

CATEGORY: Mobile Marketing
TITLE OF WORK: McDonald's Extended Hours
CLIENT / COMPANY: McDonald's / OMD UK

MCDONALD'S EXTENDED HOURS

EXECUTIVE SUMMARY

This is the story of how a highly targeted marketing programme, built around a mobile customer service, developed a new commercial opportunity for McDonald's.

McDonald's extended opening hours to 24 hours for many stores. This opened up a big sales opportunity and set a clear challenge for marketing. Make people aware and get them through the door. But with a majority of restaurants still closing at 11pm, we needed to be highly targeted in how we went about it.

We dubbed our potential audience 'night owls'. The people out and about after 11pm are habitual creatures, be they working, travelling or out having fun. Our strategy was to disrupt their nightly rituals and direct people to participating restaurants. Communication, therefore, had to be time and place specific.

Mobile was central to our solution: We created a 'restaurant finder' smartphone application, enabling people to find their nearest open restaurant at any time of day or night. With the app as the hub to our marketing, we used media to drive people through to this asset. Media that offered a combination of geographical and time-of-day targeting to maximise the relevance of our message: including late night radio sponsorship; backlit posters; service stations; ATMs and mobile.

The campaign made a significant contribution to sales, contributing 4% to overnight sales value and an ROI of £2.71. Extended Hours ROI was only 15% less than that delivered by mainstream all-daypart food advertising. A fantastic result.

McDonald's Extended Hours campaign clearly demonstrates the effectiveness of a powerful, mobile-led campaign concept, combined with effective targeting, in delivering a very specific audience for a specific business opportunity. We successfully harnessed customers for specific parts of an extensive retail estate in a way which that was inconceivable only a couple of years ago.



OUR TASK – SEIZE THE EXTENDED HOURS OPPORTUNITY

McDonald's is continually striving to create a better service for its customers. A hugely important part of this service is to be open when customers need them. By 2012, a third of the McDonald's estate offered overnight opening hours from 11pm - 6am. But because few people knew about the Extended Hours offering, late night sales were underperforming relative to other dayparts.

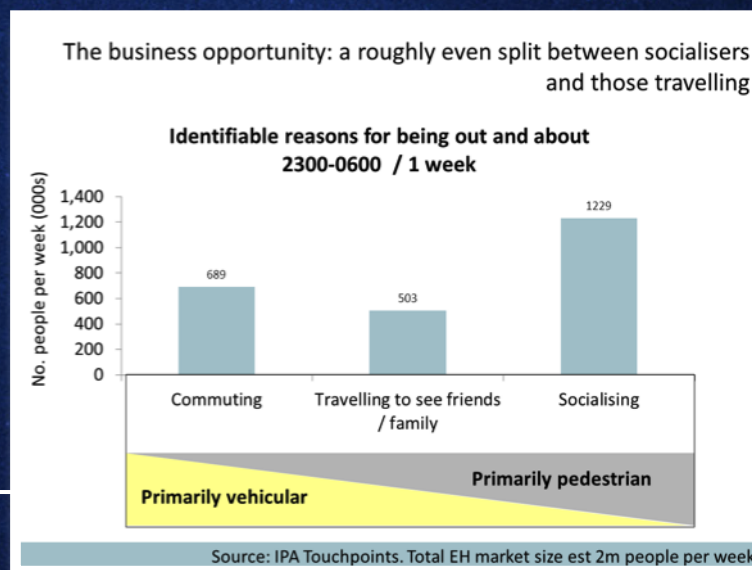
Our brief was to drive awareness of late night opening and generate sales over this daypart. But with a majority of restaurants still closing at 11pm there was a real danger that significant numbers of potential sales would be lost at the locked door of a darkened restaurant.

We needed to ensure McDonald's communications worked hard to resonate with our late night target, to make them think of visiting McDonald's – and act on it. But our approach had to be highly targeted and highly efficient, to take best advantage of the business opportunity.

UNDERSTANDING OUR AUDIENCE OF 'NIGHT OWLS'

An emerging 24 hour economy means there are now 2m 'night owls' out and about between the hours of 11pm and 6am each week (source: IPA Touchpoints). People socialising form a significant part of this, but more than half of McDonald's business between the hours of 11pm and 6am is from people travelling or working. A hungry audience of people looking to refresh themselves on a long journey, or on the way home from a night shift or night out.

Understanding the behaviours of potential customers provided us with clear direction in where we could look to capture their attention by getting into their night-time routines. From getting cash out at the start of the evening to visiting a favourite bar, travelling to work along a familiar route, to popping into a service station to fill up. We believed that McDonald's could become just as much a night time ritual: it offers a haven in the darkness, a bright comfortable environment with familiar, good value products for late night refreshment.

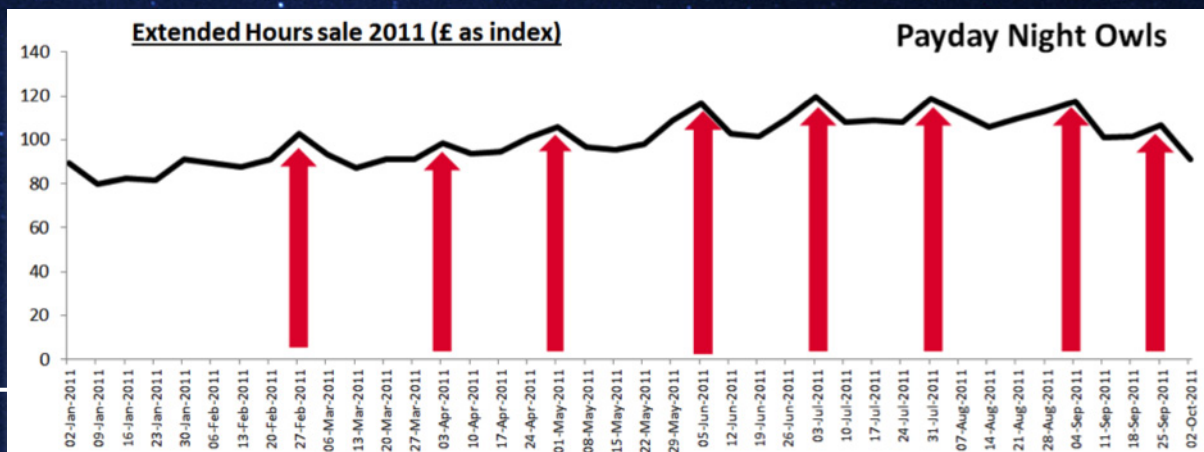


In addition to where, we also isolated when we should be talking to our night owls.

People working at night are 'regular' night owls. They form a baseline sales opportunity for McDonald's across the year, week in, week out.

In addition, two clear time-based targeting opportunities emerged. Firstly around 'payday', where a greater number of people have the money and inclination to be out at night. Secondly around holiday periods, where more social and travel occasions present more opportunities to attract night-time customers.

McDonald's sales data corroborated these insights, demonstrating clear upweights at month end and at holiday times.



OUR COMMUNICATIONS STRATEGY – BEING A SERVICE WITHIN NIGHT-TIME ROUTINES

We wanted to show night owls that McDonald's was there for them when other restaurants had locked their doors. So we embedded the brand within their nightly rituals and directed them to participating restaurants. To achieve this, communication was both time and place specific.

Mobile phones are vital to people's modern existence. Over half our audience always travel around with a smartphone in their pocket (source: ComScore). This provided McDonald's with a unique opportunity and an idea. Create a smartphone 'restaurant finder' app to allow hungry night-owls to easily find an open McDonald's restaurant. Using geo-location, mapping and time-sensitive technology, we created an app that would tell users exactly where their nearest open McDonald's would be, in relation to where they were, at any time of night they needed it.

This app became the heart of our campaign. The perfect service through which to attract customers and inspire them to purchase. We'd use communications to drive use of the app, whilst driving targeted awareness of the Extended Hours restaurants.

64% of decisions on where to grab a quick bite or coffee are made within the 15 minutes before purchase (source: OMD Influence survey). We needed to get our message close to the moment of need, to maximise relevance. We selected three channels as central to delivering this: radio, mobile display and out-of-home.

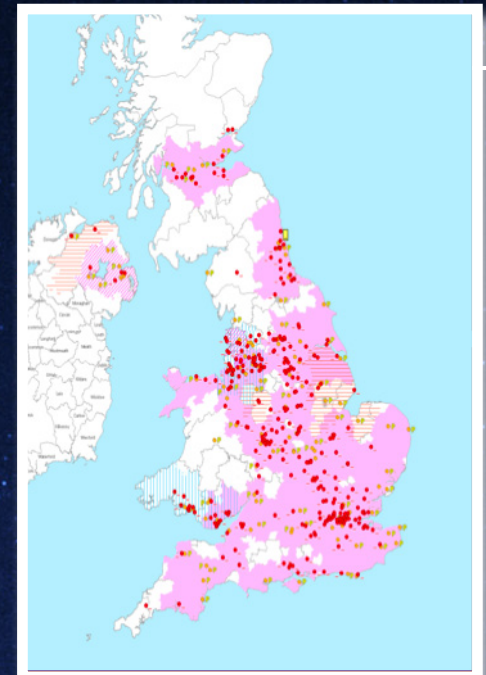


RADIO: Offered high reach, particularly of vehicular night owl audiences, for whom radio is the lead medium of choice when travelling around (source: IPA Touchpoints). Furthermore all messages could be delivered within the very specific Extended Hours daypart 11pm-5.30am. Just as importantly, radio's friendly, personal nature matched the role McDonald's could play across the night for its customers.

In addition to daypart targeting we also used radio's regional targeting strengths to upweight the areas which had a greater density of Extended Hours restaurants, ensuring every relevant restaurant was covered.

We partnered with the most relevant radio station for our audience in each area to create a sponsorship of late night programming which ran across the year. This was upweighted at month end and holiday periods to ensure McDonald's benefited from the greater volume of payday and holiday night owls at these times.

MOBILE DISPLAY: With a call to action centred around the mobile app, it was natural to consider the daypart opportunities presented by mobile display to drive traffic. Banners were served to smartphones on sites we knew our target would be browsing, such as news, travel, sport, music and social networking. These ads were served to consumers only when they were in proximity to restaurants, using a geo-fence set up around each of McDonald's 1,200 restaurants. In addition, QR codes on receipts from McDonald's purchases linked directly to app download.



OUTDOOR: Nearly half of fast food purchasers claim to have seen outdoor media in the last 30 minutes before entering the store (source: Outdoor Media Centre Last Window of Influence 2011). Outdoor offered by far the most effective way of reaching consumers in close proximity to specific Extended Hours restaurants, with multiple formats allowing us to utilise every available touchpoint for reaching both vehicular and pedestrian customers.

We also know there is a strong relationship between outdoor and smartphone response. Posterscope's OCS analysis showed us that our audience was 2.5 times more likely than the average adult to interact with an outdoor ad with their smartphone.

Three formats allowed us to align McDonald's messages with our night owls' rituals:

1. **ATMs.** These are an essential part of every night out on the town and perfect for reaching night owls getting cash out for the night ahead, for a taxi home, or to buy a bite to eat, especially around payday. We identified an ATM in proximity to every McDonald's restaurant, which we daypart targeted from 7pm, to reach those planning a night ahead, through to 6am. On-screen advertising during transaction got our message across to highly engaged consumers. ATMs offered excellent dwell time to explain the restaurant finder, plus we used QR codes on receipts to allow users to download the 'restaurant finder' app.

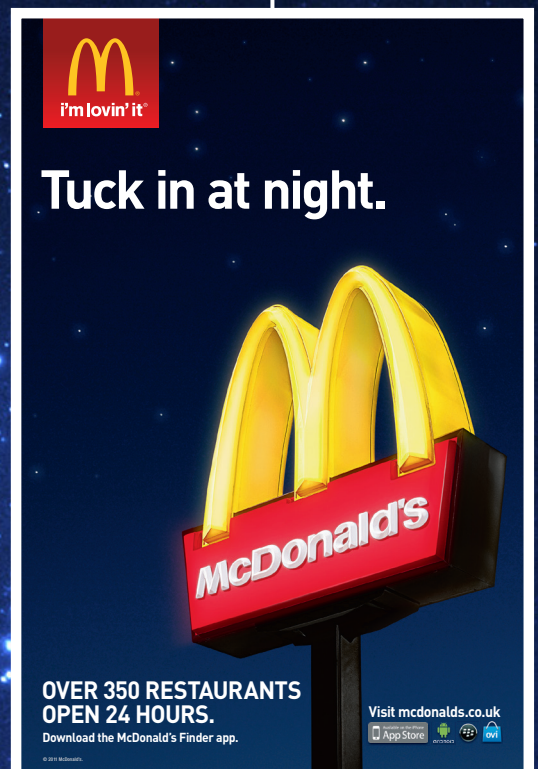


2. **SERVICE STATIONS.** We reached drivers filling up on a long journey or stopping for refreshments. Petrol pump nozzles provided a perfect opportunity to encourage mobile response amongst drivers at a rare time when they have the ability to act on it. Their use was focused around holiday periods when we knew from Government travel data that traffic volumes peaked.



3. **ILLUMINATED 6 SHEETS.** The illumination of 6 sheets, combined with very close proximity, makes them a highly impactful way of diverting both pedestrians and drivers into restaurants on impulse. They were used to talk to our night owls at key times throughout the year.

These three formats provided comprehensive coverage of the local area around each Extended Hours restaurant, firmly establishing McDonald's as part of the night-time routine, whilst integrating with a mobile call to action to ensure people can always enjoy McDonald's, whatever time it is.



THE RESULTS – A HUGE RETURN FOR THE MCDONALD'S BUSINESS

Over 6.8m visits were made to the McDonald's restaurant finder across a 12 month period. This was an extraordinary result which is testament to the effectiveness of the clear call to action that ran across all campaign touchpoints.

The campaign made a significant contribution to sales, contributing 4% to overnight sales value. It also delivered an ROI of £2.71 - an extraordinary result considering overnight sales occur at a time when high street footfall is minimal relative to daytime. In fact, Extended Hours ROI was only 15% less than that delivered by mainstream all-daypart food advertising.

The value of our strategy to deliver awareness in a highly targeted way was reinforced by econometric analysis. While all channels contributed strongly positive ROI, it was the most highly targeted channels that were the most effective:

- Radio, broad in geographical spread but still highly targeted at a daypart level, delivered £1.85 ROI
- Outdoor, highly targeted geographically but less daypart specific, delivered £3.29 ROI
- Mobile display, with very high levels of targeting in both daypart and geographical proximity delivered an exceptional £3.99 ROI.

All in all, this clearly demonstrates the effectiveness of a powerful, mobile-led campaign concept, combined with effective targeting, in delivering a very specific audience for a specific business opportunity. We successfully harnessed customers for specific parts of an extensive retail estate in a way that was inconceivable only a couple of years ago.