



MARKETING EXCELLENCE 2

McDonald's

Instilling a renewed sense
of staff pride



MARKETING
SOCIETY

AWARDS FOR
EXCELLENCE

in association with
Marketing

About The Marketing Society



INSPIRING BOLDER MARKETING LEADERSHIP

The Marketing Society is a not-for-profit organisation owned by its members, with over 2500 senior marketers. Over the past 50 years it has emerged as one of the most influential drivers of marketing in the UK business community.

The Society challenges its members to think differently and to be bolder marketing leaders by supporting the development of leading-edge thinking, and promoting the evidence of effective marketing. The Society does this through the Marketing Society Awards for Excellence; its publications Market Leader, Our Week and rich online Knowledge Zone; a national programme of world-class events; innovative professional development, such as the annual Marketing Leaders Programme; and extensive on-and-offline networking opportunities.

www.marketing-society.org.uk

Foreword

By Roisin Donnelly,
President of The Marketing Society

What is marketing excellence?



Roisin Donnelly
President of
The Marketing Society
Corporate Marketing
Director and Head of
Marketing at Procter &
Gamble UK and Ireland

Marketing excellence can drive breakthrough business results for the short and long term. Marketing excellence requires great strategic thinking, great creative thinking and perfect execution.

But how do we assess *marketing* excellence? First we choose brilliant industry judges who are all experienced and successful practitioners of excellence and we ask them to pick out the cases which they see as remarkable. We ask them to look for two key qualities from our winners: creativity and effectiveness.

But marketing continuously changes and evolves, as consumers become more sophisticated and demanding and the media for communicating with them ever more diverse. So the standards for marketing excellence change and in turn become more demanding.

We believe that The Marketing Society Awards for Excellence in association with *Marketing* set the standard of marketing excellence in the UK. They have established this reputation over a period of

more than 25 years, and they have always been based on the principle of searching out the best examples of different marketing techniques in action, that showcase great strategic thinking, great creativity and perfect execution.

In order to be a winner of one of the Society's Awards, marketers have to demonstrate that what they have done is outstanding in comparison with marketing in all industries not just their own particular sector.

If a marketing story has been good enough to impress our judges, then all marketers can learn from it – however senior they have become. The collection of case histories brought together in this book is the best of the best from the past four years of our Awards, and I am confident that it truly demonstrates *marketing excellence*. I have been truly inspired by these case studies and I hope you will be too.

McDonald's

Instilling a renewed sense of staff pride

Snapshot

A far-reaching and innovative programme had a major impact on employees' confidence and motivation and banished outdated perceptions of jobs at the company.

Key insights

- In a service business motivation of staff is critical and McDonald's has been making a concerted effort in the last few years to change the 'McJob' tag from a criticism to a compliment.
- This has included a series of imaginative human resources (HR) initiatives to bring to life its employee value proposition and give staff pride in what they do, as well as offering educational and training opportunities.
- By the end of 2008 almost 80% of employees were proud to work at McDonald's, while staff turnover had decreased significantly.

Summary

McDonald's is the leading global food service retailer with more than 32,000 local restaurants serving more than 60 million people in 117 countries each day. More than 75% of McDonald's restaurants worldwide are owned and operated by independent local men and women. However, the retailer had suffered from

the perception that jobs at McDonald's offered few benefits and were of low prestige — symbolised by the derogatory 'McJobs' label.

McDonald's in the UK decided to fight back. Starting in 2006, it embarked on a concerted campaign to challenge inaccurate perceptions of jobs and careers at McDonald's in order to build the confidence and pride of its 72,000 employees, whose engagement and motivation is crucial to its customer-focused business.

In addition, the organisation undertook a vigorous external communications campaign to change perceptions of work at McDonald's. By 2008 the number of employees who felt proud to work at McDonald's increased from 60% to 79%, while staff turnover decreased significantly (See Chapter 4).

Laying the groundwork

Since the author Douglas Coupland popularised the phrase 'McJob' in his 1991 book *Generation X* to describe 'a low-pay, low-prestige, low-dignity, low-benefit, no-future job in the service sector', the label became embedded in the public consciousness.

This was despite the fact that the label was far from the reality of McDonald's employees' experience, with 95% believing their training and experience would be valuable to another employer. But misconceptions of the value of work at McDonald's had the potential to affect employees' confidence and pride significantly, as well as motivation and morale.

When David Fairhurst was appointed McDonald's vice president for people in late 2005, one of his main motivations for joining the company was a desire to change these inaccurate and outdated perceptions of jobs at McDonald's. At the heart of this aim was a strategic need to build the confidence and pride of McDonald's workforce, ensuring they had the skills and motivation required to provide excellent customer service — key to McDonald's overall commercial performance.

The 'people' strategy he set in place aimed to build confidence and pride among employees by:

- Creating HR innovations for employees that would bring to life McDonald's 'employee value proposition', which focuses on providing improvement opportunities, flexibility, an energising environment and continuous learning for all employees.
- Educating and exciting McDonald's 72,000-strong workforce about these innovations so they could get maximum value from them.
- Telling the outside world about the reality of work at McDonald's in order to change inaccurate

preconceptions, thus improving internal confidence and pride by reinforcing the message externally.

In January 2006, McDonald's embarked on a long-term, four-phase campaign to achieve its strategic objectives:

1. Independent research to identify the levels of satisfaction among its workforce as a basis for subsequent activity.
2. A concerted campaign to roll out a series of HR innovations to employees and external audiences, putting forward irrefutable evidence that McDonald's offers valuable, highly-skilled jobs and careers.
3. Active campaigning on behalf of McDonald's workforce to transform the perception of jobs and careers at McDonald's.
4. Celebration of the employment opportunities available at the company.

A carefully-crafted strategy

Phase 1: Independent research

Each year the company asks its employees for comprehensive feedback on their experience, from support and resources available, to respect and recognition, and learning and development opportunities. These insights are collected via an independently-conducted employee survey. In 2008 this was completed by 89% of employees.

However, in early 2006, having just set in place the new 'people' strategy, McDonald's commissioned an independent academic study in addition to its employee survey into the impact of work at McDonald's on young people. This was conducted among 500 people, including young McDonald's employees, their friends, parents, teachers and managers. The research, by Adrian Furnham, professor of psychology at University College London,

proved that employment at McDonald's had a positive transformative effect on young people compared to other jobs, by boosting their confidence, communication skills and career prospects.

This gave the company confidence that its strategy was grounded in strong and accurate insight, and it thus prepared the way for the roll-out of a series of HR innovations.

Phase 2: HR innovations

In January 2006, McDonald's began developing and launching a series of HR innovations, with each one designed to embody an element of its employee value proposition.

Friends & Family Contract

The company prides itself on its flexibility as an employer, offering opportunities which help employees cope with the modern-day demands of juggling family life. In 2006 it launched the Family Contract, which enabled two family members who work in the same restaurant to cover each others' shifts without prior notice. In mid-2007 this was extended to friends and re-launched as the Friends & Family Contract.



Figure 1. OurLounge

The contract was communicated to the 1,200 restaurants, while excitement about the idea was built by finding employees from around the organisation who embodied the benefits of the contract — for instance, twins who covered shifts for each other while studying towards university exams. These case studies formed the basis of articles in the employee magazine *MDUK*. The company also created excitement by announcing the contract externally, putting case studies at the heart of the story. The *Daily Telegraph* published the story on the front page, positioning the company as an innovator in flexible working. In total, the announcement generated 55 million opportunities to see/hear the story.

OurLounge

In late 2006, McDonald's launched an innovative career and lifestyle website for its employees called OurLounge. The site was created with considerable input from 150 employees to give them the information, advice and support to enhance their personal and working lives (Figure 1).

OurLounge enables employees to study online from any PC and gain nationally recognised GCSE-equivalent qualifications in maths and English. This basic skills training is set in the wider context of a range of other helpful lifestyle information and advice, from film reviews to advice from external experts on topics like buying a house and communication skills. OurLounge also hosts a number of discounts available only to employees, including driving lessons and reductions on Apple products. In 2007, 'McTime' was added to the site. This tool enables employees to check and sign up for shifts via OurLounge, meaning they no longer need to check these details with managers by phone or by physically visiting the restaurant.

At the launch those employees involved in the development of the site were thanked with a party at the popular Sugar Reef bar and restaurant in central London, with hourly-paid crew members invited along with the McDonald's executive team.

Since its launch, OurLounge has become the chief communication tool between McDonald's and its 72,000 employees. Employees can access the site from home or via the PCs provided in the crew rooms of its restaurants. By the end of 2008 65,000 employees had signed up to OurLounge and 2,560 were studying towards GCSE equivalent qualifications.

The McDonald's A-Level equivalent

The natural next step from OurLounge was to develop externally-recognised qualifications for management training. In January 2008, McDonald's was one of the first three employers to be given the authority by government and the Qualification and Curriculum Authority to award its own A-Level equivalent qualification in shift management. The qualification was piloted in 2008, and up to 2,000 trainee managers were set to complete the qualification in 2009.

Phase 3: Active campaigning

In adding to developing a series of innovative tools and benefits for employees, a key element of the company's 'people' strategy focused on actively campaigning on behalf of employees to encourage people outside the organisation to reconsider their views of work at McDonald's.

'Not bad for a McJob'

The first step in this campaign was to launch the bold, disruptive 'Not bad for a McJob' ad campaign, which

examined the benefits of working at McDonald's and rounded off with the phrase 'Not bad for a McJob'. This was the first time McDonald's had reclaimed the derogatory 'McJob' label, and the ads provided a strong platform for McDonald's to explain the reasons why it was campaigning for people to reconsider their views of jobs at the company.

Importantly, it also enabled the company to send out a clear signal to employees about the value and recognition they deserve. Senior management took the time to host regional conferences to brief franchisees and restaurant managers on the campaign in advance of launch, and collateral was produced for staff to explain the aims of the campaign. In addition, buzz was created about the campaign for both internal and external audiences by displaying it on the iconic billboard at Piccadilly Circus.

McJob petition

The next step in the active campaigning was a high-profile public petition asking dictionary houses to reconsider the definition of 'McJob'. Because this was the company speaking out on behalf of staff, it was crucial that they understood the reasons for launching the campaign.

The executive team undertook a nationwide, regional tour over a four-month period to discuss the campaign with restaurant staff, as well as local customers, media and stakeholders. They travelled to 40 different towns across the UK and helped ensure that the employees understood the value of the petition.

The company wanted the petition to be accessible to employees, so, in recognition of the fact that over half of the staff are under the age of 21, text and online signing mechanics were developed alongside

conventional books placed in restaurants. The petition gained more than 100,000 signatures from employees, stakeholders and members of the public and attracted public support from 35 MPs and a high-profile coalition from the worlds of business, education and skills. In addition, it generated over 500 pieces of media coverage across 26 countries.

Phase 4: Celebrating McJobs

Thanks to the investment in HR innovations for staff and campaigning for reappraisal on their behalf, opinions of 'McJobs' began to shift. In 2008, this meant the company could shift its focus from defending 'McJobs' to celebrating 'McJobs'.

Designer uniforms

Having undertaken a major investment in modernising the restaurants, employee uniforms were next. McDonald's recruited renowned fashion designer Bruce Oldfield to create the new uniforms, thus demonstrating to staff the high value placed on them (Figure 2).

It was crucial that the uniforms were fit for purpose and popular with staff. Therefore, an internal consultation was launched several months before rolling out the uniform nationally. This included a wearer trial across 80 UK restaurants.

Employees were invited to feed back their views, which were taken into account before the final designs were approved.

In order to build excitement about the uniforms, an internal competition in which employees could win a trip to Warsaw was launched as well as a place on the catwalk at a fashion show to reveal the new uniforms at the company's annual general meeting. According to a staff survey commissioned as part of the consultation, 67% of employees believed the new uniforms were more modern and professional than the old ones and nearly half said it made them feel more confident.

'My McJob'

In August 2008 the company replaced the 'Not bad for a McJob' advertising campaign with its successor 'My McJob', which illustrated the career benefits available at McDonald's through the voice of its own employees. The campaign was made relevant to employees by inviting them to contribute to its development. Via OurLounge, employees were asked what they loved about their 'McJob'. The company then selected 12 representative responses and used them as the basis of the advertising creative approach, with each employee's comment attributed to them on the poster.



Figure 2. New employee uniforms

In the week following the 'My McJob' ad launch, the number of applications for hourly-paid crew positions more than doubled to over 1,300 per day and daily applications for management roles rose from seven to, on average, 32 applications.

Making a decisive impact

By the end of 2008 the results had exceeded expectations in a number of areas.

Employee engagement and motivation

- Since the 'people' strategy was set in place the number of employees who felt proud to work at McDonald's increased from 60% (Your Viewpoint independent employee survey, 2004) to 79% in 2008.
- 83% of employees would recommend working at McDonald's to a friend and 95% believed that their experience and training would be useful to other employers (an increase of 3% since 2006).
- By 2008 the confidence of McDonald's employees had increased by 10%, which contributed to McDonald's highest-ever customer service levels and 11 consecutive quarters of commercial growth.
- According to Professor Adrian Furnham's independent study, nine out of 10 young McDonald's employees showed high levels of satisfaction and commitment to their jobs — substantially higher than other workplaces where comparable studies were undertaken. Two-thirds believed their opportunities for promotion were better than their friends', with the average among their peer group only 25%.

Recruitment and retention

- In the same time period the average tenure of hourly-paid crew members increased to over two

years, and to almost 11 years among restaurant managers.

- Staff turnover was at an all time low.
- McDonald's was attracting on average 1,300 applications per day for hourly-paid crew positions.

Learning and development

- 65,000 employees signed up to OurLounge and 2,560 were studying towards GCSE equivalent qualifications by the end of 2008.
- Following the successful pilot in 2008, up to 2,000 trainee managers were set to gain an A-Level equivalent qualification in shift management.
- 80% of restaurant managers and one in five franchisees started as crew.

External recognition from active campaigning

McDonald's concerted campaign to encourage reappraisal of jobs and careers at McDonald's generated over a billion opportunities to see/hear in the media between 2006-08. The campaign attracted support and recognition among high-profile stakeholders including former Prime Minister Gordon Brown, former Skills Minister David Lammy MP and business groups such as the CBI and British Chambers of Commerce. McDonald's HR innovations were also recognised by organisations including *Financial Times* Best Workplaces/Great Place to Work Institute, Business in the Community, Working Families and Where Women Want to Work. Finally, for three consecutive years, David Fairhurst was recognised by his HR peers, winning awards such as HR Director of the Year and Most Influential HR Practitioner.

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We are committed to delivering one distinctive experience for our customers. Wherever they are, we want them each to feel that "no one recognises me like Aviva". Our global consumer research reveals that most of our competitors are particularly bad at recognising people's individual significance. This research also tells us that small human touches can make a huge difference to a customer's experience. Our aim is to make recognition the familiar quality that distinguishes Aviva from our competitors - just as Apple means user-friendliness and FedEx means reliability.

BT operates in over 170 countries and is one of the world's leading communications services companies. BT is a major supplier of networked IT services to government departments and multinational companies. It's the UK's largest communications service provider to consumer and business markets and is made up primarily of four customer-facing lines of business: BT Retail, BT Global Services, Openreach, and BT Wholesale.

BT operates in a thriving, multi-trillion pound industry that spans the whole world. In recent years the global communications market has been focused on convergence, whereby the boundaries between telcos, IT companies, software businesses, hardware manufacturers and broadcasters have become intertwined to create a new communications industry.

BT has evolved from being a supplier of telephony services to become a



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We are working hard every day to build the company around what our customers want from us. That's why Aviva now ranks among the UK's top ten most valuable brands, according to the 2010 Brand Finance Global 500 survey and that success is something we are looking to replicate across the world.



leading provider of innovative communications products, services, solutions and entertainment products. BT's business customers range from multinational, multi-site corporations to SMEs and start-ups.

More than 80 per cent of the FTSE 100 and 40 per cent of Fortune 500 companies rely on BT for networking, applications and system integration. The National Health Service, Procter & Gamble, PepsiCo, BMW, Emirates, Fiat, Microsoft, Philips, and Unilever are just some of the organisations working with BT.

BT has been a driving force behind the success of 'Broadband Britain'. Thanks to the company's investment, nearly every home in Britain now has access to broadband and in September 2009, BT announced plans to more than double the availability of its fastest fibre broadband service.

MARKETING EXCELLENCE 2

“A treasure trove of examples covering the whole waterfront, from launching new brands to revitalising, sustaining and extending established ones, and from insights to advertising and sustainability. Whatever your business, it should make you proud to be a marketer, shake up your thinking and inspire you to go the extra mile.”

Professor Patrick Barwise, London Business School, Chairman of Which?

“This exciting book demonstrates how great marketing can solve the most difficult problems, through analysis, teamwork and creativity.

It contains 34 fascinating case studies, selected from hundreds of high quality entries to The Marketing Society Awards for Excellence. Those involved had the determination to win, and the courage to think differently. An inspiring read.”

Professor Hugh Davidson, Co-Founder, Oxford Strategic Marketing

“This is the textbook, the toolkit and the manual for marketing excellence.”

Cilla Snowball, Chairman, AMV BBDO

“These cases are a great source to stimulate your thinking. Some will stimulate new thoughts, some will unlock ideas from the back of your memory. All of them however are great fuel for growth.”

Keith Weed, Chief Marketing and Communication Officer, Unilever

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