## Future of 'I'm Lovin' It' Aside, McD's Has More Pressing Issues Than a Campaign

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## **Creative Chief Peleo-Lazar's Departure Raises Questions**

By . Published on September 15, 2014.

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When Ad Adge broke the news this month that McDonald's U.S. Creative Chief Marlena Peleo-Lazar was leaving the company after 14 years, it raised an immediate question: What would happen to "I'm lovin' it?"

The Golden Arches veteran was integral to the marketing platform first adopted by the chain in 2003, approving thousands of pieces of creative during her tenure. The departure of Ms. Peleo-Lazar seemed to hint that the fast feeder might drop the marketing platform -- already under scrutiny after McDonald's asked its shops to pitch rebranding ideas -- faster than a hot french fry.

McDonald's isn't commenting. But analysts and observers say the chain's woes run so deep that changing "I'm lovin' it" would simply be slapping a Band-Aid on a much larger problem: its operations and menu. If the company overhauled marketing without first fixing operations, it would only mask issues, said Howard Penney, analyst and managing director of Hedgeye. He pointed out the campaign platform was only one part of a massive turnaround effort conceived in 2003 called the "Plan to Win" that reworked everything, including operations, menu, packaging, marketing and media strategy.

"A lot has changed since the 'Plan to Win' was announced," said Mr. Penney, noting that eating habits have changed and fast-casual chains like Chipotle are fast gaining ground. McDonald's has bloated its menu in an effort to be all things to all people, which has slowed its operations significantly. And despite the chain's best efforts to be relevant to millennials, the demographic is far from loving it.



Marlena Peleo-Lazar Credit: McDonald's

Evolving the messaging could be a good "bridge" as the company works to sort out

its restaurant operations and menu, said Tim Nelson, president at Tris3ct and former executive at Leo Burnett's Arc. (Leo Burnett won the recent competition to refresh "I'm lovin' it," which was created by DDB-aligned Heye & Partner of Unterhaching, Germany.) "The only logical next step from where they've been with the brand is to introduce a bridge idea that keeps them connected to the old campaign even while moving away from it," said Mr. Nelson. There are some pressing business issues that marketing alone can't fix. Making a dramatic change to the brand would feel premature until some of those are resolved."

For other branding experts, all hope is not lost with "I'm lovin' it." "If McDonald's can fix its executional problems and refocus on its core menu and appeal, then 'I'm lovin' it' can once again work for the company," said restaurant-marketing consultant Denise Lee Yohn.