

Bronze: New Campaign for Existing Product or Service

McDonald's Eurosaver: The antidote to Rip-Off Ireland

AN EFFECTIVE ADVERTISING CAMPAIGN REPOSITIONING MCDONALD'S EUROSAVER MENU LED TO THE TREBLING OF SALES. CAWLEY NEA/TBWA WAS BEHIND THE CAMPAIGN.

'Escalating prices test resolve of weary consumers' - Irish Times 11 August '05.

In recent years, few topics have exercised the Irish public more than the phenomenon of rising prices and real and/or perceived rip offs. From mortgages and rent, to petrol, electricity and every day commodities; prices have been rising rapidly, with annual inflation levels running at over 4%. This led, inevitably, to the endearing Irish habit of coining a pet name for a national vice: and so, the term 'Rip Off Ireland' was born. It quickly became part of the vernacular (with its alliterative variant 'Rip Off Republic') as an articulation of the anger consumers felt at the escalating situation...

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THE TASK:

But before those heady days, let us take you back to 2002 when McDonald's first launched its Eurosaver menu. Initially this low cost menu was a key driver of business with high sales throughout 2002 and 2003. However the high sales levels were hard to maintain and sales began to fall sharply in 2004. It became apparent that the consumer's benchmark for good value had shifted; Eurosaver had been consistently promoted as 'discounted food' and had failed to remain relevant to what consumers wanted as part of their menu choice in the restaurants.

Early 2005, soon after winning the McDonald's business, Cawley Nea/TBWA were set the task of 're-launching' the menu by finding a new relevance for Eurosaver for its discerning and demanding 18-24 year old audience.

MARKETING OBJECTIVES:

An integral part of our marketing strategy is to promote McDonald's as a 'dialogue brand'. Simply stated, this means a brand that has a particular relevance and empathy with its audience. A brand that can connect and engage with its audience through the issues that are important to its audiences. We felt that in order to re-launch the Eurosaver sub-brand and to put a halt to the steep decline in sales, it would be necessary first to reframe how consumers, in particular teenagers, viewed the Eurosaver Menu.

THE STRATEGIC SOLUTION:

HUNG THE ZEITGEIST

The first thing we needed to understand was what motivated teens to purchase Eurosaver and whether our value proposition was, in fact, relevant to them.

We undertook primary research (focus groups, and vox pops) to get an insight into teens attitudes towards value. From this research we found teens to be really engaged with the topic of value, or more to the point, the lack of it in modern Ireland. Some key points which later impacted on creative executions included:

They are aware of the cost of living in Ireland via media reports and their parents. They acknowledged that Ireland has a reputation for being expensive amongst tourists. They also have evidence of this themselves from holidays abroad.

Items considered universally expensive by teens include:

Clothes, CD's, Mobile phone credit, concerts, eating out, public transport.

Older teens are critical of the cost of 'going out' including clubs, pubs, taxi's, sporting fixtures, alcohol, magazine subscriptions and the cost of rental accommodation.

Many brands and companies were viewed by teens as providing good value for money; McDonald's being one of them.

It was clear that the definition of value had somehow shifted for this audience. It was simply not enough for a brand to shout about low prices or good value for money.

For our purposes we redefined a good value statement as: 'getting something I want for less than I expected to pay'

This was greeted with near universal agreement by the groups and left us with a clear platform for Eurosaver, and the role it could play in the world where our consumers live.

Now with our understanding of teenager's perception of value cemented and their emotional discontent with the lack of value in modern Ireland confirmed we had a clear tone of voice and a clear point of reference to open a dialogue and develop relevant creative communications.

The campaign proposition that was the foundation stone for our communications was:

Eurosaver, providing something you want, for less money than you expect (a rarity in Rip Off Ireland).

THE IDEA:

This rock steady proposition was the platform that liberated us from conventional, rational price promotion advertising and allowed us speak from the emotional high ground. Our timely launch happened before Eddie Hobbs hit the screens. Yet Eurosaver would soon be riding the tsunami of the Rip-Off Republic outpouring as the value answer for a country desperately in need of value. Prices in Ireland just didn't make sense and it was here our creative idea Sense/Nonsense was born. Rip Off Ireland did not make sense, but the delicious selection of good value on McDonald's Eurosaver menu makes absolute sense.

THE COMMUNICATION ACTIVITY:

The TV commercials were set in typical 'rip off' scenarios that young people could relate to. With just a slight exaggeration, we could highlight just how non-sensical things had become in the rip off Republic. Against this context the Eurosaver products that offer good kind of delicious food at great value was seen to make perfect sense.

We knew from our research what the hot rip-off topics were amongst our audience. Our chosen topics included the cost of football kits, in to extortionate prices paid for flat rental, hairstyles and nightclub admission.

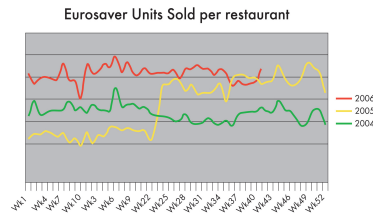
In addition to creating relevant and engaging scenarios, we also wanted, where possible, to match the creative execution to the time of year. For instance, on radio we created an exam themed spot for the May/June exam period, while on TV, we created the 'Rent' spot for the autumn apartment hunting period familiar to students, in order to maximise the impact of the communication.

The campaign was fully integrated both above the line on TV, Radio and Outdoor and below the line across all key retail and point of sale elements.

MEDIA STRATEGY:

The media strategy worked with the creative strategy in order to make communication as relevant as possible to the target audience. The television strategy reflected a programme led strategy. Programmes were targeted and bought into on the basis of their compatibility to the audience profile. Outdoor was used, led by 48 sheets, in response to the changing media habits of our audience, while radio copy reflected the time of year it was running in.

The campaign is still running and new media strategies are often used to keep the campaign as fresh as possible. During some bursts of activity we have topped and tailed ad breaks, while recently we have begun to use the Internet, targeting sites like Bebo in order to follow our audience's changing media habits.

**THE RESULTS:**

The primary and most crucial aim of the campaign was to revive the fortunes of the flagging Eurosaver menu. Clear evidence that we achieved this is available from the sales figures, pre and post campaign launch.

In Quarter 1 2005, sales of Eurosaver had reached an all time low. Something drastic needed to be done to halt the slide. Shortly after the start of the campaign sales nearly doubled and have since trebled, reaching an all time high in early 2006.

The blue line shows sales in 2005, with a massive jump in transactions clearly illustrated by the spike occurring just as the campaign launched in Week 21.

The red line shows the continued success of the campaign in 2006.

In revenue terms this massive increase in sales means a marketing return on investment of 6:1. This is taking in mind marketing spend of €1.2m.

The timing of the rise in sales shows the effectiveness of the new creative campaign, replacing the existing Eurosaver work in the marketplace. The strong performance of the ads was also shown in tracking research by Red C.

This research showed the likeability of the ads with high levels of spontaneous recall, and high levels of likeability scores, in particular for the Night Club execution.

Most impressively, the question probing whether people attributed good value to McDonald's saw an increase of 5% points - an unprecedented jump.

The chart above shows a large spike in the advertising recall levels of McDonald's during the period that the Eurosaver campaign launched, Q2 2005 (66%). This high recall level reflected the overall cut through the ads enjoyed.

MCDONALD'S TOTAL AD AWARENESS

In McDonald's own Fast track research, the value question is also probed and again saw impressive results with a 7 point increase between Q1 05, and Q1 of 2006, 9 months into the campaign. Impressively, at the same time people attributing 'cheap prices' to McDonald's dropped by 3% points during the same periods, showing clearly that people began to see Eurosaver in terms of value rather than cheapness.

The campaign also proved effective in making Eurosaver relevant to modern Ireland, with the idea of sense/nonsense entering popular culture. This was confirmed when The Six One News ran the "Rent" execution at the top of a story relating to rising accommodation prices. This kind of exposure is incredibly effective as it means our advertising went way beyond the commercial breaks and into our consumer's world.

SUMMARY

Eurosaver is a key driver of McDonald's business performance in Ireland. A strong Eurosaver usually means strong results across the board, making it a crucial component of McDonald's menu offering. Returning Eurosaver to good health in 2005 was of utmost importance, sales needed to recover, but also it needed to be seen as good value rather than just cheap food. These objectives were achieved through a new communications strategy that tapped into the 'Rip Off Ireland' sensibility and it happened before any other brand or company seized this opportunity. Through engaging and relevant communications Eurosaver once again became relevant to the lives and needs of our customers. In a country where everything seemed to be rising in price, Eurosaver clearly offered customers great value and good quality products at reasonable prices. There can be no doubt that advertising was the main driver of this repositioning and its effectiveness, as it is the only factor from the marketing mix that has changed during the campaign.