Case Notes

# Chapter 12: Demand Management And Customer Service

## McDonald’s Reinvent Themselves, Again

## Case Summary

*This case describes McDonald’s effort to change its menu to include healthy alternatives, thereby reinvent itself to maintain its leadership position in the fast-food industry.*

Case Analysis *This case illustrates the relationship between demand management and customer service. McDonald’s success in offering customers healthy menu options was indicative of its ability to manage demand, forecast trends, determine what customers want, influence customers’ perception, and work with suppliers to provide healthy menu items.*

## Sample Answers to Case Questions

1. In your opinion, what is the future of fast food around the world? Are consumer taste changes and concerns about healthy eating likely to diminish the demand for fast food?

The future of fast food around the world is dependent on its ability to appraise consumer taste and stay ahead of consumer trends by aligning their menu offerings with the changing demand of its customer base.

2. How would you evaluate McDonald’s reinvention strategy? Do the changes represent a fundamental shift in the company’s competitive model, or are they cosmetic?

McDonald’s reinvention strategy represent a fundamental shift in the company’s competitive model. McDonald’s needs to disassociate itself from the unhealthy fast food image by introducing new healthy food items that place it in direct competition with other stores that promote healthy alternatives.

3. If McDonald’s hired you to advise it with regard to future trends and the changes it should consider, what would you suggest? Defend your suggestions.

Customers in the future will be more health and environmental conscious. As such, McDonald’s need to introduce more healthy food options, provide calorie and nutrition information on all food items, as well as practice sustainability in sourcing, logistics, producing, and packaging activities.

4. Research the current state of McDonald’s, particularly in light of the retirement in March, 2015, of its CEO, Don Thompson. How has reinvention been difficult for the company? How might a reinvention strategy sometimes appear to the general public.

McDonald’s is committed to offering improved nutrition choices focusing on reducing sodium, added sugar, saturated fat, and calories. Such reinvention is difficult not only because McDonald’s has to stay ahead of nutrition research and food science, it also must find a balance between taste and reformulated ingredients. If McDonald’s reinvest itself too fast, it will run the risk of upsetting customers who are not ready for the new offerings.