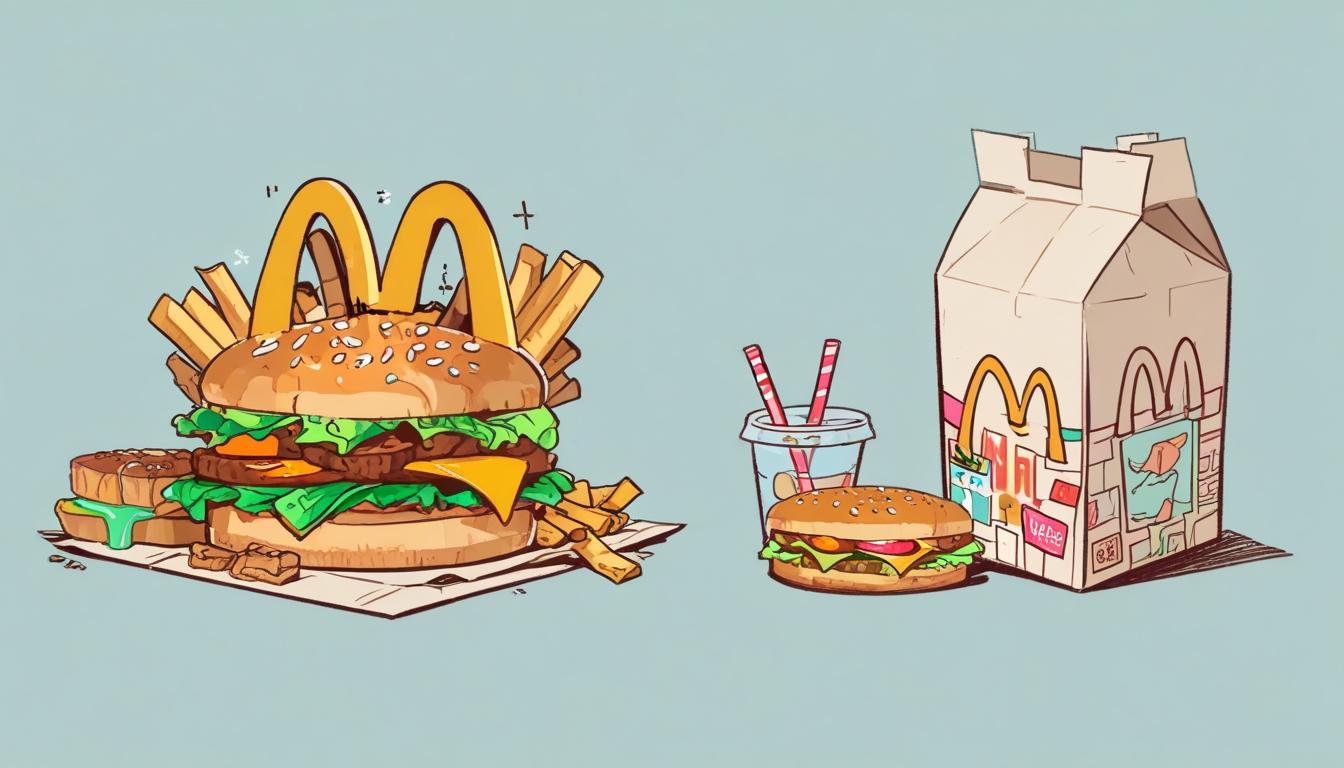
# McDonald’s franchisees regain momentum with new promotions and menu launches



McDonald’s franchisees are reporting a renewed sense of optimism as the company approaches its second-quarter earnings announcement on 1 May, following a challenging start to the year marked by volatile sales trends and external pressures. Analyst Peter Saleh from BTIG recently updated on the franchise landscape, indicating improved momentum driven by a series of brand initiatives and promotional efforts.

In February, conditions remained uncertain due to elements such as unseasonably cold weather in January and the residual impact of an E. coli outbreak last October that affected Quarter Pounder products. This incident had caused a dip in sales and customer traffic through late 2024, with U.S. same-store sales dropping by 1.4 percent in the fourth quarter and guest counts falling particularly among lower-income brackets. However, since then, several factors have contributed to a gradual sales rebound.

A significant element in this recovery has been McDonald’s introduction of a suite of value-focused offerings, which include the $5 Meal Deal, a platform that unites various discounts such as app-based offers, local food and drink specials, and a Buy One, Add One for $1 option during breakfast and lunch or dinner. These value deals accounted for about a quarter to 30 percent of sales by early 2025, a higher proportion than the company’s historical discount mix. Franchisees have expressed generally positive views on the $5 Meal Deal, with some markets extending the promotion through the end of the year.

In addition to value-driven promotions, McDonald’s has reoriented attention towards full-price items that appeal to core customers. Notably, the launch of McCrispy Strips is being received favourably by franchisees. This product, a revamped version of a chicken item previously offered as Chicken Selects until 2013, comprises 100 percent white meat coated with breading and black pepper, complemented by a new Creamy Chili Dip. Available in three- or four-piece servings, the strips are set for nationwide rollout by 4 May. Saleh cited one franchisee’s expectation of a 2 to 2.5 percent uplift in sales from this relaunch. Alyssa Buetikofer, McDonald’s chief marketing and customer experience officer, highlighted the strategic focus on chicken due to remarkable demand across the quick-service sector and McDonald’s strong positioning, with the McCrispy Chicken Sandwich brand valued at $1 billion and available in over 70 markets globally.

Another full-price product set to return is the Snack Wrap, once a popular menu item but withdrawn from most U.S. menus by 2016. Plans to reintroduce the Snack Wrap before October aim to meet longstanding consumer demand and add a price-friendly option for customers. This approach reflects efforts to balance value offerings with new or revitalised menu options that can grow customer spend.

A noteworthy short-term driver of sales growth was the Minecraft promotion launched on 1 April, involving a “Minecraft Movie Meal” consisting of a Big Mac or 10-piece Chicken McNuggets, medium fries, a drink, and limited-edition collectibles. This marketing effort led to a notable surge in visits, with a 12.2 percent increase on the launch day compared with the average Tuesday visit count for 2025, followed by sustained elevated traffic in subsequent weeks. Franchisees reported “immediate gain” and strong family engagement, though the adult collectibles sold out within two weeks.

Breakfast, long viewed as McDonald’s most profitable daypart, also received renewed attention. Franchisees expressed support for the company’s first national campaign in several years to celebrate its 50th anniversary, recognising the need to regain sales lost to competitors like Wendy’s amid changes in commuting patterns and remote working.

Another development facing mixed reactions is the ongoing rollout of Krispy Kreme doughnuts across McDonald’s outlets. As of early 2025, nearly 2,000 locations offer this product, a significant expansion from 1,000 in 2024, with the aim of reaching around 6,000 by the end of 2025 and over 12,000 by 2026. While some franchisees appreciate the collaborative marketing and expanded menu appeal, others have reported sales disappointments and supply chain challenges, including delayed market launches and inconsistent product availability. Krispy Kreme’s CEO Josh Charlesworth acknowledged that demand at McDonald’s dipped slightly below expectations due to the absence of national marketing and emphasised ongoing efforts to build awareness during the local rollout phase.

Regarding macroeconomic factors such as tariffs and trade disruptions, franchisees generally expressed limited concern. While McDonald’s imports certain components for toys, packaging, equipment, and some food ingredients like potatoes and beef, the system benefits from domestic manufacturing alternatives. Electronic components present some uncertainties due to dependencies on Chinese manufacturing, but overall, tariffs have not been pressing issues within the franchise network.

On operational matters, McDonald’s recently paused its usual 10-year lobby remodel requirement until the Worldwide Convention set for spring next year, potentially easing capital expenditures for franchisees in the near term. Franchise-to-franchise restaurant transfers remain active, with 843 transfers reported in 2024, up from 672 in 2023 but fewer than 1,169 in 2022.

Expansion continued in 2024 with McDonald’s increasing its U.S. footprint by 102 net restaurant locations, reaching 13,559 outlets. This growth was primarily on the franchise side, with 115 new net franchise units opened, while company-owned restaurants retracted by 13. This represents the most substantial calendar-year increase since 2013.

Peter Saleh summarised the current outlook, explaining to QSR Magazine: “It’s often said in quick service that you either have momentum or you don’t, and the feeling from franchisees was they lost their momentum to Wendy’s and Taco Bell in the fall and winter due to the E. coli incident, but are now getting it back.” He noted that following a choppy Q1 with weather-related and calendar pressures, April’s gains driven by the Minecraft promotion and full-price launches indicate a promising trajectory heading into the second quarter of 2025.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.qsrmagazine.com/story/mcdonalds-is-finally-regaining-momentum-franchisees-say/> - This article corroborates the renewed optimism among McDonald's franchisees due to recent brand initiatives and promotional efforts, such as the Minecraft promotion and the launch of McCrispy Strips.
2. <https://corporate.mcdonalds.com/corpmcd/our-stories/article/investor-update-2023.html> - This update provides information on McDonald's strategic future direction and growth targets, reflecting its focus on brand growth and expanded offerings.
3. <https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds_PurposeImpact_ProgressReport_2023_2024.pdf> - This report details McDonald's efforts in incorporating climate goals across operations, highlighting the company's commitment to sustainability.
4. <https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds_PurposeImpact_ProgressSummary_2022_2023.pdf> - This summary highlights McDonald's philanthropic efforts, such as donations to RMHC, which underscore the company's community involvement.
5. <https://www.noahwire.com> - This source mentions ongoing trends in the quick-service industry, including McDonald's strategies and franchise performance.
6. <https://downloads.regulations.gov/FTC-2023-0026-0040/attachment_1.pdf> - This document provides insights into franchise agreements and the operational structure of McDonald's franchises, supporting claims about franchise dynamics.
7. <https://news.google.com/rss/articles/CBMilAFBVV95cUxPblNuUXBRWjd2MkZoenpDd0hQUk1zcWJKcV96N0JHWGlCdVAtTkszVEtfMEQ0UU1KNnNYT3hQTlJoVFFoaUpaaUdLYUpJaVNmUkpFdTRxa0V6QUtPU0Y5T1BvZDVjM3FySjJhTmFpbUNzOGJ3V3pFc2diQ3h6emdEdFJXeUpMVWUtMlB4dTNOTE9JWDQ3?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data