

Six Rules for Brand Revitalization: Learn how Companies like McDonald's can Re-Energize their Brands

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The core of this book revolves around sharing of the 'principles and practices' that have contributed to several cases of brand turn-around including that of the McDonald's. Authors have structured the book around six rules of revitalization, the guiding principles for rejuvenating a brand. These rules were based on developing beliefs, commitments, learning and framework for the necessary throughput.

Authors have divided the book into ten chapters. The first chapter detailed the case of McDonald's. In February, 1996, McDonald's stocks were being traded at 27 times its earnings. Till March 1999, the stock was being traded at \$ 45.31 while, the same stock in March 12, 2003 came down to \$12. For the first time, since it went public in 1965, the organization showed quarterly loss of \$344 million. Store sales were down by 1.9% in Europe, 6.1% in Asia-pacific and 1.4% in the United States. Consequently the CEO, Jack Greenberg was replaced. With the decline of sales and shrinking market-share, franchises were frustrated, employee morale was at the low ebb and customer satisfaction was even lower. However on the positive side, McDonald's had one great asset: the fond memories of McDonald's brand experience, which were not getting replaced with recent memories. The brand was declining slowly and publicly. It was probably because of violating three brand-building basics for enduring profitable growth: Renovation, Innovation and Marketing.

To set the context of revitalization, McDonald's, as the primary growth strategy, focused on building new stores and opened a new store once in every four hours. It was reasoned that the desired 10-15% growth could not be achieved organically, however the same was necessary

despite it may lead to cannibalization amongst existing stores. Services suffered for the want of trained people. Focus changed from effectiveness to efficiency. Cost management overtook brand management. Decline in food quality, poor service, and inadequate product offerings further hampered the brand. Instead of brand believers, the management became brand batterers. Founder Ray Croc's view required a dedication to quality, service and cleanliness. It mandated a commitment to treating customers with respect. Everyone in the organization was expected to be a re-energized brand champion to deliver exceptional brand experience every time everywhere. Clarity of direction, consistent implementation and commitment from the top was necessary to lead the brand in the right direction with measurable milestones. The authors posited all of this was achieved largely through freedom within the framework.

Chapter 2 brought to fore the six rules of revitalization which were applicable to some of the prominent, yet struggling, brands like IBM, Nissan, Apple or Harley-Davidson. The authors did not accept that people were becoming less brand conscious. They thought that even the private labels such as Safeway, Wal-Mart, Target and IKEA were evolving by becoming exclusive store brands by differentiating their value propositions. Brand revitalization would require rigor and readiness to sacrifice what must be. Deciding what not to do would be as important as what to do, the authors opined. The six rules of revitalization identified by the authors included: refocussing the organization, restoring brand relevance, reinventing the brand experience, reinforcing a result culture, rebuilding the brand trust and realizing the global alignment.

Chapter 3 was devoted to first rule of revitalization: refocusing the organization. This rule required clearly defining the brand goals, realigning the organization behind revitalized purpose and promise, and improving financial discipline. Dedication to operational excellence and leadership in marketing would also play their roles. According to the authors, brand purpose is based on clear sense of direction on the basis of customer brand intent. The near-term goals to fortify the business through operational excellence might lay pipeline for future innovation. The brand purpose would define brand goals and would describe organization's reasons for existence. Before being declared as the Chief Operating Officer (COO) of McDonald's, Charlie Bell had a one page global plan for revitalization. Focusing on organic growth and becoming bigger by being better was what he planned for. A renewed sense of purpose reflected Ray Croc's brand revitalization idea. The rule-based practices were followed to: explain the brand purpose and goals, exercise financial discipline, enforce operational excellence and employ leadership marketing. To enhance top management commitment, knowledge of business, cross-functional team-building and recognizing exactly which area of management failed would be useful. Some of the things to avoid were: vague terms, heritage rejection, extrapolation of the present and the practice of corporate isolation. Chapter 4 was devoted to rule 2: restoring brand relevance. To drive purchase intent amongst consumers and also to restore brand relevance, it was recommended to have thorough:

- Knowledge of the market place
- Understanding of market segments
- Customer insight and
- Brand promise to the prioritized market segment

The striking juxtaposition that bring out the essence of McDonald's experience were:

- Familiar yet modern
- Global yet local
- Simple yet enjoyable
- Comfortable yet entertaining
- Consistent yet changing and
- Superior in quality yet affordable

Chapter 5 explained authors view of terming brands as promises of relevant, but differentiated experiences. The total brand experience, both functional and emotional, would define the distinctiveness of the brand. For McDonald's to be successful, it should promise more than burgers, fries, and malts served fast and cheap. To offer superior experience the need was also to keep alive the teamwork and camaraderie of the crew along with refreshing aroma of food, smiles, exuberance and excitement. In order to instill these practices once again, it was suggested to:

- Commit to an innovation program
- Perform renovation
- Focus on marketing
- Generate customer perceived fair value and
- Bring the total brand experience to life

To put all this in practice, the authors recommended adding people to the existing 4Ps of marketing. To activate people there was an urgent need to make 1.5 million employees of McDonald's its brand ambassadors. It was necessary to make them proud of what they had and where they worked. To achieve the new brand purpose, the original 'gold standard' of quality would need to be maintained for being customers' favorite. New disciplined approach to develop new product was initiated and it improved the rate of success of new products. As mothers were looking for more beverage choices with 'Happy meals', beverage alternatives such as milk, mineral water, orange juice and fruit juice were offered. Considering place of service as the face of a brand, McDonald's stores also needed some face-lifts. Redesigning of the store had to stay true to the new brand strategy i.e. the new look and feel of the restaurant. Taking a cue from Henry Ford (automobile), Sam Walton (Wal-Mart), William Levitt (housing sector) and Amadeo Giannini (Bank of America); affordability and availability became the slogan for eating out at McDonald's. Promotion was taken in the spirit of elevating the brand to the newer heights in rank and position. Monthly promotional calendar of separate, short-term, disconnected activities were given a goodbye to a consistent, coherent, integrated brand-building message. Brand packaging - from signage, letter-head,

shopping bags, store design to in-store aroma, was given due importance. In a nutshell, it was realized that revitalizing a brand was a challenging task. It would require commitment to the brand purpose and brand promise. In addition, there must be the willingness to change the belief system and practices. Therefore, the authors prescribed the dos and don'ts for reinventing the brand experience at the stores of McDonald's.

Chapter six was devoted to the rule 4, reinforcing a result culture. For creating this result culture, there would be a need to:

- Identify measurable milestones
- Implement recognition and reward system and
- Initiate the balanced Brand-Business score-card

There was no culture of results at McDonald's. Despite of all the downfalls, top executives were still being rewarded. The management reward system was desired to be in line with brand goals, business growth and share-holders' interests. The growth slogan at the McDonald's store was changed to 'being bigger by being better'. An enduring brand must be powerful on three dimensions: familiar identity, relevant differentiation, and authority. It was decided that the brand authority would be achieved through quality, leadership and trust. The balance score-card would be treated as brand dashboard. It had all critical elements for driving the brand on the road to enduring, profitable growth. Following six items were chosen for considering brand endurance of Mc Donald's:

- Sales/Share
- Profit
- Brand power
- Brand image
- Brand loyalty ladder and
- Brand-value

The management decided that measurable milestones would be based on:

- People: Increase in speed of service, friendliness scores and service related complains
- Product: Improvement in hot and fresh-food scores
- Place: Return to all-time high in cleanliness scores

- Price: Improvement in value for money scores and in restaurant margins and
- Promotion: Increase in brand awareness and return to the all-time high in 'Happy Meal' units per restaurant

In addition, at McDonald's, eyes and ears were kept open to:

- Adopt an idea that seemed to be working somewhere else
- Adapt that idea to the local market environment and
- Continuously improve the same (the idea)

The authors also recommended the dos and don'ts that were in practice for creating a result-oriented culture.

Chapter 7 was devoted to rule 5 of rebuilding the brand-trust. The authors arguably placed a powerful brand ahead of trade mark, and instead suggested it to be synonymous to trust-mark. Trust would, therefore, be an important prerequisite to build long-term brand loyalty. Re-building trust is extremely challenging. To help revitalizing a brand, the authors prescribed five trust-building principles:

- You are what you do
- Lead the debate, don't hide from it
- Openness is an opportunity
- Trust-worthy messages must come from trust-worthy sources and
- Be a good citizen

Creating predictable behavior patterns was considered important. For making McDonald's trust-worthy, a series of trust-building activities were taken up. 'Happy Meals' with fruit-slices, carrot-sticks, fruit juice, water, milk, and yogurt were offered to the consumers. For health conscious people, over-emphasis on physical activities over food was the key message. Rule 6 was devoted to realizing global alignment. Working together for the system would also be working for individual success, was the important message the authors wanted to bring forward. Working together for the same destination with same brand purpose and same brand promise should be the goal. Same brand priorities and same brand metrics was important. Organisations must also

internally market and the authors emphasized that the internal marketing should be more than internal communication. They suggested that the same principles of external marketing would be required to be applied for internal marketing as well. Enthusiasm, pride, and motivation would certainly transfer the organization in never before manner. At McDonald's, the internal marketing principles inspired people to come out of their comfort zones and made them active participants in brand revitalization. At the end of the chapter they also recommended dos and don'ts for making the global alignments successful.

Chapters 9 and 10 were devoted to how techniques of performance management were found useful, how the same can be created by other organisations. A winning formula would put the purpose, promise, action and

performance metrics on one page, allowing everyone to be in sync.

Brand revitalization has been a challenging task for the marketers. When core gets sick, it affects the entire organization. The book has been a novel attempt by Larry Light and Joan Kiddon to describe the remarkable recovery of McDonald's, which was achieved through planned effort. It not only came back to the profit path, it won several prestigious awards such as 'Advertising Age Award, 2004; 'Promotion Marketing Association of America (PMAA) Gold Medal,' 2005, and prestigious 'Effie' for effective global advertising for 2005. The share price changed from a low of \$13 early in 2003 to \$32.06 by the end of 2005. This book is expected to offer insight to marketers for invigorating their struggling brands.

Prafulla Kumar Das is the Professor and Head of Marketing faculty at the Regional College of Management, Bhubaneswar. He has done his Ph.D. in Business Administration and submitted the D.Litt. thesis in Business Administration to the Utkal University, Bhubaneswar. He is an accredited management teacher, a life member of All India Management Association (AIMA) and a member of Emerald Literati Network. Dr. Das has thirty eight published/accepted papers and seven are under review. Published papers comprised research articles, literature reviews, case-studies, social issues and book-reviews. Dr. Das has been a reviewer for two national and five international management journals. He writes poems and translates poems from other languages like English, Hindi and Bengali.