

Step 9

Customizing the Marketing Mix

Tailored Strategies for Target Segments

McDonald's Market Segmentation Analysis

From Strategy to Tactics

November 9, 2025

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Abstract

Step 9 translates segment selection decisions into actionable marketing programs by designing customized marketing mixes for each target segment. Using the classic 4Ps framework (Product, Price, Place, Promotion), this step develops segment-specific tactical recommendations for McDonald's three priority targets: Segment 2 (Happy Value Hunters - 60% resources), Segment 4 (Premium Experience Seekers - 30% resources), and Segment 1 (Price-Quality Skeptics - 10% resources). Each segment requires differentiated approaches: Segment 2 needs value reinforcement and loyalty programs; Segment 4 demands premium product development and quality messaging; Segment 1 requires value demonstrations and perception repositioning. The analysis provides concrete recommendations across all marketing mix elements, resource allocation guidelines, implementation timelines, and coordination strategies to prevent cannibalization while maximizing market coverage across the 78.3% of consumers represented by target segments.

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1 The Marketing Mix Challenge

From Segments to Solutions

Step 8 identified target segments and resource allocation priorities. Step 9 answers: **"How do we design marketing programs that resonate with each target segment?"**

The 4Ps Framework:

- **Product:** What to offer each segment
- **Price:** How to position value
- **Place:** Where and how to distribute
- **Promotion:** How to communicate

Critical Success Factor: Differentiation without cannibalization

1.1 Target Segment Recap

Table 1: McDonald's Target Segment Portfolio (from Step 8)

Segment	Name	Size (%)	Resource Alloc.	Attract. Score	Strategy
Seg 2	Happy Value Hunters	39.6	60%	69.8	DEFEND & RETAIN
Seg 4	Premium Experience Seekers	21.9	30%	66.8	EXPAND & GROW
Seg 1	Price-Quality Skeptics	16.8	10%	47.4	VALUE REPOSITIONING
Seg 3	Health-Concerned (Not Targeted)	21.7	0%	44.3	LONG-TERM OPPORTUNITY
Total Targeted	–	78.3	100%	–	–

2 Marketing Mix Design by Segment

2.1 PRIMARY TARGET: Segment 2 - Happy Value Hunters

2.1.1 Segment Profile Reminder

Segment 2 Characteristics

Size: 567 consumers (39.6% - LARGEST segment)

Key Perceptions:

- Tasty/Yummy (98%/89%) - Positive taste
- Cheap (92%) - Strong value perception
- Convenient/Fast (98%/96%) - Service satisfaction
- Fattening (79%) - Accept health tradeoff

Descriptors:

- Like rating: +2.72 (highest positive affinity)
- Visit frequency: 2.94 (monthly+ visitors)
- Age: 43.7 years (mid-range)
- Gender: 60% Female

Strategic Role: Core revenue foundation - DEFEND AT ALL COSTS

2.1.2 Product Strategy

Product Mix for Segment 2

Objective: Maintain satisfaction while driving frequency

1. Core Menu Focus

- **Action:** Protect quality and taste consistency of flagship products
- **Products:** Big Mac, Quarter Pounder, McNuggets, McFlurry
- **Rationale:** "If it ain't broke, don't fix it" - segment loves current offerings

2. Value Menu Expansion

- **Action:** Introduce rotating \$1-\$3 value items
- **Examples:** McDouble, McChicken, small fries, soft drinks
- **Frequency:** Refresh monthly to maintain interest
- **Rationale:** Reinforces "cheap" perception while providing variety

3. Limited-Time Offerings (LTOs)

- **Action:** Launch seasonal/trending items quarterly
- **Examples:** Shamrock Shake, McRib, Spicy Chicken
- **Communication:** Heavy promotion of "back by popular demand"
- **Rationale:** Creates excitement and increases visit frequency

4. Combo Meal Optimization

- **Action:** Design value-focused combo meals
- **Pricing:** 15-20% savings vs. à la carte
- **Customization:** "Build Your Own Combo" option
- **Rationale:** Increases transaction value while maintaining value perception

Products to AVOID:

- Premium-priced items (risk perception shift to "expensive")
- Health-focused menu (not a priority for this segment)
- Overly complex/gourmet items (inconsistent with value positioning)

2.1.3 Price Strategy**Pricing for Segment 2**

Objective: Maintain "cheap" perception while protecting margins

1. Value Pricing Architecture

- **Entry tier:** \$1-\$2 (snacks, drinks, small items)
- **Value tier:** \$3-\$5 (sandwiches, small combos)
- **Standard tier:** \$6-\$8 (full combos)

- **Rationale:** Multiple price points enable "trading up" without losing value perception

2. Promotional Tactics

- **Daily Deals:** Different value offer each weekday (e.g., "Two-for-Tuesday")
- **Digital Coupons:** App-exclusive offers (drive app adoption)
- **Bundle Discounts:** "Meal for 2" or "Family Pack" savings
- **Frequency:** Continuous rotation maintains "deals available" perception

3. Price Communication

- **In-store:** Prominent value menu boards
- **Drive-thru:** Lead with value options in speaker messaging
- **Digital:** Price prominently featured in app and website
- **Advertising:** Always show price in TV/digital ads

Pricing Guardrails:

- Never increase value menu prices (freeze or remove items instead)
- Maintain combo meal savings percentage (15-20% minimum)
- Test all price changes in limited markets before rollout

2.1.4 Place (Distribution) Strategy

Distribution for Segment 2

Objective: Maximize convenience and accessibility

1. Store Operations Optimization

- **Speed:** Target 90-second drive-thru times (segment values "fast")
- **Hours:** Extended hours in high-traffic locations (24/7 where viable)
- **Layout:** Dedicated mobile order pickup area
- **Rationale:** Reinforce "convenient" perception

2. Digital Ordering Infrastructure

- **Mobile App:** Seamless ordering with saved favorites
- **Kiosks:** In-store self-service for customization
- **Delivery Partnerships:** Uber Eats, DoorDash, Grubhub
- **Rationale:** Multiple access points increase convenience

3. Location Strategy

- **Priority:** High-traffic suburban and urban locations
- **Co-location:** Near offices, shopping centers, transit hubs
- **Expansion:** Fill coverage gaps in underserved areas
- **Rationale:** Accessibility is key driver for this segment

2.1.5 Promotion (Communication) Strategy

Promotional Mix for Segment 2

Objective: Reinforce value and taste perceptions; drive frequency

1. Core Message:

- **Tagline:** "Great Taste, Great Value, Every Day"
- **Theme:** Affordable indulgence for everyday life
- **Tone:** Warm, friendly, unpretentious

2. Media Mix (60% of total marketing budget)

- **TV (30%):** Prime time and daytime programming (reach broad female audience)
- **Digital/Social (35%):** Facebook, Instagram, YouTube (highest ROI)
- **Radio (10%):** Morning drive-time (commute targeting)
- **Out-of-Home (15%):** Billboards near locations (immediate call-to-action)
- **Print (5%):** Local newspapers (coupon distribution)
- **Mobile App (5%):** Push notifications for deals

3. Content Strategy

- **Product Focus:** Close-ups of food highlighting taste appeal
- **Value Emphasis:** Always feature price prominently
- **Lifestyle Integration:** "Everyday moments made better"
- **User-Generated Content:** "McDsValueMoments" social campaign

4. Loyalty Program

- **Name:** "McDonald's Rewards" (app-based)
- **Mechanics:** Points per dollar spent; redeem for free items
- **Tiers:** Bronze/Silver/Gold with increasing benefits

- **Exclusive Perks:** Early access to LTOs, birthday rewards
- **Goal:** Lock in high-frequency visitors; increase visit rate

5. Campaign Calendar

- Q1: "New Year, New Value" (January deals)
- Q2: "Spring Favorites Return" (seasonal LTOs)
- Q3: "Summer Value Celebration" (outdoor/family focus)
- Q4: "Holiday Treats" (gift cards, seasonal products)

2.2 SECONDARY TARGET: Segment 4 - Premium Experience Seekers

2.2.1 Segment Profile Reminder

Segment 4 Characteristics

Size: 314 consumers (21.9%)

Key Perceptions:

- Tasty/Yummy (93%/87%) - High quality perception
- Expensive (91%) - Accept premium pricing
- Convenient (96%) - Value time savings
- Fattening (90%) - Aware but unconcerned

Descriptors:

- Like rating: +2.31 (second highest)
- Visit frequency: 2.86 (frequent visitors)
- Age: 39.8 years (YOUNGEST segment)
- Gender: 52% Male

Strategic Role: Premium growth opportunity - EXPAND SHARE OF WALLET

2.2.2 Product Strategy

Product Mix for Segment 4

Objective: Capture premium spending through elevated offerings

1. Signature Collection (NEW)

- **Launch:** Premium burger line at \$8-\$12 price point
- **Features:** Artisan buns, premium toppings, higher-quality beef

- **Examples:**

- "Signature Angus" (aged cheddar, caramelized onions, truffle aioli)
- "Gourmet Chicken Club" (grilled chicken, applewood bacon, avocado)
- "Deluxe Plant-Based" (premium vegetarian option)

- **Packaging:** Distinctive boxes/wrapping to signal premium

2. Elevated Sides & Beverages

- **Sides:** Sweet potato fries, loaded cheese fries, premium salads
- **Beverages:** Specialty coffee drinks, fresh smoothies, craft sodas
- **Desserts:** Gourmet sundaes, premium shakes, bakery items

3. Customization Platform

- **Concept:** "Build Your Signature Burger"
- **Options:** Multiple cheese varieties, premium toppings, sauce selection
- **Price:** Base + à la carte premium add-ons
- **Channel:** Primarily through app/kiosk (enable complexity)

4. Limited-Edition Premium Releases

- **Frequency:** Quarterly premium LTO
- **Strategy:** Create scarcity and exclusivity
- **Examples:** Lobster Roll (summer), Truffle Burger (fall)

2.2.3 Price Strategy

Pricing for Segment 4

Objective: Establish premium positioning while justifying value

1. Premium Pricing Tier

- **Signature items:** \$8-\$12 (50-100% above standard)
- **Premium combos:** \$12-\$15
- **Rationale:** Price signals quality; segment willing to pay

2. Value Communication (Different from Segment 2)

- **Emphasis:** Quality justifies price ("worth it")
- **Comparison:** Position vs. fast-casual competitors (Shake Shack, Five Guys)
- **Message:** "Premium quality at fast-food convenience"

3. Pricing Psychology

- **Charm pricing:** \$9.99 instead of \$10.00
- **Bundling:** Premium combo deals with slight discount
- **Upselling:** "Add premium for \$2 more"

2.2.4 Place Strategy

Distribution for Segment 4

Objective: Premium experience across channels

1. In-Store Experience

- **Designated Area:** "Signature Collection" prep station
- **Presentation:** Premium packaging and serving trays
- **Seating:** Upgraded materials in select locations

2. Digital-First Experience

- **App Feature:** Exclusive "Signature Menu" section
- **Customization:** Rich visual customization interface
- **Delivery Premium:** Partner with premium delivery (not just standard)

3. Location Selection

- **Initial Rollout:** Urban, high-income ZIP codes
- **Format:** Renovated or flagship locations first
- **Gradual Expansion:** Based on demand and profitability

2.2.5 Promotion Strategy

Promotional Mix for Segment 4

Objective: Build premium brand within McDonald's ecosystem

1. Core Message:

- **Tagline:** "Elevated McDonald's - Worth Every Bite"
- **Theme:** Quality and convenience don't compromise
- **Tone:** Sophisticated but approachable

2. Media Mix (30% of total marketing budget)

- **Digital/Social (50%):** Instagram, YouTube (visual platforms)

- **Streaming Services (20%):** Hulu, Netflix ad tier
- **Podcasts (15%):** Premium podcast sponsorships
- **Influencer Marketing (10%):** Food bloggers, lifestyle influencers
- **OOH (5%):** Premium locations (downtown, affluent areas)

3. Content Strategy

- **Food Photography:** Professional, restaurant-quality imagery
- **Behind-the-Scenes:** "How It's Made" content showing quality
- **Taste Tests:** "We tried McDonald's Signature vs. [competitor]"
- **Lifestyle Integration:** Young professionals enjoying quality convenience

4. Launch Campaign

- **Phase 1:** Teaser campaign building anticipation
- **Phase 2:** "Try Signature Collection Free" (coupon for first purchase)
- **Phase 3:** User testimonials and reviews
- **Ongoing:** Limited-time premium offerings

2.3 TERTIARY TARGET: Segment 1 - Price-Quality Skeptics

2.3.1 Segment Profile Reminder

Segment 1 Characteristics

Size: 240 consumers (16.8% - SMALLEST)

Key Perceptions:

- Expensive (90%) - Perceive as overpriced
- Convenient (68%) - Acknowledge accessibility
- Fattening/Greasy (92%/71%) - Health concerns
- Not tasty (92% say no) - Quality skepticism

Descriptors:

- Like rating: +1.03 (slightly positive but ambivalent)
- Visit frequency: 1.40 (LOW - every few months)
- Age: 48.1 years (oldest segment)
- Gender: 58% Male

Strategic Role: Repositioning challenge - CHANGE PERCEPTIONS

2.3.2 Integrated Marketing Mix

Marketing Mix for Segment 1 (CHALLENGING)

Objective: Address price-quality disconnect; increase trial

PRODUCT Strategy:

- **Focus:** Mid-tier quality products at clearly communicated value prices
- **Examples:** Quarter Pounder (emphasize 100% beef), McCafé quality
- **Transparency:** Ingredient sourcing information

PRICE Strategy:

- **Tactic:** "Value Prove-It" campaign
- **Promotion:** Limited-time discounts to drive trial
- **Example:** "Try our Quarter Pounder for \$3.99 - You'll Be Surprised"
- **Comparison:** Show value vs. sit-down restaurants

PLACE Strategy:

- **Focus:** Leverage existing convenience (already perceived)
- **No Changes:** Standard distribution adequate

PROMOTION Strategy (10% budget):

- **Message:** "Surprising Quality at Unexpected Value"

- **Media:** Local radio, newspaper coupons (reach older demographic)
- **Testimonials:** "Skeptics Try McDonald's" video series
- **Sampling:** Free taste tests at community events

REALISTIC EXPECTATION:

- Hardest segment to move
- Small budget allocation (10%) reflects challenge
- Focus on incremental gains, not transformation
- Success metric: Increase visit frequency from 1.4 to 2.0

3 Coordination & Anti-Cannibalization Strategy

Preventing Segment Overlap Issues

Challenge: Multiple segment strategies could cannibalize each other

Coordination Mechanisms:

1. Clear Product Hierarchy

- **Value Tier:** Segment 2 focus (under \$6)
- **Standard Tier:** Available to all (\$6-\$8)
- **Premium Tier:** Segment 4 exclusive (\$8+)

2. Channel Separation

- Segment 2: Emphasize drive-thru convenience
- Segment 4: Promote app/kiosk customization
- Segment 1: Focus on dine-in value demonstrations

3. Communication Differentiation

- **Segment 2:** Mass media (TV, radio) with value messaging
- **Segment 4:** Digital/social with premium messaging
- **Segment 1:** Local/community channels with quality proof

4. Testing & Monitoring

- Pilot premium products in select markets
- Monitor cross-segment movement (do Seg 2 members trade up?)
- Adjust pricing if cannibalization detected

4 Implementation Roadmap

Table 2: 18-Month Implementation Timeline

Quarter	Priority	Key Activities
Q1	Foundation (Months 1-3)	<ul style="list-style-type: none">• Launch loyalty program (Segment 2)• Develop Signature Collection products (Segment 4)• Market research on Segment 1 messaging
Q2	Segment 2 (Months 4-6)	<ul style="list-style-type: none">• Value menu refresh• Loyalty program optimization• Summer campaign launch
Q3	Segment 4 (Months 7-9)	<ul style="list-style-type: none">• Signature Collection pilot (5 markets)• Premium campaign launch• App customization features
Q4	Expansion (Months 10-12)	<ul style="list-style-type: none">• Signature Collection national rollout• Holiday campaigns (both segments)• Year-end performance review
Q5-Q6	Optimization (Months 13-18)	<ul style="list-style-type: none">• Segment 1 repositioning campaign• Menu innovation based on learnings• Expand successful tactics

5 Budget Allocation Detail

Table 3: Annual Marketing Budget Allocation (Example: \$10M total)

Category	Segment 2 (60%)	Segment 4 (30%)	Segment 1 (10%)
Media Buying	\$3.0M	\$1.5M	\$0.5M
Creative Development	\$0.6M	\$0.4M	\$0.1M
Digital/Social	\$1.2M	\$0.9M	\$0.1M
Promotions/Offers	\$0.8M	\$0.3M	\$0.2M
Loyalty Program	\$0.4M	\$0.0M	\$0.0M
Research/Testing	\$0.0M	\$0.2M	\$0.1M
Total	\$6.0M	\$3.0M	\$1.0M

6 Success Metrics & KPIs

Performance Measurement Framework

Segment 2 (Happy Value Hunters):

- Visit frequency: Increase from 2.94 to 3.5 (target: weekly visits)
- Customer satisfaction: Maintain 90%+ (monitor via surveys)
- Loyalty program enrollment: 60% of segment within 12 months

- Same-store sales: +5% YoY in value menu category

Segment 4 (Premium Experience Seekers):

- Signature Collection trial: 40% of segment try within 6 months
- Average ticket: Increase from \$7 to \$10 for segment
- Repeat purchase: 30% of trialers become regular buyers
- Premium product mix: Reach 15% of total sales to this segment

Segment 1 (Price-Quality Skeptics):

- Visit frequency: Increase from 1.40 to 2.00 (modest goal)
- Brand perception: Improve "expensive" rating from 90% to 75%
- Trial rate: 25% try promoted value items
- Like rating: Shift from +1.03 to +1.5

Overall Business Impact:

- Total targeted market coverage: 78.3% of consumers
- Revenue from target segments: Track as % of total
- Cross-segment cannibalization: Monitor and minimize
- Profitability: Ensure margin maintenance across tiers

7 Key Takeaways from Step 9

Summary of Marketing Mix Customization

1. Differentiated Strategies Essential:

- Each segment requires distinct 4Ps approach
- One-size-fits-all would alienate multiple segments
- Customization complexity justified by 78.3% market coverage

2. Three-Tier Product Architecture:

- Value tier (Segment 2) - core mass market
- Premium tier (Segment 4) - growth opportunity
- Bridge tier (Segment 1) - repositioning challenge

3. Resource Allocation Reflects Priorities:

- 60% to defending largest, most profitable segment

- 30% to capturing premium growth
- 10% to incremental repositioning effort

4. Coordination Prevents Cannibalization:

- Clear product hierarchy and pricing separation
- Differentiated communication channels
- Continuous monitoring for overlap

5. Implementation Over 18 Months:

- Phased rollout manages risk and complexity
- Learn and optimize throughout process
- Foundation (loyalty) before innovation (premium)

6. Ready for Step 10:

- Marketing programs designed and budgeted
- Implementation roadmap established
- Success metrics defined
- Monitoring and evaluation framework needed (Step 10)

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