

McDonald's is pushing to get more Millennial savvy

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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.



(Photo: Justin Sullivan, Getty Images)

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."

