



Chick-fil-A Muskogee

MARKETING INITIATIVE 2023

HAILEY MILLER

Executive Summary

This marketing plan begins with a situation analysis—a description of our current situation and changes to that status quo. We present strategic choices in selecting customer segments to pursue, and the market position we seek to achieve to best serve them. Our current customers are millennials, moms, families, and the middle/upper-middle class.

Currently, we are hitting a plateau of growth compared to our first five years of being open and underperforming (compared to restaurants in our market) in every category. This marketing plan's goal is to facilitate becoming average. We are last in catering sales, Chick-fil-A One app, and community giving. Outside concerns include inflation, the fact we live in a time of protest and cancel culture, our Chick-fil-A One app continues to have issues, the recent political battle of the respect for marriage bill, and the overturning of Roe V Wade. We seek to optimize the in-store inventory and operate under a LEAN set of standards. Competitors, specifically McDonald's, are the most prominent fast-food restaurants globally by revenue, and KFC is second only to them in size among fast-food restaurants.

Based on our market research, customer segments can be described as follows. We currently serve families, brand loyalists, and on-the-go consumers. We are considering moving our primary focus towards millennials and the tech-savvy. These customers are more technologically aware than previous generations. For now, we are not interested in serving or changing the minds of those firmly against our morals and beliefs. The resources we would use to win them over outweigh the potential profits.

To serve a customer base of sufficient size and profitability, we should pursue millennials and the tech-savvy. Focusing on the family consumer base fits our strategic corporate goals. We considered other segments, and their relative attractiveness is as follows: families will always be the cream of the crop, and millennials have the most room for growth, especially since some in this generation still have not had kids and “graduated” to the family segment, and brand loyalists are an ideal group to experiment products, prices, and promotions.

We will seek a strategic market position of high-quality/high price. Our integrated consumer-focused strategy relies on good-tasting food, high-quality ingredients, a pleasant dining experience, and approachable and courteous employees, setting us apart from competitors. Additionally, we are dedicated to emphasizing robust promotional efforts aimed at highlighting our seasonal offerings, engaging storytelling through Chick-fil-A Holiday Series Videos: Stories of Evergreen Hills, and leveraging the power of our Chick-fil-A One app to reward our loyal patrons. This multi-faceted approach ensures that our brand consistently resonates with customers, fostering lasting connections and driving sustained growth.

Customer Analysis

Our current customers are millennials, moms, families, and the middle/upper-middle class. Millennial consumers are more tech-savvy than the other target markets and encompass a generous portion of our current social media following and users of the Chick-fil-A One app. We understand that moms often make dinner decisions, and Chick-fil-A has always supported the family narrative. These consumers buy into our in-house events and look for ease and speed. The middle/upper-middle class may be frugal, but they have the disposable income to eat out regularly. The possible customer issues we need to consider are that millennials need to continue



to keep the separation of food from social problems, and moms and families can juggle their household, and focus on their family, and job responsibilities.

Our current customer satisfaction measures, measured from 2022 feedback, are as follows: overall satisfaction 89, taste 95, speed of service 92, indoor cleanliness 96, outdoor cleanliness 87, and service 97. Although we are at the nationwide average, I would like to see our overall satisfaction scores and service speed increase. By doing that, we immediately move our drive-thru to serve more guests quicker. Our loyalty program, Chick-fil-A One, allows guests to earn points for placing mobile orders, scanning at the register, or entering transaction numbers. These points can then be redeemed for food items. We can send rewards and “surprise and delight” to our guests through this program. The tiers include Chick-fil-A One member, Chick-fil-A One silver member, Chick-fil-A One red Member, and Chick-fil-A One signature member. Customers are price sensitive. Their price sensitivity, changing tastes and preferences, and high health awareness require us to invest in customer research activities and closely monitor their attitudes and spending patterns. Identifying positive traits and incorporating them into your marketing and promotional strategies is essential. Customers who change their attitudes towards healthy alternatives and prioritize quality over price also have significant consequences for the company.

SWOT

The SWOT analysis is an effective tool for analyzing our company-related factors. Strengths include a firm brand name, leverage to enter new markets, a favorable global reputation, a large consumer base, and sound financial health. Weaknesses include employee retention issues and a lack of flexibility within the supply chain. Our opportunities include a growing low-end customer base and the ability to use community engagement as a driving sales force. Threats that Chick-fil-A Muskogee faces have increasing criticism from multiple different parties, a shortage in recruitable talent, our closed-off store location, and the growing health consciousness of consumers.

Outside Concerns

An economic factor of concern for us is Inflation. Inflation exerts a substantial impact on the pricing structure, and Chick-fil-A’s presence in several markets requires us to adapt our strategies according to consumer behavior. Current estimates show that our last price increase of 5% helped the impact of the COVID-19 pandemic on our accounts. Political factors include the fact that we live in an age of protest and cancel culture, meaning at any point in time, any social and political mistake could detrimentally affect our sales profits. As for technological issues, our Chick-fil-A One app, whether user-related or technical, we have seen an uptake in guests having complaints & problems with the app. To understand our social concerns, we must analyze the significant trends in culture, education, and demographic patterns, which are quite different from the restaurants in our market. This encompasses a wide array of issues we need to be aware of and alerts us of issues that could create a much more significant societal concern. For example, the recent social problems have stretched from a general rise in the health consciousness of customers to the publicity the overturning of Roe V. Wade and the passing of the “respect for marriage bill” brings upon us.



Supply Chain & Distribution Changes

We seek to optimize the in-store inventory and operate under a LEAN set of standards. Keep what we need, and nothing more than that. Include demand planning and forecasting to optimize in-house inventory. We also want to use truck orders for effective management to provide accurate measurements, which can help us determine the correct quantity of stock to store. We seek to control distribution costs, develop measures to track performance and continue to review channel intermediaries as modifications we seek in our distribution channel partner network.

Competitors

Competitors, specifically McDonald's (1.2 miles away) and KFC (2.3 miles away), offer a threat. McDonald's is the largest fast-food restaurant globally by revenue, serving over 70 million customers (about twice the population of California) daily in over 100 countries. McDonald's sees more customers than Chick-Fil-A. KFC is second only to McDonald's in size among fast-food restaurants, and among fast-food chicken operators and developers, KFC is the largest. Further, the restaurant has expanded its menu to include chicken fillet sandwiches, wraps, and side dishes like French fries and coleslaw.

Segmenting

Our current customers include families, brand loyalists, and the on-the-go consumer. Families are attracted to our environment more than anything. Every store has comfortable seating and a pristine indoor play area for children. We also have several operators opting in for testing family meal bundles in hopes of further emphasizing family ties and helping strengthen Chick-fil-A's connections with teenagers and families. The brand loyalist segment will consume fast food primarily for its taste. They are likely to be heavy users and most likely to be loyal to 2-3 different fast food chain brands. They are attracted to taste, so product consistency is essential, and new flavors are in their preferred product selection. Also, these consumers are impulsive and respond to advertising through social media channels and various promotional activities. Lastly, the on-the-go consumer market segment serves as an illustration. It is time-poor, or at least right now. Although they prefer not to eat fast food, there are situations when it may be necessary. For instance, whether they have a late shift at work, are traveling for a holiday, travel for work, or are having a busy day. Simply said, fast food's "quick" element appeals to these customers. This market segment would only occasionally eat fast food and would not be highly receptive to advertisements or sales promotions. As they will solely base their buying decision on convenience factors, they would also have a limited sense of brand loyalty. Our most significant selling point, our atmosphere, does not affect us if these consumers visit our restaurants.

Our non-users are those who are firmly against our morals and beliefs. These consumers openly avoid or try extremely hard to avoid visiting our restaurants. Being closed on Sundays and openly proclaiming our commitment to the Bible are two ways our business proudly displays its principles. Some persons and organizations have taken issue with Chick-fil-A because of the music, the Sunday closings, the emphasis on faith, and the charities the foundation supports.



Our ideal customers include millennials and tech-savvy. Family-friendly themes have been and will continue to be available at Chick-fil-A, and many of our stores cater events to the children in their community. Consumers who frequent Chick-fil-A as children usually grow up and become consumers themselves. As a result, it should not come as a surprise that our social media has a big following among moms and families and a strong following among Millennials. These customers might or might not be parents at this time. Still, they are more technologically aware than previous generations and make up a sizable share of Chick-fil-A- social A's social media audience and Chick-fil-A One app users.

Targeting

The size and profitability, or lifetime customer value, of segments, were determined by these quick facts:

- The average American dines out 5.9 times per week and according to 2021 Bureau of Labor Statistics data.
- The average cost of one meal at our restaurant in 2022 is \$10.55.
- For a family of 4, this would cost a total of \$42.20. Our goal is to have a family meal at least once a week.
- According to Business Insider Data, the average customer eats Chick-fil-A 11 times yearly.

The lifetime customer value for a family of four is \$66,144 or \$16,536 per person. $LCV = \$42.40$ (family of 4 meal cost) * 52 (weeks/year) * 30 (lifespan for the sake of this). For a brand loyalist, the lifetime customer value is \$32,916. $LCV = \$10.55$ (Meal cost) * 52 (weeks/year) * 2 (visits per week) * 30 (lifespan for the sake of this). For the on-the-go consumer, the lifetime customer value is \$8,229. $LCV = \$10.55$ (Meal cost) * 52 (weeks/year) * .5 (visits per week) * 30 (lifespan for the sake of this). For millennials and tech-savvy, the lifetime customer value is \$16,458. $LCV = \$10.55$ (Meal cost) * 52 (weeks/year) * 30 (lifespan for the sake of this). Families will always be the cream of the crop for us, but millennials and gen x align with our tech-savvy marketing strategy. The desirability of segments based on financial and strategic information is as follows: Families will always be the cream of the crop financially and strategically, but millennials have the most room for growth, especially since some in this generation still have not had kids and “graduated” to the family segment. Lastly, and most ideally financially, are the brand loyalists. We can use this segment to experiment with products, prices, promotions, etc.

Positioning

High-Quality/high price will always be the standard at Chick-fil-A. We will never give up quality for any part of our marketing positioning, and prices are high, but we say they are of substantial value. Our integrated consumer-focused strategy relies on good-tasting food, high-quality ingredients, valuable experience, and friendly employees, continually having no competitors. We are alone atop the fast-food hospitality circuit—mass distribution in terms of advertisements. Billboards, television ads, continued sponsorships, social media, etc. Heavy promotion toward seasonal/quarterly items, the Chick-fil-A One App, continued YouTube posting of customer testimonials, and Chick-fil-A Holiday Series Videos: Stories of Evergreen Hills.



Product & Price Strategy

Customers' interest in seasonal cuisine is reflected in their ordering behavior. Unlocking seasonal flavors will help you get hungry diners looking for seasonal treats. Seasonal menus bring excitement at certain times of the year and reduce food costs. It also helps with suppression. Cooking with plentiful seasonal produce at peak times will benefit more from what farmers and traders sell, thus keeping high supply costs in check. The procurement of seasonal ingredients is also sustainable. We can support local supply chains using the freshest ingredients by prioritizing seasonal ingredients. Seasonal menus are time sensitive, so get customers to order before they run out. You can reach customers directly by posting seasonal ingredients on social media and encouraging them to call. Facebook, Twitter, and Instagram are suitable places to highlight your seasonal offerings and let customers know the length.

Our spring 2023 promotion will begin at the beginning of March and last through the beginning of May. We will offer a nostalgic favorite, the Chicken Salad Sandwich, priced at \$7.89. It is a premium seasonal item that will be prepared and prepped daily with our other salads, wraps, fruit cups, etc. Pricing was determined compared to the Chick-fil-A Grilled Chicken Club w/Cheese, & seasonal factor. The current in-house ingredients that will be used are prepped sliced chicken from day-old grilled chicken &/or scraped breaded chicken, and the new ingredients to be ordered are a pre-packaged vegetable mix, Special Sauce Gallon Jar, & Wheat Berry Sliced Bread. We will also promote our permanent menu item, the frosted strawberry lemonade, priced at \$4.39. New ingredients are not needed. Prepare as is.

Our summer 2023 promotion will begin in mid-May and last through the middle of July. We will offer spicy chicken strips, priced at \$3.29 for a 2ct, \$4.35 for a 3ct, and \$6.19 for a 4ct. This will be promoted as a premium seasonal item. Strips should be breaded in a spicy coater instead of a regular coater and cooked in the spicy fryer(s). Pricing was determined compared to the Original Chick-fil-A Chicken Strips plus a 5% premium. Current in-house ingredients that will be needed are Chick-fil-A chicken strips, spicy coater, egg wash, and peanut oil, and no new ingredients are required. We will also promote our permanent menu items, sweet and unsweetened iced tea, priced at \$1.75 for a small, \$2.09 for a medium, and \$2.39 for a large. Prepare as is.

For our fall 2023 promotion, which will begin at the beginning of August and last through the end of October. We will offer a novel item and meal option, a Kid's Chick-fil-A Chicken slider priced at \$2.69 for one slider and \$5.19 for two. Pricing was determined as a premium seasonal item compared to Kid's Chick-fil-A 2ct Chicken Strips meal plus a 5% premium. It should be prepared as if it were a regular-sized Chick-fil-A Chicken Sandwich, except with a single pickle instead of two. The current in-house ingredients needed are Chick-fil-A breakfast filets, spots, & sunflower oil, and new ingredients to be ordered from local bread suppliers are slider buns. This will be sold alongside the pumpkin-spiced frosted coffee and be priced at \$4.39. This will be marketed as a premium seasonal item, and the price was determined in comparison to the Chick-fil-A original frosted coffee. The current in-house ingredients needed are an iced coffee base & Chick-fil-A Ice Dream, and the new ingredient to be ordered is pumpkin spice syrup.

The winter 2023 promotion will be held from mid-November until mid-February. Our advertising includes a new premium item, the raspberry white chocolate chunk cookie, priced at \$2.39, offering a delightful blend of flavors. The price was meticulously determined by evaluating market trends and comparing it to the well-received original Chick-fil-A chocolate chunk cookies. Crafting this delectable treat requires only the addition of the pre-portioned frozen raspberry white chocolate chunk cookie dough, ensuring both quality and efficiency.



Instead of a second individual item, we are embarking on an exciting holiday catering promotion, designed to elevate the festive spirit and bring people together. To achieve this, we will harness the power of a captivating social media competition, creating an interactive platform where our patrons can actively participate. The finer details of this engaging contest will soon be revealed, promising a memorable holiday experience that reflects our commitment to customer engagement and community involvement.

Place

Our restaurant is the most prominent place our new Chick-fil-A products can be distributed. Other places where we sell our products are food trucks, third-party delivery websites, and apps including but not limited to; Door Dash; Uber Eats; Postmates, and our Chick-fil-A One mobile app. Hence, we are using a selective distribution channel.

We will use promotions to foster consumer involvement by focusing on a push marketing strategy using targeted emailing before to generate a pre-release buzz and the Chick-fil-A One mobile app to send free rewards (digital offer coupons) to give an exclusive aspect. We want to make our customers hyper-aware and make it as easy as possible for them to find us and our new products. We will also utilize pull marketing by placing ads for our new products on our social media platforms, Instagram, and Facebook, to target desired demographics, young families on Facebook and teenagers and young adults on Instagram.

Promotion

Our marketing communications goals are to generate awareness for seasonal products and focus on customer loyalty by retaining and gaining new Chick-fil-A One mobile app users. With increased consumers using social media before they make purchases, we must develop our local social media presence.

To measure advertisement effectiveness, we will engage in the following. For targeted emailing, we will look at the conversion rate for the number of people who downloaded the mobile app from emails and the forward/share rate from the original recipient to a new person. With around 5000 people on our email list, the goal conversion rate would be 12% or 600 people, and 6% or 300 people is our forward/share rate goal.

The Chick-fil-A One mobile app allows us to send out free items to customers. To promote new things and the Chick-fil-A One app, we will be implementing Mobile Mondays, in which we send free seasonal items to customers who place mobile orders on Mondays. We will also be surprising mobile order guests with cookie/brownie/shake rewards at random days and times throughout the month. We can measure this through our software that controls the app specific to Chick-fil-A Muskogee and Spotlight and aim to keep reward redemption rates above 35%.

With social media ads and regular daily content from our marketing assistant, we aim to reach new customers. Because of this, we want to focus on the reach of our non-followers, which can be shown on Facebook and Instagram ads and our daily posts. Since we have not stepped into this advertising area at Chick-fil-A Muskogee, which could create a conflict in the return on investment of our marketing budget. To combat this, we hire our marketing assistant to implement daily social media posts and schedule and maintain advertisements across platforms. The positive here is that we are charged per click or by how many people we pull into our advertising, meaning we are “getting what we pay for.”



Our goal is broadly to advertise our seasonal products but be selective on our social media channels to target the age group of 19-29 to push the overarching goal, the Chick-fil-A One mobile app. This will be measured on our Spotlight software but tracked by the marketing team. The following numbers represent the advertising budget allocation per month for each aspect. Social Media 46.88%, Coupons 15.63%, & Wages 37.55%.

Key Takeaways

- i. **Customer Analysis**
 - Our clientele spans millennials, mothers, families, and the middle/upper-middle class. Millennials are tech-savvy, fueling our social media and Chick-fil-A One app traction. Mothers steer meal choices, finding resonance in our family-friendly ethos. Speed and convenience define their preferences. The middle/upper-middle class is discerning, with disposable income for regular dining. Millennials seek to segregate food from societal debates, while moms and families grapple with multifaceted responsibilities.
 - 2022 feedback pegs customer satisfaction at 89% overall, 95% for taste, 92% for service speed, 96% for indoor cleanliness, 87% for outdoor cleanliness, and 97% for service quality. Enhancements in overall satisfaction and service speed are targets. The Chick-fil-A One loyalty program fosters repeat business and spontaneous rewards.
- ii. **SWOT Analysis**
 - Strengths include brand heft, market entry potential, global acclaim, an expansive customer base, and robust finances. Challenges comprise talent retention and supply chain agility. Opportunities lie in tapping low-end patrons and leveraging community engagement. Threats encompass criticisms, talent dearth, location constraints, and health-conscious shifts.
- iii. **External Concerns**
 - Inflation impacts pricing structures, necessitating adaptive strategies. Sociopolitical tumult and cancel culture mandate vigilance. The Chick-fil-A One app's technological challenges demand resolution. Cultural shifts and legal reversals, such as Roe V. Wade and marriage bill debates, shape customer attitudes.
- iv. **Supply Chain and Distribution Channel**
 - LEAN principles drive inventory optimization. Streamlined demand forecasting, precise stock measurement, and cost-efficient distribution form our strategy.
- v. **Competitors**
 - McDonald's (1.2 miles away) and KFC (2.3 miles away) are significant rivals. McDonald's leads in revenue globally, serving millions daily across 100+ nations. KFC ranks second, excelling in chicken offerings.



- vi. **Segmenting**
 - Families, brand loyalists, and convenience seekers form our current customer segments. Families favor our ambiance and play areas. Brand loyalists prioritize taste and responding to social media prompts. Convenience seekers value quick options. Millennials and tech-savvy individuals are focal points due to their digital fluency.
- vii. **Targeting**
 - Families lead financially, while millennials show growth potential. Brand loyalists serve as experimentation platforms. Millennials and tech-savvy patrons are critical, aligning with our digital strategy.
- viii. **Positioning**
 - Exceptional taste, premium ingredients, immersive experience, and unmatched service define our high-quality/high-price stance. Our integrated strategy renders us peerless, bolstered by rigorous advertising and social media presence.
- ix. **Product & Pricing Strategy**
 - Seasonal offerings capitalize on preferences. Spring touts Chicken Salad Sandwich, summer flaunts spicy chicken strips, fall introduces Kid's Chick-fil-A Chicken sliders, and winter tempts with raspberry white chocolate chunk cookies.
- x. **Place**
 - Selective distribution spans our restaurants, food trucks, and third-party platforms. Facebook, Instagram, and social media bolster product access.
- xi. **Promotion**
 - A push-pull strategy drives app engagement. Targeted emails, in-app messaging, push notifications, Mobile Mondays, and surprise rewards foster app use. Social media amplifies seasonal offerings, and the Chick-fil-A One app. Enhanced drive-thru options enhance mobile orders.

Action Plan

Our first objective is to appoint a marketing implementation team. We will create two new positions under the sales and brand growth director, the marketing director, and an advertising and social media assistant. We aim to allow our sales and brand growth director to delegate more minor aspects of their responsibilities to achieve success. This will allow more time for the sales and brand growth director to solve problems and more collaboration within the department. The sales and brand growth director will oversee the hiring and training of these new employees. We hope to find suitable candidates by the end of quarter one in 2023.

Our second objective is to increase users of the Chick-fil-A One app. App marketing uses communication based on behavior to drive loyalty and retention. In running app marketing campaigns like in-app messaging and push notifications, we can retain that engagement crucial to usage. Within our analytics, we can use audience segmentation to determine audience attributes



and create targeted, personalized campaigns that most users will be interested in. We will push messaging campaigns to re-engage users who have fallen out of the desired funnel, remind those who last opened our app a while ago, and notify users of important updates to seasonal products. Implementation of the social media strategy is due at the end of quarter one in 2023, regardless of hiring a marketing director.

Finally, our third objective is to increase drive-thru mobile orders with the Chick-fil-A One app. We will start a new social media campaign surrounding our Chick-fil-A One mobile app and seasonal products. In addition, we will place advertisements on Facebook and Instagram promoting the Chick-fil-A One app. Engaged users will talk about us on social media, share great experiences, and help our digital word-of-mouth. Guests who do this are also more apt to share screens from our app. Social is not just a channel for marketing our app; it is a piece of the engagement process that should support increased usage. We will also add a third lane to the drive-thru to create a “mobile express.” We hope that this move will encourage not only current app users to cut the line but allow team members to encourage non-users who may be frustrated by the wait to download the app and place a drive-thru mobile order. Implementation of the social media strategy is due at the end of quarter one in 2023, regardless of the hiring of an advertising and social media assistant.

