McDonald's Summer Campaign

Cross Media Case Study

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Contents

Background To The Research

Contributors

Client   **Media Planner**   **Facilitator**   **Independent Market Research Institute**

Objectives

To evaluate the effectiveness and efficiency of online advertising, not in isolation but as an integrated component of the marketing mix

To provide guidelines on the optimal marketing mix for the campaign

Background To The Research

Methodology

- Fieldwork

  - 14 June05 – 17 Aug05

  - All research conducted online

- Sample Size

  - 3,323 respondents within target group

  (fashion conscious 18-34 yr olds who are budget minded when it comes to food)

- Data Captured

  - TV, radio, internet & outdoor exposure captured via online surveys

  - The sample was drawn from both the MetrixLab Consumer Panel as well as the MSN Website.

  - 95% confidence level achieved

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Background To The Research

Methodology

- Media Plan

Data Capture	Media used
14 June - 19 June	0-Measurement (Not exposed)
20 June - 5 August	TV
20 June - 16 July	Radio
20 June - 11 August	Internet
20 June - 5 August	Outdoor

- Data Captured
    - Data comparisons were made between 4 distinct consumer groups:

The Unexposed

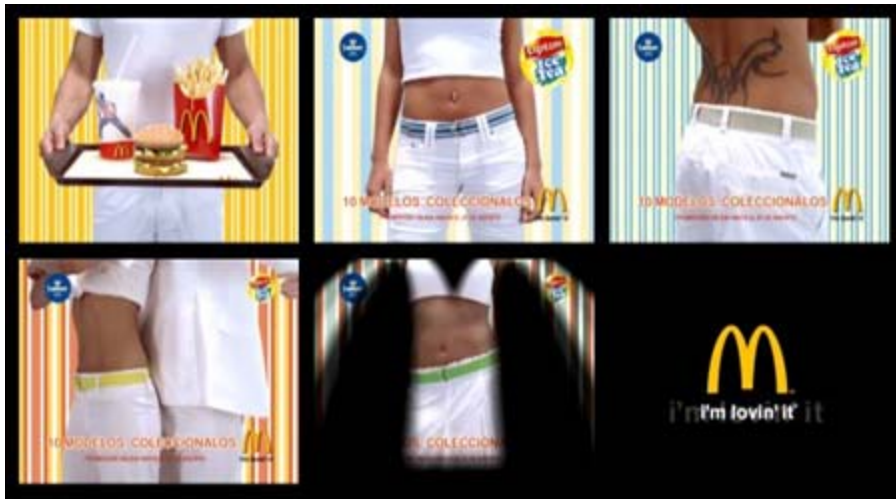(Control Group)

Online Only

Offline Only

On & Offline

Campaign Creative : TV & Radio

- The McDonald's TV and radio spots were shown both nationally and regionally

Campaign Creative : Outdoor

- 1,225 McDonald's advertisement-boards were placed in various regions in Spain.

Campaign Creative : Online

- The McDonald's Summer Campaign were shown on MSN Spain's Homepage, Messenger, Hotmail and Entertainment Channel.

Campaign Performance

Impact on Key Metrics

Reach per medium within target audience

In total 97% of the target group was reached by the McDonald's Summer Campaign

basis: target group 18 - 24 years old

Medium	Reach
Not exposed	3%
Internet	26%
Television	96%
Radio	48%
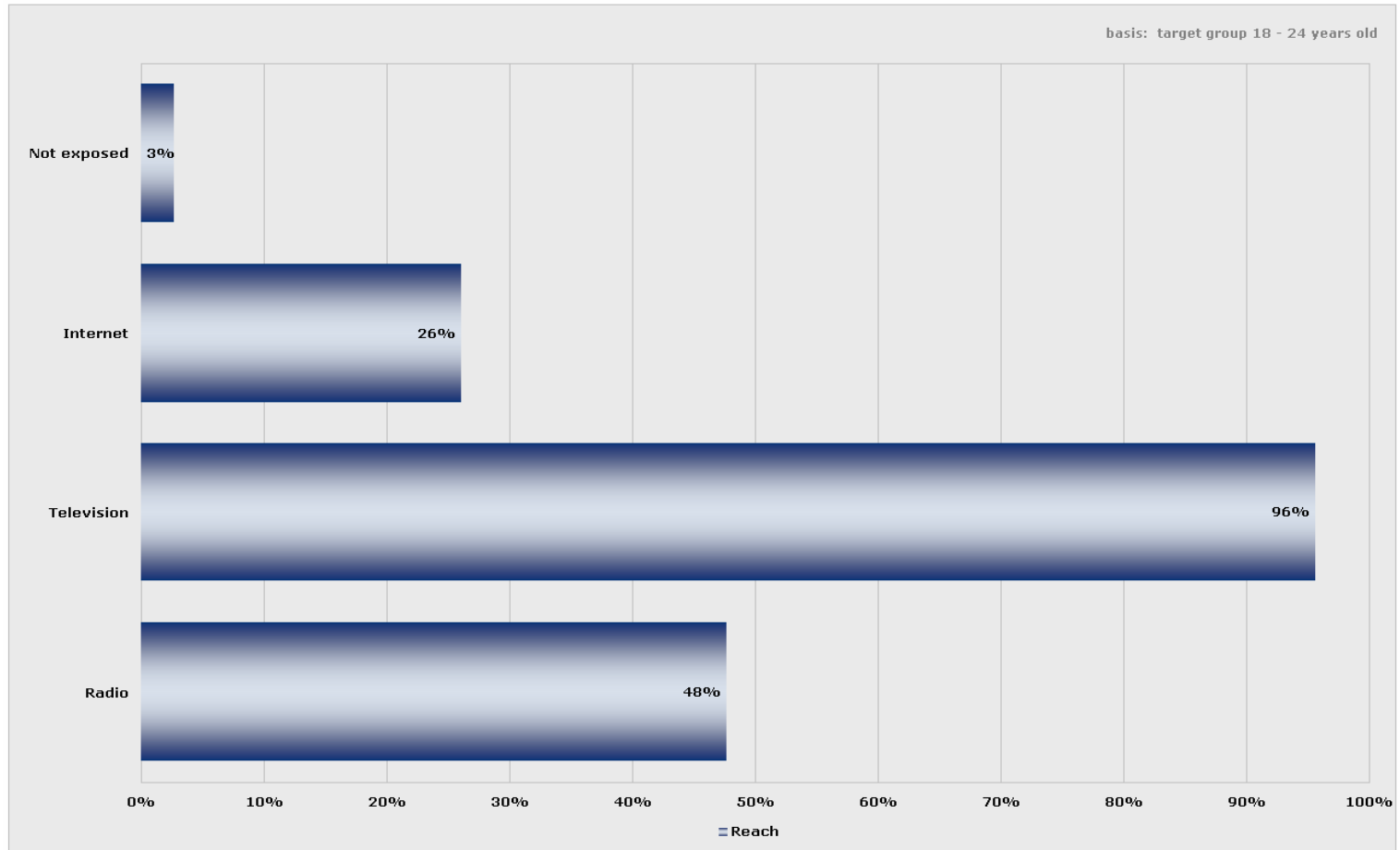
The (net) reach of a campaign is defined as the number of persons that have seen the advertisement at least once.

Average frequency target audience per medium (OTS)

basis: target group 18 - 24 years old

Average frequency

Radio	Television	Internet
8,1	22,1	6,9
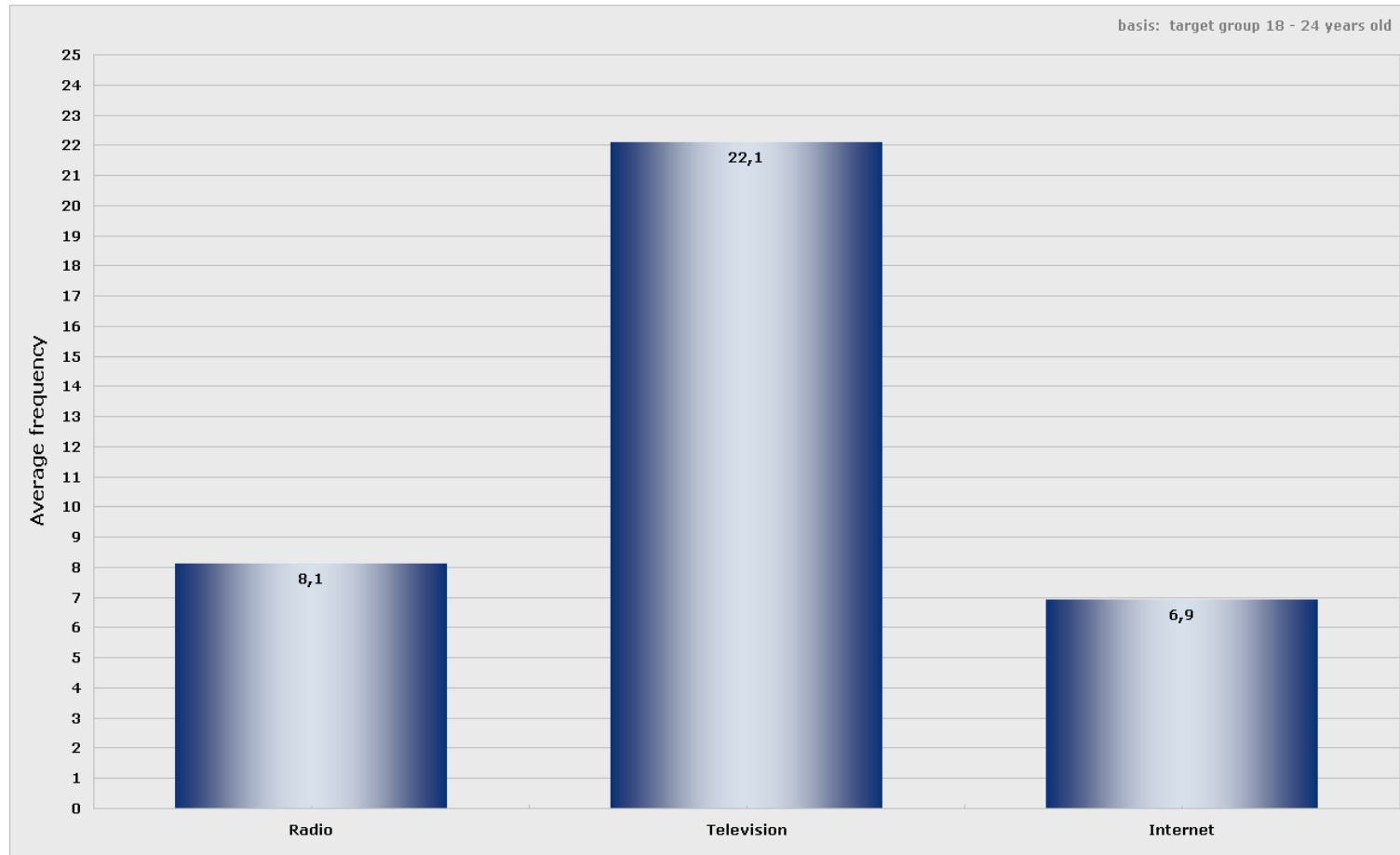
Overall Campaign Effects: Brand Awareness

basis: target group 18 - 24 years old

Top of mind brand awareness
- 40% (Baseline)
- +8%
- 48% (Average effect after campaign)

Spontaneous brand awareness
- 84% (Baseline)
- +8%
- 92% (Average effect after campaign)

Aided brand awareness
- 95% (Baseline)
- +1%
- 96% (Average effect after campaign)

Legend: ■ Baseline ■ Average effect after campaign
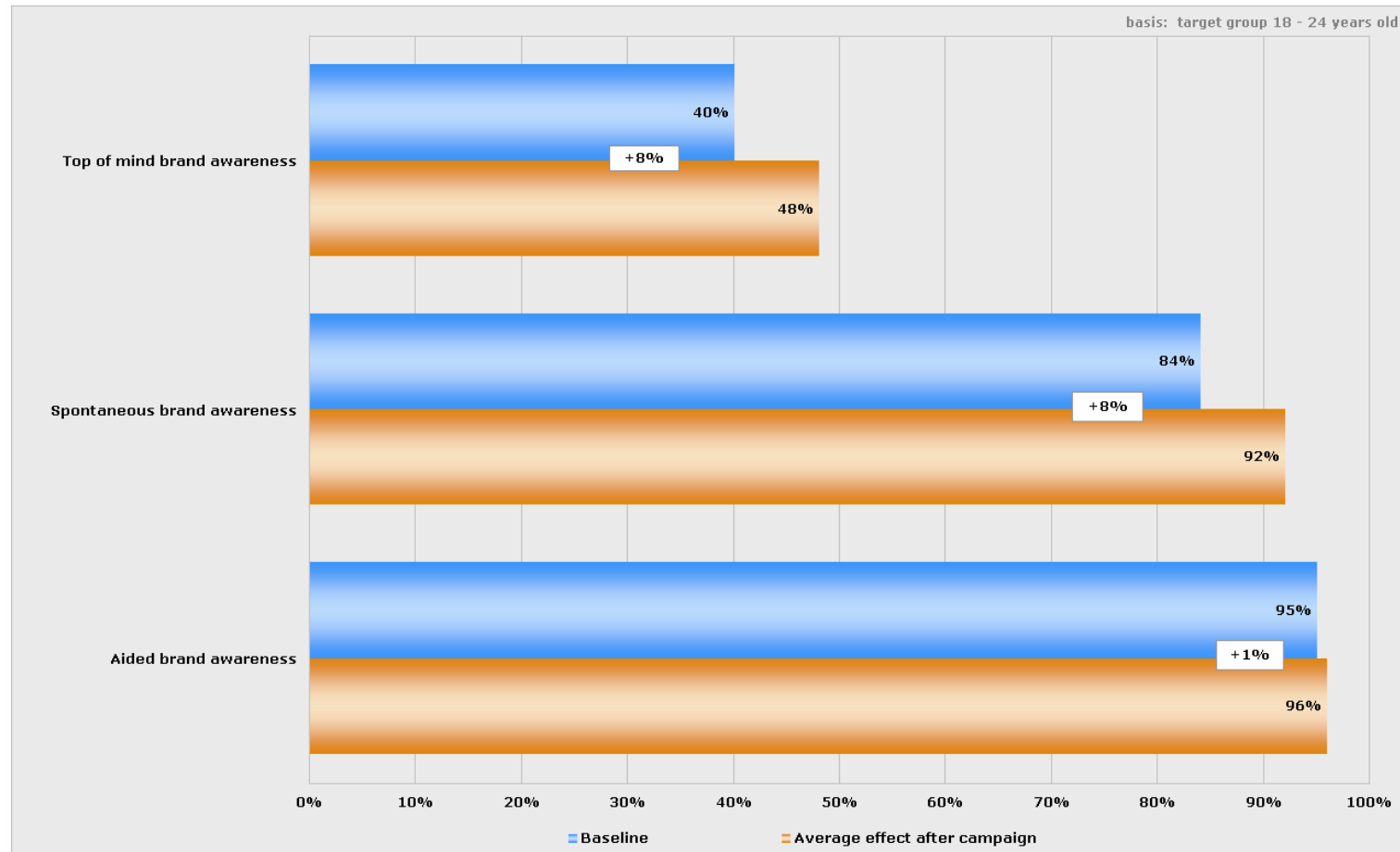
The campaign resulted in a significant increase in top of mind and spontaneous awareness (both +8%).

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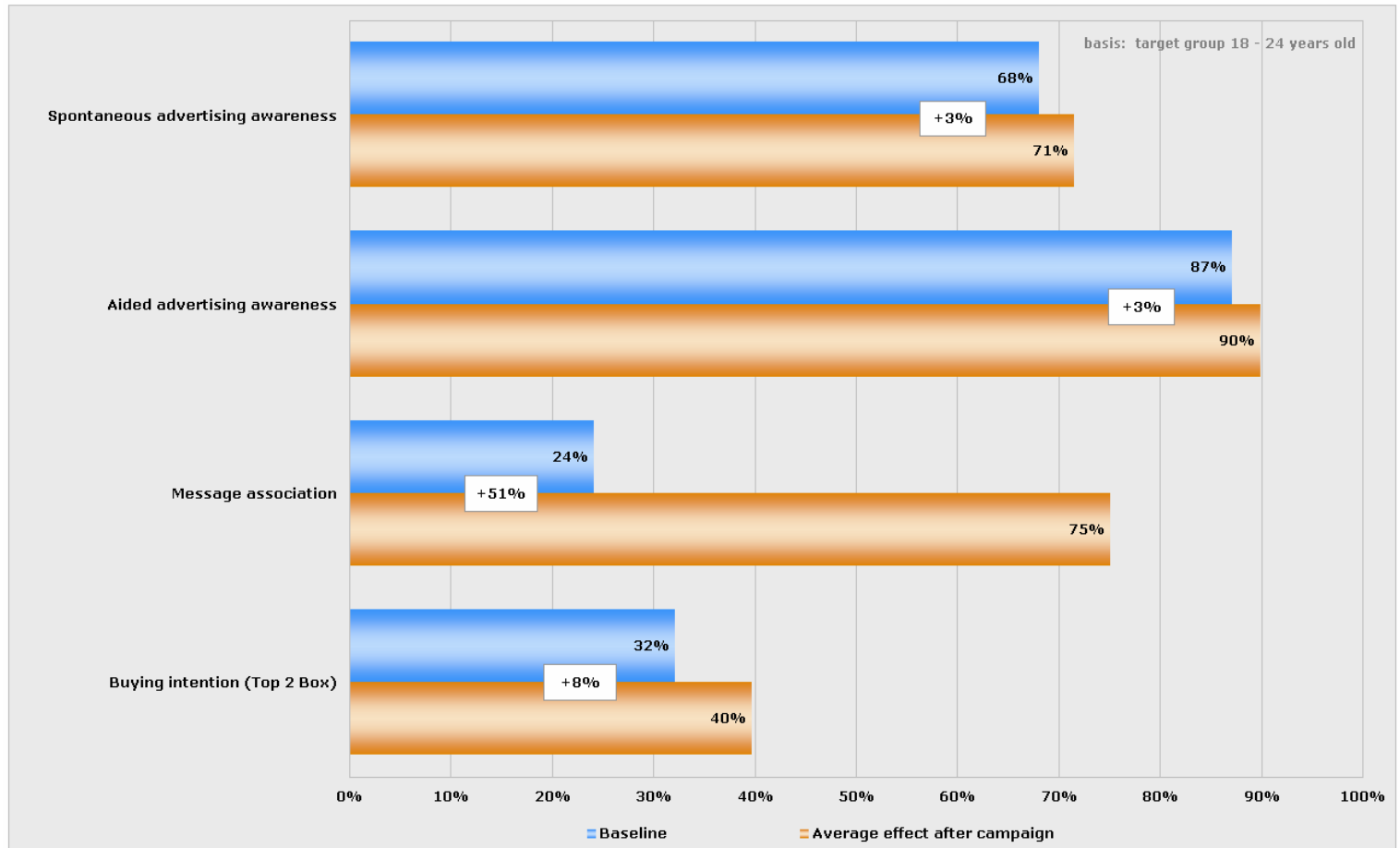# 5.2 Overall Campaign Effects: Brand Metrics

basis: target group 18 - 24 years old

Spontaneous advertising awareness — 68% / +3% / 71%

Aided advertising awareness — 87% / +3% / 90%

Message association — 24% / +51% / 75%

Buying intention (Top 2 Box) — 32% / +8% / 40%

■ Baseline   ■ Average effect after campaign
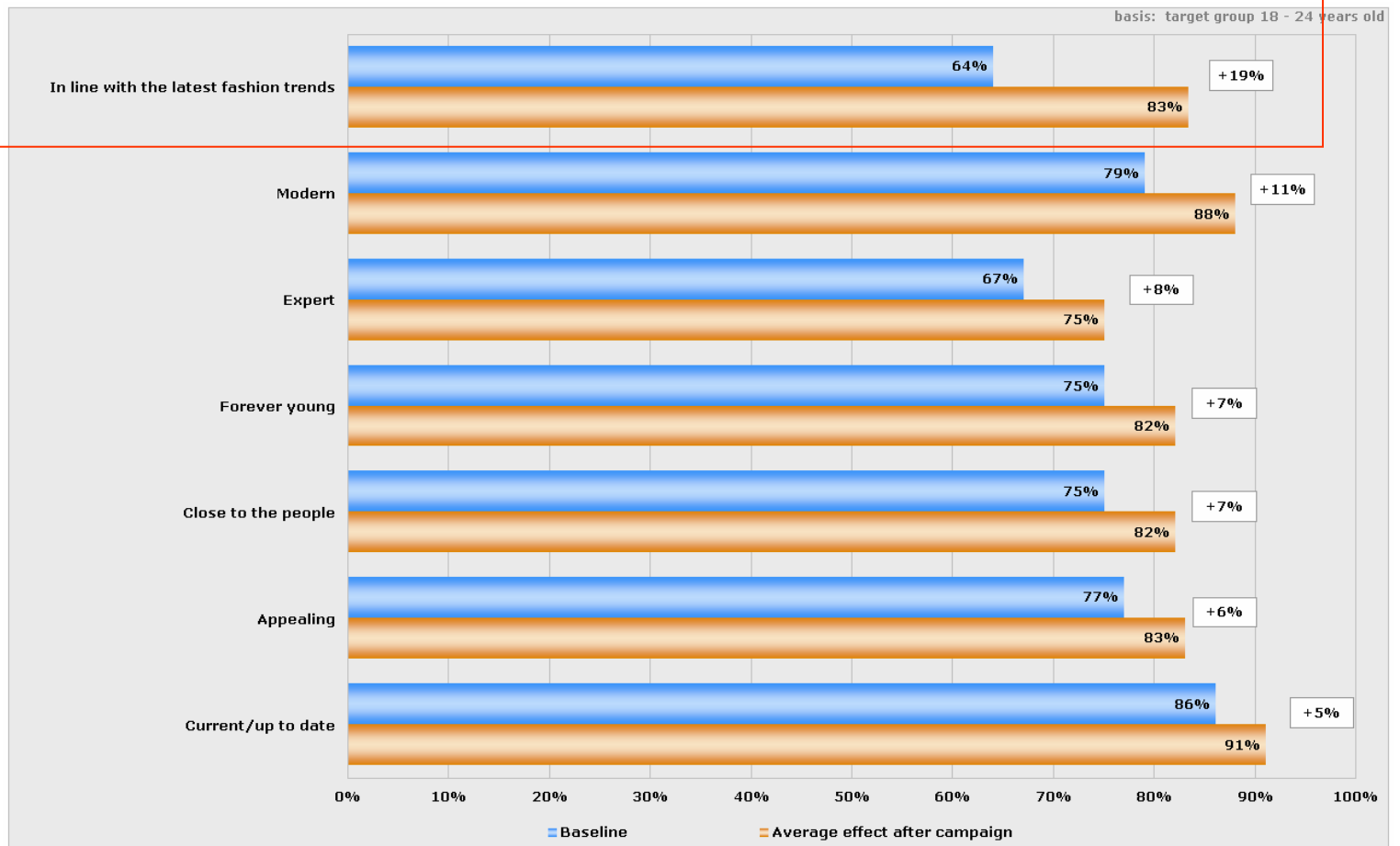
Remarkable is the increase in message association as a result of the campaign. The campaign had also a significant effect on the buying intention of +8% points.

5.3 Overall Campaign Effects: Brand Values

basis: target group 18 - 24 years old

Brand Value	Baseline	Average effect after campaign	Change
In line with the latest fashion trends	64%	83%	+19%
Modern	79%	88%	+11%
Expert	67%	75%	+8%
Forever young	75%	82%	+7%
Close to the people	75%	82%	+7%
Appealing	77%	83%	+6%
Current/up to date	86%	91%	+5%

■ Baseline   ■ Average effect after campaign
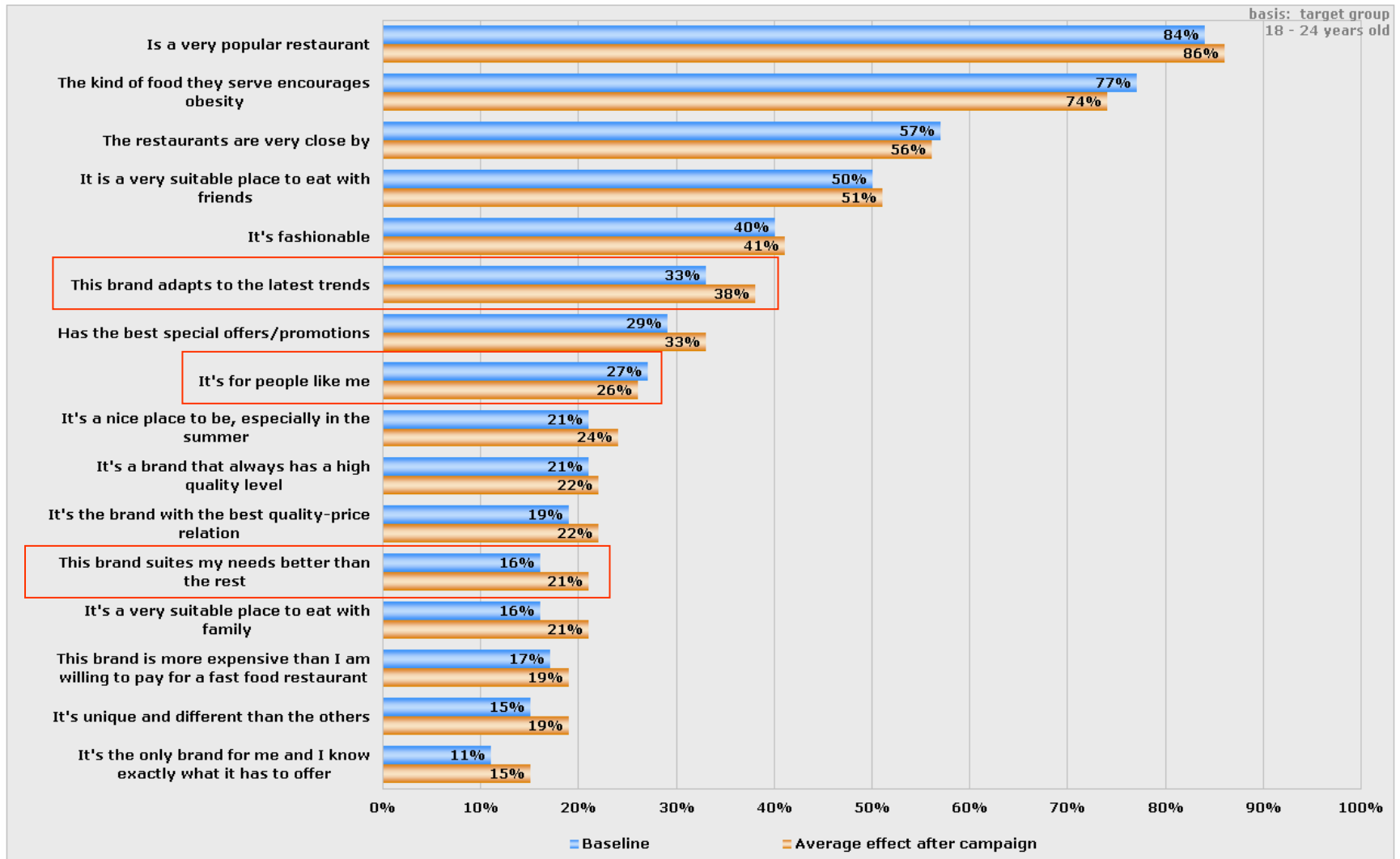
The McDonald´s Summer Campaign had a positive effect on the aimed main brand values. The brand value ´Fashionable brand´ increased 15% compared to the baseline.

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5.4 Overall Campaign Effects: Image

basis: target group 18 - 24 years old

Attribute	Baseline	Average effect after campaign
Is a very popular restaurant	84%	86%
The kind of food they serve encourages obesity	77%	74%
The restaurants are very close by	57%	56%
It is a very suitable place to eat with friends	50%	51%
It's fashionable	40%	41%
This brand adapts to the latest trends	33%	38%
Has the best special offers/promotions	29%	33%
It's for people like me	27%	26%
It's a nice place to be, especially in the summer	21%	24%
It's a brand that always has a high quality level	21%	22%
It's the brand with the best quality-price relation	19%	22%
This brand suites my needs better than the rest	16%	21%
It's a very suitable place to eat with family	16%	21%
This brand is more expensive than I am willing to pay for a fast food restaurant	17%	19%
It's unique and different than the others	15%	19%
It's the only brand for me and I know exactly what it has to offer	11%	15%

■ Baseline   ■ Average effect after campaign

McDonald´s´ fashionable image improved as a result of the campaign. However, the image ´For people like me´ maintained stable.

5.5 Campaign Performance Conclusion

- The multimedia campaign was in many aspects a success:

  - **Top of mind awareness: total increase of 8%, aimed increase was +10% vs. baseline.**

  - **Spontaneous awareness: increase of 8%, aimed increase was +8% vs. baseline.**

  - **Image 'McDonald's is a fashionable brand": increase of 19%, aimed image increase was +15% vs. baseline.**

  - **Message association: remarkable increase of 51% (triple vs. baseline).**

  - **Purchase Intention: increase of 8%, significant (99% conf. level), aimed was significant increase vs. baseline (95% conf. level).**

- *Did Online Advertising contribute to these results?*

- *Are there possibilities for optimisation?*

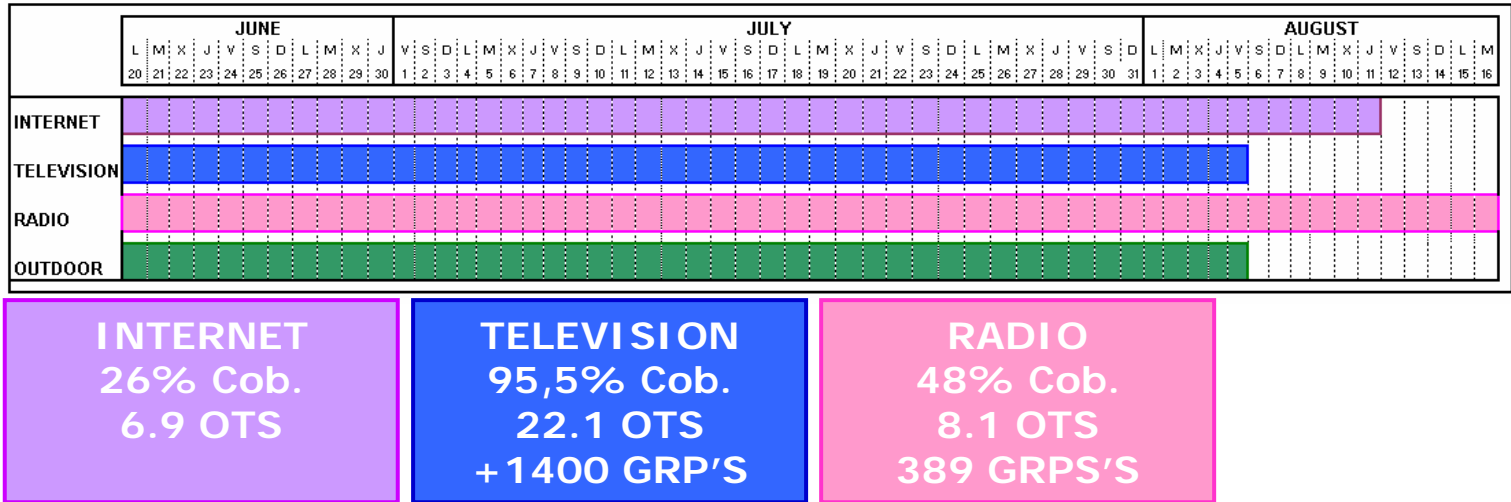- *Should the available media budget be allocated?*

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6. Brand Effects per Segment

Background To The Research

Methodology

- **Media Plan**

	JUNE											JULY																			AUGUST								

(Media schedule chart showing INTERNET, TELEVISION, RADIO, and OUTDOOR media running across June, July, and August)

INTERNET	TELEVISION	RADIO
26% Cob.	95,5% Cob.	48% Cob.
6.9 OTS	22.1 OTS	8.1 OTS
	+1400 GRP'S	389 GRPS'S

- **Data Captured**
  - Data comparisons were made between 4 distinct consumer groups:

The Unexposed

(Control Group)
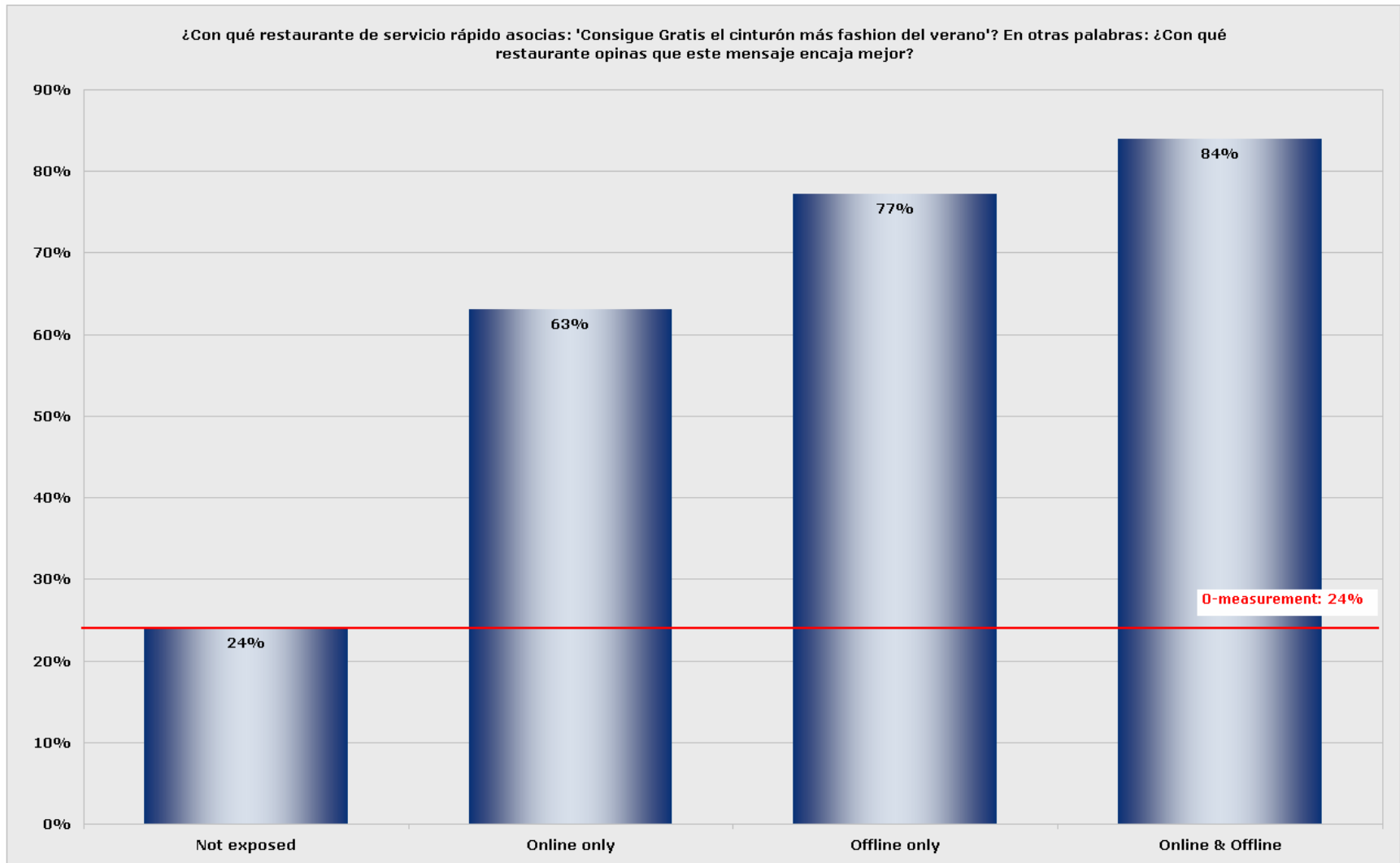
Online Only

Offline Only

On & Offline

6.1 Total Brand Awareness per Segment

basis: target group 18 - 24 years old

	Not exposed	Online only	Offline only	Online & Offline
Aided brand awareness	16%	12%	6%	7%
Spontaneous brand awareness	44%	39%	49%	45%
Top of mind brand awareness	40%	50%	45%	48%

total spontaneous awareness 0-measurement: 84%

top of mind awareness 0-measurement: 40%

Top of mind brand awareness   Spontaneous brand awareness   Aided brand awareness
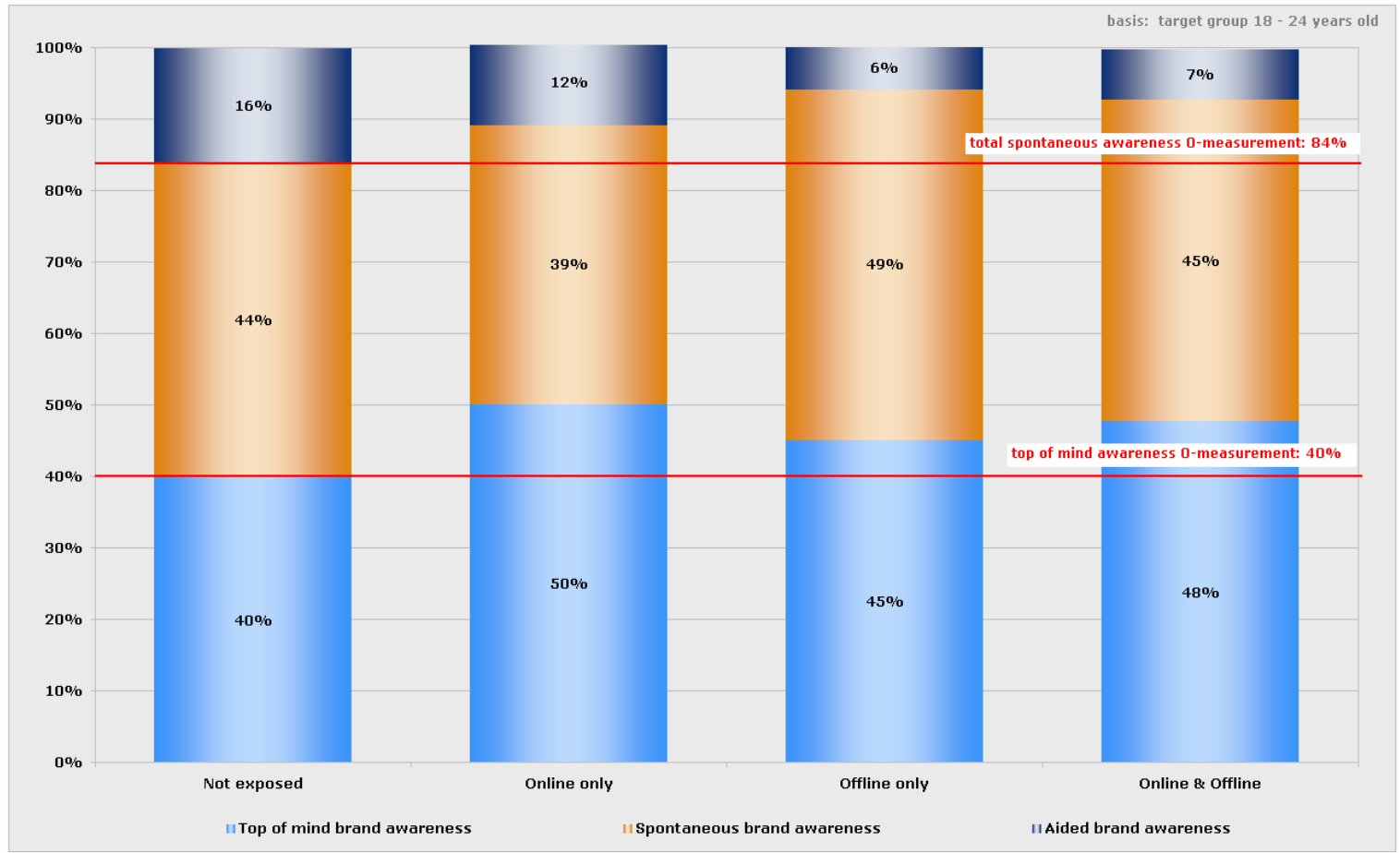
In order to compare the different segments to eachtother, the data has been weighted to backgroud variables and average frequency of contact per media.

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6.2 Message Association per Segment

¿Con qué restaurante de servicio rápido asocias: 'Consigue Gratis el cinturón más fashion del verano'? En otras palabras: ¿Con qué restaurante opinas que este mensaje encaja mejor?

- Not exposed: 24%
- Online only: 63%
- Offline only: 77%
- Online & Offline: 84%

O-measurement: 24%

The graph above indicates the incremental contribution of the media to the message association. The online & offline increase of 7% points represents the synergetic effects of exposure to internet in addition to offline media.

6.3 Average Brand Value per Segment

Average brand value

Not exposed	Online only	Offline only	Online & Offline
75%	81%	85%	84%

0-measurement: 75%
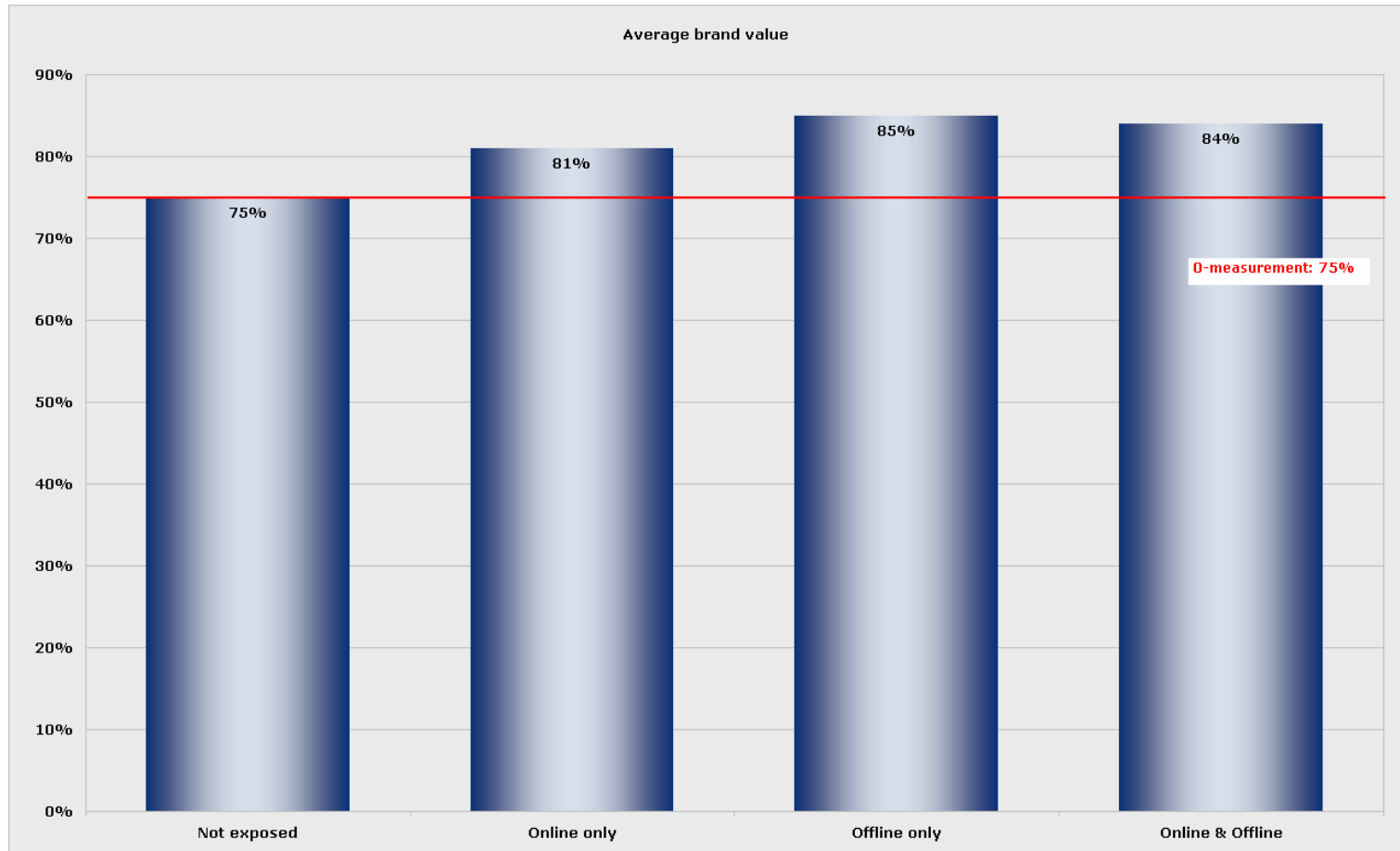
Exposure to Internet does not show a synergetic effects on the average Brand Value. However if people are Exposed to Internet Only does shows an increase in average Brand Value.
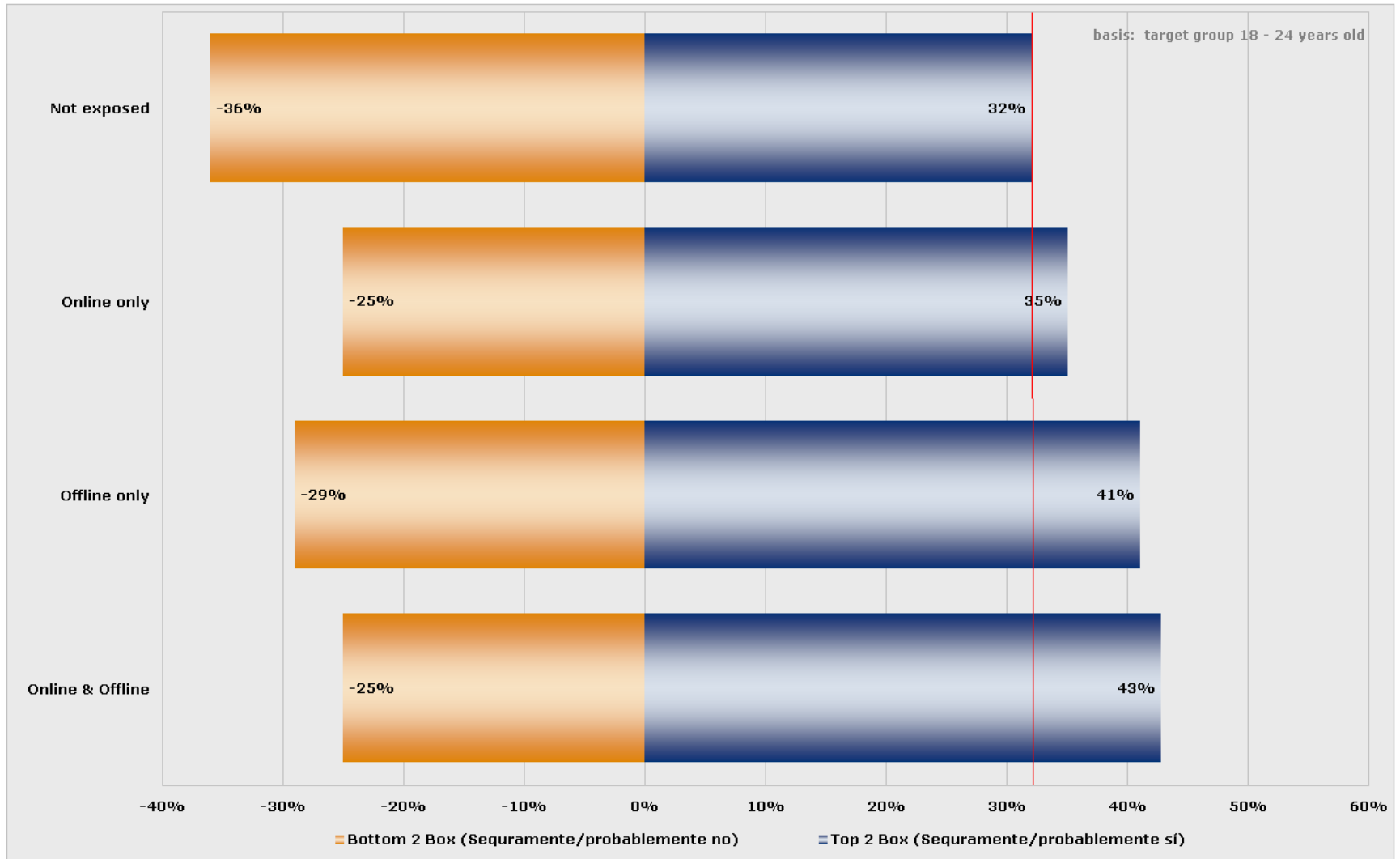
6.4 Average Image per Segment

Average image

- 37%
- 38%
- 31%
- 31%

0-measurement: 31%

Not exposed · Online only · Offline only · Online & Offline
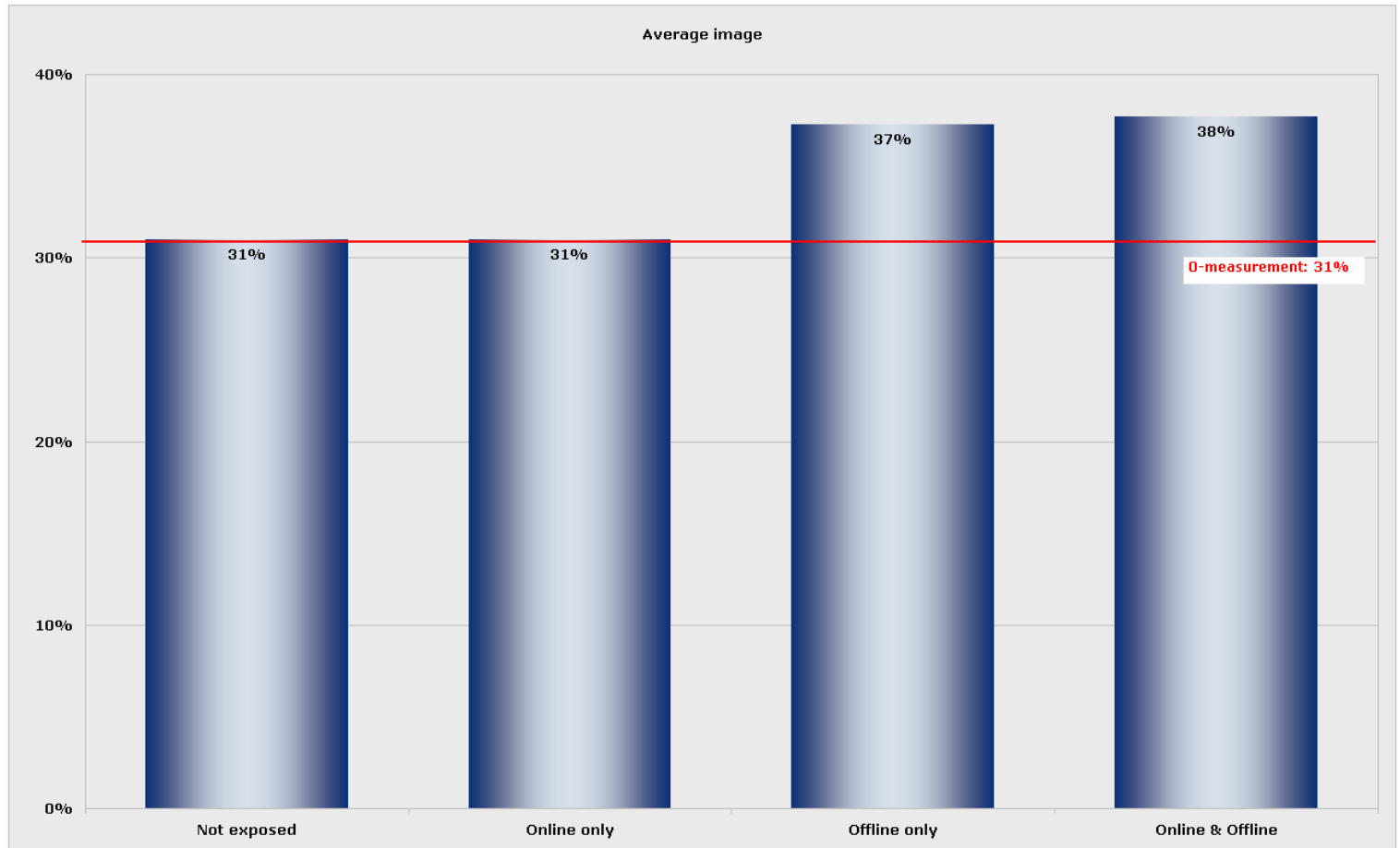
The Online campaign did not succeed in generating a shift in the image of McDonald's not on its own nor with synergetic impact.

6.5 Purchase Intent per Segment

basis: target group 18 - 24 years old

Segment	Bottom 2 Box	Top 2 Box
Not exposed	-36%	32%
Online only	-25%	35%
Offline only	-29%	41%
Online & Offline	-25%	43%

■ Bottom 2 Box (Seguramente/probablemente no) ■ Top 2 Box (Seguramente/probablemente sí)
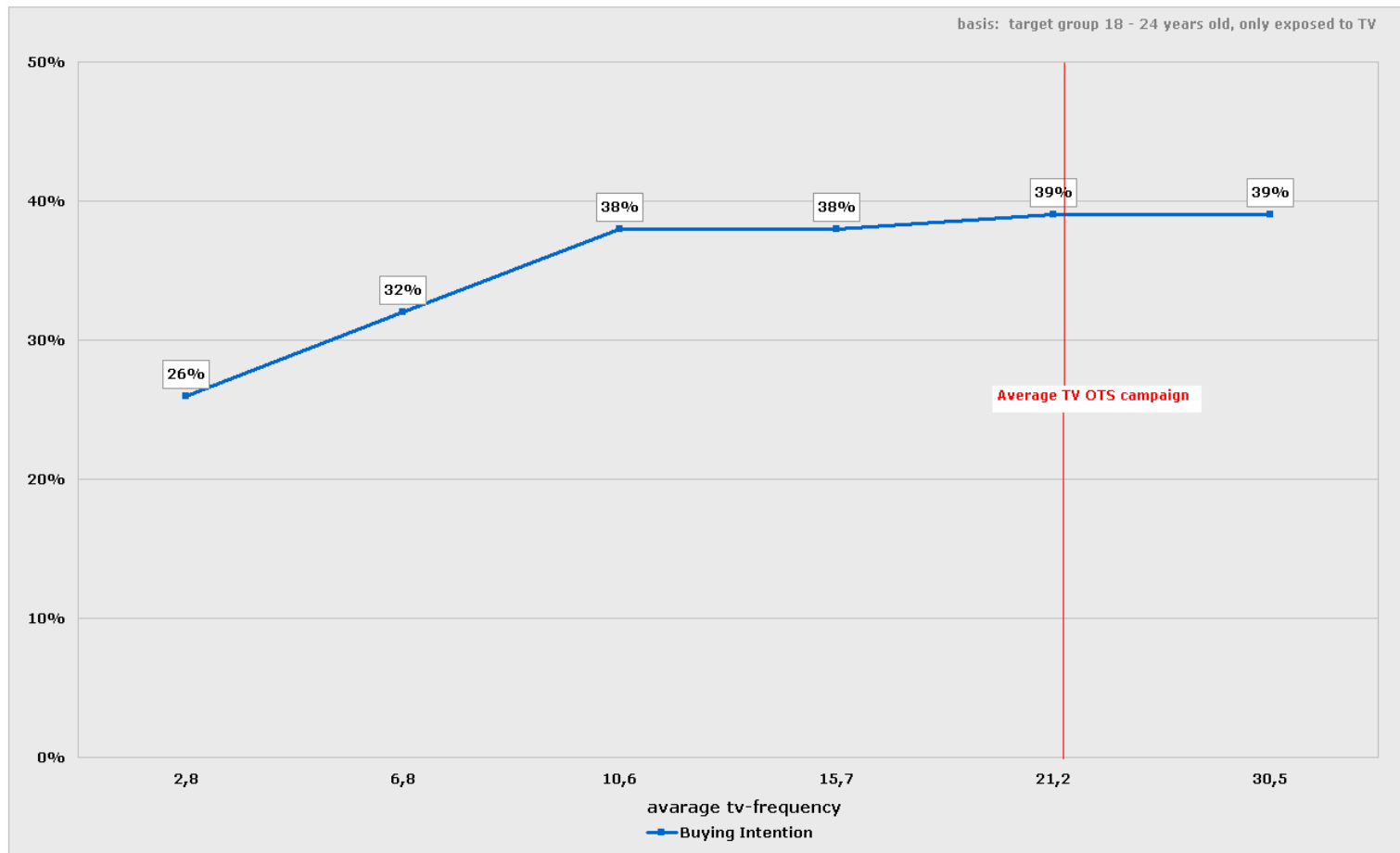
The graph above indicates the incremental contribution to the purchase intention. Adding internet to offline campaigns results in higher buying intention, there is a additional lift of 2% points.

6.6 Branding Impact: Summary Absolute Increase

Absolute increase is given in % points	Offline Only	Online & Online	Additional Lift	Additional Lift
Top of mind brand awareness	+ 5%	+ 8%	+ 3% points	+ 60%
Message Association	+ 53%	+ 60%	+ 7% points	+ 13%
Buying Intention	+ 9%	+ 11%	+ 2% points	+ 22%

➢ **We can find significant effects on the following brand metrics (TOM, MA and BI).**

➢ **For these brand metrics that are in line with the campaign objectives the best solution is the combination of online and offline media.**

➢ **However we haven't taken the cost of adding this medium (online) in consideration yet.**

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PART 2: Optimalisation

Purchase Intent

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7.1 Synergy in purchase intention
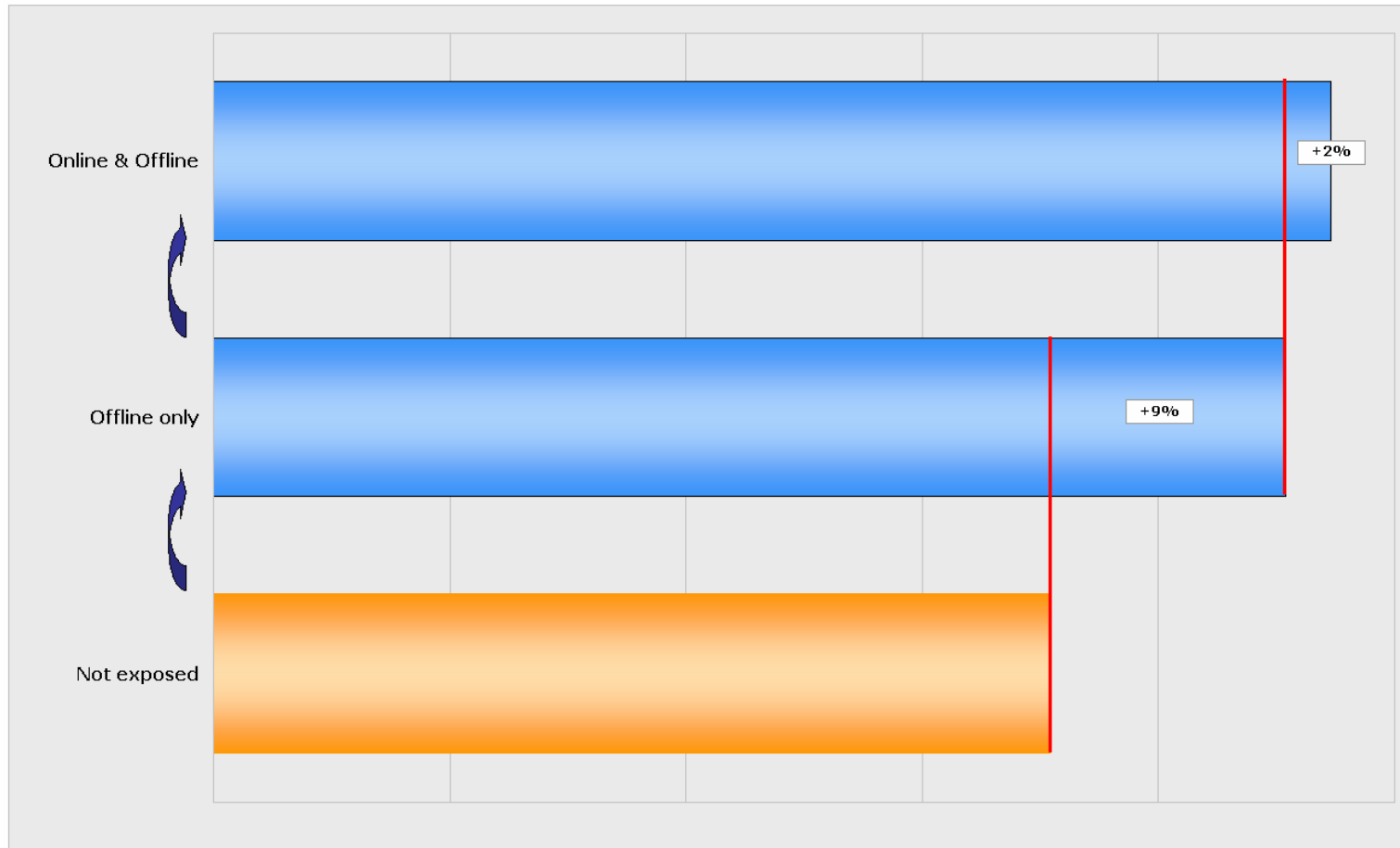
The graph above indicates the incremental contribution to the purchase intention. Adding internet to offline campaigns results in higher purchase intention, there is a additional lift of 2% points. We will make the optimalisation calculations on the brand metric Purchase Intent.

7.2 Purchase Intent vs. TV OTS

basis: target group 18 - 24 years old, only exposed to TV

Average TV OTS campaign

avarage tv-frequency

— Buying Intention

The purchase intention increases till a OTS of 21,2. Higher OTS after this point does not result in higher purchase intention (over exposure). The average TV OTS during the campaign was 22.1.

7.3 Branding Impact: Diminishing Returns

There is a clear relation between the frequency with which the target audience is exposed and the brand metric Purchase Intention.

In general, and in this case, additional (offline) media weight produces diminishing returns on campaign objectives.

The analysis showed that a lower average TV OTS can be used to realise the same effect/lift in purchase intent among the target audience.

Diminishing Returns in Advertising

Branding Impact
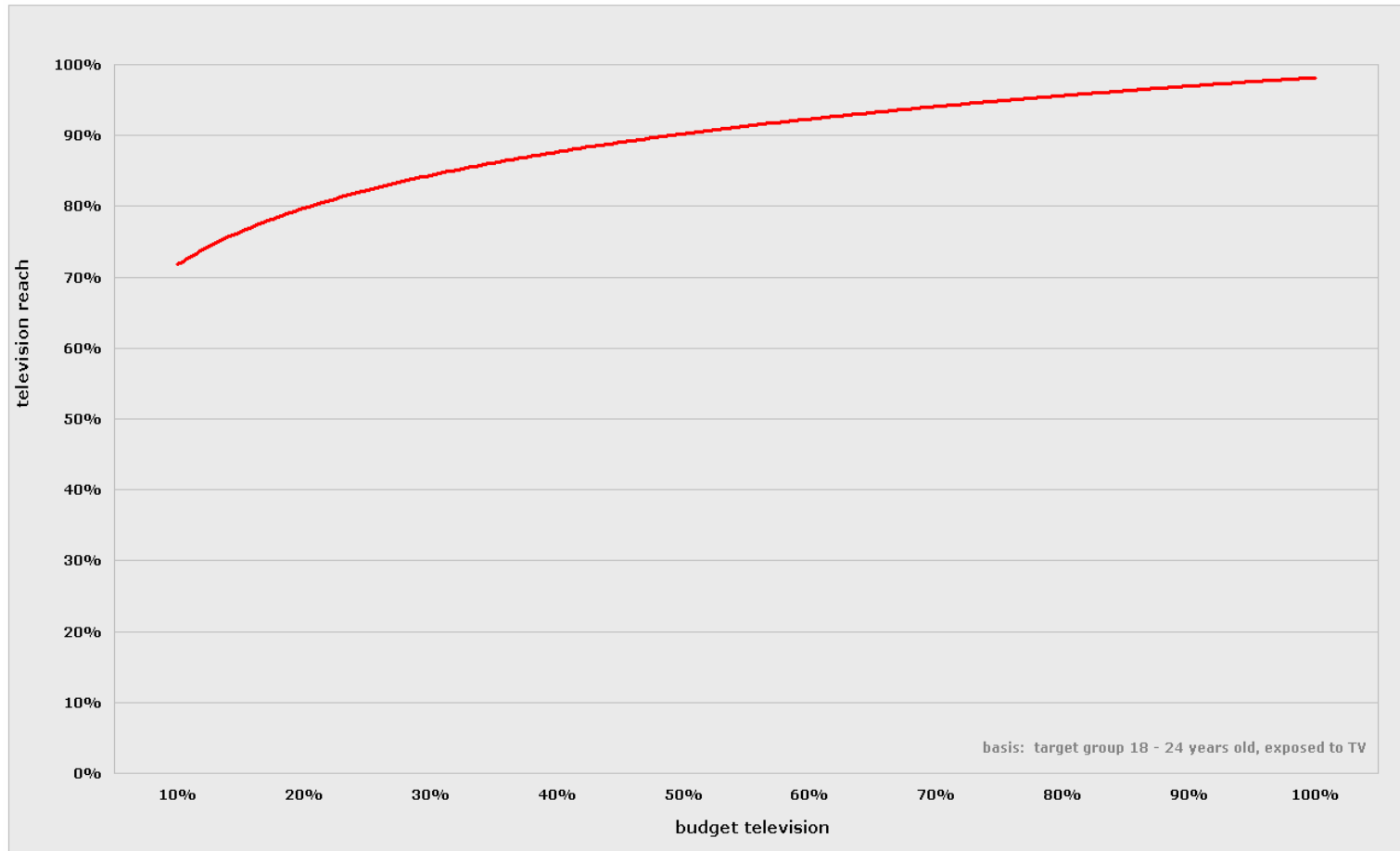
Frequency

8. Cost Efficiency

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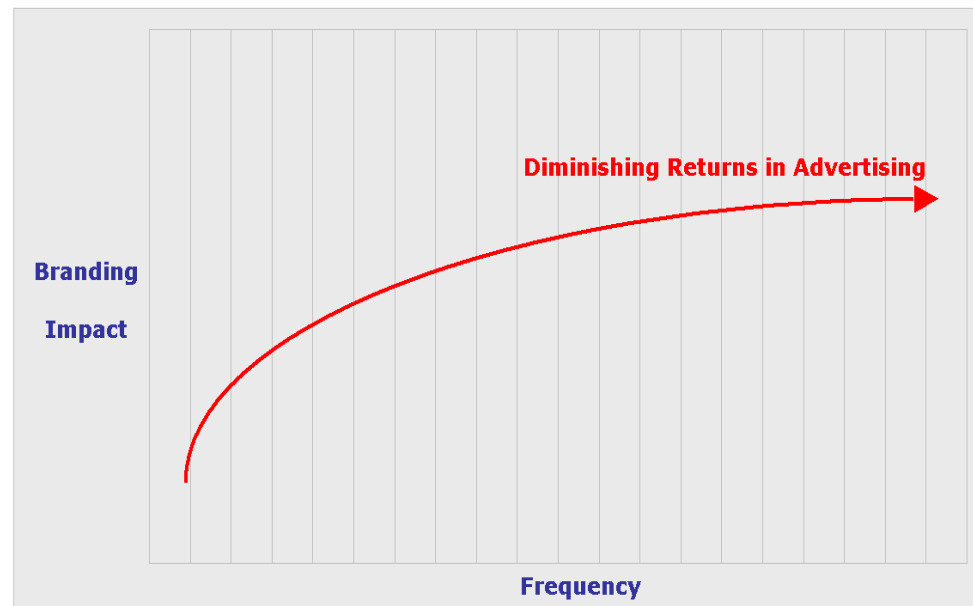
8.1 Optimising the Media Mix

- The combination of offline and online results in synergetic effects on the aimed branding metrics.

- Online media plus the combination of the offline media will deliver more affected persons from the target audience than just the offline media on their own.

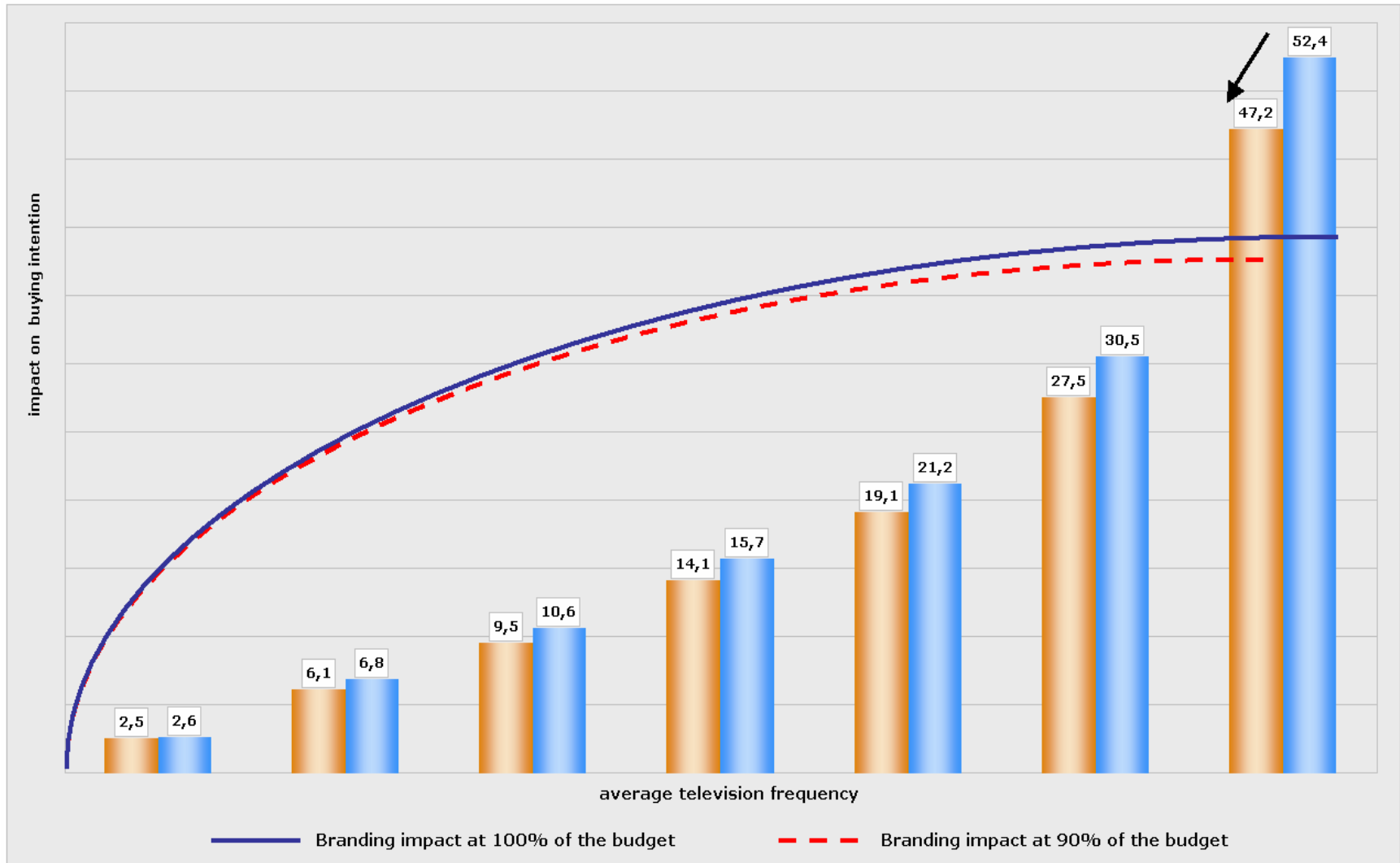- However, how cost efficient is it to add online to the media mix?

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8.2 Impact Spending on Reach TV

A withdrawal of the last 10% of the budget for television will hardly have any consequences on the reach of television alone.

8.3 The Impact of less TV Spending

If money would be withdrawn from the budget for television, the frequency with which consumers are exposed will decrease and as a consequence also the branding impact. The impact of less budget will be the highest on segments that are most likely to be exposed to television advertising.

8.4 Affected persons vs. Spending

basis: target group 18 - 24 years old, exposed to TV
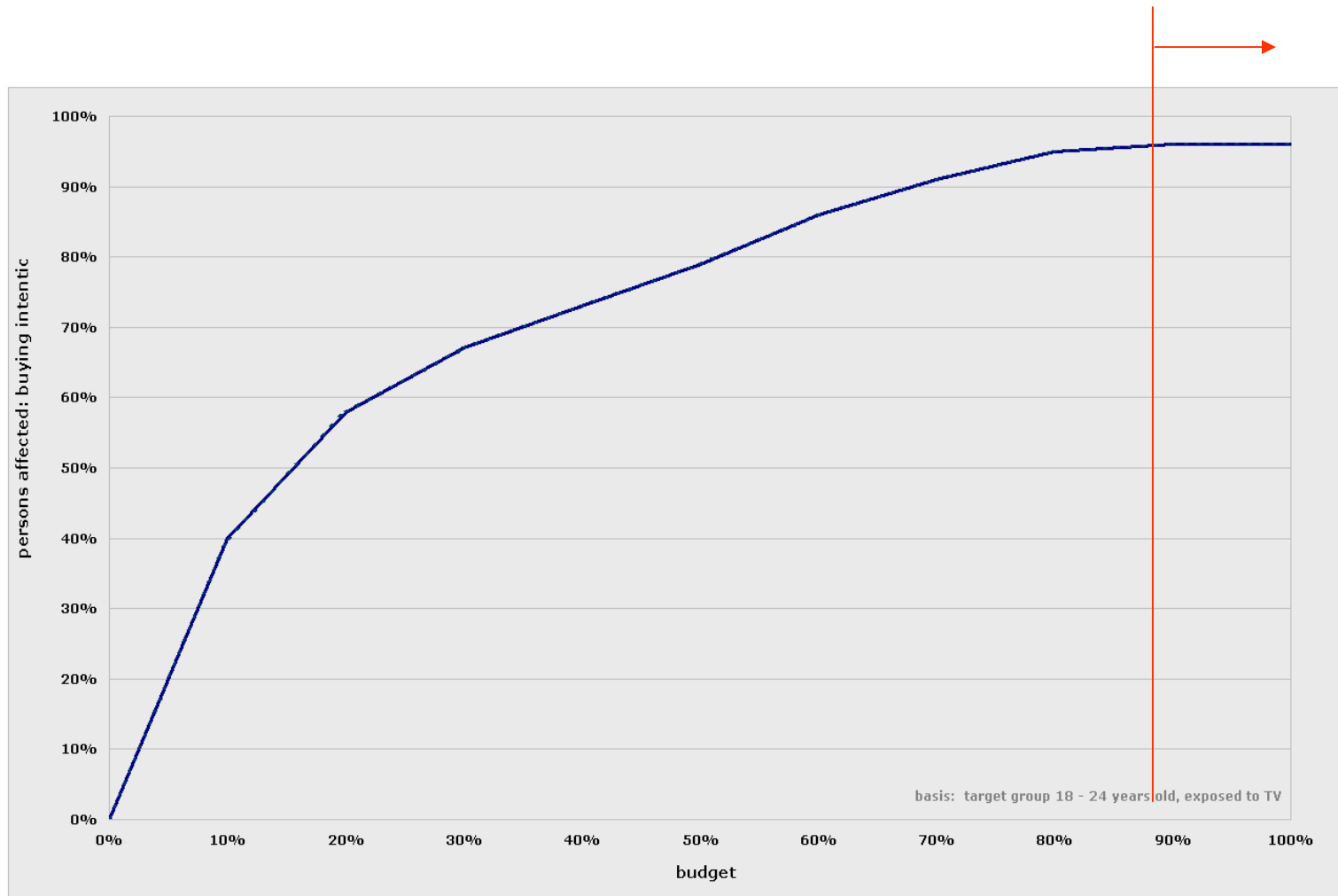
A withdrawal of the last 10% of the budget for television will result in a decrease of less than 10% of the number of consumers who are positively affected by the offline advertising.

8.5 Relative Costs Person Affected

Net cost per person affected by advertising

	Value
Incremental Internet	56
Offline Only	100
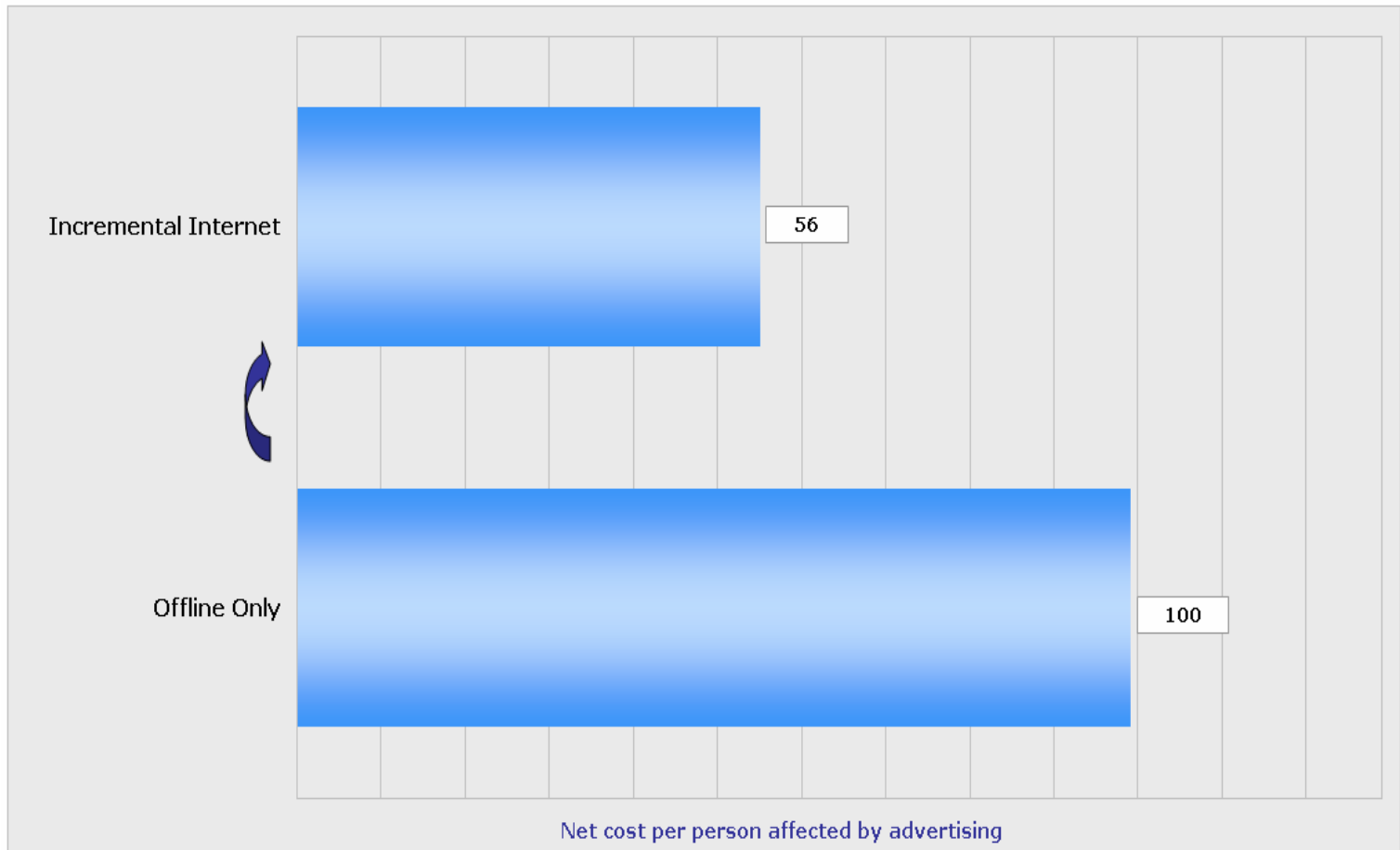
Adding online to the mix reduces the _net_ cost per affected consumer. The synergy between the online and offline campaign is more cost efficient at changing purchase intent than only using Offline Advertising.

9. Optimising the Media Mix

9.1 Optimisation: Budget Consequences

- There is a clear relationship between the frequency with which consumers are exposed and the branding metrics.

- However, :
    - The overexposure to the television commercial did not generate incremental effects (10% of budget).
    - Spending more to Online Advertising would lead to additional reach and synergetic effects, but extra impressions for the online campaign also cost more money.

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9.2 Optimisation: Conditions

Optimisation of the media mix is possible if one or more of the following conditions are met:

- ➢ **The combination of the media generates additional reach.**
- ➢ **Additional media weight produces diminishing returns on campaign objectives.**
- ➢ **Overexposure or underexposure to one of the media used.**
- ➢ **The combination of media have synergistic effects on branding metrics.**
- ➢ **The net cost per person affected by advertising varies per medium.**

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- Return on investment analysis

  - Given the current shares in the media mix, online advertising is more cost-effective at achieving purchase intent due to synergetic effects.

  - However a greater spending on Internet adverting will also result in higher costs per affected person (due to diminishing returns on campaign objectives).

  - The optimal media mix is reached when the costs per positively affected person for Internet equals the costs per positively affected person for television.
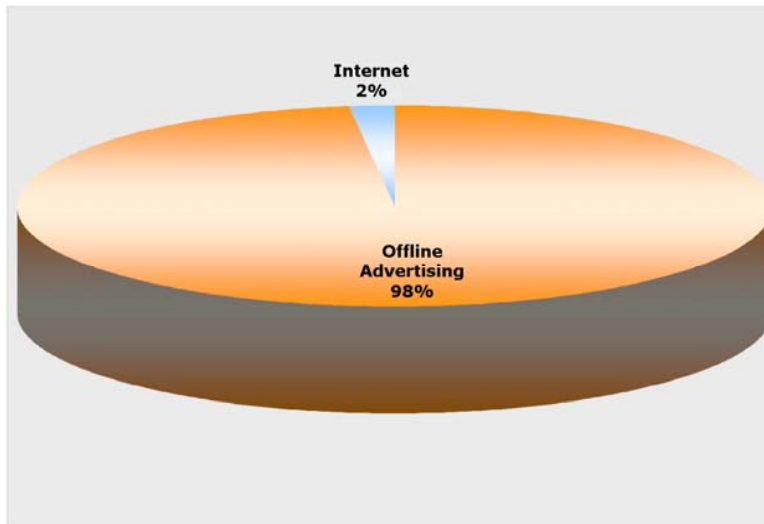
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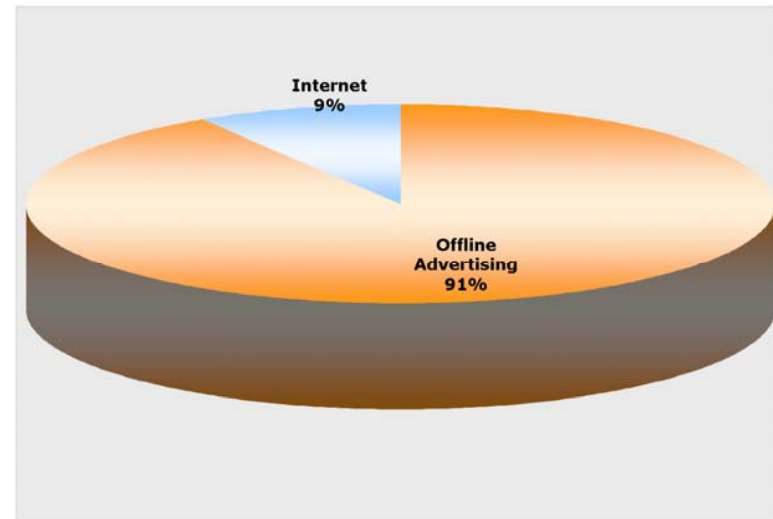
9.4 Recommended Budget Allocation

Reallocation of the budget generates better results.

Based on net cost optimisation calculations, the recommended share for Internet in the media mix is 9%.

Current Situation

Internet
2%

Offline
Advertising
98%

Optimized Situation

Internet
9%

Offline
Advertising
91%

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9.5 Optimising: Result on Purchase Intent

The McDonald's campaign realised before optimisation an increase the number of affected persons in the target audience of +8% points. in buying intention. The optimised media mix would have realised a increase of +10% points.

+10%

+8%

optimised   realised   baseline
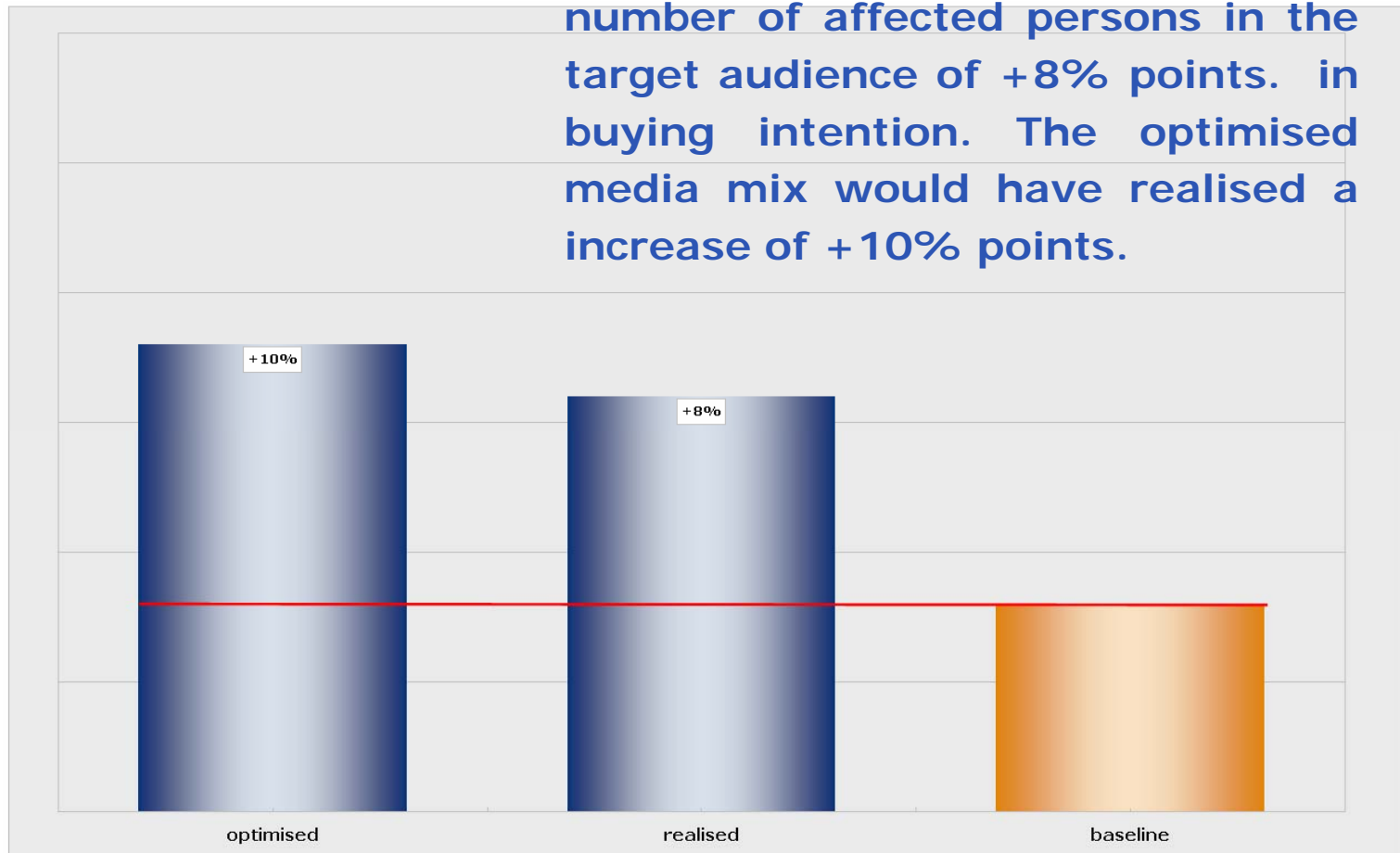
McDonald's should spend 9% of their net budget to online advertising for a optimal result between Online and Offline Advertising.

10. Conclusions

- Exposure to Internet in addition to offline media results in synergetic effects on the aimed branding metrics

- Top of mind awareness: total increase of 8%.

- Spontaneous awareness: increase of 8%.

- Image 'McDonald's is a fashionable brand": increase of

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APPENDIX

Brand values per segment

En línea con las tendencias actuales de moda

Not exposed	Online only	Offline only	Online & Offline
64%	83%	85%	82%

0-measurement: 64%

Brand values per segment

Moderna

Not exposed	Online only	Offline only	Online & Offline
79%	86%	91%	88%

0-measurement: 79%

Brand values per segment

Actual/ de hoy

	Not exposed	Online only	Offline only	Online & Offline
Value	86%	89%	91%	92%

0-measurement: 86%

Brand values per segment

Experta

	Not exposed	Online only	Offline only	Online & Offline
	67%	72%	75%	76%

0-measurement: 67%

Brand values per segment

Cercana

	Not exposed	Online only	Offline only	Online & Offline
Value	75%	78%	85%	82%

0-measurement: 75%

Brand values per segment

Simpática

Not exposed	Online only	Offline only	Online & Offline
77%	79%	85%	84%

0-measurement: 77%

Image per segment

Tiene las mejores ofertas/promociones

basis: target group 18 - 24 years old

Segment	Bottom 2 Box: (totalmente) en desacuerdo	Top 2 Box: (totalmente) de acuerdo
Not exposed	-26%	29%
Online only	-24%	31%
Offline only	-24%	33%
Online & Offline	-19%	35%

Bottom 2 Box: (totalmente) en desacuerdo　　Top 2 Box: (totalmente) de acuerdo

Image per segment

Es para gente como yo

basis: target group 18 - 24 years old

Segment	Bottom 2 Box	Top 2 Box
Not exposed	-38%	27%
Online only	-41%	17%
Offline only	-32%	31%
Online & Offline	-30%	30%

Bottom 2 Box: (totalmente) en desacuerdo   Top 2 Box: (totalmente) de acuerdo

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http://europe.advertising.msn.com

Image per segment

Esta marca se adapta a las últimas tendencias

basis: target group 18 - 24 years old

Segment	Bottom 2 Box	Top 2 Box
Not exposed	-22%	33%
Online only	-16%	34%
Offline only	-18%	41%
Online & Offline	-16%	39%

■ Bottom 2 Box: (totalmente) en desacuerdo   ■ Top 2 Box: (totalmente) de acuerdo

Image per segment

Es un lugar especialmente agradable en el verano

Segment	Bottom 2 Box	Top 2 Box
Not exposed	-34%	21%
Online only	-30%	22%
Offline only	-33%	24%
Online & Offline	-28%	25%

Bottom 2 Box: (totalmente) en desacuerdo   Top 2 Box: (totalmente) de acuerdo

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Image per segment

Está de moda

basis: target group 18 - 24 years old

Segment	Bottom 2 Box	Top 2 Box
Not exposed	-21%	40%
Online only	-31%	32%
Offline only	-21%	45%
Online & Offline	-17%	45%

Bottom 2 Box: (totalmente) en desacuerdo   Top 2 Box: (totalmente) de acuerdo

Image per segment

Esta marca se adapta a mis necesidades mejor que las demás

basis: target group 18 - 24 years old

Segment	Bottom 2 Box	Top 2 Box
Not exposed	-50%	16%
Online only	-45%	20%
Offline only	-45%	20%
Online & Offline	-40%	22%

Bottom 2 Box: (totalmente) en desacuerdo   Top 2 Box: (totalmente) de acuerdo

Purchase intention vs. Internet frequency

average internet-frequency

basis: target group 18 - 24 years old, only exposed online

- 39%
- 37%
- 30%
- 30%
- 38%

Buy intention (top 2 Box: seguramente/problamente sí)

Considers buying next time (Top 2 Box)

1,23   2,56   11,77

Purchase intention vs Internet frequency

average internet-frequency

basis: target group 18 - 24 years old, only exposed online

Legend:
- Spontaneous advertising awareness
- Considers buying next time (Top 2 Box)
- Buy intention (Top 2 Box)
- Message association
- Aided advertising awareness

Data points:
- 1,23: 79%, 49%, 43%, 30%, 30%
- 2,56: 87%, 73%, 65%, 39%, 37%
- 11,77: 85%, 79%, 64%, 38%

http://europe.advertising.msn.com