

THE HUB

THINKING MARKETING FOR BUSINESS VISIONARIES™ | November/December 2004

BEST PRACTICES

McDonald's Rolling Energy

What is the Rolling Energy plan and why did McDonald's develop it?

Rolling Energy was designed as a way of marketing our brand differently—using an ongoing, rolling, “bolt-of-energy” approach, as opposed to an off-and-on “light switch” approach. Rolling Energy is really our first-ever integrated, global marketing calendar that provides the consistency and messaging of communications to build our customers and our employees around the world.

So, it brings on-going vitality to the brand on a worldwide basis and it aligns our systems. That means things like reintroducing the Big Mac together (which we did last summer), or going after music opportunities and strategies together. There are such commonalities across borders in terms of passion-points—entertainment, fashion, music and sports—so the idea is to align those opportunities and execute them together, worldwide.

Rolling Energy spans media planning, new product opportunities, merchandising and a big push on internal marketing. It really allows us to activate those key opportunities that we all shared anyway, but to share them in a

way that really creates huge energy across the system. It's a way for McDonald's, as a system, to address opportunities against our key consumer segments together.

At the ANA Annual Conference, Larry Light, your CMO, spoke about brand journalism. Where does that fit into Rolling Energy?

The concept of brand journalism is that a brand is like a magazine. Within that, there are opportunities for different stories that are developed against the same brand theme. Our key consumer segments around the world are part of those stories. So, although we might speak a little differently to each segment, they come together under the concept of the brand theme.

For example, “I'm Lovin' It” is a brand theme, although the way it is approached with a mom is a little different than for a kid or a young adult. We are target-

ing our passion points—music, sports, entertainment and fashion—against those three consumer groups. We are also targeting our brand products against them.

So, the concept of brand journalism is a thematic that runs through Rolling Energy. Within the Rolling Energy plan, there are different opportunities to ignite the passion that connects with our customers, but that passion →

*Dean Barrett,
global brand business officer
for McDonald's, explains
how “border-free” creativity
re-ignited the McDonald's
brand, worldwide.*



← might be a little bit different, ignited differently depending on which customer segment you're speaking to.

Did the "I'm Lovin' It" campaign come directly out of the Rolling Energy plan?

The "I'm Lovin' It" campaign was actually the launch of the Rolling Energy plan. It was the first huge, bolt-of-energy—but it was also the consumer positioning for how the plan needed to ignite. It represented the fun, the youthful spirit and the revitalization of the brand. It really kicked it off in a huge way. The rest of Rolling Energy is the integration of "I'm Lovin' It" into the ideas and the initiatives we're implementing moving forward—to present them in a unique, relevant way back to our customers so that it comes alive for them.

It's interesting that "I'm Lovin' It" came from your agency in Germany. How has Rolling Energy changed the way you work with your agencies?

In our view, a good idea knows no geography; we listen to good ideas from everywhere in the world. Our new packaging came out of an agency in Birmingham, England. Our new store designs originally came out of our company in France. A lot of our new salad work came out of the United States—but then went on to Australia and got renovated even further and then went on to Europe.

So, we have a lot of big ideas that we are getting from around the world. We think that the concept of "good ideas knowing no boundaries" is a very important concept for a system like McDonald's, because we have fantastic agency networks and do business in 119 countries around the world. It makes all the sense in the world to look for ideas across the world, especially since part of our learning is that we have more in common among our key consumer segments than we have differences.

How has Rolling Energy changed how you work with other marketers—entertainment properties and so forth?

The difference is we are no longer thinking about branding or promotion; we only think about how we promote our brand. So,

our partners have to help complement the promotion of our brand—to make our brand association make sense. We also want to make sure that our partners see a benefit in the relationship, of course.

The key is that the partnership promotes the McDonald's brand in new and relevant ways to our consumer segments around the world. Be it music, sports, entertainment or fashion—we are looking at those unique relationships which will help us to connect with our consumers' passions in such a way that they have a major impact on promoting the McDonald's brand. In other words, our primary focus is on the brand instead of on the promotion itself.

Can you give an example of how that's played out with your marketing partners?

One great example is what we did with the Olympic Games—in terms of actually integrating our food and our product into the Olympic Game village, into the media center, into consumer locations—so consumers could interact with our brand while they were interacting with the Games. Sending more than 400 of our best people from around the world to serve the best athletes in the Olympic Games village was another great example of the Olympic Games brand integrating with the McDonald's brand.

Has this new approach actually changed what it's like to go into a McDonald's and have a meal?

There are a number of ways that it has positively complemented that situation. First of all, our people are excited and they are motivated. They have taken on the "I'm Lovin' It" attitude and spirit in terms of the way they interact with consumers. The contemporary store designs that we're coming up with all over the world are part of "I'm Lovin' It" in attitude and spirit, as well.

We are also creating lots of interactive opportunities for our customers. Whether it's the internet coming into the restaurant, the new "play place" design, or the Ronald McDonald gym design that we're using in France, we are making the McDonald's experience a go-active experience not only outside the restaurant but inside, as well.

There are a lot of great examples from around the world of how “I’m Lovin’ It” has been integrated. The uniforms that many of our people now wear were designed by either the crew or by people outside of McDonald’s to more reflect the “I’m Lovin’ It” attitude. They then pass that on to the consumer in a positive, fun way.

Speaking of your employees—you have 1.6 million of them worldwide. That’s a great opportunity, but also a great challenge, in terms of coordinating how they interact with your consumers and keeping them motivated. How have you dealt with that?

It’s been great for us because our employees around the world have very positively taken on the “I’m Lovin’ It” attitude. They’ve really done a great job in terms of delivering that attitude and experience to our customers. The proof of the pudding is that we had 47 million people a day visit a McDonald’s restaurant somewhere in the world by the end of the second quarter of this year (and by the way, that’s two million more customers a day this year vs. the same time last year).

That is huge proof that we are connecting with our customers inside our restaurants in very positive ways. You’re probably also aware that McDonald’s has had almost 16 months of consecutive, positive, same-store sales. So, the two aspects that the company focused on—operational excellence and leadership marketing—have really worked very positively together to deliver a very positive consumer experience. We couldn’t deliver marketing leadership without operational excellence. The stores have been delivering tremendous operational excellence.

How do you measure the R.O.I. on Rolling Energy?

In addition to the 2 million customers a day visiting our restaurants and 16 months of consecutive positive sales growth, I would

point to campaign awareness, which, on average, was 86 percent within 6 months of our campaign launch, and as high as 96 percent in Hong Kong, which was one of our highpoints. By the way, as my friend Larry Light says, we’re still looking for the other 4 percent! But there are a lot of things we’re looking at from a R.O.I. standpoint that are pointing very positively to the fact that leadership marketing and operational excellence are working very well for McDonald’s.

Is Rolling Energy a two-year plan, a three-year plan? Does there come a time when the energy stops rolling?

Rolling Energy is exactly what it says—an on-going, rolling plan. It’s a three-year plan, but it’s an on-going three-year plan that is updated on an on-going basis with the innovation and support of our countries around the world.

Now that you’re taking this border-free approach, will McDonald’s become somewhat less of an American icon, *per se*, over time?

The great thing about the McDonald’s brand is that it’s an icon in each of the countries where it does business, and it represents a taste of the localities. One of the great stories that one of our people in Japan talks about is the fact that they were on vacation and brought their child with them to California. They were walking down the street in San Francisco and the child pointed up at the sign and said: “Hey Mom, they have McDonald’s just like we do at home.”

That is the brand attitude of McDonald’s. We are a local brand that has the opportunity to talk across the borders. But we are first and foremost a relevant local brand, and we try to be relevant to the key consumer segment across each of the geographies where we do business. That’s what this brand stands for on a worldwide basis. ■

As global brand business officer for McDonald’s Corporation, **Dean Barrett** is responsible for facilitating all of the company’s global marketing and brand business efforts. He oversees the company’s Global Brand Business Planning efforts, Global Sports, Media and Entertainment Alliance marketing activities and facilitates marketing efforts systemwide, reporting to the global chief marketing officer, Larry Light.

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