

Executive Summary

This report was commissioned by OMD and PHD media agencies in order to develop a media plan that would repopularise McDonald's Happy Meals with children aged 5-9, with an emphasis on looking to the future by engaging with new and emerging technologies.

The research draws attention to the ever-increasing consumption of technology by children of this age group. For example, 86% of kids were found to use the Internet regularly, 84% have access to a mobile phone, 67% own an iPod and 95% own a gaming console. Further investigation revealed that the main activities conducted with online and mobile media included gaming; this is a trend that is expected to grow with the ongoing development of technology and the introduction of augmented reality.

The Noughties are increasingly engaging with the world through new technology and actively respond to interactive media messages. Augmented reality technology will therefore be implemented as a springboard through the creation of an M-Card, a kind of augmented reality trading card, to create a more tech savvy Happy Meal product. The campaign will utilise digital media sources as well as television, cinema and print to create an integrated marketing campaign that reaches The Noughties on their terms.

The development of an M-card will give McDonalds access to primary research and measurements about their target market's interaction with McDonalds and technology that they have never been able to track before. The M-Card will be supplemented with an M-Card application, a M-Card micro site and Nintendo 3DS gaming console updates.

It is recommended that the following channels be used to promote Happy Meals with the new M-Card: television (during family movies), cinema, magazines (Total Girl and K-Zone), in-application advertising, and stickers on tables in Westfield Shopping Centres. It is also recommended that in-store advertising (posters, digital playground screens, Happy Meal box, and roadside banners) be used to generate sales. From this bought advertising, we hope to generate earned advertising such as PR and playground trading which will increase the longevity of the campaign.

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Introduction

McDonald's is a company positioned in the evoked set of consumers and has been for over 5 decades. The Happy Meal is a product that shapes a child's imagination and excitement when they engage with McDonalds. The Happy Meal carries immense brand personality and is the corner stone for family meals with 'pester power' as its draw card. In the modern environment children aged 5 -9 are extremely tech savvy and engaged with the latest craze. The McDonald's brand has always kept up-to-date with trends however have experienced a slump in sales for Happy Meals. The Happy Meal has failed to remain innovative and as a result its 'play ground cred' has slipped among its target audience. This report will detail a strategy that employs innovative, tech savvy approaches that will ignite a child imagination and connect with them on a creative level.



Business & Marketing Objectives

- Increase Happy Meal sales by 10%.
- Drive kid's in-store to purchase a Happy Meal within the first month of the campaign.
- Within the first 2 weeks of the campaign initiate a change of perception to 'Happy Meals are cool again' in the minds of children aged 5-9.
- Continuously connect with kid's imaginations every time they interact with McDonald's and it's Happy Meal.

Communication Objectives

- Drive Awareness by creatively engaging the target
- Change positioning (meal of choice for 5-9year olds)

Media Objectives:

Reach – 35% of target market within the first 2 months of our campaign

Frequency – High frequency across many channels towards the launch of the campaign (3 to 4 bought exposures per week + word of mouth and social media

exposure). Frequency tails off towards the end as word of mouth and social media takes over (1-2 bought exposures per week + high level of word of mouth and social media exposures).

Impact – Channels will excite kids and get their attention. Draw them to the technology shown in the ads.

Dominance – Will be using an Integrated Marketing Campaign to reach target audience more frequently and more effectively than competition.

Continuity – Over 6 months with a high frequency launch and smaller cost effective finish.

Other Brief Requirements and Expected Outcomes:

- Utilise Ronald & Friends + playground magic
- Alternative ways to discover the magic
- Follow children guidelines
- Re-ignite the love of Happy Meals for the target while they discover the magic around them

Market Analysis

McDonalds is a global fast food restaurant currently operating in the Quick Service Restaurant (QSR) industry. This market analysis focuses specifically on the Australian market.

McDonalds currently operates on the basis of a franchising business model, with approximately 70% of McDonald's stores around Australia owned by franchisees.

Market Size and Segmentation

The fast food industry in Australia currently generates approximately \$16 billion a year.

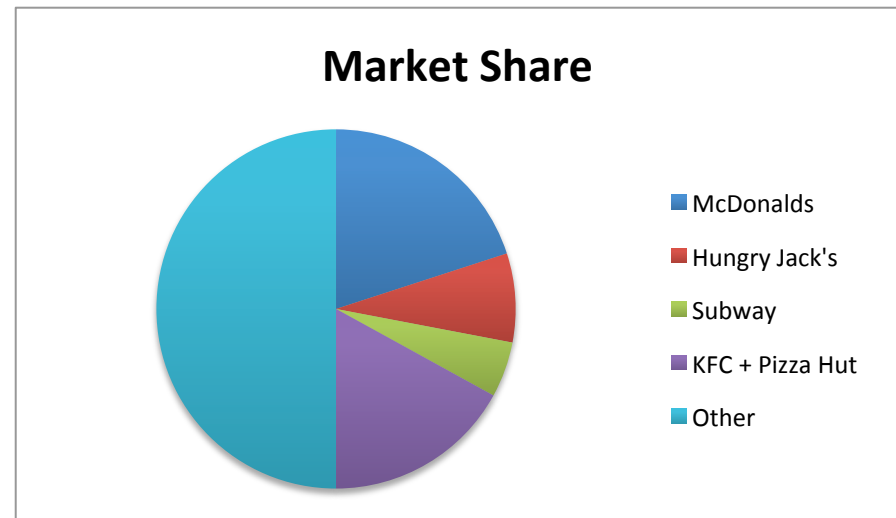
The main segments covered by the key competitors in the Australian fast food industry are chicken, hamburgers, and pizza. McDonalds sells a range based on hamburgers, but also offers a small range of chicken products as well. It also offers a healthy choices range of food in keeping with societal concerns regarding obesity. McDonalds therefore competes against hamburger retailers and also chicken and sandwich retailers, as well as indirectly with pizza retailers for their family value.

Competition and Market Share

According to consultancy group IBISWorld, the major companies (and their market shares) within the Australian fast food industry are:

- McDonald's Corporation - 20%
- Yum! Restaurants (Pizza Hut and KFC) – 17%
- Competitive Foods Australia (Hungry Jack's) – 8%
- Domino's Pizza - 5%
- Quick Service Restaurants (Red Rooster; Chicken Treat; Oporto) – 3%.

(IBISWorld, 2011)



Competitor's Strengths and Weaknesses



Strengths

- Product range valued high in terms of taste
- Wide range of meal deals that appeal to individuals and families
- Strong brand image
- Strong support of Australian sport – shown through various sponsorship of sporting events

Weaknesses:

- Negativity surrounding brand due to association with obesity
- Limited by specialization – chicken
- Lack of relationship building with customers and employees
- Has not responded well to health and obesity concerns; thus far does not have a “healthy choices” menu



Strengths

- Growing market share
- “Australian” image
- Ownership of product names such as “Whopper”
- Inexpensive deals

Weaknesses

- Not a market innovator
- Operations not perceived to be superior to competition.
- Perceived in the marketplace as No. 2 to McDonalds (ie. a follower not a leader).
- Poor distribution and high cost of entry.
- Inability to nationally achieve equal share of voice with competition
- Has not responded well to health and obesity related concerns; thus far no ‘healthy choices’ range



Strengths

- Responds well to consumer trends in terms of pizza – regularly updates menu offering
- Responds well to technological trends – customers now able to order online as well as by telephone
- Strong brand image
- Home delivery service offers customer convenience
- Pizzas made-to-order; perception of fresh product

Weaknesses

- Consumers may view product to be unhealthy
- No specific kids menu; although there is a school delivery program – this may be somewhat inaccessible to individuals however



Strengths

- Marketed as the healthy choice takeaway
- Customized menu offerings – customer has great control
- Growing market share
- Worldwide brand recognition
- No negative associations with obesity
- Product is made in front of the customer – perception of being fresh
- Refillable soft drinks

Weaknesses

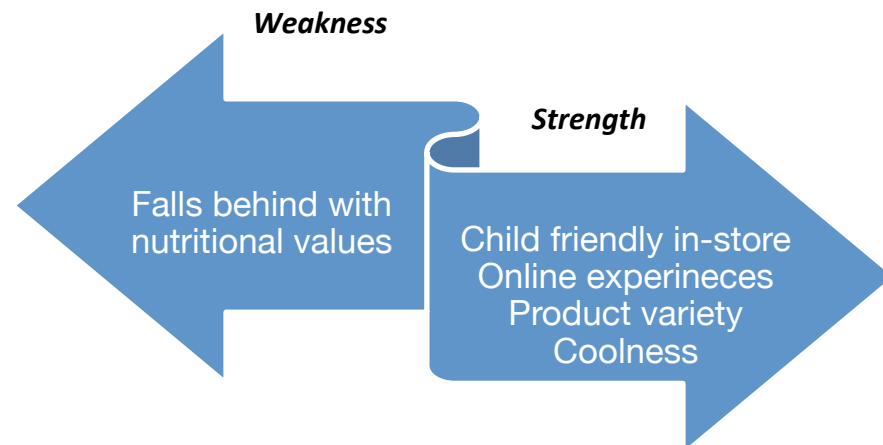
- Lunchtime is the main time when product is sold – sandwiches not really perceived to be a dinnertime or breakfast food
- Not a large emphasis on family meal deals
- Not a large emphasis on kids' deals

Product Analysis

In Australia, the McDonald's Happy Meal has four main competitors:

- Hungry Jacks kid's value meal (Hungry Jacks, 2010),
- KFC's kid's laptop meal (KFC, 2011),
- Domino's school pizza meals (Domino's Pizza, 2008)
- Subway's fresh fit for kid's meal (Subway, 2011).

Within the Australian fast food market the McDonald's Happy Meal remains the strongest competitor in four areas:



An in-depth analysis of each kid's meal options depicts the McDonald's Happy Meal and Hungry Jack's kid's value meal to be the most competitive among the competing brands.

Similarities between product offerings include:

- Boxed kids meal with toy
- Kids club
- Birthday facilities
- Playground
- Online kids land (games and activities)

(Hungry Jack's, 2010) (McDonald's, 2011)

In terms of online both McDonald's and Hungry Jack's offer games however, McDonald's also incorporates activities, upcoming toy information, an exclusive 'Happy Meal' sight dedicated to the child's imagination and the latest 'toy fad' or cinema plot (McDonald's, 2011). Elements that differentiate McDonald's from its closest competitor are its healthy food options such as:

- Snack wrap
- Fruits
- Juices

Where Hungry Jacks can only offer a burger accompanied with a snack pack and water (Hungry Jack's, 2010). The final two elements that place McDonald's as the highest competitor is its iconic characters such as:



Ronald McDonald, Grimace, Burglar and Birdie as well as its 'tech savvy' and innovative online experience that is available for the target market to explore. This digital environment allows the child to 'take the McDonald's excitement home with them' and encourages an exploratory nature.

In relation to KFC, Domino's and Subway, although a kid's meal places them in a competitive position within the fast food industry, they lack the entire package that entices a child's interest and imagination. These brands do not offer a playground or online experience for the children to play and

engage with, nor do they accommodate children in terms of toys, birthday venues or menu variety (KFC, 2011) (Domino's Pizza, 2008) (Subway, 2011). It is concluded that within this external competitive environment McDonald's remains fresh, engaging and healthy while striving to be continuously 'tech savvy' and creative.

It is important to note an internal element of cannibalism among the McDonald's cheeseburger meal and quarter pounder meal in relation to Happy Meal sales. Through our observations it is clear more children are opting for these meals over the Happy Meal based on the visual in-store display available as well as the negative stigma attached to the Happy Meal – being 'un-cool'. In-store we observed the Happy Meal menu option to show a wrap, fruit and water with no mention of a burger a fries. We believe this is extremely detrimental to the child ability to choose the Happy Meal. Piaget's theory of cognitive development states a child will often not recognise the different between a program and advertisement while watching their favour show (Wadsworth, 1996). How does this relate to their in-store choices? We believe this research supports the idea they do not

read or recognise the difference between the original Happy Meal and the nutritious Happy Meal option, hence opting for the cheeseburger meal where they are guaranteed a burger and fries. (See Appendix 2 for visual representation of competitors).



Target Audience

The Market we have chosen to target is the 'Noughties', which consists of children aged between 5-9 years old.

Piaget's theory of cognitive development:

"Piaget (1970) proposed that children develop knowledge by inventing, or constructing, reality out of their own experience, mixing what they observe with their own ideas about how the world works." (Burton, Westen, & Kowalski, 2009) This introduces how children interact with the world around them.

Children fall into 2 distinctive groups under in their emotional and intellectual development under this theory. They are:

Pre Operation Thought Stage (PTO)

Ages 2-7 – Fledglings



Profile:

Hi I'm Tayah. I am 6 years old and live at 31 Fisher Road Collaroy with my mum, dad, brother: Mitchell and my dog Ned. I love my family and like playing games with my brother. I take my teddy, Twinkles, everywhere with me. She is my favourite but I also really like my Brat dolls. I'm good at netball and playing hide and seek. I like to dress up in costumes and drawing

pictures that I can show my mum. I like going to school and talking to my friends. I spend a lot of time at school, with my mum and brother. My mum lets me play with her iPhone when she goes to lunch with her friends. I want to become a ballerina. My brother is one of my best friends and I like doing whatever he likes. My favourite thing to do with my brother is verse him on our own Nintendo DS's. I hate mandarins because they are smelly and I don't like the colour orange. When I can share and play games with my friends I'm really happy.

Direct quotes from the target market:

"To be a big girl like mummy." (Ikea, 2009)

The quote above represents our target markets desire to be more advanced and be involved with their family. This means that kids want to interact with the same things that people they aspire to use. This sees the group desiring to use technology more, such as playing with their mother's iPhone. This is further supported in this quote "Young children love to imitate their parents and older siblings, so it seems natural that they, too,

want to use mobile devices" (Gutnick, 2010)

The target's parents are now more accepting of their children being allowed to use their more precious items and be involved in making decisions. This is especially evident in mothers being more likely to let kids at this age make their own decision about food, and often end up contributing largely to the entire families dinning options.

Characteristics of this group at this stage of Piaget's theory include:

- Have difficulty differentiating between fantasy and reality.
- Are only capable of focusing on one thing at a time.
- They cannot differentiate between the program and the commercials. Therefore this market has little understanding of the purpose of advertising communication efforts that are being targeted at them.
- "This group does not understand what advertising is asking them to do – therefore it is assumed that there is little awareness of these ads and even less cut through in messaging" (OMD & PHD, 2011)

Barriers targeting this group and how they will be overcome:

This group faces difficulties in being able to comprehend the advertising efforts of McDonalds through conventional media; therefore an M-card will be used to initiate their interaction with McDonalds Happy Meals. With the objective that playground trading will occur, this is how the younger age bracket will first be exposed to the Happy Meal offering. This hopefully will generate the child's interest to talk about the card with there parents, which will prompt parents to bring their children in store and purchase a Happy Meal.

**Concrete Operations Stage (CO)
Ages 7-11 – Confident Players**



Profile:

My name is Andy. I have brown eyes. I have brown hair. I'm 9 years old, but I really want to grow up faster to 16 years old. I LOVE sport! I have seven people in my family. I have great eyesight! I want to explore the world and often go on explorations on my street. I have lots of friends. I live at 34 Lake Drive. I'm going on 10 in March. I have an uncle that is almost 2 meters tall. I'm always playing games with my friends and brother instead of doing homework. All my friends are jealous because I have a Nintendo DS and have asked their parents to buy them one for Christmas. I even have a big poster in my bedroom of all my favourite Ben 10 characters. I wish Pokémon

were real so I could play with all the really cool characters. My sisters try to play the games to but they're not very good. I really like playing on my iPad instead of my iPod because the screen is bigger. My school is Highfields. My teacher is Mrs. V. I play cricket! I am almost the smallest boy in the class. I LOVE food. My mum sometimes lets me pick where we will go for dinner when she doesn't want to cook. I love fresh air. I LOVE school. I wish I had a cool card collection like my dad. I spend most my time at home playing games instead of doing homework.

Direct quotes from the target market:

"For Pokémon to be real." (Ikea, 2009)

This quote represents the children's desire for reality to come to life. They desire the ability to interact and play with their favourite characters. This group loves the ability to share their experiences and incorporate it in their everyday lives.

"To grow up to 16" (Ikea, 2009)

This quote represents the target markets desire to grow up faster and be able to choose what they want to do. It displays

the markets motivation to be more advanced in everything they do. E.g. Desire to be the best at games and have the latest products.

Characteristics of this group at this stage of Piaget's theory include:

- Have a sophisticated relationship with advertising.
- This group is aware of the power of peer group approval.
- "Pester Power" study refers to "Kidfluence" and power of the playground. Kidfluence can be described as kids having the ability to control others, particularly other kids, and their perception of something. Anne Sutherland and Beth Thompson define it as "kids who are in control. Not out of control. Not in someone else's control. But kids who control more of their destiny today than possibly at any other time in history." (Sutherland, 2001)
- Kids want to be seen as 'cool' and be accepted by friends.
- They are savvy and will argue, threatening the fear of being outcast, with their Mum & Dad as a reason to have toys and treats. E.g. 'All the others kids have it!'

Barriers targeting this group and how they will be overcome:

A key barrier is generating the ‘cool factor’ in this market, as they are very savvy and are aware of the power of peer group approval. To combat this barrier, the power of ‘Kidfluence’ in the school playground will be used to generate a cool factor using the Happy Meal trading card.

This groups’ desire to be the most impressive and have the best belongings will be tapped into through all the different potential uses of the card. These individuals will take their cards to school to brag and display the cool factor of the trading card, which has multiple uses and can only be purchased at McDonalds in a Happy Meal. The option leaders of this age bracket will influence their peers into believing it is cool, therefore generating a movement.

The creation of this playground trading card will intercept the barriers that prevent interaction with this market in. It will also drive them into McDonald’s to purchase a Happy Meals.

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Kids 5-9 years

Key interests of the target:



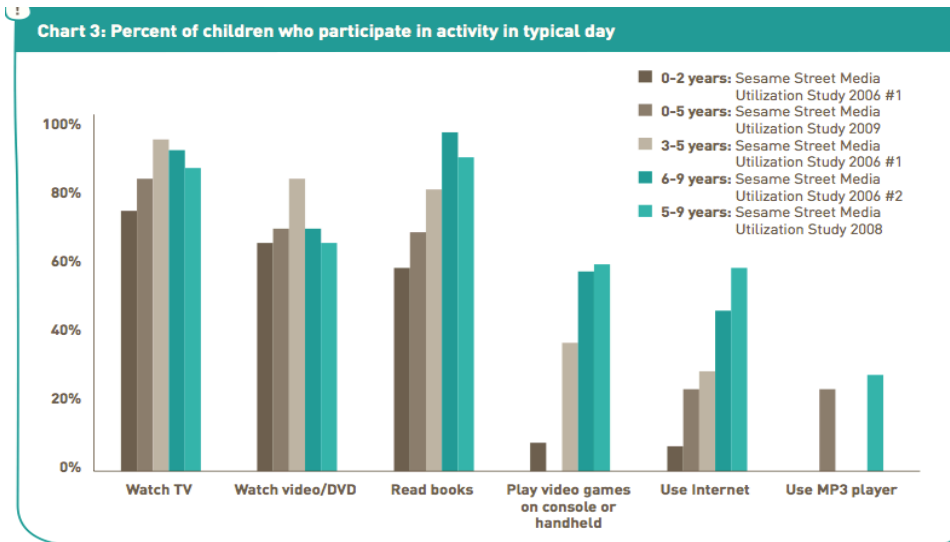
- Love playing and being involved in what is considered to be cool.
- Want to interact with each other
- Love to laugh, run, jump, imagine play
- Like to share their talents with peers
- Enjoy interacting with technology



Characteristics of the target:

Overall the target desires to be independent, but behave in a manner where they copy others and commonly follow what the opinion leaders (such as older siblings or older friends) are doing. If we can intercept this 'copy cat' barrier the likely hood of success will increase among the target.

The following chart visualises the percentage of children who participate in different media in a typical day (Gutnick, 2010)



A typical day in the life of our target:

Kate Johnson is 8 years old and lives 12 Moronga Street, Shelly Beach, Central Coast, Australia. The following is a time log of her after-school hours on an average Tuesday:

3:15 pm

Watches TV (Disney Channel and ABC Family Network)

3:45pm – 4:30pm

Homework, interrupted by online video viewing with mum

4:45pm – 5:15pm

Online gaming (Club Penguin), in kitchen while mum cooks dinner

5:30pm – 6:00pm

Goes with Mum to pick up Dad from bus stop, calls cousin on mobile phone during the drive

6:30pm – 7:00

Dinner

7:30pm – 8:30pm

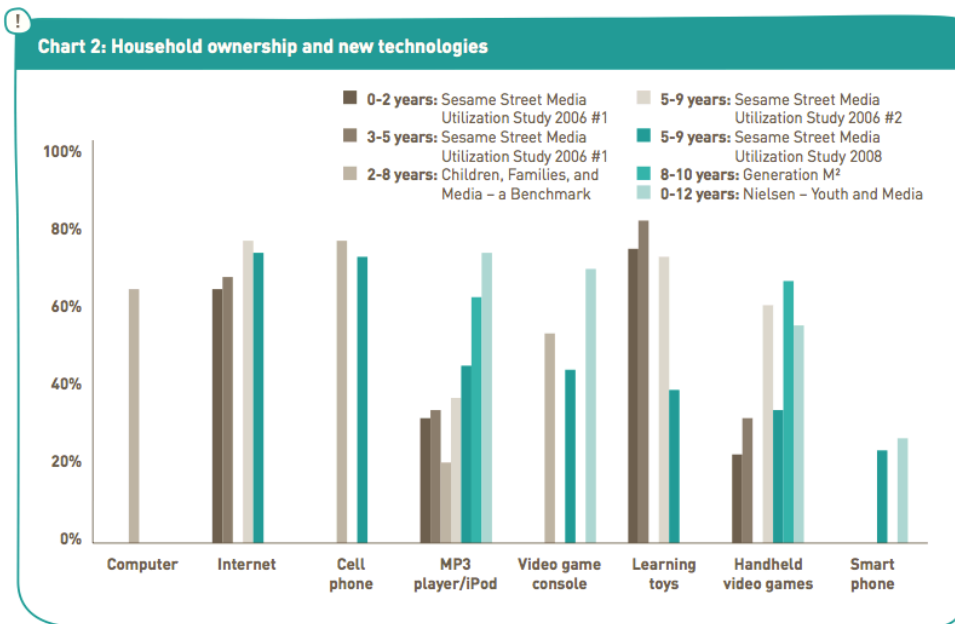
Watches TV with dad (Family Movies)

8:30 – 8:40pm

Plays Nintendo DS (Pictochat with next-door neighbour)

(Gutnick, 2010)

The above graph is supported by this following graph that displays the ownership of these medias:



(Gutnick, 2010)

This group has grown up and are very savvy and technology aware. They have only ever known a world where they have access to technology, which people older than the target market didn't grow up with, but were introduced to during their life. "They are the first truly global generation and are the first to be born into a world with the Internet — they don't know a

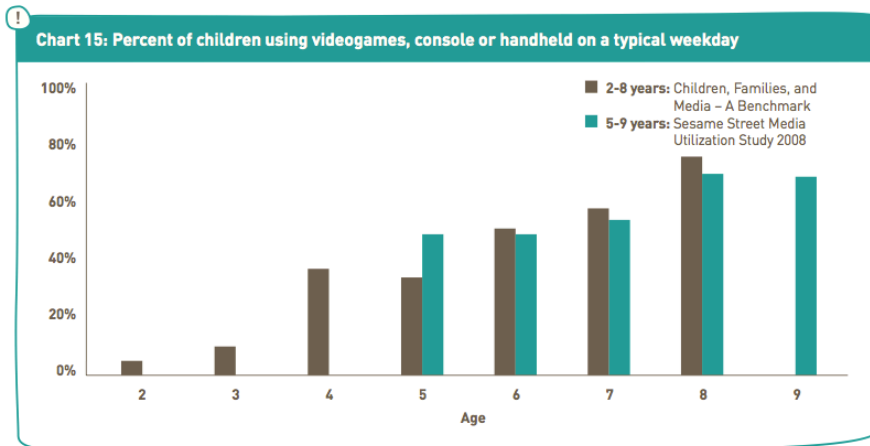
world without Google, Facebook, MySpace, Wikipedia, Hotmail, Gmail and iTunes," says Kristy Bloore, research director at Nickelodeon (K-Zone, TotalGirl & Pacific Magazines, 2010)

This target is very involved with spending their time of technology based activities this is evident through the following statistics:

- 86% of kids use the Internet regularly.
 - 64% own/have access to a mobile phone
 - 67% of own an iPod
 - 44% have a profile on Facebook
 - 95% own a gaming console
 - According to the Interactive Games and Entertainment Association, 68% of Australians play video and computer games
- (K-Zone, TotalGirl & Pacific Magazines, 2010)

This strong access to technology means that they do spend a fair amount of time playing video games.

The following table visually displays how frequently the target plays video games:



(K-Zone, TotalGirl & Pacific Magazines, 2010)

Barriers for the target:

A barrier in reaching our goals and the target is getting the parents to bring or allow their children to go to the McDonalds store. This barrier is lessened, by the growing trend of mothers allowing their children to occasionally choose where they want to go for meals, however it still exists. In order to break this barrier we will generate a positive attitude towards our card. The

way our card is used will be devised in a way that parents will see it as a positive influence on the child's imagination.

Another barrier is the child's access to technology in order to interact with the card and give it trading value. This is a relatively small barrier as children have greater access to many different types of technology, as reflected in the 'Tween Tracker 2' report (K-Zone, TotalGirl & Pacific Magazines, 2010). Our M-Card will be compatible with these technologies. We have broken the dependence of technology for children based on our desire to achieve playground trading, giving the card further value than digital gaming.

Communication Strategy

This communication strategy will employ magic as a platform to unlock the child's imagination and bring their fantasies to life. Augmented reality is employed as a vehicle to enable children to experience and interact with their creative minds. It starts off with a simple card, and with the use of technology we can unlock the magic. This two-tier platform is made up of an app and augmented reality card. The app includes three legs: M-Card, McDonald's menu and games. The M-Card includes five legs: website, digital playground screen, Nintendo 3DS, traditional games and playground trading.

The Application

Apps will be advertised and available for free on

- iOS (iPhone + iPad)
- Android
- Nintendo 3DS

These apps have three components to them:



Games

This application will include standard games such as: dress iconic McDonald's characters, burger and fries themed noughts and crosses and make a meal.



Premium Games

This app employs optical recognition using the devices camera to read the character on the card and unlock premium games. Each card will only unlock a specific game based on the character on the card.



Happy Meal Menu

This element of the application will display the available menu items that are approved for the McDonalds Happy Meal. This will allow the child to imitate their parents by placing an order while they wait in the line. The device will depict an order number to be shown to the cashier and proceed like a normal order. This activity:

- Adds to the experience of going to McDonalds
- Gives the application depth and purpose
- Provides a platform for the parent to engage with their child

M-Card



Just like trading cards were for Generation Y, The M-Card is a simple card included with every happy meal. Applying cutting-edge technology to the card creates a wealth of possibilities and uses. This also affords McDonalds the ability to gather a wealth of important data about the usage of Happy Meal toys.

There are five components for communication with the naughties:

Website Key

This feature employs optical recognition using the devices' camera to recognise the character on the M-Card, which will unlock premium games. Each card will only unlock a specific game based on the character on the card.



Digital Screen Key

Digital screens in the McDonalds restaurants will prompt kids to hold up their Happy Meal M-Card to initiate play. This element of the platform allows the children to use their card in the playground to digitally interact with the McDonald's IP. This feature again will employ optical recognition as an access key.



Screen Key

3DS Augmented reality

A free update will be available on the Nintendo 3DS so children will be able to use the 3DS camera to bring to life the characters on the M-Card. This employs Augmented Reality so the characters will interact with life around them. This feature will allow children to play with the characters as well as take pictures and combine two characters on one screen.

Traditional Game

This element will employ the simple foundations of a traditional card game. This allows younger children to engage with the Happy Meal as well as promote family time.

Trading

As with previous children's toy phenomenons (Tazos, Pokémon cards), playground trading is a unique earned communication channel. Through designed rarity, cards will become wanted and traded in the playground, therefore spreading the Happy Meal logo and establishing playground cred.

Channel Recommendations

Bought Media

The budget that we recommend involves a high impact launch of the campaign to increase awareness quickly. The number of bought media insertions is greater towards the launch date of the campaign so as to achieve this. The total amount recommended to be spent on the campaign is \$622440. This leaves an amount of \$27 560 that can be used as a buffer should a part of the campaign exceed predicted cost or if a new opportunity is found during the campaign.

The media channels that will be used are:

- **Prime time television** on Saturdays and Sundays during family movies. 30-second ad spots.
- **K-Zone magazine** (young boy's magazine). Right hand side, full page, front half insertions. Published monthly.
- **Total Girl magazine** (young girl's magazine). Right hand side, full page, front half insertions. Published monthly.
- **Cinema.** Ads will be played during movie that is being

promoted. Will be used in cinemas across Australia, more so in metro markets. 100 selected cinemas across Australia.

- **An app package** that will take place over the length of the campaign.
- **Table stickers** in major Westfield shopping center food courts.

These channels have been selected for the following reasons:

- TV is the most appropriate media for creating an immediate impact and achieving high awareness within a short space of time. TV shows will be selected based on the times when kids will be spending times with their parents such as during family movies on a Friday or Saturday night. This raises awareness and also promotes "family values". There will be 22 ads shown in total at a price of \$15 000 per slot. This totals \$330 000.

- K-Zone and Total Girl have been chosen because of their ability to specifically target the Noughties market. K-Zone effectively targets Noughties males and relates to them on a level that other media cannot. Total Girl targets Noughties females and produces content that specifically talks to this market. The ads will be full-page ads and featured in the front half of the magazine, as this section attracts more attention. It will appear on the right hand side, as readers will be more likely to see the ads as they flick through. Ads will run in K-Zone every month as each new addition is produced. The ads will be placed at a cost of \$6250 each and 6 ads will be placed in total. This equals a total cost of \$37 500.
- Cinema has been chosen as it can be used to promote the Happy Meal alongside the movie that the kids will be seeing; the same movie that will be on the Happy Meal boxes. This kind of advertising is specifically targeted as kids movies draw a specific type of audience: kids. Cinema advertising is also relatively cheap compared to TV but still allows for the same level of involvement on behalf of the audience due to the presence of audio and moving visuals. If the movies are 3D movies then ads can also be made to be 3D. We will

place ads on 800 screens at a conservative price of \$140 per screen per week. Cinema ads will start with a high frequency and will gradually lessen as the campaign progresses. This is so we can achieve high frequency and high impact launch. The total cinema cost to \$112 000.

- Noughties now rely on digital technology and gaming to entertain them. They tend to spend a lot of time on their parents' iPhones or iPads (some on their own iPhone or iPad) playing application games that have been downloaded off the Internet. We will buy a package that will place ads in games that are regularly downloaded in the knowledge that many kids will view them. Because of the nature of app advertising it also means that there will not be a lot of clutter to cloud the message that we are trying to send. We have allocated \$50 000 for the buying of app packages that will place ads in game apps. This will run across the length of the campaign.
- Lastly we will place stickers on the tables of many Westfield food courts. This will remind children at the time of actually purchasing food what a great option the Happy Meal is. The sense of excitement that the child feels from buying a Happy

Meal whilst out shopping will also serve to reinforce the happiness that comes from buying a Happy Meal. The cost to place stickers in a shopping centre for a week will cost \$2500. The stickers will run across the length of the campaign and will total \$60 000.

Earned Media

McDonalds should aim to achieve 'playground cred' with kids in the same way that Pokémon or Ben 10 does. We want kids to be excited about the Happy Meal and drive them in-store to get the 'latest' craze. We want the Happy Meal to be the 'cool' thing to have.

We aim to achieve this largely by using the card as a trading card. By adding rarity levels and a physical game in which the card can be used in the playground, we hope to see the M-Card as a must have. The more you have and the rarer the cards, the better. Not only that but the rarer the card, the better the type of game that you can unlock in the iPhone or iPad application. This is aimed at making kids see the Happy Meal as a cool addition to the playground.

Owned Media

Channels already owned by McDonalds include:

- The in-store environment
- The physical Happy Meal box
- Roadside advertising outside the store
- McDonalds website
- McDonalds application

The in-store environment will be made more child friendly to entice kids to buy a Happy Meal. It will include more posters showing the Happy Meal as a product. The play area will be revitalized to include screens where the kids can interact with the McDonalds characters using augmented reality as discussed earlier.

The Happy Meal box will include pictures of the new technology being used and will explain how to use it. It will continue to show the characters from movies but will also use the McDonalds characters as a constant so that the Happy Meal maintains the same character even when the movie being promoted changes.

Banners on the roadside outside of the store will be used to attract attention to the happy meal. Bright images and fun scenes will be shown to encourage kids to want to come and

visit to get a Happy Meal. The McDonalds website will be used to engage with kids as they visit the Happy Meal site. It will look similar to what it currently does but will include more features. It will also include the classic McDonalds characters more frequently.

The McDonalds application will be targeted specifically at kids. It will involve lots of games as well as unlockable games for kids who have a Happy Meal M-Card. This application will involve kids and get them interacting with the McDonalds characters.



MEDIA TYPE	PRICE PER INSERTION	OCTOBER				NOVEMBER				DECEMBER				JANUARY				FEBRUARY				MARCH				CPM	Total				
		8	5	4	1	1	1			1	1			1	1			1	1			1	1					1	1		
PRIME TIME T.V 30 sec	15 000																													23.8 C&CF as eg.	330000
MAGAZIN E -KZONE right hand side full page front half	6250																													39	37 500
-TOTAL GIRL right hand side full page front half	5490																													47.7	32 940
CINEMA 30 sec	140/ week /cinema	X 200	X 200	X 100	X 100			X 100	X 100																					20 Aprx.	112000
APPS		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	-	50 000
TABLE STICKERS SHOPPING CENTERS		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	-	60 000
Total number of insertions		12+ 200	7+ 200	6+ 100	3+ 100	5	3+ 100	2	3+ 100	4	3	2	2	4	2	2	2	4	2	2	2	4	2	2	2						82+ 800
Total cost																										622440					

Budget Reserves for Recommended Research

- If new opportunities present themselves during the campaign we have allowed X to service this avenue.
 - McDonalds need to connect Nintendo, DreamWorks and Pixar in an agreement
 - Research mobile application developers
 - Research successful games online and integrate these concepts in a McDonald's game
 - Research software developers who can create the game graphics and code
 - Research software developers who can create the optical recognition technology relating to the digital screen, app games and the website
 - Research an AV company to install digital screens in playground
 - Research best way to communicate with children in terms of copy in advertising
 - Formalisation/continuation of the partnership with Nintendo
- Nintendo will need to conduct research into the logistics of the AR card (M-Card) and graphic design of the characters.
 - Research traditional gaming market, the success of fast food industry games and how McDonalds can implement such a theme in terms of family time.
 - Research post campaign card use
 - Research the logistics of 'playground trading' and what element makes it appealing

Campaign Evaluation Measures

- TV: OzTAM & RegTAM is going to be our measuring system for the success or failure of the television advertising through the use of people meters
- Use television ratings in an effort to measure how many people were watching a particular program
- Measure the discrepancy between sales before the campaign, during and after
- Print: Readership & Circulation – ABC CAB: Audit stats
- Internet: Nielson online: online panels. McDonalds has its own measurement system in terms of the implementation of the card.
- Cinema: MPDAA, Ticket sales.
- Measure the relationship between Happy Meals purchased and cards implemented (unique ID)
- Instantaneous measurement of when cards are being implemented (digital count)
 - Digital playground
 - Application
 - Website (click through measurement)
 - 3DS
- Outdoor: LTS (average figure)

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Appendix 1

Strategy on a Page

Business & Marketing Objectives

- Increase Happy Meal sales by 10%.
- Drive kid's in-store to purchase a Happy Meal within the first month of the campaign.
- Within the first 2 months of the campaign initiate a change of perception to 'Happy Meals are cool again' in the minds of children aged 5-9.
- Continuously connect with kid's imaginations every time they interact with McDonald's and it's Happy Meal.

Communication Objectives

- Drive Awareness by creatively engaging the target
- Change positioning (meal of choice for 5-9year olds)

Context

- Happy Meal Sales are dropping
- Kids (more specifically kids of the ages 5-9: "the Noughties") are not engaging with Happy Meals in the way that we want them to.
- Kids are becoming more and more tech savvy.
- McDonalds needs to own the label of 'the cool fast food'

Target

- The Noughties (5-9 year olds)
- We want this target market to buy happy meals instead of other food products (including other McDonalds products) and we want them to purchase a Happy Meal more frequently than they currently do.
- They are heavy users of new technology.

Insight

The Noughties are increasingly engaging with the world through new technology and actively respond to interactive media messages.

Response

We want The Noughties to think of the Happy Meal as the coolest, most up to date addition to their tech savvy culture. This will drive the target market in store to get the latest M-Card, which is only available with a Happy Meal.

Idea

Augmented Reality technology will be implemented as a springboard to a more tech savvy Happy Meal product. The campaign will utilise major digital media sources as well as television, cinema and print to create an integrated marketing campaign that reaches The Noughties on their terms.

Activation

Our idea is using Augmented Reality to unlock The Noughties imaginations. They can trade with the cards that use Augmented Reality, producing word of mouth coverage and building street cred. This means that our media channels must also reflect this tech savvy culture.

Measurement

Due unique QR codes on the M-cards the usage

Measurement

We will monitor the increase in Happy Meal Sales throughout and after the campaign. The M-Card will also be used as a tool to measure kids activities and help to follow trends in media habits.

Appendix 2

