Case Study

2018 EFFIE UNITED KINGDOM SILVER AWARD WINNER

“How Ten Years of Building Trust Built the Bottom Line”

In the mid 2000’s McDonald’s was the villain of the food industry and the public were eating it up. More people distrusted McDonald’s than trusted the brand in 2008, we needed to rebuild trust so people could feel good about eating our food again. After 10 years of building both Cognitive and Affective trust, more people trust than distrust McDonald’s: a greater positive trust gap (+22 ppts) than the negative gap we started with (-20 ppts). From econometric modelling, this shift in perception drove significant incremental revenue.

Competition:
Effie United Kingdom

Ran in:
UK

Category:
Sustained Success - Services

Brand/Client:
McDonald’s/McDonald’s UK

Lead Agency:
Leo Burnett London

Contributing Agency:
OMD

Product/Service:
Retail/Fast Food

Classification:
National

Dates Effort Ran:
January 1, 2008 - ongoing

Category Situation:
Flat

Credits:
Chloe Bissell
Josh Bullmore
Isobel Dracup
Pete Heyes
Sam Houlston
Kathryn Howcroft
Max Keane
Roisin Mulroney
Emily Somers
Mike Treharne

Version: Original
Executive Summary

The Challenge
More people distrusted McDonald’s than trusted the brand in 2008, we needed to rebuild trust, so people could feel good about eating our food again.

The Idea
The food you love, from people you can trust.

Bringing the Idea to Life
This idea evolved over the decade, highlighting both the ‘what’ and the ‘why’ of food quality and beyond, restoring faith in McDonald’s.

The Results
A decade later, more people trust than distrust McDonald’s: a greater positive trust gap (+22 ppts) than the negative gap we started with (-20 ppts).

Effie Awards Category Context
Although trust is often claimed to be an important contributor to brand equity and loyalty, and revenue/share growth, there are surprisingly few effectiveness cases demonstrating the impact of trust. In part, that’s because it’s difficult to quantify its impact on the bottom line. We believe that this case achieves that, laying out a clear journey involving ongoing measurement and improvement, and delivering clear results in terms of image improvement and commercial returns.
State of the Marketplace & Brand’s Business

This story begins in a painful place for McDonald’s; a dark period in the early 2000’s in which a series of turbulent events, spearheaded by ‘Super Size Me’, positioned McDonald’s as the villain of the food industry and made people question our food quality. Trust in the brand took a nose dive. And when people stopped trusting us, they stopped visiting our restaurants:

![Graph showing McDonald's trust score and guest counts, 2002-2007](source: McDonald's & TGI FastTrack)

This stark decline in business performance and plummeting of brand trust scores forced a period of introspection and in 2005 triggered a number of business moves that looked to restore trust in the brand: from major product reformulation to a UK-wide process of restaurant re-imaging.

Of course, actions trump words when it comes to building trust. Yet without words (communications), the impact of any actions will be limited. It is the alignment between words and actions that creates the foundation for trust.

Having spent over 4 years getting our house in order, in 2008 we knew it was time to talk and set out on a long-term journey to re-establish trust in the brand.

Strategic Communications Challenge

The challenge was clear: rebuild trust in the brand so people could feel good about eating our food again.

This set us off on a ten-year journey of discovery, learning how to find the optimal approach in building brand trust, a field which is full of received wisdom, but remarkably little evidence.

It’s widely accepted that trust is critical to business, yet few understand how to build it, fewer how to communicate it and none have proven its long-term impact (there is not a single case study in the IPA or Effie data bank that proves the commercial impact of trust activity). As Mark Covey puts it, trust “is the least understood, most neglected, and most underestimated possibility of our time”.

It is our intention to rectify this; outlining the three phases of our trust journey, sharing the formula we have refined (plus a couple of missteps along the way), and proving just how dramatically trust can contribute to the bottom line. We will cover in detail:

Phase 1 – Re-establishing competency to build Cognitive trust (2008-11)
Phase 2 –Driving Affective trust through purpose led communications (2012-2014)
Phase 3 – Finding a better balance; the power of two (2015-current)
Objectives & KPI’s

Our key objective was to improve trust perceptions of McDonald’s. We know that trust drives loyalty: among our frequent users, those who trust McDonald’s visit us 38% more often than those who don’t. The metric we used was “a company I trust” from McDonald’s brand tracker, TNS FastTrack

Back in 2007, we had a trust deficit. 25% of IEO customers claimed to trust McDonald’s, while 45% did not (30% don’t know). We set ourselves an objective of overturning that 20ppt gap within 5 years, so that we had more category users who trusted us than those who didn’t.

We also set a more commercially-minded objective, using ROMI analysis. ROMI measures short-term sales impact and trust was a long-term, brand building campaign, so we didn’t want to be overly ambitious. Therefore, our objective was for a campaign ROMI that at least matched that of the total brand over the full campaign period.

Sourcing:
Fig 1. McDonald’s + TNS FastTrack

1 3 Fundamental Rules of Trust, Russell, 2016 2 The Speed of Trust, Covey, 2008
3 Analysis of TNS FastTrack data, YE Dec 2017. Using frequent McDonald’s (atleast once a month) customer data only, to partially overcome the Rosser Reeves fallacy, we found that those who trust the brand visit 5.6 times/month on average, compared to 4.0 for those who don’t trust us.
4 TNS FastTrack: McDonald’s brand tracker since 2002. Brand image for McDonald’s and competitors. Sample of 15-55 year old IEO users. n = 6000 per year.
5 “a company I trust”, one of 27 brand image statements. Asked as a 5-point agreement scale. Trust = Agree Strongly/Slightly, Don’t Trust = Neither Agree/Disagree, Disagree Slightly/Strongly
6 ROMI analysis conducted by ATG Mindshare 2007-14, Gain Theory 2015-17. Gain Theory uses a pooled regression approach analyzing 207 weeks of sales data across the McDonald’s estate. 14 models built for different product categories.

Audience

McDonald’s is an inherently democratic brand, and nearly half of all UK adults claim to use it.

But whilst our advertising needed to drive mass appeal, we identified a key group that we needed to reassure when it came to trust – mums.

Why mums? Families account for 50% of McDonald’s visits so this is a really important audience for the brand. Furthermore, research had shown that mums were in particular need of reassurance around the quality of our food. So, given their significance to the business, it was essential that we orientated our activity around rebuilding their trust in the brand.

As referenced, there are 3 main phases to our 10-year campaign; for the first two phases (up to 2015), mums remained our target audience. But following the success of the campaign in these phases, we then broadened the audience to also include young adults. Why young adults? Having grown up amidst the crisis we were trying to overcome, young adults had been exposed to a large amount of negativity in the brand. We needed to future-proof the business.

Insight

Phase 1 - Re-establishing competency to build Cognitive trust (2008-11)

In our first foray into trust building, research helped us identify that we needed to re-establish our core competencies and repair what had been so badly damaged; perceptions of our food quality. In essence, our audience of mums were worried that there was a lot of crap added to our food. We needed to show them that that just wasn’t the case.

Phase 2 –Driving Affective trust through purpose led communications (2012-2014)

Having spent a number of years building Cognitive trust through food quality messaging, talking about what we sell, a wide-ranging qualitative research study identified that people wanted to know about our motivations; the why.
‘To achieve greater trust, articulate a clearer purpose. Take a stand on something meaningful to customers’ lives’¹⁰

This was at a time when we had been banging the drum on food quality for 4 years, so a switch to introduce more purpose-led messaging felt like a natural evolution.

### Strategy

#### Phase 3 – Finding a better balance: the power of two (2015-current)

The campaign delivered success from the get go, but the key strategic unlock came in truly understanding the optimal way to build trust in the brand.

Social psychology identifies two core components of trust; Cognitive and Affective¹¹

**Cognitive trust** is based on competence; what we do.

**Affective trust** is based on character; why we do it.

Academic theory would identify our phase 1 activity (competency-based messaging) as driving Cognitive trust, whereas in phase 2 we’d oversteered in our pursuit of purpose and shifted from building Cognitive trust to solely driving Affective trust.

![Fig. 2](image)

We had been assuming that these messages were substitutional, rather than complementary. The truth was that to build trust most effectively, you need to harness the power of Cognitive and Affective, which is what has driven all our activity in phase three and beyond.

So, in the pursuit of balance, we refined our approach:

Cognitive trust: mass-reach advertising that focused on food quality competence. Affective trust: relevant and highly targeted glimpses of our character-driven actions.

### The Big Idea

**The food you love, from people you can trust.**
Sourcing

Fig. 2 McDonald’s & TNS FastTrack  
7 TGI, YE Dec 2017  
8 NPD Group, YE Dec 2007  
9 Davies McKerr, Qualitative research, 2007

10 The Speed of Trust, Covey, 2008
11 In fact the idea that trust comprises of two distinct components is not unique to social psychology. The more we looked into different models of trust across an array of fields, the more we saw these two components, Cognitive and Affective appearing time and time again. In the world of business strategy, best-selling author Saj-Nicole Joni describes “expertise trust” (Cognitive) and “personal trust” (Affective). Loyalty theory refers to “competence” (Cognitive) and “warmth” (Affective). Whilst performance modelling considers outputs as “competencies” (Cognitive) and “attributes” (Affective).


Bringing the Idea to Life

The activity ran over a decade, so the creative expression of our big idea iterated and evolved. This was to avoid wear-out but also to reflect the learnings from consumer reaction, falling into the three main chapters referenced.

However, the role for communications remained constant; enlightening people about how the food they love comes from people they can trust.

Phase 1 – Re-establishing competency to build Cognitive trust (2008-11)

First, we had to repair what had been so badly damaged; perceptions of our food quality. Creatively, we focused on reinforcing the positive reality of what goes into our food, heroing surprising stories and ending with the line, “That’s what makes McDonald’s”.

The launch spot, which served as the creative guide for the work that followed, showcased the fact that our food contained ‘nothing’. An idealized world of kids on a farm tracing circular objects helped land a simple message:

“Nothing. Zero. That’s what’s added to our burgers. There’s simply 100% beef from British and Irish farms. Seasoned with a touch of salt and pepper.”

Throughout the campaign, TV served as our main channel, supported by press & in-restaurant with all activity weighted towards parents.

Having made an immediate impact on key measures, trust scores began to plateau after 4 years. This in turn sent flashes of panic across the business. Was there a trust score that McDonald’s would never be able to surpass?

Phase 2 –Driving Affective trust through purpose led communications (2012-2014)

In response we began to orientate our communications around the ‘why’ (the principles that guide our behaviors), in place of the ‘what’ (quality and competence messaging).

So, in developing work that was more purpose led, we looked at issues that mattered in our customers’ lives, aligning our communications around key themes; family togetherness, youth empowerment & healthy choices.

Under the banner of

“Here’s to what matters”

we took issues that mattered to our customers and demonstrated how we shared those values, enabling us to demonstrate the integrity and character of our brand.

Having switched emphasis in our messaging, we deliberately declined to do so with media. Mass reach remained critical to our plan and we remained consistent in our use of TV to tell our lead stories. Support media provided further depth to the proof points showcased in broadcast.

Phase 3 – Finding a better balance; the power of two (2015-current)

As per our strategic unlock we reverted to broadcast to build food quality competence (‘Cognitive trust’) and
provided targeted glimpses of character driven actions in digital (‘Affective trust’).

In this phase we decided to lean in and tackle what would now be termed ‘fake news’ (although Trump was yet to coin the phrase. Sad!) directly addressing the absurd myths emanating from the online rumor mill about our brand. Broadcast helped us reframe the debate about our food quality under the campaign line ‘Good To Know’.

And to tackle the issue at source, we used independent online voices to counter the misinformation around our broader business behaviors.

### Paid Media Expenditure

<table>
<thead>
<tr>
<th></th>
<th>Initial Year: 2008</th>
<th>Interim Year(s): 2013</th>
<th>Current Year: 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Media Expenditure</td>
<td>N/A</td>
<td>+68%</td>
<td>-22%</td>
</tr>
</tbody>
</table>

Compared to the prior year spend on the brand overall, the budget this year is: More

Compared to competitors in this category, the budget is:

Obviously, we don’t have media spend figures for other brands’ trust spend, but we do know how McDonald’s total spend compares to its immediate competitors’ total spend.

In the full year 2017, McDonald’s total media spend was 1.4 times higher than Domino’s, 2.7 times higher than KFC, 3.6 times higher than Subway, and 6.2 times higher than Burger King (Source: Ebiquity)

### Media Touchpoints

<table>
<thead>
<tr>
<th>Touchpoint</th>
<th>Initial Year: 2008</th>
<th>Interim Year(s): 2013</th>
<th>Current Year: 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interactive/Online</td>
<td>10%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Print</td>
<td>9%</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>Radio</td>
<td>6%</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>TV</td>
<td>75%</td>
<td>82%</td>
<td>78%</td>
</tr>
</tbody>
</table>

### Other Marketing Components

Other marketing for the brand, running at the same time as this effort.

Economic Factors

Pricing Changes

Across the 10-year period, total media contributed 10-20% to total sales growth. The biggest influence on sales growth is the change in base sales, caused predominantly by new restaurants, longer opening hours and restaurant refurbishments. Pricing movements and the economy also have a greater impact than media.

Over the full period, trust spend amounted to 13% of total McDonald’s media spend.

The multiple influences on McDonald’s sales is why we haven’t implied that trust is directly responsible for the very strong growth in McDonald’s sales over this period but have used trust perceptions and trust ROI instead.

### Results

We set ourselves an objective of having more IEO customers who trusted the brand than those who didn’t within 5 years. As can be seen in Figure 3, we actually achieved that within 2 years. At the end of the 10-year period, we had reversed the trend to such an extent that we have a greater positive trust gap (+22 ppts) than the negative gap we started with (-20 ppts).
In terms of the three campaign phases, our Cognitive Phase saw rapid growth which then slowed in the Affective Phase, before accelerating again as we refined the balance in phase three (Figure 4).

And having seen a divergence in Cognitive and Affective trust in our more purpose-led Phase 2 campaign, we saw the two elements come together again in Phase 3.
Our more commercial objective was to deliver a short-term ROMI that was at least as high as that of the total brand. As Figure 6 shows, we exceeded that target by some margin, with a ROMI that was 71% higher than total brand across the full 10-year period.

ROMI is a measure of efficiency rather than effectiveness. We have attempted to quantify the short and long-term effectiveness of our trust work, using a Gain Theory long-term ROI analysis\textsuperscript{12}. It suggests that econometrics on average measures 42% of the payback to the brand, with the remaining 58% delivered in the longer-term,
Our analysis suggests that from 2008-17, the £62.4m trust media spend has contributed over £900m of incremental revenue, £380m in the short-term and £524m over the longer term. Some of that will be future revenue, due to the long-term impact of communications in the 2015-17 period (Figure 7).

Other Contributing Factors
Over the course of 10 years, our trust activity has clearly helped to revitalize brand image and reignite trust in McDonald’s. However, McDonald’s is a mass market brand that is subject to a huge range of other factors that might influence commercial performance over a sustained period.

In order to isolate the commercial impact of communications, McDonald’s uses a highly sophisticated econometric model (via Gain Theory) that analyses ROMI, based on store level weekly sales performance, and measures the impact on sales of different McDonald’s products and platforms, which are combined to give a total brand ROI. Non-media factors incorporated in the model include store refurbishments and extensions, price, coupon usage, menu changes and stock availability, while external factors include economic conditions, weather, seasonality and competitor activity.

Sourcing:
- Figure 3: TNS FastTrack, “a company I trust”, one of 27 brand image statements. Asked as a 5-point agreement scale. Trust = Agree Strongly/Slightly, Distrust = Neither Agree/Disagree, Disagree Slightly/Strongly
- Figure 4: TNS FastTrack, “a company I trust”, one of 27 brand image statements. Asked as a 5-point agreement scale. Trust = Agree Strongly/Slightly
- Figure 5: TNS FastTrack, “has good quality food” and “have a good opinion of the company”, two of 27 brand image statements. Asked as a 5-point agreement scale. Trust = Agree Strongly/Slightly
- Figure 6: Econometric modelling provided by Mindshare ATG (2007-14) & Gain Theory (2015-17). Models run in parallel in 2014/15 in order to back calibrate Mindshare figures to be comparable with Gain Theory.
- Figure 7: Media spend provided by OMD. Short-term effectiveness = (media spend x ROI). Long-term effectiveness = [short-term effectiveness x 1.38 (Gain Theory’s 42/58 ratio)]

12 Gain Theory long-term ROI analysis of 504 campaigns from 29 advertisers: presented at Thinkbox Profit Ability seminar, Nov 2017