McDonald's is pushing to get more Millennial savvy

McDonald's must quickly figure out how to embrace the Millennial generation that, for the most part, would rather eat at Panera Bread or Chipotle.

When CEO Don Thompson talks about McDonald's plans at Thursday's annual meeting, there's one group that he's expected to most closely target: Millennials.

The burger giant — which has always had kids at its core — has begun to focus on Millennials, whose interests and habits can be difficult to understand.

McDonald's has no choice but to target Millennials because the group spends $247 billion annually at restaurants. This influential group of 19- to 34-year-olds — in excess of 60 million — is "hugely important to McDonald's," says Sam Oches, editor of QSR magazine, which tracks the industry. "Millennials are just starting to have their own kids."

What brand gurus say McDonald's must do to engage Millennials:

• **Create craveable food.** Just as Taco Bell energized Millennials with Doritos Locos Tacos, McDonald's needs to devise a craveable brand that's popular with Millennials and jointly promote a new product, says brand consultant Denise Lee Yohn. Perhaps a special beverage made with Red Bull, she suggests.

• **Embrace causes.** Millennials care about social responsibility, so McDonald's must, too. Especially with its own employees. Some low-wage employees will be at McDonald's annual meeting Thursday, pushing for higher wages — a cause many Millennials support. Millennials want emotional connections with brands, and want brands to support causes relevant to them, says Yohn.

• **Compete with fast-casual.** To compete with Panera and Chipotle, McDonald's not only needs to add quality to its menu, but make stores — particularly urban stores — look and feel more comfortable, says Oches.

• **Reinvent breakfast.** To attract Millennials at breakfast, the offerings must be tastier, healthier — and served later. McDonald's recently talked about the possibility of all-day breakfast, but eggs on the grill would push burgers off the grill, which is a no-no at lunchtime. More likely, says restaurant analyst Steven West, are late-night breakfast offerings. Also, says Yohn, McDonald's could create some McCafe breakfast combos to entice Millennials.

• **Fix the nutritionals.** Millennials care about the transparency of food — and the story of where it comes from. While the new McWrap gives a healthy impression, it's still high in calories, says Oches. "McDonald's has a ways to go on this."