Case title: McDonald's "seniors" Restaurant

I. Statement of the Problem

The perception of younger customers of McDonald's image and the current strategy regarding senior citizen customers .

II. Definition of the Problem

Suzanne Drolet is manager of a McDonald's restaurant in a city with many "seniors." She worries that with her growing senior citizen customers, the image of her restaurant would change and it will be known for being a non-fast-food restaurant because of the ambiance. If the seniors market will also continue to grow, there would be a crowding problem. She is also taking into consideration of the possibility catering more services to them because the seniors do use their facilities for a much longer time than the average customers.

III. Factors Affecting the problem at least 5 factors with brief explanation

   a. Place or location- Place or location is one of the factors why there are a lot of seniors because they are situated in a place where there are more seniors than the younger generation.

   b. Image of McDonald's- The image of the restaurant is a factor because it is know for being a fast-food-chain but in their case they are beginning to be perceived as "old people's restaurant."

   c. Perception of the younger generation- This is a factor because when the younger see the restaurant as non-fast-food restaurant they might get discourage to dine at that place.

d. Attachment to customers-This is a factor because of the relationships between the customer and the employees, this is a hindrance because they mixed their social life with business so in times of important decision making they will always have to consider their customers because of the attachment. Well, establishing relationships with the customers is also an advantage because they can do product positioning with the customers and establish also loyal customers.

e. Time- This is a factor because even if the amount her senior citizens spend is similar to the average customer's purchase-but the seniors do use the facilities for a much longer time.

IV. Alternative solutions (at least 3 alternatives)

1. Offer bingo games

2. Encourage more senior citizens through senior citizen discounts

3. Offer new products that will surely draw average customers to the restaurant.

V. Analysis

Alternative 1- Offer bingo games as what Suzanne Drolet had mentioned, she is considering offering bingo games during the slow morning hours-9 AM to 11 AM because bingo is also popular with some seniors, and this could be a new revenue source beyond the extra food and drink purchases that probably would result.

Alternative 2- Encourage more senior citizens through senior citizen discounts. Since senior citizens as we all know have pensions or retirement fees. Then we

can conclude that they have more money that will result to their capacity to purchase more products. But the con of this alternative is that the place will be overcrowded with seniors thus leaving no choice for average customers to find another place to dine in.

Alternative 3- Offer new products that will surely draw average customers to the restaurant. If Suzanne wants more average customers then she should create new offers or products that would strike or hit the curiosity of the average customers leading them to dine in the restaurant and try the new product. But the con is that they will have to take a risk because it is not a probability that all the average customers will try the new offers.

VI. Recommendation and conclusion

In my own opinion if the main goal is to satisfy the needs of the senior citizens then they will have a trade off between average and senior citizen customers and of course their opportunity cost when they choose seniors over average customers is that their restaurant will be perceived as an old people's place rather than a fast-food-chain. Suzanne's McDonald's might become more like a European –style restaurant where the customers are never rushed and feel very comfortable about lingering over coffee for an hour or two.

Even if they choose seniors over average customers they will not really lost anything because seniors spend same amount as the average customers do when they dine in McDonald's. Then may even achieve product positioning with the seniors specifically heart positioning. They will establish loyalty among their senior citizen customers.

I choose alternative 2 which is to encourage more senior citizens through senior citizen discounts because they had already established a bond or relationship with the seniors leading them to increase their seniors market rate due to their hospitality and warmth with their customers.