

McDonald's in European digital drive

McDonald's, the fast food group, is aiming to ramp up its digital capabilities in Europe, a goal that requires a nuanced approach given the highly decentralised nature of the firm's business model.

Pierre Woreczek, chief brand and strategy officer for McDonald's in Europe, told Campaign Asia that the new media age placed unique demands on advertisers. "You have to be ready to change, obviously not the strategy but the way you apply your strategy," he said.

Woreczek defined this as the shift towards becoming a "concierge brand", with the "ability to immediately serve people and provide what they need". Marketers will thus have to act more like stock market traders.

"I think you have to adapt your company, you have to open the company, you have to create a kind of democracy around a company that is good enough that people will [be willing] to talk with you, to [have a] dialogue with you and to admire you," he added.

McDonald's manages its digital activity centrally, and is exploiting this channel in areas from marketing to mobile payments. "We will not be able to operate a store in the future without digital," said Woreczek.

As consumers typically decide to eat at McDonald's ten to 15 minutes before purchase, opt-in targeted offers, for example via mobile geo-location tools like Foursquare, could become a key revenue driver.

"In US, they are more advanced than we are in Europe. They're using Foursquare a lot and I believe we should develop partnerships due to our size that will really help us to manage this better," said Woreczek.

One complication for the company is that many branches are run by franchisees, a structure which is a "major dimension" of its success, but yields a new set of stakeholders to engage.

"The franchisees – most of the time – are the most pushy people. They're very much after innovation ... but they need to understand the return, they need to understand the benefit," said Woreczek. "They should be the engine of the change, so they have to encapsulate it into the strategy."

The diverse array of markets in which McDonald's trades could also present difficulties in terms of implementation, but Woreczek argued strategies were now more uniform than was the case ten years ago.

"We are a very decentralised company so you can't have in one day everything everywhere, but today I feel the biggest markets are following," he said.

"I think the way people are embracing digital in Europe from the big markets like France, UK or Germany to [a] smaller market like Ukraine ... are quite similar," he added. "I think the gaps between the markets are much smaller relative to digital than many years ago when we were talking about more classical marketing."

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