Case Study: McDonald's

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Challenge

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Solution

A comprehensive getchee market survey of both McDonald's and competitor store locations in the Philippines combined with demographic data will help McDonald's management discover market gaps, improving overall efficiency and profitability.

Summary

Company

McDonald's Philippines is a subsidiary of the Filipino-owned Golden Arches Development Corporation. The first Filipino McDonald's to open for business was in the Morayta university districts in Manila during 1981. These days McDonald's is operating over 150 restaurants throughout the islands of the Philippines. Being a 100% Filipino-owned franchise allows McDonald's Philippines to be more agile and take quicker actions, making them an even more competitive force in the Filipino fast-food market.

Challenge

Accurate and timely demographic data is difficult to obtain in western economies; the ability to collect this precise data is even further strained when the survey is of a developing country. With a land area of 300,000 km2 spread over 7000 islands and a domestic population of nearly 100 million people, timely and accurate demographic data requires in-depth, thorough, but quick market surveying.

McDonald's Philippines has been operating in an incredibly competitive market for over 25 years. Domestic competition from the leading local fast-food provider Jollibee and common international rival KFC have created an environment in which McDonald's must move swiftly and efficiently in order to gain market share and increase profitability. In order to expand effectively, McDonald's needs to better understand where there are market gaps that can be filled. Additionally, McDonald's needs to have the most up to date data to determine if current stores are cannibalizing each other's trade area. To achieve this McDonald's management will need detailed, segmented demographic data of the Philippines overlaid with both theirs and competitors' restaurant locations.

Result

Within only one month, a team of getchee analysts surveyed the Philippines fast-food market and located every McDonald's, Jollibee, and KFC restaurant. The next step was then to geo-code and upload each restaurant location to the online getchee software platform. With this accurate and recently updated data made easily accessible on getchee, the McDonald's team is able to privately analyze the Filipino market using proprietary in-house methods. Due to their customer dedication and because of the flexible nature of the online platform, getchee analysts continue to update each additional McDonald's store opening and closing.

The value in getchee stems not only from the raw customer-specific data collected but also from its overlay with getchee demographic analysis tools and detailed city maps. Population, business intensity, lifestyle intensity, and much more is made readily accessible not only on a district-wide scale but on an even more precise 1km x 1km segmentation within the central business districts (CBD). With this data and these tools McDonald's management is able to dissect and analyze the local market of each store.

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Important to McDonald's expansion plans is the local population surrounding each existing and potential store location. Using the multifaceted getchee "Trade Area" tool, McDonald's is able to specify a potential restaurant's trade area by either radius or population size, making it easier for McDonald's management to efficiently plan future store expansion.

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