cup. 24 percent of the people knew about the grilled chicken salad. 14 percent of the people knew about the mini green salad.

**B. Conclusions Based on the Findings**

**Survey**

 The first question we asked on the survey was what is your gender? From the first question we learned that it is a pretty even clientele of males and females, with slightly more females. This probably is because females are more likely to stay at home with the children.

The second question we asked was what age group best describes you? From the second question we learned that most people that visit McDonalds fall in the age range of 25-45. This made up 65 percent of the clientele that visited the McDonalds we did our surveys at.

For the third question we asked how many times a month that people ate at McDonalds. From the third question we learned that most people that eat at McDonalds only eat there 1 to 3 times a month which is only once every week and a half. Compared to other restaurants this is not a great number. They need to find a way for people to want to eat at McDonalds more often.

For the fourth question we asked how they would rate the health of food at McDonalds. From the fourth question we learned that most people that eat at McDonalds do not think the food is very good and think that it is of poor health. If people feel this way, the health is probably a major factor in why they eat there so little. McDonalds needs to be more conscious about the health of the food.

The fifth question that we asked was how they would rate the food at McDonalds on a scale of 1-10. From the fifth question we learned that most people would give the food at McDonalds a 6 on a scale of 10. People do not think that McDonald’s food is very good. It’s close to the middle, but it would be better at a number closer to 10.

The sixth question we asked was what other fast food restaurants do you eat at regularly? From the sixth question we learned that people visit other restaurants like McDonalds. The two biggest competitors that McDonalds has are Chick Fil A and Burger King. The items on the menus of all three of these are fairly similar. McDonalds needs to do something to ensure that customers only visit their restaurant.

The seventh question we asked was what factors do you look for in food. From the seventh question we learned that most people look at the calories, cholesterol, and organic factors in the food. There was a small amount of people that wished that the food was vegan and vegetarian but overall people want to focus on the nutrition facts. McDonalds needs to include more emphasis on these factors.

The eighth question we asked was would you eat at McDonalds more often if they offered healthier food. From the eighth question we learned that most people would eat more at McDonalds if they had a healthier menu. The menu at McDonalds needs to include better health items that people would feel good about eating.

The ninth question we asked was what recommendations do you have for McDonalds? From the ninth question we got many different responses that do not help us support our case so we excluded the answers to it in the findings. Most of the responses were about things other than the health of the food.

**Interview**

From the first question we asked we learned that the managers and employees really did not know what was in the food and they could not really back up anything they said without the help of the nutrition facts. The employees and managers need to be properly trained and should be able to say what their food has in confidence.

From the second question we asked we learned that the health of the food was not the most important thing at McDonalds. The managers and employees are more concerned about getting the food out fast and pleasing the customer. This leads us to believe that the managers and employees are trained to not worry about the health of the food or the quality.

From the third question we asked we learned that the item that everyone thinks is healthiest food on the menu is the salads that McDonalds offers. This is a good place to start but there needs to be more than just one healthy item on the menu, there needs to be a variation.

From the fourth question we asked we learned that the managers and employees think it would be very beneficial to add healthier food items to the menu. They think it will bring in new clientele and make the brand image of McDonalds better which will only bring more profits to McDonalds.

**Website**

 From the first question on the website we learned that 66 percent of the people knew that McDonalds has healthy items on their food menu. This is pretty good, but with more advertising they could make the number of people that know even better.

 From the second question on the website we learned that many people don’t know the healthy items that they have on the menu. They offer many healthy choices so this is a good start they just need to advertise the items better.

**V. Proposed Rebranding Plan**

**A. Objects and Rationale of the Proposed Branding Plan**

The food at McDonalds is the first thing that we are going to change. From the research we conducted we are going to change it by making it healthier for the customers. The quality and health of the food is what is lacking. We are going to add a few items to the menu that will be healthier choices than what is on the menu now. One third of the population in the United States is obese. This increases the need for healthier food at McDonalds.

We will have a completely new section on the menu just involving healthy items and make the section very appealing to people that are looking at the menu. The kids menu will also have a section for healthy food items so parents know it is offered to kids as well. Having a kids section on the menu will make it easier for kids to be healthy. The parents will give them the grilled chicken and it will encourage kids to make wise decisions for the rest of their lives and will promote healthiness.

    On top of having better food we are going to increase the advertisement and promotion of the healthy food. McDonalds has some healthy food choices that some people do not even know about. We are going to start an extensive advertisement campaign to ensure that everyone is informed about the healthy food choices that McDonalds offers. This is important because many people live healthy lives and making sure to promote and get the word out there that McDonalds is healthy and those people can see that they are a good alternative to other restaurants.

**B. Proposed Activities and Timeline**

We are going to add more salads to the menu that are healthier and havemore fruit choices including oranges, bananas, and carrots for people to substitute instead of fries. One item that we are going to add to the menu is grilled chicken with avocado sauce. This meal will be less than 500 calories like many other dishes at other restaurants. This will be the new main dish that we will offer. The meal is very light and healthy. It takes a spin on traditional grilled chicken and gives it an even better taste. Many healthy people are now adding avocados to their meals and they have a great taste.

    The menu will be completely redone just to include the healthier food items. The healthy food items will be in a section of the menu with nice and clean font such as Arial which is a neat font. . The color of the menu in this area will change to a background color of green. The font on the green will be white for a nice contrast on the color. We will have pictures of the new items on the menu to show what they look like and the improved quality of the McDonalds food. Many organic products have green backgrounds and it is a color of freshness and health. This will make it stand out and be very appealing to healthier customers. The colors will be bright and will be a major feature on the menu.

    The advertisements that McDonalds would start would include Olympians such as Ryan Lochte who is very healthy. These advertisements will be in sports and family magazines such as ESPN and Better Homes and Garden. There will be commercials will be on main networks such as CBS, ABC, and ABC Family. The commercials will run during the day when moms and children are likely watching television. This ad campaign will last for a little over 6 months starting December 2014 and then they will evaluate how it is going from there. One of the biggest things that are a problem is the promotion of the healthy food. It would be best if people saw for themselves the healthy food. This would change McDonalds image to healthy.

 We would start the new items launch in January 2014. This is a great way for people to start over fresh and we can include many commercials with New Year’s Resolution. This is a good way to start with a new, fresh, healthier McDonalds. The new items will be a permanent addition to the menu. The advertisements will last for 6 months and depending on sales we will reevaluate and then decide whether to continue to go forward with the promotion.

**VI. Proposed Budget**

**A. Costs Associated with Proposed Rebranding Strategy**

We came up with many new improvements to make McDonalds healthier and a better place to eat. The total we decided to spend on the rebrand was 275,000 dollars. We spent money over many different projects but the most expensive was the advertising.

 We decided to add and fix many of the items on the menu. For the grilled chicken with avocado sauce we added it will cost us 50,000 dollars. The vegetable and fruit sides will cost us 15,000 dollars. Since they already have fruit and vegetables we are going to fix them. We would also spend 10,000 dollars to revamp the salads that already exist and make sure that we add more choices.

We are going to add an extensive advertising campaign so we are going to spend 100,000 dollars to put the commercials and advertisements on Television. We think that spending this much money will help in the long run and turn into an investment.

We are going to fix both the kids menu and the healthy section on the menu. For the kids menu we are going to spend 50,000 dollars. For the healthy section of the menu we are also going to spend 50,000 dollars. We think that spending this much money will ensure that this works.

**B. Proposed Metrics to Measure Return on Investment**

To measure the return on investment for all of the food items that we have added and revamped to the menu we are going to track the sales from each of the items. Every time somebody purchases an item the number will be tracked and we will be able to see how much money is made off of each product.

 To measure the return on investment of the advertisements that we launch we are going to put a promotion code in all of them and we are going to see how many people redeem and use the promotion. This will help us in deciding whether or not to use more or less advertisements after six months.

 To measure the return on investment on the new menus we will feature a new item every week and see how much money we make off of the items and see if the people notice that the new menus are working and better than the other ones.