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POLITÈCNICA
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CAMPUS D'ALCOI

MARKETING PLAN FOR THE LAUNCHING OF A VEGAN BURGER PRODUCED BY MCDONALD'S IN THE SPANISH MARKET.

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RESUMEN: A lo largo del siguiente trabajo final de grado se va a desarrollar de manera detallada y aplicando las teorías del Marketing de Philip Kotler y Jerome Mc Carthy, la viabilidad del lanzamiento de un producto ya existente en algunos mercados europeos, pero no en el español. Se trata de la McVeggie, conocida como la hamburguesa vegana de McDonald's. Para poder analizar esta viabilidad, se hará en primer lugar, un estudio de la situación actual del entorno del mercado español en cuanto a comida rápida y por otro lado un análisis de lo que representa la gran compañía estadounidense en España. Terminada dicha búsqueda se procederá al estudio de la sociedad española en cuanto a gustos y preferencias a la hora de consumir McDonald's mediante el uso de unos cuestionarios elaborados exclusivamente para la ocasión. Una vez analizados y contrastados los datos generados por las respuestas a los cuestionarios, se procederá a la confección de un Plan de Marketing basado en unas estadísticas realistas y, por tanto, ajustado a los gustos y necesidades reflejadas por los consumidores actuales y potenciales. Todo esto se desarrollará y plasmará mediante las técnicas de búsqueda y metodologías aprendidas durante el grado de Administración y Dirección de Empresas.

ABSTRACT: Throughout the following final degree project, it's going to develop applying the Marketing theories of Philip Kotler and Jerome Mc Carthy, the feasibility of launching an existing product in some European markets, but not in the Spanish one, the McVeggie, known as the McDonald's veggie burger. In order to analyze this feasibility, firstly, it is going to set up a study of the current environment situation of the Spanish market in terms of fast food and secondly it is going to be developed an analysis of what represents one of the biggest American companies in Spain. After this search has been completed, a study about the tastes and preferences that the Spanish society have when they consume McDonald's will be elaborated by the use of questionnaires prepared exclusively for the occasion. Once the data generated by the answers to the questionnaires has been analyzed and contrasted, a Marketing Plan will be drawn up based on realistic statistics and, therefore, adjusted to the tastes and needs reflected by current and potential consumers. All this will be developed and reflected through the search techniques and methodologies learned during the degree of Business Administration and Management.

PALABRAS CLAVE: Marketing Estratégico, Marketing Mix, Plan de Marketing, Segmentación, Cuestionario, McDonald's, Vegano, Comida Rápida.

KEY WORDS: Strategic Marketing, Marketing Mix, Marketing Plan, McDonald's, Segmentation, Questionnaire, Vegan, Fast Foo



INDEX

CHAPTER 1. INTRODUCTION	6
1.1 OBJECT	7
1.2 MOTIVATION.....	8
1.3 PROJECT JUSTIFICATION	9
1.4 METHODOLOGY	10
CHAPTER 2. THORETICAL FRAMEWORK.....	12
CHAPTER 3. BACKGROUND	19
3.1 COMPANY DESCRIPTION.....	20
3.2 MCDONALD'S AND THE FRANCHISE.....	24
3.3 WHAT MAKES MCDONALD'S TRIUMPH?	25
3.4 MCDONALD'S IN SPAIN	28
3.5 MCVEGGIE.....	29
3.6 VEGANISM	32
CHAPTER 4. ANALYSIS OF THE SITUATION	34
4.1 EXTERNAL ANALYSIS	35
4.1.1 MACROENVIORMENT.....	35
4.1.2 EXTERNAL ANALYSIS SCHEME.....	47
4.1.3 MICROENVIORMENT.....	48
4.2 INTERNAL ANALYSIS.....	56
4.2.1 MARKETING / SALES AREA.....	56
4.2.2 OPERATIONS / PRODUCTION AREA.....	57
4.2.3 FINANCIAL AREA.....	58
4.2.4 TECHNOLOGICAL AREA	58
4.2.5 MANAGEMENT AND ORGANIZATION AREA	58
4.2.6 HUMAN RESOURCES AREA.....	59
4.3 DIAGNOSTIC OF THE SITUATION	61
CHAPTER 5. MARKETING OBJECTIVES, SEGMENTATION AND POSITIONING STRATEGIES.....	62
5.1 MARKETING OBJECTIVES	63
5.2 SEGMENTATION STRATEGIES	65
5.3 TARGETING STRATEGIES	79
5.4 POSITIONING STRATEGIES	80
CHAPTER 6. MARKETING MIX.....	83
6.1 PRODUCT	84
6.1.1 PRODUCT PORTFOLIO	84
6.1.2 PRODUCT DIFFERENTIATION.....	85
6.1.3 BRAND AND LOGO	86
6.1.4 PRESENTATION.....	87
6.2 PRICE	87
6.3 PROMOTION	90
6.3.1 ADVERTISING.....	92
6.3.2 SOCIAL MEDIA MARKETING	97
6.3.3 SALES PROMOTION	97
6.4 PLACEMENT	98
6.4.1 DISTRIBUTION CHANNELS.....	98
6.4.2 DISTRIBUTION PLANNING	99
6.4.3 PHYSICAL DISTRIBUTION	100
6.4.4 MERCHANDISING	102
6.5 4Ps ESTRATEGIES SCHEME	104
CHAPTER 7. MARKETING BUDGET	105
CHAPTER 8.	110
ACTION PLAN	110
CHAPTER 9. CONCLUSIONS	113



CHAPTER 10. REFERENCES 118

FIGURE'S INDEX

FIGURE 1: SOME McDONALD'S PRODUCTS 20

FIGURE 2: LOGO 1955-1961 21

FIGURE 3: LOGO 1961- 1968..... 21

FIGURE 4: LOGO 1968-1983 22

FIGURE 5: LOGO 1983-1990 22

FIGURE 6: LOGO 1990- 2002..... 22

FIGURE 7: LOGO 2002-2017 23

FIGURE 8: LOGO 2017-ACTUALITY 23

FIGURE 9: CHENDOL MCFLURRY AND BANDUNG MCFIZZ..... 26

FIGURE 10: COCONUT PIE..... 26

FIGURE 11: NASI LEMAK 26

FIGURE 12: TSUKIMI CHEESEBURGER 26

FIGURE 13: SHOGAYAKI BURGER..... 26

FIGURE 14: MENTAIMAYO..... 27

FIGURE 15: MCFIZZ YUZU..... 27

FIGURE 16: MCALOO TIKKI BURGER..... 27

FIGURE 17: MCALOO TIKKI..... 27

FIGURE 18: TRUFFLE FRIES 27

FIGURE 19: MCKROKET..... 27

FIGURE 20: MCKROKET..... 27

FIGURE 21: MCVEGGIE AUSTRIA 30

FIGURE 22: VEGAN PATTY AUSTRIA..... 30

FIGURE 23: VEGAN BURGER TS 30

FIGURE 24: BIG VEGAN TS 30

FIGURE 25: INGREDIENTS MCVEGGIE PORTUGAL 30

FIGURE 26: MCVEGGIE PORTUGAL 30

FIGURE 27: MCVEGGIE AUSTRALIA 31

FIGURE 28: MCVEGGIE DELUXE AUSTRALIA..... 31

FIGURE 29: MCVEGGIE INDIA..... 31

FIGURE 30: SPICY MCVEGAN..... 31

FIGURE 31: MCVEGGO 31

FIGURE 32: MCVEGGIE SWEDEN..... 31

FIGURE 33: MORE FOR LESS..... 82

FIGURE 34: MCVEGGIE SPAIN 85

FIGURE 35: LOGO OF THE BRAND..... 86

FIGURE 36: MCVEGGIE LOGO 1..... 86

FIGURE 37: MCVEGGIE LOGO 2..... 86

FIGURE 38: 360° CAMPAIGN..... 91

FIGURE 39: PRICE OF EACH KIND OF BILLBOARD 93

FIGURE 40: ADVERTISEMENT RATES FOR ANTENA 3..... 94

FIGURE 41: ADVERTISEMENT RATES FOR TELECINCO..... 95

FIGURE 42: McDONALD'S LAYOUT..... 101

FIGURE 43: MCAUTO..... 101

FIGURE 44: UBER EATS Y GLOVO..... 102

FIGURE 45: McDONALD'S ADVERTISEMENT POST 104



TABLE'S INDEX

TABLE 1: VEGANISM VS VEGETARIANISM IN SPAIN	33
TABLE 2: EVOLUTION OF THE SPANISH GROSS DOMESTIC PRODUCT (2010-2020)	38
TABLE 3: EVOLUTION OF THE SPANISH UNEMPLOYMENT (2017-2020)	39
TABLE 4: MONTHLY UNEMPLOYMENT EVOLUTION IN SPAIN	40
TABLE 5: NUMBER OF SIGNED CONTRACTS PER MONTH IN SPAIN	40
TABLE 6: EVOLUTION OF SOCIAL SECURITY MEMBERS	41
TABLE 7: NUMBER OF ERTES PER AUTONOMY	41
TABLE 8: SPANISH GDP QUARTERLY EVOLUTION AND FORECAST MADE BY AIREF	42
TABLE 9: SPANISH POPULATION 2020	43
TABLE 10: SPANISH POPULATION 2050	43
TABLE 11: URBAN POPULATION VS RURAL POPULATION IN SPAIN SINCE 1995 UNTIL 2020	44
TABLE 12: MACRO ENVIRONMENT ANALYSIS (MCDONALD'S VEGAN BURGER)	47
TABLE 13: 5 STRENGTHS OF PORTER	48
TABLE 14: NUMBER OF MCDONALD'S IN SPAIN SINCE 2008 UNTIL 2018	50
TABLE 15: SEGMENTATION OF MCDONALD'S CUSTOMERS	52
TABLE 16: SURVEY (QUESTION Nº1)	66
TABLE 17: SURVEY (QUESTION Nº2)	66
TABLE 18: SURVEY (QUESTION Nº3)	67
TABLE 19: SURVEY (QUESTION Nº4)	67
TABLE 20: AGE / FREQUENCY	68
TABLE 21: GENDER / AGE / WOULD YOU GO MORE OFTEN?	68
TABLE 22: FREQUENCY / MORE THAN ONCE A WEEK	69
TABLE 23: FREQUENCY / ONCE A WEEK	70
TABLE 24: FREQUENCY / ONCE OR TWICE A MONTH	70
TABLE 25: FREQUENCY / WOULD YOU GO MORE?	71
TABLE 26: SURVEY (QUESTION Nº5)	72
TABLE 27: COMPARATION BETWEEN GENDER, AGE AND WILLINGNESS TO EAT McVEGGIE	72
TABLE 28: SURVEY (QUESTION Nº6)	73
TABLE 29: % OF DE SAMPLE THAT WOULD GO MORE OFTEN	74
TABLE 30: SURVEY (QUESTION Nº7)	74
TABLE 31: AGE / INCOME / VALORATION OF THE FACTORS	75
TABLE 32: SURVEY (QUESTION Nº9)	76
TABLE 33: GENDER / AGE / INCOME / WILLING TO PAY BETWEEN 2€ AND 3€ FOR ONE VEGAN BURGER	76
TABLE 34: SURVEY (QUESTION Nº10)	77
TABLE 35: AGE / GENDER / INCOME / WILLING TO PAY BETWEEN 6€ AND 8€ FOR A VEGAN MENU	78
TABLE 36: SURVEY (QUESTION Nº11)	79
TABLE 37: PVP WITH A BENEFIT MARGIN OF 40%	88
TABLE 38: PVP WITH A BENEFIT MARGIN OF 50%	89
TABLE 39: PVP WITH A BENEFIT MARGIN OF 55%	89
TABLE 40: MARKETING BUDGET FOR THE NEW McVEGGIE	107
TABLE 41: BREAK-EVEN POINT	109
TABLE 42: MARKETING ACTION PLAN	112



CHAPTER 1.

INTRODUCTION



In the following first chapter will be detailed the main reasons and motivations for this end-of-degree work. Likewise, a brief summary will be made of the subject matter of the work, which is intended to be achieved through its completion and the methodology used to achieve it.

1.1 OBJECT

In the following document it is going to be elaborated in detail a Marketing Plan, that is the same to say that it is going to be elaborated the document previous to the launch of a new product. In it is detailed what is expected to be achieved with this project, the time and resources that are going to be used, and a detailed analysis of all the steps to be taken to achieve the proposed goals.

This plan will be based on the launch of a new product by McDonald's in the Spanish market for 2020. This product is the new vegetarian hamburger or also called McVeggie. Although this product is already existing in some European countries such as Germany or Austria, we cannot find it in the Spanish market yet. For that reason, through this work, it is going to be showed which would be the future of the launch of this product in the Spanish market. To make it possible and reliable, first of all it is going to be analyzed the actual Spanish situation and that will allow to proceed to a hypothetic marketing plan of the new product.

Along the work it will be carried out an analysis of the external and internal business situation, some objectives and the strategy will be defined, as well as action plan and budget.

Based on the fact that I am McDonald's, I will look through questionnaires the way to satisfy the costumer need and what people value the most when it comes to eat a hamburger.

The objectives of this work are to know the business environment, to plan and anticipate possible changes, to see that the objectives of the company are achieved, to analyze future problems and opportunities, to know the deadline and the implementation of each part of the plan.



1.2 MOTIVATION

The main motivation I had for developing the following work it was mainly because during my Erasmus period I had done for second time the subject of Marketing so, I decided to take that opportunity and use the knowledge given to me in my Erasmus University in Vienna, for making a new final degree project.

Due to, I'm doing the double degree of Business Management and Tourism, I had the unique option to achieve my Erasmus in the last course, for that reason, when I went to Vienna all the subjects regarding with my degree were already done, so, the only thing that was missing to end my bachelor was the final project. Both universities were in agreement to that, but when I arrived there, they told me that it was impossible to assign me a tutor, so if I wanted to stay in Vienna my single option was to take 30 credits in subjects that I had already done in Spain, so that subjects were not going to be validated for nothing in my academic record. This work, for me, it also represents a way to take profit about my 5 months in Vienna in which I learned a lot, but being sincerely, it also was totally disappointing to do something that you know that it was not going to give you an extra mark.

In the same way, this document represents for me the effort of proof that I had because making a work of this length and formality in a language that is not yours, it is difficult even you can speak it in a good way.

Finally, I would also like to say, that since I started my degree, I always thought about doing a final project around a topic that it really interests me, something that could use for my future and fit on me perfectly. So, if you add to the point that because of the misunderstanding of both universities to accept me in the university of Vienna, where I was not able to present and defend my final project, that, my home university didn't let me do a tied final project for both degrees, and force me to do two different works for two degrees that the own university had joined for itself because they are related to each other. I really think that that is a nonsense and a limitation of the student's potential, knowledge and talents and I firmly believe that the only thing they are achieving with that is the separation and differentiation of a degree that they have brought together by themselves, without realizing that some students like me, feel passion for both careers and the idea of making a joint project would be simply enriching and satisfactory.

So this project is also a manifest of the injustice they did to me, making a project that I find interesting but it is not the project of my life, that one that I really would want to do to end one of the best periods of my life and the end of the degree that I always wanted to do. A bachelor that was launched the same year that I should choose which degree wanted to study. For that reason, it is a good sign to show that sometimes, it is the same university which takes away the students desire to do that things that we really love, that things that we do with passion.



1.3 PROJECT JUSTIFICATION

Apart from everything mentioned above, I think that the following document contains most of the things that I've learned during my career, from the analysis of a large company and study its environment and everything that can affect as the study of their stakeholders. I think the key to success in a company is to know how to identify very well those things that you can take advantage of your environment and know how to turn threats into strengths. Knowing how to turn lemons into lemonade".

Previously the composition of the marketing plan, it is going to send a questionnaire made exclusively for the occasion, and with the interpretation of the results of those questionnaires it is going to set up a realistic marketing plan which should fit with the specifications of the potential and actual McDonald's customers. I strongly believe that work with real data it is important due to that means that the conclusion to which I will arrive is going to be 100% real. It also is a good way to understand the Spanish society.

Finally, and for being in contact with the numbers, it is going to set a hypothetic budget which will represent and show if all the marketing plan shapes with the real life and it is possible to come true.

As a project justification I would also like to remark that I am not doing something that McDonalds is going to do just because of the fact that if this product doesn't exist yet in the Spanish market, they will have for sure enough reasons, but I really think that it is interesting to understand why there is a "nonexistent" product in a society where the culture of vegan and vegetarian is increasing more and more. And also detect why this kind of hamburger it is already existing in most of the European country's but not in the Spanish one.

Once said that, my role during the work is to act as if I was McDonalds and through my knowledge doing what they should do if this burger comes out to the Spanish market.



1.4 METHODOLOGY

In order to be able to do this final project, all the subjects taken during the degree in Business Administration and Management have been useful. Therefore, it can be seen in the following list which subjects, and methods has been used according to each chapter of the work:

- CHAPTER 2: THEORETICAL FRAMEWORK

Related subjects: Market Research and Introduction to Business.

Justification: Both subjects allow me to know how to search the necessary information about the theoretical framework of the company and allow me to distinguish which information is relevant and which it is not.

- CHAPTER 3: BACKGROUND

Related subjects: Organization Strategy and Design and Strategic Planning in Companies

Justification: Strategic Management provides the foundations for establishing the mission, vision and values of the company.

- CHAPTER 4: ANALYSIS OF THE SITUATION

Related subjects: Microeconomics I, Microeconomics II, Macroeconomics I, Macroeconomics II, Business management, Introduction to business administration and management, Organization strategy and design, Spanish economy, World economy, Business research, Introduction to statistics and strategic management, Business Law and Labor Law.

Justification: these subjects have been used to study the analysis of the macro-environment using the PEST technique, to interpret the results obtained from sources such as INE on GDP, unemployment, fiscal measures and other indicators regarding the economic situation. These subjects have also provided sufficient knowledge for the analysis of direct competition, the SWOT analysis and the CAME analysis. Everything related to the legal environment with respect to European and Spanish regulations that may affect the company a has been established based on the knowledge provided by Business Law and Labor Law.

- CHAPTER 5: MARKETING OBJECTIVES, SEGMENTATION AND TARGETING STRATEGIES

Related subjects: Business Marketing, Commercial Research and Introduction and Information Control Systems.

Justification: Thanks to that subjects, a questionnaire has been developed and I was enough capacitated to interpret and contrast all the information that the people had answered to make



some important conclusions, mandatory for the good elaboration of the marketing plan as the determination of the target audience, segmentation of the market and the marketing objectives.

- CHAPTER 6: MARKETING MIX

Related subjects: Business Marketing

Justification: the above subject has provided the essential knowledge for the preparation of the marketing plan, from the determination of the target audience to decisions on service, prices, communication and distribution.

- CHAPTER 7: BUDGET

Related Subjects: Introduction to Accounting, Financial and Corporate Accounting, Cost Accounting, Financial Economics, Introduction to Finance and Accounting Analysis and Consolidation.

Justification: the management and classification of the company's expenses and the study of the economic and financial viability of the present marketing plan have required the knowledge of the previous subjects.

It also must be said that for writing and doing the whole work, the English knowledge has been essential and fundamental, for that reason the subjects of Business English B1, Business English B2 and Business English C1 have been indispensable for the good development of the work.



CHAPTER 2. THORETICAL FRAMEWORK



Once the topic and the way of working is established, is time to define, discuss and evaluate the different theories to the main research problem, in order to show that this work is grounded in established ideas, providing a clear basis for interpreting and understanding the relevance of my findings. This is the main objective of the following chapter.

First of all, some basic information as which is the research question and de problem statement of this work must be answered.

About the research question or purpose that wants to be reached by the development of the work, it can be say that it is, to be able to answer to this question: Why McDonald's still without launching the vegan burger in the Spanish market? Is the Spanish society in accordance with that? What should do the Marketing department in the case that McDonald's would decide to launch the McVeggie in the Spanish Market?

This questions are going to be answered by the searching and contrast of information already existent on the internet, supported by the answer of a sample of the Spanish population who has answered a questionnaire about its tastes about McDonald's and it's future purchase of the vegan burger in the case if was available in the market. A questionnaire is a research instrument that consists of a set of questions or other types of prompts that aims to collect information from a respondent. In this case, the questionnaire that has been made is just built by closed ended questions, so there is no chance for the respondent to offer the ability to elaborate on their thoughts. The data collected from a data collection questionnaire can be both qualitative as well as quantitative in nature. A questionnaire may or may not be delivered in the form of a survey, but a survey always consists of a questionnaire.

The method through the questionnaire is going to be send to the sample is the computer. In this type, respondents are sent the questionnaire via email or other online mediums. The main advantage of this method is generally cost-effective and time efficient. Respondents can also answer at leisure. Without the pressure to answer immediately, responses may be more accurate. The disadvantage, however, is that respondents can easily ignore these questionnaires.

After that, with the help of the answers to the questionnaire a Marketing Plan is going to be developed, that is the same to say that it is going to be elaborated the document previous to the launch of a new product. In it is detailed what is expected to be achieved with this project, the time and resources that are going to be used, and a detailed analysis of all the steps to be taken to achieve the proposed goals with the main proposal of showing which would be the future of the launch of this product in the Spanish market, always under a realistic and documented way or working.

The preparation of marketing plans can be viewed as the opportunity to put in some solid thinking about where the business needs to be going. The planning occasion requires managers to schedule "thinking time". Managers must think about what has happened, what is happening, and what might happen. Managers must set goals and get agreement. The goals must be



communicated to everyone. Progress towards the goals must be measured. Corrective actions must be taken when the goals are not being achieved.

Marketing planning can be defined as 'a systematic process involving the assessment of marketing opportunities and resources, the determination of marketing objectives and the development of a plan for implementation and control.'¹ or 'Satisfying needs in a cost-effective way.'²

The planning process also provides the opportunity to gather support for proposals, co-ordinate different functions, bring about cultural change, and communicate objectives to team members.

The benefits of planning include (from McDonald, Marketing Plans, 1999):

- To help identify sources of competitive advantage
- To force an organized approach
- To ensure consistent relationships
- To inform
- To get resources
- To get support
- To gain commitment
- To set objectives and strategies
- To spell out the desired mix of products and services

Planning involves consideration of complex issues covering the whole organization, and the marketer may come across barriers to planning, for example:

- The culture of the organization – is it focused internally rather than externally?
- Power and politics
- Analysis – not action
- Resource issues – money and time
- Skills and technology – may not match customer need
- Ability to challenge existing ideas

¹ Dibb and Simkin, Marketing: Concepts and Strategies, 2001

² Philip Kotler, Marketing 4.0, 2016



The planning process involves a series of steps in which it is asked:

1. Where are we now?

This involves a full analysis of the company's present situation, with an external and internal audit. Kotler suggests there are six specific dimensions of interest to the auditor:

- External environment – macro and micro
- Internal environment – covering:
 - Marketing strategy
 - Marketing organization
 - Marketing systems
 - Marketing productivity
 - Marketing functions

Information from the audit is then analyzed into a SWOT framework in which specific emphasis is placed on determining strategic drift, competitive advantage, and corporate capability. From this analysis the process of matching organizational strengths to the marketplace and overcoming weaknesses takes place.

2. Where do we want to be?

The mission is now set, objectives decided upon, and strategies related to the product portfolio and competition decided. The company also decides who its customers are the STP process – segmentation, targeting and positioning.

The organization needs to examine its portfolio of products or companies and decide what strategy to adopt.

A competitive strategy is then adopted with the firm taking up a particular competitive position, one that will give it an advantage over competitors.

Having settled on a particular market to enter or exploit, the marketer must carefully divide up the market by identifiable segments – segmentation – in order to target the most profitable areas. Positioning is then decided upon in order to place the product clearly in the minds of consumers against that of the competition so that it is clearly differentiated. For example, having segmented the car market and decided to target the family market with its estates, Volvo positioned its cars as the vehicle for the safety conscious.



3. How might we get there?

The **marketing mix** is the toolbox from which marketers can choose elements to influence the target market. The four Ps – product, price, place and promotion – make up the marketing mix.

With the ever-increasing digital usage of society, all aspects of the marketing mix should be considered with digital in mind. Although it is not advisable for companies to take the entirely digital route, it should play a large part in the planning of the strategies.

4. Which way is best?

Decisions need to be taken about what is important.

5. How can we ensure arrival?

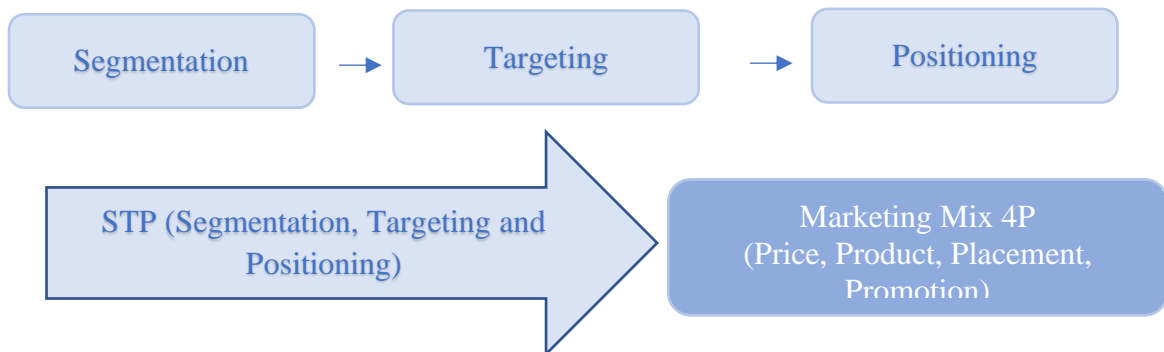
Following through on the strategy and decisions about the marketing mix, it is important to make sure that the plan is implemented. What practical steps are going to be followed to implement the plan? Internal marketing might be necessary in order to ensure that everyone in the organization is pulling in the same direction.

The plan and its objectives must also be monitored and evaluated. The success of the plan can be measured, and further steps taken, if problems arise, to correct the situation.

The beauty of the digital marketing era is that monitoring, and evaluation can be far more in depth than they have ever been before, aiding both in the success of the present campaign and future planning of strategies.

The STP process (Segmentation, Targeting, Positioning), demonstrates the links between an overall market and how a company chooses to compete in that market. It is sometimes referred to as a process, with segmentation being conducted first, then the selection of one or more target markets and then finally the implementation of positioning.

The intention of the overall STP process is to guide and improve the development and implementation of the firm's marketing mix design. In other words, the construction of the marketing mix collectively creates the product positioning, which in turn appeals to the target market consumer.



- Market segmentation can be defined as: The process of splitting a market into smaller groups with similar product needs or identifiable characteristics, for the purpose of selecting appropriate target markets.
- Targeting (or target market selection) refers to: An organization's proactive selection of a suitable market segment (or segments) with the intention of heavily focusing the firm's marketing offers and activities towards this group of related consumers.
- Positioning (which is sometimes referred to as product positioning) is: The target market's perception of the product's key benefits and features, relative to the offerings of competitive products.

The three basic STP steps shown in the above diagram make it clear that firms need to firstly define their overall market, and then after the segments are identified they need to be evaluated for their effectiveness and segment profiles then need to be developed.

Following that, the most attractive and appropriate market segments for the firm are selected to be their target market/s. By following the development of the positioning strategy, the marketing mix is then designed around the needs of the target market and the desired product positioning.

Philip Kotler, the S.C. Johnson & Son Distinguished Professor of International Marketing at Northwestern University's Kellogg School of Management, is widely regarded as the Father of Modern Marketing. He trained as an economist at the University of Chicago, learning from the legendary Milton Friedman.

One of Kotler's biggest contributions to the field of marketing was popularizing the idea of the Marketing Mix, also known as the Four Ps of Marketing. The Four Ps stand for 'product', 'price', 'place' and 'promotion'. According to Kotler, "Marketing Mix is the set of controllable variables that the firm can use to influence the buyer's response." These four variables help a company develop a unique selling point as well as a brand image.

Before explaining what the meaning of each P is, it is important to remember that marketing is about putting the right product, at the right price, at the right place, at the right time, only in that way it can be understand the importance of each P:



- Product

The first of the Four Ps of marketing is product. A product can be either a tangible good or an intangible service that fulfills a need or want of consumers. It's important to have a clear grasp of exactly what how the product should be and what makes it unique before market it.

- Price

Once a concrete understanding of the product offering is established, some pricing decisions should be taken. Price determinations will impact profit margins, supply, demand and marketing strategy. Similar (in concept) products and brands may need to be positioned differently based on varying price points, while price elasticity considerations may influence our next two Ps.

- Promotion

Once the company got a product and a price, it's time to promote it. Promotion looks at the many ways marketing agencies disseminate relevant product information to consumers and differentiate a particular product or service. Promotion includes elements like; advertising, public relations, social media marketing, email marketing, search engine marketing, video marketing and more. Each touch point must be supported by a well-positioned brand to truly maximize return on investment.

- Place

It's critical then, to evaluate what the ideal locations are to convert potential clients into actual clients. Today, even in situations where the actual transaction doesn't happen on the web, the initial place potential clients are engaged and converted is online.



CHAPTER 3. BACKGROUND

In the following chapter some concepts which are essential for the good developing of the work are going to be defined and explained in order to understand which is the context in the actual moment of McDonald's in Spain and why it is important to study the market needs before the launching of a new product. Some facts as what represents the veganism in the Spanish society, or which has been its evolution in the last years are important to highlight before starting to set up the environment analysis and the marketing plan.

3.1 COMPANY DESCRIPTION

McDonald's is an American fast food restaurant chain. It was founded in 1940 as a barbecue restaurant operated by Richard and Maurice McDonald. In 1948, they reorganized their business as a hamburger stand, using production line principles.

The first McDonald's franchise using the arches logo opened in Phoenix, Arizona in 1953. Businessman Ray Kroc joined the company as a franchise agent in 1955 and subsequently purchased the chain from the McDonald brothers. Based in Oak Brook, Illinois, McDonald's confirmed plans to move its global headquarters to Chicago by early 2018.



Today, McDonald's is one of the world's largest restaurant chains, serving approximately 68 million customers daily in 120 countries across approximately 36.899 outlets.









McDonald's primarily sells hamburgers, cheeseburgers, chicken products, french fries, breakfast items, soft drinks, milkshakes and desserts. In response to changing consumer tastes, the company has expanded its menu to include salads, fish, wraps, smoothies, and fruit.






Figure 1: Some McDonald's products



Now is going to be shown a timeline of the company which has been directly extracted from the official page. On it, it can be seen very well, all the main goals or facts that McDonald's has reached since they are opened until today.

TIMELINE		
YEAR	WHAT HAPPENED?	LOGO
1940	Dick and Mac McDonald open McDonald's Bar-B-Q restaurant on Fourteenth and E streets in San Bernardino, California. It is a typical drive-in featuring a large menu and car hop service.	
1948	The McDonald brothers shut down their restaurant for three months for alterations. In December it reopens as a self-service drive-in restaurant. The menu is reduced to nine items: hamburger, cheeseburger, soft drinks, milk, coffee, potato chips and a slice of pie. The staple of the menu is the 15-cent hamburger.	
1949	French Fries replace potato chips and debut Triple Thick Milkshakes on the McDonald's menu.	
1954	Multimixer salesman Ray Kroc visits McDonald's in San Bernardino intending to sell the brothers more Multimixers. The 52-year-old Kroc is fascinated by the operation. He learns from the brothers that they are looking for a nationwide franchising agent. He has an epiphany and is determined that his future would be in hamburgers.	
1955	Kroc opens his first McDonald's in Des Plaines, Illinois on April 15. The attention getting red and white tiled building with the Golden Arches was designed by architect Stanley Meston in 1953. First day sales are \$366.12	<p><i>Figure 2: Logo 1955-1961</i></p> 
1961	Hamburger University opens in the basement of the Elk Grove Village, Illinois, McDonald's restaurant. Graduates receive Bachelor of Hamburgerology degrees. McDonald's System, Inc. purchases the rights from the McDonald brothers for \$2.7 million.	 <p><i>Figure 3: Logo 1961- 1968</i></p>

<p>1965</p>	<p>The Filet Fish sandwich was the first item added to the national menu. Created by Lou Groen, McDonald's Cincinnati franchisee to help build volume in the predominately Roman Catholic community in which his store was located.</p>	
<p>1968</p>	<p>The Big Mac, developed by Owner/Operator Jim Delligatti of Pittsburgh, is added to the national menu.</p>	 <p><i>Figure 4: Logo 1968-1983</i></p>
<p>1973</p>	<p>The Quarter Pounder and the Quarter Pounder with Cheese are added to the menu.</p>	
<p>1974</p>	<p>The first Ronald McDonald House opens in Philadelphia, Pennsylvania. In 1973, Fred Hill, a football player with the Philadelphia Eagles, had the need for such a facility at Children's Hospital in Philadelphia, where his child was being treated for leukemia. Hill's dilemma led to the first Ronald McDonald House.</p>	
<p>1975</p>	<p>The Egg McMuffin, created by Owner/Operator Herb Peterson of Santa Barbara, California is added to the national menu.</p>	
<p>1983</p>	<p>Chicken McNuggets are introduced into all domestic U.S. restaurants.</p>	 <p><i>Figure 5: Logo 1983-1990</i></p>
<p>1990</p>	<p>On January 31, the first McDonald's restaurant in Moscow opens. Located in Pushkin Square, more than 30,000 customers were served on opening day!</p>	 <p><i>Figure 6: Logo 1990- 2002</i></p>
<p>1993</p>	<p>The world's first McCafé' opens in Melbourne, Victoria Australia.</p>	

1995	McFlurry Desserts invented by Ron McLellan.	
2002	McDonald's published its first ever Social Responsibility Report on April 15, 2002.	 <p data-bbox="1066 622 1385 658"><i>Figure 7: Logo 2002-2017</i></p>
2003	McDonald's first global ad campaign, "I'm loving' it" is launched in Munich, Germany on September 2.	
2015	McDonald's USA launched All Day Breakfast.	
2017	Launch of the new delivery system McDelivery with UberEATS.	 <p data-bbox="1066 1182 1327 1254"><i>Figure 8: Logo 2017-actuality</i></p>



3.2 MCDONALD'S AND THE FRANCHISE

The franchisees are ambassadors of the brand. They receive theoretical and practical information during a period of approximately 12 months. And each one of them brings their experience, their capacity to make correct decisions, their human skills...

Franchising at McDonald's means a collaboration and total commitment to the values of the brand, the search for daily excellence in quality, service, cleanliness, food safety and hygiene.

Within this partnership, McDonald's offers:

- An important notoriety, since McDonald's is one of the 5 most known brands in the world.
- More than 50 years of knowledge and experience at the service of the customer, as well as continuous training.
- Carefully selected suppliers.
- Total control of the product, from raw materials to the final product.
- Continuous support in terms of restaurant development strategy.
- National communication and marketing campaigns.

The franchisee contributes:

- Their professional experience and solid commercial background.
- His knowledge as a team manager, since a restaurant employs between 30 and 40 people.
- His ability to make the right decisions at the right time.
- Their ability to develop the turnover of a restaurant.
- Your willingness to develop relationships at the local level as an important factor in integrating the restaurant into your community.
- Their commitment to develop and implement local marketing actions and programs.
- Franchising at McDonald's is a real business project and an opportunity for those seeking a quality professional and personal future. It is a long-term commitment that translates into the signing of a franchise contract for a maximum duration of 20 years. For this reason, the selection process of candidates is rigorous and demanding.

McDonald's has more than 500 restaurants in Spain at the end of 2019, of which approximately 80% are managed as franchises.

To becoming a franchisee, all the candidates go through a training process that lasts approximately 12 months. Most of the training takes place in a restaurant. In addition, there are seminars and theoretical courses and private sessions with company staff throughout this training process.

Although McDonald's does not reimburse the expenses or time spent by the franchisee candidate in their training, it does pay for the cost of training materials and teachers and trainers' expenses.



This training program may be discontinued by either party. McDonald's will only consider a candidate for a franchise when he has successfully completed the entire training program.

To be a franchisee, the initial contribution is, at present, 900,000, although it is only required that, at least, 30% of that amount, plus the franchise rights and the guarantee deposit, that is to say, at least 300,000 euros, is that contributed by the future franchisee. This amount must come from own funds, that is, from the personal assets of the candidate, without having to proceed to its reimbursement or return because it comes from third parties in concept of loan or similar figures.






About the location of the restaurant, the geographical availability on the part of the candidate must be total on a national level. We do not train a franchisee for a specific location (with very few exceptions), since the location of our restaurants is done with criteria of profitability of the restaurant. McDonald's carries out the whole process of evaluation and selection of the premises. We acquire the ownership of the premises and carry out the investment, remodeling or construction of the building. When the premises are close to being used, and depending on the company's needs, we offer them to those candidates who are about to finish their training.


3.3 WHAT MAKES MCDONALD'S TRIUMPH?

In my view, McDonald's strength is that it has adapted to the tastes of the entire population, to achieve this it has adapted each of its products according to the country in which it is located, therefore, although many products are similar in most of the countries, there is also a very high range of products that will only be found in the country in question what it will allow that kind of products to be differentiated from the products of the rest of the world through the ingredients, the way of cooking, the sauces, the type of meat....

This requires a huge study the society, so it can be said that the Marketing and the needs of consumers is something of primary importance for the success of this chain.

The above will be demonstrated below by showing some different products of 5 different countries, that it only can be found in that countries.

COMPAIRSON OF DIFFERENT MCDONALD'S PRODUCTS BY COUNTRY			
COUNTRY	NAME OF THE PRODUCT	WHAT IT IS?	PICTURE
Singapore	Nasi Lemak Coconut Pie Chendol McFlurry Bandung McFizz	Nasi Lemak is a dish of rice cooked in coconut milk that is usually taken for breakfast and that is usually accompanied with a wide variety of side dishes, including fried egg, cucumber, anchovies and, most importantly: a bit of spicy chili sambal.	 <p><i>Figure 9: Chendol McFlurry and Bandung McFizz</i></p>
			 <p><i>Figure 10: Coconut Pie</i></p>
			 <p><i>Figure 11: Nasi Lemak</i></p>
Japan	Tsukimi cheeseburger Shogayaki burger	In the "Tsukimi" hamburger there is meat, cheese, fried egg, bacon and sauce. "Tsukimi" in Japanese means moon and refers to the egg. Pork shogayaki, also known as ginger pork, is one of Japan's best-known dishes.	 <p><i>Figure 12: Tsukimi cheeseburger</i></p>
			 <p><i>Figure 13: Shogayaki burger</i></p>

	Mentaimayo McFizz Yuzu	<p>The potatoes are mixed with fishy and mayonnaise flavored powders.</p> <p>Yuzu McFizz has the bittersweet taste of the characteristic citrus fruits of Yuzu.</p>	 <p><i>Figure 14: Mentaimayo</i></p>  <p><i>Figure 15: McFizz Yuzu</i></p>
India	McAloo Tikki burger	<p>McAloo Tikki is a combination of potato and pea dough, mayonnaise with sweet tomato, onions and fresh tomatoes served on a regular bun.</p>	 <p><i>Figure 16: McAloo Tikki burger</i></p>  <p><i>Figure 17: McAloo Tikki</i></p>
Switzerland	Truffle fries	<p>French fries with essence of truffle on it.</p>	 <p><i>Figure 18: Truffle fries</i></p>
The Netherlands	McKroket	<p>The "kroket" is basically a croquette stuffed with meat.</p> <p>And it is a tremendously popular dish in the country.</p> <p>Normally, kroketts are eaten with chips or with a bread and mustard.</p>	  <p><i>Figure 19 and 20: McKroket.</i></p>



3.4 MCDONALD'S IN SPAIN

The truth is that in Spain, where there are already more than 500 restaurants, the fast food chain showed signs of growth again after three years, during the first half of 2019, McDonald's has doubled the number of establishments than in 2018 and 2017 together, in a context marked by the boom in home dining, which continues growing year after year.

The McDonald's data is known in a period where the delivery is one of the biggest trends in the restaurant world. At that time McDonald's only had Glovo as a reference partner - now it is also available at Uber Eats - but he already stated that in the short time they had been operating (three months) they had received nearly 100,000 orders and 70% of them corresponded to people who lived "five or ten minutes from the restaurant".

The take-away segment was then worth approximately 600 million euros by 2017, although it was growing in double digits. It is expected to reach 2 billion in three years.

To understand what Spain means to McDonald's, it is mandatory to go back to 2015. That year the chain suffered a global drop in sales that affected even its star product, the Big Mac. It was then when, with the aim of getting out of the second international crisis -the first was in 2008-, McDonald's restructured his objectives by countries and Spain became one of the main countries in which they focus to make it growth.

There is a reality that seems unstoppable: the number of people who limit or completely eliminate animal products from their diet, and it seems that in Spain does not stop growing. There is a good market opportunity.

In Spain, the latest study of The Green Revolution, carried out by the consultancy firm Lantern, confirms this trend: 9.9% of Spanish adults are veggies. In other words, vegans, vegetarians and flexitarians, the latter of whom restrict the consumption of animal products to very specific occasions. Beyond that, 35% of Spanish adults claim to have reduced their consumption of red meat.

After reading this data it sounds ironic that McDonald's Spain has not yet decided to launch the McVeggie. According to the social networks, this phenomenon has not yet happened because the vegan-vegetarian population in Spain is not yet big enough. Even so, the viability of this project will be evaluated in the course of the following work.

McDonald's Spain is represented from March 2018 by John Alves, as President and CEO. The company's business structure is based on three fundamental axes: employees, franchisees and suppliers. This structure of business, created by the company's founder, Ray Kroc, is known as "the stool of three legs", a concept that defines the narrow relationship between the members of the System McDonald's:



- The employees: the main asset of the company, and those who make principles and McDonald's values. They make a difference, day by day, in the experience that customers enjoy when visit the restaurants.
- The franchisee: are entrepreneurs undertake with a key role in the business structure of McDonald's, since lead their business compared to I have the objectives of the company and getting involved in your community.
- The suppliers: A fundamental part in the success of the company. McDonald's establishes long-term relationships with its suppliers, which allows you to always offer the maximum quality in production and customer services.







McDonald's Spain attaches great importance to persons and entities with which it relates. The interaction and dialogue with stakeholder's help create a climate of trust that is decisive for further progress in the implementation of a business strategy innovative, in line with the demands







of the society. The company maintains a spirit of dialogue and of transparency with the different publics and stakeholders in its field of activity. The objective of this project is to promote the knowledge and suggestions that will enable us to to guide the progressive evolution of the company's performance and commitments to the Spanish society. To this end, it uses surveys, reports, research tools and the organization of the work of the of meetings, encounters and forums with different segments of the public and interest groups, among those that are a priority: customers, employees, franchisees, suppliers, authorities, business organizations, consumer and environmental associational, as well as the media

3.5 MCVEGGIE

In the same way that some McDonald's products can be found just in some countries, there is also the option to find the same product (under the same name) but made with different ingredients or cooked in different conditions depending also on the country in which is located.

That's what happens with the McVeggie, a product that already exists in some countries such as Portugal, Germany, Austria, Australia or India, but depending where do you order it, it is going to taste and be served very different to the rest, having just in common that the kind of burger is going to be vegan or vegetarian. In the following chart it can be proved:

DIFFERENT MCVEGGIES AROUND THE WORLD			
COUNTRY	BURGER NAME	INGREDIENTS	PICTURE
Austria	McVeggie	The patty it is made from carrots, broccoli, peppers, parsnips and peas with a thin ranch sauce, slices of tomato, cheese and salad between salty rolls.	 <p><i>Figure 20: McVeggie Austria</i></p>  <p><i>Figure 21: Vegan patty Austria</i></p>
Germany	Vegan burger TS Big Vegan Ts	The vegan patty is made by vegetable oils, edible vinegar, natural flavors, garlic powder, plant concentrates (beet, carrot, paprika), salt, malt extract of barley, black pepper, methacrylate cellulose stabilizer.	 <p><i>Figure 22: Vegan burger TS</i></p>  <p><i>Figure 23: Big Vegan Ts</i></p>
Portugal	McVeggie	A vegetable-based burger and quinoa combined with tomato, lettuce and a delicious garlic and coriander sauce. Contains milk and egg.	 <p><i>Figure 24: Ingredients McVeggie Portugal</i></p>  <p><i>Figure 25: McVeggie Portugal</i></p>

<p>Australia</p>	<p>McVeggie McVeggie Deluxe</p>	<p>Crunchy potato, cheese, fresh lettuce, pickles and a veggie patty made of Vegetables (Potato, Peas, Corn, Carrot, Onion), Flour (Wheat, Soy, Buckwheat, Rice, Oats) and Cheese.</p>	 <p><i>Figure 26: McVeggie Australia</i></p>  <p><i>Figure 27: McVeggie Deluxe Australia</i></p>
<p>India</p>	<p>McVegan</p>	<p>A patty made of green goodness, potatoes, peas, carrots and selection of Indian spices. Topped with crispy lettuce, mayonnaise, packed into sesame toasted buns</p>	 <p><i>Figure 28: McVeggie India</i></p>
<p>Finland</p>	<p>Spicy McVegan McVeggo</p>	<p>Based of juicy soy protein steak, vegan mayonnaise, tomato, lettuce, pickles, onions, and ketchup and mustard.</p>	 <p><i>Figure 29: Spicy McVegan</i></p>  <p><i>Figure 30: McVeggo</i></p>
<p>Sweden</p>	<p>McVeggie</p>	<p>100% vegan burger that has a juicy soy protein steak, vegan mayonnaise, tomato, lettuce, pickles and onions.</p>	 <p><i>Figure 31: McVeggie Sweden</i></p>



After reading the above information about the McVeggies in other countries, some conclusions can be taken out. First of all, just say, that for McDonald's saying Vegan it doesn't mean healthy, behind this "healthy burger" there are lots of additives, dyes, flavor enhancers and substances clearly harmful to health as in all the McDonald's hamburgers. What it doesn't mean that it is not a good substitute for the people which doesn't eat meat.

On the other hand, it can be seen, that some McVeggies, more concretely the Austrian one, is healthier and more vegan than the others.

One of the main reasons of doing this work is to know how the McVeggie in the Spanish market should be according to the Spanish needs and the culture in the country. Therefore, the answer to the questionnaires will tell what they want.

3.6 VEGANISM

The vegan concept or veganism was born in Great Britain in 1944 in the Vegan Society, created by Donald Watson (1910-2005) in Leicester, England.

About his origin, it is not well known when it has arrived at Spain, but it has been proven that the number of vegans has increased. The oldest news date back to 1997.

Since the number of vegan people has increased in Spain, some political vegan party has born as Pacma. In addition, there are vegan and vegetarian associations, which contributions were essential and decisive in the campaign that led to the abolition of bulls in Catalonia.

Veganism is a political movement favorable to animal rights that is practiced on the basis of certain rules in the consumption of strong moral values, which are:

1. Do not consume products of animal origin, or fruit of their exploitation.
2. Use clothes developed with vegetable or synthetic fibers.
3. Do not attend shows where animals are used and / or mistreated or refuse hunting or fishing.
4. Avoid consuming products experienced in animals, although in the medical field this is very difficult.
5. Do not buy animals for the company. They opt for adoption.

Recently the well-known radio *Cadena Ser*³ launched an article on the conclusions of the study on vegetarianism and veganism in Spain by the consulting firm *Lantern*. The study was carried out through 2,000 telephone surveys. The conclusions of the study were:

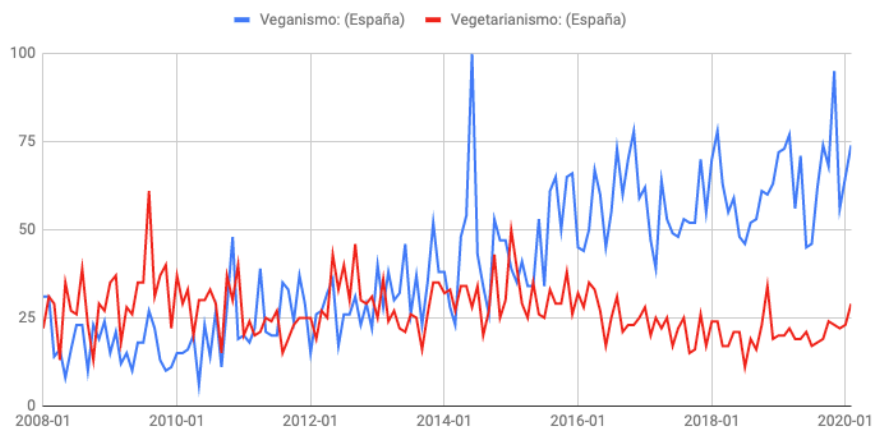
- There are more women than veggie men. (Veggie includes vegetarian, vegan or flexi)
- 1 in 10 women in Spain is.
- The reasons why Spaniards become veggie are mainly due to ecology (17%), health (21%) or ethics (57%).
- The main concerns of the consumer are lack of variety of products, that these are expensive, that lie in their packaging and social prejudices.
- 7.8% of the Spanish population +18 years is veggie.
- Of the Spanish population of legal age, 6.3% is considered flexi vegetarian, 1.3% ovo-lacto-vegetarian and 0.2% vegan, about 3.6 million people.
- More than 50% of vegetarian, vegan or flexi people reside in big cities.

It seems that the growth of veganism / vegetarianism in Spain is real, although slow. Although those part of the vegan and vegetarian population in Spain still little in comparison with other European or Asian countries, what is clear is that the information that the Spanish population has about this form of food is growing. More and more people know that this option exists.

Next is going to be showed a trends comparison through the google searches that the Spanish people has made between "veganism" and "vegetarianism".

In the following charts it can be seen the searches evolution of the 2 terms since 2008. At the first sight, most successful search over time and until 2012 has been "vegetarianism". But if there is something curious and impressive is the growth of the searches of the term "veganism" since 2012.

Table 1: Veganism vs Vegetarianism in Spain



Source: Google Trends

³ Carlos G. Cano, Madrid (2017). España, cada vez más vegetariana. Recuperado de https://cadenaser.com/ser/2017/02/08/gastro/1486576548_993325.html



CHAPTER 4. ANALYSIS OF THE SITUATION



Once has been explained all the necessary information about the most relevant issues for the contextualization of the work and the objectives to which it must be adjusted, it is time to do the Situation Analysis of the company.

To make an effective Marketing Plan it is necessary to make an initial study that allows to have a global vision of the situation in which the company is and facilitates to see of clear form which are the strategies to follow by the company to reach its objectives, what means, to know where we are and where we want to go.

The Analysis of the Situation is made up of the External Analysis and the Internal Analysis. With its help, it will be been identified the opportunities and threats that McDonald's can extract from its environment, but also the strengths and weaknesses that the company has for itself.

With all that variables, a SWOT will be carried out, what will give us a clear analysis of the situation in which the company is at the moment. It is important to remind that the following analyses is going to be made always under the point of view of the launch of a new vegan hamburger.

4.1 EXTERNAL ANALYSIS

The external analysis it is only interested in that part of the environment that influences one way or another in the company, being able to be relevant in the definition of the business strategy.

This analysis allows identifying the positive (opportunities) or negative (threats) influences exerted by external variables and deciding the most appropriate response to them.

Thanks to the analysis of the environment, it can be identified those variables that directly affect the entire sector (macro-environment analysis) or that ones that affect more specifically in the company, in this case it is McDonald's (micro-environment analysis). These variables are going to be classified as opportunities and threats.

4.1.1 MACROENVIRONMENT

The Macro-environment is the part of the environment of a company common to the entire market, is composed by the analysis of demographic, economic, social, cultural and technological variables, together with all the variables that influence the entire environment of the sector in which the business is.

To perform this analysis, we will use the PEST analysis, what is a study of the Political-legal, Economic, Sociocultural and Technological factors that influence the organization. The objective of this tool is to identify the variables that affect or can affect the strategy to be followed by the company in the future. The geographical limits will be defined according to the territorial



scope in which the company performs its activity. The geographical boundaries of McDonald's are huge, since the company is a multinational and also has lots of resources to export.

The dimensions that will be used to perform the PEST Analysis are:

- **Political-Legal:** The policy framework encompasses all those factors related with governments, local and autonomous levels, and national and international. It affects the legislative framework too.
- **Economic Dimension:** The macroeconomic indicators related to buyers' purchasing power are considered mainly because these variables determine the purchasing power and influence the consumption patterns of the individuals.
- **Sociocultural dimension:** Companies should analyze the sociocultural environment of their scope of current and future influence.
- **Technological Dimension:** Technological innovations are one of the main sources of competitive advantage.

4.1.1.1 POLITICAL AND LEGAL DIMENSION

The standards of environmental protection:

Raising awareness about climate changes is become a top priority for a lot of Non-Governmental Organizations which tend to point out the problems about the planet, in order to launch a change in our lifestyle. For instance, the ESD program (Education for Sustainable Development) launched in 2014 by the UNESCO is about offering a new way of thinking and acting. This could be really profitable for a product like a vegan burger. It could appear as a new alternative to classical fast-food, and thus becoming successful.

Protection of intellectual property:

Spanish rules allow to patent some brands, products. This is positive for McDonald's because, they use brands/intellectual property to make the distinction between their products and other products but also trying to retain consumers. For instance, Happy Meal is a famous brand that belongs to Mc Donald and not to Burger King.

Governance:

The political parties in Spain and all the laws they proposed could affect the company in positive or in a negative way. It depends on the opinion of the party who is elected. For instance, the Spanish government could offer financial incentives to the enterprise that is offering eco-friendly products such as vegan burgers. But on the other hand, because of a possible threat of the health for the consumers, some political leaders don't really care this kind of topics. That's the reason why it is going to consider it as neutral, depending on politic leader's ideas.



Tax legislation

Sometimes a product could be more taxed because there is a specific interest: for example, the product threatens the citizen's healthcare (cigarettes), the product isn't environment friendly (gasoil), ... The relationship between the consumers and a possible the consumption of the product after an increase of the taxes (and so the price) is calculated with the elasticity concept. It seemed to be really difficult to consider extra taxes on a product such as a vegetarian even if it becomes successful because of ethical standards. Taxing a respectful with the planet product just based on its success is difficult to consider. That's why it is going to consider the tax legislation as positive.

Labor legislation:

The financial crisis of 2007 had a strong impact in Spain: More than 3,5 million people became unemployed due to the crisis. In order to tackle this problem, Spanish authorities have enacted several measures such as: new type of temporary contract, less security (minimal wage, protection about job security...). As a consequence, it's easier for an enterprise like Mc Donald to hire people because thanks to the labor legislation and also because of the law skills required for most of the jobs offered by the company. Thus, this is profitable for the company, to rely on a new manpower (Spanish unemployed) at a minimal cost.

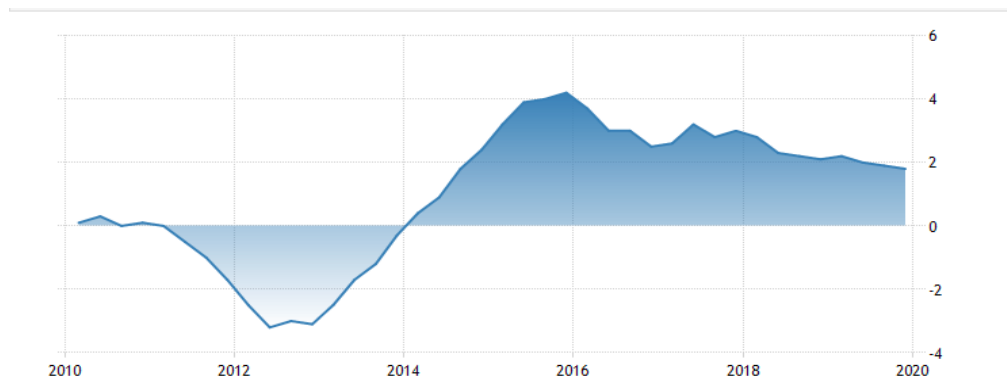
4.1.1.2 ECONOMIC DIMENSION

The current economic growth rates and potential:

In the table 1 it can be seen that since 2014, the Spanish economy is growing again above 0 after the economic crisis of 2007. According to tradingeconomics.com the last result of the Spanish Gross Domestic Product (GDP) that is the same to say that the total monetary or market value of all the finished goods and services produced in the last two years tends to remain steady, which is profitable for the economy and consequently for McDonald's.

According to the National Bank of Spain, the potential growth will increase slowly during the actual 2020. This isn't really impressive such as a sharp increase of 5 or 10% but for a country such as Spain, which was hit severely by the crisis, this stability is profitable and force investors to trust again in the Spanish market because of this stability.

Table 2: Evolution of the Spanish Gross Domestic Product (2010-2020)



Source: *Tradingeconomics.com / National Institute of Statistics (INE)*

The level of customer confidence:

The vegan regime is based on the trust of the customer. It's the same problem for Halal or Casher's regime: consumers can't know if it's really prepared according their beliefs and consequently, they have no other possibility than trust the company. This isn't profitable or prejudicial for the company until a possible backlash.

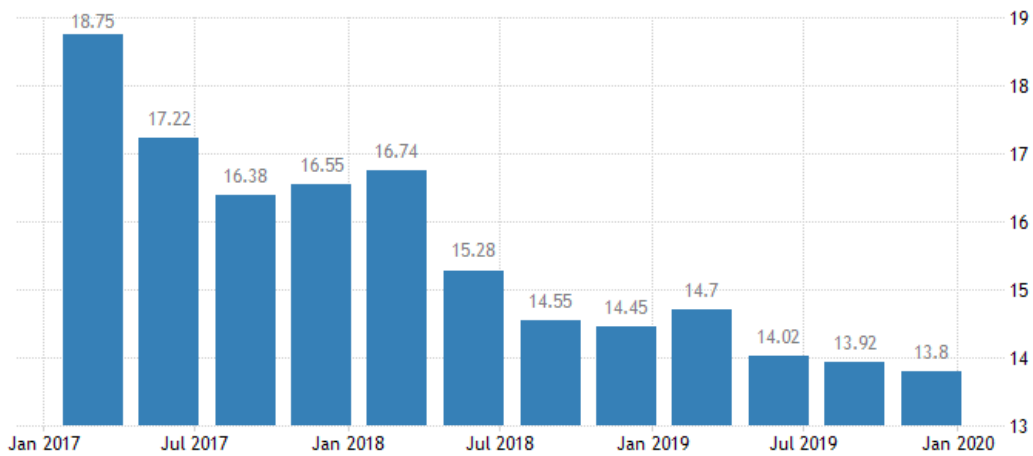
The cost of raw material:

The trend of vegetarianism and veganism could trigger an increasing consumption of alternative products to prepare meat like vegan steaks for instance. Therefore, a jump of the price of the raw material, according to the law of demand and supply, could be expected. That's why it isn't profitable for the company because the margin on every burger will be lower than before.

Employment rates:

As it can be seen in the Table 3, Spain's unemployment rate fell to 13.80% in the fourth quarter of 2019 from 13.92% in the previous three-month period. That was the lowest jobless rate since the last quarter of 2008. This rate allows McDonald's to contract employees with a lower salary. This is positive for the company in order to cut salary costs. But on the other hand, a high level of unemployment lead to a lower purchasing power, which it's dangerous for Mc Donald, its sales could decrease due to the employment rates in Spain.

Table 3: Evolution of the Spanish unemployment (2017-2020)



Source: National Institute of Statistics (INE)

Coronavirus Recession

Spain is facing one of its most complicated moments. The market assumes that the economic impact of the spread of the coronavirus and the drastic measures that the government has had to take to stop the contagion will affect hardly on activity, employment, debt and deficit.

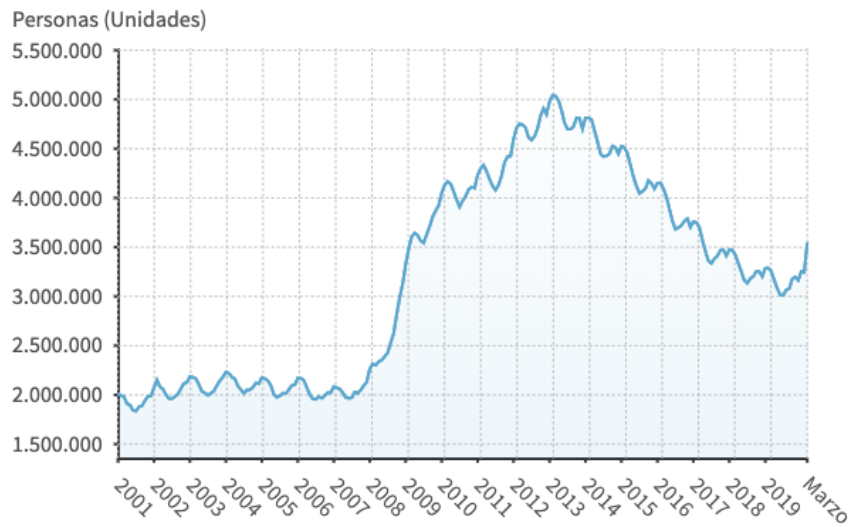
The scenario is desolating in the short term. The International Monetary Fund (IMF) ensures that the global situation could be as critical as when the crisis broke out in 2008, and even worse. The only good news is that, since it is a temporary shock, everything points to a rapid and strong recovery.

In the case of Spain, economists are giving up on the year and believe that in 2020 the economy will go into recession, that more than a million jobs will be destroyed, and that public deficit and debt will skyrocket.

The number of unemployed registered at SEPE⁴ offices shot up to 302,365 in March (+9.3%), its highest rise in any month in the entire historical series, due to the crisis caused by the coronavirus.

⁴ SEPE stands for Servicio Público de Empleo Estatal. It is an autonomous body attached to the Ministry of Employment and Social Security, which, together with the Public Employment Services of the Autonomous Communities, forms the National Employment System.

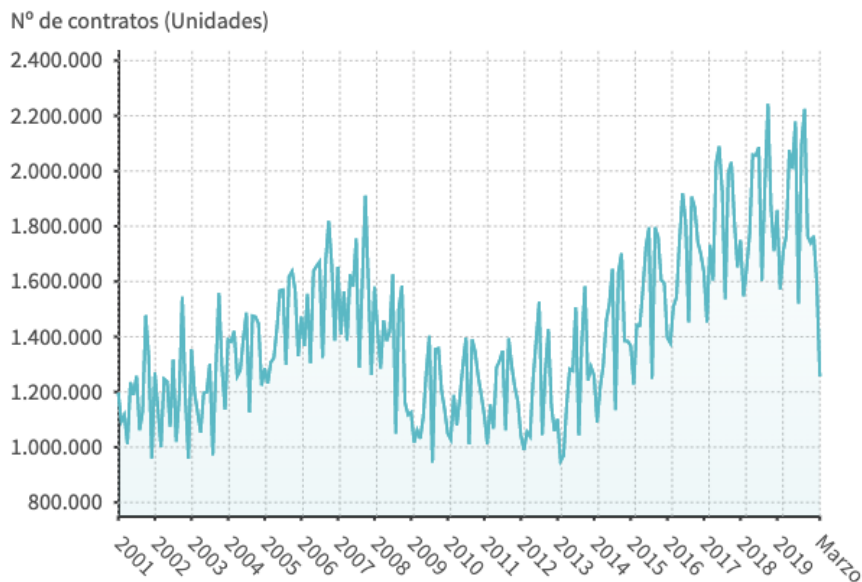
Table 4: Monthly unemployment evolution in Spain



Source: Ministry of Employment and Social Security

In terms of contracting, 1,256,510 contracts were made in March, 26.5% less than in the same month in 2019, of which 145,393 were permanent contracts, 11.6% of the total, down 19.1% on March last year.

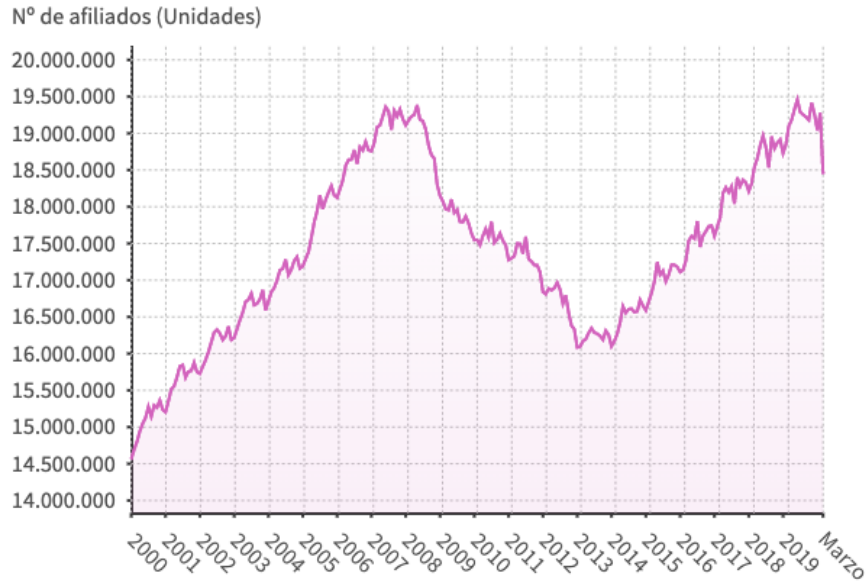
Table 5: Number of signed contracts per month in Spain



Source: Ministry of Employment and Social Economy

Social Security closed the month of March with a drop of 833,979 members, its biggest cut in history, bringing the total number of employed people to 18,445,436.

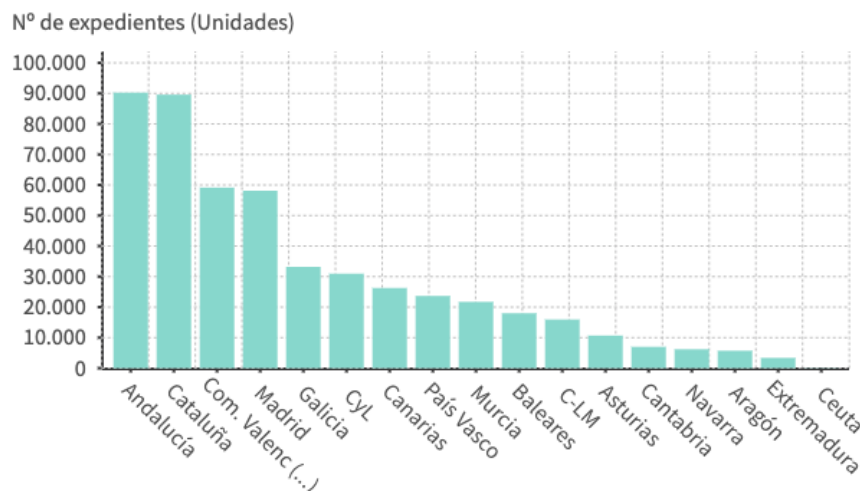
Table 6: Evolution of social security members



Source: Ministry of Inclusion, Social Security and Migration

At least 450,000 ERTESs have already been submitted in Spain, according to data published by the autonomous employment councils, affecting more than 2.7 million workers.

Table 7: Number of ERTES per Autonomy



Source: Autonomous Councils of Work

⁵ An ERTE is an Employment Regulation Record (ERE), but temporary. It means the suspension of the contract and the termination of the employment relationship on a temporary basis. After a period of time, the worker would return to his/her job.

About the forecast on the evolution of the Spanish economy, the AIREF⁶ forecasts a quarter-on-quarter fall in Spain's GDP of 0.18% in the first quarter of 2020 and 1.61% for the second quarter, largely due to the impact of the Covid-19 health alert and the economic measures.

Table 8: Spanish GDP quarterly evolution and forecast made by AIREF



Source: INE, AIREF

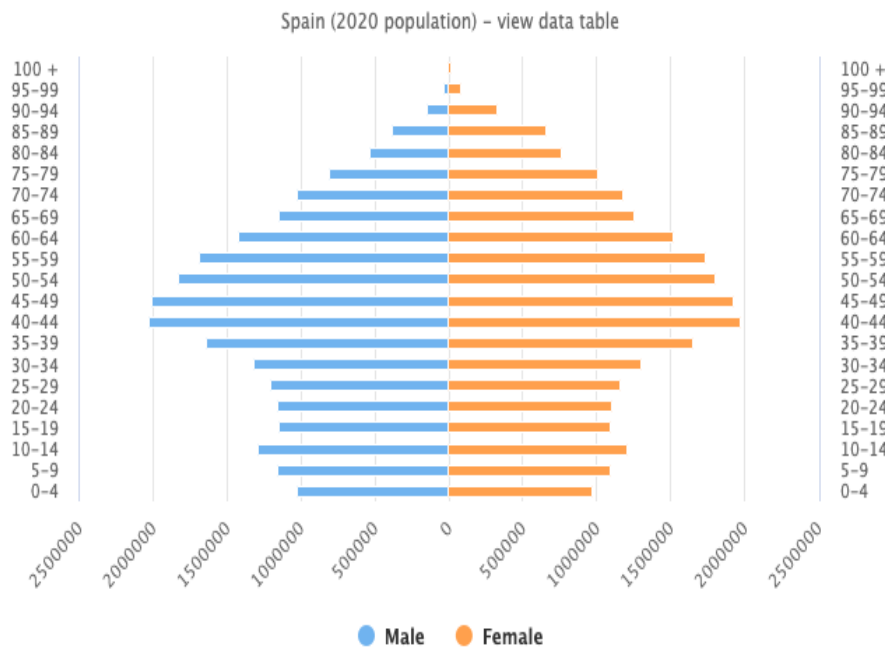
4.1.1.3 SOCIO-CULTURAL-DEMOGRAPHIC DIMENSION

Demographic data:

The Spanish population is facing a demographic problem: the aging of the population. As the following images prove (tables 4 and 5), the mature population between 35 and 64 years exceed for lot, the young population, what it means that in the future the old population will be almost two times the actual one, and this could turn into a problem because youth population is one of the target markets of McDonald 's. However, this demographic problem, shouldn't be worry the company too much in a short term because of its success.

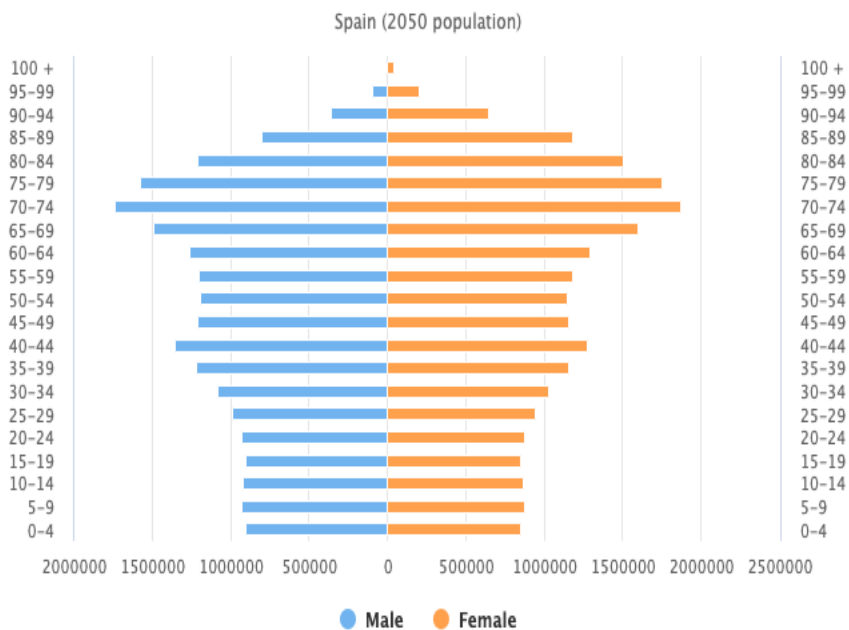
⁶ Independent Authority for Fiscal Responsibility, whose mission is to guarantee effective compliance with the principle of financial sustainability by Public Administrations.

Table 9: Spanish Population 2020



Source: Worldometers, <https://www.worldometers.info/demographics/spain-demographics/>

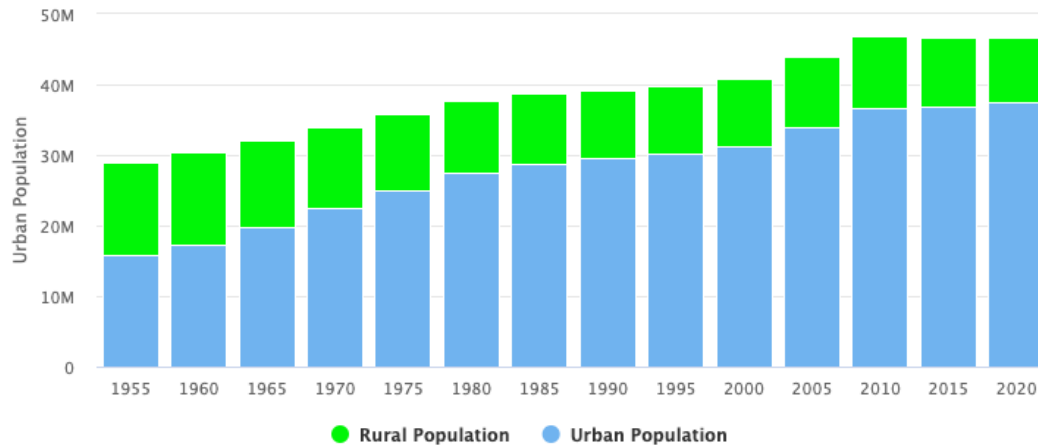
Table 10: Spanish population 2050



Source: Worldometers, <https://www.worldometers.info/demographics/spain-demographics/>

Currently, 80.1 % of the population of Spain is urban (37,415,111 people in 2019), what is a good opportunity for McDonald's due to all of them are located in the urban centers.

Table 11: Urban population vs Rural population in Spain since 1995 until 2020



Source: Worldometers <https://www.worldometers.info/demographics/spain-demographics/>

The media, public opinion, attitudes and prejudices:

The trend about vegetarianism isn't new. The concept was previously proposed by the Greek philosopher Pythagoras. This tends to show that the awareness about the ecology and animals was already raised in the sixth century before JC. But the difference is that nowadays the problem is much more alarming because of the overpopulation. Since the last century, the population was multiplied by 4. This sharp increase of the population link with the mass consumption leads to a lot of problems for the ecology and the planet. That's why the public opinion and the media are more likely to promote different way of thinking such as sustainable solution to tackle ecology problems. One of the solutions is to consider a new way to eat, more respectful of the environment by not eating meals that come from animals. Animal farming represents 18% of the CO2 emissions, more than cars' emissions, because of the methane gas released by animals.



Lifestyle / Socio cultural changes underway:

Spain has been, and is, a loving country of the ham, the steak and shrimps, but since a couple of years, the number of people who opt for vegetables diets is growing.

According to the latest report made by Lantern⁷, Spain would be placed among the 10 countries with the most population with food based mainly on vegetables, a trend that has gone over the last few years already having more than 3.8 million people, that is 9.9% of the population. It has also been revealed that women make up 2/3 of this percentage, 1 in 10 Spaniards and follow some type of vegetable diet. In the other hand, in Spain there was 353 vegetarian or vegan restaurants at the end of 2011, but at the end of 2017 there was 1418 what mean a huge increase in this kind of restaurants. That's very positive for McDonald's and its new burger.

According to the Lantern research, veggies in Spain are a segment enough large and interesting for the food and beverage brands. Not huge, but worthy of a specific strategy. And probably will go from strength to strength in the next decade. The global market for veggie products today is worth \$4 billion and has estimated an annual growth of 6%.

For this purpose, they have carried out a telephone survey to more than 2,000 individuals over 18 years of age representative of the Spanish population by age, sex and habitat. The analysis of the data yields very interesting conclusions:

- 7.8% of the resident population in Spain over 18 years is veggie, maintains vegetable (vegetarian and vegan) diets or with preference for (flexitarian) vegetables.
- One in 10 women in Spain is a veggie. They account for just over two thirds of all veggies in this country.
- A common trait of those who follow these veggie diets is which are proportionally more urban than the population as a whole. 51.2% live in cities with more of 100,000 inhabitants (in the whole population it is 45.5%).
- Veggies do not live only in Madrid and Barcelona. 48.1% live in towns of less than 100,000 inhabitants. Veggie diets have penetration in all age groups, not an exclusive phenomenon of Millennials. Vegan and vegetarian people tend to be younger, that's true, but flexitarians have a high proportion of people over 55, which makes thinking about regimens to prevent overweight, prescriptions and increased health concerns.
- Veggie diets are a nutritional option for new middle classes: entrepreneurs and managers, university professors, college graduates, managers intermediaries of the companies, people with qualifications university students, etc.

⁷ Lantern paper retrieved from https://uploads-ssl.webflow.com/5a6862c39aae84000168e84d/5a843674d6e5270001cbf089_R%20-%20The%20Green%20Revolution%20-%20Paper%20170208.pdf



Income distribution.

There is no correlation between poverty and fast food. It is tended to think that the poorest people are which buy the most in fast food shops, but that's completely wrong. Moreover, the rich and middle-class people eat more often fast food than poor people just because of the simple fact that they have money, so they don't care if they spend it. Consequently, it's totally relevant to develop vegetarian product in Spain.

4.1.1.4 TECHNOLOGICAL DIMENSION

The impact of information technology: Thanks to the access to internet, more and more people are aware about the ecology problems. Internet's a good way to point out the problem but also to propose solutions (such as adopting a new regime). Therefore, the information technology is profitable for a product like a vegetarian burger because this could attract new clients who want to eat a fast- food which is respectful of the environment what it is possible for McDonald's.

The impact of new technologies: Sciences enable to create artificial meat that are close to the normal one. This breakthrough encourages vegetarian producers to keep on in this way, to being closer to a real meat without the drawbacks linked to the ecology. Nowadays a firm called Impossible Food has succeeded to create artificial meat with blood. This start-up was in negotiation with Google for a possible buying. This example tends to show that technology could help to develop new products.

Allied Technology Companies: McDonald's relies on technology to further customize the menus. By acquiring Dynamic Yield, McDonald's is showing its desire to leverage technology to accelerate growth in an extremely competitive restaurant industry. In doing so, McDonald's aims to boost sales and stand out from its rivals.

With the new technology, McDonald's restaurants can vary the display of items on their electronic menu boards, depending on factors such as weather - more coffee on cold days and McFlurries on hot days, time of day or regional preferences. The menus will also suggest additional items to customers.

Delivery System and Online Payment: McDonald's has announced that it will focus on home sales and new mobile payment systems to grow sales by 3 to 5 percent from 2019. It plans to boost mobile orders to skip the line of orders in stores, as well as improve the menu and service in order to increase assistance to its stores.

4.1.2 EXTERNAL ANALYSIS SCHEME

After the study of the 4 variables of the McDonalds macro environment, the PEST would look like this:

Table 12: Macro Environment Analysis (McDonald's vegan burger)

Dimensions	Aspects	Negative	Indifferent	Positive
<u>Political and Legal</u>	The standards pf environmental protection			X
	Protection of intellectual property			X
	Governance		X	
	Tax Legislation			X
	Labour Legislation			X
<u>Economic</u>	The current economic growth rates and potential			X
	The level of customer confidence		X	
	The cost of raw material	X		
	Employment rates			X
<u>Socio-Cultural-Demographic</u>	Demographic data		X	
	The media, public opinion, attitudes and prejudices			X
	Life style			X
	Socio cultural changes underway			X
	Income distribution			X
<u>Technological</u>	The impact of information technology			X
	The impact of new technology			X

Source: Own elaboration

As it can be seen in the Table 7, after making the analysis of the McDonald's macro environment, the opportunities that the company can extract from the environment are almost all, since it has in its favor most of the factors of each of the 4 dimensions analyzed.

Having as a major point in favor that veganism and vegetarianism, are two lifestyles that have every time more weight and importance in the Spanish society, so McDonald's should get advantage of this great opportunity that the environment provides.

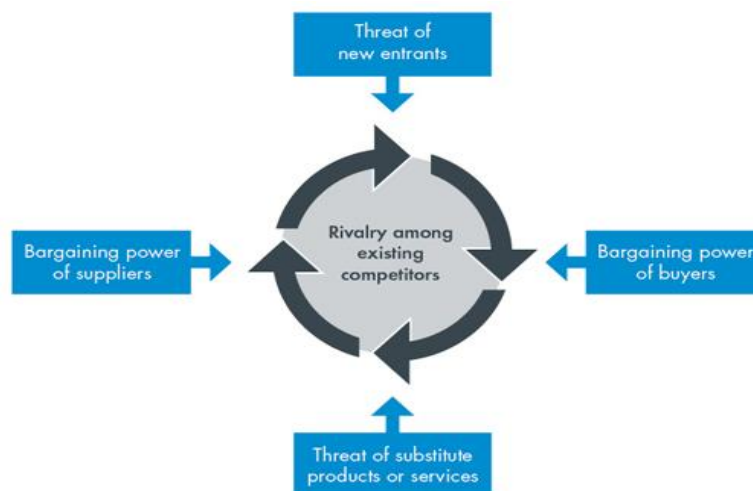
As the only negative factor has been highlighted what it maybe is the real reason why McDonald's has not launched this type of hamburger yet, and it refers to the possible increase in price of raw materials during the initial period of the launching this type of hamburger. Not because they are expensive, since they are vegetables after all, but due to the introduction of a new product implies looking for suppliers, for distribution channels according to a quantity of material that is not really known in that moment.

Therefore, it could also say that this is a temporary thing, and this uncertainty would remain during the first year, until seeing how the public react to this type of burger, in order to create a kind of statistics.

4.1.3 MICROENVIRONMENT

The micro-environment analysis analyses the immediate environment of the company in which are moving, in other words, it is going to be found and contrasted all the information about the stakeholders of McDonald's relying on the 5 strengths of Porter, which are defined in the following scheme.

Table 13: 5 strengths of Porter



Source: Google images



4.1.3.1 COMPETITORS IN THE SECTOR

There are those that are located in the same strategic group or segment to analyze, since they develop a similar activity. It is considered as a competitor all that big companies or establishments that sell fast food. Focusing in the McDonald's case, it can be observed by the moment that there are lots of companies that sell fast food such as Burger King, Pans & Company, Telepizza, KFC, supermarkets offering pre-cooked food, etc.

For sure that number of competitors is increasing nowadays due to is a very attractive sector which works well for the simple fact that people eat lot of fast food so in that way there is a lower possibility of obtaining higher incomes what it can be interpreted as a threat.

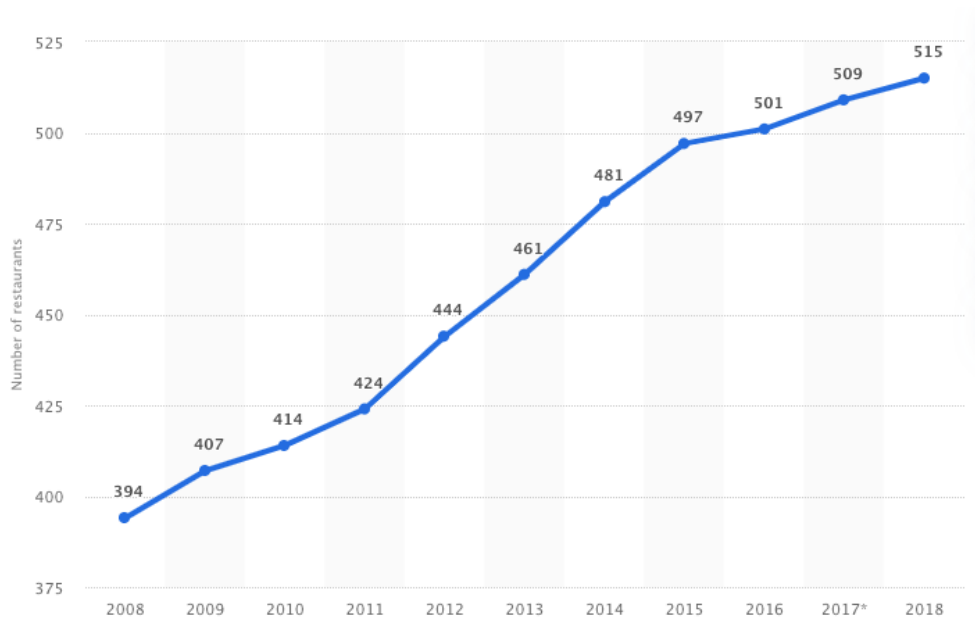
McDonald's has a great variety of products and every time they try to innovate or differentiate more from the rest, which is an opportunity, since customers will have more to choose and, besides, they already have products adapted to the phenomenon of "healthy life".

Every time there is a greater number of small competitors, what it means a sales decreasing due to customers opt for other types of restaurants because every time there are more options to choose (such as 100 Montaditos, Knee, Bocatta, etc.). This is a threat because it can make the growth rate for McDonald's negative.

Despite all this it is important to say that McDonald's keep being the leader in the sector with 40% of Spain's fast food market share followed by Burger King, which has a 22.5% share of the bun, Pans & Company (4.4%), Madrid-based chain Rodilla (3.6%) and KFC with 3.1% of market share. Meanwhile The Good Burger (TGB) is whetting the public's appetite. Founded in 2013, it has already bagged a 1% share of the market.

As it can be seen in the following table, in 2018, McDonald's had 515 restaurants in Spain. The American hamburger-specialized chain has been working on its expansion in Spain over the last years, increasing by over 120 its number of restaurants since 2008.

Table 14: Number of McDonald's in Spain since 2008 until 2018



Source: STATISTA <https://www.statista.com/statistics/747089/mcdonald-s-restaurants-in-spain/>

4.1.3.2 POTENTIAL COMPETITORS

It refers to the new companies that can enter to compete in the same sector as McDonald's, including that ones that are now located in different strategic groups but perhaps they become in future competitors in the sector.

The presence of new competitors will depend on:

1. Attractive of the sector: McDonald's is the market leader and owns the majority of it, so it is difficult to find a competitor with the enough human, technological and financial experience and resources as McDonald's to deal with this business model. This is an opportunity.

However, there is an increasing number of competitors, which is a threat to McDonald's which can lead to negative growth. In addition, if one of the companies that already makes fast food, such as Burger King, Pans & Company, KFC or TGB start to sell the new product which this document is dedicated to (vegetable burgers), would pose a big threat.

2. Entry barriers: They are high, due to that companies which want to enter in this market have it difficult, for the high investment necessary to start up the company



and its activity, as well as the high costs that would have to assume to be able to compete with the actual and powerful companies, which have a very high market share and a dominant position, regarding to the brand. In addition, economies of scale and cost advantage are essential to obtain a relevant position in the sector, which is an opportunity.

4.1.3.3 SUBSTITUTE PRODUCTS

There are products that fulfil the same function or satisfy the same needs of the customers. In this case, the substitute products would be the fast-food restaurants or even supermarkets, which already offer pre-cooked food with a good value for not too much money and with a minimum preparation period.

Looking at the food sector, there are products that cover the same needs as McDonald's for their similarity such as Burger King or TGB products. In other hand there are that kind of products that cover the same needs giving a different product as Telepizza or 100 Montaditos. Some of these products are offered by companies that are not considered current competitors nor potential competitors, but there is a possibility, however remote, that they can become competitors by selling their product or service ahead of others.

Therefore, it is going to be emphasized that: Customers show a low propensity to use substitute products what it's an opportunity. More and more, there is a wide variety of substitute products that satisfy the same needs as McDonald's products, and they do so at a competitive price, what is a threat.

4.1.3.4 BARGAINING POWER OF SUPPLIERS

The bargaining power of suppliers is limited, because it is difficult to compete with established companies, as these can be more easily defended.

In addition, it should be noted that McDonald's also bets on vertical integration, eliminating in many cases suppliers. McDonald's is one of the most famous companies using vertical integration to reduce its overall costs and increase profits.

As further proof of vertical integration strategy, McDonalds also owns most of the land that their stores are placed on, so they don't have to deal with landlords or leasing costs, for that reason McDonalds is a fine example of how vertical integration can keep costs down and profits up.

They grow their own beef through contracted producers, process their own meat, create their own spices and mixes in factories that they contract, grow their own potatoes and other vegetable through contracted producers, transport their goods on their own. McDonalds owns the land that their restaurants are situated on, so they do not have to deal with leases and landlords. They have taken control of their supply chain nicely.

Everything that makes McDonalds, is done through a vertical integration supply chain, and evidently it really works for them.

They are a large volume buyer (that may be one of the biggest understatements) which makes the vertical integrated supply chain the best option, but there are plenty of companies using the system and not experiencing the growth that they do.

One of the clear advantages to their supply chain system is that they have control, although according to the people in charge, McDonalds does not want to control their suppliers. However, this system does give them a lot of control over supplies

4.1.3.5 BARGAINING POWER OF CUSTOMERS

As it can be seen in the given chart, the McDonald's customers are mainly young and adult people between 8 and 45 years old which are single and not living at home, married couples without children, or families with young children.

Table 15: Segmentation of McDonald's customers

Type of segmentation	Segmentation criteria	McDonald's target segment
Geographic	Region	Domestic/international
	Density	Urban/rural
Demographic	Age	8 – 45
	Gender	Males & Females
	Life-cycle stage	Bachelor Stage: young, single people not living at home Newly Married Couples: young, no children Full Nest II: youngest child six or over
	Income	Low and middle
	Occupation	Students, employees, professionals
Behavioral	Degree of loyalty	'Hard core loyals' and 'Switchers'
	Benefits sought	Cost benefits, time efficiency
	Personality	Easygoing & careless
	User status	Potential and regular fast food eaters
Psychographic	Social class	Lower, working and middle classes
	Lifestyle	McDonald's targets Resigned, Struggler and Mainstreamer individuals according to Cross Cultural Consumer Characterization developed by Young & Rubican

Source: Own elaboration

The customer negotiation power is scarce, as McDonald's offers low prices with quality, that is what allow the customers to show great loyalty towards the brand, which guarantees their loyalty. It's an opportunity. However, the increasing appearance of products from other companies poses a threat, as customers could choose to consume the products of the competition.

Next, a summary table with all the above-mentioned information will be provided to clearly see the main information of the environment analysis.

Aspects analyzed	Description
<p>Market (Primary demand)</p>	<p>Today there are more than 36,000 establishments located in 101 different countries which serve around 69 million people every day.</p> <p>The latest surveys of image and brand perception published by independent media placed McDonald's among the top 10 companies in the local market and absolute leader in its category.</p> <p>Regarding the evolution of the billing has been the following:</p> <p>In 2018, according to data provided by the company, more than 230 million people visited its restaurant network in Spain what it means 1.096 million euros of income, what represents a 3% more than in 2017.</p>
<p>Potential Market Growth</p>	<p>It is high because it plans to open new establishments and try out a new concept in its restaurants: that its clients prepare their hamburger to the taste, where it allows to the clients to choose between diverse dressings, offering five types of sandwich with sauces and different dressings, since this represents another important opportunity for your business.</p>
<p>Product variations in the market</p>	<p>Menus, hamburgers, sandwiches, complements such as nuggets, cheese balls, potatoes of different types, onion rings, chicken wings, salads, desserts, drinks, ice cream, etc.</p>
<p>Buying behavior</p>	<p>The buyers are usually young, between 15 to 45 or families with small children from 7 to 14 years old.</p>



	<p>Also, people of middle-low income, for that reason McDonald's products are oriented for most of the population.</p> <p>They mostly buy this kind of food when they don't have enough time to cook or they just not feel in the mood to cook. Fast food is a good option when you are hungry and want to get the food fast in an easy way. For the parents which goes to McDonald's it is also a way to rest of the children due to the gifts that McDonald's include in the Happy Meals in order to entertain them.</p> <p>They also usually make the purchase in the same restaurant counter, but also it exists the way to order your food through machines in order to avoid the queue and pay easily with credit card. In some McDonald's it also exists the McAuto method to order food, in order to get the food directly through the car and eat it after wherever you want.</p> <p>The quantity of food they buy it depends on what they buy, the hunger they have, the number of people they are, and the lifestyle of each person, so this point is very subjective. Normally each person asks for a McMenu what includes the burger, the drink and the french fries and some extra snack. The families that go with children order for its usually a Happy Meal.</p>
Main competitors in the market	<p>The main competitors are:</p> <ul style="list-style-type: none">- Burger King- Pans & Company- Rodilla- KFC- TGB
Intermediaries Power	<p>McDonald's has all the power due to the huge size of the company</p>



Suppliers (Power suppliers)	McDonald's has all the power
Possible threats of new competitors	<p>It refers to companies that want to enter to compete in an industry. When an industry is attractive, more potential competitors there will be. The possibility that new companies enter to compete in an industry depends on the following factors:</p> <p><u>Barriers of entry:</u> Defined as those factors that hinder the entry of new companies in the industry.</p> <p><u>Product differentiation:</u> in this case, current companies may have patents or a portfolio of customers, forcing new competitors to make large investments to retain new customers.</p> <p><u>Other reasons:</u> for example, financing needs, exchange costs or difficult access to distribution channels.</p> <p>Given the large market share of McDonald's and its importance as a brand, it will consider as a possible new competitors those companies with similar characteristics, in other words, that companies similar to McDonald's in terms of volume and brand, which may have the capacity and the resources for manufacturing the same product.</p>
Possible threats of substitute products	Although there are many places similar to McDonald's, this never goes out of fashion due to the low price that characterizes its product. Conversely, McDonald's is the substitute for many other restaurants, and according to the trend does not seem to be replaced.
Rivalry in the sector	There is a lot of rivalry between actual competitors

4.2 INTERNAL ANALYSIS

The internal analysis is the second part of the study of the environment, which will allow to identify the strengths and weakness that the own company have respect the other ones. These variables are going to be identified and classified per departments:

4.2.1 MARKETING / SALES AREA

1. An exhaustive market study is conducted to identify and focus on the segments that report the most benefit to the company. **Strength.**
2. McDonald's has the largest market share and sales volume in the fast- food industry. **Strength.**
3. The McDonald's brand is one with the best reputation in the sector. **Strength.**
4. Consumers perceive a high-quality standard in the company's products. **Strength.**
5. McDonald's products are well differentiated from competitors. **Strength.**
6. McDonald's advertising can be interpreted negatively by taking advantage of the vulnerability of children and promoting unhealthy food. **Weakness.**
7. McDonald's makes a large outlay on advertising and promotions to attract its main market niches (children and youth). **Strength.**
8. The company studies its main markets before making the publicity and promotions to adapt the products to the clients (toys for children, 1x1 for young people, etc.). **Strength.**
9. The company lacks advantages such as user club, loyalty cards, etc. **Weakness.**
10. McDonald's takes great care of its location, being located in strategic enclaves near busy commercial areas. **Strength.**
11. The company's commitment to different social activities, promotes good relations with consumers. **Strength**
12. McDonald's has the largest advertising capacity in the sector, perfectly managing its campaigns and promotions. **Strength.**
13. McDonald's extensive customer preferences analysis enables the company to have a very loyal customer base, delivering exactly what consumers want. **Strength.**

4.2.2 OPERATIONS / PRODUCTION AREA

1. It has the most modern facilities and machinery used in the sector. **Strength.**
2. The training of basic functions personnel is scarce. **Weakness.**
3. Quality certification systems are available for both raw material and storage and production processes. **Strength.**
4. The company has a strong commitment to the environment and ecology, especially committing to recycling and reuse. **Strength.**
5. The company has a meticulous quality control system of all the production phases and product selection. **Strength.**
6. The efficient information systems allow the unification the production and sale processes in all its restaurants. **Strength.**
7. McDonald's manages the purchase of quality raw materials with a selected set of suppliers, allowing them lower costs, due to the large volume of purchases made. **Strength.**
8. McDonald's carries out an extensive control of the necessary quantity of each and every one of the products. **Strength.**
9. The company establishes different techniques to facilitate the handling and conservation (temperature control, individualized storage of frozen products, etc.). **Strength.**
10. The storage of the materials is done taking into account the expiration date, for later use by a queuing system FIFO (1 input 1 output). **Strength.**
11. McDonald's has a standardized system for the preparation of final products. **Strength**
12. Complete control of the food cooking parameters is carried out, for example the oil must always remain at a certain temperature. **Strength.**
13. There is a lack of coordination between the volume of demand and production at certain points of the day. **Weakness.**
14. There is no quality control system established for production processes. **Weakness.**
15. Rapid service of fast food with the "ready-to-eat" system.
16. ("Ready to eat"), which provides hot food in just 60 seconds. **Strength.**
17. The large number of establishments available allows the company to have experience in selecting the most suitable locations. **Strength.**
18. The system of cooperation through franchise facilitates the good coordination of the different units. **Strength.**
19. The company has standardized production processes that simplify operations by increasing its efficiency. **Strength.**
20. McDonald's has strict quality controls for its products guaranteeing the good condition of them. **Strength.**
21. The inputs are stored and managed following the procedures established in manuals to provide greater ease and efficiency in their use. **Strength.**
22. The company employs an extremely rigid operating system, with manuals specifying rules for doing everything, from setting the distance between restaurant elements to the exact temperature at which the potatoes should be fried. **Strength.**



4.2.3 FINANCIAL AREA

1. McDonald's is getting the highest profits among all companies in the sector. **Strength.**
2. The relationship between lower costs and increasing market shares is increasing profitability. **Strength.**
3. The company conducts an exhaustive study of its possible investments (franchises), ensuring their success. **Strength.**
4. The system of cooperation through franchising allows rapid growth with low investment. **Strength.**

4.2.4 TECHNOLOGICAL AREA

1. The company has a well-developed structure of information technologies, which are managed by qualified personnel. **Strength.**
2. There are investments in R & D to achieve new methods and more efficient production machinery. **Strength.**
3. McDonald's has a Research and Development Centre that is specifically dedicated to the innovation of new technology, oriented to the elaboration and production of fast food (fryers, conservatives), that allow the production and the product innovation. **Strength.**
4. The company has modern facilities in all its restaurants, besides taking care of its decoration (play areas for children, Wi-Fi, etc.). **Strength.**
5. McDonald's has the most advanced and sophisticated machinery on the market in its sector. **Strength.**
6. The activity to which the company is dedicated hinders the possibility of having flexible equipment. **Weakness.**

4.2.5 MANAGEMENT AND ORGANIZATION AREA

1. The company has an important brand image, which brings great loyalty from its customers and strengthens its position as a leading company in the sector. **Strength.**
2. McDonald's has control and standardization systems that make processes more efficient. **Strength.**
3. The small number of patents owned by the company makes the company's products susceptible of being copied by the competition. **Weakness.**
4. Consumers have a perception of the quality of the company. **Strength.**
5. McDonald's has been able to reduce its costs in a significant way, achieving higher benefits than its competitors. **Strength.**
6. Well-trained personnel through strict selection and training methods cover responsible positions. **Strength.**
7. There is a little communication between the different organizational levels of the company, especially downstream communication. **Weakness.**
8. No bonus or legal benefits are available. **Weakness.**
9. McDonald's conducts specific and periodic training for its management staff. **Strength.**



10. McDonald's has the necessary patents to preserve the exclusivity of its products and processes. **Strength.**
11. There are few communications between the highest organizational levels and the most basic levels. **Weakness.**

4.2.6 HUMAN RESOURCES AREA

1. The selection and training process that McDonald's has for managers of responsibility gives it great qualification in management positions. **Strength.**
2. The lowest positions are occupied by personnel without specific training. **Weakness.**
3. McDonald's has different programs of recruitment, selection and training of professionals, depending on the job solicited. **Strength.**
4. Shifts, workload and compensation generate stress and demotivation among employees. **Weakness.**
5. The pressure to obtain higher profits and lower costs makes the company hire fewer workers than necessary. **Weakness.**
6. The company's staff for high positions is highly qualified through the different selection and training programs. **Strength.**
7. McDonald's is very committed to different social actions (ecology, insertion of disabled people, etc.). **Strength.**
8. The staff who has low position and responsibilities doesn't have any type of training. **Weakness.**
9. The positions of responsibility are filled with experienced staff. **Strength.**

At this point is going to be elaborated a scheme to reflect the weakness and strengths previously seen of McDonald's versus its main competitor Burger King.



			Better than the Benchmark	Equal than the Benchmark	Worst than the Benchmark
MARKETING / SALES AREA	1	Brand Image	X		
	2	Market Share	X		
	3	Reputation		X	
	4	Quality		X	
	5	Competition	X		
	6	Promotions			X
	7	Social Activities		X	
	8	Vulnerability of children / advertising	X		
OPERATIONS / PRODUCTION AREA	1	Cost structure		X	
	3	Process Characteristics		X	
	4	Productivity level			X
	6	Personal formation		X	
	7	Environment		X	
FINANCIAL AREA	1	Financial structure	X		
	2	Cost of capital		X	
	3	Return on investments	X		
	4	Financial solvency			X
	5	Financial cost			X
TECHNOLOGICAL AREA	1	Technology available	X		
	2	R & D effort		X	
	3	Assimilation of acquired technology		X	
MANAGEMENT AREA	1	Control system		x	
	2	Patents			x
	3	Business Culture		x	
HUMAN RESOURCES AREA	1	Social Climate		X	
	2	Level of training	X		
	3	Level of participation		X	



4.3 DIAGNOSTIC OF THE SITUATION

Let's have a look on the situation by using a SWOT analysis (Weaknesses, Threats, Strengths, Opportunities) with the previous information.

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - McDonald's is the fast food leader in the world. <ul style="list-style-type: none"> - It has a large variety of products. - The entry barriers are high. - Customers show a low propensity to use substitute products. <ul style="list-style-type: none"> - Bargaining power of suppliers is limited. - Customers show great loyalty towards the brand, which guarantees their loyalty. <ul style="list-style-type: none"> - Power of negotiation of the clients: It is scarce. <ul style="list-style-type: none"> - Low wage level. - New labor legislation. - High bargaining power in hiring. <ul style="list-style-type: none"> - Increased productivity. - Customers can use of 3G mobile phones. <ul style="list-style-type: none"> - Use of 3D applications. - Good infrastructures. - Offering burgers with less fat (select meat) <ul style="list-style-type: none"> - Cheaper hamburgers. - Focus more on the product towards younger consumers (18-29). 	<ul style="list-style-type: none"> - World Economic crisis, so people look for cheaper alternatives like McDonald's. <ul style="list-style-type: none"> - There is an increasing number of small (Such as 100 Montaditos, Knee, Bocatta, etc.). <ul style="list-style-type: none"> - A greater number of competitors. - There is a wide variety of substitute products that meet the same needs as McDonald's products, and they do so at a competitive price. <ul style="list-style-type: none"> - However, the increase in the price of raw materials can make the final product more expensive. <ul style="list-style-type: none"> - Rise of tax rates. - Aging of the population. - Distribution of income very unbalanced.
STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> - Corporate image - Cost effectiveness - Sophisticated infrastructure - Trained and well-trained staff - Leading company in the fast food sector. <ul style="list-style-type: none"> - High quality management. - Excellent technology and design <ul style="list-style-type: none"> - Good quality of food - Wide variety of consumer menus. <ul style="list-style-type: none"> - Rapid fast food service - Good distribution system. - The company says that the environment becomes a market of many possibilities, being able to offer the product to all types of consumers. <ul style="list-style-type: none"> - Acquiring new technologies. - Qualified human resources. - Opening of new branches. 	<ul style="list-style-type: none"> - Tardiness in care at peak times. - The company lacks advantages such as user club loyalty cards. - Advertising can be challenged using the vulnerability of children. <ul style="list-style-type: none"> - Training of basic staff is scarce. - There is a lack of coordination between the volume of demand and production at certain points of the day. - The activity to which the company is dedicated hinders the possibility of having flexible equipment. <ul style="list-style-type: none"> - The small number of patents owned by the company. <ul style="list-style-type: none"> - No bonus or legal benefits are available. - Poor communication between the organizational levels. - Shifts, workload and compensation generate stress and demotivation among employees. <ul style="list-style-type: none"> - Personal working in less responsible positions do not have any training.



CHAPTER 5. MARKETING OBJECTIVES, SEGMENTATION AND POSITIONING STRATEGIES



Once the environment and the situation in which McDonald's is located has been analyzed, it is time to take advantage of all the opportunities mentioned above and to strengthen all its strengths, in order to fit and adjust to the new approaches that are required with the launch of the new product or McVeggie, which, with the help of the marketing, will raise this product to the top.

The first step to achieve this proposal will be detailed during these fifth chapter, trying to find out which are the objectives that McDonald's wants to achieve through the marketing plan, the market segment to which the product is going to be dedicated, and the image that McDonald's wants to give to its potential consumers with this new product.

5.1 MARKETING OBJECTIVES

The Marketing objectives are a key part of the Marketing Plan. They are goals set by a business promoting its products or services to potential consumers that should be achieved within a given timeframe. In other words, marketing objectives are the marketing strategy set in order to achieve the overall organizational objectives.

A company's marketing objectives for a particular product might include increasing product awareness among targeted consumers, providing information about product features and reducing consumer resistance to buying the product.

Those objectives should be SMART what it means that each objective must obey the followings requirements:

- **Specific:** The goals are clearly defined and outlined so the whole team understands the objective and why it's important.
- **Measurable:** The goals have key performance indicators (KPI) and benchmarks that allow you to measure your success.

KPIs are also known as quality indicators or key business indicators that can be used and applicable in any business area. The ultimate goal of a KPI is to help make better decisions regarding the current state of a process, project, strategy or campaign and thus be able to define a line of future action.

- They allow valuable and useful information to be obtained.
 - Measure certain variables and results from this information.
 - Analyze the information and effects of certain strategies (as well as the tasks used to carry them out).
 - Compare the information and determine the effective strategies and tasks.
 - Make the appropriate decisions.
- **Achievable:** The goals are within the ability of the company and team.



- Relevant: The goals are relevant and according with the brand mission and direction of the business.
- Time-Bound: The goals need to have a timeline that indicates when the objectives begin and end.

Within the objectives, a distinction must be made between qualitative and quantitative objectives.

A qualitative objective is subjective and not measurable. Since there is no precise way to measure a qualitative goal, it becomes difficult to know when the goal has been met or not. The results of qualitative objectives are open to interpretation because the results are not strictly defined.

In contrast, a quantitative objective is measurable, so it is easy to check whether it has been met. In this case, there is no room for interpretation of quantitative objectives because the expected results are strictly defined, so they can be contrasted and compared.

Qualitative objectives

- Customer satisfaction.
- Leadership in quality and price.
- Leadership in the market.
- Build strong customer loyalty
- Being recognized as a company compressed with the environment.
- Improve the image and reputation of McDonald's.

Quantitative objectives

SMART Objectives	KPI Measured by	Timeline
<p>Positive scenario: Increase profitability by 5% in each Spanish McDonald's.</p> <p>Best-case scenario: Achieve profits of 20 million euros (a priori, without accounting the costs of the marketing plan).</p>	<p>1. Gross Profit = Net Sales – Cost of Goods Sold</p> <p>2. Operating Profit =Gross Profit – (Operating Costs, Including Selling and Administrative Expenses)</p> <p>3. Net Profit= (Operating Profit + Any Other Income) – (Additional Expenses) – (Taxes)</p>	1 year
<p>Increase McDonald's market share in the Spanish market (for the own company's and the franchised) by 10%.</p>	<p>MacDonald's market share / Market share of the whole market.</p> <p>It should be compared with the Market share of the year before.</p>	1 year



With the information of the section 4 previously detailed in terms of numbers, McDonald's Spain, have a total number of restaurants of 510 and the last year 2019, the company had a turnover of 1,006 million euros. Therefore, when setting the first quantitative goal, the following calculation has been made for both scenarios:

Positive scenario

Assuming that with the launching of the new McVeggie, the annual profit it is going to increase a 5%, as it has been settled in the objectives above.

$$1.006.000.000 * 0,005 = 5.030.000 / 510 = 9.862,75€$$

In the positive scenario, each establishment would reach 9.862,75€ more. Knowing that the initial amount per year and per establishment is approximately $1.006.000.000 / 510 = 1.972.549€$.

Best-case scenario

Assuming that the benefits that the new hamburger will bring to McDonald's Spain it is about 20 million of euros.

$$1.006.000.000 + 20.000.000 / 510 = 1.026.000.000 / 510 = 2.011.764,7- \text{ (initial amount per year and per establishment) } = 2.011.764,7 - 1.972.549€ = 39.215,7 \text{ of euros per establishment more.}$$

If over timeline the objectives are measured through its appropriate indicator and the targets have not been met, it will be necessary to rethink about the objective and about which had been the reason why those objectives had not been reached.

5.2 SEGMENTATION STRATEGIES

Segmentation is nothing more than the division of the market into groups with similar characteristics. The interesting thing about market segmentation is that it will make think about the consumer needs, and how can be solved that specific need.

The potential market will be divided into groups with specific characteristics that interest in order to make a detailed description of each segment, number of members, consumption habits, and their value to our objectives.

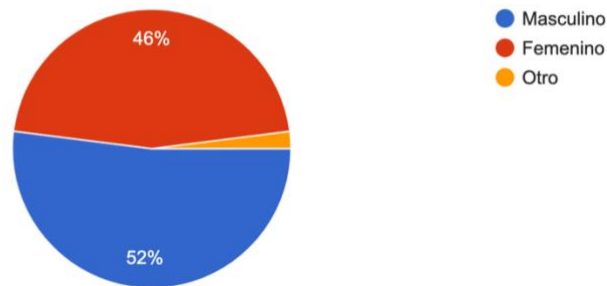
Next, it is going to be showed the results of the survey that has been made in order to extract the strategies of segmentation and positioning.

Let's remind that 100 different persons from Spain of different ages, gender and tastes have answered it.

The survey has been made in the Spanish language in order to be sure that all the people would understand it.

Table 16: Survey (question n°1)

Género
100 respuestas

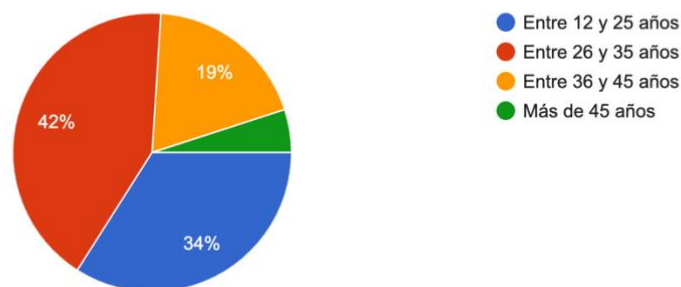


Source: Google surveys

The survey has been answered by 100 people which almost the 50% was women and the other half man.

Table 17: Survey (question n°2)

Edad
100 respuestas



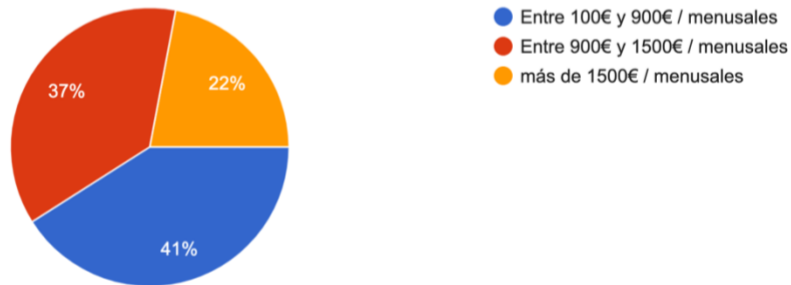
Source: Google surveys

About the age of the participants, the 76% was young people between 12 and 35 years old. Other 19% had between 36 and 45 years old. And the remaining people (just 5) were more than 45 years.

Table 18: Survey (question n°3)

Ingresos

100 respuestas



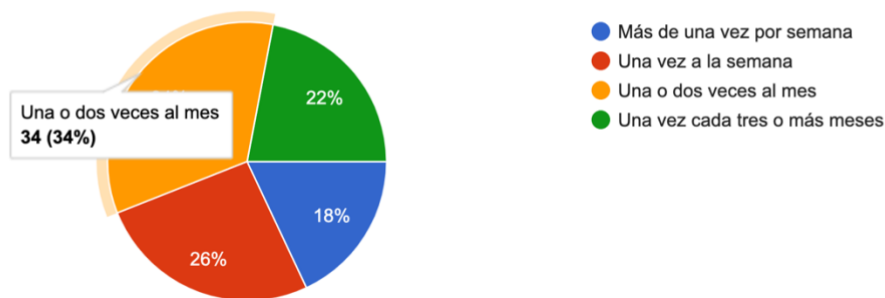
Source: Google surveys

In the table 13 regarding with the income of the respondents, it can be seen how the income it is distributed.

Table 19: Survey (question n°4)

Con que frecuencia consumes McDonald's? (Elige la opción que más se adapte con tu estilo de vida).

100 respuestas



Source: Google surveys

A 18% and 26% of the interviewed people goes to McDonald's more than one time per week to or at least one time per week respectively. A 34% affirms to go one or two times per month and the remaining 22% goes to McDonald's one time every three or more months. So that 22% represents the people that is not a habitual client

Table 20: Age/ Frequency

Gender	(All)
Row labels	How often do you use McDonald's?
Between 12 and 25	19
Between 26 and 35	40
Between 36 and 45	19
More than 45 years	4
Total	82

Source: Microsoft Excel / Own elaboration

Table 15 shows how often clients (men and women) go to McDonald's irrespective of how many times they go per week or month. The number of responses was 82 as those who responded that they would not eat a McDonald's vegan burger were directly removed from the sample when the data was analyzed. Therefore, that ones who are in the ages between 12 and 45 are the public to which the new product McVeggie will be dedicated.

Table 21: Gender/ Age / Would you go more often?

If McDonald's would incorporate vegan options, would you go more often?		Yes
Row labels	Income Account	
Between 12 and 25 years	11	
Female	9	
Male	2	
Between 26 and 35 years	28	
Female	13	
Male	15	
Between 36 and 45	15	
Female	8	
Male	7	
More than 45 years old	2	
Female	1	
Other	1	
Total	56	

Source: Microsoft Excel / Own elaboration

Table 16 shows, by gender and age, the number of people who would go to McDonald's more if they would incorporate vegan options.

The age range between 26 and 35 years old man is very significant with 28 positive responses. Also, the ages between 36 and 45 are quite in agreement with the proposal with

15 votes. Something that should be highlighted about the women between 12 and 25 years old, of which 9 of them say that they would go further if the proposal was successful.

Next, Tables 17, 18 and 19 above attempt to show the frequency with which clients go to McDonald's classified by age, income and with the filter or condition that they should go more than once a week, once a week or once or twice a month respectively:

Table 22: Frequency / More than once a week

How often do you use McDonald's?	More than once per week
Row labels	Gender Account
Between 12 and 25 years old	3
Between 100 and 900 euros / month	2
More than 1500 euros / month	1
Between 26 and 35 years old	8
Between 100 and 900 euros / month	3
Between 900 and 1500 euros / month	3
More than 1500 euros / month	2
Between 36 and 45 years old	6
Between 100 and 900 euros / month	1
Between 900 and 1500 euros / month	3
More than 1500 euros / month	2
More than 45 years old	1
Between 100 and 900 euros / month	1
Total	18

Source: Microsoft Excel / Own elaboration

The total number of people who goes to McDonald's **more than once a week** is 18 according to the Table 17, and most of them are in the 26-45 age range.

As can be seen, there is no relationship between those who go to McDonald's more often and the income they receive.

Table 23: Frequency / Once a week

How often do you use McDonald's?	Once a week
Row Labels	Gender Account
Between 12 and 25 years old	1
Between 100 and 900 euros / month	1
Between 26 and 35 years old	20
Between 100 and 900 euros / month	5
Between 900 and 1500 euros / month	14
More than 1500 euros / month	1
Between 36 and 45 years old	4
Between 100 and 900 euros / month	1
Between 900 and 1500 euros / month	1
More than 1500 euros / month	2
Total	25

Source: Microsoft Excel / Own elaboration

The total number of people who goes to McDonald' **just once a week** is 25 according to the Table 18, and most of them are in the 26-35 age range. In this case it can be seen a clear relation between the age and the income. So that ones that get between 900€ and 1500€ and are inside the range of 26-35 years, clearly go more often than the rest, due to, as the results show, 14 people from the 20 of this age are inside of this group and it represents more than the 50% of the total sample (25 people).

Table 24: Frequency / Once or twice a month

How often do you use McDonald's?	Once or twice per month
Row labels	Gender Account
Between 12 and 25 years old	12
Between 100 and 900 euros / month	9
Between 900 and 1500 euros / month	2
More than 1500 euros / month	1
Between 26 and 35 years old	9
Between 100 and 900 euros / month	1
Between 900 and 1500 euros / month	7
More than 1500 euros / month	1
Between 36 and 45 years old	6
Between 900 and 1500 euros / month	4
More than 1500 euros / month	2
More than 45 years	1
More than 1500 euros / month	1
Total	28

Source: Microsoft Excel / Own elaboration

The total number of people who goes to McDonald' **once or twice per month** is 28 according to the Table 19. This amount is split among all the years ranges, but the clear winner is the range of ages between 12 and 25 years with 12 persons. Here it can be observed again the relation with this target audience and the income they get, that is in most of the cases (9 of 12) between 100€ and 900€ per month. In the same way but in smaller measure, it can be seen that 7 persons of the 9 that are in the age of 26 and 35 get between 900€ and 1500€ monthly.

So the conclusion to this previous Table it could be, that younger people that doesn't go to often to McDonald's use to get a lower income, but that ones that are older and don't use to go too much to McDonald's are better payed, what it mean that they just go because of necessity or because in that specific moment McDonald's is just the best option.

Table 25: Frequency / Would you go more?

How often do you use McDonald's? If McDonald's would incorporate vegan options, would you go more often?	Once or twice per month Yes
Row labels	Gender Account
Between 12 and 25 years old	7
Between 100 and 900 euros / month	5
Between 900 and 1500 euros / month	1
More than 1500 euros / month	1
Between 26 and 35 years old	5
Between 100 and 900 euros / month	1
Between 900 and 1500 euros / month	4
Between 36 and 45 years old	5
Between 900 and 1500 euros / month	4
More than 1500 euros / month	1
More than 45 years	1
More than 1500 euros / month	1
Total	18

Source: Microsoft Excel / Own elaboration

Tables 19 and 20 are closely linked, so in the Table 19 it can be seen how it has been applied to the question "How often you consume McDonald's", the filter of showing only the answers of those people who go once or twice a month (which are the ones we are interested in coming more), and the result is: from a group of 100 people 28 belong to this range.

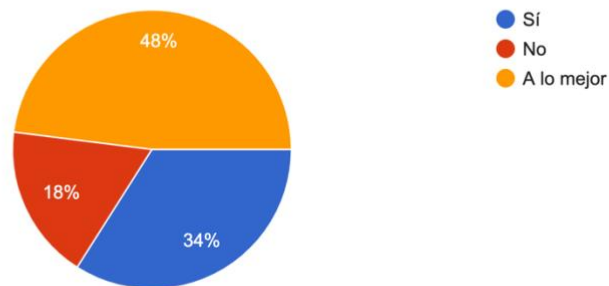
Subsequently, in table 20, to this question with the same filter, another filter has been added which is, to have answered "Yes" to the question "If McDonald's would incorporate vegan options in its establishments, would you go more? The result of applying both filters is 18, which is 10 less than in Table 19, meaning that 18 out of 100 people who goes to

McDonald's once or twice a month say they would go more if McDonald's would incorporate vegan options in their establishments.

Table 26: Survey (question n°5)

Comerías una hamburguesa vegana de McDonald's si la hubiese?

100 respuestas



Source: Google surveys

A huge % of 48 people has answered that they probably would consume the McVeggie if it was available in the Spanish market. Another big amount of 34 people has answered that they for sure would consume it, and just a 18% answered that they would be not able to consume that kind of product. So, after seeing the above chart, it can be seen clearly, that the product is really wanted by the society.

To be clearer, now it is going to compare the above data with the age and gender of the participants in order to know if there is a concrete segment in the market that really want that burger.

Table 27: Comparison between gender, age and willingness to eat McVeggie

Row labels	Would you eat a McDonald's vegan burger if there was one?
Female	41
Between 12 and 25	15
Between 26 and 35	16
Between 36 and 45	8
More than 45 years	2
Male	39
Between 12 and 25	4
Between 26 and 35	24
Between 36 and 45	10
More than 45 years	1
Total	80

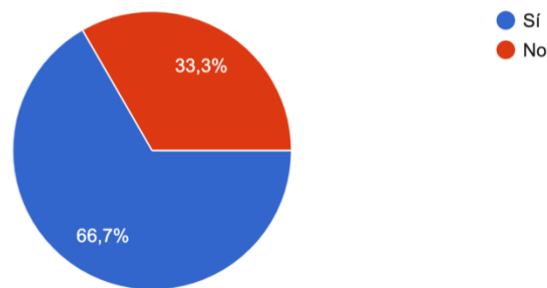
Source: Microsoft Excel / Own Elaboration

To create the table beyond, all the negative answers to the Question n°5 have been deleted, so as it has been said before, the 82% has answered that they would be delighted to eat the McVeggie or they would probably do it.

After the creation of the dynamic Table 22 with the help of Excel, it can be understood that girls between 12 and 35 years and boys between the ages of 26 and 35 are the bigger market niche found, due to they are who would be able to consume and try the new product that it want to be created. So, it can be also said that the mentioned segment differentiated by gender and age are the target audience to which the McVeggie and the Marketing Mix will be elaborate for.

Table 28: Survey (question n°6)

Si la respuesta a la pregunta anterior ha sido "Sí o tal vez", es decir, si McDonald's incorporara opciones veganas en sus establecimiento en Españ...última pregunta sin responder esta ni las demás.
84 respuestas



Source: Google surveys

Of the 84 answers to the previous question "If the answer to the previous question was Yes or maybe, what would mean that McDonald's would incorporate vegan burgers in their Spanish stores, would you go more often? If the answer to the previous question was No, please go to the last question without answering this one or the others", 66.7% corresponding to 56 votes answered Yes, while 33.3% or the remaining 28 voters said that they would not go any more, because McDonald's had a vegan burger.

So, if we go deeper into the perfect target audience for the new McVeggie, that 66,7% represent that public that already had answered that they would be able to try the new McVeggie, now it is affirming that they would go even more to McDonald's just to get it. That put as in a condition advantaged, easy to show with a simple rule of three.

Table 29: % of de sample that would go more often

%	X (n° of people)
100	84
66,7	X
X=	56,028

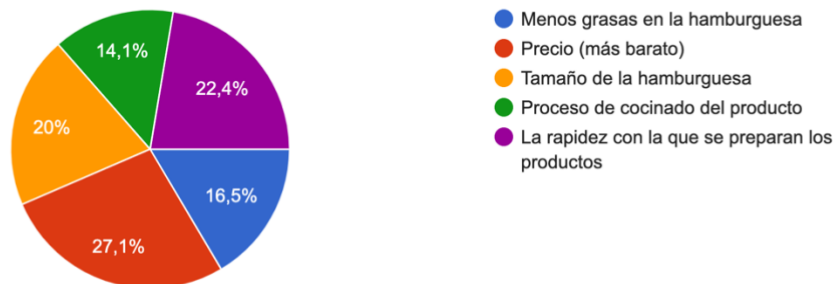
Source: Microsoft Excel / Own Elaboration

So, the 56% of the interviewed (that represent the 100%) declare that they would go more if the vegan option would be available.

Table 30: Survey (question n°7)

¿Cuál es el factor más significativo para ti cuando decides consumir productos de McDonald's?
(Elija sólo el más importante)

85 respuestas



Source: Google surveys

Of the 85 people who answered the question n°7, 15 of the 100 said directly that they would not eat a McDonald's Veggie burger, so their opinion is no longer valid for the design of the marketing plan.

For the rest of the people willing to try the McVeggie, the most valued factor when they attempt to consume McDonald's products, the 27.1% of the answers that correspond to 23 votes, is the price, so the product must be cheap in terms of quality and price, because it really matter for customer. The second most valued factor with 22.4% corresponding to 19 votes is the speed with which the products are prepared. This factor has almost the same weight as the 20% (17 votes) representing the size of the hamburger. Then with 16.5% (14 votes) and 14.1% (12 votes) we have less fat in the burger and the process with which the product is cooked, respectively.

As can be seen in Table 18, all the factors are all very similar when you look at them in terms of size, so it could be said that all the factors are almost equally important. Between the most and least voted factor, there are only 11 votes left of difference (23-12).

Table 31: Age / Income / Valuation of the factors

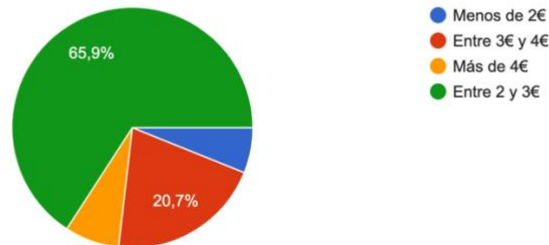
Gender		(Some elements)					
Would you eat a McDonald's vegan burger if there was one?		Column labels					
Row labels		Quickness	Less fats	Price	Process	Size	Total
Between 100€ and 900€ / month		4	6	12	1	2	25
Between 12 and 25 years		1	2	10	1		14
Between 26 and 35 years		3	2	2		2	9
Between 36 and 45 years			2				2
Between 900€ and 1500€ / month		6	6	7	10	7	36
Between 12 and 25 years					3		3
Between 26 and 35 years		6	3	5	5	6	25
Between 36 and 45 years			3	2	2	1	8
More than 1500€ / month		12	1	3		3	19
Between 12 and 25 years				1		1	2
Between 26 and 35 years		4	1	1			6
Between 36 and 45 years		5		1		2	8
More than 45 years		3					3
Total		22	13	22	11	12	80

Source: Microsoft Excel / Own Elaboration

Table 26 shows that the most important factors valued by consumers are speed and price.

Table 32: Survey (question n°9)

¿Cuándo estarías dispuesto a pagar por una hamburguesa vegana del McDonald's?
82 respuestas



Source: Google surveys

The more relevant information that it can be extracted from the question n°9 regarding to how much the consumers are willing to pay for a McDonald's Vegan burger is that about the 66% of them coincide in the price they would pay for it is between 2€ and 3€. However, a big 20% of the sample is disposed to pay even more for the vegan burger (between 3€ and 4€).

Let's focus on the people that has answered that the right price would be between 2€ and 3€, due to they represent the majority, so the price should fit on its expectative, what it means, that first should be analyzed which kind of people had answered.

Table 33: Gender / Age / Income / Willing to pay between 2€ and 3€ for one vegan burger

How much are you willing to pay for a McDonald's Vegan burger? Between 2 and 3€

Would you eat a McDonald's vegan burger?	Female	Male	Total
Row labels			
Between 100€ and 900€ / month	13	5	18
Between 12 and 25 years	7	2	9
Between 26 and 35 years	4	3	7
Between 36 and 45 years	2		2
Between 900€ and 1500€ / month	13	12	25
Between 12 and 25 years	1		1
Between 26 and 35 years	9	10	19
Between 36 and 45 years	3	2	5
More than 1500€ / month	3	7	10
Between 12 and 25 years	1	1	2
Between 26 and 35 years		3	3
Between 36 and 45 years	1	3	4
More than 45 years	1		1
Total	29	24	53

Source: Microsoft Excel / Own Elaboration

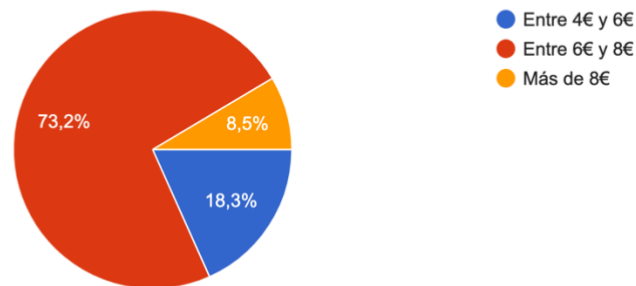
From the Table 28, some important facts can be extract. The most important niche is found in men and women between 26 and 35 years old who generate an income between 900 and 1500 euros per month. Only these two segments get a score of 19 votes out of 53 totals. On the other hand, great importance is also given to the female segment between 12 and 35 years old with a low income (between 100€ and 900€per month), since they represent 10 votes out of the 53 totals. Finally, with 6 votes, it is found an interesting segment, which are men who generate a monthly income of more than 1500 euros and are between 26 and 45 years old.

These three segments already represent 35 of the votes out of a total of 53 or what is the same, a big 66%. The remaining 44% of the people (18 voters) are distributed in different segments as can be seen in the table (either by gender, age or income).

Table 34: Survey (question n°10)

¿Cuándo estarías dispuesto a pagar por un menú vegano del McDonald's?

82 respuestas



Source: Google surveys

In the same way as the question before, in this one, it is asked to the respondents how much they were willing to pay for one Vegan Menu (the menu at McDonald's include the drink, the french fries and the burger that in this case would be the McVeggie), at this point, most of them answered that the right price would be between 6€ and 8€. Even so, on the contrary way as the question before, there is almost a 20% of the public objective that think that this range of price is excessive, for that reason they have answered that he right price that they are willing to pay for a McVegan menu is between 4€ and 6€.

Now, in the same way as the question before, let's focus on the people that has answered that the right price would be between 6€ and 8€, due to they represent the majority, so the price should fit on its expectative, what it means, that first should be analyzed which kind of people had answered.

Table 35: Age / Gender / Income / Willing to pay between 6€ and 8€ for a Vegan Menu

How much are you willing to pay for a McDonald's Vegan Menu? Between 6€ and 8€

Would you eat a McDonald's vegan burger?			
Row labels	Female	Male	Total
Between 100€ and 900€ / month	15	3	18
Between 12 and 25 years	9		9
Between 26 and 35 years	4	3	7
Between 36 and 45 years	2		2
Between 900€ and 1500€ / month	15	16	31
Between 12 and 25 years	2		2
Between 26 and 35 years	9	12	21
Between 36 and 45 years	4	4	8
More than 1500€ / month	4	8	12
Between 12 and 25 years	1		1
Between 26 and 35 years		3	3
Between 36 and 45 years	2	4	6
More than 45 years old	1	1	2
Total	34	27	61

Source: Microsoft Excel / Own Elaboration

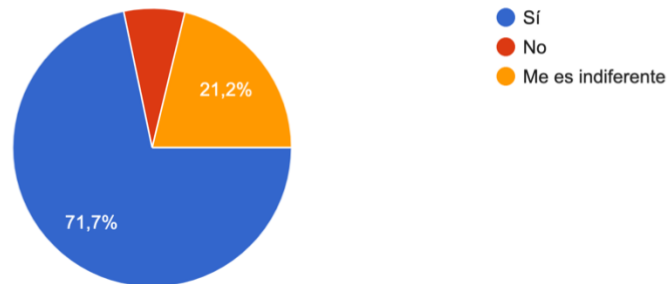
Table 30 shows that 61 persons would be able to pay between 6€ and 8€ for a Vegan Menu. The most important niche with 21 of 61 votes coincides with the same as the people who vote for the vegan burger between 2€ and 3€ and is found in men and women between 26 and 35 years old who generate an income between 900 and 1500 euros per month. On the other hand, great importance is also given to the female segment between 12 and 35 years old with a low income (between 100€ and 900€ per month), since they represent 13 votes out of the 61 totals. Also, men and women who generate a monthly income between 900 and 1500 euros per month and are between 36 and 45 years old have opted for this proposal with a positive response of 8 votes. Finally, with 6 votes, it is found an interesting segment, which are men and women who generate a monthly income of more than 1500 euros and are between 36 and 45 years old.

These four segments already represent 48 of the votes out of a total of 61 or what is the same, a big 78%. The remaining 22% of the people (13 voters) are distributed in different segments as can be seen in the table (either by gender, age or income).

Table 36: Survey (question n°11)

¿Crees que es importante que las cadenas de comida rápida como McDonald's incorporen opciones veganas en sus establecimientos?

99 respuestas



Source: Google surveys

The last question of the survey that all the respondents should answer regardless of if they would consume or not the McVeggie was if they think that is important that fast food chains as McDonald's would include Vegan options in its establishments. To this question a bit more of 70% had answered "Yes", another 21% doesn't really care if they incorporate vegan options or not, and less than 10% say that it is not important.

After seeing the results of the surveys carried out to 100 persons, some conclusions can be extract. These conclusions will be the targeting strategies that McDonald's should take for the launching of the vegan burger in the Spanish market.

5.3 TARGETING STRATEGIES

Targeting is the processes of identifying the important target market and target audience which a company wants to sell its products to.

Targeting is done to a specific target group as there are various segments in any market. Most firms do not select all the segments in a market to operate and choose one or few of the identified segments through targeting. As mentioned earlier, targeting is this process of selection made on the basis of attractiveness of the segment.

The advantages of targeting in marketing are:

1. Targeting helps a company to use its resources wisely.
2. It helps in ensuring a strong focus towards the right set of customers.



3. Targeting strategy in marketing gives the employees a sense of direction where they can channelize their energies.

4. It helps how customers look at its brand when compared to competitors.

5. Targeting helps companies avoid redundant costs on customers who would not be a target audience for the product or service.

After the data analysis and the interpretation of the tables in the previous section, it can be stated that the target audience to which the new product or McVeggie is going to be addressed is:

- Women between the ages of 12 and 35 as it can be seen in the Table 22.
- Men between the ages of 26 and 45 as it can be seen in the Table 22.
- The source of income is not a determining factor since according to the table there is no correlation between income and frequency when consuming McDonalds.
- All those who go to McDonald's but with a low frequency (1 or 2 times a month) but would go more often if McDonald's incorporated the McVeggie as shown in Tables 19 and 20.

The targeting strategy that is going to use according with the result and analysis of the surveys explained in the above section is the **selective/ differentiated marketing**, what means that McDonald's will provide different offerings to different consumer segments. And the McVeggie, the product in which it is focused the targeting, it is going to differentiate from others through the **product differentiation (a burger made 100% of vegetal raw materials instead of meat)**.

5.4 POSITIONING STRATEGIES

Once the segmentation is done and taking into account the targeting audience, the next step to follow is the perform of the positioning.

Each product or service is perceived by the customers in a different way compared to the products or services of the competitors, and the customers are who define the perceptions, feelings and impressions that such product generates to them, producing undoubtedly a classification, and this will happen with or without the help of the company.

McDonald's must generate a strategy through the "marketing mix", to place this product in the most advantageous position for the company.

This is achieved through advertising. Once it is known the strengths of the product, the competition and comparative advantage, and the strategy to improve against the competition to



position the product, it must be sent a message through advertising, reporting all the potential customers about that.

Products can be positioned through features such as quality, low price, performance, effectiveness, production speed, quality of service, etc., or a mix of these, and each company must differentiate its offer with a unique mix of attributes.

To achieve the following competitive advantages, which necessarily have to adapt successfully into the segment abovementioned, some key points that should be in the mind of the customers are:


1. Quality and reputation
2. Price
3. Quickness
4. Size

In order to achieve the above competitive advantages, some points of differentiation with the competitors must be found, among which it can be highlighted three:

- **Product differentiation:** McDonald's is a restaurant that is continuously innovating in its products, allowing it to differentiate itself from its competitors. Therefore, with the introduction of the healthier hamburger product with an economical price, it is aimed to improve and maintain the leadership in the world market.
- **Differentiation for additional services:** This is another of the characteristics of McDonald's for its quick delivery of the product, in boxes, as well as in the new machines where you can order or in the McAuto. In addition, they have a 24-hour service in lots of the establishments.
- **Differentiation by image:** In several months, McDonald's makes promotions or discounts on its products, which attracts more people to consume their products. In addition, it is a company that has managed to create an image on the public mind, so it is a symbol of loyalty.

Based on this, taking into account our segment, the positioning strategy that is going to be used in our new product will be "More for less", where it will be tried to offer to the customers the highest possible quality, adapting to the prices they are willing to pay.

Figure 32: More for less

Quality / Service	Higher	More for More	More for Equal	More for Less 
	Equal	X	X	Equal for Less
	Lower	X	X	Less for Less

Source: Google Images

Without a doubt the most popular marketing strategy, since it is about offering the greatest amount of advantages and characteristics in a product or service for an extremely lower price than the competitors in an industry have in order to popularize a brand

This is an extremely aggressive proposal for the market, therefore it is difficult to maintain for any company, since multiple areas must be found to be efficient than the competition, as well as diverse areas of opportunity to innovate in the internal processes. Even so, the discussion about price technics will be discussed in the next chapter.

As far as positioning is concerned, what McDonald's is trying to communicate and therefore wants to be present in the mind of every consumer is such a message like: A burger for young people who take care of their diet or follow a vegan or vegetarian diet. McVeggie provides them the option of being able to do it now at McDonald's, quickly, with exclusively vegetable raw materials and all that for price lower than competitors. Try it and check it for yourself.



CHAPTER 6.

MARKETING MIX



It has been reached the chapter that contains the essence of the work. A chapter that will detail the fundamental variables of Marketing such as the characteristics of the new product, the price that must be established, the distribution channel that must be used to reach the client and how to make it known.

To get to this point, it has been fundamental to carry out a previous study of the market in which McDonald's is located and on the other hand, to segment and know who the future customers of the new product to be launched will be. Only in this way, the foundations that will be set in the next chapter will be solid, effective and realistic, which is the purpose that want to achieve throughout the work.

The 4Ps of the Marketing Mix (Product, Price, Place, Promotion) is a term coined by Philip Kotler in 1967 and refers to the basic and traditional marketing tools used by companies to implement their strategies and achieve the objectives set.

6.1 PRODUCT

A company can offer a product to meet the wishes and needs of a market segment. That's why is important to highlight the characteristics, attributes and benefits of the products, just because it allows the identification of the product in a certain market, the differentiation from the competition and the achievement of a brand positioning.

The product policy includes the study of four fundamental elements: the product portfolio, product differentiation, branding and presentation.

6.1.1 PRODUCT PORTFOLIO

McDonald's knows the needs of its customers and offers a wide portfolio of products, with varied menus and all types of products, from hamburgers and salads, desserts, etc.

This study focuses on the incorporation of a new product, the McVeggie, which is a material product of tangible nature, which from the point of view of the market is a product that will become part of the line of hamburgers of the company.

The main function of McVeggie is to attract new customers, especially those who don't want to include meat in their diet. With the launching of these new product McDonald's also intended to approach to those customers who are seeking to take care of their diet and look for a certain type of healthy food.

In addition, given its size, which will be the same as a standard hamburger (150 gr)

McVeggie is an immediate consumer product, as soon as our customers buy the product, they will ingest it.

At this point it will be introduced the new product, the new vegan burger made and sell by McDonald's, the new McVeggie:

Figure 33: McVeggie Spain



Source: Google Images

6.1.2 PRODUCT DIFFERENTIATION

As studied in section 2, unlike the McVeggies existing in other countries, this one must be adapted to the culture and customs of Spain and the tastes of the Spanish people. Therefore, the McVeggie in the Spanish market will be simple and 100% vegetable. It consists of a bread, lettuce, pickles, mayonnaise as a sauce and a battered hamburger made with 100% vegetable products such as potatoes, carrots and peas.

The customers can choose if they want to remove any of the above supplements.

6.1.3 BRAND AND LOGO

About the brand of the new product, it is known since the start of the document that would be McDonald's who is in charge of the launching of this product. What it really matters is the logo that is going to be used to promote and advertise the new burger.

Figure 34: Logo of the brand



Source: Google Images

Below, two images will be shown with the two different logos applicable to the McVeggie, both according to the lyrics and style that McDonald's always uses, but each one applicable to different fields.

Firstly, with slightly thick green letters, which refer to and match the color of the vegan and the vegetable, is the logo that would be used to advertise the product, either through television, internet advertisements and posters.

Figure 35: McVeggie Logo 1



Source: Google Images

Secondly, there is the classic logo, which will appear on the official website.

Figure 36: McVeggie Logo 2



Source: Google Images



6.1.4 PRESENTATION

The presentation of a product is very important because it is the first thing the customer sees of it. Therefore, the first impression that customers will have of the new product will be its packaging, the way it is presented, therefore making a good impression is fundamental for the future of the product, because in it lies the reason for future purchases.

The packaging of this product is to be made with paper and cardboard like most McDonald's products, as it is economical and comfortable.

The cardboard box will have the perfect size, so that the burger will fit in perfectly. On the outside it will contain the logo with green letters shown above, the McDonald's logo, and some basic information about the product such as the ingredients.

6.2 PRICE

Price is the value that customers must pay for a product. It is determined based on a market research study, through which the demand for the product, the prices of the competition, the purchasing power of the buyers, the current trends and the tastes of the target market are identified. All these indicators are influential factors in defining the price of the product.

It is important to take into account in the marketing plan the forms of payment, discounts, etc... among other elements relating to price.

The price is the element of the 4Ps that is set more in the short term and with which the company can adapt quickly according to the competition, costs, etc. It should be distinguished from the other elements of the marketing mix because it is the only one that generates revenue, while the others generate costs.

When determining the price, McDonald's should be taken into account:

- The manufacturing or production costs
- The profit margins
- Distribution costs
- Indirect costs

Next it is going to show an approximation of the costs of the variables above and based on them the price will be established.

The price has been established taking into account the total costs and the profit margin on the sales price to be obtained.



Next, three tables are going to be made with Excel showing how the price of the product can vary depending on the profit margin desired and also depending in which phase of the product cycle the McVeggie is found in every moment.

Remember also, that based on the total costs incurred in manufacturing a hamburger, which are approximately 1,295 euros, the profit margins on the selling price of 40%, 45% and 50% have been established respectively, since applying these percentages, the selling price that's is going to obtain it will be between the ranges of 2 and 3 euros, which are the prices that consumers were willing to pay for a McVeggie.

Table 37: PVP with a benefit margin of 40%

Raw Material	0,15
Direct labor	0,3
Indirect production cost	0,1
Production Cost	0,55
Package	0,06
Distribution cost	0,135
Total Cost	1,295
Margin of Benefit	40%
PVP	2,158333333
PVP= TOTAL COST/(1-%margin)	

Source: Microsoft Excel/ Own Elaboration

In the table n°32, applying a profit margin of 40% you get a price of 2,16€. A price that fits in the same line as the customer expectations and which also gives a large benefit margin for the company.

This price is ideal for the launch of the product on the market, as it is very affordable for the pocket of the target audience. Therefore, that will be the future price of the McVeggie.

Table 38: PVP with a benefit margin of 50%

Raw Material	0,15
Direct labor	0,3
Indirect production cost	0,1
Production Cost	0,55
Package	0,06
Distribution cost	0,135
Total Cost	1,295
Margin of Benefit	45%
PVP	2,3545
PVP= TOTAL COST/(1-%margin)	

Source: Microsoft Excel/ Own Elaboration

In the Table 33, as in the previous one, the cost of production remains the same, the only change is an increase of 5% in the profit margin applied to the sales price of the product. In this case the final price would be 2,35€. A price that is still among the amounts that potential consumers would be willing to pay for a McDonald's vegan burger.

It can be said that the increase between the initial price (2.16 euros) and the modified price after increasing the margin by 5% (2.35 euros) is quite reasonable (increase of 0.19 cents), so if the burger is successful, once it is already known and habitual in the purchase of customers, an increase in the price of these amount would not change or affect the consumer's decision to buy too much.

Table 39: PVP with a benefit margin of 55%

Raw Material	0,15
Direct labor	0,3
Indirect production cost	0,1
Production Cost	0,55
Package	0,06
Distribution cost	0,135
Total Cost	1,295
Margin of Benefit	50%
PVP	2,59
PVP= TOTAL COST/(1-%margin)	

Source: Microsoft Excel/ Own Elaboration



In Table 34, the total cost of production is still 1,295 euros per hamburger, but in this case, the margin will increase by 10% regard the initial price and 5% regard to the second price, obtaining then a margin of 50% of the sales price. In this case the final price would be 2.59€. A price that is still among the amounts that potential consumers would be willing to pay, but it represents a fairly large price increase, so this time, faced with a price increase of 0.43 cents, customers could rethink the decision of purchase and buy something cheaper.

That is why, if it is wanted to make this burger more profitable or get a higher profit as in this case, the increase in the product should be accompanied by an improvement of the product as could be a better quality of bread or add some ingredient to the burger, which would mean a very small increase in total production costs, but would completely change the perception of the burger in the mind of the consumer, justifying itself, that the price increase is reasonable and therefore assuming the price increase.

Given that's a new product, the strategy to follow will be the one of penetration, starting with a low price such as 2,16€ in order to obtain the greater penetration as quickly as possible.

6.3 PROMOTION

The main objective of the promotion is to increase sales through communication, influence and persuasion of the interest groups of McDonalds such as shareholders, customers, suppliers, environmental groups, government, etc. The communication aims to spread a message with the objective to get a response from the target audience to which it is intended.

As an instrument of Marketing, communication aims to communicate the characteristics of a product, to publicize its benefits, advantages and the needs that will be satisfied with it purchase, trying to stimulate the demand.

The communication strategy that is going to be used for the McVeggie is a 360^a Marketing Campaign. A 360° Marketing Campaign is a complete creative campaign idea across all the brand's marketing mix elements, designed to implement a strategic brand strategy (usually positioning).

In simple words, a 360° marketing campaign focuses on communicating a consistent message through all the marketing mix elements.

It will be explained through the following picture:

Figure 37: 360° Campaign



Source: Google Images

The idea of a 360° campaign much more than an integrated “media” marketing. It involves the use of every element of the marketing mix to communicate the specified message to the target audience. The campaign includes an integrated promotional marketing approach where all the promotional devices (online, offline, and mobile) are used in an effective way to communicate the specified message.

The importance of using a 360° Campaign lies on the simple reason that there's too much crowd in the market and the company has to stand out in some way, here are few reasons why brands invest in a 360° marketing campaign. So, through this strategy some advantages like setting the brand positioning, rebranding the strategy or letting the world know a new product will be reached.

To carry out the 360° strategy, some key elements of the promotion as advertising, social media marketing and sales promotion are going to be used and develop at the same time the new burger get in contact with the market, in order to make know all the target audience what really is that product and all the benefit it has before its launching.



6.3.1 ADVERTISING

Advertising is one of the main tools of communication used by the marketing and the most important in McVeggie's marketing plan.

The main objective of the advertising is to sell while making a brand known, that's why the companies spend lot of money on it, just because they know that a good advertisement of the product will be translated in benefits.

There are different types of advertising strategies, but in this case the one that is going to use to reach the target audience it is a mix of the advertising pull and push strategies.

The advertising **pull** strategy consists of an attraction made by the consumers themselves. This happens when a brand is already well positioned within the market such as McDonald's and people are looking to know and buy from it. Its tactic is more directed to the final customer, since it is not necessary to convince someone that the brand is good.

Its purpose is to stay in the consumer's mind by making presence in all possible media: social networks, television, advertisements, among others. The pull strategy seeks that the consumer identifies with the brand and becomes loyal to it.

On the other hand, the advertising **push** strategy, unlike pull advertising, consists of introducing a new product or service to the market and seeks to make itself known to consumers in order to generate sales.

Advertising can appear in different media such as social networks or traditional media; likewise, it makes use of product strategies such as price.

Below will be presented the advertising strategy to be applied for the launching of McVeggie, but first let's remind:

- **Analysis of the situation:** Some changes in the society are being showed in which the consumers need innovations or product improvements. In addition to that, one factor that has become trendy is the well-being and for that, the creation of vegan hamburgers. On the other hand, there are increasingly more digestive problems and creating a hamburger for all audiences is a wonderful opportunity to attract on one hand people with digestive problems, on the other hand vegan consumers. We can also hope to reach other customers who want to improve a balanced diet.
- **Setting Objectives:** As mentioned in the previous point, our objective is to attract new clients such as clients with digestive problems, vegan customers and customers who want a balanced diet. McDonald's is a fast food restaurant and the general population thinks it is not very healthy. In this way we will be able to capture a large part of the population needs and try to satisfy of them.

- Identification of the target audience: The target audience for the advertising campaign are going to be the young people, between 12 and 45 years old. Offering a vegetarian burger when the vegan trend is increasing is promising, many young people have decided not to feed from anything that comes from animals. And last and most important, all the customers who want to maintain a balanced diet. Young people today need to do a lot of sport with a balanced diet, but they also like to eat hamburgers, we think it is the most consuming public in the restaurant.

Once it has been prementioned the objectives, the target to which the product is addressed and the situation in which we are right now, it is time to plan the advertising strategy by following the next four steps:

6.3.1.1 DETERMINATION OF THE BUDGET

The budget that it is going to allocate for the advertising campaign is 1.861.000 euros. Next is going to be estimated the above budget based on the means the advertisements will be reproduced:

- Outdoor advertising: The table 39 show how much it costs and what includes a 14 days advertisement throughout Spain billboards. The one that adapts and fits more with what it is wanted is the Big Consume Target, that will cover 11 of the most important provinces with a total number of 240 billboards and what it costs in total including the renting and the printing 135.000€

Figure 38: Price of each kind of billboard

	Nº Provincias	Nº vallas	Alquiler	Impresión
Circuito Nacional 40	40	1.500	463.700 €	25.500 €
Circuito Nacional 35	35	1.100	323.400 €	22.000 €
Circuito Nacional 28	28	800	225.600 €	17.600 €
Circuito Semi-Nacional	8	700	221.200 €	16.100 €
Madrid y Barcelona	2	500	153.100 €	15.000 €
Target Mundi	10	300	146.000 €	13.500 €
Target Gran Consumo	11	240	122.500 €	12.500 €
Target Joven	18	200	115.500 €	11.000 €
Target Accesos	15	200	102.100 €	11.000 €
Target Empresas	13	185	94.500 €	10.400 €
Target Kids	4	150	82.000 €	9.000 €
Target Business Class	11	80	46.000 €	6.300 €

Source: <https://www.oblicua.es/publicidad-externo/vallas-publicitarias.htm#circvalla>

- **Television:** TV ads are the key. Since they allow to cover the biggest number of people. Moreover, television advertising has a price according to the time it is broadcasted, therefore, at each hour of the day there is a type of public watching television, so the segmentation is already done.

The television channels that have been chosen to promote the product are Antena 3 and Telecinco. Two very popular channels in Spain and with a totally different type of audience. The ads will be broadcast at key times according to the young audience, as this is who our product is aimed at.

Below are the rates for each of the channels, so thanks to that, it is possible to make a good approximation of the final price of the television advertising campaign:

- **Antena 3:** In the frame time of 13:45 and 15:00, which will be around about 6,500 € per spot. That hours include the ads of the Simpsons and the ads that goes before the News. Also, in the afternoon between the frame time of 19:00 and 20:30 what it costs 8.500€ per spot. They will be repeated every day during the first month.

So that means $6.500€ * 30\text{days} + 8.500€ * 30 = 450.000€$

Figure 39: Advertisement Rates for Antena 3

	LUNES	MARTES	MIÉRCOLES	JUEVES	VIERNES	SÁBADO	DOMINGO		
DAY TIME	07:00		MAÑANA I 650 €		100		MAÑANA FS I 350 €	07:00	
	08:15		MAÑANA II 490 €		115		600		
	10:00		MAÑANA III 1.200 €		120		MAÑANA FS II 600 €	10:00	
SECOND TIME	12:30		MEDIODÍA LV I 3.300 €		129		MEDIODÍA FS I 1.050 €	12:00	
	13:45		MEDIODÍA LV II 6.500 €		130		MEDIODÍA FS II 3.200 €	14:00	
	15:00		NOTICIAS I 10.000 €					630	15:00
	16:00		SOBREMESA LV 8.000 €			145	SOBREMESA FS 12.000 €		16:00
	18:00		TARDE I 7.500 €			150	TARDE FS 10.000 €		18:00
	19:00		TARDE II 8.500 €			160	640		
	20:30		NOCHE 16.500 €			170	NOCHE FS 13.000 €		20:30
							650		

Source: www.antena3.com

- **Telecinco:** between the times of 12:00 and 14:00 and 16:00 to 19:00 what it would cost 3.200€ and 6.000€ respectively. So, the total budget for the Telecinco advertisement is $3.200€ \cdot 30 + 6000€ \cdot 30 = 276.000€$

Figure 40: Advertisement Rates for Telecinco

	lunes	martes	miércoles	jueves	viernes	sábado	domingo
7:00	INFORMATIVOS MAÑANA 800					MATINAL FS	
8:00						MAÑANA FS 1.000	
9:00	MAÑANA 2.200						
12:00						MEDIODÍA FS 3.000	
12:00	MEDIODÍA 3.200						
14:00						MEDIODÍA PREMIUM 3.800	
14:00	NOTICIAS I 8.000						
15:00						TARDE FS EXTRA 7.500	
16:00	SOBREMESA EXTRA 6.000						
18:00						TARDE FS 9.000	
19:00	TARDE 6.000						

Source: www.telecinco.com

So, the total budget that is going to spend in the television advertisement is about 726.000€.

- **Internet:** Typically, Facebook and Instagram ads can be paid for in two ways, by setting a Cost per Click (CPC) or a Cost per Thousand Impressions (CPM). In CPC mode, you only pay for actual clicks on the ad, whether they are 'like', sharing or comments. In CPM mode, you pay a fixed fee per thousand impressions, no matter how many people interacted with the publication.

Costs can vary greatly depending on geographic area, target audience and how much competition there is from other advertisers. Since Instagram Ads is such a new



platform, we can calculate that the introduction costs will be quite low, which represents an excellent opportunity to take advantage and bring traffic for a low cost.

The budget planned and available for the social media is 1.000.000€

6.3.1.2 DEFINITION OF THE MESSAGE

The advertising message is considered the set of texts, images, sounds and symbols that transmit an idea, its purpose is to capture the attention of the receiver.

It is very important to communicate effectively the idea through the advertising due to what the customer will remember associated to that brand or product that wants to be sold.

'Healthy for you and your pocket'

'Just try it'

'You can afford it'

'Done for people like you'

'The burger that breaks the rules'

These are some of the messages that are wanted to be launched to the target audience, short sentences with a powerful message, able to penetrate and make the consumer think.

Perhaps at the moment the customer sees the ad he does not react to the advertising, but possibly when he is in the store and sees the posters, signs and notices that McDonald's will have put on the site of sale betting that this product is seen, the ad will come to mind and remind us of the feelings we have experienced, and that message so clear will have stayed in our minds, and that's when we proceed to purchase, and without realizing at all, the strategy of the message and advertising will have had effect.

6.3.1.3 DELIMITATION OF DURATION

The season will be announced during April and May 2021. The reason why it has been chosen those months lies in they are the moment of the year that is between Eastern Holidays and before the Summer holidays, it is time to care itself. Also, with the good weather characteristic of Spain that starts exactly in those months, the desire to eat healthier and lighter increases.

It has been thought that just one month of advertising is enough to get in the mind of the target. After that they will already know and try the product and the real advertisement will be done by itself because the people will talk and will recommend to its closest people.



6.3.2 SOCIAL MEDIA MARKETING

Social media marketing is configured as the function in charge of controlling the impact of a company on social media for other techniques linked to the communication and the client.

The main media used in social media marketing are:

- Virtual Social Networks (Facebook, Instagram, Twitter...)
- Blogs (WordPress)
- Websites for the exchange of audio-visual files (YouTube, Flickr ...)

The advertising spots in which McVeggie will appear are the Virtual Social Networks and in the Webs of exchange of audio-visual archives.

In Virtual Social Networks, Spots will be placed on Instagram, Facebook and Twitter which are the most fashionable social networks of young people.

And on the other hand, on the websites for the exchange of audio-visual files, they will be placed on video ads on apps as YouTube.

6.3.3 SALES PROMOTION

It is important to emphasize that advertising and promotion are concepts that work hand in hand and seek the same objective (to sell) but are not the same. While the first one makes a brand known, the second one seeks to attract people to buy it.

Sales promotion is a tool for communication, which can be directed to both distribution channel and the final consumer. It uses different techniques in order to achieve measurable benefits in terms of increased sales.

In this case the promotion techniques that are going to be used are that ones that McDonald's already uses such as:

Accumulation of points through using the McDonald's app. It is an easy method and very useful nowadays due to everyone has a smartphone. To get points it is very easy, you start with the bronze level, then silver and finally gold. The higher your position is, a better discount you will get. The discounts will vary depending on the day, so all products will have a discount but maybe that one that you like you only find it once per week, so it is a good technic to make the customer to keep attention to the app. Some examples of this kind of discount are: 2 products for the price of 1, offer or two menus for 2€ less, or with the purchase of a type of burger you will get a french fries...



In addition, it also will be used a traditional and widely method such as flyers, which can be divided into small coupons and each coupon is a discount.

As mentioned above, McDonald's already uses these promotional techniques which are the most cost-effective they have ever had and which have stimulated demand in a satisfactory way, therefore, with the introduction of the new McVeggie, all they should do is to introduce this product to the app and flyers in order to include the vegan burger in the promotion.

6.4 PLACEMENT

The placement or also known as a distribution, refers to the channels that will be used to reach the buyer or final consumer, what can be through wholesalers, retailers, agents, distributors, etc. The product must be in the correct place and time in the moment the consumer needs it, which is why it is essential to have defined the strategic points at which the product will be marketed.

To understand this point and choose the right distribution strategy, some concepts must be taken into account:

- Distribution channels
- Distribution planning, i.e. how the products reach the consumers and who or what is involved
- Physical distribution. Logistics, stocks or stock.
- Merchandising. Technique and commercial actions (advertising, promotion...) that allow the product to be presented at the point of sale

6.4.1 DISTRIBUTION CHANNELS

A distribution channel is the path or route decided by the company to deliver its good or service to the customers. The route can be as short as a direct interaction between the company and the customer or can include several interconnected intermediaries like wholesalers, distributors, retailers, etc.

Hence, a distribution channel can also be referred to as a set of interdependent intermediaries that help make a product available to the end customer. To go from the producer to the consumer, the good or service offered has to go through by the distribution channel (DC).



The distribution channel that is going to be used for the selling of the new vegan burger is the most direct one, what it means that the product that the consumer will get, will be reached directly from the producer.

Direct selling is one of the oldest forms of selling products. It doesn't involve the inclusion of an intermediary and the manufacturer gets in direct contact with the customer at the point of sale. Therefore, McDonald's can get benefit of the direct channel due to this one has some advantages such as:

- Access to the information of the clients
- Reduce the costs
- A better control on the variables of marketing

Other distribution channel that will be used, it is the Internet. The internet has revolutionized the way manufacturers deliver goods. Other than the traditional direct and indirect channels, manufacturers now use marketplaces to deliver the goods and services. As it has been mentioned in the section 3 'Analysis of the Situation', McDonald's has already contract with two companies that deliver its food to the customers in their own house trough the app. This two companies are UberEATS and Glovo.

Let's remind that this process will be applied in every McDonald's restaurant in Spain.

6.4.2 DISTRIBUTION PLANNING

Distribution Planning is a systematic approach to ensure that the process encompassing the delivery of goods to different distribution centers is done properly keeping in mind which goods are to be supplied in what quantity at what location in the desired time.

At Macdonald's you can eat in 3 different ways:

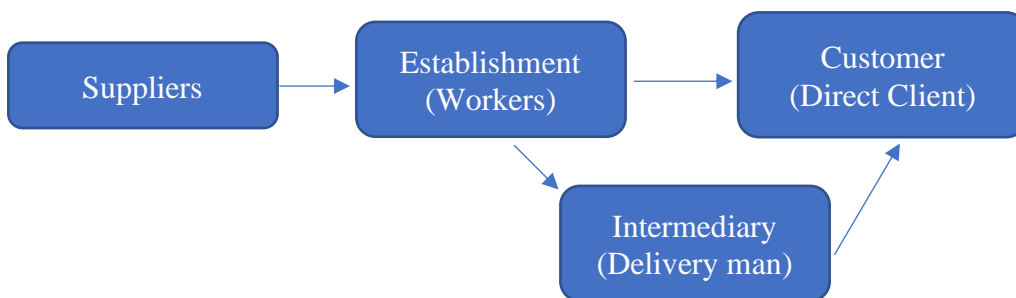
- Sit-down in every McDonald's establishment.
- Drive-thru. In some McDonald's there is the option of taking the food by your own without get down the car, in that way, the customer can take the food to take away without enter in the establishment. This method is called McAuto.
- Online service. As it has been explained above, the customers can order food online trough UberEATS or Glovo, so after a while they order the food, a delivery man will arrive with the food they have ordered.

As McDonald's it is a franchise, nothing has to be thought about the distribution of the raw materials, since, depending on the size of the premises, they will have one amount of supply or another, that is all already planned and thought. Moreover, from the matrix they make sure that the supply arrives in the right state, at the right time and in the right place. The distribution of raw materials will depend on the location of the establishment. As McDonald's is a well-known chain,

it is located in places that are normally overcrowded or very busy so that everyone who passes by can see it. In big cities, they are usually located in the historical center or old town. On the other

hand, in the shopping malls there are also usually large parts of the time a McDonald's. It is also very common to find McDonald's in leisure, shopping areas, airports or train stations.

Therefore, the distribution plan since the raw materials are distributed until the final product reaches the consumer would be:



6.4.3 PHYSICAL DISTRIBUTION

The physical layout of each McDonald's will depend on the ways in which customers can eat in the store already shown above. Some establishments only have the space to sit and eat there and larger stores have all three types of sales.

It should be noted, that each sales method needs some requirements and extra space to facilitate distribution.

First of all, it can be said that every McDonald's is a fast food establishment where you can choose whether to take your food away or sit down and eat it there. Most of the time every McDonald's will have enough space to accommodate a large number of customers, however, sometimes to a lesser extent McDonalds becomes a bar and a kitchen without chairs and tables for people, it is therefore that there are McDonalds that are in passing places and the most cost effective way to maintain them is simply to minimize the expense.

Figure 41: McDonald's layout



Source: Google Image

Therefore, those McDonald's that present McAuto should have a well indicated entrance and exit for the car, in the same way they will need a corridor long and wide enough for the car to move along it and allow the cars to enter by standing in line. While the car is moving along there will be a monitor through which the person inside the car will take its order without taking down the car, then the payment and the pickup at will take place in a different window. Inside the McDonald's, there will be a segment enabled for taking orders only from McAuto and another window where the product will be delivered to the customer.

Figure 42: McAuto



Source: Google Images

Most of the establishments within cities will have the option of sending food home through two companies: UberEATS and Glovo. Therefore, these establishments must have a

space where the delivery person can access the food and the orders without disturbing the natural rhythm of the establishment. In the same way, inside the kitchen there must be a special section that will attend to and prepare this type of order especially.

Due to the new situation of confinement that is being experienced in Spain, a strategy has been adopted as far as distribution is concerned, where these home delivery companies will be key to getting the product to the final customer in the event of a Covid-19 outbreak in 2021.

In the case that the situation does not improve until the launch of the product, scheduled for May 2021, the product will be launched and promoted online.

Figure 43: Uber Eats y Glovo



Source: Google Images

6.4.4 MERCHANDISING

Merchandising consists of a set of strategies aimed at promoting and selling products both inside and outside the point of sale.

There are two main objectives:

- To guarantee the sale of products;
- Attract new customers to the brand.

In short, it is a set of techniques to promote a product or service to potential customers in an assertive way. The more vibrant and outstanding the advertising material, the better the results will be. All the visual aspects of the company influence the merchandising. This applies to the company's façade, the logo, the design of the site, the employees' clothing (when it is a physical store), the menu and much more. To visually attract a customer, every detail matter.



There are two types of merchandising explained below:

- Visual merchandising: Within the visual merchandising some strategies are found that aim to highlight the product within the place of sale, whether in a physical or virtual store. They are techniques that highlight the visual and aesthetic in order to draw the attention of potential customers due to the appearance of a particular product.
- Editorial Merchandising: Editorial merchandising is related to the text, that is, the way the product is presented in external channels, such as commercials, television programs and sponsored posts.

After knowing how it appears every kind of merchandising, it is time to see in which 3 ways can occur:

- Within the point of sale: That refers to a physical space in which the customers are going to make a purchase. Items for sale must be arranged according to a logical standard of attraction. In addition to good product placement, lighting should also be adequate. On the other hand, promotional posters, with prominent colours, can and should be placed at strategic points. Everything so that customers are attracted and induced to make a purchase.
- Outside the point of sale: Those who think that merchandising is limited to the point of sale are wrong. In reality, it is in the outside environment that it happens most intensely.
- In the virtual environment: Merchandising is gaining its space in the virtual environment. Examples include developing an attractive sales page or using sponsored posts on websites other than those used by the digital entrepreneur. This strategy model is very interesting for the digital market because it boosts the number of product sales, as well as helping in the acquisition of new customer-

McDonald's already has a high degree of merchandising. Visual merchandising can be found both at the point of sale and outside it. Some of the clearest examples at the point of sale are the range of light colors that McDonald's uses as yellow and red that reflect the happiness and stimulate the consumer's brain, arousing interest and attention. Other way that they use is the formats and sizes such as they are smiling face in one of their star products, the happy meal, or the furniture that they use, that colorful and geometrical tables and chairs, that make the environment quite relaxed.

So, it may be that even without knowing all the benefits of a certain product, the consumer makes the purchase because he or she is attracted to what he or she sees.

One of the most used visual merchandising outside the point of sale is through the use of banners and promotional posters, located at strategic points of the physical store or the company's site. All the people know that big logo of McDonald's that appears suddenly of nowhere trying to reach the sky while you are driving.

Figure 44: McDonald's advertisement post



Source: Google Images

6.5 4Ps ESTRATEGIES SCHEME

To finish the section of the Marketing mix, next, a summary table will be shown with all the strategies to follow according to the variable of the corresponding marketing mix tool already detailed in the sections above.

STRATEGIES TO FOLLOW IN ACCORDANCE TO THE 4Ps	
Product	Product differentiation: A hamburger which ingredients will be 100% vegetables To sable the burger in the way that the customer can perceive the vegetables in a visual way
Price	Initial price for the launching of the product of 2,16, following the strategy 'more for less' A future increment in the price during the consolidation phase with a price of 2,35€
Promotion	360° Campaign Advertising Strategy: pull and push Clear message in all the ads (tv ads, online ads, outdoor ads, flyers...) Sales promotion through discounts in the app and flyers
Placement	Keep working in the traditional ways of distributing of McDonald's To sell the McVeggie through Glovo and UberEATS To prepare all the Merchandising (in and out the point of sale) for the launching of the new burger



CHAPTER 7.

MARKETING BUDGET



At this point, it can be said that the new McVeggie's marketing plan is almost completely defined. The research of the necessary information for launching the new burger in the Spanish market in terms of marketing and sales is already done, and that allows to make the right decisions.

The marketing plan is a vital tool for business management. It is the framework for all the decisions the company makes to try to be more competitive with other companies. Thanks to the marketing plan the company has the possibility to set different business objectives and describe the path that should be taken to achieve them. Thanks to this tool, it is possible to plan the actions to be taken by the company in order to achieve the proposed goals. Marketing plans are fundamental when creating a company or launching a new product. Market a product without first having made a marketing plan is a risky task with high chances of failure.

The marketing plan is already shaped by itself what it means that it can be made a concrete marketing plan without having to create a complete business plan, as in this case. Throughout the whole work, the idea of launching a new hamburger is being created, that is why only the necessary information to promote and market it in the Spanish market is taken into account. McDonald's is a huge enterprise that already has its own Business Plan and they continually take care of it adding innovations and improvements. Even so, the marketing plan cannot be considered as an isolated tool, but it must be done in collusion with all the management aspects that affect the business and the general strategic plan of the company, so that a coordinated strategy of all the activity of the company is created.

One of the things missing at this point is the marketing budget, that is nothing more than a marketing plan written in terms of costs.

Making a budget is simply to plan what is wanted to do in the future, which is formulated to achieve in a certain period time the proposed objectives and is expressed in monetary terms.

There are different periods of time in which a budget can be set. Usually, the most popular ones are the annual, semi-annual or quarterly basis; that is, with a plan for the next 3 or 6 months or for the next year. In this case the budget it has been developed for the first 5 months of the following year 2021, from January until May that it is when the product will be launch in the market.

It is very important to make a good analysis of the investment made in marketing, during the different months of the year, in order to evaluate the effectiveness of the same on the overall results of the company. In this way, decisions can be made for subsequent years as to whether to maintain the budget or make modifications to achieve greater effectiveness.

Table 40: Marketing Budget for the new McVeggie

MARKETING BUDGET FOR THE NEW MCVEGGIE										
Category	Total Budget	Spent to Today	Remaining Budget	% Budget	January	February	March	April	May	
Software & Subscriptions	1.000 €	0 €	1.000 €	0,05%	0 €	0 €	0 €	0 €	1.000 €	
Public Relations	0 €	0 €	0 €	0,00%	0 €	0 €	0 €	0 €	0 €	
Print Advertising (Journals and Magazines)	12.000 €	0 €	12.000 €	0,64%	0 €	0 €	0 €	0 €	12.000 €	
Online Advertising	1.000.000 €	0 €	1.000.000 €	53,08%	200.000 €	200.000 €	200.000 €	200.000 €	200.000 €	
TV Advertising	726.000 €	0 €	726.000 €	38,54%	0 €	0 €	0 €	363.000 €	363.000 €	
Outdoor Advertising	135.000 €	0 €	135.000 €	7,17%	0 €	0 €	0 €	67.5000 €	67.5000 €	
Events and Sponsoring	0 €	0 €	0 €	0,00%	0 €	0 €	0 €	0 €	0 €	
Spending at advertising agency	0 €	0 €	0 €	0,00%	0 €	0 €	0 €	0 €	0 €	
Contact List	0 €	0 €	0 €	0,00%	0 €	0 €	0 €	0 €	0 €	
Partnerships and Memberships	10.000 €	0 €	10.000 €	0,53%	0 €	0 €	0 €	5.000 €	5.000 €	
Total	€1.884.000	€0	€1.884.000	100%	200.000 €	200.000 €	200.000 €	740.000 €	544.000 €	
					Accumulated Expense	200.000 €	400.000 €	600.000 €	1.340.000 €	1.884.000 €

Source: Microsoft Excel / Own Elaboration



As it can be seen from the above budget, some of the most popular promotional options have been included, but only those that will be used for the promotion and advertising of the McVeggie have been given feasibility, in the same way that it has been written and reflected in the marketing plan during the setting of the 4Ps in the previous chapter.

Each phase of the budget will be explained in detail below, justifying when will take place the payments and in what are going to be invested.

Once the means by which the product is going to be promoted have been established, the distribution of the costs to be invested will be divided according to the distribution of the fees to be paid so that:

- Software and subscription, whose part of the budget is 1000€ or 0.05%; paid in one installment at the end of the advertising campaign. This amount will be used to modify the website and the programming costs involved in adding and modifying the official online purchase platforms to include the new hamburger on their menu.
- Print Advertising (Journals and Magazines) which will be awarded 12.000 euros representing 0.64% of the budget; To print the flyers and coupons, all posters from all establishments in Spain and the cost of delivery. It will take place at the beginning of the year in February with a payment of 6.000 euros for the creation and design of the material advertising and the remaining 6.000 euros at the end of the advertising campaign.
- Partnership and Memberships representing 0,53% of the total budget what is the same as 10.000€. This money will be destined to a vegan association or a vegan quality label justifying that the burger is 100% vegan. They will also be paid in two payments of 5.000€ during the campaign that includes the months of April and May.
- Outdoor Advertising with 7.17% of the total budget or 135.000 euros, that will be paid in two equal payments corresponding to half of the payment. So, 67.500€ euros in April and 67.500€ in May, corresponding to the 7 days of April and 7 days of March that advertising will be on billboards in 11 regions, which have been previously selected to deal with a company and an advertising campaign with a young audience.
- TV Advertising with 38.54% of the total budget or 726.000 euros. In the same way above, the payments will be distributed in two equal payments corresponding to half of the payment, that is, 363.000 euros in April and 363.000 euros in May, corresponding to the 15 days of advertising that will be done in both national television networks: Antena 3 and Telecinco, mentioned in the previous chapter.
- The contribution to Online Advertising with 53.08% of the total budget or 1.000.000€, will be made through 5 payments of 200.000€ since January, until May. The reason why the payments are advanced is because during this time it

will be developed and created the type of advertising, shaping it, including all the elements of the marketing mix applying the price, the clear and simple message, the font size, the green color, and all the techniques analyzed to enter the consumer's mind this requires time, a complete analysis, testing and trials.

Online advertising happens something curious because as mentioned, this type of products such as social networks, the total amount to pay is not charged before making the advertising, but after the time, based on the number of clicks, video views, reactions to the publication you are charged.

This means that the budget for the 360° campaign that McDonald's wants to contribute to the launch of this new burger in the Spanish market will be 1.884.000€.

Next, it's going to simulate a small approximation of what it means for McDonald's Spain to invest this amount of money in Marketing, and how much time or what difference in money would be needed to cover the costs. It is certainly not accurate because many variables are not being taken into account, so margin of mistake is larger, anyways, at it has been said it is just an approximation.

If it is divided the total cost of marketing plan (1.884.000€) by the number of establishments in Spain (510), it is obtained that the cost that should assume each McDonald's is of 3.694,12€.

If that amount its divided between the profit margin of each McVeggie already calculated in the chapter 6 'Marketing Mix' in the section of the Price, it is known that the margin is 0,87€ per burger, it will be obtained the total number of burgers that McDonalds has to sell to start making a profit what is the same to say that the break-even point from which the costs will be covered will be the found by the sale of 12 vegan hamburgers per day during all the year. Above that amount there will be profits and below that amount the costs involved in the marketing plan will not be covered.

Even so, 12 hamburgers a day is a relatively low and bearable amount, from which it is expected that along with the marketing plan, sales will be much higher.

Table 41: Break-Even Point

Total Cost MK Plan	1.884.000,00 €
Nº of establishments in Spain	510
MK Plan Cost per establishment	3.694,12 €
Benefit margin over PVP McVeggie	0,87 €
Number of McVeggies to cover costs	4270,66
Days per year	360
Break-Even Point	11,862934

Source: Microsoft Excel / Own Elaboration



CHAPTER 8. ACTION PLAN



The action plan is a planning tool used for the management and control of tasks or projects. With it helps, it will be easier to set out which tasks are necessary for the achievement of the goals, and it also will be shown more organized, guided and simplified what it will be translated in a more effectively implementation of the tasks and results.

Action plans are very useful when coordinating and committing a group of people, organizations or even nations to get involved and work together in order to achieve certain goals and are adaptable to the most diverse areas of project management: educational, community, business, organizational, administrative, commercial, marketing, etc.

The purpose of the action plan, based on a framework, is to optimize the project management, saving time and effort, and improving performance, in order to achieve the objectives, set.

The Marketing Action Plan is the perfect complement to any Marketing Plan. Its purpose is to define the strategies already founded and explained in the last section of the chapter 6 'Marketing Mix' in order to achieve the proposed objectives. To ensure this, it will be indicated which tactics (or actions) are going to be followed and provide them an execution period.

The McVeggie Marketing Action Plan will contain the following aspects described and specified:

- Category: Which tool of the marketing advertising is going to use.
- Tasks: describes the actions, tasks and strategies that must be executed.
- Task Owner: Who is the responsible of each task or which teams or departments are going to be involved.
- Timeframe: it has a defined duration, that is, a beginning and an end.
- Resources: determines the resources that will be necessary for their implementation, as well as their distribution.
- Budget: Amount of money given to that particular task.

With the action plan already defined, it could be said that the proposed Marketing Plan for the launching of the new McVeggie in the Spanish market is done.

Therefore, it is time to start managing and contacting the necessary people to detail, explain and involve all those who will be part of it so that the plan is cohesive and achieves the proposed goal.



McVeggie's Marketing Plan

Table 42: Marketing Action Plan

MARKETING ACTION PLAN					
MARKETING OBJECTIVE: Applying in the most effective ways the ideas extract from the MK PLAN (Segmentation, Target Audience and 4Ps)					
Category	Tasks	Task Owner	Timeframe	Resources	Budget
Software & Subscriptions	Designing the web change Make it work properly and insert all the details according to what is set out in the Marketing Plan, make it nice that the design squares	McDonald's computer scientists and programmers	Since January until May	Company computer engineers Information systems	1.000,00 €
Partnerships and Memberships	To be part of a partnership through the association with a Vegan partner	Public Relations of McDonald's and vegan associations	April and May 2021	McDonalds Commercial Department and Public Relations Vegan Assotiations	10.000,00 €
Print Advertising	Design all the details of the brochures, flyers and posters according to the provisions of the Marketing Plan. Print them Distribute them to points of sale	External advertising company and commercial department of McDonald's Spain	April 2021	McDonalds Commercial Department Technical design professionals	12.000,00 €
Outdoor Advertising	Design the new McVeggie banner with the necessary measurements of the billboard. The same will be used for the 11 CCAAs defined in the Marketing Plan	External advertising company and commercial department of McDonald's Spain	From 24th April of 2021 until 7th of May 2021	External company responsible of: assembly, maintenance of the fences.	135.000,00 €
TV Advertising	Design the ad Record the ad Send the ad to the different TV companies	Social media engineers, marketing and advertising specialists and commercial department of McDonald's Spain	From 15th April of 2021 until 15th of May 2021	Technicals in ad desingn Companies that advertise the ads McDonalds Commercial Department	726.000,00 €
Online Advertising	Design each ad for each type of social network Constantly collecting and analysing the evolution of the statistics	Social media engineers, marketing specialists and commercial department of McDonald's Spain	From 1st May until 30th of May	Logarithm experts Marketing and segmentation experts Analistic social media behaviour Technicals in ad desingn	1.000.000,00 €

Source: Own Elaboration



CHAPTER 9. CONCLUSIONS



As it was mentioned in the Chapter 1 'Justification of the work', the key to success in a company is to know how to identify very well those things that you can take advantage of your environment and know how to turn threats into strengths. The strategy and tactics of the Marketing Plan are oriented to the demonstration of those differential advantages to the consumer, compared to the offer of the competition. Starting with the fact that McDonald's doesn't have a vegan burger in its Spanish establishments and through this work, a study in which the McVeggie in launched in the Spanish market has been carried out, what it means that the actual threat of being losing customers (because there are no vegan options in the Spanish McDonald's) would be turn into an opportunity.

As it has be seen in the Chapter 3 'Background', Spanish society is more concerned with their diet, and many of them already follow a vegan and vegetarian diet, so it is hoped that those who prefer not to go to McDonald's for one of that reasons, can now become part of the McDonald's clients.

The answers to the question effectuated at the beginning of the document regarding of what should do the Marketing department in the case that McDonald's would decide to launch the McVeggie in the Spanish Market, it can be said that the involvement of the Marketing department to achieve the expected objectives around all that surrounds the product, is fundamental, since there is no better way to connect with the public than studying it, understanding it and giving it what it needs.

The process of study the Spanish society has started from the study of the environment.

Secondly, the classification and division of the public in segments, which has allowed to see which are the consumers to whom this product is specially dedicated. Once the target audience and positioning strategy is defined, it has been created the new product and established the 4Ps of the Marketing Mix (Product, Price, Placement and Promotion) in accordance with the customer's needs.

Finally, a marketing budget and a marketing action plan have been carried out, to check and prove the feasibility of the project.

A connecting thread has been followed during the work and all the chapters and sections has allowed to reach the next ones. Consequentially the document above is a coherent and realistic marketing plan.

The market segmentation study, which was carried out thanks to the response of 100 people to a questionnaire previously designed for the occasion, showed that more than 80% of the participants would try the new McVeggie or would be willing to do so, so the McVeggie is a really desired product. At the same time, the analysis and collection of information needed to make the segmentation of the target audience has been rewarding and motivating, because while you are working on real data information you are able to see that the results you reach make totally sense and you can know that the conclusions reached is totally true.

Thanks to the analysis of this data jointly with its comparison and filtering through Excel dynamic tables, has been found the key strategies of market segmentation.



Having said this, the key strategies extracted from the market segmentation study are that 56% of those who go to McDonald's say they would go more if McDonald's would incorporate vegan options. On the other hand, that segment of the population that goes to McDonald's once or twice a month corresponding with 28 people, of which 18 of them said that they would go more to McDonald's if they would include vegan options, what it means that the rate of non-regular customers would increase significantly. Even so, 70% of respondents believe it is important for companies like McDonald's to incorporate vegan options in their stores.

From the answers provided by the interviewees, positioning strategies can be extracted as well, which at the same time coincide with those already established in McDonald's. The quality, price, speed in which the products are served, and the size of the hamburgers must be, as up to now, key factors and very perceived by the customers since they are the ones that will evaluate and think which kind of company are.

The main objective was to find out which were the resources needed to launch the new McVeggie and which strategies should follow McDonald's for the successful of this product in Spain. All from a marketing perspective. Therefore, once the type of audience to which the product is dedicated has been determined, it has been adapted to each of the customer's needs for each variable of the Marketing Mix, in order to have an effective implementation of the Marketing Plan.

The objective of the work it was not as simply as incorporating a vegan hamburger into the McDonald's menu in order to cover a greater market share, what is also intended is to make a hamburger adapted to the Spanish public and society. A hamburger that, although it is not a meat one, becomes one of the preferred one of the already regular customers. This is the first strategy of differentiation focused on the product, the first variable of the 4Ps, to make the burger visually attractive, and easily differentiated from the rest as the vegetable ingredients that make up the burger will be visible and perceived. To achieve it and make it visible for the potential customer some advertising strategies are going to be develop and shown to the target audience through mostly on TV and social media advertising due to this two tools are the ones that can reach a bigger audience and more and more are the main media that the audience uses on the day. The next variable of the marketing mix regarding with the price, this has been also adapted to the most voted options according to those surveyed, as they would be willing to pay between 2 and 3 euros for a vegan burger.

The budget agreed for the Marketing Plan is 1.884.000€. According to the calculations it is relatively cheap for each establishment, due to having in mind that there are 510 McDonald's in Spain, and the Marketing Plan is going to cover all of them, if the total budget is divided between the number of establishments it is obtained that each one should pay back 3.694,12 € to cover the promotion and advertising costs, that would be basically recovered by selling 12 McVeggies per day during the whole year.

The Action Plan has been designed according to the months of the campaign since all the investment will be made in those months. So, from January until May 2021.



About the research question or purpose that it was wanted to reach through the development of the work mentioned in the Chapter 2 'Framework' was to be able to answer the following questions: Why McDonald's still without launching the vegan burger in the Spanish market? Is the Spanish society in accordance with that?

After developing the marketing plan for the new product McVeggie, it is believed that this product has a "differential advantage", which the competitors lack and our consumers perceive it. At the same time, this product is going to provide to the new consumers more benefits and satisfaction than some of the actual's products of the company, what will allow to the company to reach a bigger and more diversified target audience than the actual one, that was one of the big objectives with the launching of the McVeggie.

Even the product is not currently on the market, it is only an issue of time that it appears on the market. The data speaks for itself, when there is a lack in the market, sooner or later someone goes and covers it. Possibly McDonald's have already done a similar study to this one, but in my opinion, I think this type of burger would be a triumph in the Spanish market and many would be surprised by it.

To conclude what this work has meant for me, I would like to present a small personal experience with which I intend to demonstrate that each and every one of the phases of the marketing plan are useful and essential. An example through which the power of advertising is shown, and how through Marketing, companies manage to penetrate the consumer's mind.

During my 23 years, I have grown up with the idea on my head that McDonald's does not provide anything good in terms of food, and that is why I avoid it slightly. In the same way, many people around me, in contrast to me, consume McDonald's regardless of the kind of food or nutritional values it provides.

There are so many different kinds of people in society, each with their own tastes and peculiarities. That's why it's very difficult to change the beliefs of each person, it's not as easy as launching a marketing plan and expecting people who don't normally goes to McDonald's starts eating vegan burgers or making vegans believe that there's a place for them at McDonald's now, when actually McDonald's uses tons of meat every day to make their burgers, which means killing thousands of animals.

In this case, marketing helps. As difficult as it may seem. And I can simply explain it because it happened to me.

Most of the girls and boys of my age, try to take care of themselves, a social model is being established where food, sport and consumption of real food is increasingly popular, and that means not being a regular customer of McDonald's.

During my Erasmus stay in Vienna, it was quite usual to stay in the parks to take profit of the sunny days. Considering that each of us lived in one side of the city and all of us needed public transport to get home, when one of these days arrived, we spent the whole day together, so we



ended up eating something somewhere. The most important thing for us was that it was fast and cheap. One day they suggested going to McDonald's. When we arrived at the establishment, the first thing I saw was a sign in German that said 'Probieren Sie die neue McVeggie aus' translated as: 'Try the new McVeggie' and on the poster the logo of the vegan burger. At that moment I realized, that it was not the first time I saw a poster like that', because I have already seen it hundreds of times in many of the main subway stations. Finally, I ordered the McVeggie for the first time as did many of my other colleagues.

Maybe at that moment I didn't realize at all, and I didn't realize until long time later, exactly until the moment I started doing this work, when I discovered, that at the moment I saw all those posters spread around the subway, without realizing that from that moment the decision to buy the burger was already around my mind and the decision to buy was in the process of being made. Unconsciously, those posters were responsible for my agreeing to go to McDonald's that day with my friends, and of course the company itself reminded to me through a giant poster when I entered the establishment what they had been saying for some time every time I went with the subway and unconsciously read the poster.

I must admit, it was the best burger I've ever tasted from McDonald's and it gave me quite a bit of confidence as I ate it despite knowing everything behind it. Even so, I repeated the buying process several more times, and going for a McVeggie after sunbathing all day became a kind of ritual.

When my Erasmus was over, I went to Germany to carry out my internship, where there also was the McVeggie, but as it was explained at the beginning of the work, McDonald's adapts some of its products to the tastes of the country, and although Austria and Germany coincide in border and language, the tastes and food habits are quite different, and although I gave a chance to the German McVeggie, I must admit that that was the last burger I ate.

The truth is that the German burger was made of ingredients that could not be appreciated or distinguished visually from any other burger and that is something that does not give much confidence.

For that same reason, in the Marketing Plan I have made, I have specified how it should be made and which raw materials are mandatory to be included in the Spanish McVeggie to be successful. It is not enough with the fact of not containing meat, the consumer must also notice, not only in taste but also in the visual way, that it is a burger made from vegetables.

My reaction to the McVeggie along with the completion of this work has made me realize the power of marketing, the abysmal difference between making a good study of the audience, defining very correctly the public to which the product is directed and thus establishing all the variables of the marketing mix.

A good marketing campaign is capable of connecting each of the links in the life of the product, getting into the mind of the consumer as I did, and that is exactly what I consider that could happen in the Spanish society regarding with the launching of the new McVeggie, even with the customers like me, those ones that don't use to trust in the big fast food chains.

Having said that, and after more than 100 pages and many hours dedicated to the search for information, I believe that a good marketing plan and the practices with which it is carried out is capable of changing the consumer mind from a 'No' to a 'Why not?'



CHAPTER 10. REFERENCES



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