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Higher ad budget for McDonald's

Golden Arches targets 50 franchised outlets by 2012

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PETALING JAYA: Golden Arches Restaurants Sdn Bhd, the operator of McDonald's in Malaysia, is increasing its advertising and promotion budget by over 10% this year compared with last year's RM35mil budget to strengthen its position and woo more customers.

Managing director Azmir Jaafar said given the current economic slowdown, the company had to do more although business was still positive with more new outlets planned this year and in the future.

"We plan to expand from 17 franchised outlets to 40 to 50 in three to four years," he told *StarBiz* yesterday.

McDonald's currently had 186 outlets nationwide, serving about 6 million customers per month and employing about 8,000 workers, he said.

"In the last 12 months, 13 new outlets opened in Malaysia employing 1,000 people. We are still focusing on densely populated areas like the Klang Valley, Penang and Johor Baru for new outlets and currently, our market share for these areas is more than 45%," he said.

He added that McDonald's Malaysia was targeting 15% increase in its business this year as the current market situation was a bit difficult.

"For the last three years, we achieved more than 20% growth

(annually) but this year, our target is a bit lower due to current market condition. However, we believe there are still opportunities to grow much bigger and the target growth of 15% this year is achievable," he said.

McDonald's Malaysia is targeting to open 10 to 15 new outlets annually and currently, the company is investing about RM5mil per year for training and development.

Meanwhile, McDonald's Malaysia yesterday hosted a media visit to its main supplier MacFood Services Sdn Bhd's food processing plant in Subang.

MacFood Services is ISO9001:2000 certified and has been awarded the Veterinary Health Mark by the Veterinary Services Department.

Azmir also said all products served at McDonald's outlets strictly conformed to the Islamic Halal requirements by Jakim (Department of Islamic Development Malaysia).



Azmir Jaafar ... We are targeting 15% increase in business this year