

Chapter 2: Digital Innovation at McDonald's

As you get settled in your office for another day of work at WizConsult, the consulting firm you have recently joined, you sip your morning coffee and start your computer. Surprisingly for this early hour, your boss walks in and asks you to follow him immediately. You take one last sip of your coffee and go. Your boss is on the phone with a large McDonald's franchisee who operates 42 restaurants in the upstate New York area. They quickly bring you up to speed: McDonald's has been quietly evaluating whether to join the iPad menu bandwagon. The corporate office is investigating the option of rolling out iPad-based menus that would allow patrons to walk in and immediately sit at a table and then order using the device available at the table.

They could place orders, customize them to their tastes, and then submit it. When their numbers are called, guests could then pay for and pick up their orders as they normally would.

Such iPad menus are a staple of popular restaurant chains: "iPads and their ilk are now a common sight on tabletops at numerous restaurants, from fast-casual burger chains to pillars of the casual-dining sector like Olive Garden and Chili's."¹ The approach that McDonald's is considering is very similar to the one introduced by Delta Airlines in its terminals at JFK and Minneapolis airports. Coincidentally, you were at JFK last week (Figure 2.1)! At these restaurants, patrons sit down and use the devices to order directly from a graphically



Figure 2.1 iPads available for ordering and surfing in concourse G at the Minneapolis airport
(Photo by Andrea Pokrzywinski / CC BY 2.0)

¹ Whitney F., W. (2017) "Why Tablets on Restaurant Tables Are Here to Stay Major chains can't get enough of the sales-boosting devices". Eater,

retrieved from <https://www.eater.com/2017/10/5/16428750/tablet-technology-restaurants-applebees-outback-steakhouse>

pleasing and interactive menu. As they wait for their food to be delivered, they can play games, check flight information, read the news, and surf the web. As Rick Blatstein, the chief executive officer (CEO) of OTG, the management company behind the concept, put it, “We are giving travelers a one-of-a-kind experience. [. . .] By combining cuisine with innovative seating and ordering technology, we are offering a truly unique airport travel experience.”²

Your client explains that McDonald’s doesn’t expect to earn money initially from this service. He quotes a conversation he had with Ron Jonson, president of McDonald’s Northeast Division: “What we’re banking on is that more customers will visit McDonald’s. Moreover, your

customers may stay longer as they can surf the Internet and read the news right on the iPad, and therefore increase their consumption.” The program seems to be gaining support at corporate, but your client has heard mixed feedback on the idea from his fellow franchisees attending a recent conference. He does not want to miss out on making extra revenue, as every bit helps. However, he does not want to waste money on the latest high-tech gizmo just for the sake of staying on trend.

As a knowledgeable and enthusiastic early adopter of technology, you are now on the hot seat as your boss and the franchisee turn to you for a recommendation.

Discussion Questions

1. Drawing on your own experience at JFK airport last week, do you think that iPad menus will work well at McDonald’s restaurants? Justify your answer.
2. Given your answer to Question 1, can you see exceptions or do you believe your answer applies to all restaurants? What about McDonald’s restaurants in other countries?
3. What do you suggest WizConsult’s client should do tomorrow?

² Robbins, K. 2010. “At JFK airport eateries, iPad will be your server.” Delish, retrieved from <http://www.delish.com/food/recalls-reviews/at-jfk-airport-eateries-ipad-will-be-your-server/>.