WARC
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McDonald's: How closing our business was good for business

Source: Marketing Society UK, The Marketing Society Awards, Winner, 2021

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McDonald's, a fast food brand, improved its emotional connection with consumers while it was shut during the COVID-19 in the UK and Ireland.

- When McDonald's restaurants closed, the livelihoods of 1,300 small business owners were at stake and McDonald's faced the additional challenge of losing customers to competitors who chose to stay open.
- The brand needed to strengthen its emotional connection with consumers during lockdown and aimed to find ways to bring McDonald's feel-good moments to people across the nation.
- McDonald's helped parents keep their children entertained with the online family fun hub, released a recipe card enabling fans of the brand to make a DIY McMuffin, took part in the Eat Out to Help Out scheme with a 90s-themed promotion and held a free virtual music festival.
- The campaign generated 1,385 pieces of coverage with a media reach of over 62.7m and the brand's market share recovered to a record high of 14.2%.

Introduction: Finding The Light In The Dark

It's no secret that hospitality has been one of the sectors hardest hit by the pandemic.

The McDonald's business was no exception.

For 6 weeks, and for the first time in its 46 year history, the Golden Arches went… dark.

However, this is the story of what McDonald's did next.

This is the story of how it took brave, decisive action and turned what appeared to be a devastating blow to the business into an opportunity to grow brand love, trust and, ultimately, share.

This is the story of how McDonald's led through crisis and got the golden arches glowing again.

The Crisis That Came From Nowhere

We entered 2020 full of optimism.

The business was flourishing, fifty-four consecutive quarters of growth were behind us. Further growth would be tough, but we had exciting plans and a feeling that it was going to be a great year!

Little did we know what lay in store. There had been rumours in the papers, but not much more.

Then March arrived and things suddenly got very real

Cases of COVID-19 in the UK doubled every three days. Supermarkets were ransacked. The government mobilised its crisis response unit.

We were facing "*the worst public health crisis in a generation".*

And our optimism evaporated…



The First To Close

McDonald's was in the eye of the storm.

Every day, 4 million people in the UK visited McDonald's. In turn served by a workforce - our crew - of 125,000 people.

Without extremely strict safety measures in place, the potential for the virus to spread was vast.

On 18th March, three days ahead of the Government announcement, McDonald's made an unthinkable decision: it would be the first quick service restaurant to close.

We shut the doors to 1,300 restaurants across the UK & Ireland, promising to reopen only when we could guarantee it was safe to do so.

It was a decision that put people over profit.

It was true to the brand, befitting of a category leader. But that didn't make it any easier.

Morally, it was the right thing to do but commercially, it was devastating. As a franchise business, the livelihoods of 1,300 small business owners were at stake. Every single day closed meant a significant loss of revenue for them, as well as a loss of customers to our competitors - who were, at that point, choosing to stay open.

For 6 weeks - and for the first time since 1974 - not a burger was cooked, a fry fried, or a penny of revenue taken.

It was the most difficult decision the business had ever taken, and with the light of the Golden Arches out, the road ahead was unclear.



The Strategic Approach: Looking Towards The Light

The challenge for marketing was to find the right way forwards. In the dark.

When the world is in a permanent state of flux, it's tempting to try to react in real time.

The instinct is to focus on short term crisis management, with the immediate survival of the business the only concern.

All of which is understandable but, as we all know, not a sustainable path to growth…

McDonald's leadership position required us to take a step back and consider the bigger picture.

The future was unpredictable, but we had to believe that, one day, McDonald's would trade fully again. And when that time came, we wanted to be in the strongest possible position.

The evidence was clear: businesses that invest in building their brands during a recession, thrive when it ends.

We wanted to be one of those businesses.

So, we shifted our focus from how to survive in the short term, to how to build the brand in the long term.

Not only getting the business back on its feet, but turning the closure into a catalyst for growth.

Not only getting the tills ringing again, but shoring up the key equity metrics of love, trust, and value. Aiming for the brand to not just get through the crisis, but to emerge stronger.

This made our Marketing Objectives simple.

Strengthening our brand meant deepening its emotional connection.

McDonald's track this with three equity measures that quickly became our key Marketing Objectives: '*Brand Love', Brand Trust*'and '*Value For Money'.*

From here on, this would guide all of our activity.

But it wouldn't be easy.

Even before Covid, in 2019, we'd seen a weakening of 'Love' and 'Trust' metrics, as well as Gregg's stealing a march on 'Value For Money' perceptions[1].

Oh, and we were still closed for business…

The First Job For Marketing: Support the Nation Through Lockdown

We may have been closed, but we could still build Brand Love.

We couldn't serve up Big Macs, but we could find ways to bring McDonald's feel-good moments to people across the nation.

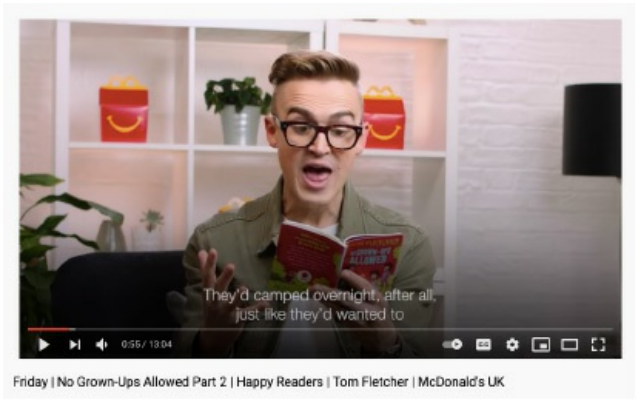
First, we helped parents keep the kids entertained with the Family Fun Hub

With everyone stuck indoors and parents home schooling, we looked to take some pressure off.

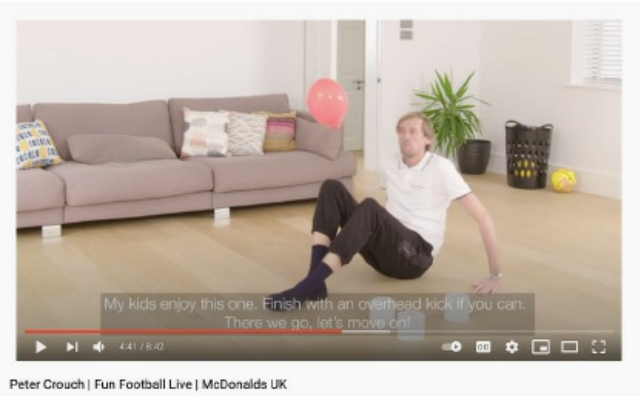
We built the Family Fun Hub, an online platform full of interactive content and activities which we regularly

refreshed throughout the year.

We got celebs like Peter Crouch and Tom Fletcher involved, and even found a way to take our grassroots football programme online, with skills & tricks to practice at home.



Friday | No Grown-Ups Allowed Part 2 | Happy Readers | Tom Fletcher | McDonald's UK



Peter Crouch | Fun Football Live | McDonalds UK



The Playful Dolphin

Download the Happy Meal App and read Treetop Twins Wilderness Adventures By Cressida Cowell

Download Happy Meal® App



The Posing Dodo

Download the Happy Meal App and read Treetop Twins Wilderness Adventures By Cressida Cowell

Download Happy Meal® App



Create Your Own Happy Meal® Box

What would your child's Happy Meal be? Print out our box and encourage them to dream!

Download (PDF 451 KB)



Have a Happy Birthday Celebration

Enjoy a McDonald's birthday party at home with party hats and activities that will bring a happy smile to your child's big day.

Find Out More

Then we helped fans to a McMuffin with McDonald's DIY

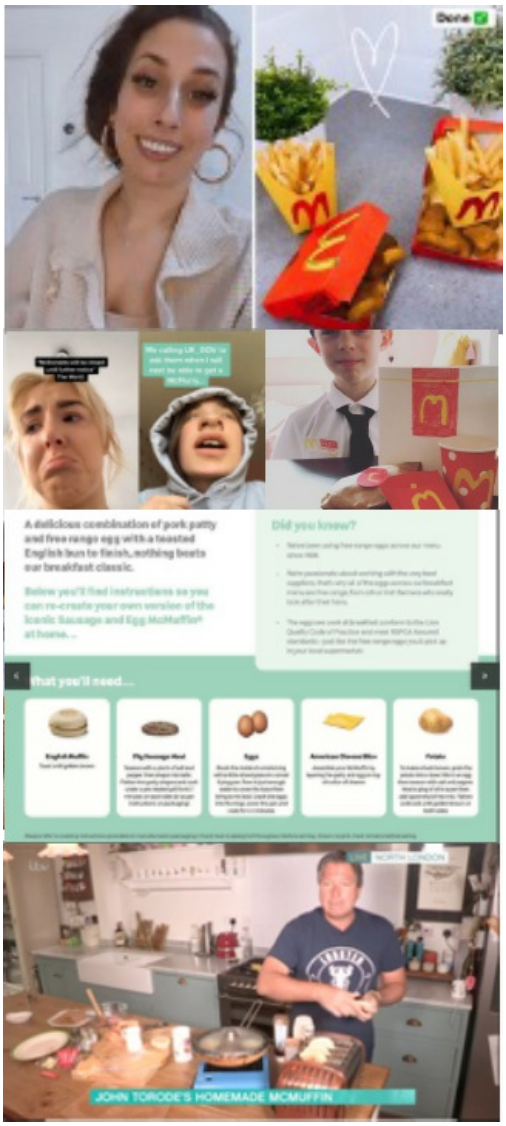
As we monitored social media, we saw we hadn't been forgotten. Some fans were even attempting to recreate the McDonald's magic at home by making their own packaging!

It seemed that, more than any other food, the nation was longing for McDonald's…

If we couldn't give them the McDonald's they craved, we could do the next best thing and give them the know-how they needed to do this properly and make their favourite McMuffins at home.

Our recipe card proved so popular that it was picked up by This Morning, who enlisted the help of John Torode to show the nation how it's done.

Activity like this, helped to keep McDonald's in the nation's hearts even while we were still closed.



The Second Job for Marketing: Leading To Grow

We knew we'd have to go further to deepen the public's emotional connection with McDonald's.

To do this, we'd have to use communications to respond to how people were feeling in a way that was both insightful and authentic to the brand.

Working with 'Britain Thinks', we took the nation's pulse

It became obvious that, emotionally, this period had more in common with a war than a recession.

For weeks the language of 'war' had dominated the media narrative, and now the population was feeling the effect.

Moreover, in this time of wild uncertainty, people were craving and gravitating towards anything that represented the reassurance of strong leadership.

We suddenly had our idea….

McDonald's would embody the virtues of a great Wartime Leader

McDonald's was already a leader.

However, peacetime leadership - all soft skills, defence of the status quo and incremental gains - just wouldn't cut it.

So, together with 'Britain Thinks', we identified the three hallmarks of great Wartime Leaders:

1. Competence
   Capable and trusted to do the job and do it well
2. Confidence
   Infectious and unwavering belief in what they're doing and why it's important.
3. Compassion
   Awareness & empathy for what real people are going through

These qualities chimed well with the brand and would guide our approach over the coming weeks and months.

But in these volatile and tense times, communications had to be perfectly judged. To ensure we struck the right tone we set up a 'Mood of The Nation Tracker'. Every week this brought together insights from ad hoc research, social listening and myriad research partner sources so we could keep our finger on the public's pulse.

This would help us deliver our 3 C's with a series of timely, sensitively executed campaigns.



Coronavirus: 'We must act like any wartime government'



'War on virus': Papers lead on coronavirus pandemic as UK death toll leaps



Comms Phase 1: Reopening With Competence

When competitors began to fling open their doors, we held our nerve.

We would continue to put people over profit and reopen in the same spirit we closed: cautiously. The first task for communications was to demonstrate our Competence: letting customers know the measures we were taking to keep them & our crew safe, and the practicalities of the changes we'd made.

There was a tricky balance to strike: it was a time of heightened anxiety, many still thought they could be putting themselves in harm's way by getting a takeaway. It was also a time of heightened dissatisfaction - with huge wait times and limited menus.

The strategy

Communicate the extensive safety measures we'd put in place in a clear, reassuring and friendly way. Reframing the queues and limited menu from causes of inconvenience, to demonstrations of care. We'd measure how successful we'd been with our equity tracking, with a particular focus on Brand Trust.

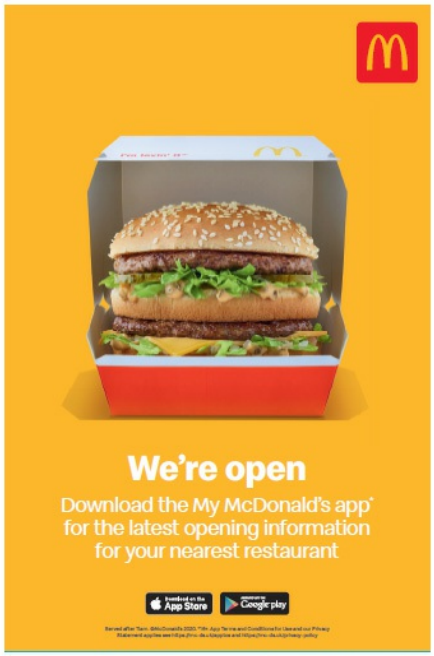
The campaign

A fully integrated, geo-located campaign, using graphic icons in McDonald's distinctive colours, clearly and

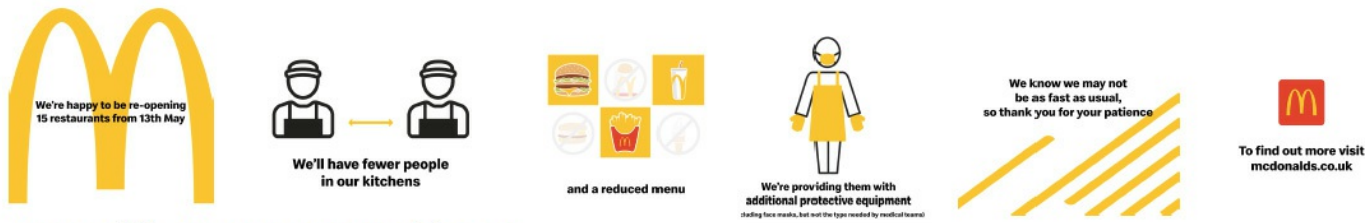
simply set out how we were keeping our customers & crew safe, and what to expect from us. It appeared in restaurant windows as they reopened and on TV, radio, paid social and search from 1 June.



McDonald's - Reassurance 40" TV 2020



McDonald's - Reopening OOH 2020



McDonald's - Reassurance Social 2020

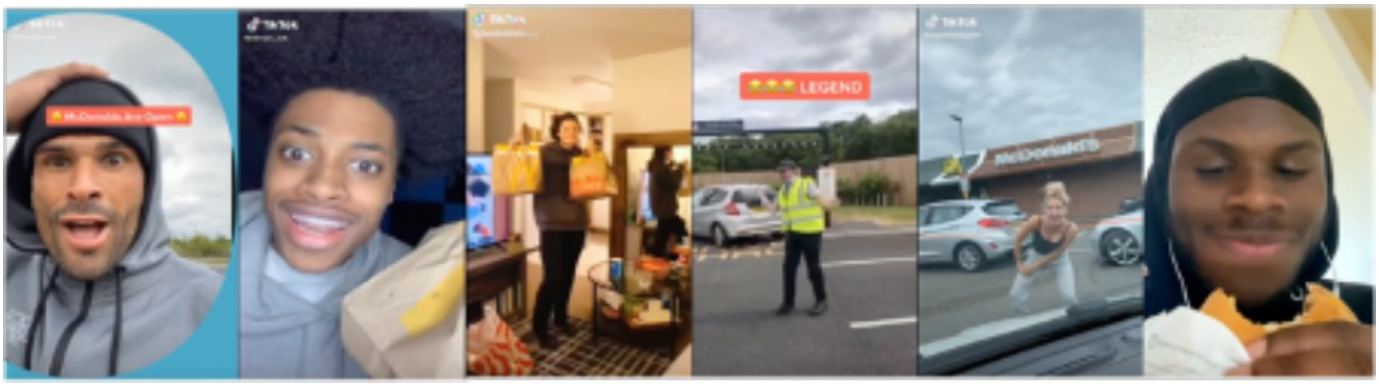
Comms Phase 2: Welcoming Back With A Renewed Spirit of Confidence

The mood of the nation was changing

Come June, the virus was retreating, lockdown was easing and the country was enjoying a heatwave. Now there was room for a renewed spirit of brand Confidence.

As we slowly started to reopen, we couldn't ignore the customer excitement that was building. Some were happily waiting two hours to get their hands on their first Big Mac since lockdown, others were driving hundreds of miles just for a taste of McDonald's.

Social media was buzzing with our customers celebrating. As we headed towards full reopening, we spotted an opportunity to tap into the cultural moment and reconnect with our customers emotionally.



The strategy

Aware of the need to connect with the broadest audience, we set out to find an insight that would resonate with the nation at large.

We headed to our Drive-thrus to find out how customers were feeling to be back:





We soon realised that we were serving more than just Big Macs & Fries, we were serving something much more meaningful: ***a small, comforting moment of escape at a time when the nation needed it most.***

These conversations had revealed the deeper emotional significance that McDonald's represented[2]. In its own little way, McDonald's was an antidote to the darkness of the times, a little bit of fun and frivolity - something that had been so lacking in recent months. Our reopening was a symbol of a small step on the path back to normality. We had our insight.

The campaign

Taking inspiration from our research, social listening and UGC, we set out to capture the moment of excitement, satisfaction and pure, unadulterated joy that came with that first post-lockdown Maccies. Enjoyed by so many different people, in so many different ways, we wanted to celebrate the diversity of both our customers and their McDonald's rituals.

We kicked off the buzz by involving our fans directly with choosing the music. Over 15,000 of them told us loud and clear: 'Return of the Mack'!

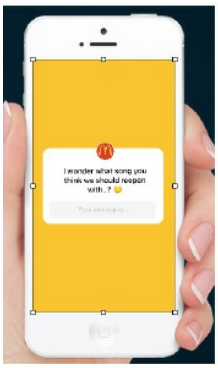
We developed a fully integrated campaign of TV, OOH, radio and social, which ran from mid-July to mid-August.

jay @CURSEDKINGJAY · Mar 25, 2020
@McDonalds LMFAO if y'all don't do this y'all slacking 😂
#returnoftheMac #McDonalds

> @SmokeyBubblinB
>
> If McDonald's don't use Return of the Mac as their theme song when they re-open then all this will be for nothing...

Jo Ess @JPSkalsky · Jul 17, 2020
Nice to hear you listened 👏@McDonalds
#ReturnOfTheMac

1





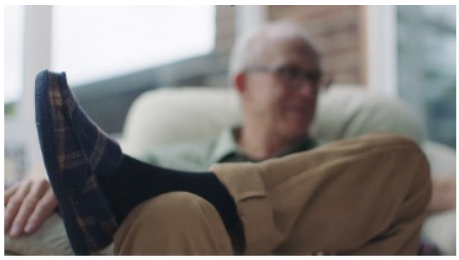
Gemma Uphill @Gemla13 · Mar 24, 2020
m.facebook.com/story.php?stor... @McDonalds are missing a trick if they don't return with this tagline 😂#returnofthemac

Evø @CallumEvoEvans · Mar 25, 2020
When **McDonald's** re opens they have to use the # #ReturnOfTheMac

1 2 25

Jennifer Mistry @Jenny_crayon · 7 Aug
Why have I just cried at the @McDonaldsUK advert? I mean I love **Return of the Mack** as much as the next person but wow 😭

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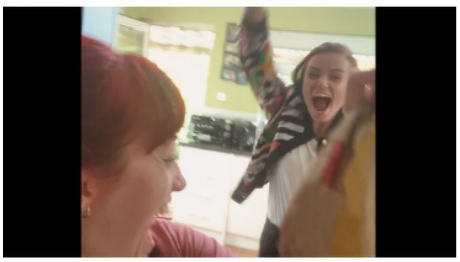


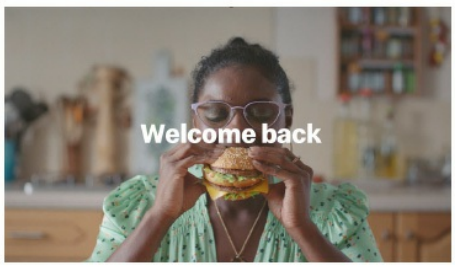














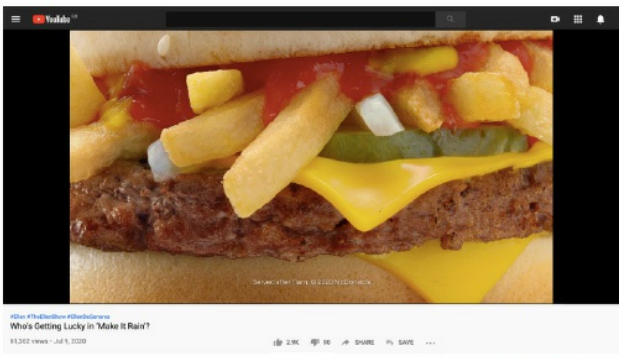
McDonald's - Welcome Back 30" TV 2020



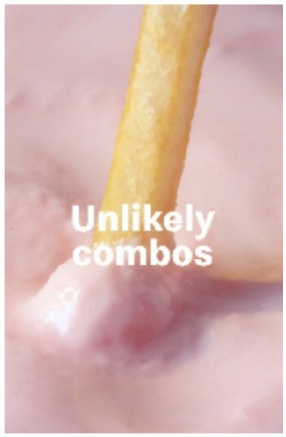




McDonald's - Welcome Back OOH 2020







McDonald's - Welcome Back Social 2020

Comms Phase 3: Extending Our Estate And Our Compassion

After the collective moment of national release that came with the end of lockdown, the anxiety and uncertainty quickly returned.

A second wave of Covid began sweeping across Europe. Widespread job losses gripped the nation and Government guidance was ever-changing. People were struggling.

We had shown compassion in the way we closed and reopened, now we sought to put this spirit of compassion at the heart of our marketing.

We created a series of campaigns that reflected the mood of the nation, helped our customers' wallets, and importantly continued to bring welcome moments of cheer and comfort.

Passing on the price cuts

In July, McDonald's cut prices in response to the Chancellor's VAT reduction, slashing the prices of our iconic favourites. Sitting alongside the other activity, these new prices needed to be conveyed simply and clearly.





Eat Out to Help Out

In August, McDonald's joined the Eat Out to Help Out (EOTHO) scheme, cutting the cost of a meal in half. With all our competitors also part of the scheme, we needed to find a uniquely McDonald's way to promote it.

Nostalgia can be powerful, particularly for a brand like McDonald's with its strong childhood associations. Discovering that the EOTHO prices were last enjoyed over two decades ago, we devised the idea of **"McDonald's at 1990s prices"**.

Authentic footage from 1990s McDonald's ads, set to 90s hit, NSYNC's "I want you back", helped achieve great stand out whilst emphasising the message, and bringing a welcome moment of cheer.

The campaign ran across social media channels throughout August.









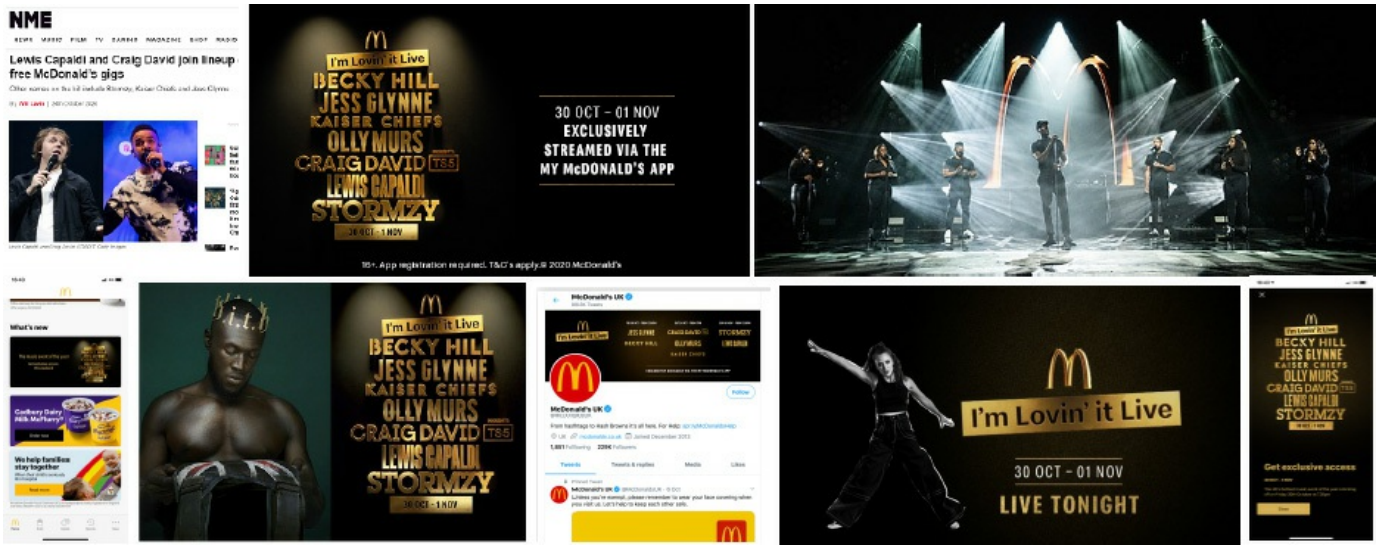


Staging the biggest free music event of the year

As the country headed into autumn, the virus picked up again and restrictions tightened. The pandemic was increasingly taking its toll on a weary public whose resilience was being pushed to the limit. Now, more than ever, spirits needed boosting.

The cancellation of all live music events had caused much disappointment. We couldn't bring people to a real music festival, but we could host a virtual festival - the biggest free music event of the year.

Headlined by Stormzy, featuring performances from some of the biggest names in music, "I'm Lovin' it Live" ran over three days, across the final weekend of October half term. Live streamed to the My McDonald's App, it spread some much needed joy to hundreds of thousands of families across the UK[3].



The Results: A Bright Future

In a period that has unfortunately been characterised by decline for many in McDonald's sector, this is a rare story of success.

Our strategy was to focus on building the brand by deepening its emotional connection.

We planned to measure the success of our efforts through the equity metrics of: **'Brand Love', 'Brand Trust' and 'Value For Money'**.

And, in turn, we hoped this would provide a robust platform for the business to rebuild from.

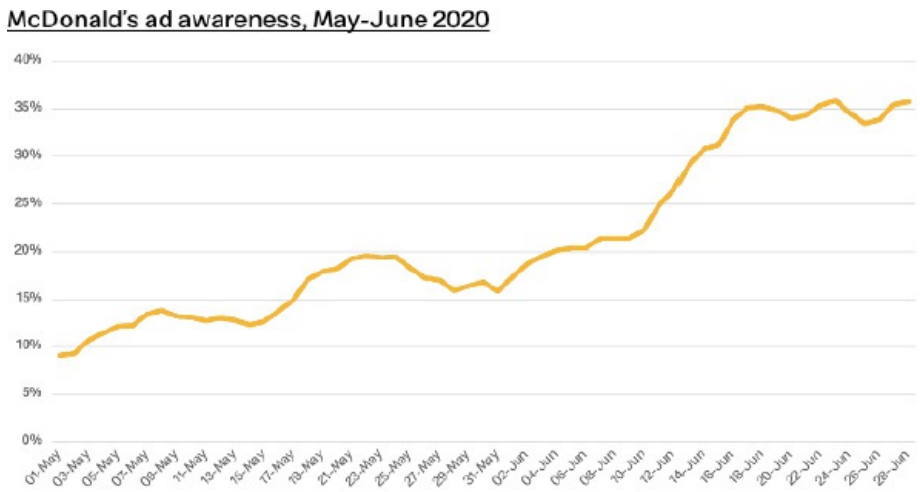
1. Campaign effects

We grabbed attention - awareness levels surpassed all our expectations.

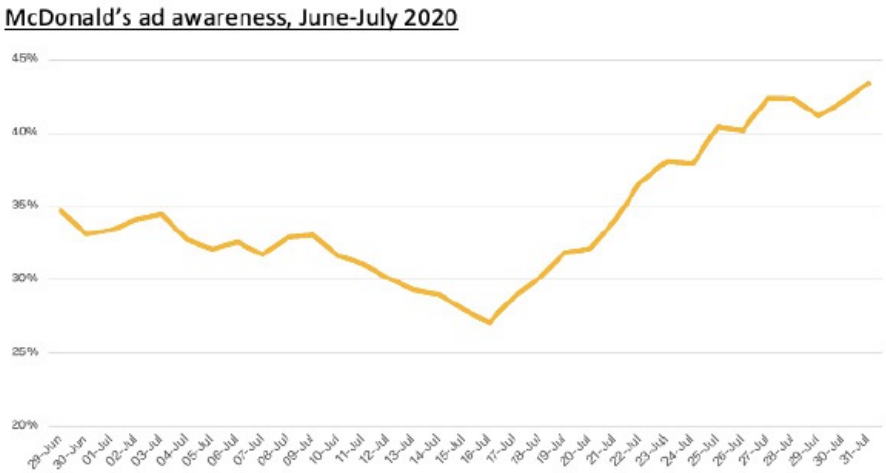
Our initial reopening campaign wasn't just noticed, it was YouGov's Ad of the Month for June[4]. With 35% ad awareness, it topped their rankings.

Then came Welcome Back - and it was impossible to ignore.

The campaign won YouGov's Ad of the Month for the second month running[5], with both the largest monthly increase in ad awareness and the highest level overall.



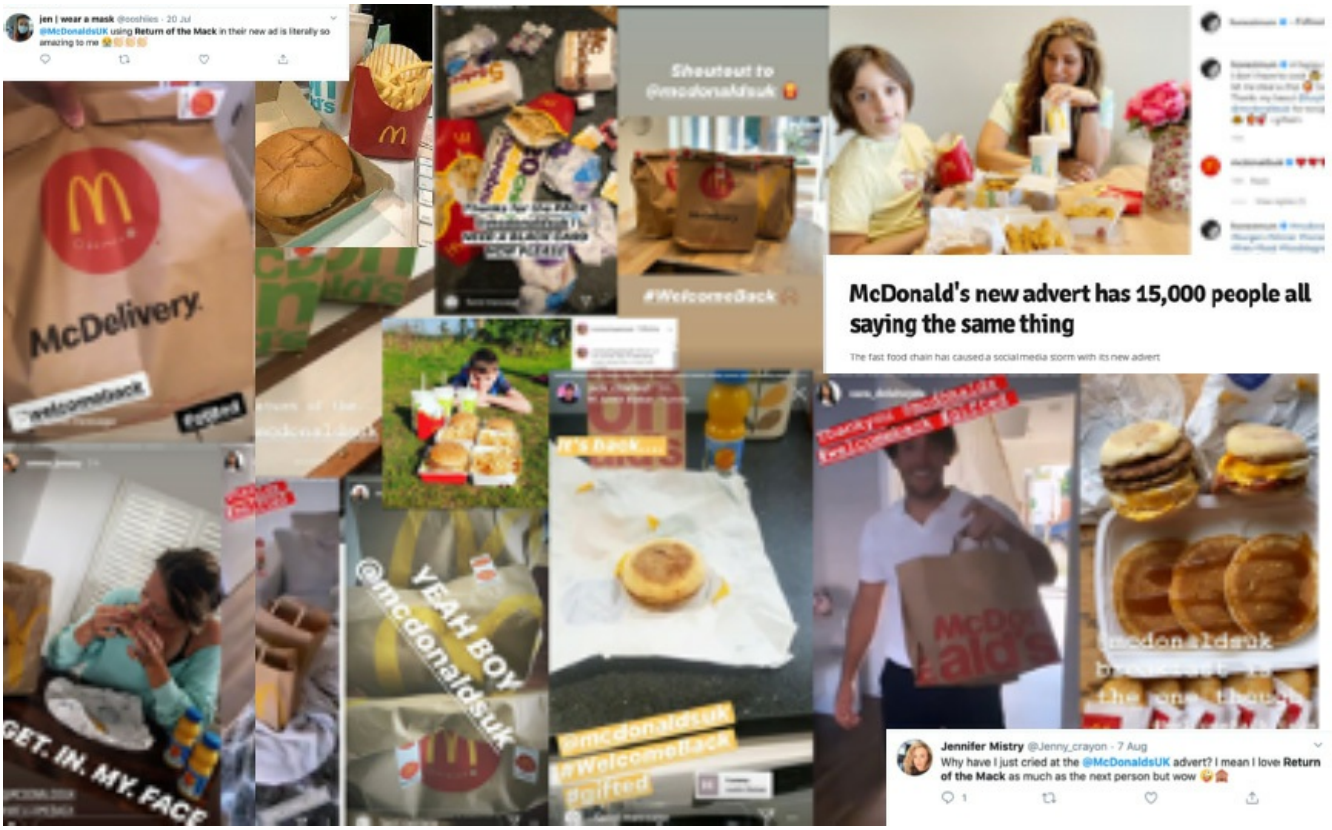
YouGov BrandIndex May-June 2020, 1-week moving average



YouGov BrandIndex June-July 2020, 1-week moving average

Next, we got the nation talking

Welcome Back caused a PR sensation, with 1385 pieces of coverage, including the main tabloids, Absolute Radio and Chris Moyle's Radio X breakfast show. Achieving a media reach of over 62.7m. I'm Lovin' it Live kept McDonald's on the lips of the nation, and increased its social following by 28%.



2. Brand effects

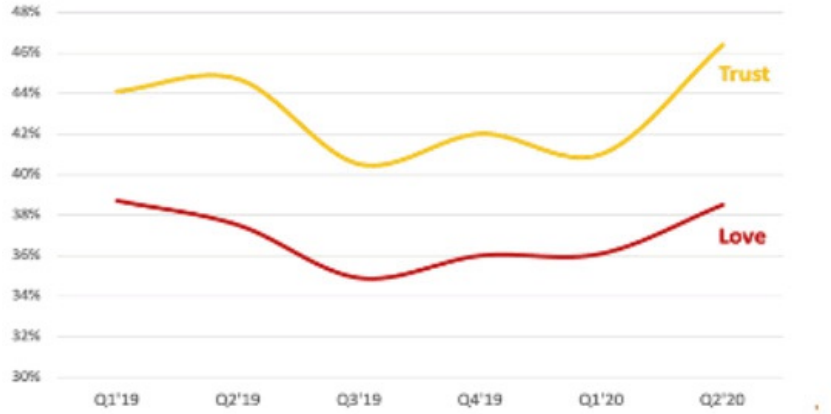
We succeeded in building Brand Love and Brand Trust, turning a leading brand into a stronger brand.

Response to our initial activity was promising. By the end of Q2, Brand Trust had lifted to its highest ever level and Brand Love was also showing a sharp uptick.

These improvements were sustained

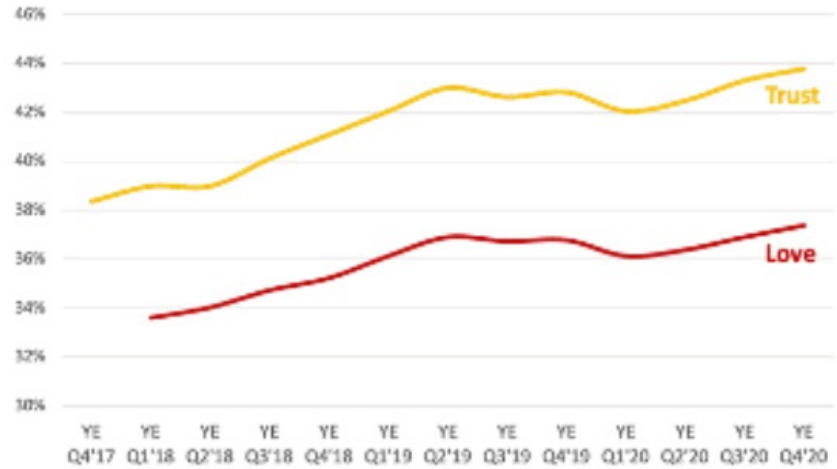
By the end of the year, McDonald's had reversed its declining Trust and Love metrics, achieving record new scores on both measures.

McDonald's brand perceptions, Q1 2019 – Q2 2020¶



Source: McDonald's HOT tracker; Base: IEO users aged 18-70¶

McDonald's brand perceptions, YE Q4 2017 – YE Q4 2020

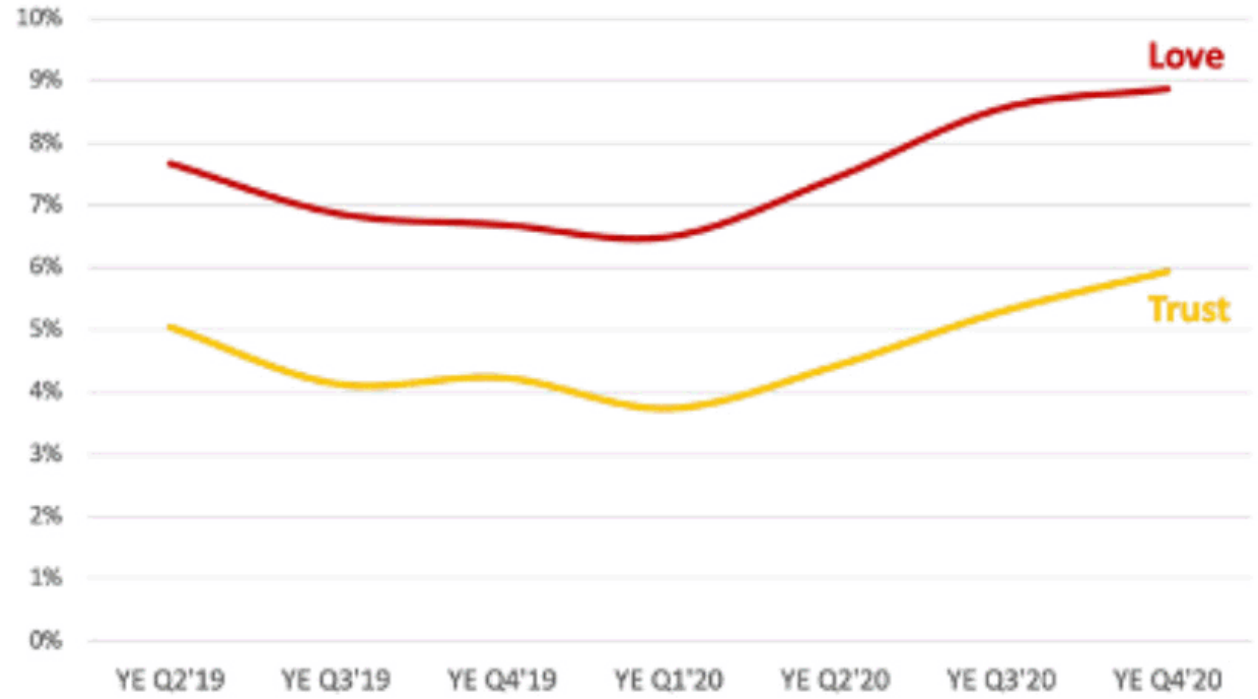


Source: McDonald's HOT tracker; Base: IEO users aged 18-70

And this wasn't a category effect.

The gap between our score and the average of our four closest competitors also grew to record levels by year end.

McDonald's brand perception gap vs key competitors, YE Q2 2019 – YE Q4 2020



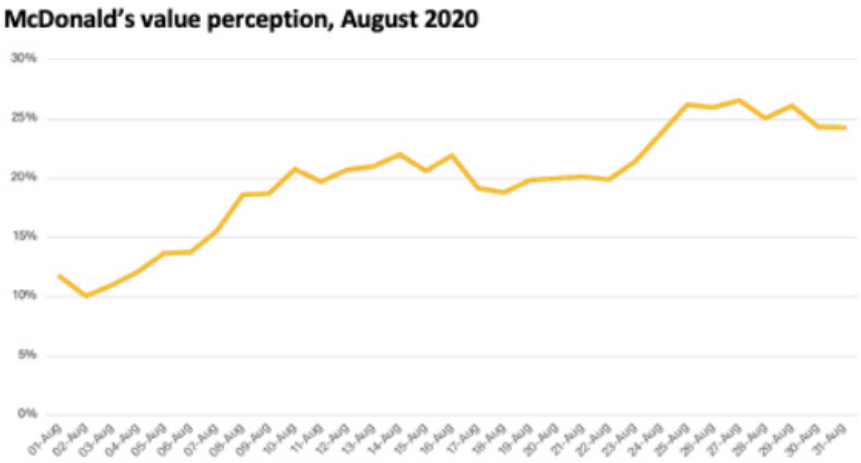
Score = McDonald's score minus average of KFC, Burger King, Subway & Greggs score

Source: McDonald's HOT tracker: Base: IEO users aged 18-70

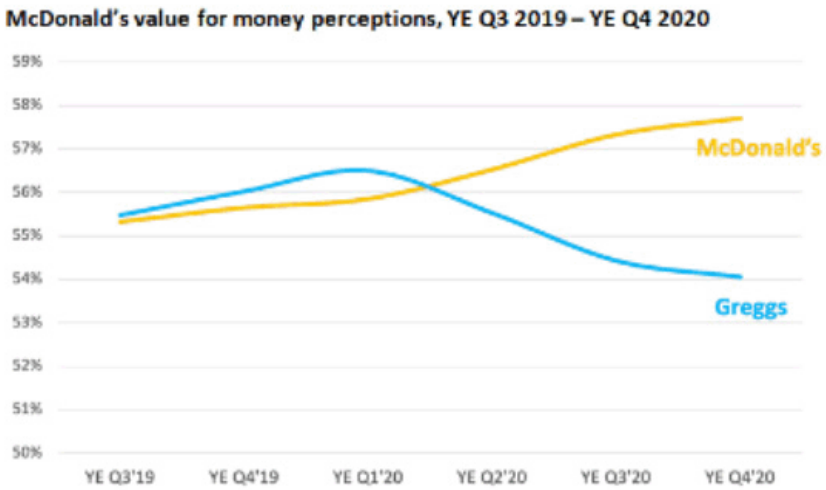
We also succeeded in building Value For Money

The VAT and EOTHO campaigns led to value perceptions more than doubling throughout August.

Having trailed Greggs on this measure over the previous year, by the end of 2020 we had taken top spot and were well ahead.



YouGov BrandIndex August 2020, 1-week moving average



Source: McDonald's HOT tracker: Base: IEO users aged 18-70

3. Business effects

The activity paid back immediately, with strong ROMS across the board

Econometric modelling showed that:

- The Reopening campaign returned £5.14 for every £1 invested[6].
- The VAT/EOTHO campaigns returned £3.83 for every £1 invested (plus the EOTHO scheme overall contributed an additional 13% to sales[7].)
- "I'm Lovin' it Live" delivered £5.87 for every £1 invested[8] (plus it tripled My McDonald's App downloads and delivered a 93% increase in sales through the app).

We emerged with an even greater share of the market

Having obviously dipped in the first half of the year, market share recovered to a record high of 14.2% by year end.

McDonald's share of all IEO visits, YE Jan 2019 – YE Dec 2020



Source: NPD CREST

And, finally, we set ourselves up for more growth in the future

In July 2020, IAB/YOUGOV research pointed to brands' actions and communications during the pandemic having a longer-term impact on their business.

They found 80% of people favoured brands that have behaved well[10].

In Jan 2021, Kantar asked the public to spontaneously name brands they thought were behaving well during the pandemic. They put McDonald's at no 8.

Further proof, if more were needed, that putting responsibility before revenue, and principles before profit, turned out to be good for the brand and the business.



Lessons learnt from lockdown

They say a principle isn't a principle until it costs you something.

And we certainly put that to the test in 2020.

McDonald's was the first quick service restaurant to close, and the last to reopen.

It put the safety of customers and crew first, before anything else.

It was a brave decision, which could have hurt the business and the brand.

Instead, McDonald's ended the year with stronger brand equity and its highest ever market share.

Marketing did this by:

- Staying true to McDonald's brand and values, whilst recognising that the pandemic demanded a bespoke tone and approach
- Listening carefully and continuously to people across the nation, throughout the crisis
- Bravely investing in long-term brand building, rather than short-term reactionary tactics
- Identifying key principles of wartime leadership, to guide the brand's communications
- Delivering these, as the situation evolved, through a number of carefully timed and sensitively executed campaigns

Footnotes

1. McDonald's HOT Tracker
2. BAMM qualitative research for McDonald's, June 2020
3. **https://www.music-news.com/news/UK/135709/Stormzy-spread-some-much-needed-joy-as-he-performed-a-45-minute-set-as-part-of-I-m-Lovin-It-Live-festival**
4. **https://yougov.co.uk/topics/consumer/articles-reports/2020/07/01/ad-month-uk-mcdonalds**
5. **https://yougov.co.uk/topics/consumer/articles-reports/2020/08/05/ad-month-uk-mcdonalds**
6. Analytic Partners econometric modelling
7. Analytic Partners econometric modelling
8. Analytic Partners econometric modelling
9. **https://www.iabuk.com/news-article/brands-handling-covid-19-pandemic-will-impact-buying-habits**

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