

1. McDonald's "Seniors" Restaurant

Lisa Aham manages a McDonald's restaurant in a city with many "seniors." She has noticed that some senior citizens have become not just regular patrons, but patrons who come for breakfast and stay on until about 3 p.m. Many of these older customers were attracted initially by a monthly breakfast special for people aged 55 and older. The meal costs \$1.99, and refills of coffee are free. Every fourth Monday, between 100 and 150 seniors jam Lisa's McDonald's for the special offer. But now almost as many of them are coming every day—turning the fast-food restaurant into a meeting place. They sit for hours with a cup of coffee, chatting with friends. On most days, as many as 100 will stay from one to four hours.

Lisa's employees have been very friendly to the seniors, calling them by their first names and visiting with them each day. In fact, Lisa's McDonald's is a happy place—with her employees developing close relationships with the seniors. Some employees have even visited customers who have been hospitalized. "You know," Lisa says, "I really get attached to the customers. They're like my family. I really care about these people." They are all "friends," and it is part of McDonald's corporate philosophy (as reflected in its website, www.mcdonalds.com) to be friendly with its customers and to give back to the communities it serves.

These older customers are an orderly group and very friendly to anyone who comes in. Further, they are neater than most customers and carefully clean up their tables before they leave. Nevertheless, Lisa is beginning to wonder if anything should be done about her growing "non-fast-food" clientele. There's no crowding problem yet, during the time when the seniors like to come. But if the size of the senior citizen group continues to grow, crowding could become a problem. Further, Lisa is concerned that her restaurant might come to be known as an "old people's" restaurant—which might discourage some younger customers. And if customers felt the restaurant was

crowded, some might feel that they wouldn't get fast service. On the other hand, a place that seems busy might be seen as a "good place to go" and a "friendly place."

Lisa also worries about the image she is projecting. McDonald's is a fast-food restaurant (there are more than 35,000 of them serving more than 65 million people in more than 119 countries every day), and normally customers are expected to eat and run. Will allowing people to stay and visit change the whole concept? In the extreme, Lisa's McDonald's might become more like a European-style restaurant where the customers are never rushed and feel very comfortable about lingering over coffee for an hour or two! Lisa knows that the amount her senior customers spend is similar to the average customer's purchase—but the seniors do use the facilities for a much longer time. However, in actuality, most of the older customers leave McDonald's by 11:30, before the noon crowd comes in.

Lisa is concerned about another possibility. If catering to seniors is OK, then should she do even more with this age group? In particular, she is considering offering bingo games during the slow morning hours—9 a.m. to 11 a.m. Bingo is popular with some seniors, and this could be a new revenue source—beyond the extra food and drink purchases that probably would result. She figures she could charge \$5 per person for the two-hour period and run it with two underutilized employees. The prizes would be coupons for purchases at her store (to keep it legal) and would amount to about two-thirds of the bingo receipts (at retail prices). The party room area of her McDonald's would be perfect for this use and could hold up to 150 persons.