

## KFC Touts 'Transformational' New Product: Boneless Chicken

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## With Tagline 'I Ate The Bones' Chain Thinks It Has Next 'Where's The Beef?'

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KFC thinks it's got the next "Where's the beef?"

The chicken chain, which reported nearly \$5 billion in sales last year, is rolling out what it's sure is a viral tagline for what it's sure is a killer new product made for millennials. KFC is so certain that it's giving the launch more support than it's given any in more than a decade—up to an estimated \$50 million. And it has tapped an Academy Award winner, David O. Russell of "Silver Linings Playbook" fame, to direct the ads.

KFC is touting as "transformational" Original Recipe boneless chicken, a product essentially like the fried chicken it's known for, minus the bones and skin. The company told USA Today it expects the new tagline, "I ate the bones," to become a pop-culture catchphrase within weeks of the April 14 launch.

"Based on test-market results and the buzz this week, I don't think anything in recent memory compares," said a spokeswoman.

The launch comes at a critical time for KFC, as Chick-fil-A pecks away at its dominance and closes in on the country's No. 1 chicken chain. KFC reported a 1.3% increase to \$4.66 billion in U.S. systemwide sales last year, according to Technomic, but No. 2 Chick-fil-A saw a 14.1% increase to \$4.62 billion during the same time frame, despite having less than half the number of locations.

KFC's teaser spot shows a man about to enter a store just as a staffer is locking up. When the staffer tells him the store is closing, he says "I'll wait." He's then seen standing patiently in front of the KFC until the next day.

"This is about reinventing our core, our base business," said Shindy Hodack, calendar director at KFC. In addition to moms and families, the new product is aimed at millennials, who value authenticity and convenience and consume boneless products.

KFC's TV ads were created by Interpublic's DraftFCB and "will be hard to miss" with "huge spending" behind them, said Jason Marker, chief marketing officer of KFC, in a video news release. In addition to TV, there will be digital, in-store marketing and a large PR and social-media push.

David Ellis, VP-marketing, said in test markets the company saw consumers spontaneously use an #IAtetheBones hashtag, and even uploaded YouTube videos. "Our customers taught us that the line was powerful."

Marketing aside, is this product really all that different? Nearly every fast-food chain offering chicken offers boneless products, be it in the form of a nugget, sandwich or a strip. (KFC has been offering Original Recipe Bites and its Extra Crispy Tenders for years.) The difference, said Ms. Hodack, is "there's no boneless product that's white meat and dark meat" on the market.

John Stanton, professor of food marketing at St. Joseph's University, notes that KFC is trying to fundamentally alter perception of the brand, based on convenience and mobility. "It makes no sense to put the amount of money they're putting behind this if all they're doing is putting a new product in their lineup."

In Wall Street's view, KFC has little to lose. "KFC has been in the dumps for so long ... if it works, it's a home run, and if it doesn't, what do they have to lose?" said Hedgeye analyst and managing director Howard Penney.

Will "I ate the bones" tickle the public's fancy in the way that the Clara Peller line did for Wendy's so long ago? Food-marketing consultant Denise Lee Yohn said she's doubtful: "People have become a lot more savvy and think, "It's just another campaign."