FEEDING THE RESTAURANTS OF THE FUTURE
WITH DATA-DRIVEN ANALYTICS

PROFILE

Founded in 1955, McDonald's has generated a total of US$19.21 billion in 2020 from over 39,198 restaurants worldwide. The iconic golden arches arrived in Singapore in 1979 and now serves an average of 1.2 million customers each week across 135 restaurants.

CHALLENGES

Data managed in different systems with little interoperability.

Reliance on manual processing with limited resources.

Delays in data reporting and duplication of data.

THE SOLUTION

With almost six million transactions a month, McDonald's Singapore processes large amounts of data every day. In order to build a firm foundation for data-driven decision making, McDonald's kick-started a three-phase, large-scale digital transformation.

- **Phase 1:** Consolidated different datasets and built a platform for data analysis and management.

- **Phase 2:** Consolidated separate customer databases into an integrated digital customer data and engagement platform.

- **Phase 3:** Used digital solutions to build a holistic view of employees and provided management insights to better manage talent.

BENEFITS

Stronger customer experience that drives retention and loyalty.

Better, faster business decisions through **improved** efficiencies.

> Digital transformation needs to be planned out with the end customer journey and objectives in mind. We hope to power our business so that we can be more agile, customer centric and relevant to our customers' and business needs in this rapidly changing environment.
>
> **Mr Benjamin Boh, General Manager, McDonald's Singapore**

It is no secret that fast food is a huge industry with a mind-boggling number of customers and employees. In fact, globally, the industry generates over US$570 billion in revenue—more than the economic value of some countries.

McDonald's, a titan in an already thriving industry, generated a total of US$19.21 billion in 2020 from over 39,198 restaurants worldwide.

Founded in 1955 as a single barbecue restaurant by two brothers in California, their popular burgers and fries have since made their way around the globe popping up everywhere from an aeroplane in New Zealand to a historic heritage site in Paris.

The iconic golden arches arrived in Singapore in 1979 and now serves an average of 1.2 million customers each week across 135 restaurants.

After more than four decades, the secret sauce to McDonald's success in the country can be attributed to their determination to keep pace with changes in customer preferences and technology.

One key way McDonald's Singapore is moving towards the future is by using data analytics to deliver stronger customer service and increase operational efficiency.

Challenges

With almost six million transactions a month, McDonald's Singapore processes large amounts of data every day. However, with global and local enterprise platforms at varying stages of development, data was historically managed in different systems with little to no interoperability.

Because certain platforms ran on legacy technology, the systems could only be supported by limited internal resources and often required manual processing.

This resulted in multiple versions of the same data as well as lag time in data reporting. McDonald's Singapore found themselves increasingly reliant on external third parties to extract, analyse and report any valuable insights.

> " "We needed to future-proof our platform capabilities to enable the business and different functional stakeholders to be more efficient in the use of data and make better and faster decisions that positively impact the business." "
>
> **- Mr Benjamin Boh, General Manager, McDonald's Singapore**

The Solution

Three-phase digital transformation

The company finally took steps to address these siloes and build a firm foundation for data-driven decision making. Accordingly, McDonald's Singapore has kickstarted a three-phase, large-scale digital transformation.

The first phase will focus on consolidating different datasets into a single warehouse as well as building a platform to manage, analyse and visualise mounds of data for real-time insights.

Serving up better customer experiences

But beyond upgrading outdated systems, digital transformation also offers the company a fresh opportunity to serve up stronger, more seamless customer experiences.

This is where the second phase then begins; to consolidate the once-siloed customer database across different locations, McDonald's Singapore will be setting up an integrated digital customer data and engagement platform. As part of the second phase, the franchise will be collating various kinds of information, including transactional data from restaurants, McDelivery and the McDonald's App as well as product-level data.

Moving forward, the company will also be working to amass relevant third-party data to further enrich insights into customer profiles and behaviour.

"The end goal is to transform our customer experience, delivering one that drives retention, loyalty and customer lifetime value."

"We hope to power our business so that we can be more agile,

customer centric and relevant to our customers' and business needs in this rapidly changing environment," said Mr Boh.

A holistic view of staff

The third and final phase will then entail using digital solutions to build a holistic view of all crew and employees, providing management with the insights needed to better manage talent — from recruitment all the way to retention.

While execution started rolling out only recently, the McDonald's Singapore team had meticulously planned for this even before. Indeed, they have already gained valuable insights into the digitalisation process and utilising data—from the importance of planning to the value of having the right data.

"Digital transformation needs to be planned out with the end customer journey and objectives in mind," shared Mr Boh.

"With that clarity, the next important thing is ensuring you have the right resources and executive sponsor who can drive the transformation."

From the experience of Mr Boh and McDonald's Singapore, it is clear that in order to truly taste the benefits of data analytics, planning is key. By setting up a strong digital foundation, the road to data-driven analysis will surely be smooth.

Looking to make better use of your data?

The Better Data Driven Business (BDDB) programme aims to help SMEs use their data to make better business decisions. Find out more at **www.imda.gov.sg/bddb.**

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