

RECOMMENDATIONS FOR THE “TASTE OF THE WORLD” CAMPAIGN IN OREGON, USA

INTRODUCTION

In the United States of America, McDonald’s main focus has been on improving its food quality, rather than the innovation of new menu items. However, recent studies show Americans’ increasing interest and receptiveness towards ethnic foods. To capitalize on these findings, McDonald’s sought a new sales approach by marketing to the country’s diverse cultures and ethnicities. To this end, McDonald’s decided to initiate a new “Taste of the World” campaign, using the state of Oregon as its first experimental ground.

Based on the sales at the Oregon franchises, the company will gauge whether to continue and expand this venture into a national campaign. The company anticipates that each state will have differing taste preferences and thus, realizes the need to conduct a detailed analysis on the state of Oregon. Therefore, Corbett Upton, the Vice President of Operations, has asked the marketing department to conduct this analysis and provide three menu items that could be featured in the campaign in Oregon.

The purpose of this report is to suggest three menu items from McDonald’s international menus that best align with Oregonians’ taste preferences. The report outlines the reasons for choosing a particular menu item, but it is difficult to project the possible impact these menu items will have in the campaign. Thus, the recommendations presented here are “best effort” estimations that seek to maximize Oregonians’ receptiveness towards this new promotion.

In preparing this report, the marketing department analyzed Oregon’s climate & geography, demographics, natural resources, and primary food industries. To determine the

eating preferences of Oregonians, we distributed 200,000 questionnaires to the state's local citizens—of which the tallies of the results and the original survey can be found in the appendix. Findings from this research were then used to filter for international menu choices that best with the campaign.

A Preview of the Recommendations

Based on the statistical research on Oregon and the results from the survey, the marketing department recommends the following menu items to feature in the campaign:

- **Japan's Korokke Burger** is a lunch or dinner option, which caters towards Oregonians' preference for Japanese cuisine. It is made primarily of shrimp, potatoes, and cheese—all of which can be easily and freshly provided by Oregon's farmers and seafood harvesters.
- **Mexico's McMolletes** is a breakfast option, which caters towards the Hispanic or Latino population in Oregon and fits with Oregonians' preference for Mexican cuisine. It is also similar to the McMuffin, though without an egg and instead with an ethnic twist of refried beans and pico de gallo.
- **Italy's Spinach and Parmesan Cheese Nuggets** is a snack, which caters towards Oregonian's preference for Italian cuisine. It also provides an opportunity for McDonald's to work closely with Oregon's famous creameries such as Rogue Creamery or Tillamook County Creamery Association to add a local taste to the dish.

MOTIVATION FOR THE “TASTE OF THE WORLD” CAMPAIGN

McDonald's Corporation owns the world's largest chain of fast-food restaurants, with more than 34,000 restaurants worldwide (McDonald's). Among the reasons this chain is so successful is its adaptability in various countries, providing innovative menu items that fit the taste buds of the local community (Franchise Direct). A perfect example of this was in 2008 when McDonald's Italy targeted native palates by working with Italian farmers to add the country's famous Parmigiano Reggiano Cheese to its burgers (Ellis, “McDonald's wins with global palates”). That year, McDonald's reported an increase of 15% revenue from its franchises in Italy. It is such willingness to innovate and adapt that McDonald's has grown to include over 1.8 million employees with restaurants deployed in over 118 countries (McDonald's).

In the United States of America, McDonald's primary focus has been on improving its food quality, rather than the innovation of new menu items. In 2012, McDonald's highlighted its beverages such as the McCafé, while promoting limited-time offers, like the McRib, and remodeling its restaurants with more modern designs (“2012 Annual Report” 12). However, recent studies like Scott-Thomas' article, “Americans' taste preferences,” show Americans' increasing interest and receptiveness towards ethnic foods. To capitalize on these findings, the company realizes a need to not only promote its current menu, but to also expand the menu to include new innovative products (14). To this end, McDonald's decided to initiate a new “Taste of the World” campaign, using the state of Oregon as its first experimental ground. The state of Oregon is a suitable testing ground, readily able to provide over 250 types of foods as possible ingredients. Oregon is also located near the coast, which opens the possibility of including seafood menu items into the campaign.

Research on Oregon's Demographics and Food Industries

As of 2012, the United States Census Bureau reports 3,899,353 people living in the state of Oregon ("Oregon QuickFacts"). The state is evenly dispersed between male and female, with a median age of 38.4 years old. Around 12.2% of the population is either Hispanic or Latino. In detail, about 484,701 people in Oregon are of ethnic backgrounds.

The state of Oregon is located on the North-West coast of the United States. The Cascade Ranges vertically splits the state (see Figure 1), forming two diverse climates ("Oregon Climate"). Mild temperatures with heavy precipitation mark the West of the Cascades, forming lush, green lands. On the contrary, the East of the Cascades is dominated by deserts, with extreme temperatures and little precipitation.

Figure 1

Physical map of Oregon, highlighting geographical features and main cities

* Green marks lower elevations, while brown marks higher elevations.

Source: *FreeWorldMaps.com*



Oregon's climate and geography splits the state into seven major growing regions, producing more than 250 different products and contributing to more than 8 billion dollars to the state's economy ("Oregon Facts & Figures"). With more than 38,500 farms in Oregon, some of Oregon's major agricultural products include milk, cattle, hay, berries, pears, potatoes, eggs, onions, peppermint, wine grapes, and sweet corn. One of the state's famous products is Rogue

Creamery's Oregon Blue cheese, which won the London World Cheese Award, also marking it as the first American cheese to ever win the award ("Oregon Food Industry").

Besides agriculture products, the state also enjoys abundant harvests of seafood ranging from Dungeness crabs to sea urchins (Oregon Department of Fish and Wildlife, "Oregon's Ocean Commercial Fisheries"). Some of Oregon's largest commercial fisheries include Dungeness crab, pink shrimp, Albacore Tuna, and Salmon. The state also ranks as one of the top producers of Dungeness crab worldwide, making the Dungeness crab the number one crustacean of the state (Oregon Department of Fish and Wildlife, "Oregon's Ocean Commercial Fisheries"). Second to the Dungeness crab, the state caught 49.1 million pounds of pink shrimp in 2012, which contributed 24 million dollars to the state's economy (Tobias, "Oregon's Once-tiny Shrimp").



Figure 2
Rogue Creamery's world-famous Oregon Blue Cheese

Source: *RogueCreamery.com*



Figure 3
Oregon's Dungeness Crab, the number one shellfish of Oregon

Source: *Oregon.gov*



Figure 4
Oregon's pink shrimp, accounted for 24 million dollars to the state's economy in 2012

Source: *OCZMA.org*

Eating Preferences of Oregonians

In addition to statistical research, a questionnaire was given to 200,000 Oregonians, asking about their eating preferences (see the Appendix). Results from this questionnaire were used to ultimately determine which international menu items should be featured in the campaign. Overall, there were few questions regarding demographics, and the survey mainly focused on a participant's eating habits and their opinion of McDonald's.

Most of the volunteers for the survey were male, between the ages of 19 to 30. Survey results show that participants do not have a preference for red or white meats, and a majority of them consume seafood. In regards to their opinion of McDonald's, 38% of the 200,000 participants stated they were satisfied with the variety of menu choices at their local McDonald's. Most importantly, a majority of the participants, 69% of the 200,000, responded they would be willing to try the ethnic food choices if McDonald's were to include them into their menus. Most importantly, when asked about the types of international cuisines they would like added to their local McDonald's menus, the top four answers were Chinese, Italian, Japanese, and Mexican (see Table 2).

Survey Results: Most Appealing International Cuisines for Participants		
Answer		%
American		2%
Chinese		19%
French		5%
Indian		9%
Italian		16%
Japanese		21%
Mexican		14%
Thai		5%
Other		9%

Table 1

Responses from 200,000 Oregonians regarding McDonald's and international cuisines

*Question Given: If your local McDonald's were to add international food choices to its menu, what kinds of cuisines would you like to see?

Lastly, the survey reports that 38% of the participants eat at McDonald's less than once a month and 25% of the participants choose not to eat at McDonald's at all. The participants explained their reason was primarily due to the lack of vegetarian options. However, some participants also responded that they do not eat at McDonald's because they prefer to support local businesses.

THE THREE MENU ITEMS TO FEATURE IN THE CAMPAIGN

The marketing team used these findings to filter for menu items from McDonald's international menus that best cater to Oregonians. While there were many factors to consider, the team weighed their decisions heavily based on the results from the survey. We reason that the questionnaire most accurately presents current opinions. It was tailored to provide information that directly relates to McDonald's, contrasting the general studies that were performed on Oregon and the United States.

In considering which three menu items to recommend, the marketing team decided to select three different meal options such as breakfast, snack or appetizer, and lunch or dinner to give customers variety in their meal options. Based on our findings, we also decided to select menu items from the following cuisines: Italian, Mexican, and Japanese. Both the survey results and general studies indicate that these are popular and accepted cuisines. Additional research also shows that Americans now consider Italian, Mexican, and Chinese as "typical" cuisines (Scott-Thomas, "Americans' taste preferences"). On the other hand, Americans show an increasing interest for lesser known ethnic cuisines such as Japanese and Thai. Therefore, we reason that this will give Oregonians more options: to either select familiar ethnic cuisines such as Italian or Mexican or a lesser known (and more exotic) cuisine such as Japanese.

Besides the following items we recommend, the team also proposes a focus on using ingredients provided by local producers or harvesters produce. This not only localizes the food, making McDonald's feel "closer to home," but it also provides McDonald's with fresh ingredients. The recommendations also include a suggested price, which reflects on prices of similar food items found on McDonald's current menus.

First Recommendation: McMolletes

Our first recommendation is McDonald's Mexico's McMolletes (see Figure 5). Similar to the McMuffin (but without an egg), the McMolletes is a breakfast option. Its main ingredients consist of refried beans, cheese, and pico de gallo. An extremely popular menu item, the McMolletes accounts for 22% of the revenue at McDonald's Mexico franchises. The marketing team is eager to recommend this item, which caters to the Hispanic or Latino population in Oregon and also fits with Oregonians' preference of Mexican cuisine. Based on comparisons with similar breakfast options, we suggest a retail price of \$2.29.

Official Name: McMolletes
Origin: McDonald's Mexico
Meal Option Type: Breakfast
Main Ingredients: Refried beans, cheese, pico de gallo
Suggested Price: \$2.29

Figure 5

McDonald's Mexico's McMolletes
Source: mcdonalds.com.mx



Second Recommendation: Spinach and Parmesan Cheese Nuggets

Our second recommendation is McDonald's Italy's Spinach and Parmesan Cheese Nuggets, which are known Crocchette di Spinaci Parmigiano Reggiano in Italy (see Figure 6). Another highly popular item in its home country, these appetizers are made primarily with spinach and parmesan cheese. This dish ultimately caters towards Oregonian's preference for Italian cuisine. The marketing team also sees an opportunity for McDonald's to work closely with Oregon's famous creameries such as Rogue Creamery or Tillamook County Creamery Association to add a local taste to the dish. Based on comparisons with similar appetizer options, we suggest a retail price of \$4.95.

Official Name:	Crocchette di Spinaci Parmigiano Reggiano
Origin:	McDonald's Italy
Meal Option Type:	Snack or Appetizer
Main Ingredients:	Spinach, Parmesan Cheese
Suggested Price (9 pcs):	\$4.95

Figure 6

McDonald's Italy's Spinach and Parmesan Cheese Nuggets
Source: www.mcdonalds.it



Third Recommendation: Korokke (Croquette) Burger

Our third and last recommendation is McDonald's Japan's Korokke or Gurako Burger (see Figure 7). The term "Gurako" is a Japanese term made of two words, gratin and korokke (croquette), which is used to describe this burger's particularly creamy consistency. Similar to the McRib's, this item is also popular seasonal item at the McDonald's franchises in Japan. The burger is made primarily of pink shrimp, potatoes, cheese, and cabbage, which can be easily and freshly provided by Oregon's farmers and seafood harvesters. The marketing team chose this more exotic option to cater towards Oregonians' preference for Japanese cuisine. Based on comparisons with similar burger options, we suggest a retail price of \$2.75.

Official Name: Gurako or Korokke Burger
Origin: McDonald's Japan
Meal Option Type: Lunch or Dinner
Main Ingredients: Pink Shrimp, Potatoes, Cheese, Cabbage
Suggested Price: \$2.75

Figure 7

McDonald's Japan's Korokke Burger
Source: www.mcdonalds.co.jp



CONCLUSIONS AND RECOMMENDATIONS

McDonald's maintains its success due to its willingness to innovate and adapt to various challenges. The current marketing approach in America has been on improving its food quality, rather than the innovation of new menu items. However, Americans are showing increasing interest in ethnic foods. To compete with our competitors and respond to consumers' needs, McDonald's realized the necessity to bring ethnic foods into its American menus. Therefore, McDonald's initiated the "Taste of the World" campaign, using the state of Oregon as its first experimental ground. With a variety of landforms, diverse climates, a community filled with different ethnicities, and over 250 locally produced products, the state of Oregon was a suitable place to start the campaign.

To find suitable items that will cater to Oregonians in this campaign, the marketing team researched various statistics and facts about Oregon. We also gave out a survey to 200,000 Oregonians to find out their taste preferences. In this analysis, we found Oregonians were generally receptive to the idea of the campaign and expressed they would like to see menu items from cuisines such as Chinese, Italian, Japanese, or Mexican.

In exploring McDonald's international menus, the marketing team found Japan's Korokke Burger, Mexico's McMollettes, and Italy's Spinach and Parmesan Cheese Nuggets to be the most suitable items to feature in this campaign. We also recommend working with Oregon's local producers to localize these menu items for Oregonians. These recommendations aim to maximize Oregonians' receptiveness towards this the "Taste of the World" campaign in Oregon, USA.