

McDonald's: Data-Driven Insights Support McDonald's Delivery Rollout and Investment Strategy

The Opportunity

McDonald's faced two challenges in expanding McDelivery: understanding its impact on delivery and non-delivery stores to guide future rollouts, and identifying high-performing store attributes to support delivery expansion and engage franchise owners.

Additionally, the head office aimed to maximise ROI by clustering restaurants based on performance data for targeted refurbishments.

“To summarise I would say:

- Incredibly professional
- Incredibly articulate in their findings and presenting their findings
- Very diligent in the work that has gone on in the background with the analysis that they have done.”

- Daniel Smith, Head of Business Insights, McDonalds

The Solution

Driving Growth with Targeted Store Rollout and Performance Analysis

McDonald's engaged Beyond to develop a decision support solution that would track store performance, particularly in relation to the introduction of delivery services, and provide actionable insights. The solution included:

1. Cosine similarity model for store comparison: Beyond utilised a cosine similarity model to compare stores based on performance metrics, highlighting common characteristics between top and bottom-performing stores.

2. Performance tracking and analysis: The model identified which stores were most and least suited for delivery rollout by comparing similarities to existing delivery-enabled locations.

3. Actionable insights for targeted improvements: These insights helped McDonald's engage franchise owners in the rollout and identify key stores for further investment and refurbishments based on their performance potential.

The Results

The data-driven solution provided McDonald's with the clarity and insights needed to support major business investment decisions:

1. Identified high and low-potential stores: The similarity model effectively distinguished which stores were best suited for McDelivery rollout, allowing McDonald's to expand the service strategically.

2. Enhanced franchise engagement: The insights helped franchise owners understand the rationale behind delivery rollouts, improving buy-in and collaboration.

3. Targeted refurbishments for additional ROI: McDonald's was able to target specific stores for refurbishments and other business opportunities based on clear data, maximising return on investment and optimising store performance across the network.