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May 25, 2004

To our friends and fellow McDonalds franchise owners:

All of us are acutely aware of the challenges we face in keeping our individual franchises profitable. Thankfully, our basic image is still bright and for thousands of people, McDonalds is still the place to go for quality food.

Though our basic image is bright, we have looked at many ways to improve our "on site marketing" which for most of us leaves a little to be desired. Many customers do not realize that we have new or seasonal products on a regular basis and I dare say that a lot of our customers do not know about them until they are at the drive up menu and near ready to order. Then the turmoil and indecision makes them anxious that they not hold up the line behind them while the kids make up their minds again and the whole experience is not as pleasant as it should be. Advance notification, then is not only informative but comforting as well. This is where "on site marketing", particularly letting customers or even potential customers know what we offer, especially if it is something new or different, becomes most important.

We "took a chance" with an addition to our standard monument sign which gives us the opportunity to let customers or potential customers know that one of our "standard" products is on special or that we have something new to offer. The addition is a message center, which can be easily programmed to notify all that we have something new or that some of their favorite products are "on sale".

We have been pleased with results of this new (for us) medium. We have yet to do some more formalized marketing studies but our tracking studies show that the specials we have shown on the panels have increased sales of that product by 3 to 5 percent and in some instances have sold out the particular product. We are learning too that customers are asking more about the advertised items and mention that they will watch the panel to see when the particular item is on sale again. Obviously, we are excited about the potential value of this new product to our bottom line financially but also of its value to our customers and loyal friends.

It is important to us that we have used a quality product, supplied and installed by a McDonalds authorized sign contractor so that we are assured that it will serve us well.

The short-term experience with this new "tool" is exciting. The long-term experience should be valuable.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Johnson".

Doug Johnson
Owner/Operator