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FOR PUBLICATION

1. TITLE PAGE

Project Title:

McDonald's Global Quality Packaging

Category 12:

Design Management

Client Company:

McDonald's

Design Consultancy:

boxer

Current Date:

10th June 2010

*Delivering into the hands
of 60 million customers
a day in
118 countries
worldwide!*



“This packaging endeavour is the largest, most complex, centrally-driven design challenge that McDonald’s has faced. In the end, it’s giving people another reason to be lovin’ McDonald’s.”

Matt Biespiel, Senior Director, Global Brand Strategy, McDonald’s.

McDonald's *wanted us to:*

Change consumer perceptions of McDonald's food by delivering the food quality story in a consistent and effective way, that would connect with 60 million customers a day in 118 countries.

In order to change consumer perceptions, we had to deliver the message into the consumer's hands. This is a long and complex journey that McDonald's then Global Chief Marketing Officer, Mary Dillon, describes as "the biggest packaging initiative in the history of the brand."

In just 30 months Boxer has overcome some exceptional hurdles and brought unprecedented results to the McDonald's system through their design management:

1. Design Management – The System

- Hurdle Create one brand solution that connects with consumers around the world.
- Solution Developed a design system that delivers with a "Global Voice, Local Accent."
- Results Designed and delivered 1,500 unique packaging designs, in 39 cultural versions and 24 language variants.

2. Design Management – The People

- Hurdle McDonald's has never done anything like this before.
- Solution Become the 'Collaboration Agency'.
- Results The first truly global marketing initiative in the McDonald's system, with 100% global acceptance of our packaging with McDonald's VP Global Supply Chain describing our work as, "best practice."

3. Design Management – The Delivery

- Hurdle There was no global packaging production design system in place.
- Solution Create a Packaging 'A to Z'.
- Results We've put a global packaging design management system in place for the first time in McDonald's history enabling us to deliver on time and under budget, saving 10.6% and cutting speed to market by 24%.

The assets created for our design system are now being used beyond packaging in other marketing communications around the world. Increasing McDonald's speed and ability to deliver into market, bringing substantial cost benefits.

What did the brief *ask us?*

Change consumer perceptions of McDonald's food by delivering the food quality story in a consistent and effective way, that would connect with 60 million customers a day in 118 countries.

We were to create a global design, across all pack types, that brings to life and into customers hands the McDonald's food quality story; a story that had never been told before at McDonald's.

To enable us to do that, our design management had to satisfy the needs of the McDonald's system to ensure multinational global engagement, consistency and take up. It would focus on three key areas:

1. Design Management – The System

- Use packaging to enhance consumer's quality perceptions of McDonald's food.
- Create a brand design system that develops McDonald's core equities and creates a new global design language to ensure consistency around the globe.
- Create a design system that is culturally relevant across all 118 countries.
- Ensure the same design can be produced into 1, 3 and 5 colours.
- Ensure every pack works operationally across 32,000 restaurants for 2 million crew members handling the packs everyday.

2. Design Management – The People

- Definition and architecture of a process to facilitate marketing, operations, supply chain, legal, R&D, menu development, local agencies and local print production partners.
- Gain buy-in from all key stakeholders from McDonald's Executive Board down to local marketing team level.

3. Design Management – The Delivery

- Ensure global brand guardianship and consistency of brand message.
- Deliver to 118 countries within 30 months.
- Manage global stock inventory to ensure 0% stock wastage.

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3.2. DESCRIPTION

Globally inconsistent
packaging in 2007—

Japan:



Gulf States:



Canada:



UK:



McDonald's runs one of the largest food service operations on the planet:

- 32,000 restaurants.
- Operating in 118 countries.
- Serving an average of 60 million customers a day.

Due to its size, it makes delivering a truly global marketing initiative complex. The key to this is to use a marketing tool which all corners of the world need and use daily - packaging.

It is the only marketing tool in the system that reaches all 60 million daily, in the most cost efficient way AND is a valuable piece of brand media, enabling McDonald's to tell their brand story.

In order to deliver it into consumer's hands, we had to overcome some exceptional hurdles when delivering across the global McDonald's system:

1. One design solution that connects with consumers across the world

That means our design has to be consistent in order to ensure McDonald's packaging retains its brand equity, giving it the same look and feel in Egypt as it does in England.

It also means it has to be flexible enough to speak to a diverse range of global customers, as well as factoring in how it works with promotional and strategic partnership platforms.

2. McDonald's has never done anything like this before

McDonald's is a decentralised brand and is operated by franchisees around the world. They actually fund the packaging themselves. This meant that we wouldn't be dealing with one single client, but over 200 clients.

For the initiative to succeed, we would need to work with these clients to align and coordinate across marketing, operations, supply chain, legal, R&D and menu development for every single one of the 1,500 unique packaging items.

3. There was no global packaging design production system in place

McDonald's had globally decentralised packaging production where individual markets had a variety of suppliers producing their packaging. This creates limitations on capabilities across the globe, resulting in varying quality of packaging production.

There was also no central design operating system for packaging in place, which in turn meant that there were no Global Brand Guardianship measures.

Global Fast Food Market

The market grew by 6.6% in 2008 to reach a value of \$154.7bn [1]. Of the 85.8bn transactions that year [1], McDonald's accounted for 25% of them. By 2013, the market is expected to increase in value by a massive 29.3% to \$200bn [1].

QSR Market

Accounting for 66.3% of the global food market [2], QSR's are leading the way in driving continuous innovation. McDonald's is sitting at the top of this pile followed by Subway and Burger King [2].

The rise of Subway into the second largest QSR by value shows that the QSR market is changing, as they now have 32,907 restaurants in 92 countries [3]. Consumers expect better food faster. Their tastes are changing, health is an issue that is here to stay and competition is increasing. Reinventing the QSR market is the way forward.

For a QSR brand to succeed, they have to be authentic and true, that doesn't mean try and be Jamie Oliver, but be open and honest with consumers about what's in their food.

McDonald's

This is something that drove us to tell McDonald's food quality story. With many developments in menu items and ingredients sourcing, they wanted to tell this story for the first time and across packaging. All information had to be 100% factual otherwise it wouldn't be allowed on the pack.

The creative rationale Boxer created for McDonald's Global Quality Packaging was about "celebrating and reassuring" on every pack around the world. The question now was... "How are you going to do that?"

Celebrating and reassuring on every pack.

Bold, engaging headlines with a playful twist

Simple, bold food images

Ingredients & utensils that make your favourite sandwich create flow around pack



Supporting playful copy that tells a locally relevant story

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3.3. PROJECT LAUNCH DATES

Key events

Date	Activity
Feb 2007	Brief released.
Apr 2007	The pitch 12 agencies.
May Jun 2007	Consumer testing on selected agencies routes.
Jul 2007	Pitch awarded to Boxer.
Jul Dec 2007	Development of packaging design system and further consumer testing.
Jan Mar 2008	First round of Workshops.
Apr 2008	Packaging design system showcased at McDonald's Worldwide Convention.
Nov 2008	Packaging launched into US, UK and Ireland.
Nov Aug 2009	All Big 10* countries delivered plus Poland, Russia & New Zealand.
Aug 2009 Jun 2010	Over 100 countries delivered.

*Big 10 refers to US, UK & Ireland, Germany & Austria, Spain & Portugal, France, China, Japan, Australia, Brazil and Canada. These 10 account for 80% of McDonald's global consumers.

3.5. SIZE OF DESIGN BUDGET

Budget

>£100,000



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3.6. OUTLINE OF DESIGN
SOLUTION

(494 words)

1) Solving the design system challenges with one solution that connects with consumers around the globe

Solution – Global Voice, Local Accent

Global voice

We created a 'Brand Bloodline' to define the global brand packaging equities through 'Graphic' and 'Personality' elements. This enabled us to create packaging with a consistent look and feel in 118 countries.

Local Accent

To connect with consumers at a local level, the design system had to be flexible. To achieve this we created a design management system including...

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3.6. OUTLINE OF DESIGN
SOLUTION (Cont')

Globally consistent packaging in 2010—

Japan:



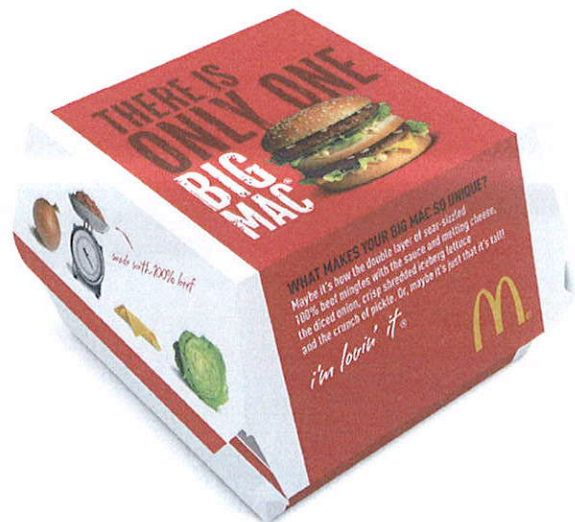
Canada:



Gulf States:



UK:





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3.6. OUTLINE OF DESIGN
SOLUTION (Cont')

2) Managing people who have never
done anything like this before

Solution – The Collaboration Agency

To give understanding, we had to define and clarify global process, roles and responsibilities across all functions before starting production. Our 'Global Design Management Process' does just this.

Key to our success was to gain buy-in from McDonald's key internal stakeholders. We created a movie of the design system concept, telling the packaging brand strategy and the food quality story in just 3 minutes (see Appendix 3). This resulted in the packaging being embraced and endorsed by McDonald's Global Executive Leadership.

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3.6. OUTLINE OF DESIGN SOLUTION (Cont')

Next, were the franchisees. To do this we showcased the design system at McDonald's Global Convention 2008:

We spent four days educating franchisees about the design system and that the minimal increase in cost compared to previous packaging was far outweighed by the brand messaging benefits. Exciting them was key to gaining their buy-in.



To align and coordinate across all functions, Boxer designed and ran 55 face-to-face and virtual workshops worldwide with over 40 people working across a 24 hour day in 5 countries. Its purpose was to:

- Motivate, inspire and educate all 118 countries on how to use the design guidelines.
- Give understanding of the project, process, timings and contacts, ensuring 'buy-in' from each market.
- Develop local strategies for all product categories.

This created a local agency collaboration network across 50 plus agencies.

Phase 1: Overview

Welcome
Today's agenda
Inspire - Strategic creative framework, brand bloodline
Core creative - A presentation of in-scope Creative
Local creative - A presentation of the briefing process for local items
Delivery - the process involved in delivering packaging design
Timelines & next steps

Phase 2: Process

Welcome
Today's agenda
Inform - Process, goals of the project, research findings.
Inform - Scope, implementation schedule.
Ignite - Menu list - some homework
Involve - Team, roles & responsibilities, process flow.

Phase 3: Deliverables

Let's now focus on Timelines.

3) Solving the packaging production process in a system with no process

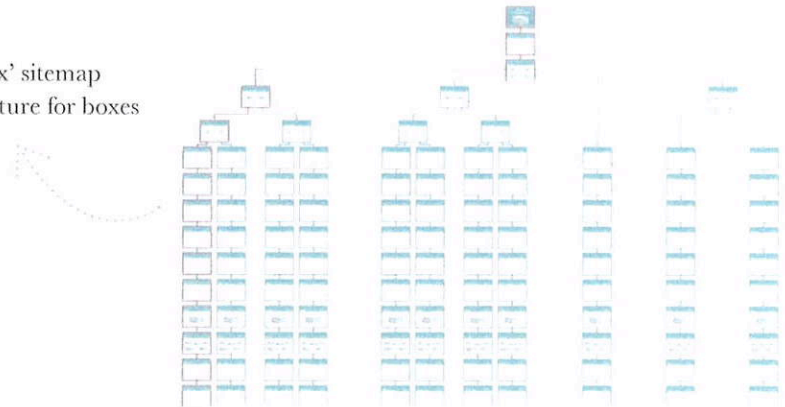
Solution – Packaging “A to Z”

To increase speed of delivery and ensure global brand guardianship, we created easy-to-understand online guidelines known as ‘The Mix’ (see Appendix 4).

Its benefits compared to the old system are:

- Packaging created in minimum 6, maximum 9 steps.
- Promotional guidelines integrated into the system.
- It’s intuitive, giving prompts to find assets or relevant email addresses.
- A flash animation gives context and understanding to local teams about global brand strategy and the food quality story.

‘The Mix’ sitemap architecture for boxes



To hold all of the packaging assets, we created an online Digital Asset Management and online approval system, called “Checkout.” The client, local agencies and ourselves have 24 hour secure access to bespoke media instantly which can be used beyond packaging, in other marketing communications.

Our ‘A to Z’ enabled packaging to be produced in 1, 3 or 5 colours, depending on each market, giving local teams added flexibility at the same time as ensuring quality.

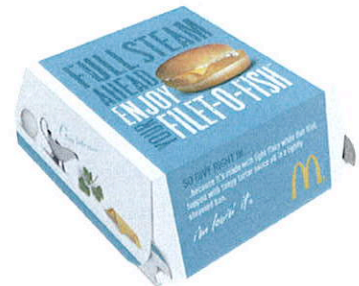
1 colour wrap:



3 colour clamshell box:



5 colour clamshell box:



1. Design Management – The System

Our design solution has succeeded in all areas. It provides a consistent brand look across the world, as we've designed a massive...

1,500 unique packaging designs

Its built in flexibility has enabled us to make the packaging locally relevant, creating...

39 cultural versions*

24 language variants

*A cultural version takes many forms. One example is in the Japanese market where English is seen as a more contemporary or "cool" language than Japanese. The English they use is a type of broken English though, so we had to factor this in as well as using Japanese on all pack designs.



Lasting Legacy

The assets created for the design system are now informing strategy and enabling reuse of assets in other marketing communications.

This is already being seen in the US through a concept restaurant design that will be rolled out to 2,000 stores by the end of 2011. You can see an array of executions from around the world that have utilised our visual language and how it informed McDonald's Convention 2010 in Appendix 1.

2. Design Management – The People

Thanks to our management of the people involved, our packaging is the first truly global marketing initiative. The amazing thing here is how we brought markets into the 21st Century, bringing global consistency to the McDonald's brand.

100% Global acceptance of our packaging

As an example, in Asia Pacific Middle East Africa (APMEA) we saw the following:

- All 24 markets took Global Quality Packaging (GQP).
- When GQP was first introduced, many of the markets still featured packaging from the 1990's and 2000's!
- Japan, China, India, Indonesia, Gulf States and Egypt all upgraded their packaging to 4 colours.
- Gulf States and Egypt transitioned out of foam packaging.
- From project introduction to artwork sign off, we delivered the Chinese market in just nine months.

Gaining buy-in from a global...

"It's obvious that the collaboration, processes and investment in managing this the right way are evident in everything you're doing. Performance to date is better than all other stuff we've ever attempted to do globally. You're thinking of everything and doing all the right things. This is best practice. You've exceeded our expectation in delivery."

Jerome Lyman, McDonald's VP Global Supply Chain.

GQP has "Created an avenue for telling our brand story in one of our most visible and relevant touch points. Provided consistency around the world, so no matter where consumers enjoy McDonald's, they hear the same voice."

Carley Case, Account Supervisor, McDonald's, DDB Chicago

...to a local level.

"Thank you to you and all the people at Boxer for your assistance, effectiveness and being very pleasant to work with. In the beginning of the project, I didn't know how I was going to manage what looked like a monstrous project, but it was all made easy."

Mpho Masenya, Marketing, McDonald's South Africa.

"The team on board was very clear in communication and very helpful as well. I continue to be impressed with the turn around time of feedback, communication and direction. The team made this process very smooth and easy for us."

Junichi Kawanimani, Communications Director, McDonald's Japan.

Lasting Legacy

Thanks to our design management aligning and coordinating the McDonald's system across all functions, we have connected a global marketing initiative with local markets like never before. We have brought the two closer together, strengthening the McDonald's brand in the process, increasing their ability to deliver faster and smarter.



3. Design Management – The Delivery

Our design management in delivery has resulted in many achievements happening for the first time:

- A global packaging management system is in place for the first time in McDonald's history.
- We have delivered 1,500 unique packaging items to 118 countries in 30 months.
- Local execution of packaging is now occurring to a single standard.
- We achieved 0% stock wastage, with 100% packaging change out.

All of this has ensured that all areas of the world have our packaging design system, giving McDonald's global brand guardianship and ensure consistency of brand message worldwide... for the first time.

Our solutions also made approvals, routing and quality control faster and more cost effective...

Reducing time to market by 24%

And ensuring on time delivery that was under budget...

Saving 10.6%

Lasting Legacy

Thanks to the Digital Asset Management and Online Approval System, the 2,000 assets stored have already been signed off by all relevant functions. As they are available online, 24 hours a day, anywhere in the world, this greatly increases McDonald's speed and ability to deliver into market. It also brings cost benefits thanks to avoiding the processes we have already carried out in our design management of the people.



Every design management result we set out to achieve, we've achieved and more. Our work has played a role in...

Changing the *perceptions* of consumers...

McDonald's 'Trust Strategy'

GQP contributes to McDonald's Brand Trust strategies, which are in place to change consumer perceptions about the quality of McDonald's food. There's been a lot of work done around the Quality Communication, of which packaging is one. Due to the number of projects focusing on quality, it makes it very hard to attribute changing consumer perceptions solely to our packaging.

Packaging Consumer Research

Consumer research conducted in the US by Penn, Schoen & Berland Associates in 2008 [4] showed that our new packaging improved consumer perceptions by the following:

- 5 colour design improved overall perceptions of the food by +34 index points.
- The new design more than doubled the shift of certain quality attributes, including: uses high quality ingredients, uses fresh ingredients and has food that tastes good.

McDonald's is doing a whole range of work to change consumer perceptions. Globally, they have evolved the menu, providing customers with broader choices. They are constantly improving service and continue to communicate their food story in an array of media as well as upgrading restaurant design all over the world.

European Restaurant Design

European restaurant design is a good example, that has seen some great results...

- European markets posted the greatest sales growth rate in the McDonald's world with incremental sales increase of 7.5%.
- At the end of 2009 in Europe, McDonald's "Good Quality Food" score had increased by +37 index points.

It is all the more impressive that despite its notoriety as a symbol of bad health, the brand is now thriving as it challenges people's perceptions head on. Jim Skinner, CEO, noted in Jan 2010:

"McDonald's profitability increased as we marked our sixth consecutive year of positive comparable sales in every geographic segment and generated higher global revenues, operating income and earnings per share in constant currencies - all tremendous accomplishments given the tough global economy."

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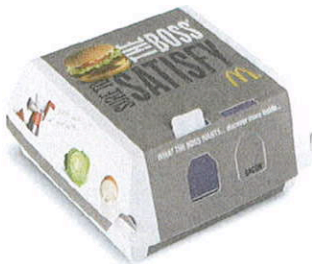
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5.0. RESEARCH AND OTHER FACTORS

Maharaja Mac:



The Boss:



McTurco:



Research Resources

- [1] Source of statistics from "Fast Food: Global Industry Guide" by Datamonitor, Dec 2009.
 - [2] Source data from 'KFC & Global Fast Food Industry' by Mr. Faiez H Seyal, COMSATS, Institute of information Technology Sahiwal.
 - [3] Source data from <http://www.subway.com/subwayroot/index.aspx>.
 - [4] 'McDonald's Packaging Analysis – Topline Report', April 2008 by Penn, Schoen & Berland Associates.
-

Other Influencing Factors

Being Part of a Global Network

Thanks to our office in Chicago, US and our parent company, The Marketing Store Worldwide, we were able to call upon their offices in China, Hong Kong and Sydney to extend our working day from 12 hours to 24 hours.

This greatly improved our ability to deliver to all 118 countries, ensuring we met our targets and delivered the packaging within 30 months.

Support of Franchisees

The success of the packaging was based on the demand from the franchisees. The power of their voice is everything when it comes to global delivery. With consumer perceptions being such a large issue, they knew that food quality needed to be addressed and understood the power of packaging in delivering the food quality story.

Localised Menu Choices

The McDonald's menu now has 300+ items worldwide. This has enabled McDonald's to satisfy local market needs more than ever before as well as staying ahead of taste trends.

It helped our design management through culturally relevant products already being on the menu, enabling us to connect with consumers on a far more local level.

Some examples of localised menu items are:

- Maharaja Mac in India.
- The Boss in New Zealand.
- McTurco in Turkey.

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6.0. APPENDIX 1

Visual language executions
from around the world

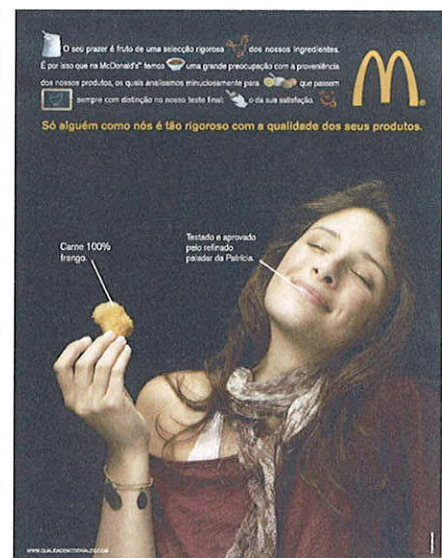
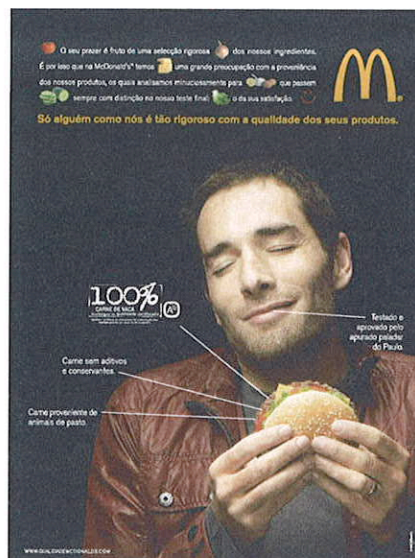
Boxer's Visual Language Takes the Food Quality Story Around the Globe

Australia – Lorries

Visual storytelling is taken on the road.



Portugal – Press Ads, Menu Boards and Recruitment Ads
Using our image library to add some personality to press ads.



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6.0. APPENDIX 1

Visual language executions
from around the world

Cutting costs by using our quality food imagery to create appetite appeal on menu boards.

McMenu™ 100% CARNE DE SUCA (CARNES DE SUCA) (AV)

① Escolha o seu preferido... ② com... ③ bebida...

Big Tasty™ 5,25€	Big Mac™ 4,55€	McRoyal™ Deluxe 4,55€	McRoyal™ Bacon 4,55€	Batata Média	Bebida Média
Chicken Mythic™ 5,25€	McChicken™ 4,40€	Double Cheeseburger 4,40€	McFish™ 4,40€	ou Salada Mista	

McMenu™ Grande Batata Grande ou Salada Mista + Bebida Grande **+0,50€**

A creative use of our wrap designs to engage with potential employees.

Para a Liliana, o seu futuro não tem um prazo.

É por isso que a Liliana é a cara da McDonald's.

Liliana Marques
Funcionária de Restaurante McDonald's de Coimbra

A McDonald's valoriza quem valoriza um emprego estável. Tal como a Liliana, em média, 90% dos colaboradores da McDonald's têm um contrato de trabalho efectivo.

Porque as pessoas da McDonald's são a McDonald's.

Quando estava à procura de um trabalho, na verdade, o que o Cláudio procurava era uma carreira.

É por isso que o Cláudio é a cara da McDonald's.

Cláudio Moreira
Gerente de Restaurante McDonald's de Oeiras

A McDonald's valoriza quem valoriza uma carreira. Tal como o Cláudio, qualquer funcionário pode chegar a Gerente de Restaurante. E ainda mais longe. Cerca de metade dos colaboradores da sede da McDonald's em Portugal iniciaram a sua carreira nos Restaurantes.

Porque as pessoas da McDonald's são a McDonald's.

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6.0. APPENDIX 1

Visual language executions
from around the world

Argentina – Billboard Advertising

Creating hunger on the streets with some quality food.



Russia – POP

Packaging design that has inspired the food quality story in-restaurant.



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6.0. APPENDIX 1

Visual language executions
from around the world

UK – Trayliner and Website

Through ingredients and utensils imagery, the UK helps to convey the nutritional message.

nothing added

All our burgers are made from 100% beef sourced from over 16,000 British and Irish farmers. They're seasoned with a touch of salt and pepper with absolutely nothing else added.

A big zero

That's what makes McDonald's

Printed on 100% recycled paper which is totally chlorine free.

How many zeros can you spot?

Ingredient	Per portion	% daily
Energy (kcal)	155	20%
Protein (g)	15	25%
Carbohydrate (g)	45	22%
Total fat (g)	4	8%
Total fat (saturated)	1.5	3%
Total fat (unsaturated)	2.5	5%
Salt (g)	0.8	20%
Fat (g)	2.2	4%

Our imagery helps to add personality to a serious subject.

McDonald's website navigation: Food, Restaurants, Our world, Sport, About us, Careers

Chicken Legend® with Cool Mayo

Select from the following to customise this meal:

- 1x Chicken Legend® with Cool Mayo

Check out all our nutrition facts

Ingredient	Per portion	% daily
Energy (kcal)	155	20%
Protein (g)	15	25%
Carbohydrate (g)	45	22%
Total fat (g)	4	8%
Total fat (saturated)	1.5	3%
Total fat (unsaturated)	2.5	5%
Salt (g)	0.8	20%
Fat (g)	2.2	4%

Our food: Chicken

The only meat we use across our entire chicken range is succulent chicken breast meat.

Did you know that we offer Free WiFi in our restaurants?

Yes No I've already used it

Chicken Legend uncovered

See all ingredients

Your questions answered

- How many calories are in a Chicken Legend with bonus sides?
- What type of chicken goes into this sandwich?
- Where do your lettuce, cucumbers and tomatoes come from?
- Can I ask for extra tomato sauce?

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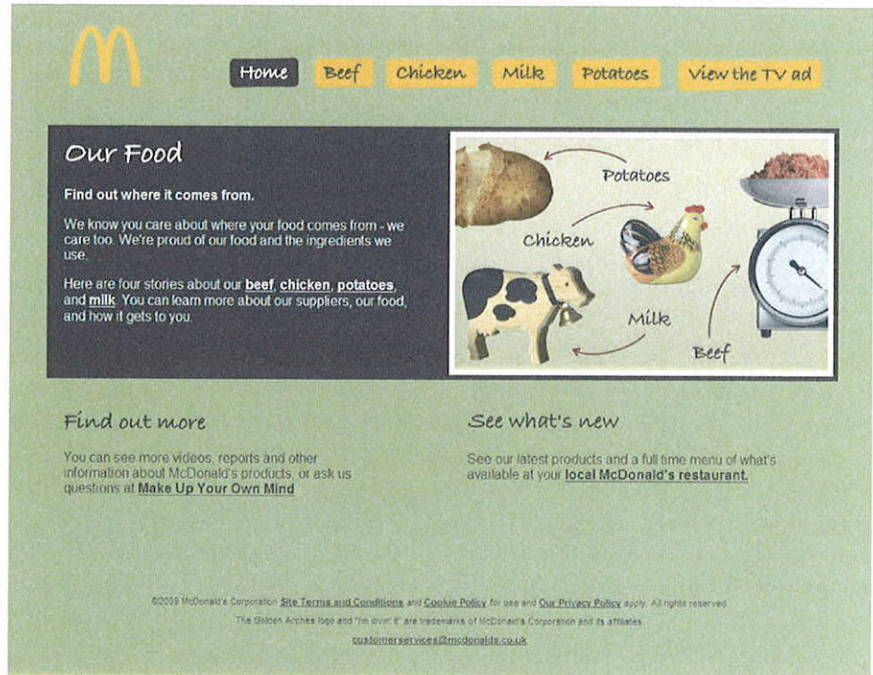
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6.0. APPENDIX 1

Visual language executions
from around the world

The visual language brings a playful tone of voice when educating consumers about McDonald's food.



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6.0. APPENDIX 3

Movie Concept

Telling the packaging brand strategy and the food quality story in just 3 minutes.



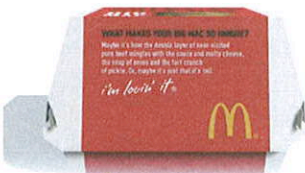
there's a fresh quality



using essential ingredients



engaging headlines



telling a brand story



all around the world



wherever they are



a new quality twist



enjoyable food



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6.0. APPENDIX 4

The Mix – Quality Packaging Style Guide

Easy to understand online guidelines that can create packaging in a minimum 6, maximum 9 steps.

