



*Leo Burnett*

## Marketing Society Awards 2023

Brand Evolution

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Getting customers Lovin' it again,  
And keeping them Lovin' it.  
No matter what.



# Executive Summary

## It's hard to imagine McDonald's not being a thriving part of everyday British life.

In 2023, it's a cultural institution, considered as "British As Fish And Chips"<sup>1</sup> and a retail power brand serving 2.3 million customers a day.

However, 16 years ago, things were very different.

McDonald's was more "national pariah" than "national treasure" and, pretty soon, business as usual would have meant no business at all.

## This is not just another brand turnaround story.

This is a story about how McDonald's not only rebuilt its brand, but then continued to evolve it; ensuring an unparalleled run of growth, despite 3 successive seismic shocks to its surrounding cultural and competitive contexts (Figure 1).

## This is the story of McDonald's 16 years of brand evolution.

It shows how by defining a simple new approach to brand-building, then ceaselessly pushing it to respond to its ever-changing operating context, McDonald's successfully re-earned its place in the hearts of the nation, and never let it go.

It also proves how this delivered 54 quarters of unbroken growth and £5.4bn of additional net revenue (Figure 2) – making this the most effective case-study for any restaurant brand in UK marketing history.

## This is the story of how we got customers Lovin' It again, and kept them Lovin' It, no matter what.

Word Count: 212

1. The Guardian, 2020



Figure 1. The 3 seismic shocks that McDonald's brand evolution triumphed over

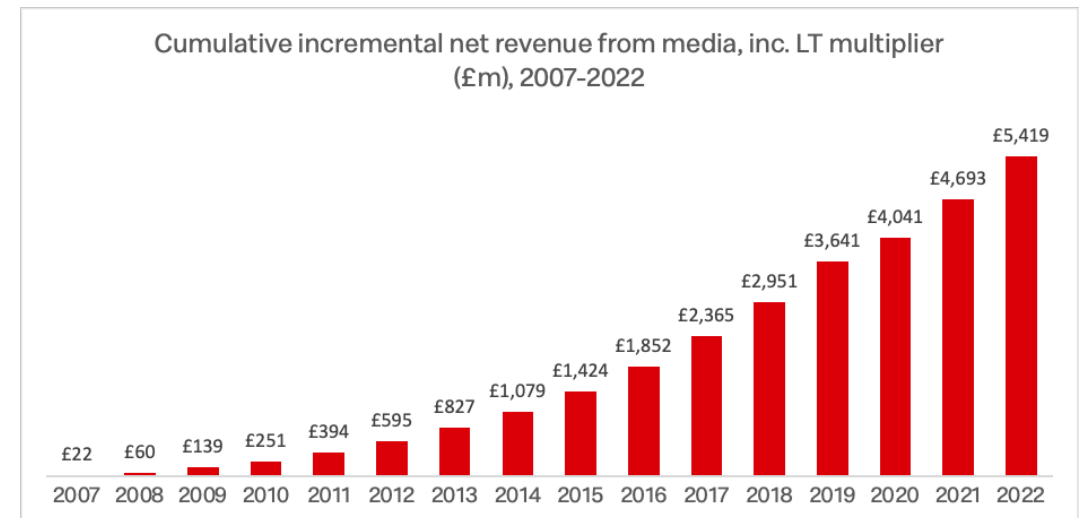


Figure 2. Source: Mindshare, Gain Theory, Analytic Partners & OMD

# The Commercial Challenge

## In 2006, the brand with the Big Mac was in big trouble.

McDonald's was in the middle of a "McCrisis." Half a decade of cultural outrage had taken its toll and, for the first time in its UK history, visits were falling and sales revenue stagnating (Figures 3 & 4).

The business's first reaction was to get its house in order. In a system-wide overhaul, it fixed the fundamentals: redesigning supply chains, nutritional profiles, staff training and restaurants.



Figure 3. Source: McDonald's

## Then all eyes turned towards marketing.

The mandate was to drive increases in customer visits and sales revenue. But there was a twist. For the first 32 years of its existence, McDonald's UK's growth had been driven almost exclusively by restaurant openings. But, in 2006, the business changed strategy, to pursue the more profitable approach of increasing revenue within the existing estate<sup>2</sup>.

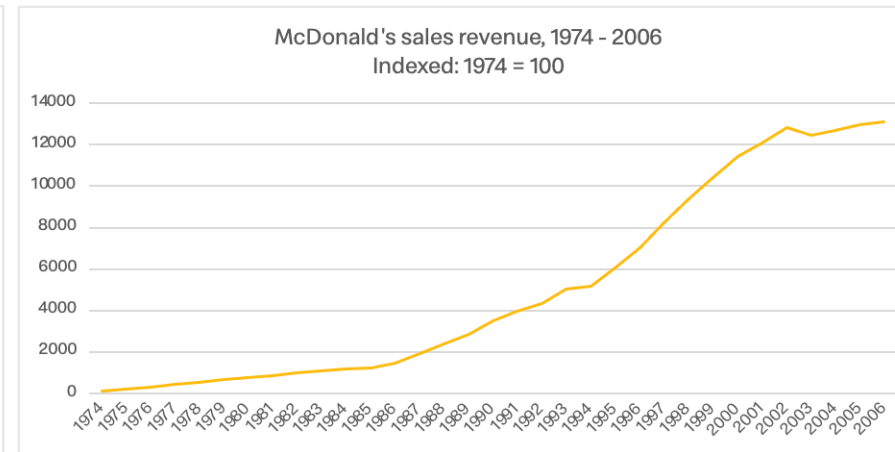


Figure 4. Source: McDonald's

## We had our work cut out.

From pushing restaurants on to customers, we now had to pull customers into restaurants. This gave us what continued to be our commercial mission, for the next 16 years:

Return McDonald's  
Sales Revenue To  
Growth

+  
Continue This  
Growth



By Driving  
Customer Visits

Despite no further  
expansion of estate

Figure 5. Commercial Mission

<sup>2</sup> As, whilst opening a new restaurant almost guarantees new customer visits, it also incurs significant capital expenditure.



# The Commercial Challenge

## This came with an ambitious target.

The business would judge success vs “sales revenue per restaurant.”

For the previous 32 years, this metric had barely moved (Figure 6) but, now, to ensure growth returned to previous levels, we needed to:

**Increase sales revenue per restaurant by 30%, within 5 years**

Then, when this was achieved, ongoing growth became the business’s primary concern. Accordingly, the target was reset to:

**Drive an additional 30% increase**

-

**For each 5 year period that followed**

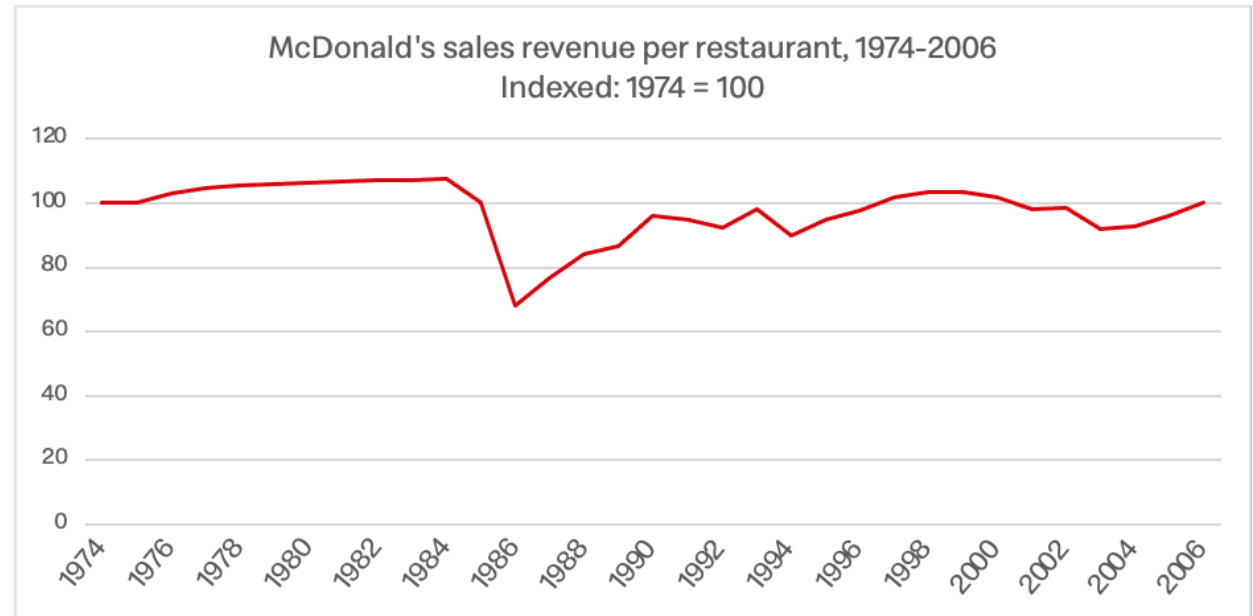


Figure 6. Source: McDonald's



# The Brand Challenge

## New growth required new pulling power.

Public goodwill for the McDonald's brand had run dry<sup>3</sup>. To understand this further we conducted qualitative and U&A research<sup>4</sup>. These studies defined the category's two primary drivers of visitation - **Love & Trust** – and revealed that, between 2002 and 2006, McDonald's scores for these had sunk to record lows, with Love declining from 39% to 25% and Trust from 28% to 18% (Figure 7). In fact, McDonald's rates of Love & Trust were now the lowest in the category.

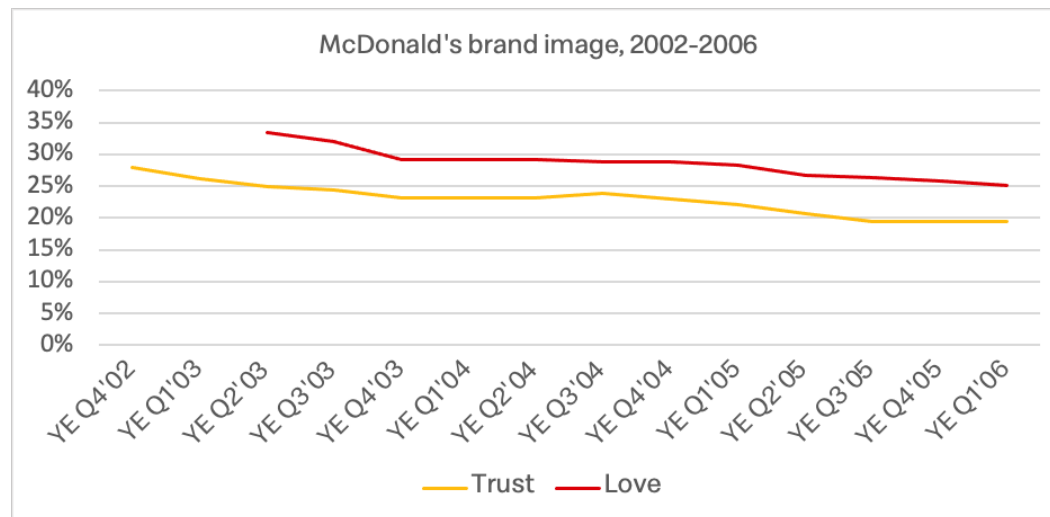


Figure 7. Source: TNS FastTrack (McDonald's brand tracker)

## We needed to get customers Lovin' It and Trustin' It again!

To revive McDonald's commercial growth, we resolved to do the same for Love & Trust. We also realised we'd never again be able to rest on our laurels. As in all relationships, nurturing Love & Trust would now be an ongoing commitment. Our brand mission was clear:

**Re-earn McDonald's place in the hearts of the nation.  
And never let it go.**

3. McDonald's own research revealed that 44% of the brand's customers were now openly critical of the brand.  
4. Bespoke 'Usage & Attitude' study, sample of 4000 customers, 2006.



Figure 8. The McCrisis

# The Brand Challenge

**This required a brave change in communications philosophy.**

McDonald's UK had previously used advertising as a promotional tool, but now it needed something different: emotional brand building communications.

The board took some convincing. They struggled to believe this type of communication could pull hard enough and there was little evidence to persuade them otherwise. It'd be another 7 years before "The Long And The Short of It" was even published!

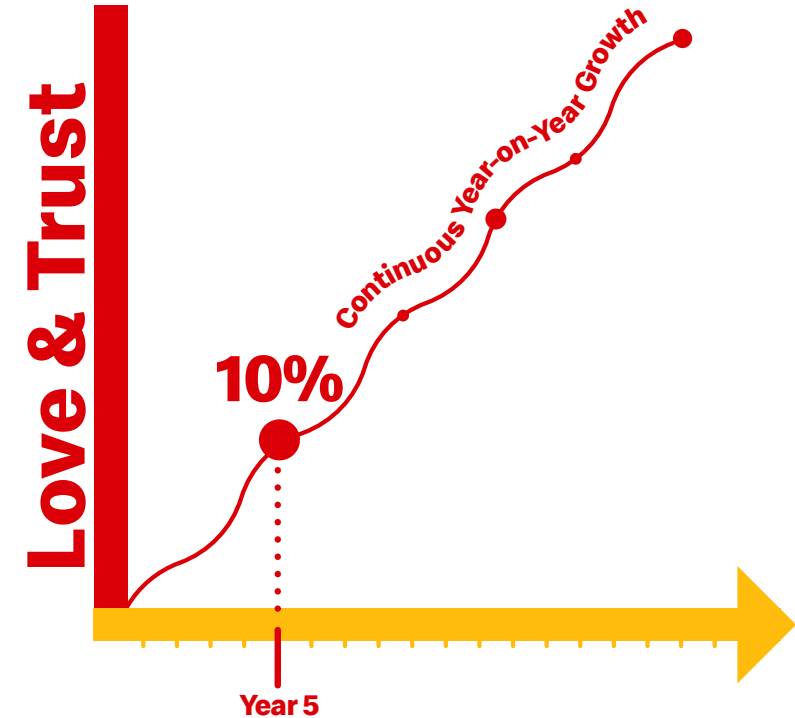
**Eventually, the business made a leap of faith.**

There were just a few conditions. Firstly, these new comms had to deliver the same short-term sales as the existing promotions. Secondly, they would be expected to reverse brand metric decline, setting ourselves the target:

**Grow Love & Trust By 10 percentage points, within 5 years.**

Once this had been achieved, these targets were then refocussed on:

**Continuous Year-on-Year Growth.**



# The Recipe for Brand Building

To fulfil our new philosophy and kick-start McDonald’s evolution we developed a bold new recipe for brand-building. At its heart were 3 simple ingredients that, once combined, gave us our “Secret Sauce.”

## 1. The McDonald’s Pillar Model.

This framework fundamentally refocused McDonald’s investment in communications. Until then, the business had invested in two strands of promotional advertising: “Value” and “Variety.” However, this now added two new strands of brand-building: “Favourites” (i.e. Love) and “Trust”.

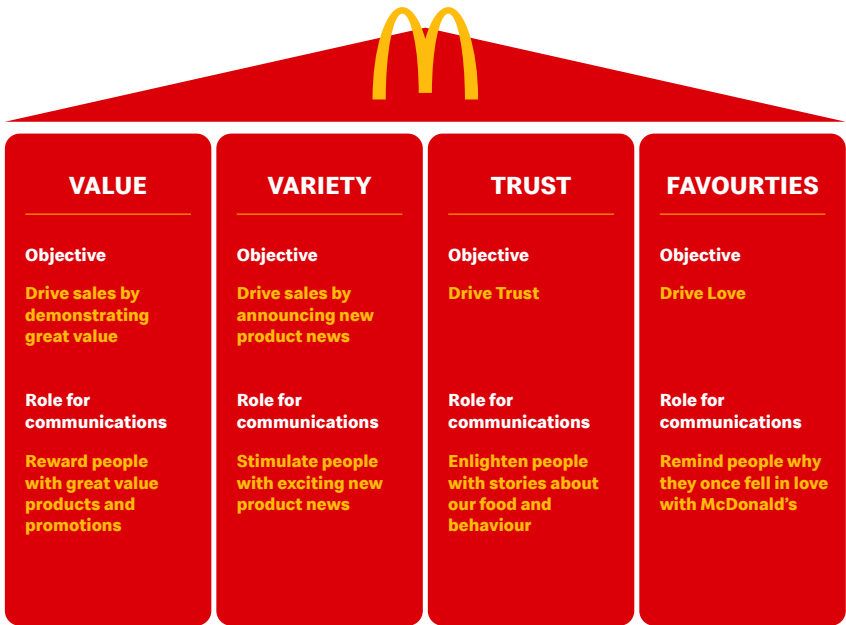


Figure 9. The McDonald’s Pillar Model.

We made these pillars brutally simple - ensuring crystal-clear focus and instant usability. They even led to a restructuring of our marketing department, with each pillar given its own team and budget.

Finally, we brought them to life with an all new media approach:

EMOTION AT SCALE	
Reaching The Hearts Of The Nation	To reach the broadest possible audience, we laid-down a broadcast approach cemented in TV, OOH and Print; upweighting investment in brand pillars as they were proven to pay back
Being Where Life Was Happening	To ensure cultural scale and resonance, we aligned our spots with "event TV" programming, from the nation's favourite soaps to the weekend's biggest shows
Keeping Our Gestures Grand	To ensure emotional impact, we negotiated the most premium spots & spaces for every touchpoint. i.e. first in break (TV & radio), early in book (print), most prominent panel (OOH)
Entering Into Digital	We began to employ digital video and new social channels (Facebook and YouTube) as their reach was proven, and tested digital display as an extension of print

Figure 10. The new media approach for brand-building



# The Recipe for Brand Building

## 2. The Signature Tone.

At the height of the crisis, we met with the exec team. We all reluctantly agreed that McDonald's had unwittingly acquired a personality disorder – it had become, “aggressively defensive<sup>5</sup>.”

To reconnect, our comms now had to bravely drop-the-front and own the brand's problems, with a tone that was:

### “Confidently Humble”

This inspired more than a little nervousness. In truth, this level of humility would've challenged most big brands, but for McDonald's in 2006 it felt akin to running across a battlefield unarmed and naked!

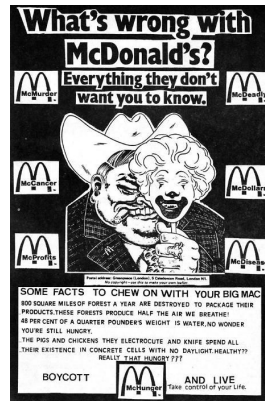


Figure 11. The leaflet that had first inspired McDonald's “aggressively defensive” personality disorder



The Big Nothing, 2009



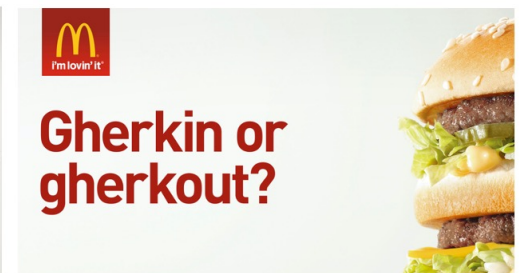
Figure 12. We deployed our “Confidently Humble” tone - with its iconic combination of naked humility & self-assured simplicity – across both new brand pillars



Planting, 2010



A-Z, 2011



Favourites, 2007

5. Specifically, we reflected on the PR surrounding “McLibel” – the longest-running libel case in UK history, wherein McDonald's had spent close to a decade suing two environmentalists for the distribution of a defamatory leaflet.

# The Recipe for Brand Building

## 3. The Signature Insight.

To re-earn McDonald's place in the hearts of the nation we had to show it cared. To achieve this, we chose to fuel our emotional brand communications with deep human insight.

The hallmarks of this were:

### i. Hearts Not Smarts

*We weren't interested in how clever they were – we only cared if our insights could spark real emotion in the hearts of real people.*



*Just Passing By, 2009*

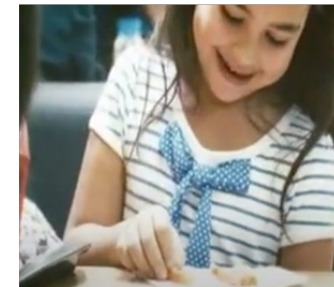


*Figure 13. The hallmarks of McDonald's brand-building insights*



### ii. Universal To British Life

*We had ignored our place in society for too long – now we intentionally looked to reconnect with it.*



### iii. Of The Brand

*Running against prevailing wisdom, instead of mining for insights within wider culture, we ensured ownability by finding them in the culture already surrounding the brand.*



# The Recipe for Brand Building

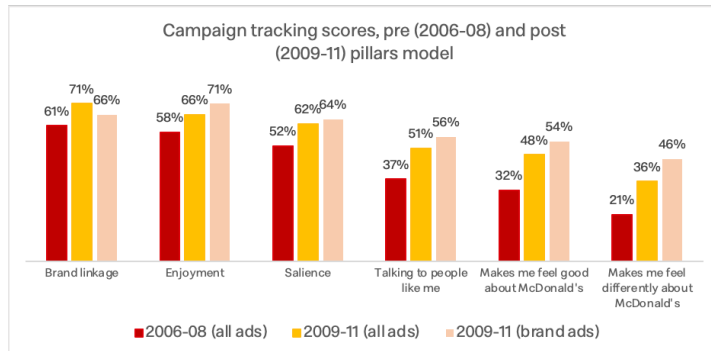


Figure 14. Source: HPI

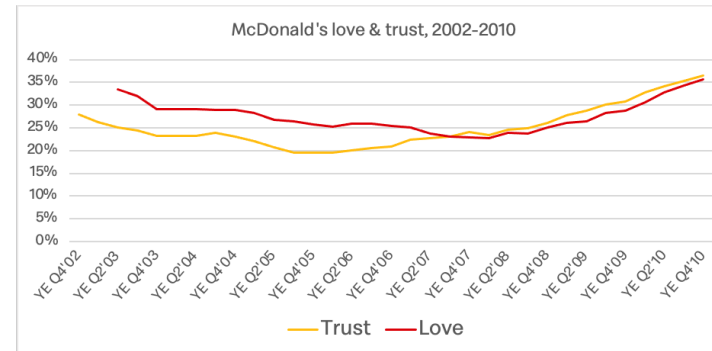


Figure 15. Source: TNS Fast Track

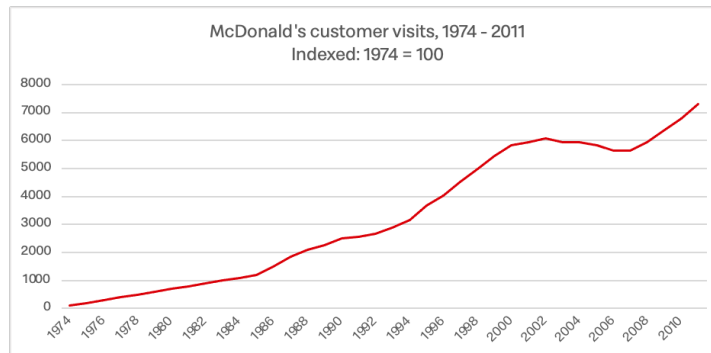


Figure 16. Source: McDonald's

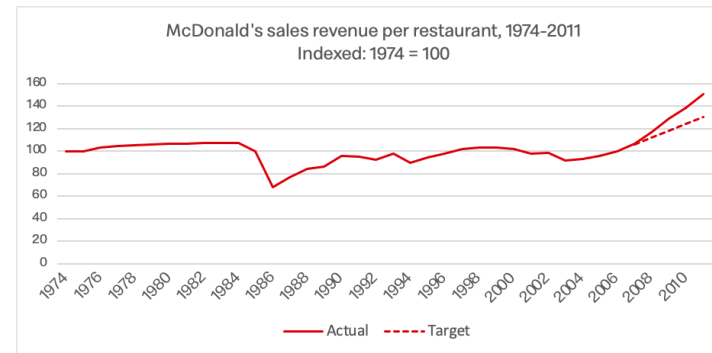


Figure 17. Source: McDonald's

## And that was it.

No fancy positioning tool or complex brand book. Just 1 foundational recipe, made from 3 simple ingredients and a great deal of faith!

## It showed early signs of strength.

Campaign tracking revealed that our new approach outperformed McDonald's previous advertising, by up to 74% against key measures (Figure 14).

This reversed the declines in Love & Trust – in fact, by 2010, both were higher than they'd been in 2003 (Figure 15). This new brand strength then translated into improved pulling power, with customer visits returning to growth (Figure 16).

Finally, we beat our commercial objectives. In fact:

**Between 2006 and 2011, Sales Revenue Per Restaurant increased 50%.**

## The Secret Sauce was here to stay.

The new pillars didn't just deliver the short-term returns of previous campaigns, but set all new records, with ROI nearly doubling from £2.34 (2007) to £4.46 (2011).

As promised, with each piece of positive proof, the exec incrementally upweighted spend until, eventually, the new recipe was fully embedded and ready to take us into the next decade.



# The Push

**The McDonald's brand had recovered from McCrisis, but its evolution had just begun.**

Over the next decade, we kept true to our simple recipe whilst also learning how to push and flex it to its limits<sup>6</sup>, looking to continue our growth no matter what lay ahead.

## Category Fragmentation (2012-2019)

By 2012, we began to see the impact of category fragmentation (Figure 18), with visit growth slowing by almost half (Figure 19, overleaf).

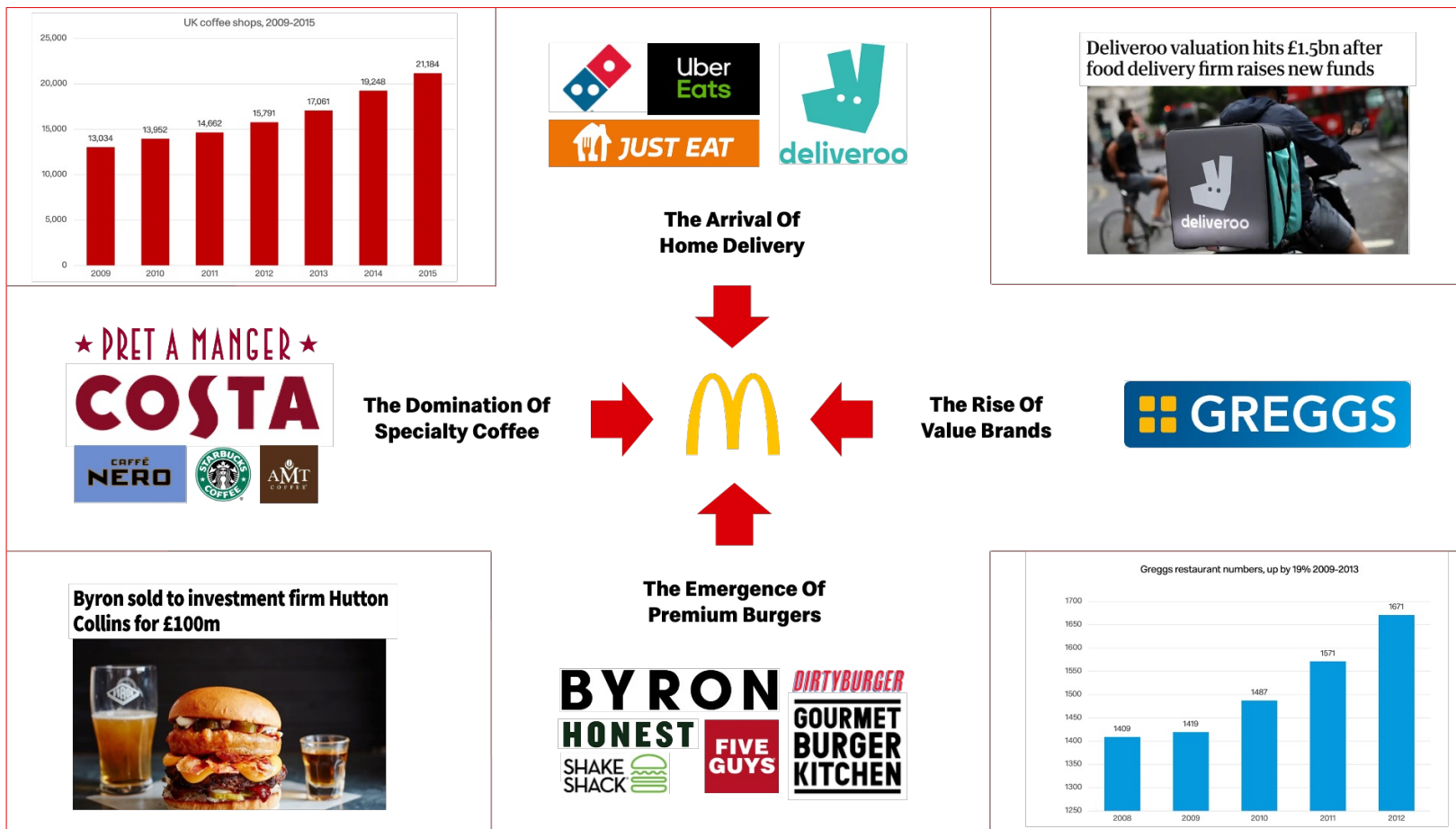


Figure 18. The IEO category from 2012-2019. Source: Statista

6. If the marketing literature of the day (Byron Sharp, How Brands Grow, 2010) was to be believed, all our ingredients needed now was time and repetition. However, we knew this was not enough.

# The Push

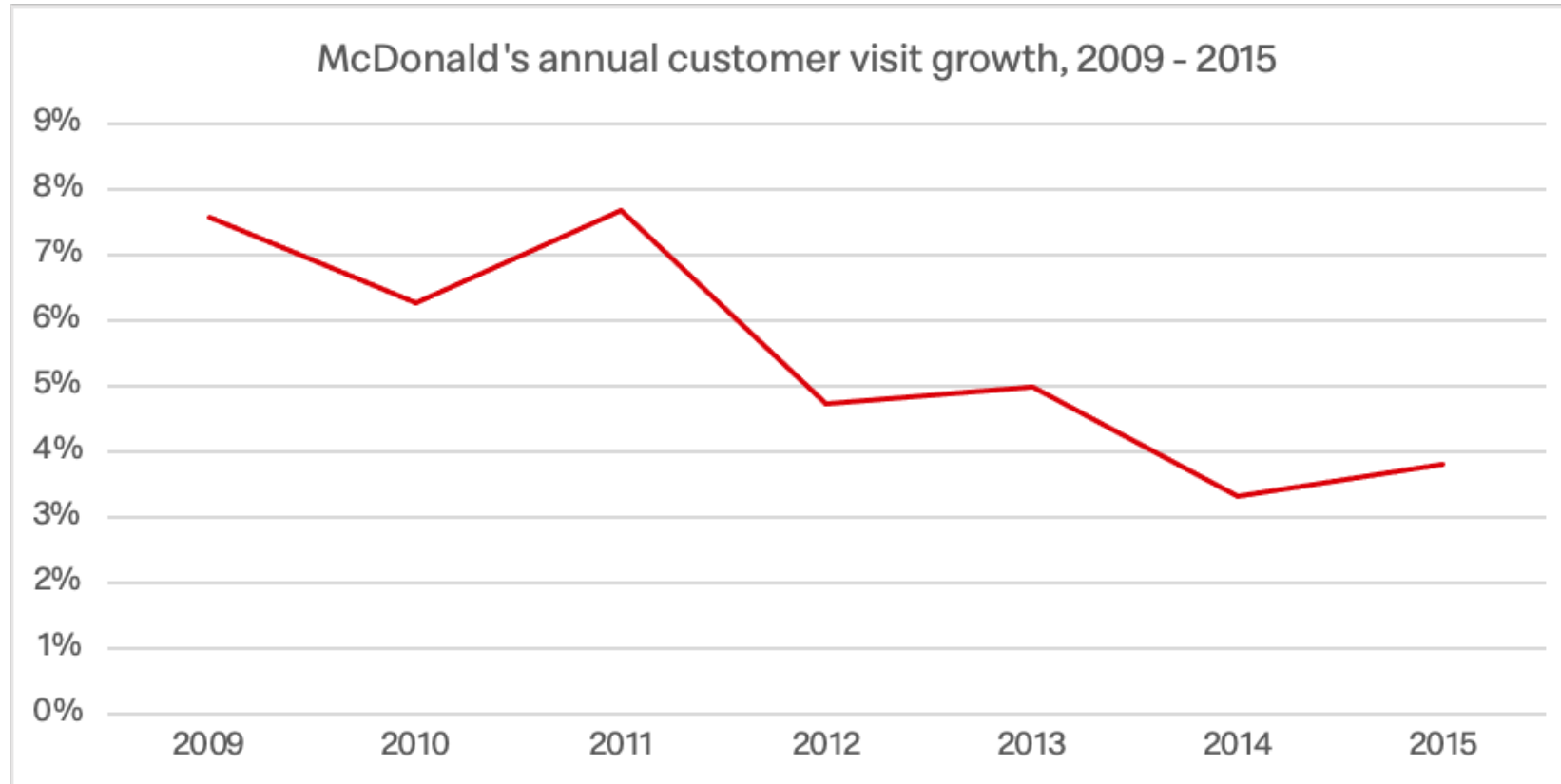


Figure 19. Category fragmentation hit hard, with visit growth slowing by almost half  
Source: McDonald's

# The Push

## The brand's pulling power had lost its edge.

The arrival of new category players had led to clear plateaus in Love & Trust (Figs 20 & 21).

To regain growth, we had to boost these metrics, whilst also limiting further losses to the emerging new occasions<sup>7</sup>. To achieve this, we learned to...

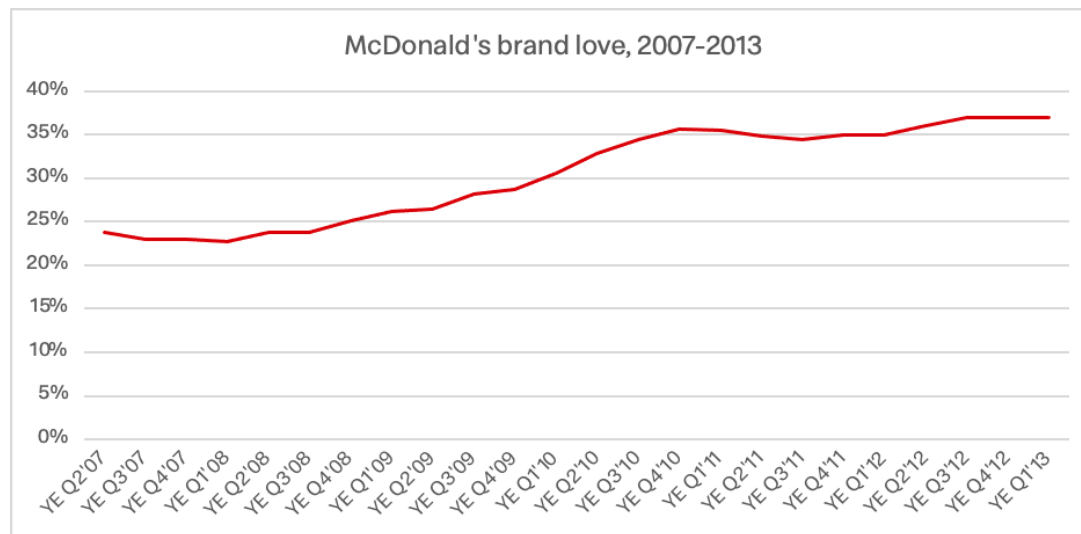


Figure 20. Source: TNS FastTrack

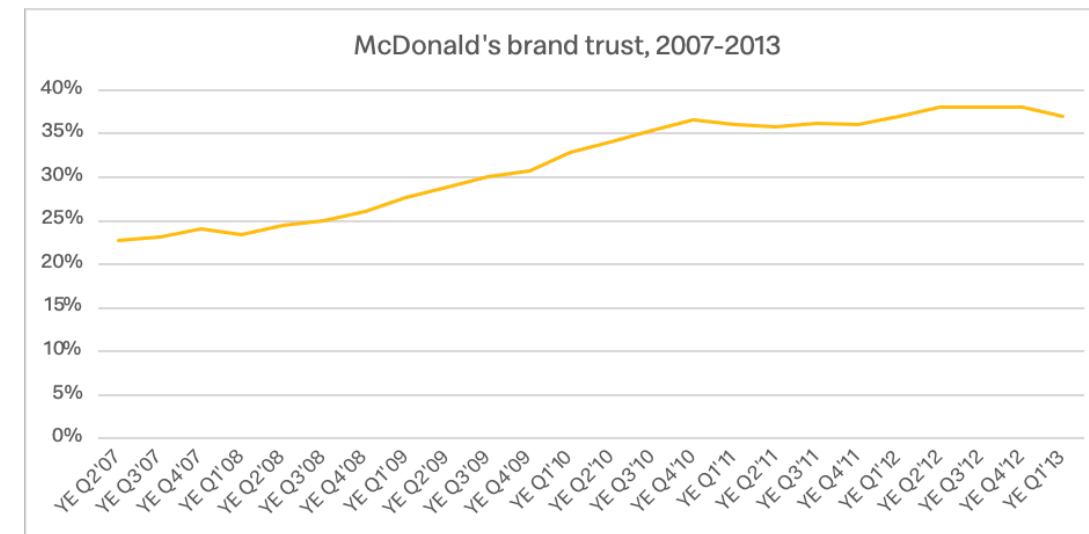


Figure 21. Source: TNS FastTrack

7. At the time, it was felt that McDonald's was unlikely to find new sources of growth in Coffee and Delivery. The assumption was that our food wouldn't travel well and our coffee credentials weren't strong enough to compete. However, to protect overall rate of growth, we were needed to at least limit further losses to these occasions.



# The Push

## 1. Push how broadly we used our recipe.

First, we restructured our pillar model: combining “Value” and “Variety” into a “Visit” pillar, and creating an “Establish” pillar focussed on embedding occasion associations (Figure 22). From there, we fuelled the lot with our new brand-building recipe - creating emotional platforms for McCafé, McDelivery, and Value.

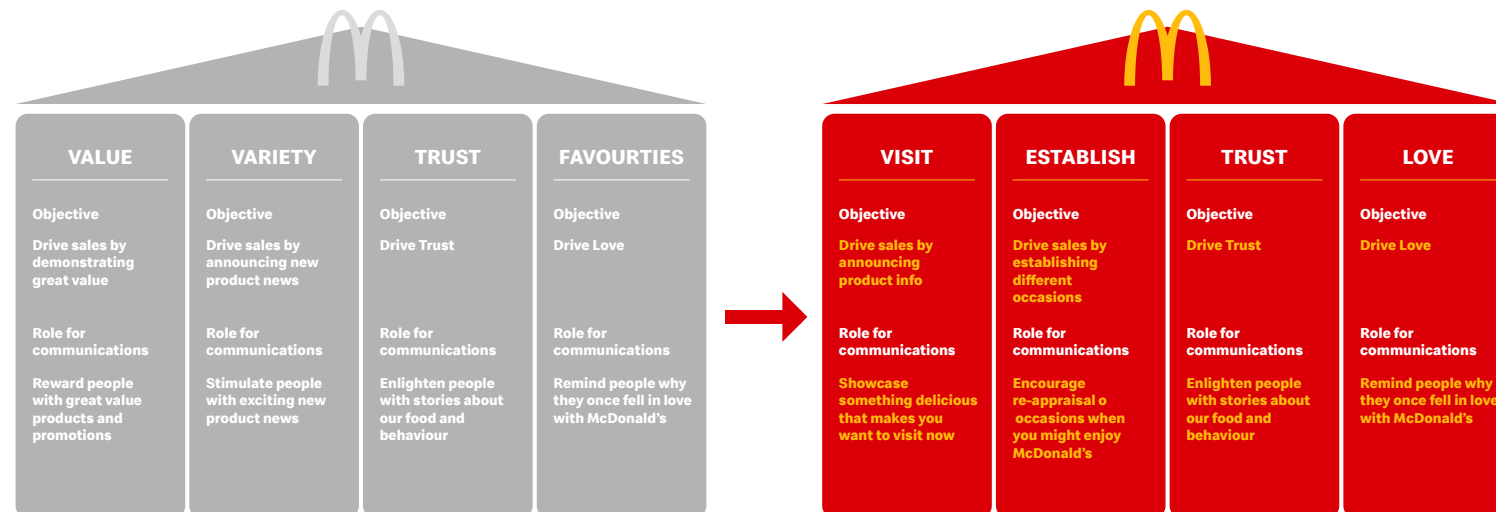


Figure 22. Evolving the Pillar model

Figure 23. Emotional brand-building platforms for McCafé, McDelivery, and Value



McCafé, "Great Tasting Coffee, Simple"



McDelivery, "We Deliver"



Value, "Like Getting Your Money's Worth"

# The Push

## 2. Push how far we flexed our recipe.

We had to learn how to flex our ingredients to the customer contexts surrounding the brand.

To drive Trust in the face of premiumisation, we pushed our “Confidently Humble” tone to give it a newly confrontational edge; confidently taking on negative food quality rumours, by embracing the naked truth (Figure 24).

Then, to do battle within emerging occasions, we pushed again – dialling up our humility to undermine the pretension of the coffee category and make Value customers laugh<sup>8</sup>, whilst also turbo-charging our confidence to ensure standout in the crowded delivery category.



Figure 24. Trust, “Good To Know”, 2015-2017

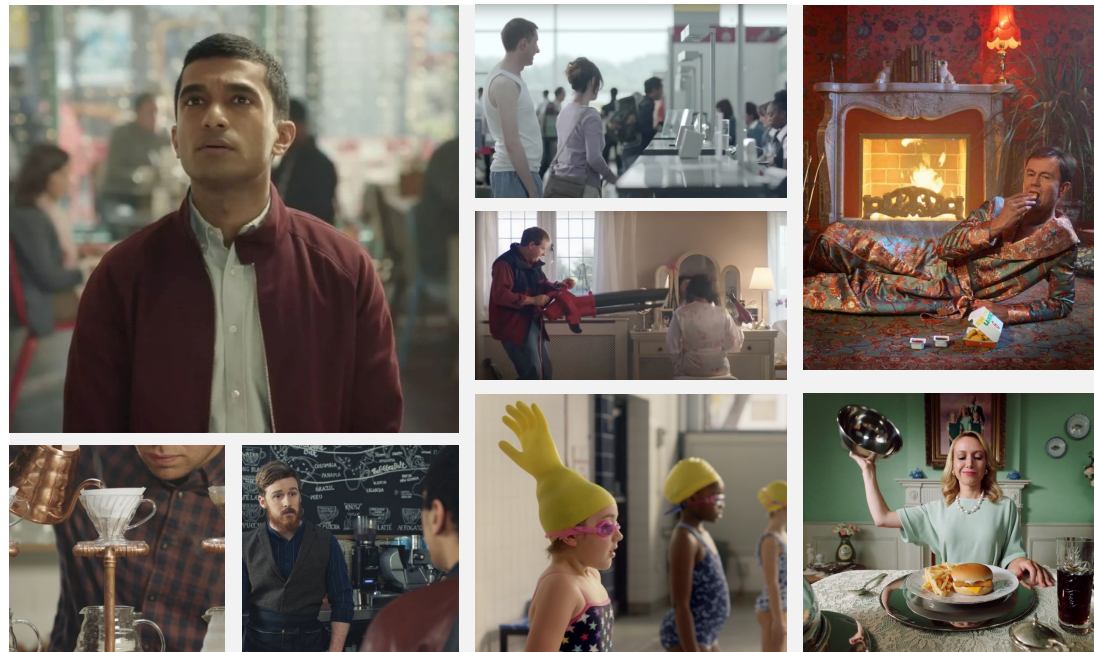


Figure 25. McCafé, “Great Tasting Coffee, Simple”, 2017-2020

Figure 26. Value, “Like Getting Your Money’s Worth”, 2014-2019

Figure 27. McDelivery, “We Deliver”, 2019

8. McDonald’s Value work had previously been very transaction-focussed promotional advertising, so this was a real shake-up.



# The Push

Finally, to drive Love, despite the distraction of all the new brands, we deeply reinvested<sup>9</sup> in ethnographic research to fuel our Love pillar with ever more emotionally resonant insights.



**First Day, 2012**  
Insight: 'Somewhere we always feel at home.'



**Dave, 2013**  
Insight: 'A bridge in even in the hardest of relationships.'



**Somewhere Near You, 2013**  
Insight: 'Not here for the big day, but the magic along the way.'



**Just Passed Test Drive Thru, 2014**  
Insight: 'The first place we all drive to.'

Figure 28. Ever deeper Love Insights



**Parallel Lives, 2014**  
Insight: 'We might be different, but this is where we meet.'



**Good Times, 2015**  
Insight: 'Where they can enjoy without rules.'



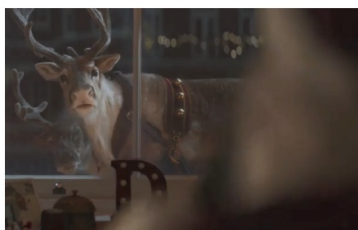
**Hunter Gatherer, 2017**  
Insight: 'Whatever you crave, McDonald's is there.'



**It Must Be, 2018**  
Insight: 'Some McDonald's moments are extra special.'



**N.B. We didn't always get it right.** In pursuit of deeper truths, it was easy to overstep (see 2017's, "Dad"). We made sure to learn from this and then just keep on pushing.



**Reindeer Ready, 2018**  
Insight: 'There whenever you need us.'



**Wedding Day, 2019**  
Insight: 'There through all of life's moments, big or small.'



**Hands Full, 2019**  
Insight: 'A rare moment to yourself you can depend on.'



**Reindeer Ready, 2019**  
Insight: 'McDonald's can unlock the childlike fun in all of us.'

9. Whilst we cannot disclose the amount invested, during this time period we drew extensively on partnerships with both Davies+McKerr and BAMM research agencies, routinely going into field to take the pulse of the nation.



# The Push

## The proof of the pushing.

Campaign metrics immediately displayed clear improvement and this was complemented by ROI growing 42%, 2013- 2017.

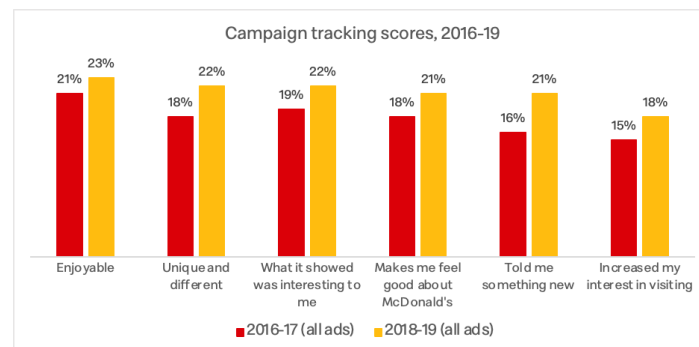
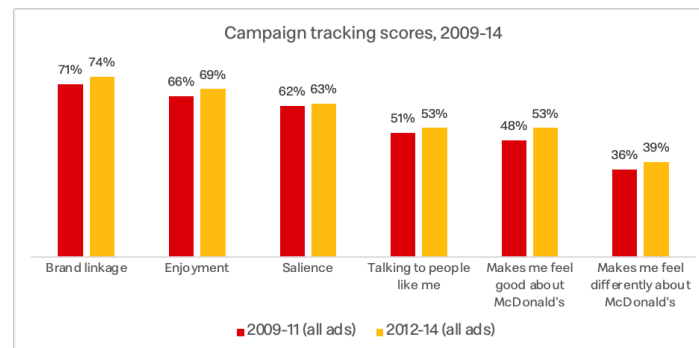


Figure 29 & 30. Due to a change in campaign tracking provider in 2016, we can't show a trend for the whole period. However, either side of this change, our key campaign metrics showed clear continuous improvement.

Sources: HPI and IPSOS respectively

As a result, Love & Trust grew 28% across the next 18 quarters (until Q2 2019), whilst associations with Coffee and Delivery increased 73% and 218% respectively, over the following 3 years.

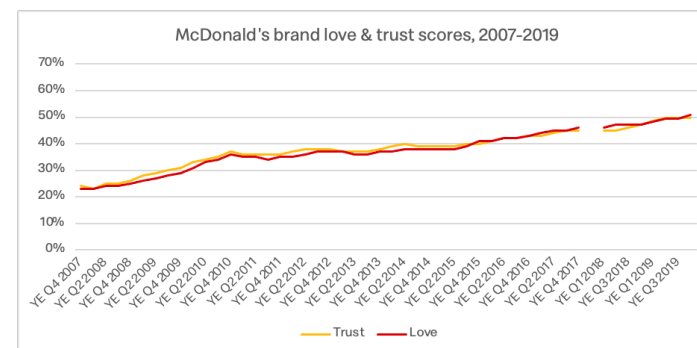


Figure 31. Sources: TNS FastTrack (2007-17), Kantar HOT (2018-19)

Finally, although visits nearly halved between 2009-11 and 2012-15, growth rates bounced back throughout 2016-19.

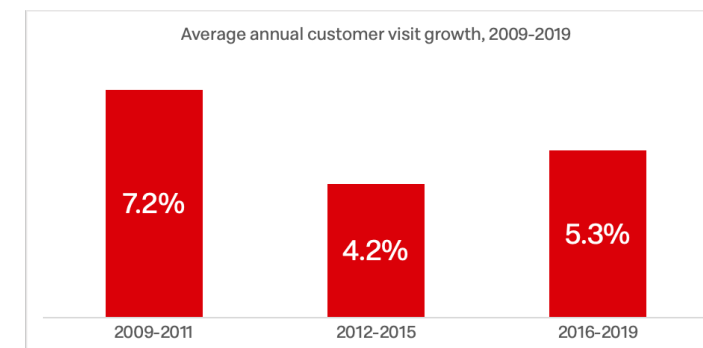


Figure 32. Source: McDonald's

# The Push

## Rebounding from Covid (2020-onwards)

We thought we'd seen everything, but then...Covid hit.

For 8 whole weeks, not a penny of revenue was taken and, every day, 2.3m visits were lost<sup>10</sup>. When the UK finally reopened for business, we looked to rebound visits and sales into growth. And fast!



Figure 33. Covid turned the category upside down

### **We saw a chance to claim emotional leadership.**

With competitors focussing on short-term promotions, we sensed an opportunity to steal a march with an unexpected investment in emotional brand-building<sup>11</sup>.

To ensure this resonated, we conducted nationwide ethnographic and quantitative research<sup>12</sup>. This revealed customers were now looking for reassurance (Figure 34) and gravitating towards the classic traits of strong leadership wherever they could find them (Figure 35). Even from brands<sup>13</sup>.

We wondered if McDonald's could now embody just a little of this in its comms...

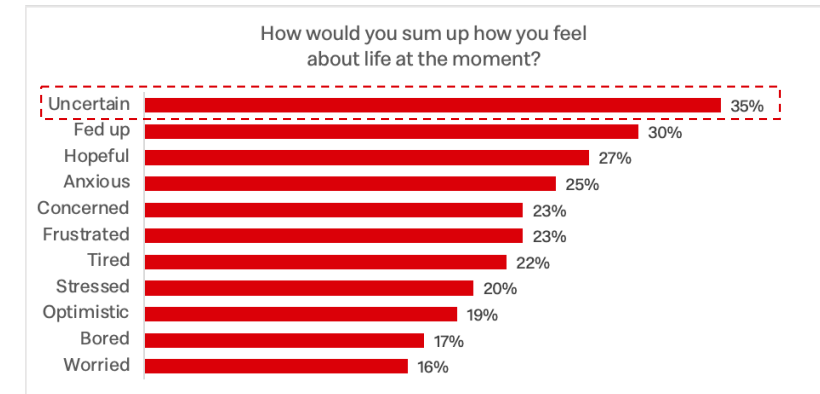


Figure 34. Source: Britain Thinks

**1. CONFIDENCE**

**2. COMPETENCE**

**3. COMPASSION**

Figure 35. The classic traits of strong leadership defined with Britain Thinks

10. Some directly to competitors who had chosen to stay open longer.

11. We invested 94% of our media budget in ATL brand-building that month - for comparison, Dominos spent in the ratio of 39:61 (AdDynamix, 2020).

12. Britain Thinks and Leo Burnett, 2020.

13. The Edelman "Trust Barometer 2020" later corroborated this, revealing that the public now expected brands to fill the leadership roles of public bodies, reassuring us that we were in no danger of overstepping.

# The Push

## So, we pushed our pillar model.

This meant simplifying and refining objectives in line with these new Covid-era customer needs.

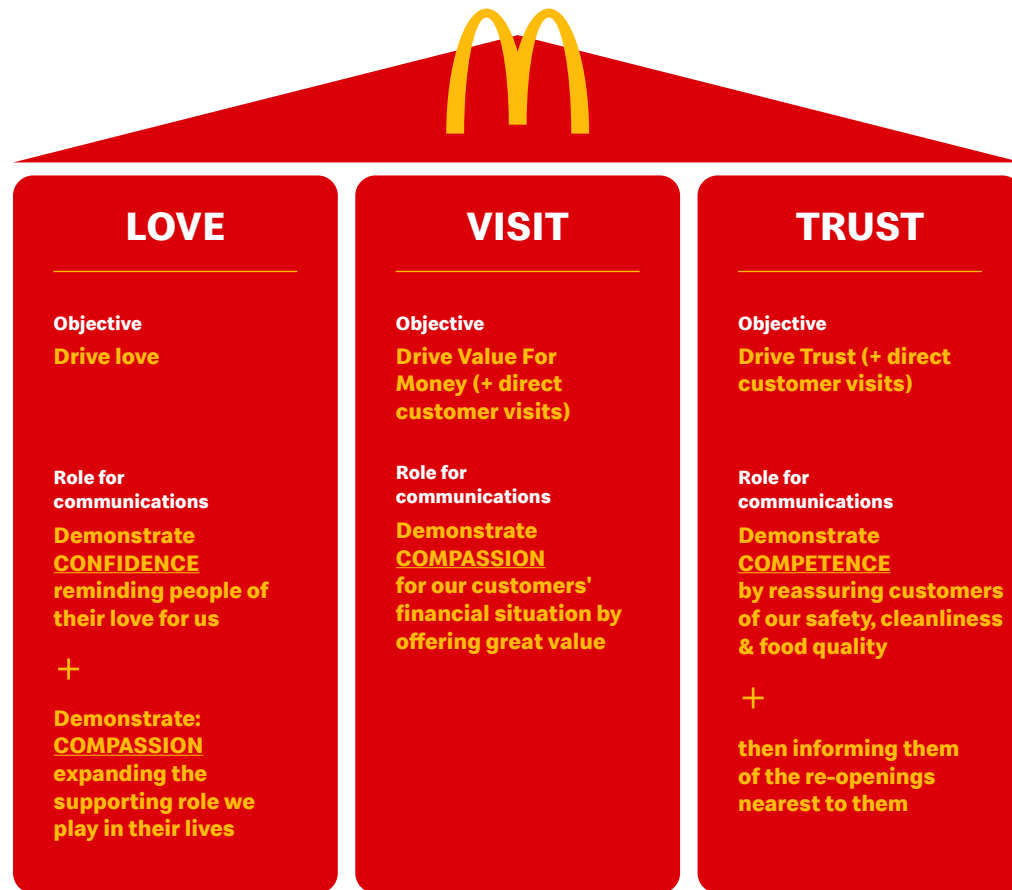


Figure 36. McDonald's Covid Pillars

## Then, to drive Love, we welcomed back with Confidence.

With a boldly Confident campaign showing real customers being joyously reunited with their "Maccas." It was still within our "Confidently Humble" tone, but we were certainly at the limit!

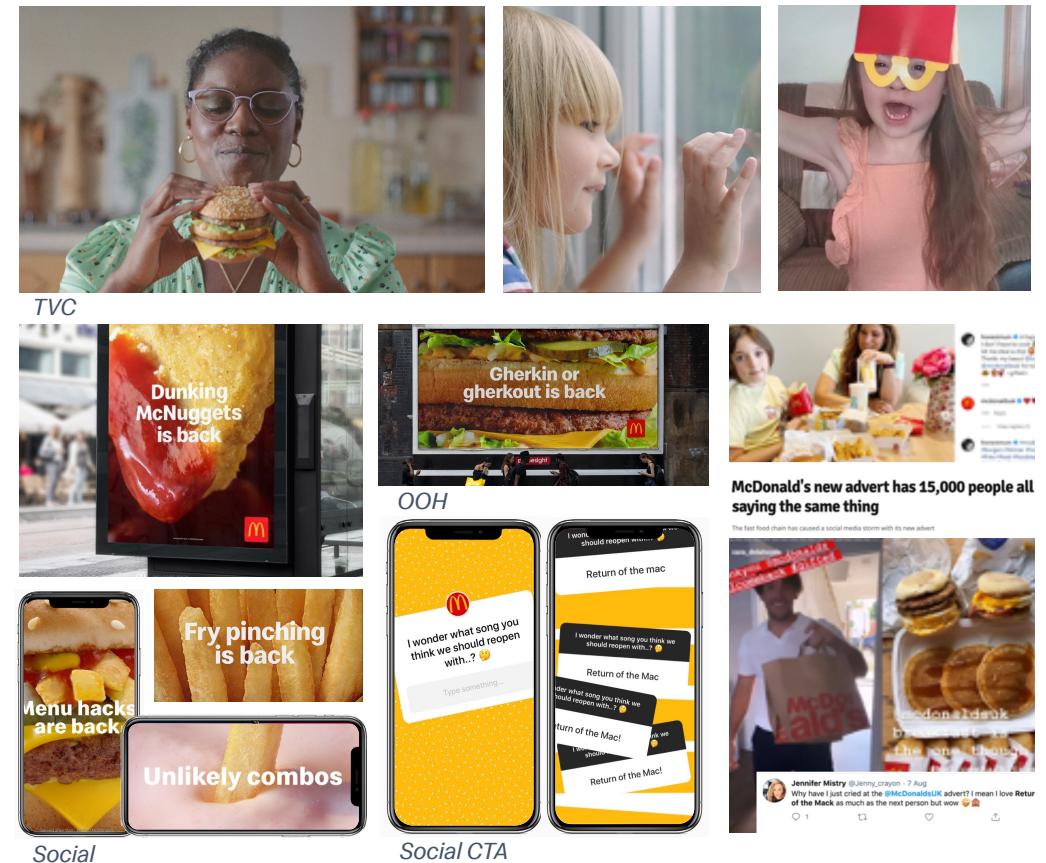


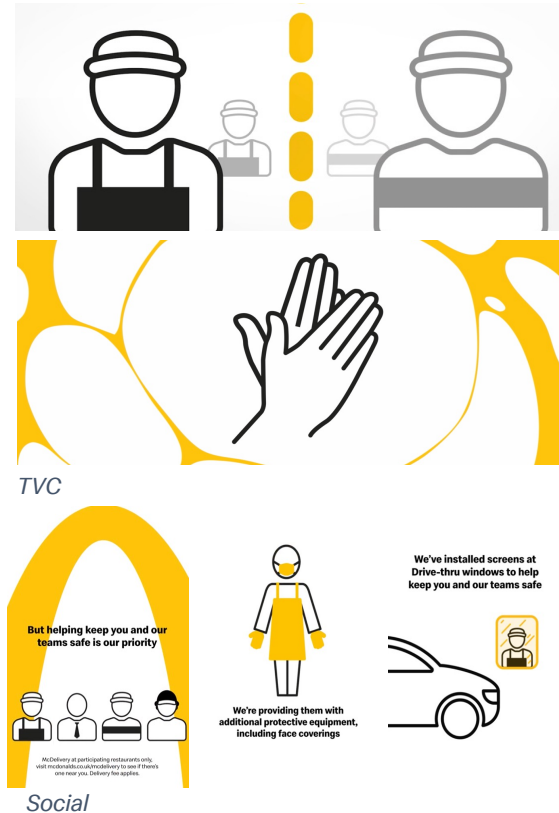
Figure 37. Driving Love with Confidence.



# The Push

## To drive Trust, we underpinned with Competence.

Simultaneously delivering a campaign of simple illustrated explanations of the reassuringly Competent measures we'd put in place to keep the public safe.



In-store

Figure 38. Driving Trust with Competence.

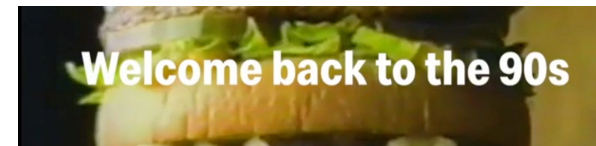
## And, to extend the Love, we provided ongoing Compassion.

Setting up a "Mood-of-the-Nation" tracker<sup>14</sup>, listening to what the public was going through and Compassionately responding with relevant pieces of positivity<sup>15</sup>.



## McDonald's joins Marcus Rashford with 1,000,000 free meals for families

Charitable acts



Eat Out To Help Out TVC



TVC



PR & Activation



OOH

Figure 39. Extending the Love with Compassion

14. Again, we did this with Britain Thinks, supplemented with ethnography from BAMB.

15. This included everything from free coffee for NHS workers; to alleviating lockdown boredom with DIY recipes and a Stormzy-headlined online music festival.

# The Push

We've continued this to this day, as we look to ensure our Love comms can always provide these little moments of feelgood whenever our customers need them most.



Raise Your Arches, 2022



Laughter, 2021



Fry Claims, 2022



One's lovin' it, 2022

Figure 40. McDonald's post-Covid Love comms



# The Push

## The big Push made a big impact.

Ad awareness quickly returned to pre-Covid levels<sup>16</sup>, with the highest scores for any UK advertiser two months in a row.

And it pulled hard, with campaigns delivering an average £3.69 ROI, and the reopening work specifically returning a whopping £5.14.

This drove Love & Trust to their highest ever levels, with the gap between them and McDonald's competitors<sup>17</sup> also growing to record highs (Figure 41).

Finally, emotional leadership translated into commercial leadership, as sales revenue rebounded to become 20% higher than pre-Covid (Figure 42) and market share reached its highest ever level<sup>18</sup> (Figure 43).

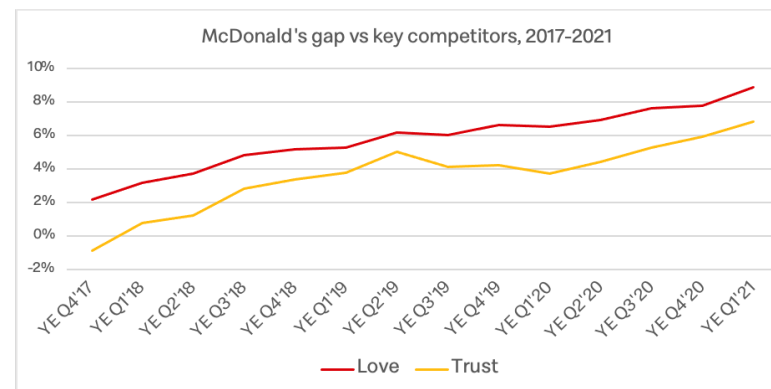


Figure 41. Source: Kantar HOT

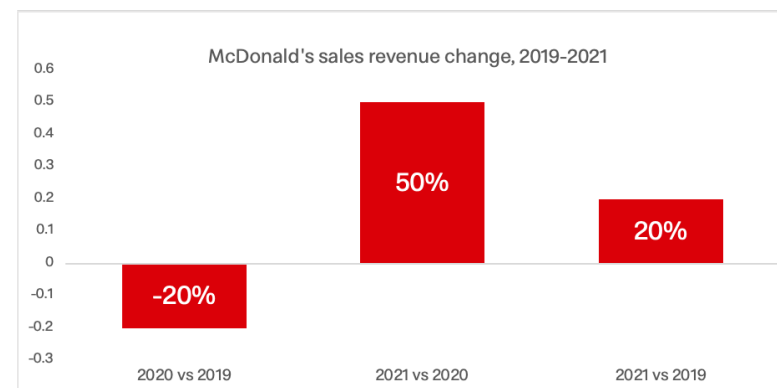


Figure 42. Source: McDonald's

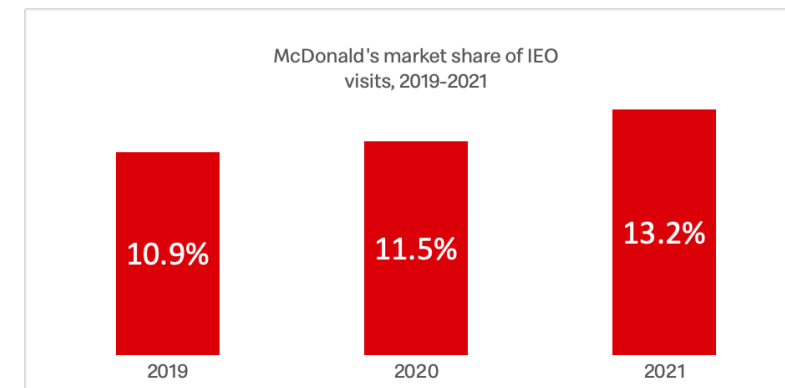


Figure 43. Source: NPD Crest

16. Following closure, McDonald's ad awareness had collapsed to less than 10% (May 2020, YouGov BrandIndex).  
17. Looking at an average of McDonald's 4 closest competitors.  
18. An achievement recognised as the result of best-in-class brand leadership, in the Effies and IPSOS 2021 report.

# The Combined Results

**This recipe and our continual pushing of it has clearly helped the McDonald's brand to evolve and thrive within ever-changing market contexts.**

But it's only when we look at these results cumulatively that we can see quite how extraordinary their impact has really been...

## **16 years of ever-increasing brand strength.**

McDonald's Love & Trust metrics have not just rebounded, but remained in almost constant growth, more than doubling since 2007.

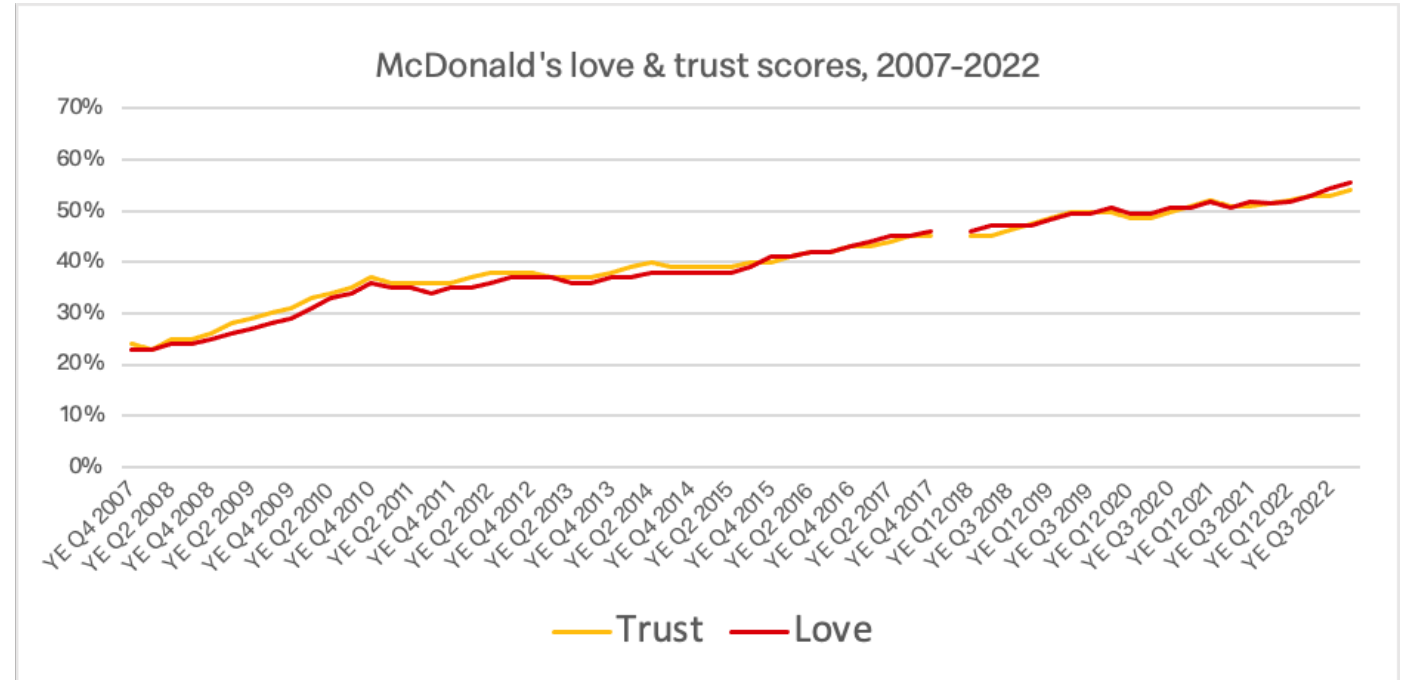


Figure 44. Source: TNS FastTrack (2007-17) & Kantar HOT (2018-22)

# The Combined Results

## 16 years of ever-growing customer visits.

Brand evolution has ensured the Golden Arches have never lost any of their pulling power.

For the last decade-and-a-half, an ever more loved and trusted brand has continuously attracted new customers, whilst simultaneously offering existing ones new reasons to visit.

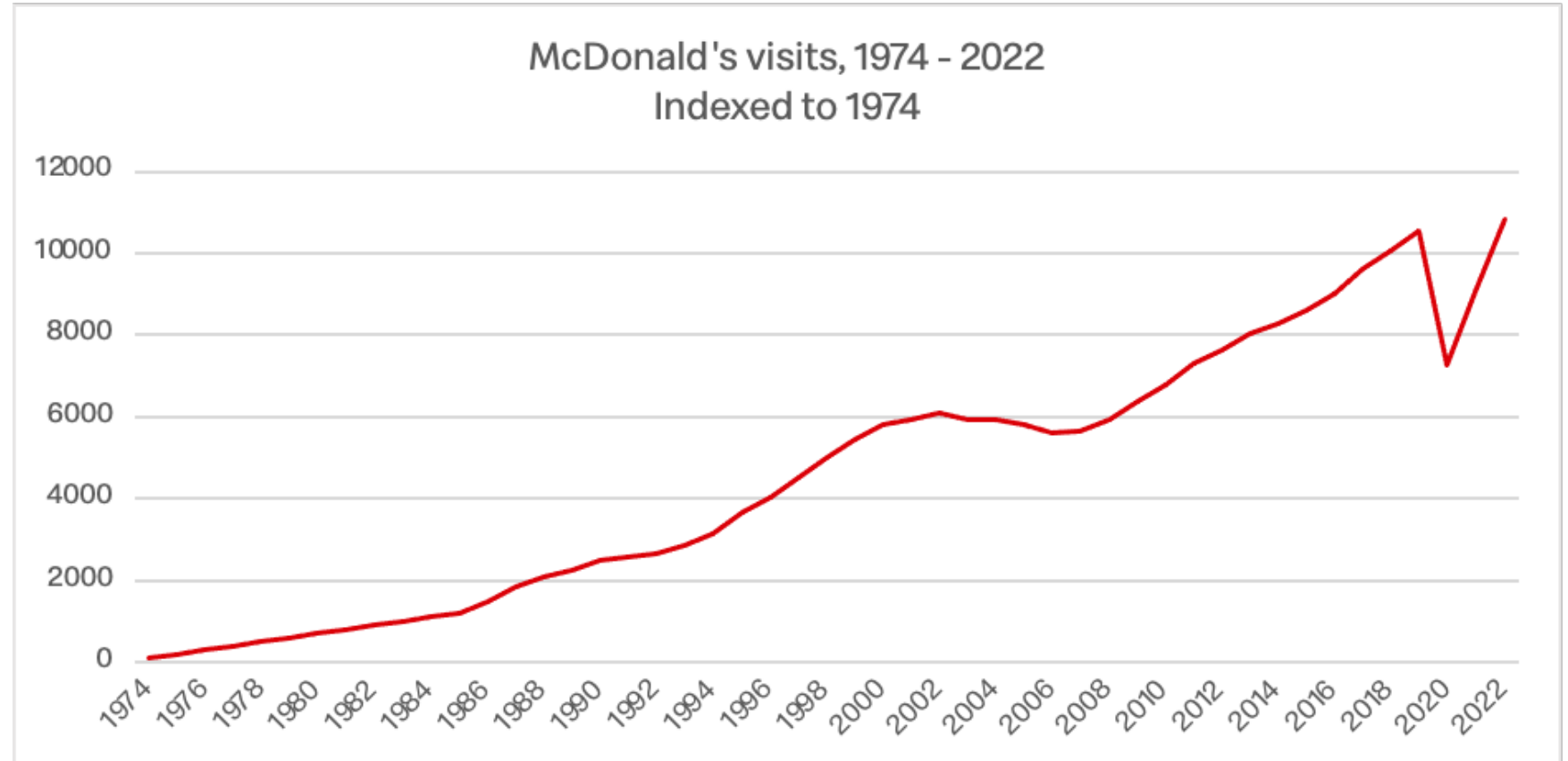


Figure 45. Source: McDonald's

# The Combined Results

## 16 years of ever-growing sales revenue.

This work has also led customers to spend more at each visit. In fact, prior to the pandemic, McDonald's achieved:

## 54 successive quarters of sales revenue growth.

And, in total:

## Over 16 years, McDonald's sales revenue has more than tripled.

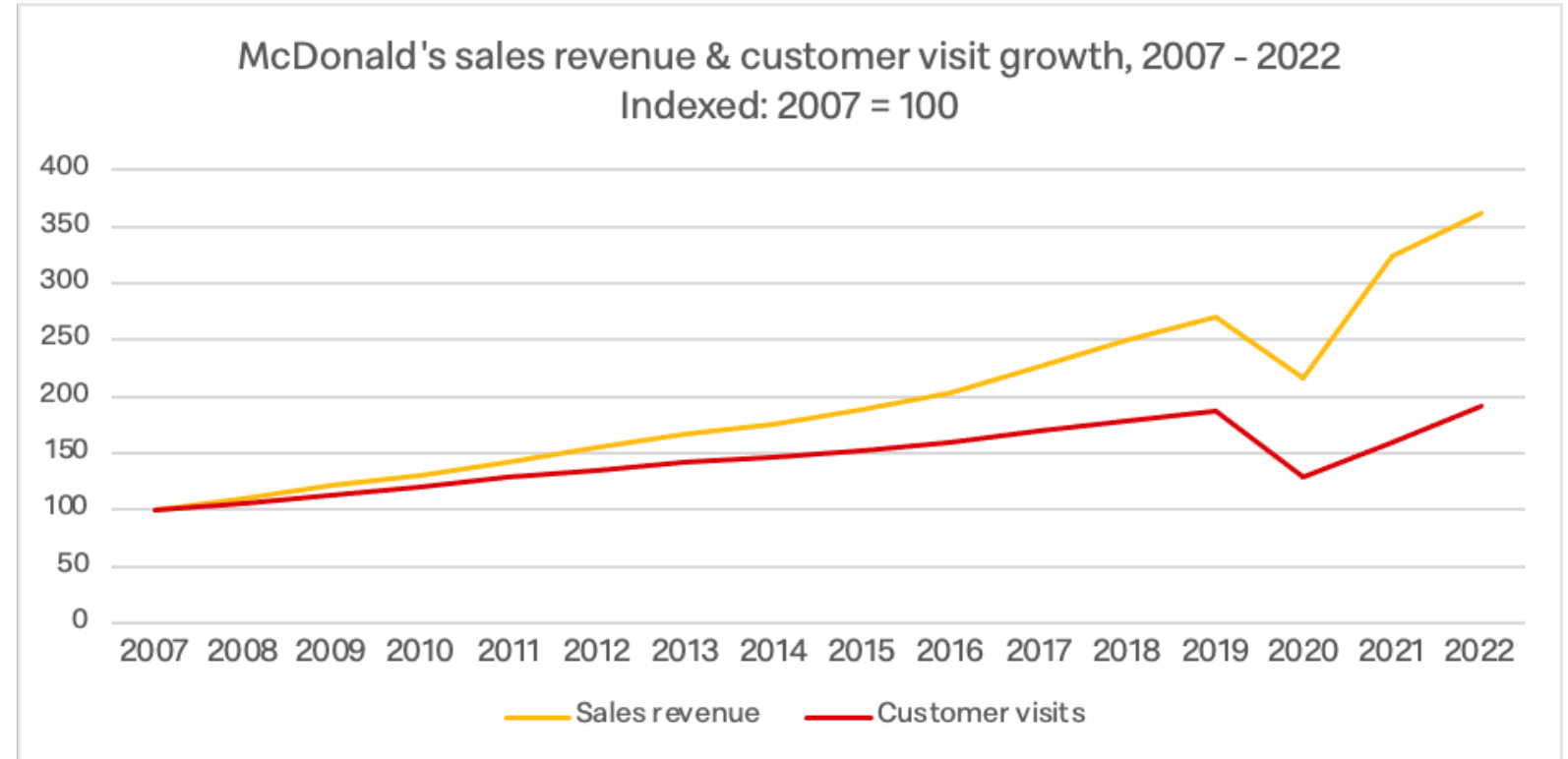


Figure 46. Source: McDonald's

# The Combined Results

## 16 years of growing despite not expanding.

In 2006, we were challenged to achieve growth within the estate - specifically, increasing sales revenue per restaurant by 30% within five years. It was a big ask, but...

**By 2011, we had beaten our targets,  
To achieve 50% growth  
in sales revenue per restaurant.**

And then we also beat our subsequent targets, over the next two periods:

**Between 2011–2016,  
We saw 36% growth  
in sales revenue per restaurant  
+**

**Between 2016–2022,  
We saw 60% growth  
in sales revenue per restaurant**

This meant that over 16 years:

**Total sales-per-restaurant  
increased by a remarkable 227%.**

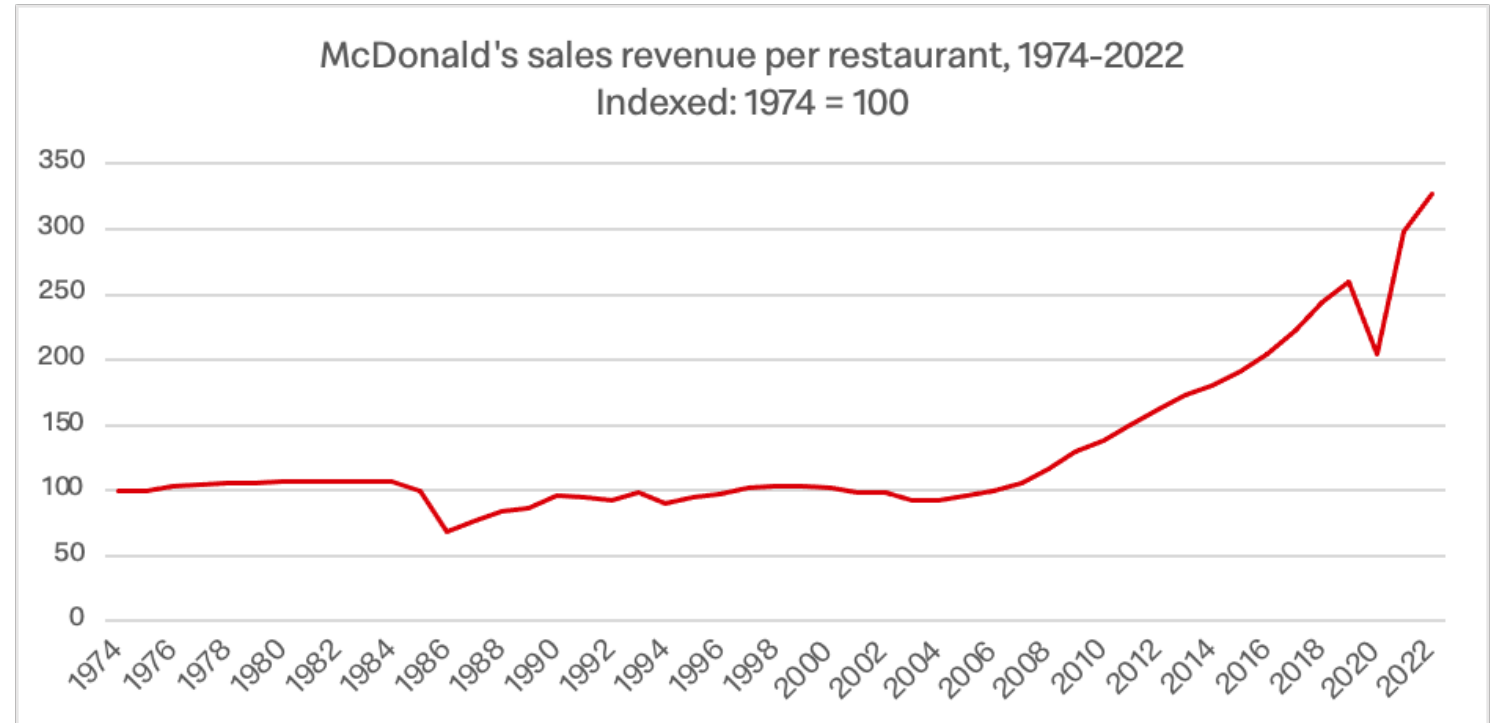


Figure 47. Source: McDonald's



# The Combined Results

It's now clear that McDonald's recipe for brand-building unlocked a whole new way for the business to drive growth. In fact, as originally requested back in 2006:

**Almost all of the past 16 years' growth has been delivered within the confines of the existing estate<sup>19</sup>.**

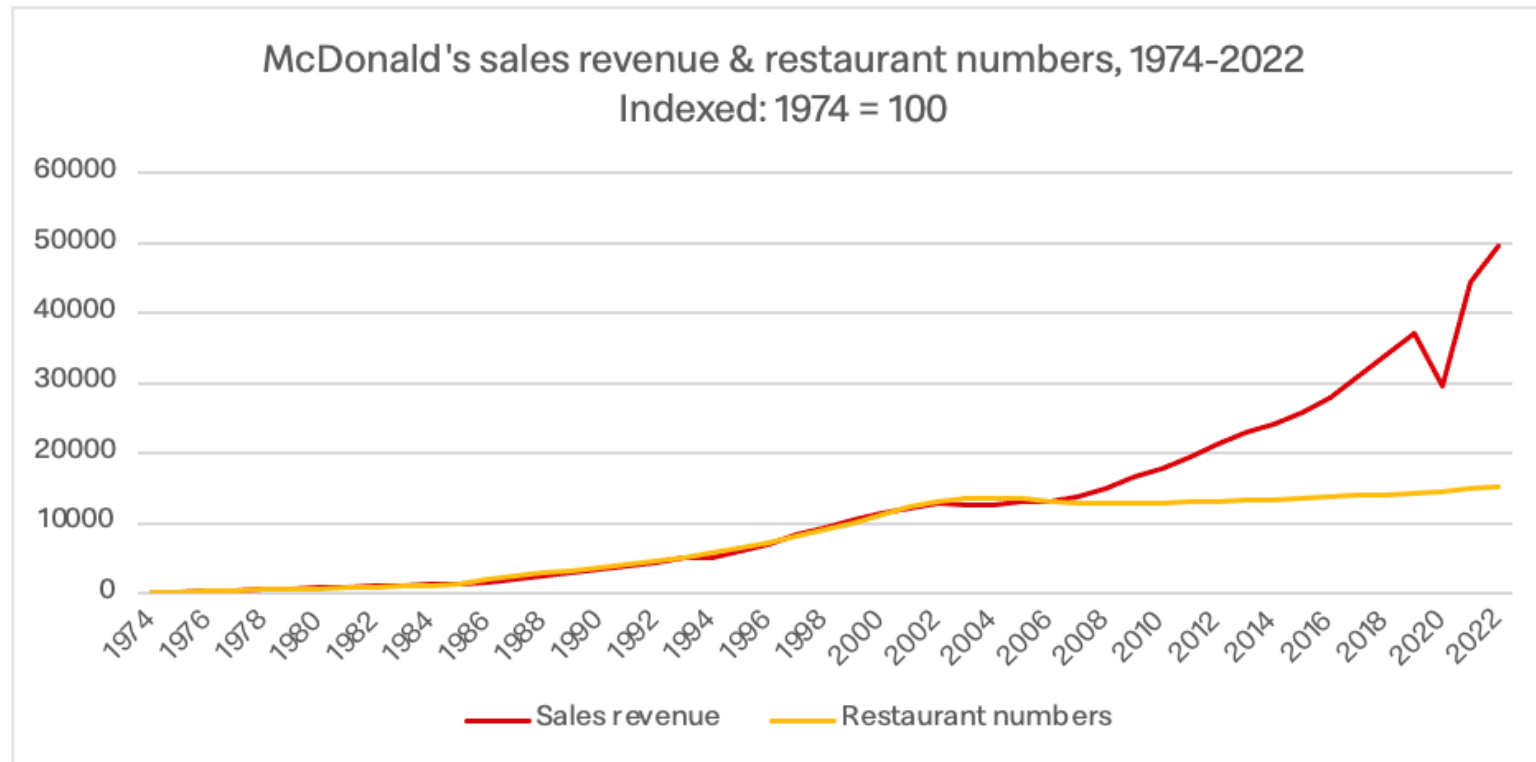


Figure 48. Source: McDonald's

19. This is truly what separates this paper from other famous UK long-term effectiveness success stories – especially those within the IEO category.

For example, whilst 2017 Domino's Marketing Society paper showed an impressive £230m incremental revenue return from 2014-16, the brand also benefitted from adding 136 new stores to their estate within this period.

# The Proof

As one of the biggest brands in Britain, there are a number of factors that might have contributed to this success. However, when we examine these factors, our recipe's role becomes even clearer...

## Was it just the result of category growth?

Over this period, category visits actually declined by 14%, while McDonald's nearly doubled its customer traffic (Figure 49).

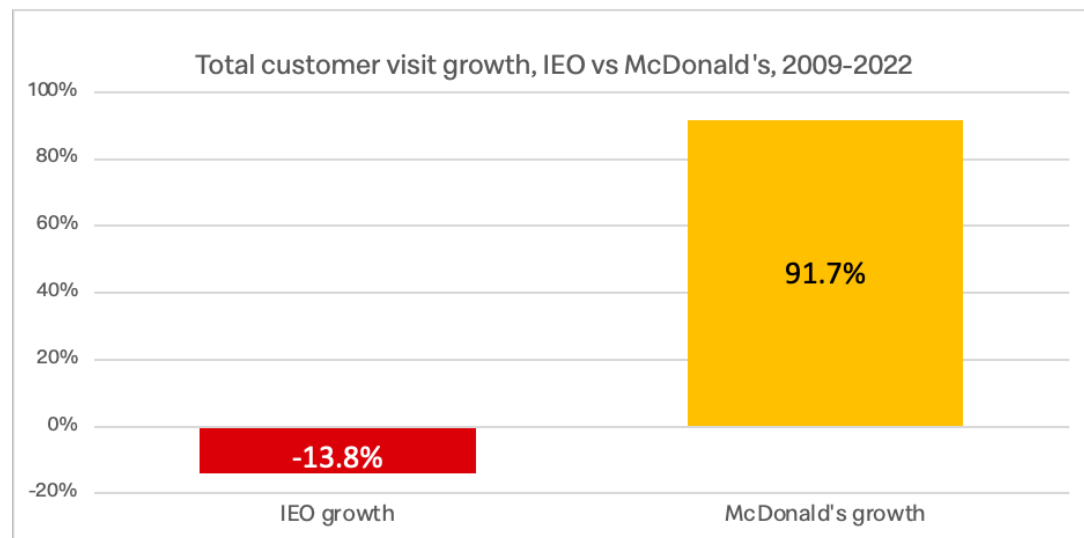


Figure 49. Source: NPD Crest

Instead, driving visits and sales meant gaining market share. And, despite the continuous arrival of new competition, evolving the McDonald's brand has ensured we've achieved this year-in-year-out.

**From 6.7% in 2008, share has grown every year since, Nearly doubling to reach 13.3%.**

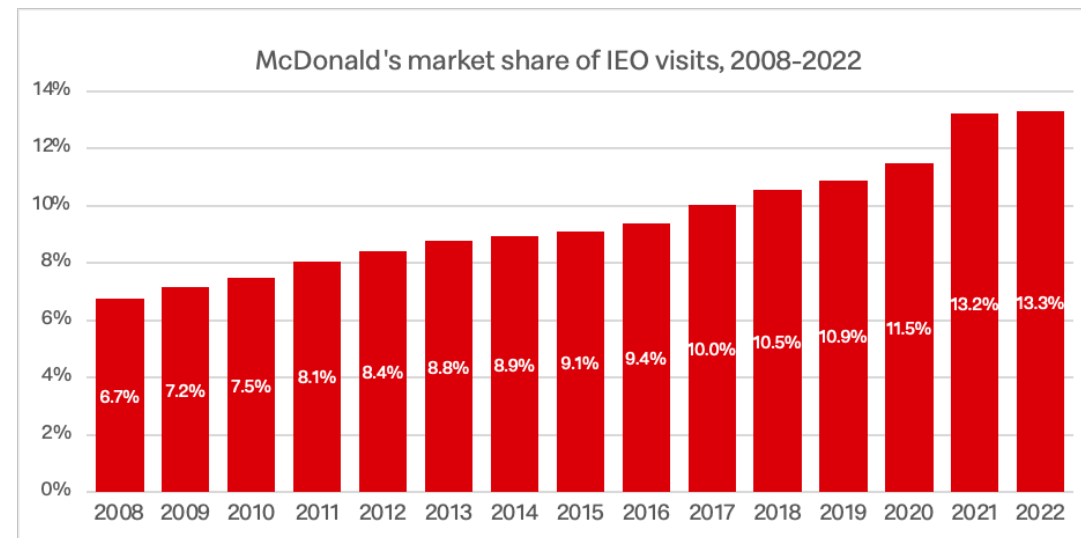


Figure 50. Source: NPD Crest

# The Proof

## Did McDonald's just benefit from the introduction of delivery?

McDonald's was actually a latecomer to delivery, with McDelivery only introduced in 2017 and supported by media in 2019.

In fact, we can't even credit delivery for strengthening market share. All key competitors already used this channel and so McDonald's share of it still only matches its share of the total category (Figure 51).

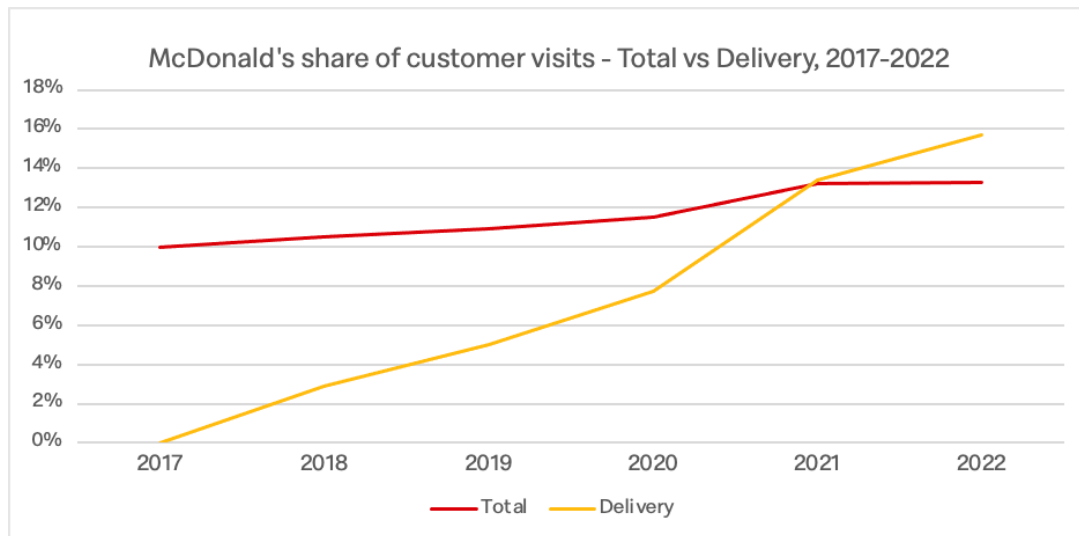


Figure 51. Source: NPD Crest

## Did McDonald's just extend its range into new categories, like coffee?

The range has grown with the introduction of categories, like coffee. However, this accounts for only a small proportion of sales.

Instead, the lion's-share of McDonald's growth has come from the menu's unchanging staples. In fact, over the past 14 years, their unit sales grew 206%, whilst visit growth was only up 82% (Figure 52).

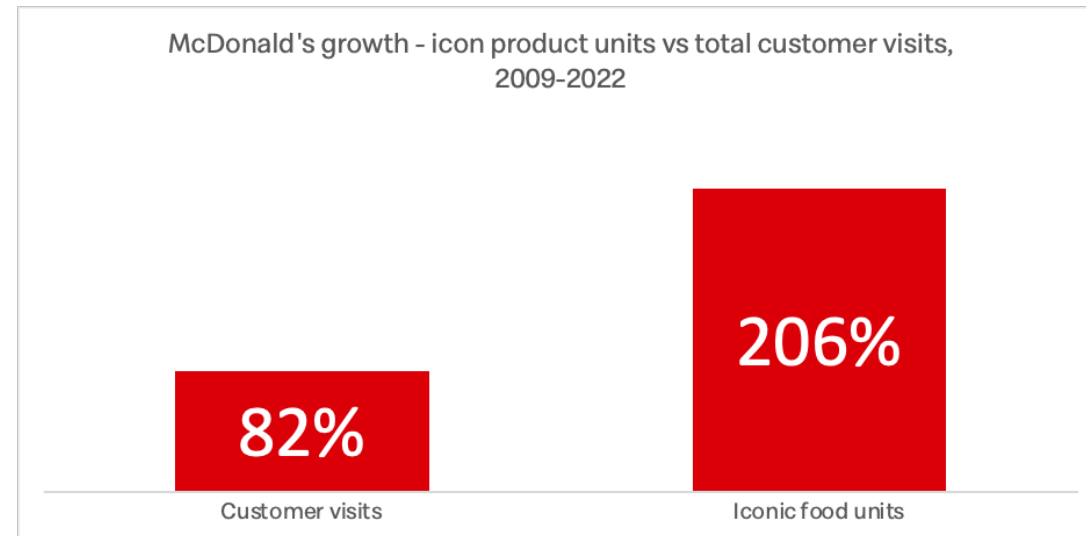


Figure 52. Source: McDonald's

# The Proof

## Was all this just driven by aggressively low pricing?

Despite the launch of the Saver Menu and the popularity of our staples, McDonald's average transaction value has actually increased significantly over this period. In fact, while inflation has caused prices to rise by 49% since 2007, McDonald's average spend is now 89% higher (Figure 53).

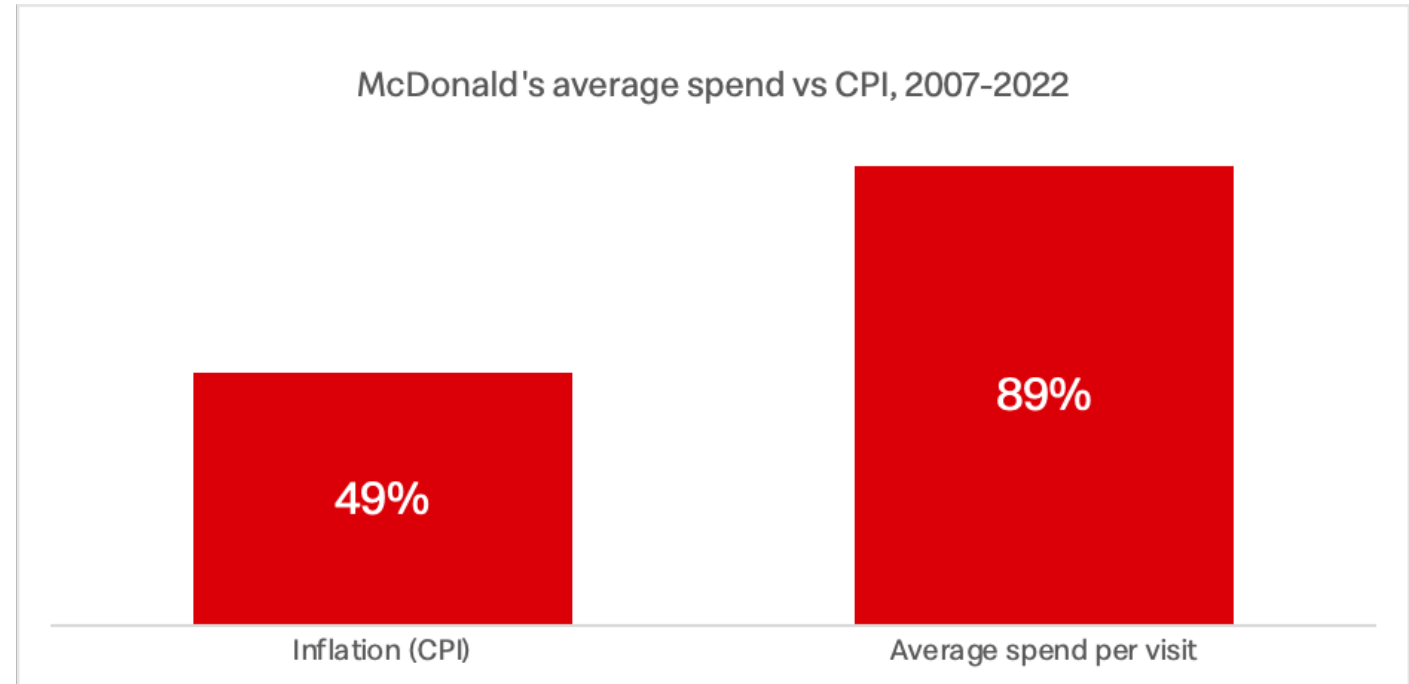


Figure 53. Source: McDonald's



# The Proof

Now, by discounting these factors and employing econometric modelling, we can start to see how...

## It was our advertising approach that drove continuous incremental sales growth.

McDonald's is one of the UK's biggest advertising spenders and you'd expect its weight of spend to deliver substantial commercial returns. But, what's remarkable is how incremental returns have increased, despite SOV remaining roughly constant at around 30%<sup>20</sup> (Figure 54). In fact, these returns have risen from just £16m in 2007, to eventually reach £518m in 2022<sup>21</sup> (Figure 55).

In total, despite very little variation in SOV, advertising has contributed a remarkable:

## £4.0 billion in incremental net revenue.

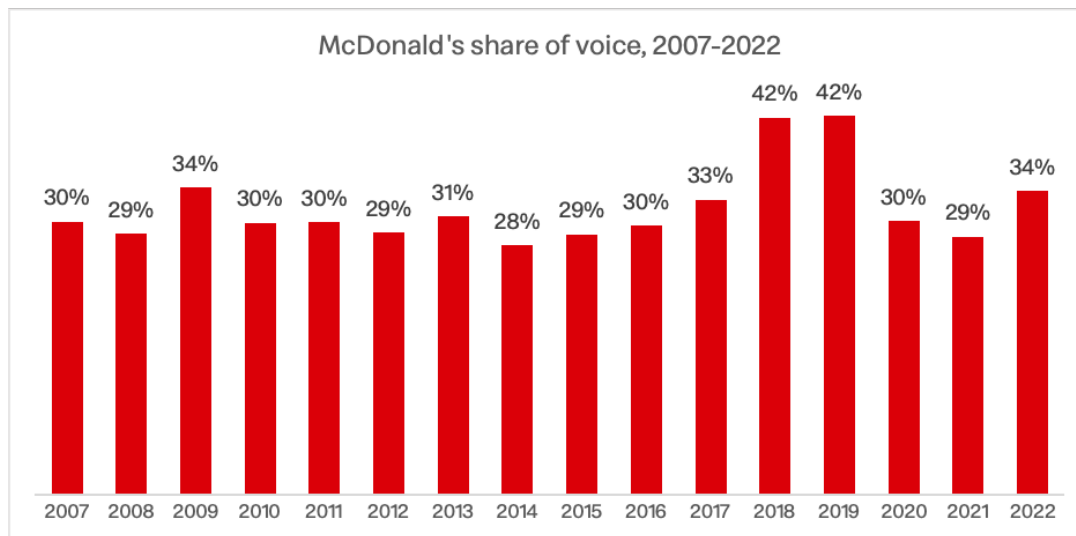


Figure 54. Source: McDonald's

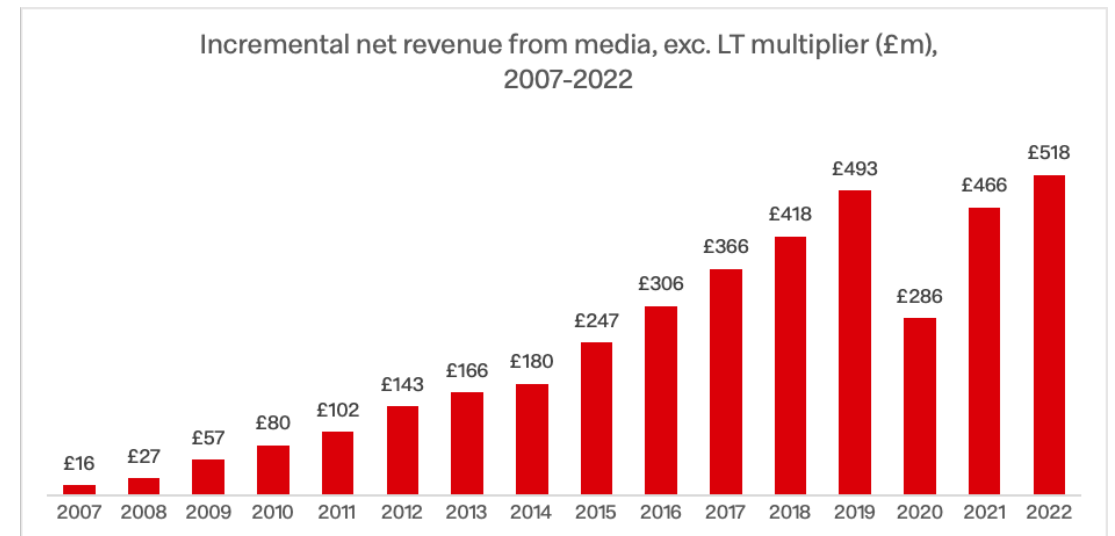


Figure 55. Source: McDonald's

20. With the exception of 2018-19, when Spend was increased in response to Deliveroo and Just Eat doing likewise.

21. In fact, even in the midst of a pandemic, with all restaurants closed for 8 weeks and in-restaurant dining prohibited for months afterwards, advertising still contributed over £750m in just two years.

# The Proof

## Our advertising approach also delivered these returns efficiently.

This efficiency could've been achieved by just spending less or investing in promotional campaigns. However, McDonald's media spend has increased year-on-year (bar 2020) (Figure 56), with an ever-bigger share invested in long-term brand building until 2014 (whereafter it has been maintained at around 45%<sup>22</sup> - Figure 57).

But, in spite of all this, ROI has actually grown consistently over the years<sup>23</sup> (Figure 58), proving the extraordinary efficiency of this advertising approach.

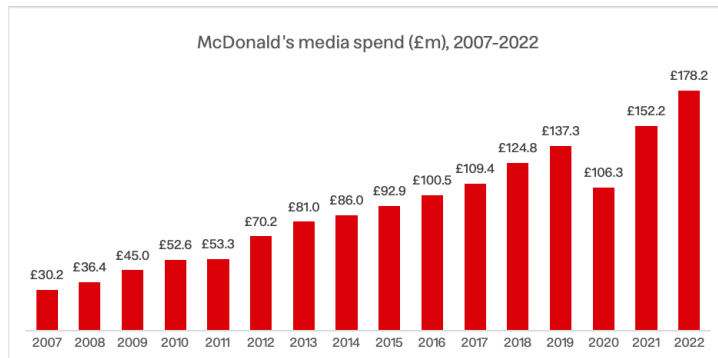


Figure 56. Source: McDonald's

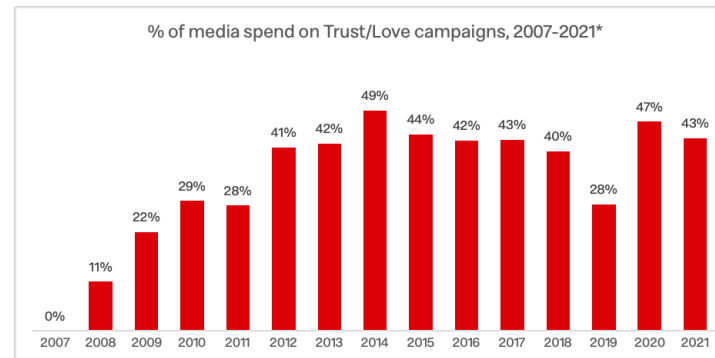


Figure 57. N.B. 2022 media breakdown by pillar not yet available  
Source: McDonald's

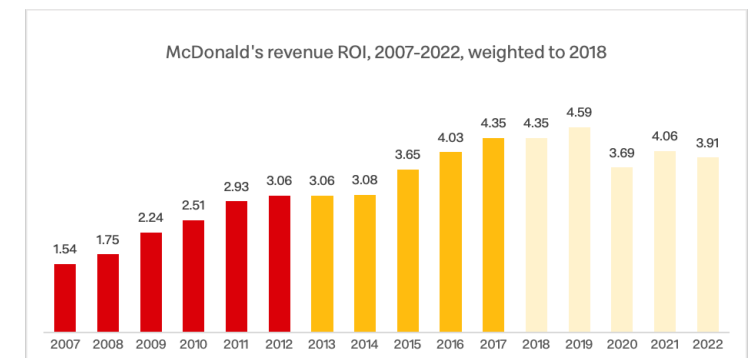


Figure 58. Source: McDonald's

22. We are aware this is below "The Long & The Short Of It's" 60:40 rule (2013). However, Field has since argued that for "perishable services" such as travel or quick service restaurants, the ideal mix shifts to 50:50 or beyond (Peter Field, 2018, Commercial Communications Council).

23. It should be noted that, with each change of supplier methodology, the new ROI figure naturally lowered, meaning the indexed figures presented here are actually substantially lower than if we had simply presented the ROI data reported by each supplier..

# The Proof

**Finally, it was our advertising approach that drove 16 years of base sales growth.**

As we all know, brand-building campaigns build brand perceptions which, in turn, influence long-term sales (as modelled below).

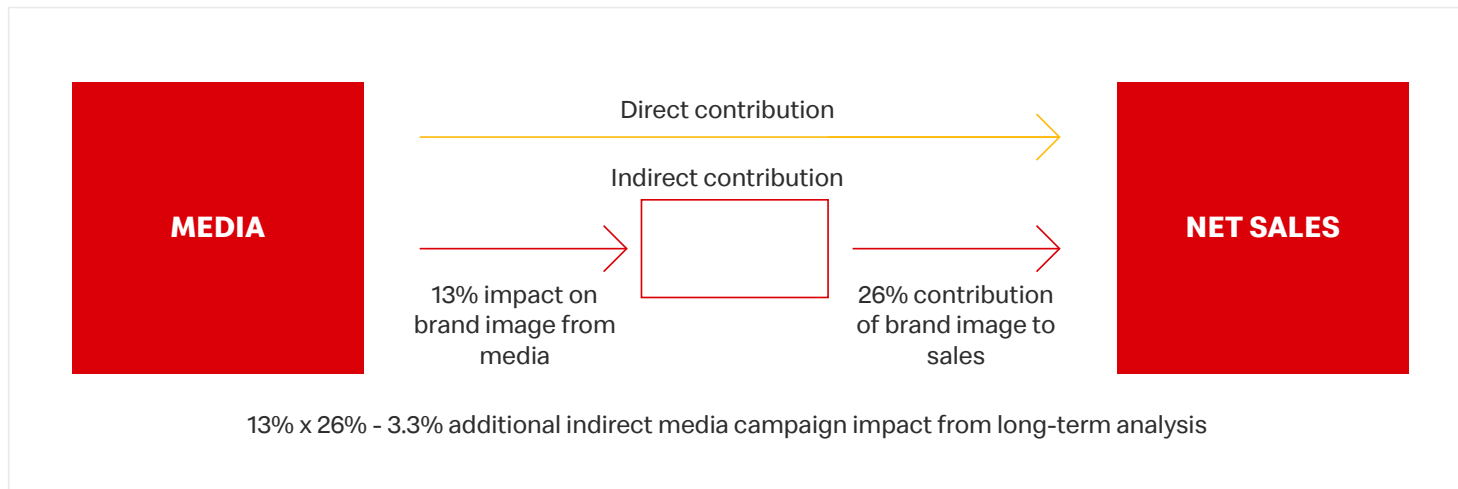


Figure 59. Source: Analytic Partners

We can now see that, over the last 16 years, these effects have contributed a further 40% to sales, beyond short-term ROI.

So, along with the £4.0 billion outlined above, we can also assume that our approach delivered a further £1.4 billion in long-term sales, resulting in:

**A total contribution to sales of £5.4 billion over 16 years<sup>24</sup>.**

24. The next biggest return documented for a retailer, in a winning or shortlisted Marketing Society paper from the past decade, is IKEA's incremental revenue of £355 over 3 years (2014-16). Beyond this, there is the already mentioned paper from Dominoes and even KFC's 2020 IPA paper, "Michelin Impossible", which recorded \$90m AUD (aprox £51m) paid-back over 6 months. However, averaging aprox £339m per year (or £169.5m every 6 months), it's now clear that McDonald's brand evolution has been significantly more effective than even these examples.

# The Lesson

## The evolution of the McDonald's brand has become a UK advertising phenomenon.

It's taken McDonald's from national pariah to the nation's most loved restaurant and, in doing so, delivered 16 years of continuous growth. No matter what culture, the category or Covid threw in its way.

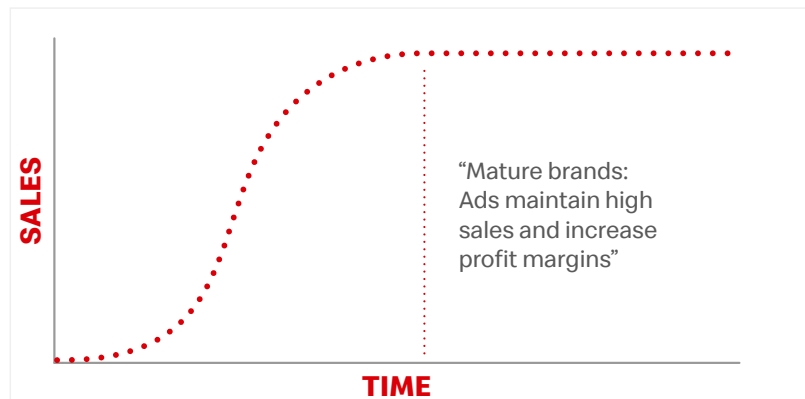
## Praised but not predicted.

In 2022, the success of this long-term brand evolution was recognised by the IPA, with both a Gold Effectiveness Award and the Broadbent Prize for Best Dedication to Effectiveness.



Figure 60. small snapshot of the press clippings that accumulate every week around McDonald's British fandom

However, despite this recognition, it's hard to think the industry would've predicted such continued success for any brand, let alone McDonald's. Even in 2023, we still assume the growth of a mature brand will inevitably just find a natural plateau (Figure 61). But, this story suggests there is another way...



VS

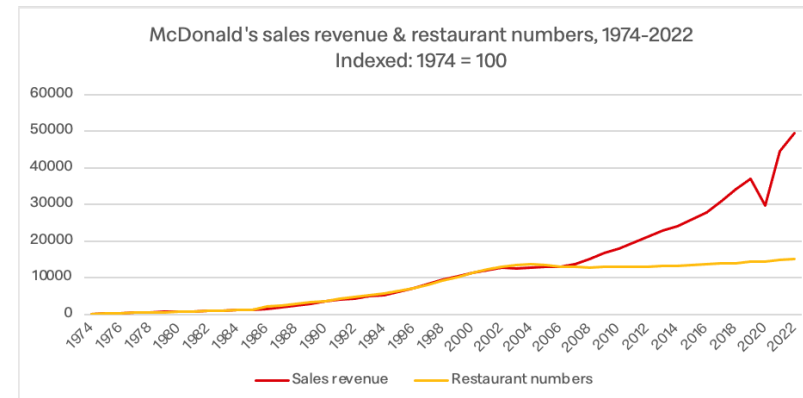


Figure 61. The assumed growth curve for mature brands vs what McDonald's has actually achieved.  
Source: 'Effectiveness in Context', Binet & Field, 2017 (chart re-branded and simplified), and McDonald's UK



# The Lesson

**Mature brands can grow, no matter what,  
If they keep moving, no matter what.**

This story shows that continuous brand evolution can be what finally removes the ceiling from mature brand growth.

Defining a simple plan and then ceaselessly reassessing and reinterpreting it to respond to whatever contextual changes lay ahead, can be what allows mature brands to be endlessly:

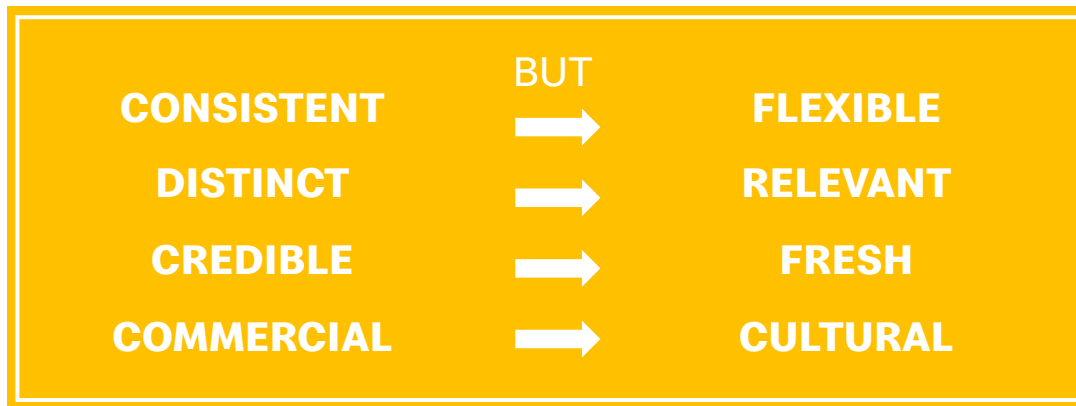


Figure 61. The benefits of constant brand evolution to mature brands

**We hope this restlessness is contagious.**

We hope that, instead of unnecessarily accepting premature plateaus, you too might now put your faith in brand-building, pick a simple recipe and promise to always keep pushing, adapting and evolving. **No matter what.**

Word Count: 2,807

25. To put it in context, McDonald's does this across 40 campaigns, each and every year.

Obviously, non-stop category forecasting, customer listening and strategic adaptation are highly labour-intensive processes<sup>25</sup>.

However, it's in recognition of their necessity that McDonald's has now increased its investment in this sort of brand planning every year, for the past 16 years (Figure 62).

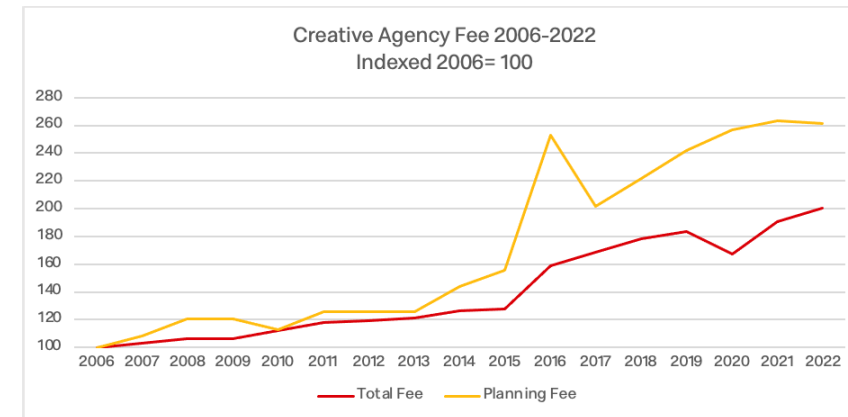


Figure 62. McDonald's