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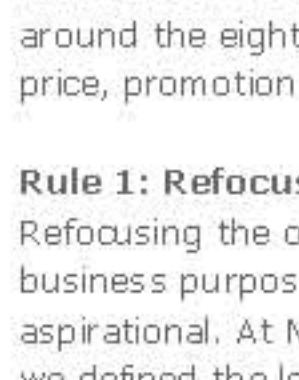
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Six Rules for Brand Revitalization

McDonald's Did It, and You Can Too

by Larry Light

Published: June 29, 2009



Brands do not die natural deaths. However, brands can be murdered through mismanagement. Some brands are beyond hope -- but others can be revitalized.

Of course, it's not easy. But it is well worth the effort. We at Arcature developed the following principles and practices over the years while working with a variety of clients in a variety of businesses. They're also practices we applied during my tenure as global CMO of McDonald's from 2002 to 2005.

For a brand to be successfully revitalized, everyone needs to be on the same page. Then they must follow the six rules of brand revitalization listed here. This "Plan to Win," as we call it, is built around the eight P's: purpose, promise, people, product, place, price, promotion and performance.

Rule 1: Refocus the organization
Refocusing the organization begins with redefining the brand and business purpose and goals. The brand purpose should be aspirational. At McDonald's, where I held the post of global CMO, we defined the long-term ambition "to be our customer's favorite place and way to eat and drink." For the first three years, the primary focus was on becoming the "favorite place and way to eat." As Jim Cantalupo, McDonald's CEO, liked to say, we would "be bigger by being better." How would we accomplish that?

Rule 2: Restore brand relevance
The brand promise is an articulation of the relevant and differentiating experience that the brand will deliver to every customer, every time. Brand revitalization means defining where you want the brand to be and then deciding how to get there.

Over the years, the essence of the McDonald's brand was the perception that it was an affordable, convenient brand for families with kids. There were those who said that equity could not and should not be changed. But McDonald's set out to change people's perceptions and go from appealing to the child in your heart to appealing to those with a young-adult spirit at heart.

Rule 3: Reinvent the brand experience
To revitalize a brand, we need to bring the redefined brand promise to life. This is what the five action P's are all about. The five action P's are people, product, place, price and promotion.

People come first. Building employee commitment to the new direction, employee confidence, and organizational and employee capabilities are critical factors that influence future success.

And it's imperative to inspire those in the organization to believe that the new brand future will happen and that they can help. At McDonald's a new on-boarding communication was created called "Learnin' it. Livin' it. Lovin' it."

Product is the next P. Products and services are the tangible evidence of the truth of the promise. When we redefine the promise, product and service renovation and innovation are imperative.

A disciplined approach to brand extension can revitalize and strengthen a brand. McDonald's extended its product range to include products such as salads, yogurt parfaits and coffee. The Crest revitalizations included extensions beyond cavity prevention to include tartar control, whitening, breath freshening, dental floss, mouthwash, tooth whiteners and toothbrushes.

The place is the face of the brand. Whether a store, a website, a retail display, a kiosk or wherever the "place" may be, the experience must be consistent with the intended brand direction. For example, McDonald's embarked on a very ambitious retail reimagining program. It also updated the brand website.

Price comes next. The launch of the McDonald's Dollar Menu created an everyday-low-price list of items and enabled the brand to significantly reduce marketing emphasis on on-and-off discounting. Overemphasis on deals and discounts builds deal loyalty rather real loyalty.

Promotion comes next. In September 2003, a new global campaign was launched in 119 countries. The common signature theme was "I'm lovin' it," supported by a distinctive set of five musical notes. The character of the communications was designed to reflect the new young-adult spirit of the brand. The following year, McDonald's adopted its first global packaging approach. It's the longest-running theme in the history of the brand.

Whether advertising, special events, public relations, online, cause marketing, sponsorships, Olympics, World Cup or other forms of communication, the goal was to be consistent with the new McDonald's brand promise. Disconnected, monthly promotional messages and tactics destroy brands.

Rule 4: Reinforce a results culture
Measuring and managing performance is the eighth P. The McDonald's Plan to Win included three-year, measurable milestones.

Creating a results culture means it is important to produce the right results the right way. A balanced brand-business scorecard should include measurable elements such as brand familiarity, brand reputation, employee pride, customer-perceived value, brand loyalty, sales, share and profit.

Rule 5: Rebuild brand trust
In this skeptical, demanding, uncertain world, trust is a must. As part of revitalizing a brand, rebuilding trust is critical. Investment in rebuilding trust is an important, challenging marketing responsibility. There is demand for more openness, more social responsibility and more integrity. Over the years McDonald's invested in building trust -- Ronald McDonald House, environmental responsibility, commitment to employee diversity, local community activities. As the concern with global living has grown, so has McDonald's commitment to providing appropriate choices -- for example, salads, apple slices, yogurt parfait, water, juices and milk.

Rule 6: Realize global alignment
The power of alignment is awesome. During brand revitalization, we often talk about the need to get everyone on the same page. But we rarely, if ever, define the page we want everyone to be on. That's the purpose of the one-page Plan to Win, the one-page document that summarizes the eight P's and the desired outcomes.

Brand revitalization needs the courage and perspective of strong leaders. Jim Cantalupo was a decisive, committed leader providing clear direction and priorities. Charlie Bell, chief operating officer, was not only a great communicator, his positive attitude was infectious. They were the leaders who led the creation and launch of the far-reaching McDonald's Plan to Win. The vision and positive momentum initiated by Cantalupo and Bell continues to produce results even in a difficult economic environment.

ABOUT THE AUTHOR

Larry Light, author of "Six Rules for Brand Revitalization: Learn How Companies Like McDonald's Can Re-Energize Their Brands," is chairman-CEO of Arcature, a management-consulting company that advises companies on how to create, build and manage brands. Recognized as one of the leading authorities on branding policy, he has taught at New York University, Wharton, Indiana University and Northwestern's Kellogg Graduate School of Management. After joining McDonald's as chief marketing officer in 2002, Mr. Light helped the company garner Ad Age's Marketer of the Year title in 2004.

4 Comments

By Rodney33 | FRISCO, TX [June 30, 2009 07:32:23 am](#):

Good thoughts.

McDonald's understands the important role of each of its assets and how they work together to fulfill consumers' needs and expectations.

Boiling this down to six steps makes the McDonald's story look easy, but it's not. Especially with an organization that has so many moving parts, operations, franchisees, front line employees, managers, menu management, financial management, marketing, and a plethora of business partners.

Few companies have as big of a daily challenge as McDonald faces in balancing excellence in operations with appropriate messaging to delivering a holistic branded experience. This is where most players in the category stumble and where McDonald's excels.

Rodney Mason, CMO
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By jkantor1 | St. Petersburg, FL [June 30, 2009 08:35:55 am](#):

You can talk "Brand" way too much. McDonalds is successful now (and I now eat there again) because they provide good service and a good product at a good price. That's the same lesson that the recession is teaching a lot of industries -- including advertising. If you do that, the brand takes care of itself.

By jason_miletsky | totowa, NJ [June 30, 2009 10:20:30 am](#):

jkantor1: I have to disagree -- strongly.

Clearly the provision of good service, product and price is a requirement (at least in the case of McDonalds -- not every brand is focused on quality, however; some brands, like Prada, are more centrally focused on a brand promise of peer acceptance). But smart branding requires a clear strategic approach, especially in situations where the company is making a shift to a different demo or experiencing periods of extreme growth or decline.

Mr. Light's discussion of a disciplined approach to brand extensions is a perfect example of the strategy behind brand building. If handled incorrectly, extensions can muddy the brand or dilute its meaning altogether.

Anybody with some money in the bank can run some ads. But if the brand behind the ads isn't firmly established, then the ads become nothing more than smoke and mirrors -- and consumers are smart enough to see that. Making sure there's a solid foundation for the brand, that it creates an emotional connection (both internally and externally), that it lives up to its promises and promise, and that it evolves properly over time takes a far greater effort than simply saying "ok, guys, go provide good service."

McDonald's, and for showing the great work he's done with brand building can move markets and generate positive return.

Jason Miletsky
CEO, PFS Marketwys
Author, 'Perspectives on Branding' and 'Perspectives on Marketing'
http://twitter.com/jason_miletsky
<http://www.pfsmarketwys.com>
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By William | East Rockaway, NY [June 30, 2009 03:59:13 pm](#):

How great to see Larry Light be the guy to remind everyone what marketing really is. Advertising people think they know, but they don't. Their experiential world is simply too small. Larry going from the classic 4Ps to his new 8Ps is surprising, but apropos given today's new consumer and corporate marketing paradigm.

I remember reading Dr. Light's (yes, he's a Ph.D.) articles in the Journal of Marketing Strategy when I was a grad student in B-school. Then, of all things, he showed up as head of marketing research for Bates Worldwide, my first agency job. What a small world.

So, I say to anyone who wants to critique or question Larry Light's thinking on anything about branding and related communications, be advised. You are over your head!
borandallny@aol.com
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