Customer Rating Analysis for Wendy's and McDonald's Report

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Introduction

In this personal project, I explored customer satisfaction ratings for two of the biggest players in the fast-food industry: Wendy's and McDonald's. With a focus on customer feedback, I aimed to uncover valuable insights that could inform marketing strategies for Wendy's, leveraging customer perceptions to drive improvements in ratings and brand loyalty.

Through data analysis using Microsoft Excel, SQL, Tableau, and R, I compared customer ratings across various metrics and developed marketing-oriented recommendations based on my findings. This analysis provides Wendy's with strategic insights that could enhance customer experience, appeal, and ultimately drive higher satisfaction ratings.

Hypotheses

- Null Hypothesis (H0): There is no significant difference in customer ratings between Wendy's and McDonald's.

- Alternative Hypothesis (H1): Wendy's customer ratings are significantly higher than those of McDonald's.

I aimed to validate whether Wendy's current strategies are resonating better with customers compared to McDonald's, and to identify opportunities for Wendy's to further enhance its brand positioning.

Methodology

1. Data Cleaning: I started by preparing a clean dataset, removing rows with missing values for customer ratings. This allowed for a complete and reliable comparison across key brands: Wendy's, McDonald's, Burger King, and Subway.

2. Analysis Techniques:

  - Boxplots to visually compare Wendy's and McDonald's customer ratings.

  - Summary Statistics to assess the mean and interquartile range (IQR) for Wendy's, McDonald's, and additional competitors for context.

  - Quantile Analysis to analyze rating distribution differences between Wendy's and McDonald's.

  - T-Test to statistically test the significance of any differences in ratings.

  - Correlation Matrix to examine the relationship between ratings for different brands, identifying possible brand loyalty or overlap in customer preferences.

3. Tools Used: I utilized Microsoft Excel and SQL for data processing, R for statistical analysis, and Tableau for visualizing data insights.

Findings

 1. Customer Rating Comparison

  - Boxplot Analysis: Wendy's ratings had a slightly higher median compared to McDonald's. Wendy's ratings were also more consistent, while McDonald's ratings showed a wider spread, indicating variability in customer satisfaction.

- Mean and IQR Analysis: Wendy's ratings (mean ~6.85) were generally higher than McDonald's, and Wendy's IQR indicated consistent customer satisfaction. In comparison, Subway had a higher average rating, suggesting that Wendy's can aim to close the gap by focusing on aspects that Subway excels in, such as perceived freshness and quality.

2. Rating Difference Analysis

- Quantiles for Rating Differences: Analysis of quantiles showed that at least 25% of Wendy's ratings were equal to or higher than McDonald's. At the 75th percentile, Wendy's ratings exceeded McDonald's by 2 points, suggesting a positive trend in customer sentiment for Wendy's.

3. Statistical Testing (T-Test)

- Paired T-Test Results: The paired t-test confirmed a statistically significant difference in ratings between Wendy's and McDonald's, with Wendy's scoring an average of 0.86 points higher than McDonald's. Given the small p-value, we reject the null hypothesis, affirming that Wendy's is rated significantly higher than McDonald's.

4. Correlation Analysis

- Correlation Insights: A moderate positive correlation was found between ratings for Wendy's and McDonald's, indicating that customers who rated Wendy's positively tended to rate McDonald's somewhat positively as well. The correlation with Subway was weaker, suggesting that Wendy's appeals to a slightly different customer base that values quality over other fast-food metrics.

<u>Marketing Recommendations for Wendy's</u>

Based on these findings, I have identified several strategies that Wendy's could implement to further enhance customer satisfaction and differentiate itself from McDonald's:

1. Leverage Quality Positioning: Wendy's ratings indicate a preference for quality, especially compared to McDonald's. Wendy's could further capitalize on this by highlighting fresh ingredients, unique flavors, and the quality of its food in marketing campaigns. A campaign centered on "fresh, never frozen" ingredients, emphasizing quality, could resonate strongly with quality-focused customers.

2. Consistency Across Locations: The consistency observed in Wendy's ratings suggests an opportunity to strengthen customer loyalty by ensuring high-quality experiences at every location. Enhanced training for staff and a streamlined quality-check system could ensure consistent service and food quality across all Wendy's locations, improving customer trust and satisfaction.

3. Promote Value and Deals More Visibly: McDonald's attracts a large customer base through frequent promotions and value deals. Wendy's can emphasize its unique value propositions, such as the "4 for $4" meal, and consider new promotions aimed at price-sensitive customers. By enhancing the visibility of value options in digital and social media channels, Wendy's could attract budget-conscious customers without compromising its brand image as a quality-focused fast-food chain.

<u>Conclusion</u>

  This analysis supports the hypothesis that Wendy's customer ratings are significantly higher than McDonald's, particularly in areas like quality and consistency. However, there are opportunities to further improve customer satisfaction by focusing on value visibility, quality consistency, and loyalty incentives. Wendy's can leverage these insights to drive higher customer satisfaction, loyalty, and market share, positioning itself as the go-to choice for customers who prioritize quality in their fast-food experience. With the right strategies, Wendy's has the potential to further distance itself from competitors like McDonald's and Subway, securing its place as a top choice in the fast-food landscape.