

Legacy in the Making

MCDONALD'S

Established in the United States in 1955, McDonald's and its very famous Golden Arches have become iconic symbols not only for selling world-famous hamburgers, but also for the familial role the brand plays in the communities it operates in. While growing to a point where the brand now serves more than 27 million people a day, McDonald's works to make sure that it keeps up with the pace of cultural change without abandoning the key ingredients upon which its success was built. Recently, The Legacy Lab had the opportunity to speak with **Deborah Wahl**, Chief Marketing Officer of McDonald's USA, about the brand's past, present and future, including how she never lets complacency get in the way of progress when it comes to adding to the brand's enduring legacy in the making.



The other core ingredient, something that differentiates us and has always been a part of the McDonald's ethos, is that we are very human. We focus on fun, relatable and very human moments that differentiate the feeling, the communication and the experience from what any other brand offers. We are a burger brand that makes people, including its own people, the high priority.

Beyond those essential ingredients that define McDonald's, is there a higher sense of brand purpose?

■ Internally, we talk a lot about the power of representing 'good food, good people, good neighbor.' That is what we believe in at all levels, from the local markets all the way to the top level. It's a simple statement, and it has to be that way because we are a very large burger company. Just in the United States, we have 900,000 crew members, 3,000 owner operators and 14,000 restaurants. 'Good food, good people, good neighbor.' It's really simple, and we all know how we should act: not just what to say, but what to do.

Can you please tell us a little about McDonald's origins—about those initial, essential ingredients that still help to define the brand today?

■ The brand started off very simply. We call it QSV: Quality, Service and Value. Those were the ingredients that

were huge areas when McDonald's first came into the market and differentiated 60 years ago. Those ingredients still bring in more than twice as many customers than any other brand in the segment of the industry that we operate in. We serve about 27 million people a day in the U.S.

Your brand feels so much bigger than just a quick-service restaurant. What role does McDonald's play in culture?

■ Because of our view on 'good food, good people, good neighbor,' we have always been known as a very democratic and inclusive brand. Iconic for sure, but also very human. If you look back at the recent riots and looting that went on in Ferguson, Missouri, we were the one restaurant that stayed open, that people were going to, that did not get vandalized because of the relevant role we play in the community.

When we launched the 'Pay With Lovin' campaign during the Super Bowl in 2015, it was amazing to see the number of letters and notes we got back from our customers. You might think that with 27 million people served each day that everyone's just coming in and out of here on their lunch break. But in letter after letter, we were told that ours was an important occasion: 'My father just died. We were stopping at a McDonald's for some relief.' People were coming to us for an important family reason, or for some other meaningful reason, and we made an impact. I could not believe how many people wrote to share that they had been touched by the things that we do. And internally, the campaign reminded our crew members that they were not just there to pour a cup of coffee, but that they were pouring a cup of coffee that would inspire or comfort someone. It reenergized our crew and reminded every-

one why they are in this business. When we are at our inclusive best, the whole idea of 'a little lovin' can change a lot' truly comes to life.

At the core of our purpose, 'good food, good people, good neighbor' has inspired us to do the kinds of things that have engendered a lot of amazing feelings towards McDonald's.

What has contributed the most to McDonald's enduring success? What can others learn from it?

■ The first point is that if you look at the biggest success of our multi-billion-dollar brands—like the french fries and the Big Mac—they are enduring; people absolutely love the taste, have fond memories associated with them and therefore have this incredible loyalty to them. We've taken the long view of creating these brands that are meant to last.

The second point is the massive innovation that McDonald's has created along the way. When we first started, it wasn't common to have an indoor seating area. We were the first to create a lobby and indoor seating. We were the first to create drive-thrus. And the first to create double drive-thrus, which allowed people to speed up and get through a lot faster. Also, we were the first to create a PlayPlace.

Now, we are innovating again by taking out certain artificial ingredients that reside in some of our menu items,

which raises quality in the category to a whole different level, and which is highly relevant to the customers we serve. While people are more conscious of the food they eat—what's in it and where it comes from, including whether it is locally sourced—the other side of the coin is that their lives are busier and they need quickness. Next up, we will be revolutionizing the convenience factor through technology. So our goal is to innovate around both needs: offering higher-quality options and more convenient options.

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Perhaps the biggest thing we've learned is that the time frame for innovation is changing. It used to be that you could introduce one big innovation every 10 years and succeed. Now, with the frenetic landscape we live in, I think it's a much shorter cycle. We used to say the big ate the small. But now we have a new phrase: The fast eat the slow. So we

work to get on that new cycle and stay ahead of consumer expectations. If you delay for even a year or two, consumers will move on without you.

In total, I think we've been really great at thinking long-term but acting short-term via innovating to keep ahead of changing consumer needs.

Reflecting on the brand's history, what are some of the things you've learned not to repeat?

■ My feeling is that the misses happen the minute you move away from your core basics and beliefs. In McDonald's case, that means when it abandons quality, service and value. Moving away from the core is what leads to reductions in sales and other competitors jumping in to capitalize.

There was a time when we introduced a lot of trendy items, like Premium McWraps, snackable salads, turkey burgers and veggie burgers, at the expense of some of our other high-quality, customer-favorite menu items. None of them worked. None of them built sales volume. They were answers to what consumers said they needed, but they came at the expense of some of our core.

I think the question for us has always got to be, How do you get back to the core of McDonald's? How do you respect your customer's needs and innovate around them while respecting the core of what we are all about? I think that's the secret

for any long-term brand. Success will require some trial and error, but that's how you get to be extremely relevant and extremely successful.

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For such a famous brand, what is McDonald's most famous for? And what should it be most famous for?

■ We're famous for our world-famous fries and the Golden Arches. That said, I think our values are what we should be most famous for: providing a genuine human touch. We are proud of our inclusive, democratic point of view. We are there for everyone. We have consistent quality service no matter where you come from or where you are going. For generations, our core has stayed the same. Our expressions have changed over time, but our fundamental core values have stayed the same.

For a brand that is so familiar, what is something surprising about its 'story in the making' that you can share?

■ I think people would be surprised to know how much all of owner-operators do in their communities every day—how much a part of it they really are, and how much they donate. Being good people and neighbors is not just part of an internal marketing slogan; it has always been a core part of our brand's behavior.

Being active in the community is important to us, and we celebrate it. We give awards to the people who've done the most in their community, who have really gone above and beyond. It's part of our culture. I think telling the stories, giving those awards and focusing on that is what keeps it alive and in the whole company culture.

In the recent past, we created a piece of communications themed around this topic. The ad called 'Signs' focuses on franchisees that have used their roadside signs to show support for local and national events that are of legitimate community interest. We've played a part in community culture forever. That's who we still are.

What do you want McDonald's legacy to be?

■ McDonald's is a brand our customers can count on, always has been, always will. We are at the heart of every community we serve, which also means we participate in the

culturally relevant goings-on. We represent that American spirit of good food, community connections and that entrepreneurial spirit.

Sometimes, we may be a part of those cultural happenings—good and bad. If you have followed our brand, you will know that we have had a few issues. There have been attacks on our trust factor. But we are working toward earning all of that back.

And in that conversation, beyond the politics of it all, we desire our legacy to be that we are always an inclusive, welcoming part of the community.

“When you share something you love, it can make the world a better place. At McDonald’s, we lean into the love and go against the hate.”

If McDonald’s is on the cover of *Fast Company* magazine five years from now, what should the headline read?

■ I would love to read that McDonald’s has the number one burger in the U.S. and is the best place to get a burger. But actually, the headline I would most love to read is ‘McDonald’s Beloved.’ That would signal what

the brand is all about. That’s what our whole phrase ‘I’m Lovin’ It’ is all about. And the goal is to recapture that, to have people feel great about us, and for us to sustain that lovin’ feeling.

You might remember that we ran an animated advertising campaign, ‘Arch Enemies,’ where we saw mortal enemies come together and reconcile around sharing things like fries and Big Macs, proving that when you share something you love, it can make the world a better place. At McDonald’s, we lean into the love and go against the hate.

What advice do you have for others working on building a successful brand legacy of their own?

■ I am reading a great book, an older book, called *Differentiate or Die*. In reading it, I am reminded that brand legacy is about always remembering what your unique aspect is and continuing to deliver upon that. And you need to constantly deliver in new and updated ways, putting progress before perfection.

I should add that you need to also remember to evolve with, and sometimes ahead of, your customers. I don’t know why it’s so hard to stay ahead of customers, or to base decisions on customer insights, but that’s the only way to be of enduring value to them. I’ve always believed that. I live and breathe by that.

Finally, don’t ever get too complacent, too happy or too proud of what you’ve

created. It risks leading some to say, ‘Well, it took us all these years to build this, so we should leave it alone and we’ll be fine.’ I think that’s the biggest mistake: Complacency and pride are what you have to watch out for.

After 60 years, McDonald’s remains one of the world’s most recognized brands. While it has appealed to customers for years because of functional attributes such as quality, service and value, it has also galvanized an organization and created culture around “good food, good people, good neighbor.” In its pursuit to stay relevant, McDonald’s is a brand that thinks long-term and acts short-term. The brand champions foresight ahead of insight, fast ahead of slow and love ahead of hate. And while its high-profile status has attracted its fair share of public criticism, its openness to creating constant change while not sacrificing on its core beliefs has helped the brand to stay vital. The temptation for a brand of this size is to protect its success to the point of stagnation. But this brand’s key to success is never to let complacency get in the way of progress: to write history, not read from it, every day.

BY MARK MILLER

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