

McCain: When the chips are down, margins matter. How a focus on long-term emotional brand-building reduced price elasticity and increased profits for McCain.



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Institute of Practitioners in Advertising, IPA Effectiveness Awards, Grand Prix, Gold & The Channon Prize for Best New Learning, 2024

Summary

Frozen chip brand McCain invested in a ten-year brand strategy to combat economic challenges in the UK.

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In 2014, McCain faced significant challenges due to rising own-label competition and the growth of discount retailers.

- McCain shifted focus from short-term promotions to long-term brand-building, reducing price elasticity and increasing profits.
- The brand's emotional advertising resonated with diverse family dynamics, enhancing brand perception and loyalty.
- Over the decade, McCain's price elasticity fell by 47%, and base sales increased by 44%, leading to a profit ROI of 1.48.

In conclusion, McCain's strategic pivot to emotional brand-building has fortified its market position, proving the value of long-term investment in brand equity.

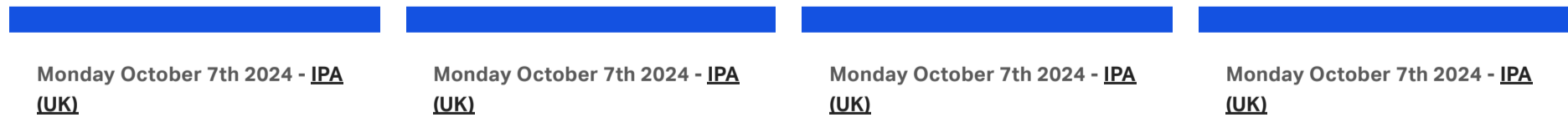
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Campaign details

Brand: McCain**Advertiser:** McCain**Entrant:** adam&eveDDB**Category:** Single Market**Principal authors:** Roisin Mulrone, adam&eveDDB**Contributing authors:** Beth Wilson, adam&eveDDB; Amanda Rowe, Circana; Les Binet, adam&eveDDB; Heather Alderson, adam&eveDDB; Hugh De Winton, adam&eveDDB; Catherine Willoughby, adam&eveDDB

Client comment

Mark Hodge, VP Marketing, McCain

McCain is a global business. Through the UK's activity, we have demonstrated in objective terms the power of long-term brand building. This has become an important case study for the global business.

At the core of this success story is the mindset shift to see brands as being built over years and decades, not quarters. This testament to long-term thinking is something that is now encouraged across markets as well as upheld in our own.

I'm proud of what we've achieved with our agency partners, through a long-standing relationship of trust and a shared commitment to the long-term goal. We had to be disciplined, focused and patient – but our shared belief in creative consistency and focusing our energy on the right things has truly paid off.

Introduction

In 2014, McCain faced a double-headed challenge.

Customers were buying more own label chips and shopping more at the discounters, where McCain chips weren't available.

In response, McCain reduced its reliance on promotions and made a conscious decision to invest in the McCain brand for the long-term with the objective of reducing price elasticity.

Ever since this new strategy was laid out in 2014, McCain has executed against it.

Ten years on, we're ready to tell the story.

In this paper we'll show how investment in the McCain brand has enabled the business to grow revenue and profits despite the rise of own label, the discounters, surging costs, a cost-of-living crisis, and macro-economic shocks.

1. Setting the scene

Meet the McCains[Skip to content](#)

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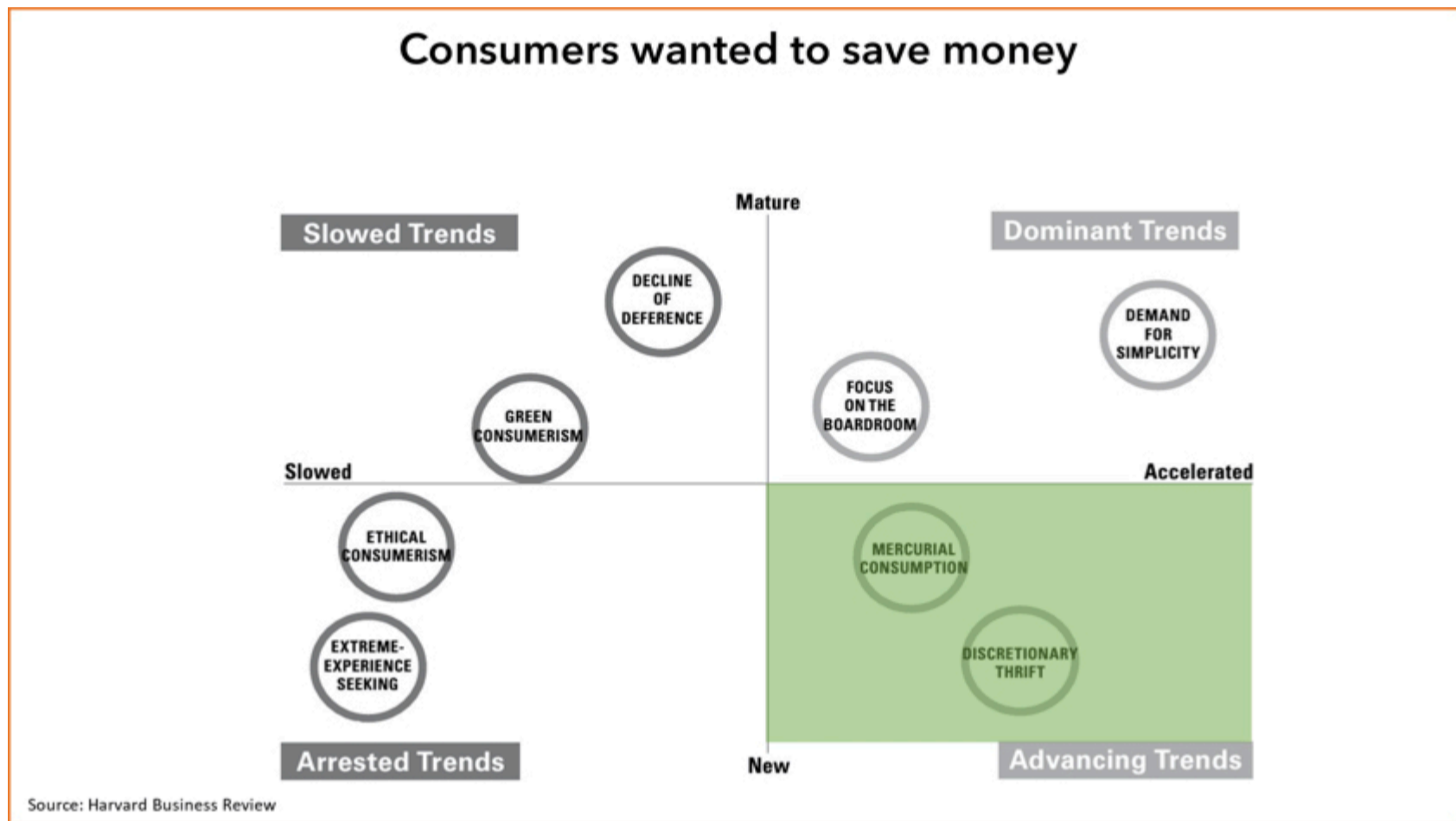
Today, frozen chips are a much-loved staple of British family teatimes. McCain is still a family-owned company and is the biggest frozen potato supplier in the UK. They supply chips to organisations from The NHS to McDonalds.

This paper is focussed on McCain's consumer retail business, and our story starts in 2014. McCain remained market leader in frozen chips, but in recent years had struggled due to a new consumer trend – discretionary thrift.

2. The rise of discretionary thrift

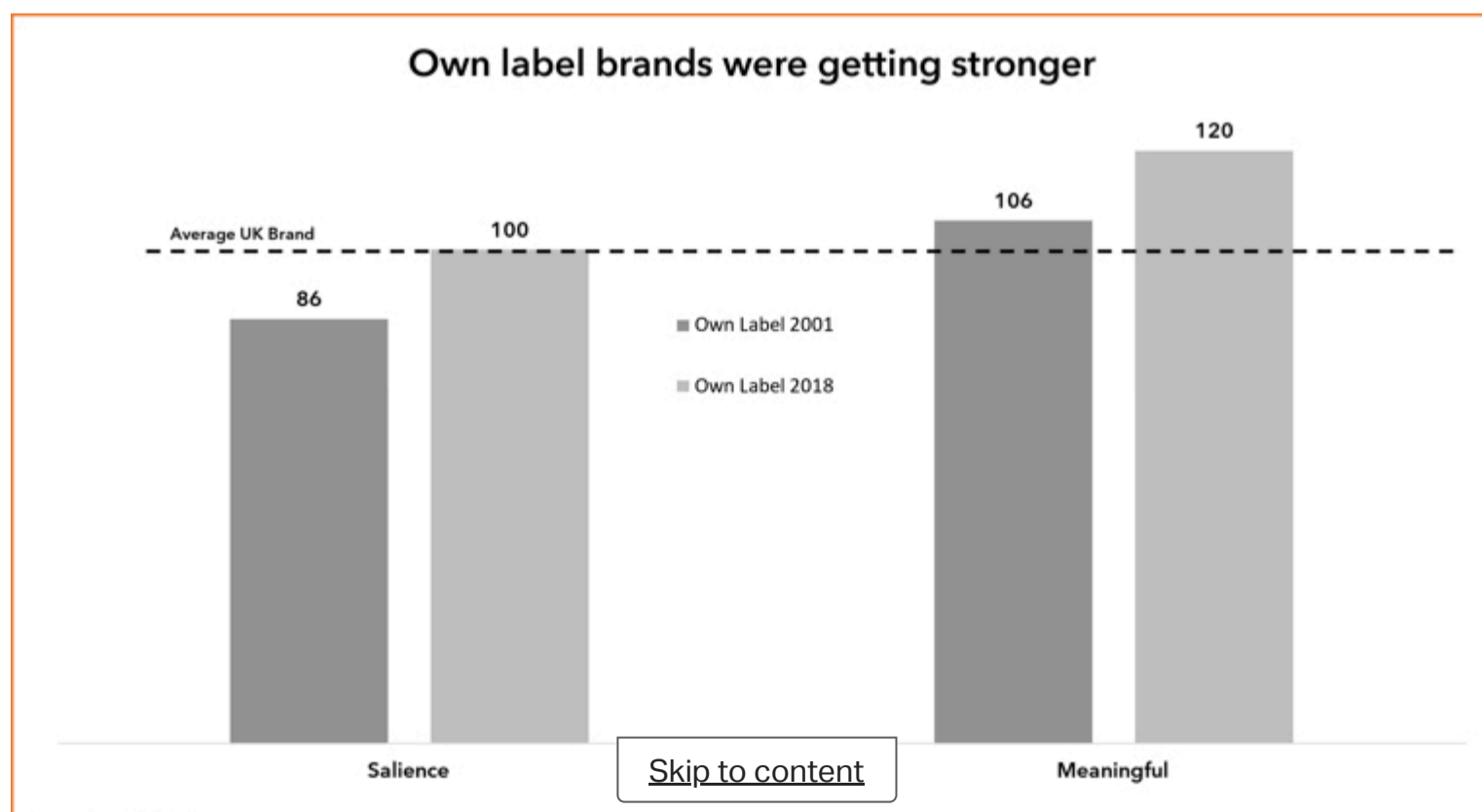
For years McCain customers were happy paying a premium for the brand, but following the 2008 economic crash, a new trend threatened McCain's continued growth.

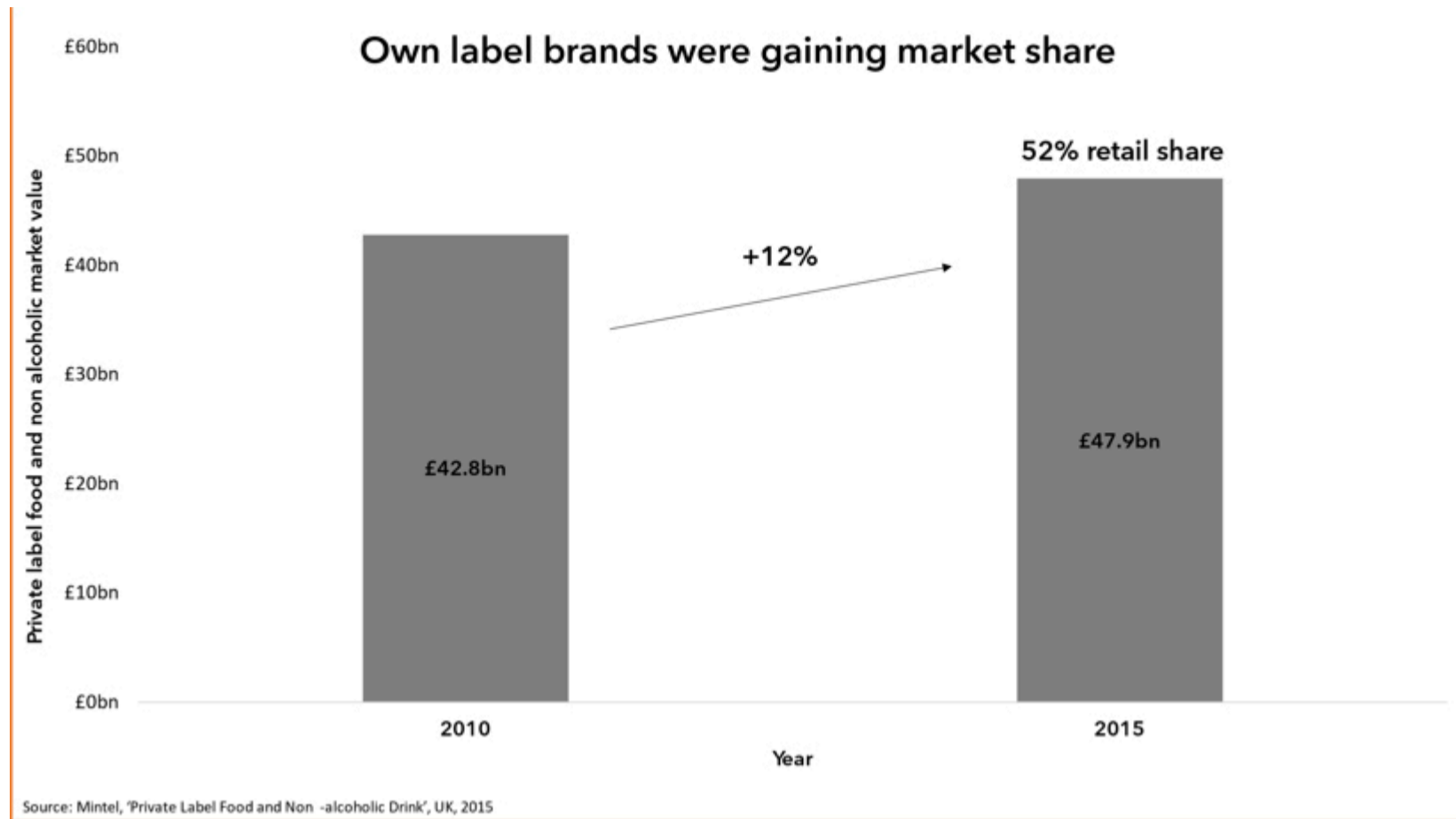
In 'Understanding the Post-recession consumer,' Harvard Business Review highlighted 'discretionary thrift' as an accelerated trend - more consumers were making changes to their purchasing habits to save money, even those who weren't feeling the pinch. The trend was expected to extend beyond the recessionary period¹.



The Harvard Business Review prediction was correct. Discretionary thrift did extend beyond the recessionary period, and it influenced what customers bought and where they shopped. **Customers started buying more own label**

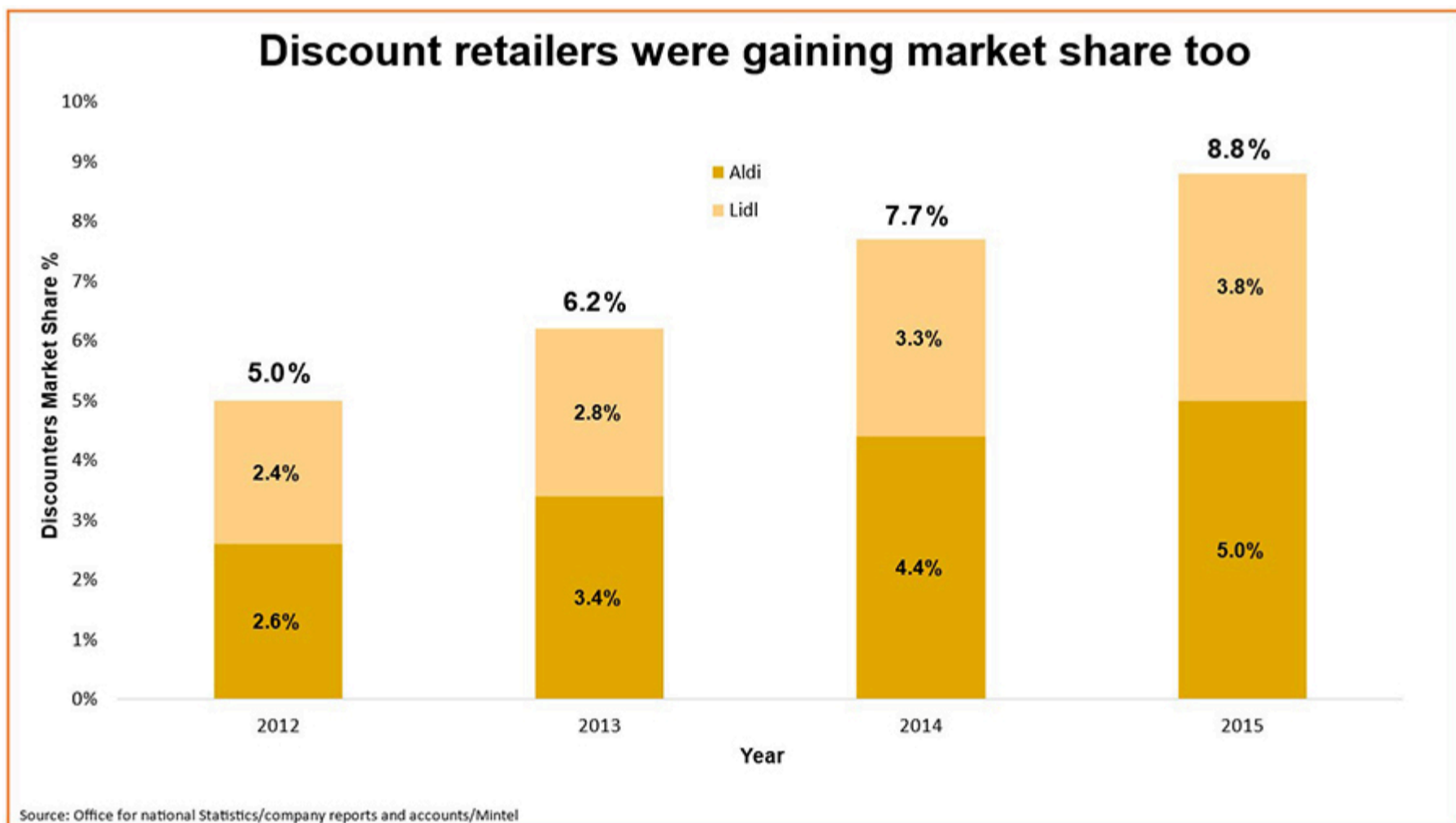
Shifting attitudes to spending were being reflected in significant changes to own label brand perceptions. Kantar found that brand equity for own label was improving, in terms of both 'Salience' and being 'Meaningful.'





Customers started shopping more at the discounters

Discounter supermarkets Lidl & Aldi were growing fast. They had almost doubled their market share in the three years 2012-2015. This was particularly problematic for McCain as they didn't have product distribution in these supermarkets.



3. McCain starts to struggle

Discretionary thrift was here to stay.

Consumers were now happier buying own label, loving the low prices Aldi and Lidl were offering.

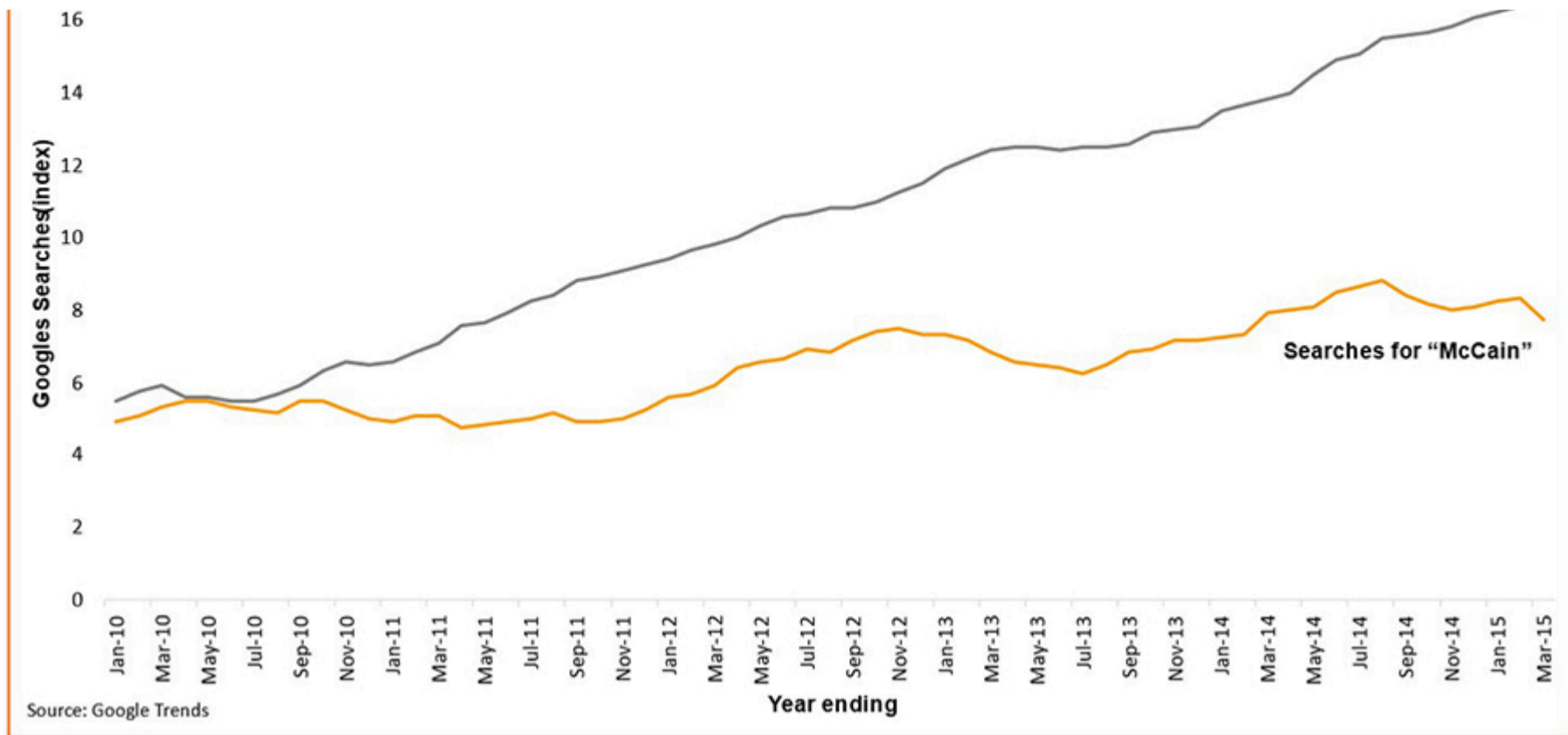
For them, chips were chips.

This started to have a material impact on the McCain business.

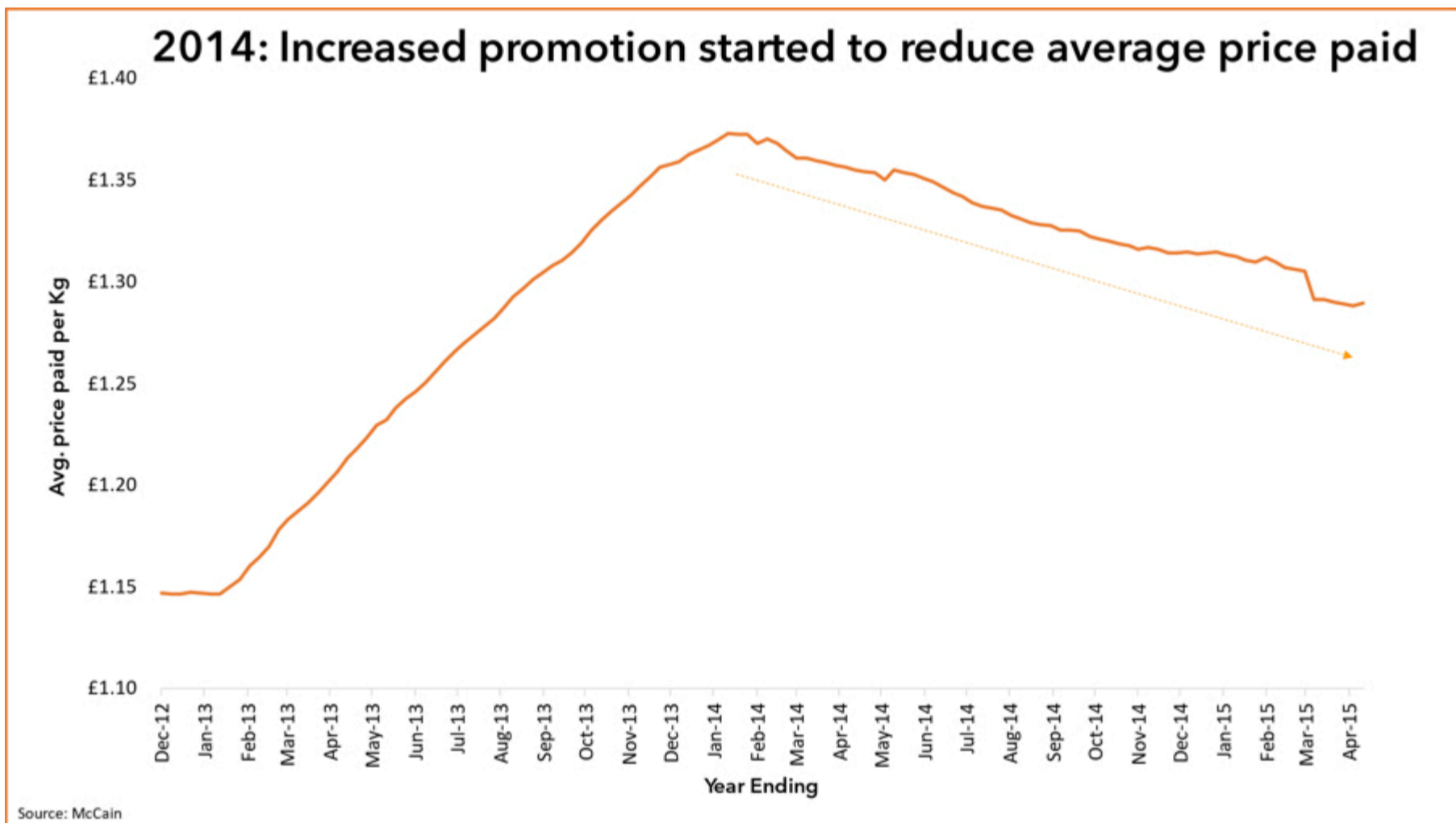
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Google trends showed us that the market started to become commoditised,

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McCain's initial response focussed on increasing the depth and frequency of promotions which reduced the average price per kg paid...



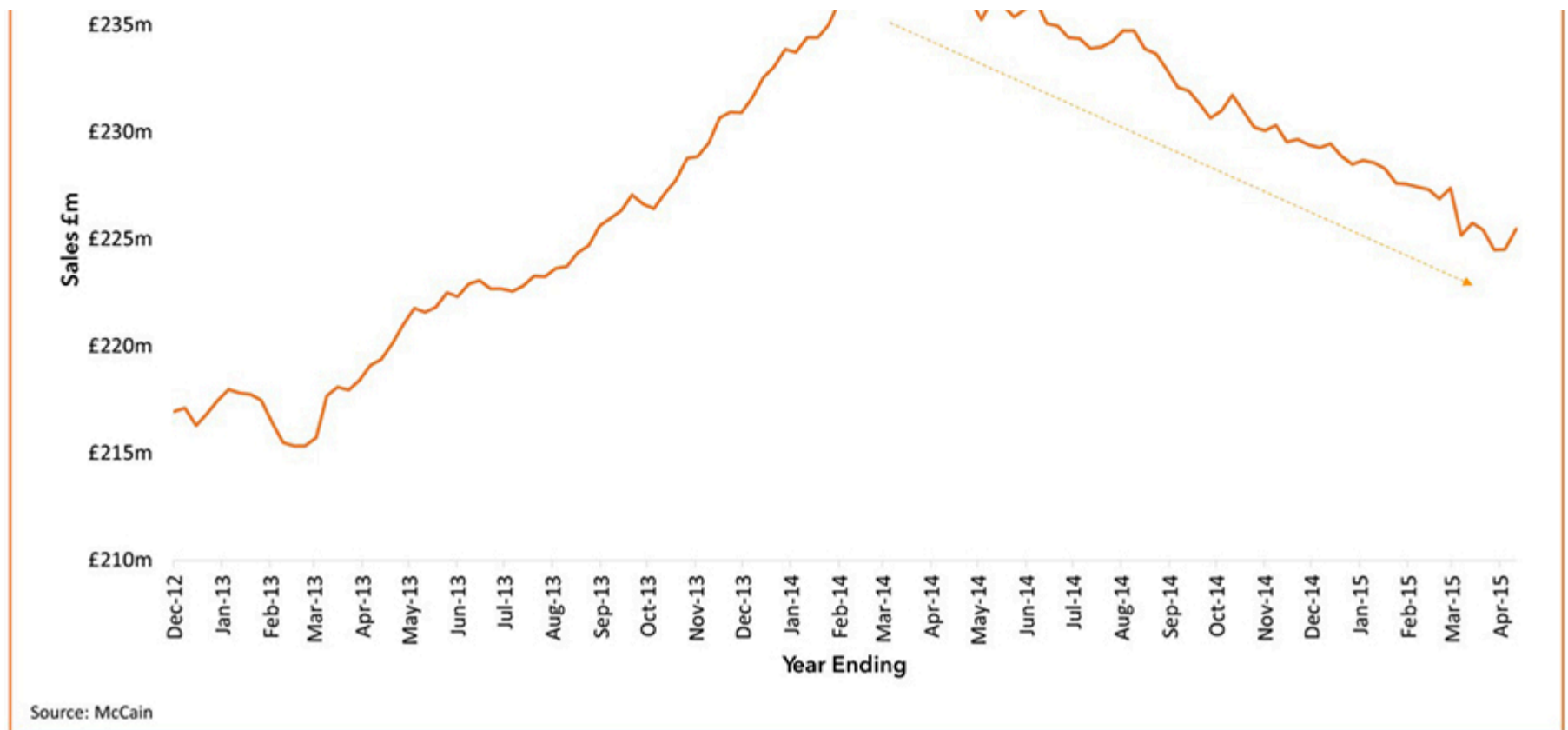
...This then had a knock-on effect on revenue, which started to fall in early 2014.

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After years of growth as the UK's market-leading chip brand, discretionary thrift was starting to have a commercial impact on McCain. As marketers, we needed to ask the question: how can we use marketing to grow business value for McCain?

4. Determining the best strategy to grow business value

There were two options.

Option A: The short-term fix – ramp up price discount promotions to drive volume.

One option was to be more aggressive on price promotion to drive volume sales. But econometric analysis suggested that cutting price per kilo would substantially reduce profits, defeating the object.

With a brand price elasticity of almost exactly 1.0, (see below), cutting price per kilo would leave revenue unchanged, but could increase variable costs (all other factors being equal).

	Price Elasticity
2013	1.0
2014	1.0

Source: McCain, Circana

Option B: The long-term plan – Invest in the McCain brand to reduce price elasticity

The other option was to use brand advertising to increase demand for our brand, without resorting to discounting. An academic paper from 2006 called "If Brands Are Built Over Years, why are they Managed Over Quarters?" pointed the way forward. It demonstrated that strong brands need to take the opposite approach to discounters for long-term success. Strong brands need low and falling price elasticities. And they need to pay attention to the base level of sales when they are not promoting. Strong brands have high and rising base sales.

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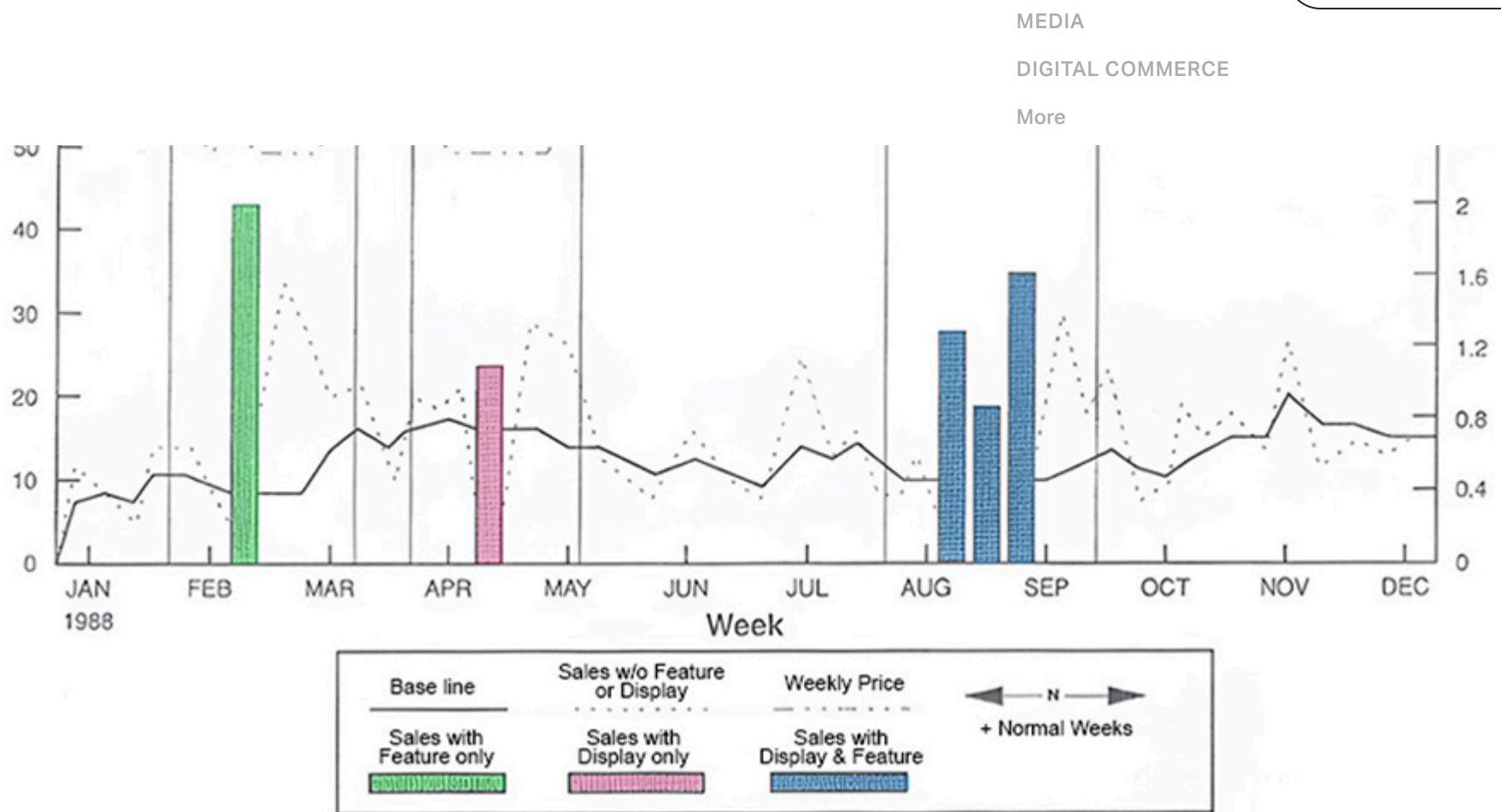


FIGURE 2A. A Store-Level Baseline, TRIX 12 oz., Store E.

For a dominant brand in the market like McCain, this was the best strategy.

A new strategy and a new set of objectives

A new strategy was agreed on.

We would reduce the depth and frequency of promotions and move towards building up the McCain brand.

This would make the McCain brand more resilient to future demand or supply-side challenges and enable McCain to protect its price premium.

And if we could reduce price elasticity enough, we could increase profits.

New objectives were set for long-term commercial success.

Our key metrics for long-term commercial success would be:

- Maintaining or raising base sales
- Reducing price elasticity

Which would allow us to:

- Maintain or increase volume sales
- Control levels of discounting
- Manage average price paid
- Increase value sales
- Increase profitability

This change in strategy required a Lodish & Mela mindset.

We would stop managing the brand over quarters and start managing it over years.

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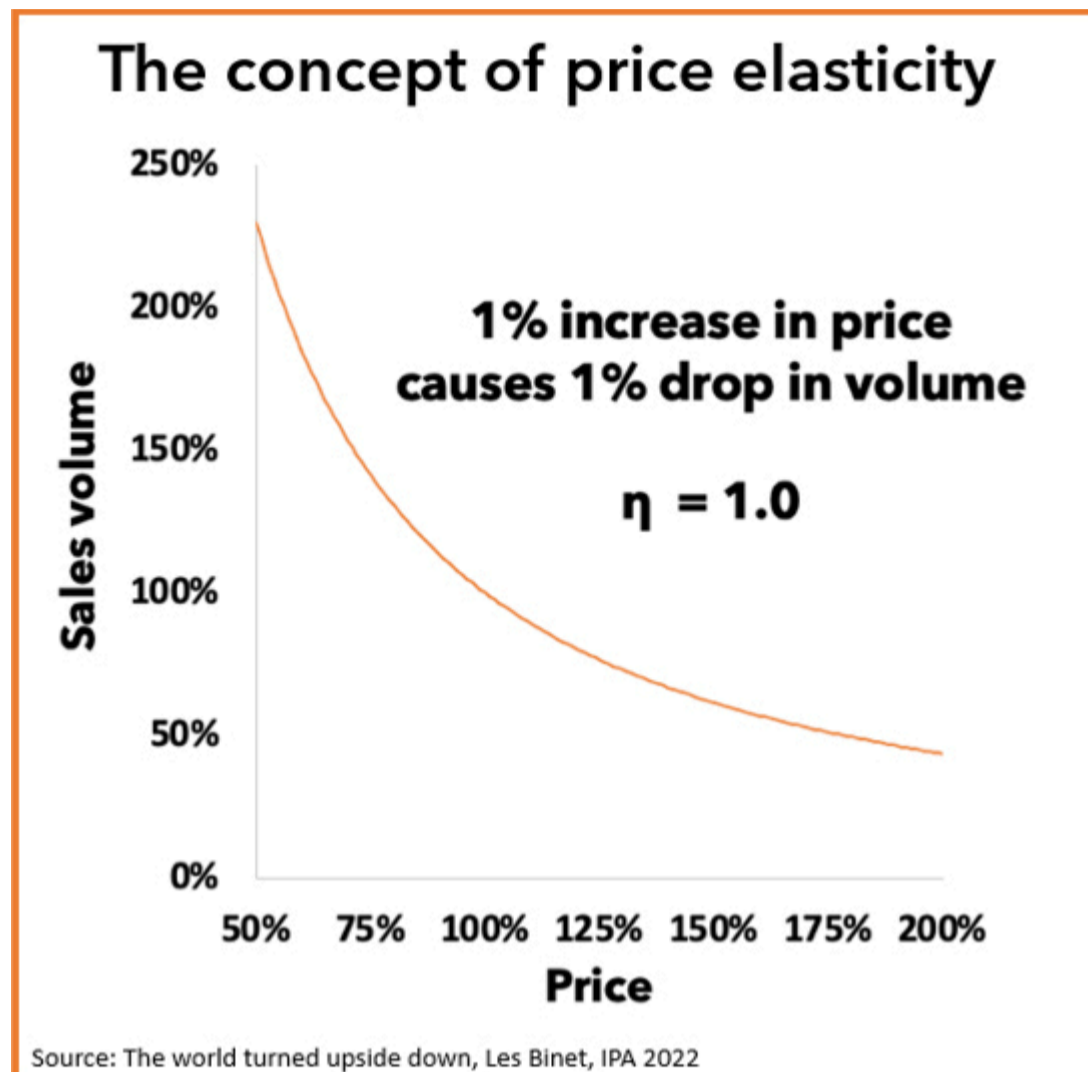
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Price elasticity measures the sensitivity of buyers to price changes. As illustrated by this chart showing the relationship between price and sales volume for a price elasticity of 1.0.

N.B. While mathematically price elasticity values are always negative, as they are commonly converted into positive values in marketing and business content, we will use positive values in this explanation and paper.



Why does it matter?

If we use a hypothetical example, we can see the potential significance a change in price elasticity has on profit. This varies by product and business of course, as it's dependent on the specific variable and fixed costs associated with making/providing and selling the product.

Hypothetical example: Price elasticity = 1.0
Effect of a 10% price increase

	Before	After	Change
Price	£1.00	£1.10	+10%
Volume (million units)	100	91	-10%
Revenue (£m)	100	100	0%
Variable cost per unit	£0.60	£0.60	0%
Variable costs (£m)	60	55	-10%
Fixed costs (£m)	30	30	0%
Profit (£m)	10	15	+55%

Source: The world turned upside down, Les Binet, IPA 2022

What does good look like?

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Different price elasticities have varying impact on profitability. Whilst again, these are specific to the business and product, their relative impact is the same. As shown in the hypothetical example table below, lowering price elasticity increases profitability and vice versa.

Price elasticity	Effect of 10% price increase on profit
0.5	+77%
1.0	+55%
2.0	+13%
3.0	-24%

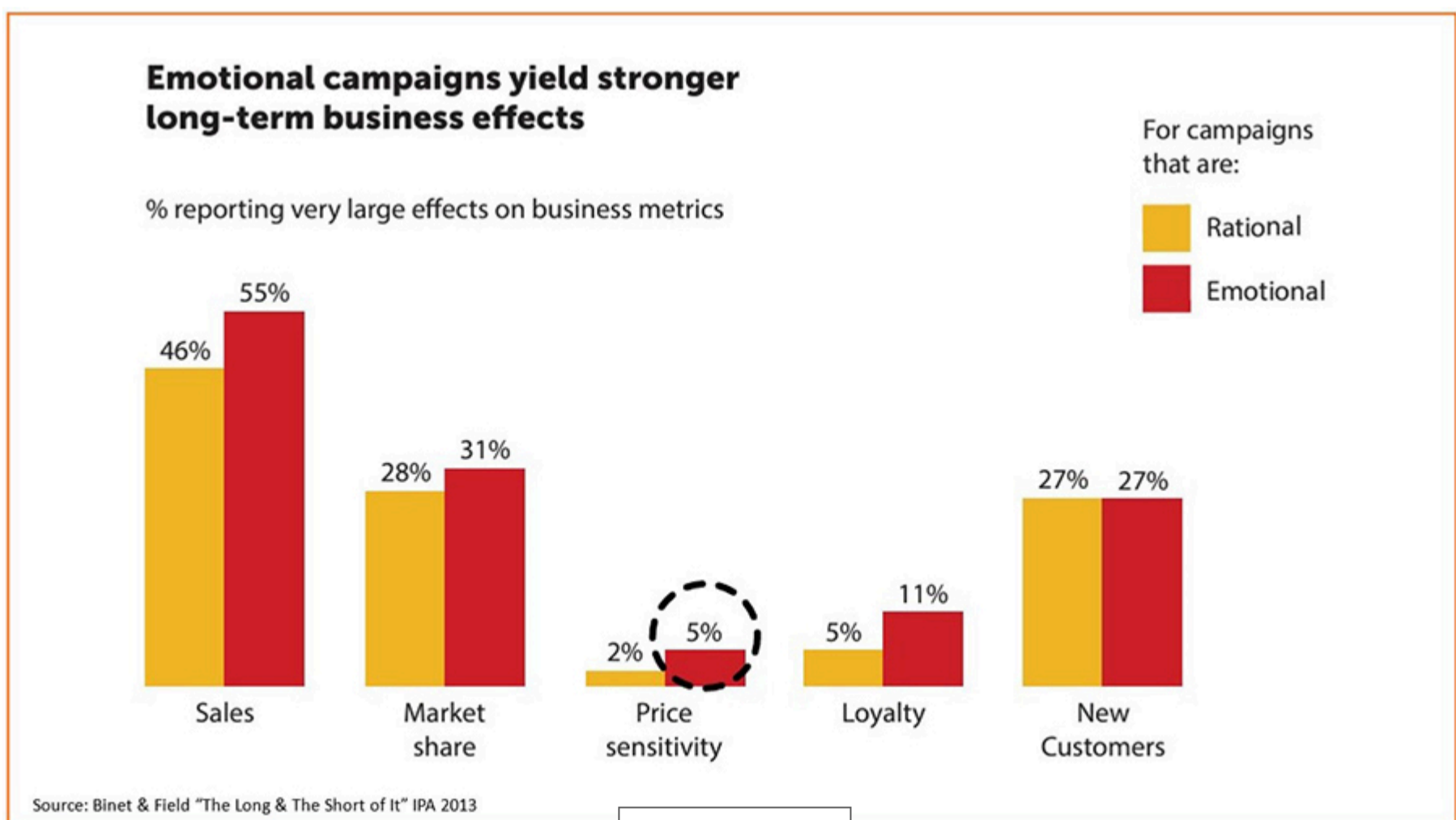
Source: The world turned upside down, Les Binet, IPA 2022

How can price elasticity be influenced?

As outlined in the petrol example above, in some categories price elasticity remains stable due to the product being an essential product people can't do without.

But with 'The long and short of it' being published in 2012, there was growing evidence that emotional brand building advertising can reduce price elasticity and make brands more resilient to price changes.

This is more possible in non-essential categories like frozen potatoes.



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6. Injecting more emotion into the McCain brand

We chatted to parents around the country about family teatimes. We saw that advertising and the media showed fake, unrelatable perfection; nothing like their actual lives.

Or as one mum in Stockport put it, "a load of b*****s".

It sounds obvious now, but this was back when the industry was less diverse than a piece of A4 printer paper...

Family and food in the media in 2014: Pretentious, perfect (and very white)



In 2014, Britain's family and food role models were beautiful clean-eating gurus, Michelin star chefs and immaculate millionaire mums and dads. *Dahhhhhling*.

Deliciously Ella topped the cookbook charts.

MasterChef was the most watched cookery show.

Posh and Becks rubbed shoulders with Kate and Will in the Royal Box at Wimbledon.

Families in the media were nuclear, pretentious, and white.

In this landscape, chips were only welcome if they were triple cooked, rendered in duck fat and prepared by Heston Blumenthal.

And the messy, loveable, recognisable reality of family teatime? Nowhere to be seen.

The real world of food and family in 2014: Joyful, imperfect and diverse

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British family teatime looked nothing like the pictures on our screens.

Real families were more diverse – from single parents to same-sex parents, blended families, and different ethnic groups.² They were more liberal – seen in their opinions on divorce, abortion and LGBTQ+ rights.³

Their teatimes were messy, imperfect, and a heck of a lot more joyful.

Often eaten on the sofa, not the table. Wearing onesies. Taking the mick. Getting the giggles.

And usually splattered with ketchup.

In a world where brands and media portrayed perfection, pretentiousness and only one type of family, McCain had an opportunity.

Our new strategic platform – the joyful reality of family teatime

McCain chips may not feature on MasterChef, but they've always been at the heart of British family life – and teatimes.

Chips don't judge.

Chips cut across class, culture, and income level.

Chips make everyone smile (except when someone tries to steal yours).

So, since brands and the media weren't about to, it was time for McCain to start reflecting the joyful reality of British family teatimes and McCain's role in it.

We wanted to make British families feel seen, heard, and celebrated.

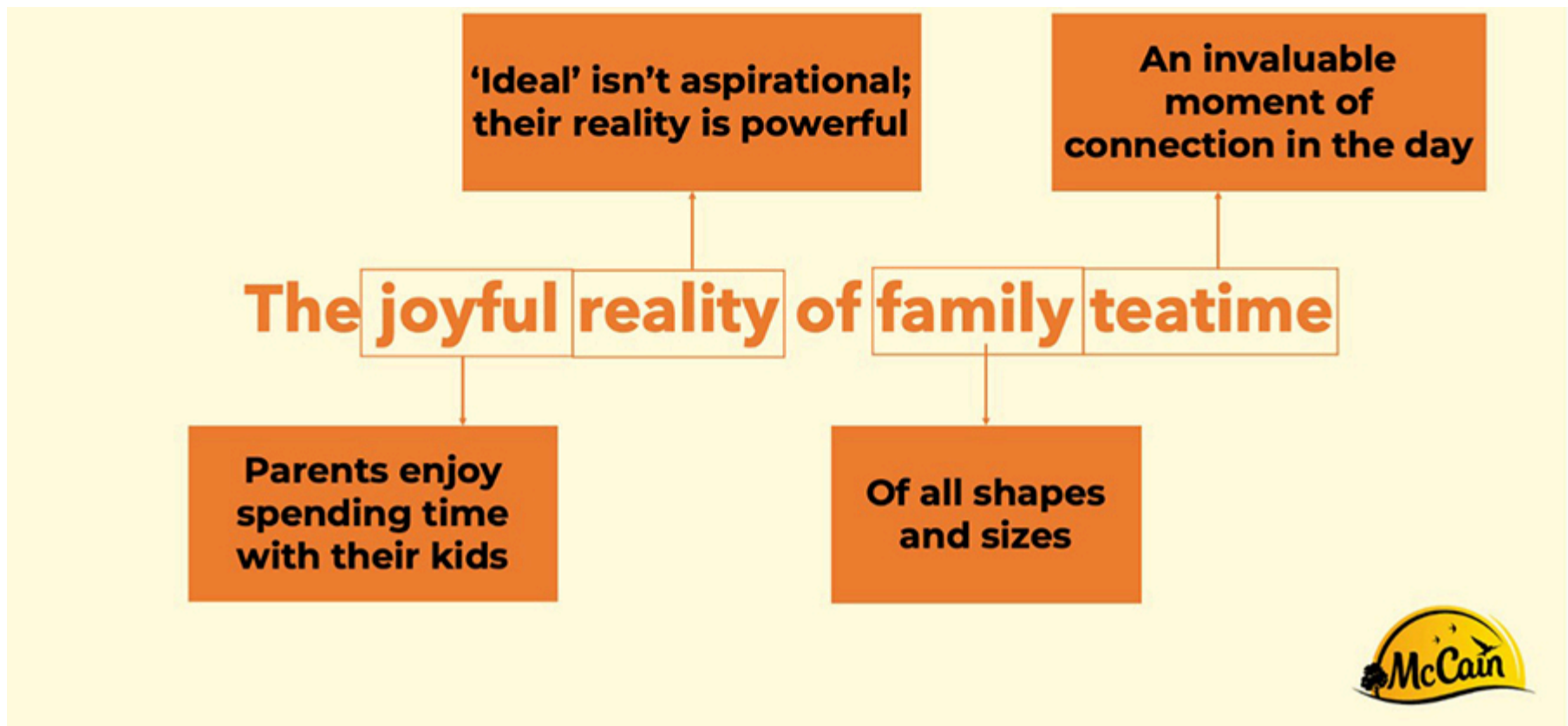
To make them feel, full stop.

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Our new brand world - 'Really Real'

A direct attempt to go against the narrow white middle-class world of idyllic houses and children dressed like minor royals.

We will show modern Britain as it is – and we will celebrate it.

We will cast real families, not actors.

We will show the messiness and mistakes.

We will not care one bit about table manners, middle class aspirations or celebrity chefs.

Most importantly, we will show the joy of it all.

We defined our new brand world: Really Real.



This new approach broke new ground.

This was one of the first times the real unpolished full spe [Skip to content](#) was shown in advertising – and celebrated.

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From 2015 - 2023 when divisions were being stoked and UK felt like a country limping from crisis to crisis, McCain sat firmly at the kitchen table with campaign after campaign celebrating full on family teatimes that made life worth living. All made possible because tonight everyone had McCain chips.

**We celebrated...
the joyful reality of family teatime
(2015-2023)**

- APR 2015**
Here's to...
real teatimes
The joyful reality
of real teatimes
up and down
the country
- AUG 2017**
Here's to...
every family
The joyful reality
of families of all
shapes and sizes
- FEB 2018**
Here's to...
love
The joyful reality
of every kind of
couple love
- Aug 2019**
Post-BREXIT
Here's to...
our differences
The joyful reality
of the differences
that make our
families great
- Jun 2020**
COVID
Here's to...
**making time
for family time**
The joyful reality of
family time
- Nov 2020**
COVID
Here's to...
**Making time for
each other**
The joyful reality
of the moments
we carve out for
each other
- Jan 2023**
Cost-of-living crisis
Here's to...
what really matters
The joyful reality of
the little things when
times are tough

The campaigns ran across channels, always celebrating diverse families and stories. In PR, we conducted a bespoke research series 'Nation's Conversations' shining a light on the Really Real conversations the nation's families were having at teatime.

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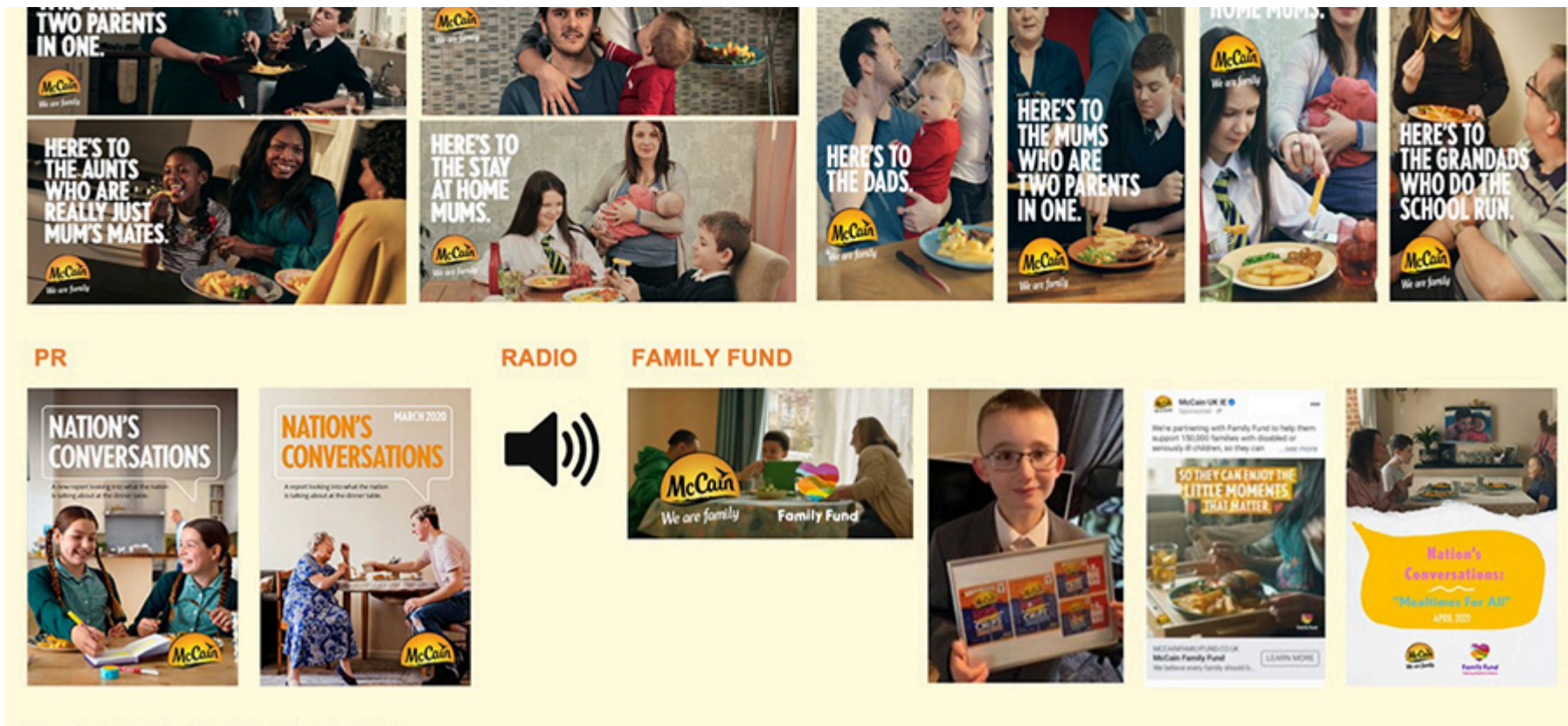
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Across every touchpoint, we applied our components of creative consistency.

Components of creative consistency (2017-2023)

Strategic platform:	The joyful reality of family teatime
Brand world:	Really, Real
Advertising idea:	A celebratory ode to 'non normal' families and how teatimes bring them together
Visual storytelling style:	Vignettes of real families
Verbal storytelling style:	Narrative, emotive, family vignette
Brand voice:	Ricky Tomlinson



Our media approach: Emotion first

PHD developed the media strategy in line with our focus on reducing price elasticity and maintaining or increasing base volume sales.⁴

They used four key principles:

- **60:40 Brand: Activation budget split** – upweighting brand advertising to deliver on emotion.⁵
- **Emotive channel choices** – with a big focus on AV. Over time, PHD optimised this in line with shifting viewing behaviours, with an increasing portion of budget invested in VOD and similar online viewing platforms to achieve incremental reach.

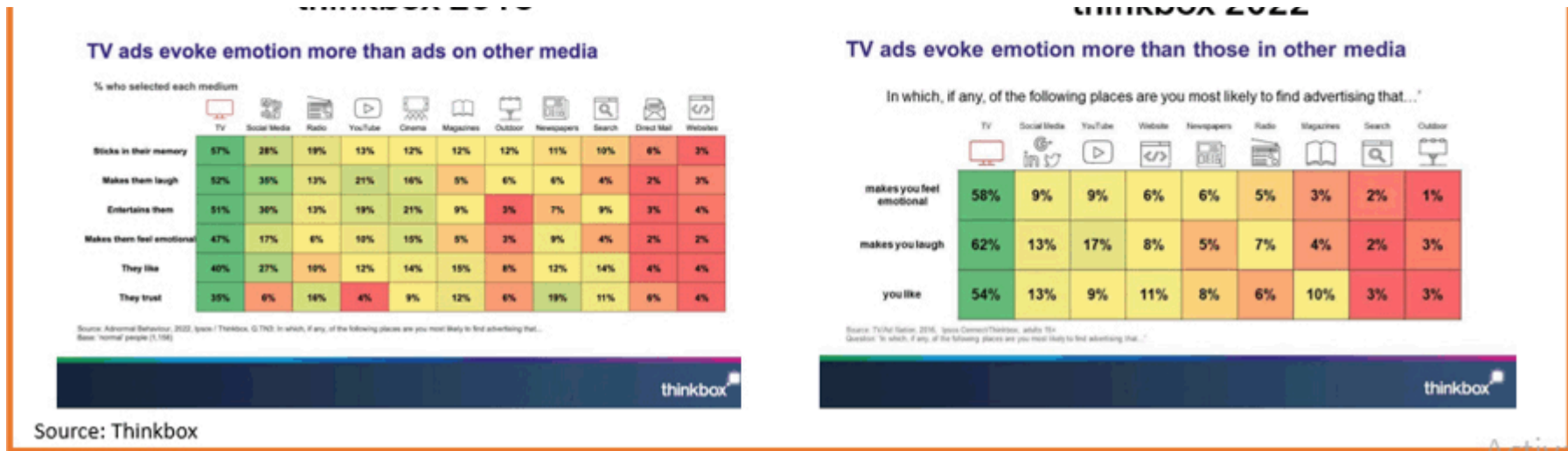
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- **Focus on awareness via 1+ reach** – to prioritise awareness without compromising on channel selection.
- **Broad targeting with a skew to mums** – to balance broad reach with a skew to mums, who were (and still are) disproportionately the primary shopper in families⁶ and McCain's largest customer group.

7. Results

In 2014, we adopted a Lodish & Mela mindset – we would stop managing the brand over quarters and start building it over years.

Here is a reminder of the objectives we set ourselves.

Our key metrics for long-term commercial success would be:

- Maintaining or raising base sales
- Reducing price elasticity

Which would allow us to:

- Maintain or increase volume sales
- Control levels of discounting
- Manage average price per kilo
- Increase value sales
- Increase profitability

We delivered on our two primary measures of success.

Reducing price elasticity and raising base sales.

Our strategy worked

	2014	2023	% change
Price Elasticity	1.0	0.53	-47%
Base Sales	£252m	£363m	+44%

Source: McCain, Circana

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Volume Sales	139m kg	147m kg	+5%
Average price paid per kg	£1.96	£2.97	+48%
Value Sales	£280m	£436m	+56%
Gross Profit*	£116m	£154m	+32%

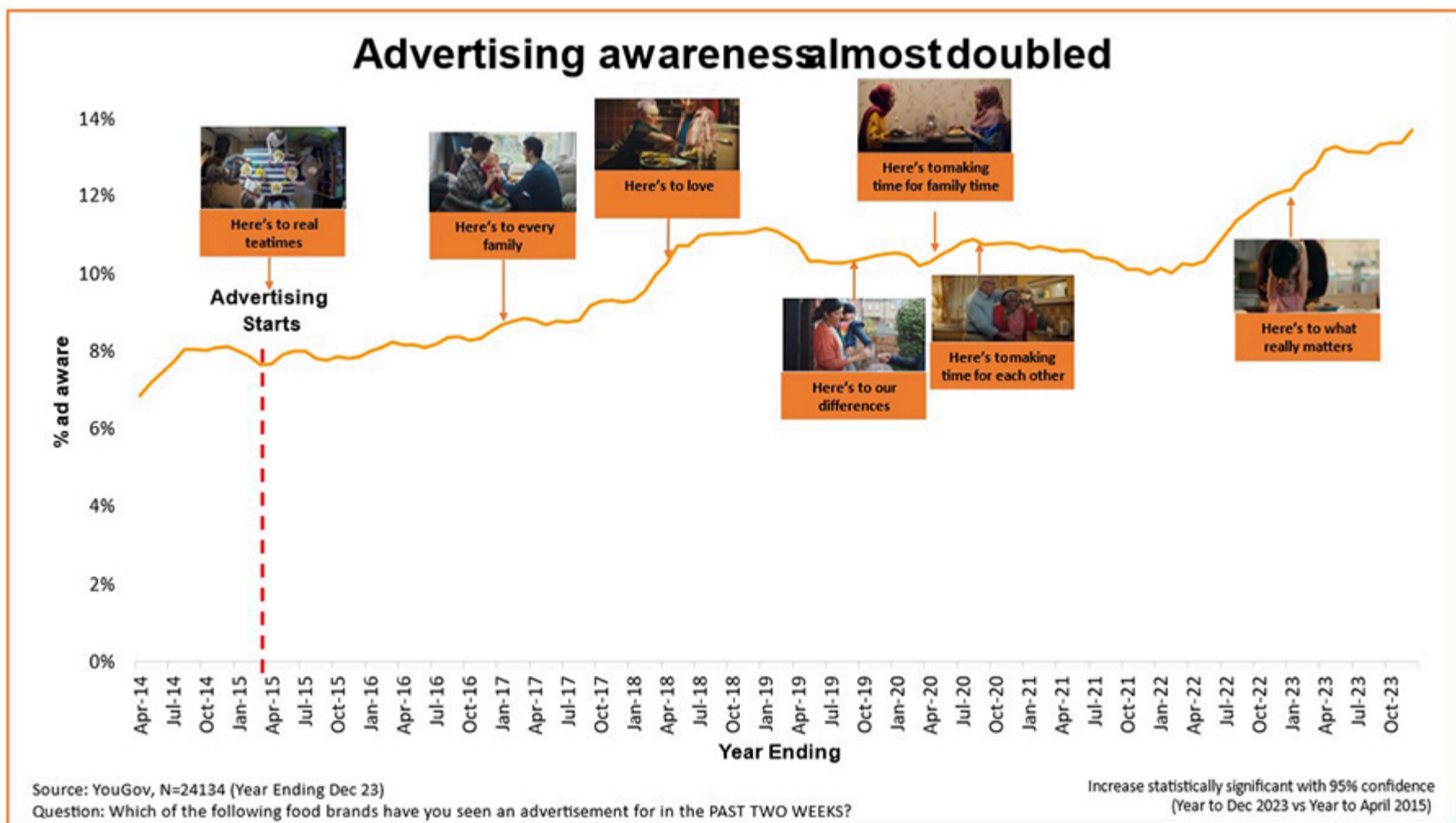
Sources: Sales figures from Circana (retail audit data, major multiples). Profit figures from McCain, reported at total company level. *Financial years 2014/15 and 2022/23

How it worked: The effect on brand

We've seen that our strategy worked. Now let's look at *how* it worked. We will demonstrate that advertising had two very different effects, starting with effect on the brand.

People were more aware of our advertising

Between 2015 and 2023, our ad awareness almost doubled from a low of under 7%, 12 months prior to our first ad, to a high of almost 14% by the end of 2023.



Brand associations improved significantly in line with the strategy and the message of the brand advertising.

Our celebration of real family teatimes and the role McCain chips played drove significant improvements in key brand associations. Most importantly McCain became a brand that families across the country believed understood them and their lives.

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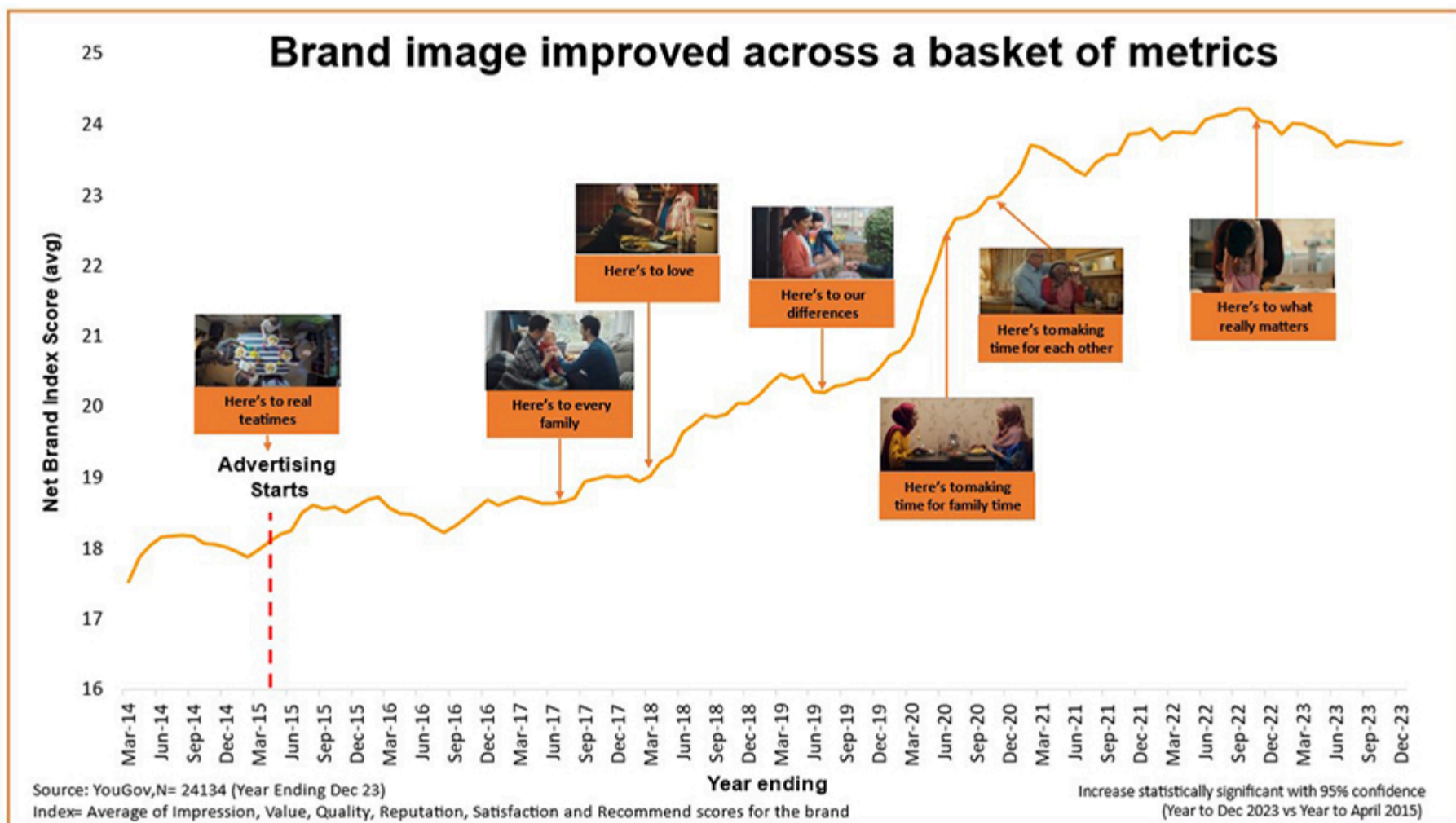
'Is a brand that brings people together'	9 years May 14-Nov 23	28%	61%
'Is a brand that brings enjoyment' (Kantar)'/Makes everyday mealtimes more enjoyable' (IPSOS)	9 Years May 14-Nov 23	42%	62%
'Understands real family life' (Kantar)'/Understands modern family life' (IPSOS)	7 years Jun 16-Nov 23	47%	61%
Real food for today's lifestyles	4 years Dec 19-Nov 23	53%	56%

Source: Kantar/IPSOS, McCain brand image statements Sample sizes & significance tests unavailable

Our brand advertising made people feel more positive about McCain

These association improvements fed through to customers feeling more positive towards the brand, with each campaign created building on the last and creating the equivalent of marketing compound interest.

As COVID-19 hit, McCain's positioning as a brand that truly understood British families supercharged its brand image – taking it to new heights.



This positivity of feeling towards the brand evolved to advocacy for the brand with marked improvements in intent to recommend and buy the product.

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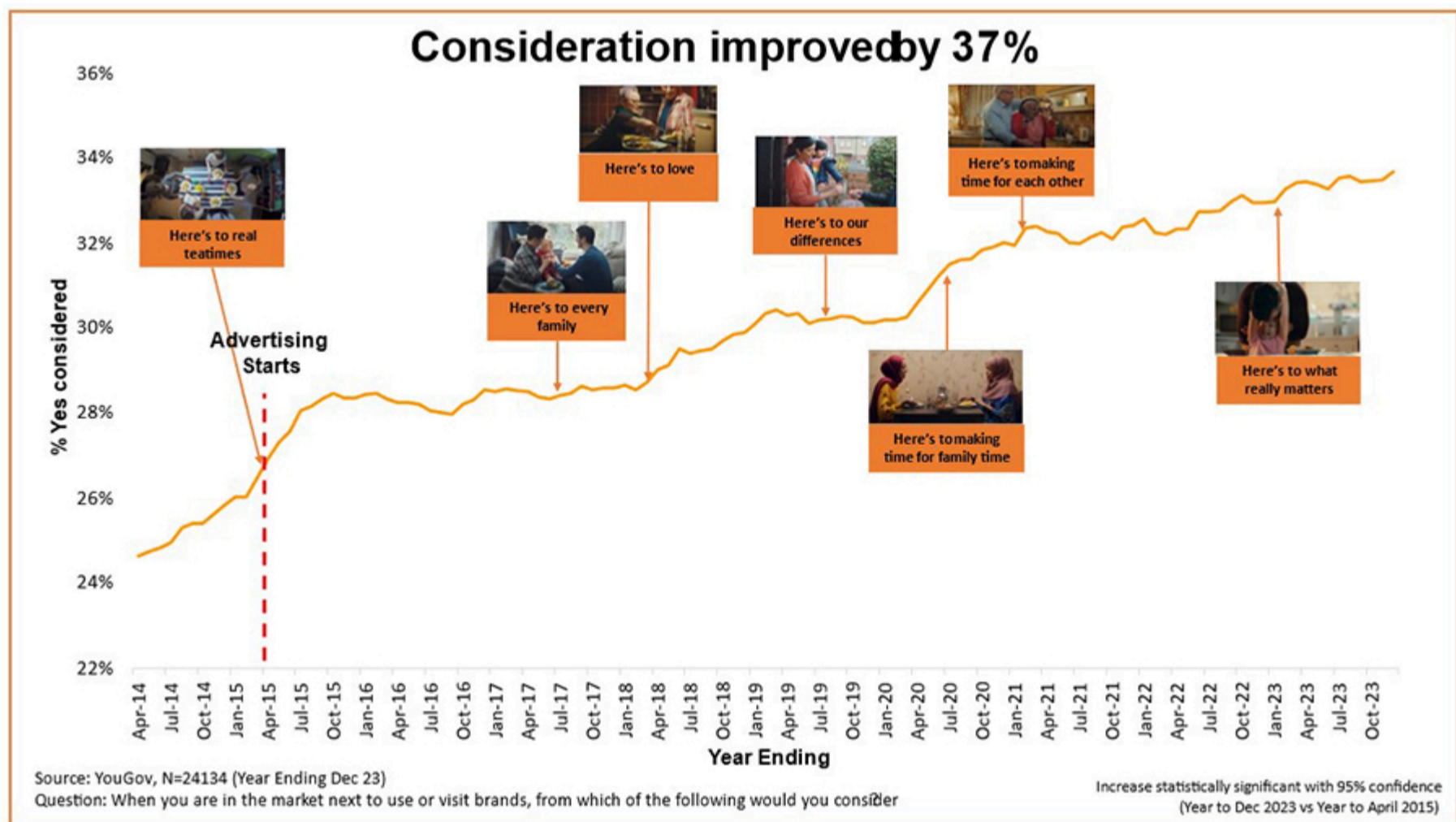
	Mar-2014 (1 year prior to advertising)	Dec-2023	% change
Net impression	22.1	32.0	+45%
Satisfied	24.8	33.8	+36%
Recommend	16.4	22.5	+37%
Quality	17.6	25.8	+47%
Purchase Intent	4%	8%	+100%

Source: YouGov, N=24134 (Year Ending Dec 23)

All increases statistically significant with 95% confidence

More people considered buying McCain

Consideration of the brand across all buyers in the market increased by 37%, a remarkable improvement of a metric that every marketer knows is very hard to shift.



And more people were searching for McCain

Searches for McCain caught up and overtook 'oven chips' – reversing the worrying trend highlighted earlier in the paper that showed the commoditisation of the category.

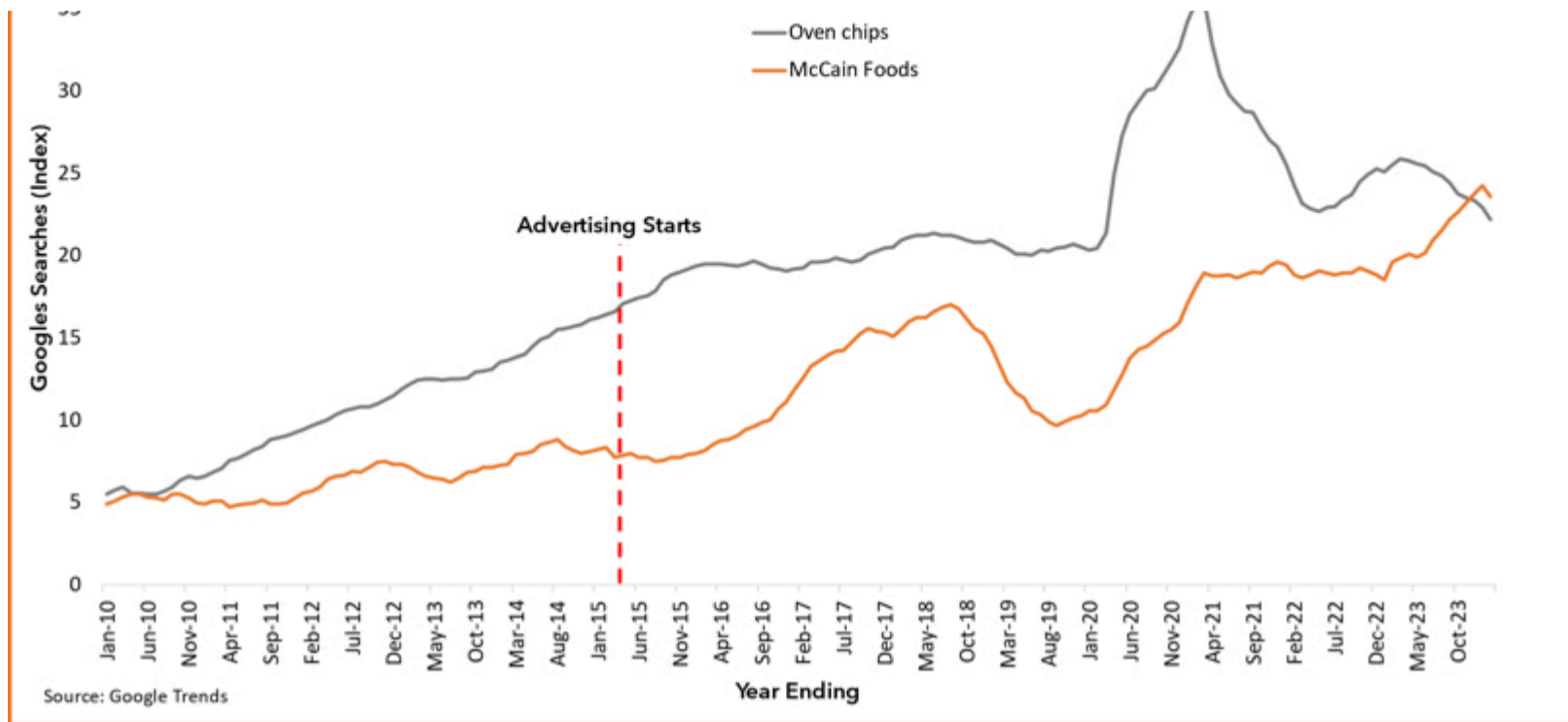
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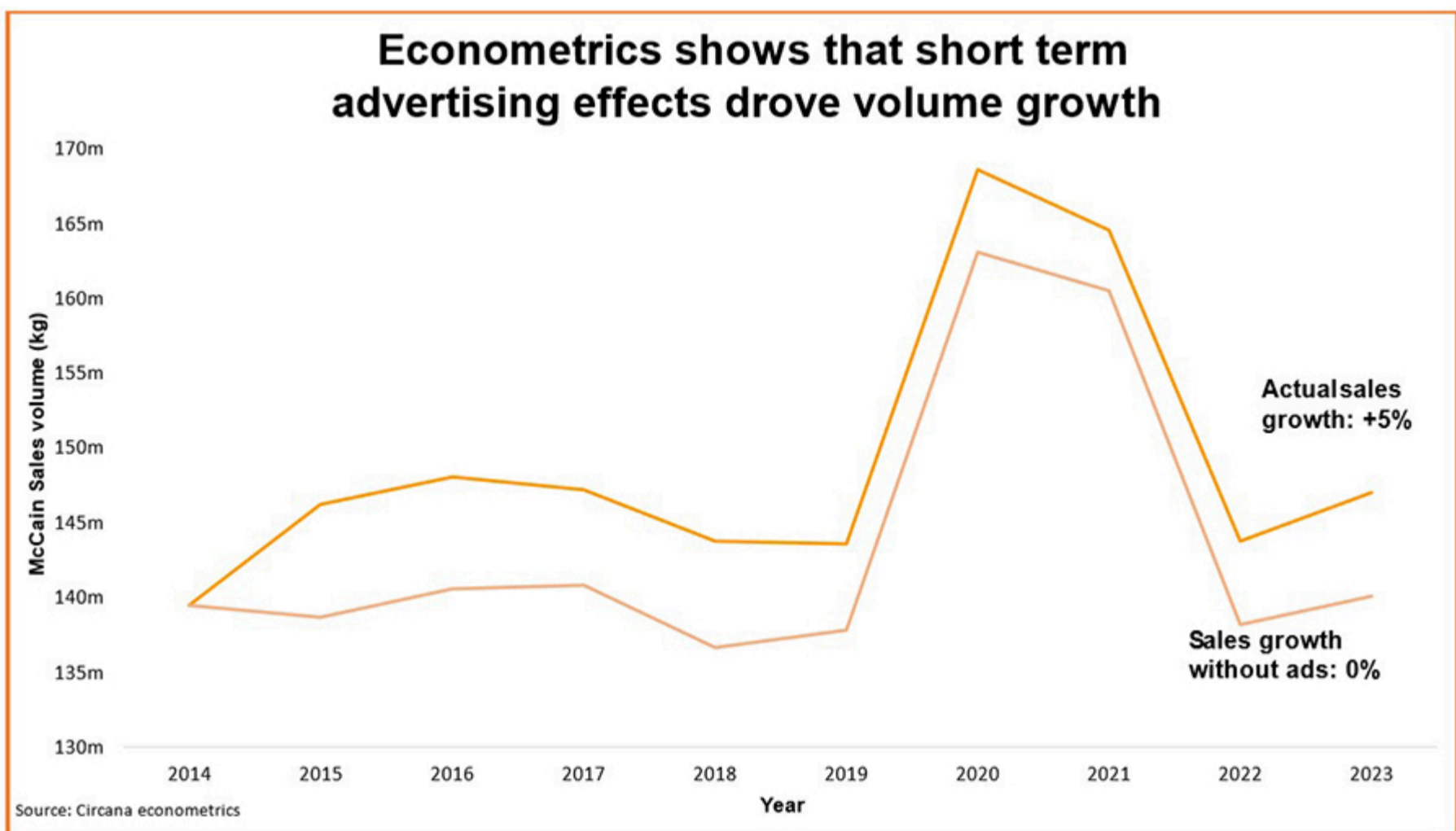


How it worked: The short-term effect on volume

Sales volume started rising, showing that it was advertising that drove that increase

The campaigns that changed attitudes towards the McCain brand also changed real buying behaviour.

Econometric modelling shows that advertising drove a 5% uplift in volume sales – with of course the huge spike in 2020-21 being the Covid-19 period.



How it worked: The effect on price sensitivity

More people agreed that McCain offered 'good value for money'

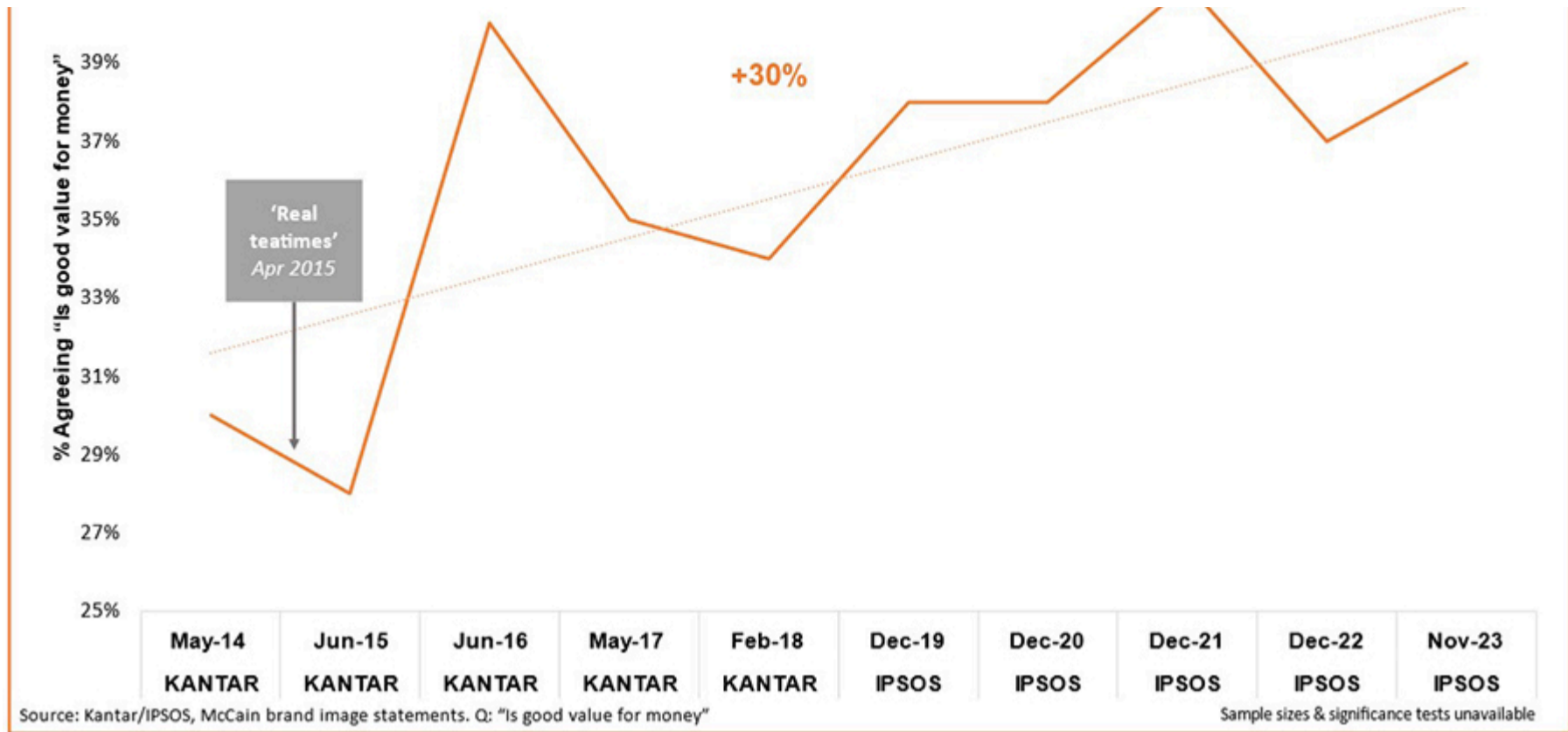
Critical to our strategy, we increased 'good value for money' perceptions by 30%.

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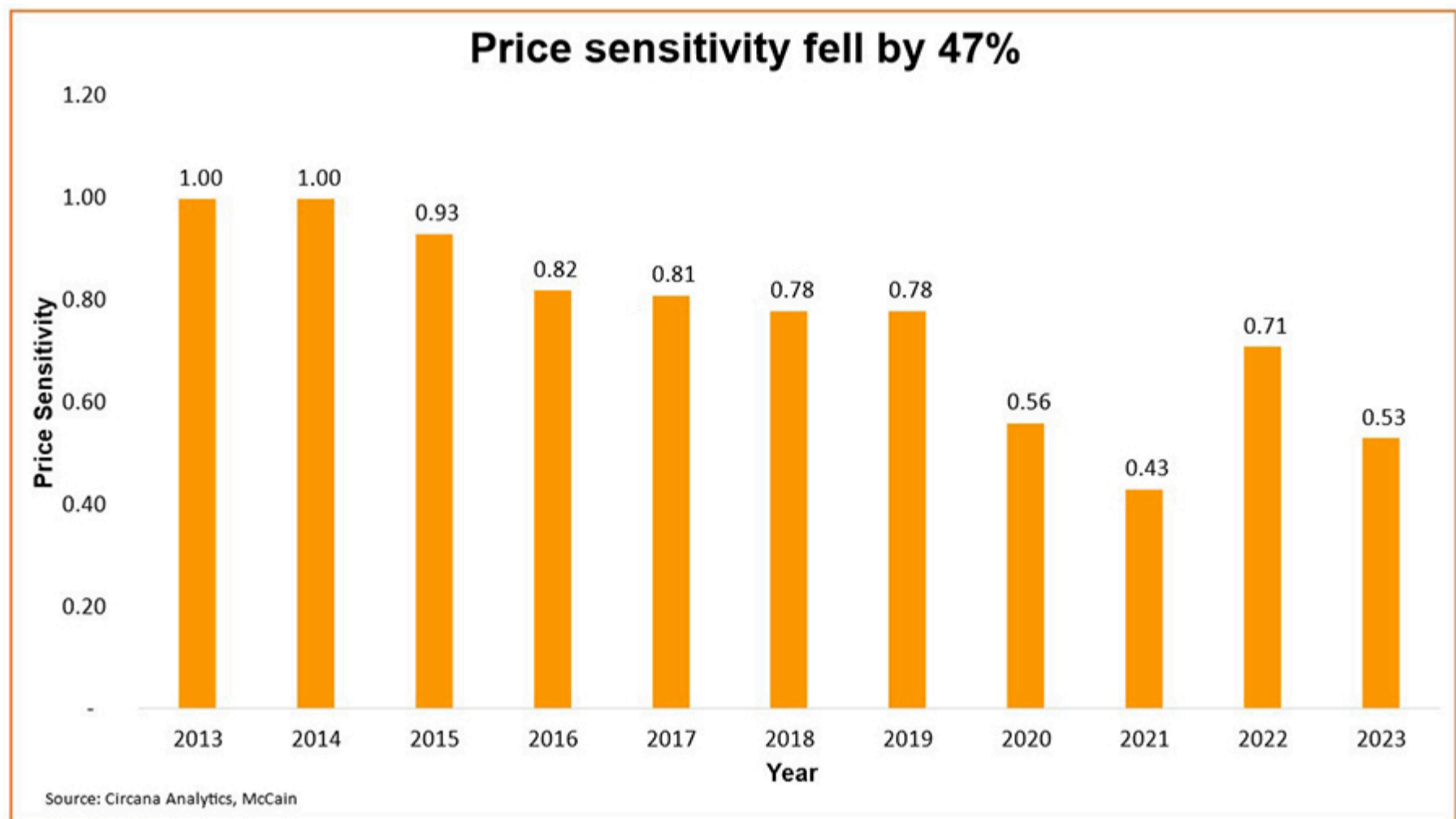


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Our price elasticity decreased significantly and consistently over the 8-year period, from 1.0 to 0.43 at its lowest over the duration of the campaign

As more people agreed that McCain offered good value for money, price sensitivity decreased. This meant McCain didn't have to reduce the price per kilo as they had done in 2013-14.



This reduction in price elasticity enabled McCain to consistently maintain their margins during times of surging cost inflation.

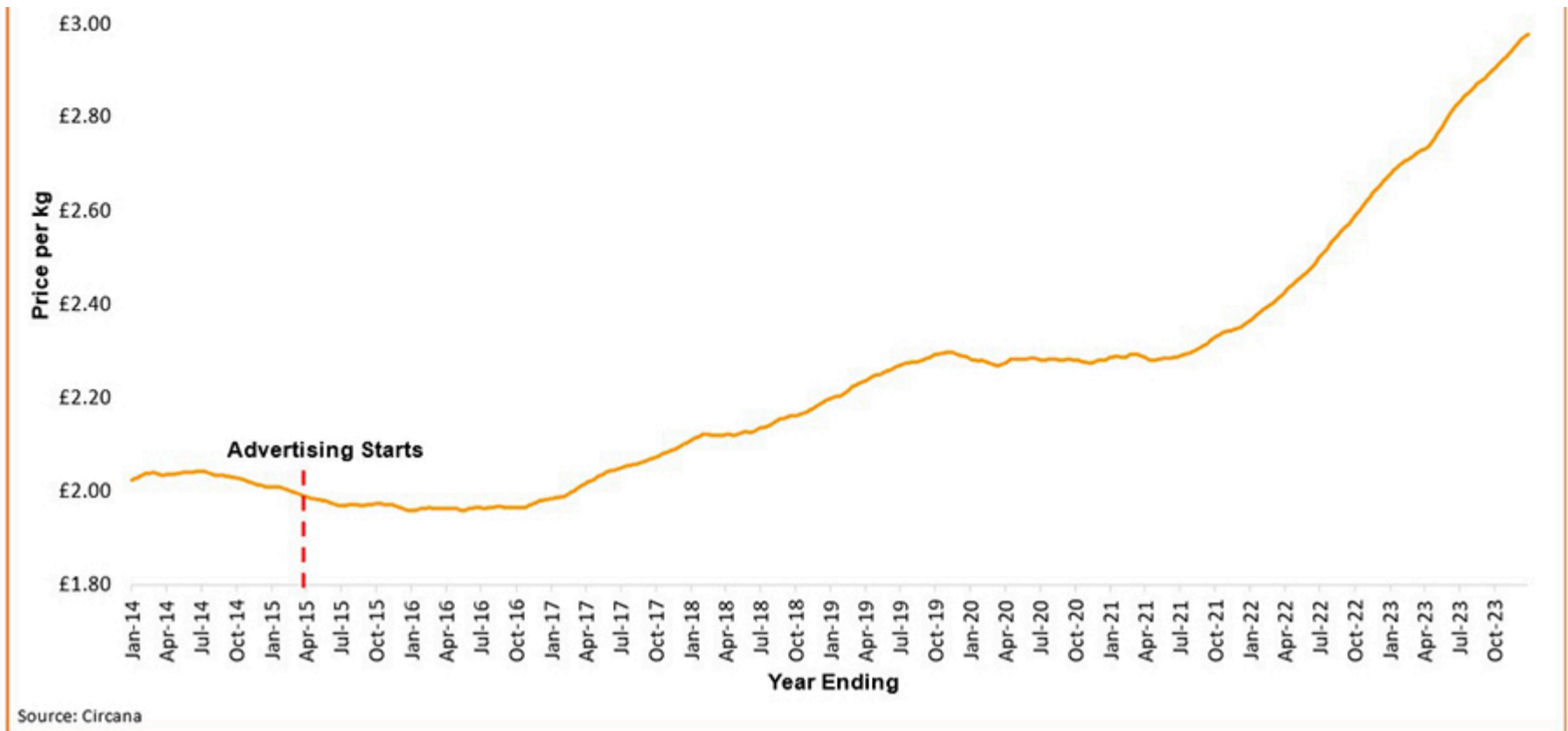
This was essential in the face of a 2019 British potato shortage, unprecedented food inflation in the UK from 2021-2023 and a sunflower oil price surge due to the Ukraine war in 2022-23.

All of which resulted in increased costs to the business to produce products.

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So far, we have outlined three indicators of pricing power that have all shifted significantly between 2015-23.

- Value for money perceptions
- Price sensitivity
- Average price paid per kilo

When we correlate these three indicators with advertising awareness, we can see a very close correlation that strongly suggests it was advertising that caused the increase in McCain's pricing power.

Pricing power correlated strongly with ad awareness

	Correlation with advertising awareness	Statistically significant?
Value for Money Perceptions	+59%	95% confidence
Price Sensitivity	-67%	98% confidence
Average Price Paid per Kg	+93%	>99% confidence

Sources: YouGov, Kantar/IPSOS, Circana (see earlier charts for details)
Annual data, 2014 to 2023

This increase in pricing power resulted in a significant sales value increase for McCain of 56%.

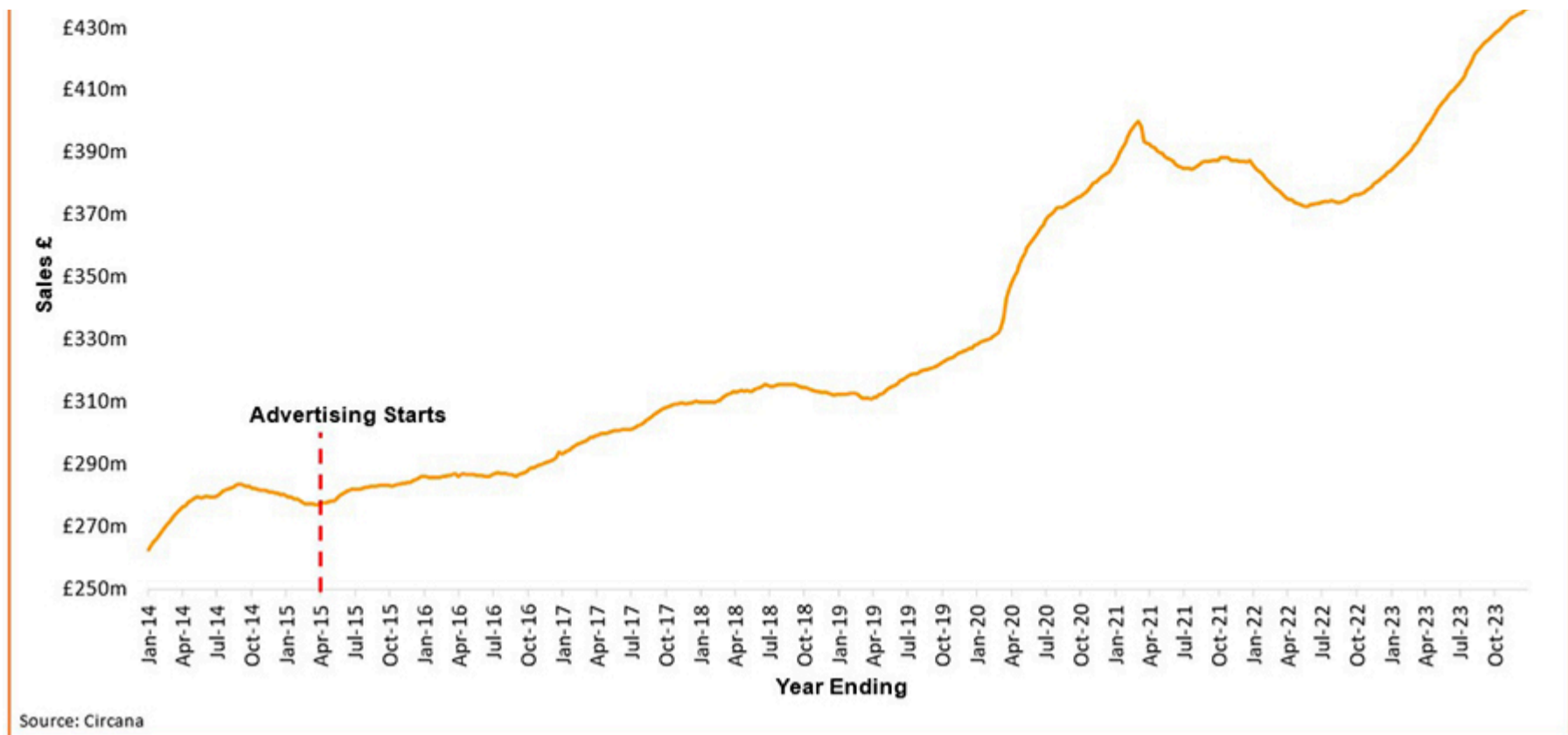
Like dominos falling, stronger value perceptions, weaker price sensitivity and an increased average price paid per kg fed through to deliver a 56% increase in sales value – which in turn contributed towards an increase in gross profit for the retail business.

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McCain's retail and total company gross profits increased.

McCain's profits increased		
	Retail business	Total company
Gross Profit	+29%	+32%

Source: McCain financial data, FY 2022/23 vs FY 2014/15

Results summary so far

We've shown that ads impacted on brand, increased volume, and increased our pricing power. Together, those effects delivered strong revenue growth and increased profits.

Here is how it worked.

As soon as the new advertising started:

- Advertising awareness started rising, doubling over 9 years.
- All the brand image metrics started improving.
- Consideration and purchase intent started increasing.
- People started searching for "McCain" again, rather than generic "Oven Chips".
- Sales volume started rising and econometrics showed that it was advertising that drove that increase.

But not only that, we have shown that:

- Value for money perceptions improved.
- Price sensitivity fell.
- Rising volumes led to a strong increase in revenues.
- And with revenues rising faster than volume-related costs, profits doubled.

Econometrics shows that advertising drove the volume increase.

But how can we be sure?

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We will argue that nothing else can explain the effects we saw.

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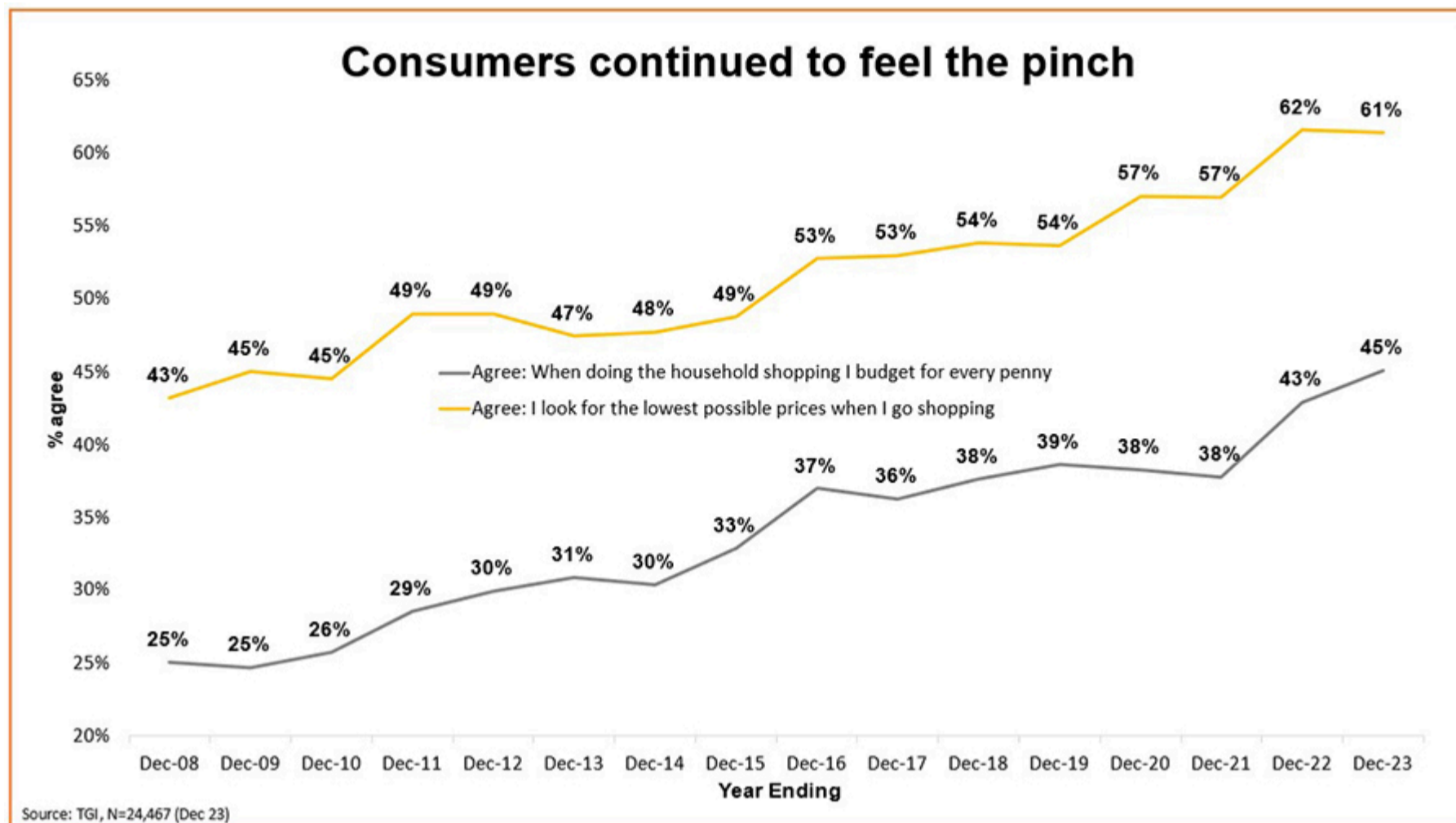
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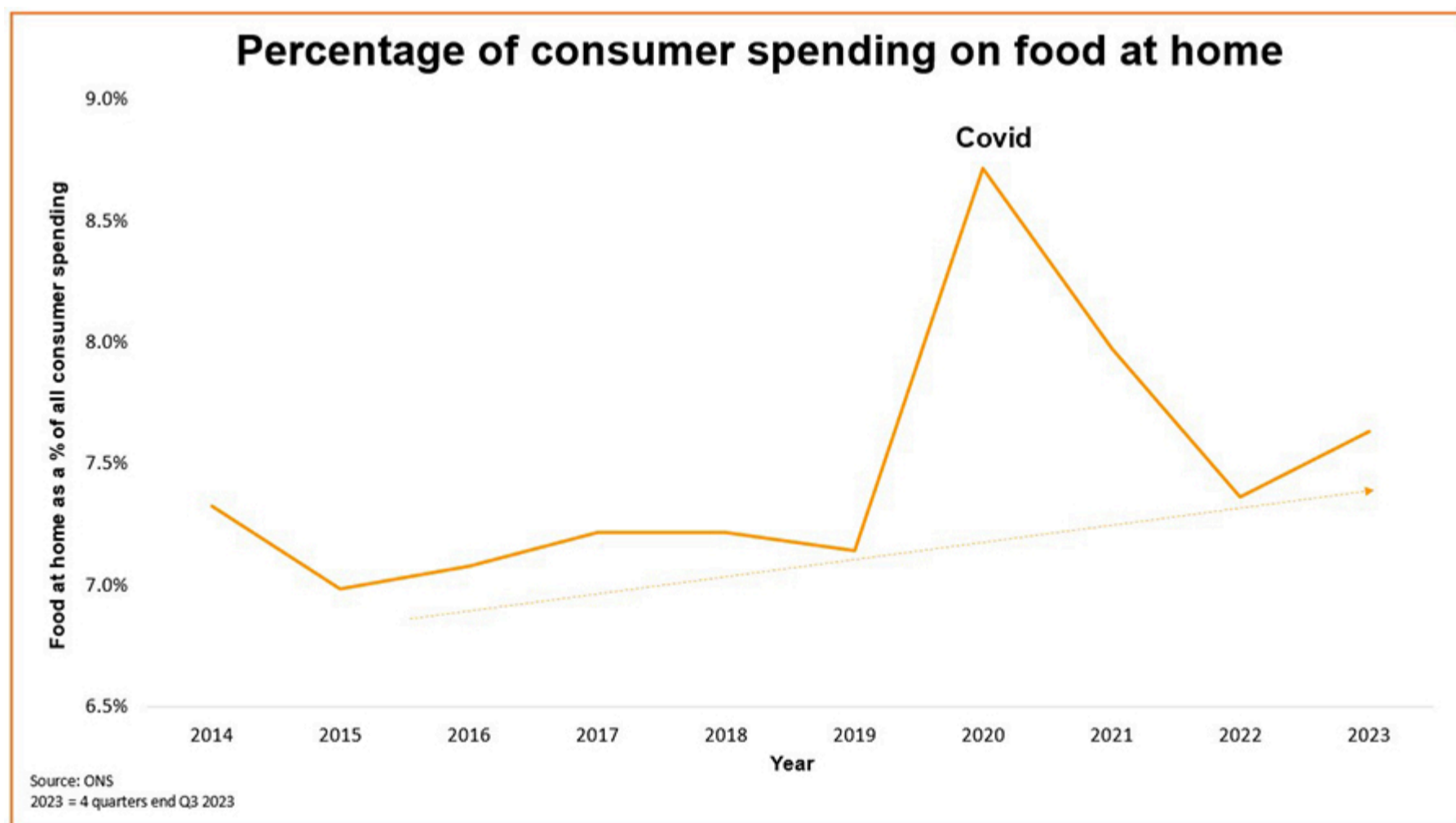
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Could the growth be explained by more confident customers choosing to spend more on food at home?

No, in fact this was a period where consumers of all income levels started to feel the pinch and started to become more price conscious when shopping.



As inflation started to hit, food's share of household budgets increased, this should have made customers more price sensitive – especially to branded products like McCain.



Market growth

Was this a case of McCain riding the coat tails of a fast-growing market?

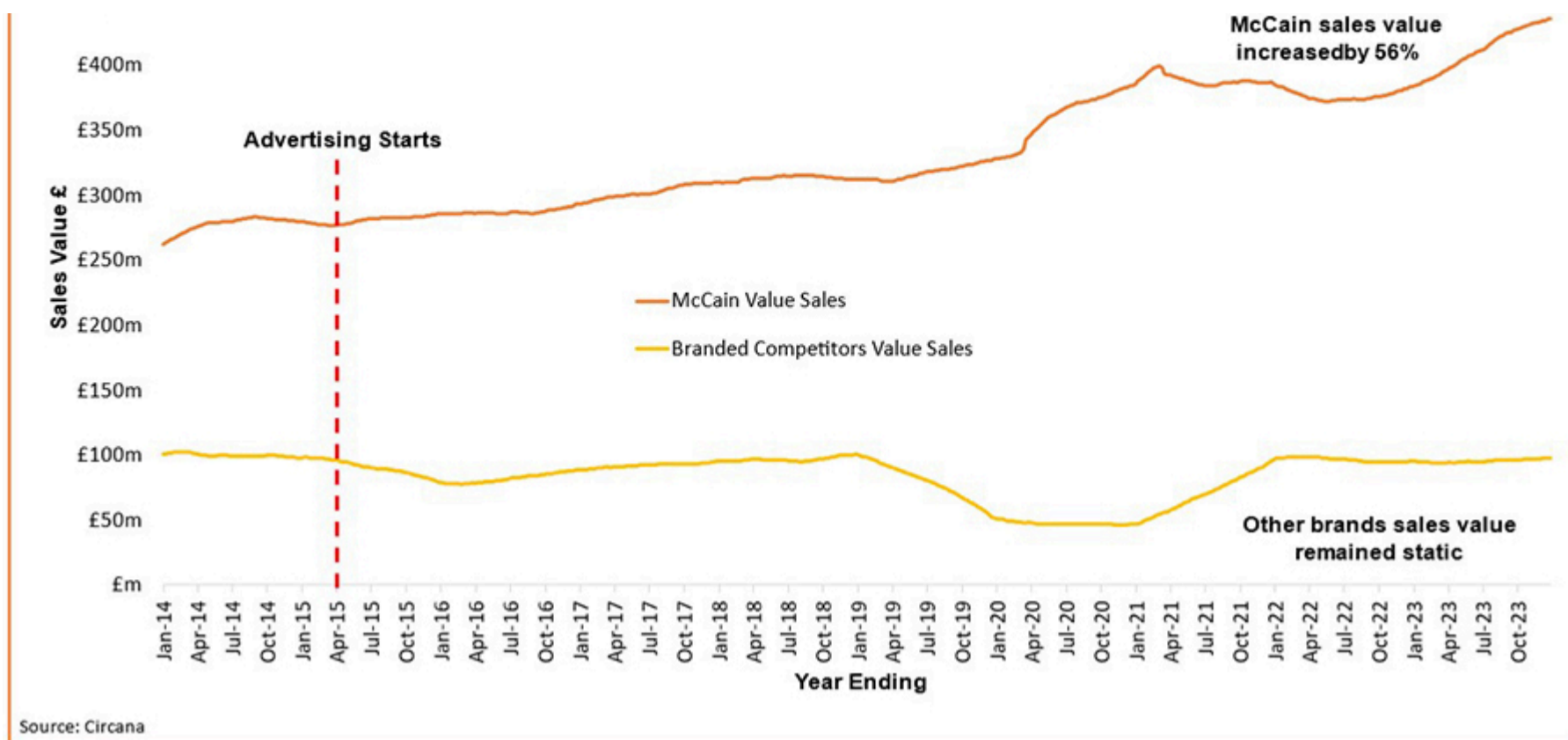
In short, no; whilst the market has grown, McCain value sa [Skip to content](#) disproportionately to all other brands in the category.

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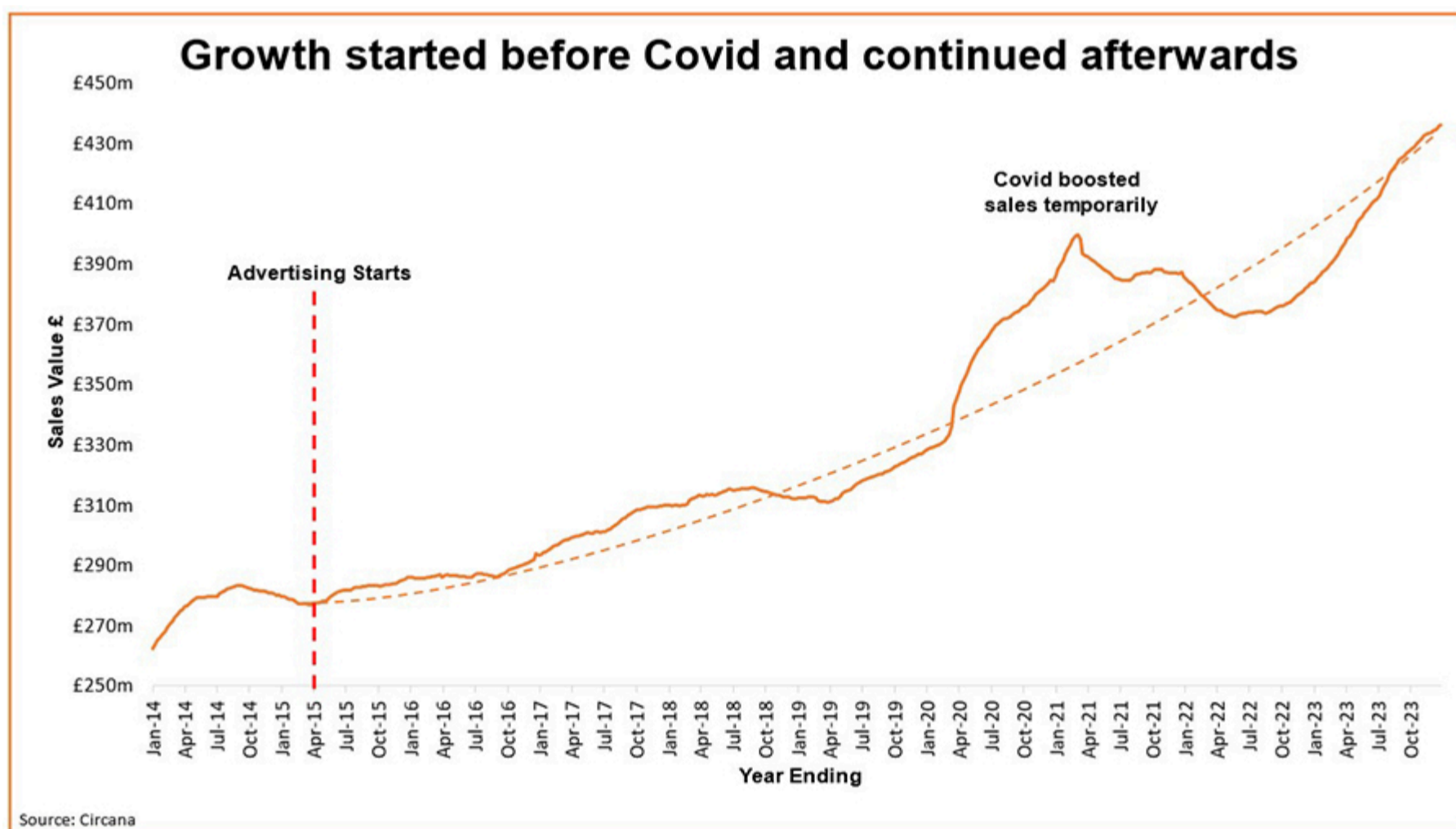


COVID-19

What about COVID-19 and the effect of eating all our meals at home during 2020 and some of 2021?

Whilst the McCain retail business benefitted from COVID-19 and the resulting consumer behaviour change, the performance story presented extends beyond this period by over 18 months with no focus on COVID-19 sales peaks.

Covid-19 was a temporary boost to McCain, but it cannot explain the broader story of rising volume and value sales.



Distribution

Did McCain increase its distribution and physical availability over the period?

No, distribution remained relatively static.

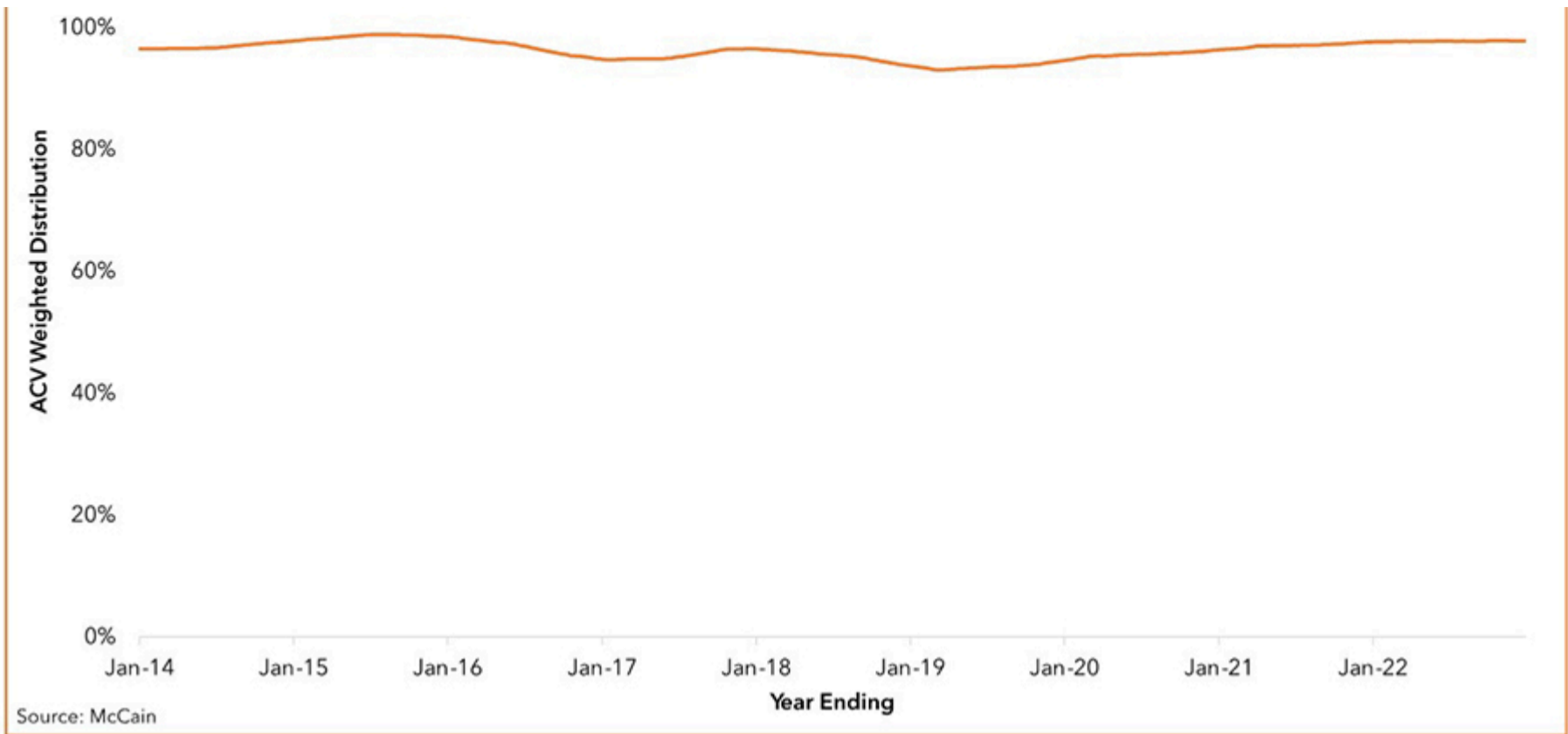
Whilst average number of products available in-store did [Skip to content](#) from 1.2 to 1.4.

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Growth wasn't driven by distribution or NPD

	2014	2023	% difference
% Stores stocking McCain	98%	98%	0%
Average number of McCain products stocked per store	1.2	1.4	+14%
McCain Sales value	£280m	£436m	+56%

Source: McCain

NPD

What about NPD? Was there a new silver bullet of a product that changed McCain's fortunes?

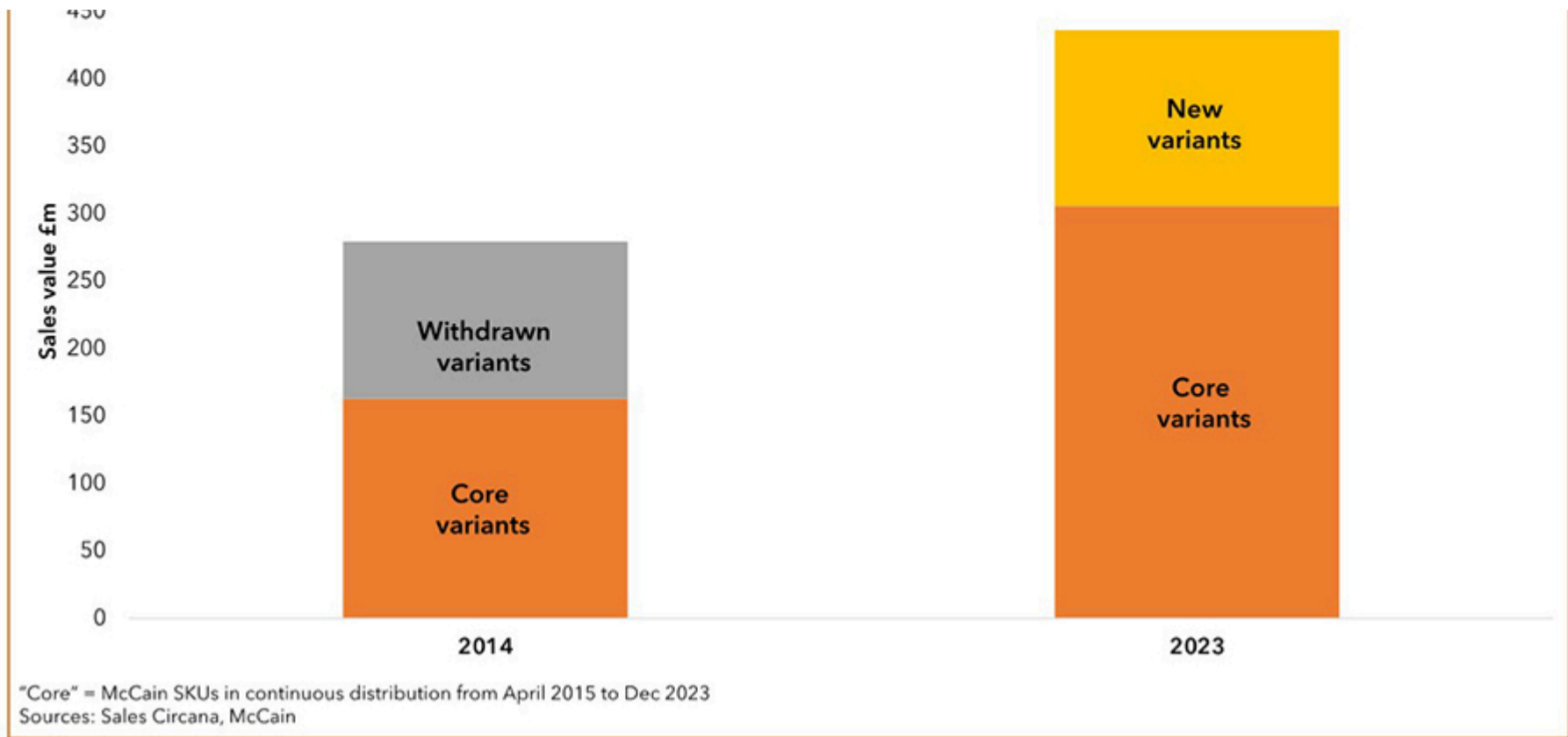
No, it was the core variants that drove the sales value as illustrated below.

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In fact, core products grew at a faster rate (+88%) than the brand as a whole (+56%)

Core products grew even faster than the brand as whole

	2014	2023	% change
Average price per kg	£1.96	£2.72	+39%
Volume Sales	83m kg	112m kg	+35%
Value Sales	£163m	£306m	+88%

"Core" = McCain SKUs in continuous distribution from April 2015 to Dec 2023
Sources: Sales Circana, McCain

Promotions

Did we promote and discount our way to growth?

No – base sales value (excluding promotions) increased by 44% between 2015-23.

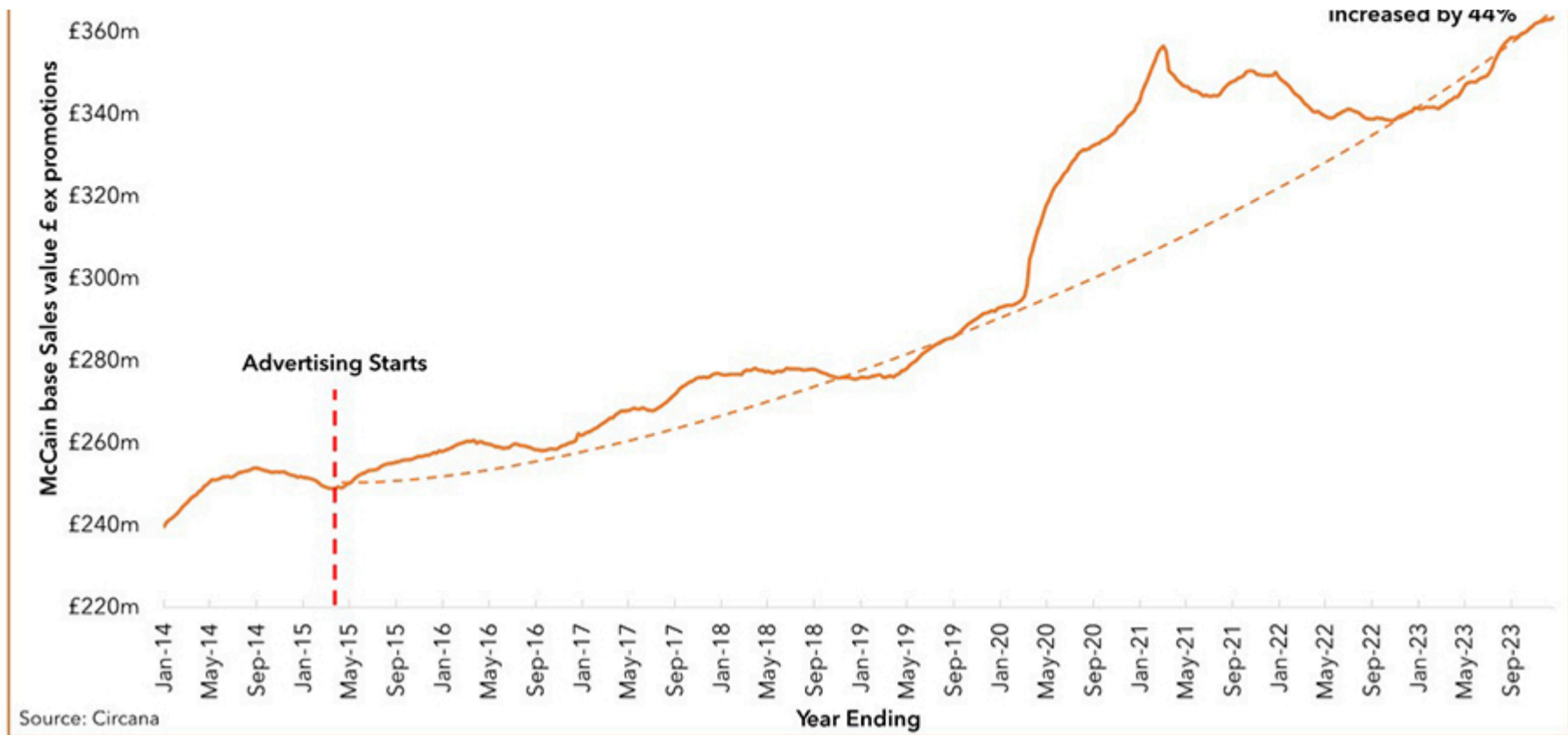
A performance in line with the Lodish & Mela theory.

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Inflation

Was McCain's growth caused by inflation?

No, food prices have risen in recent years at a much faster rate than usual, but our revenues have risen faster.

McCain's revenues increased faster than inflation

	2014	2023	% increase
McCain sales value	£280m	£436m	+56%
McCain price per kg	£1.96	£2.97	+48%
Food price index	100	129	+29%

Sources: Circana, ONS

Supply

Was the increase in profits caused by cost reductions and efficiencies made on the supply side?

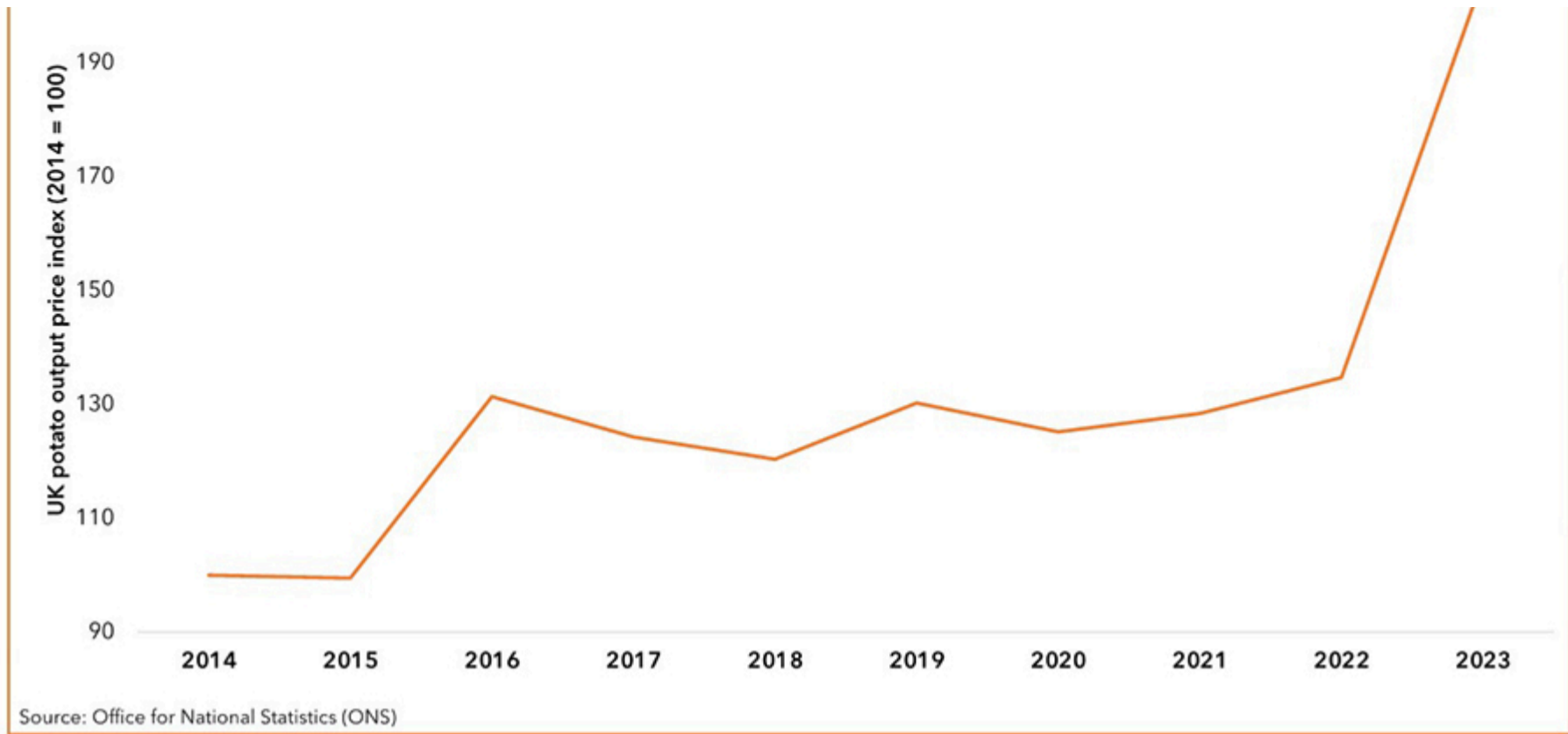
Quite the opposite. As a business completely reliant on potatoes, McCain has had to navigate its way through a doubling of the price of potatoes since 2014.

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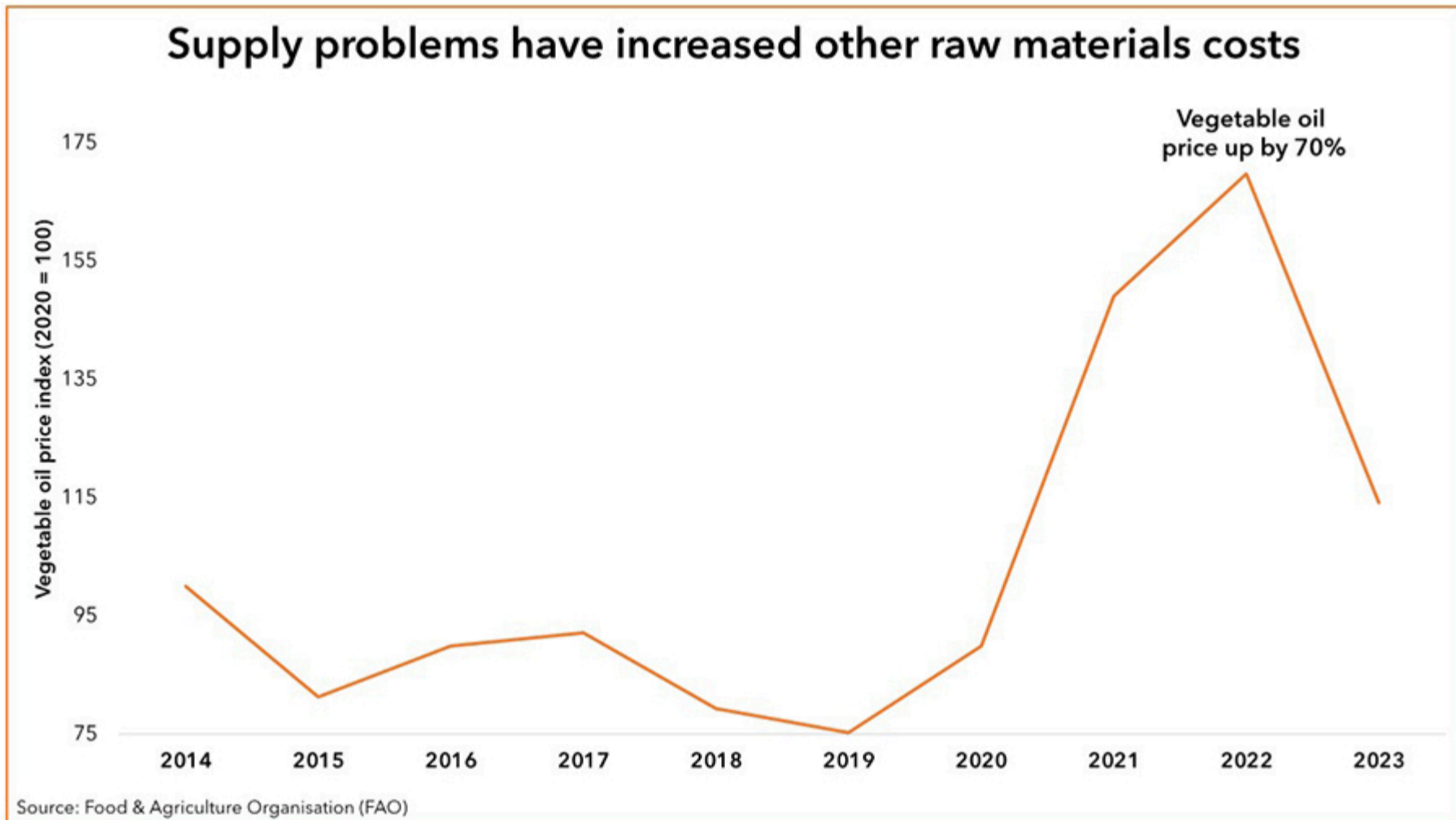
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On top of this, the price of vegetable oil, another key raw material, rose by 70% when Russia illegally invaded Ukraine.



Media investment

Was our growth caused by increases in media spend and share of voice?

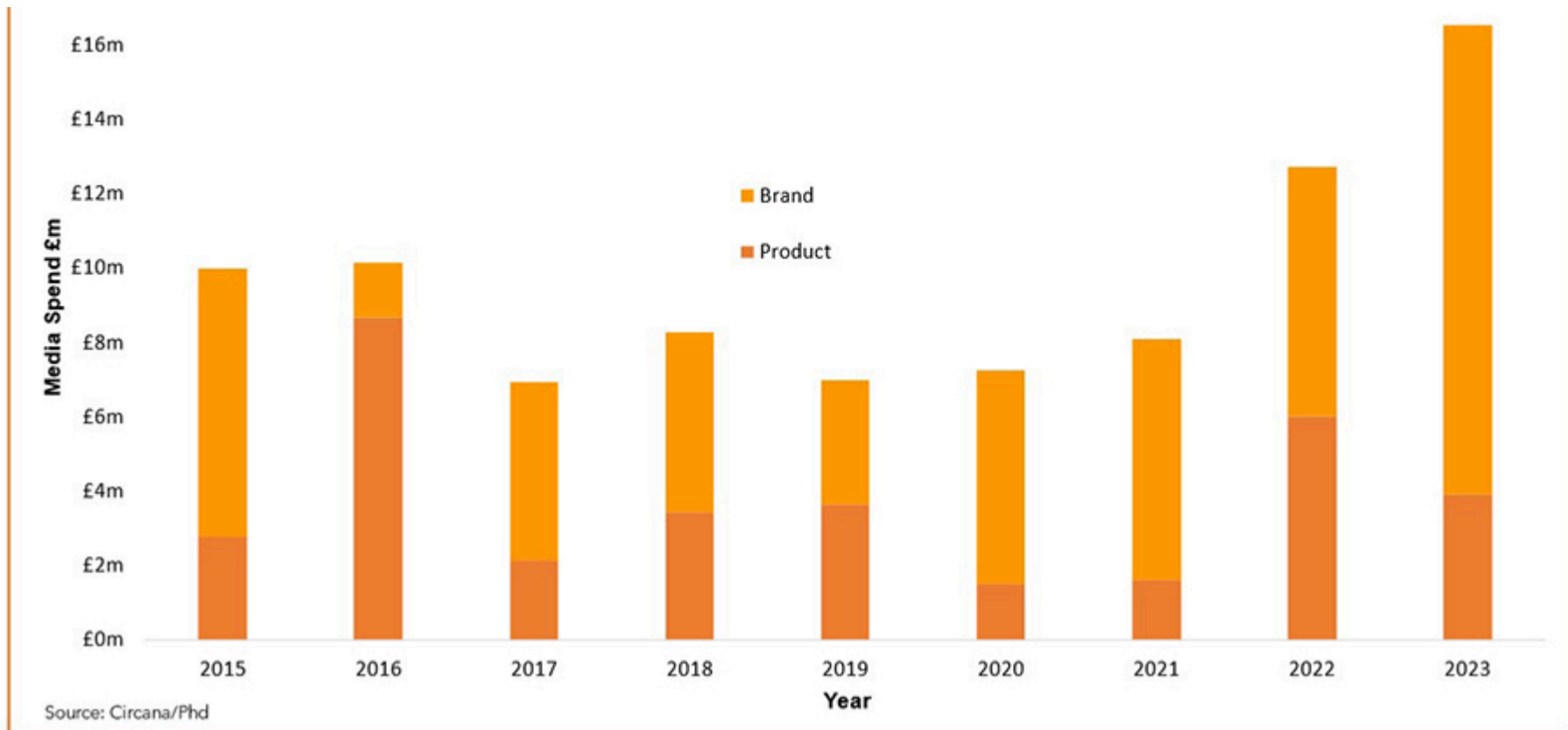
Outside of COVID-19, spend levels remained similar. In 2022 & 2023 brand spend increased in order for McCain to withstand cost-based challenges.

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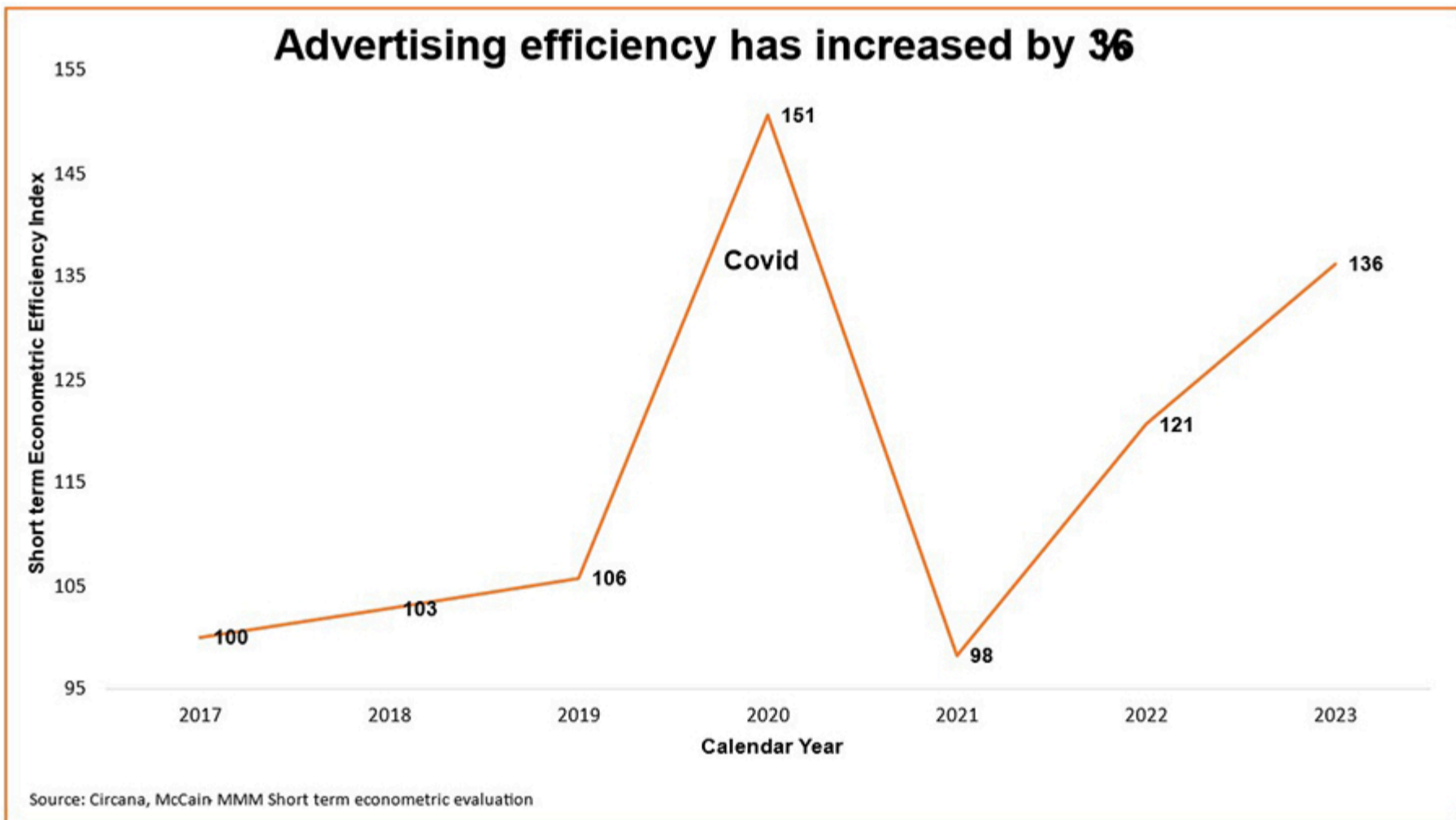


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However, not only was the campaign increasingly effective, but it was also increasingly efficient. Therefore, we can conclude the effects were not as a result of just spending more.

Annual, short-term econometric analysis of the McCain brand advertising has shown that McCain has benefited from the 'wear in' effect that brands can achieve from multi-year creative consistency. This spiked in 2020 as budgets temporarily decreased and audience sizes increased during Covid-19.



9. Payback

A highly profitable investment

We have clearly shown how:

- McCain increased sales volume, despite strong price competition.
- As planned, this extra volume came from base sales.
- Advertising drove these volume increases. Without it, sales would have fallen.

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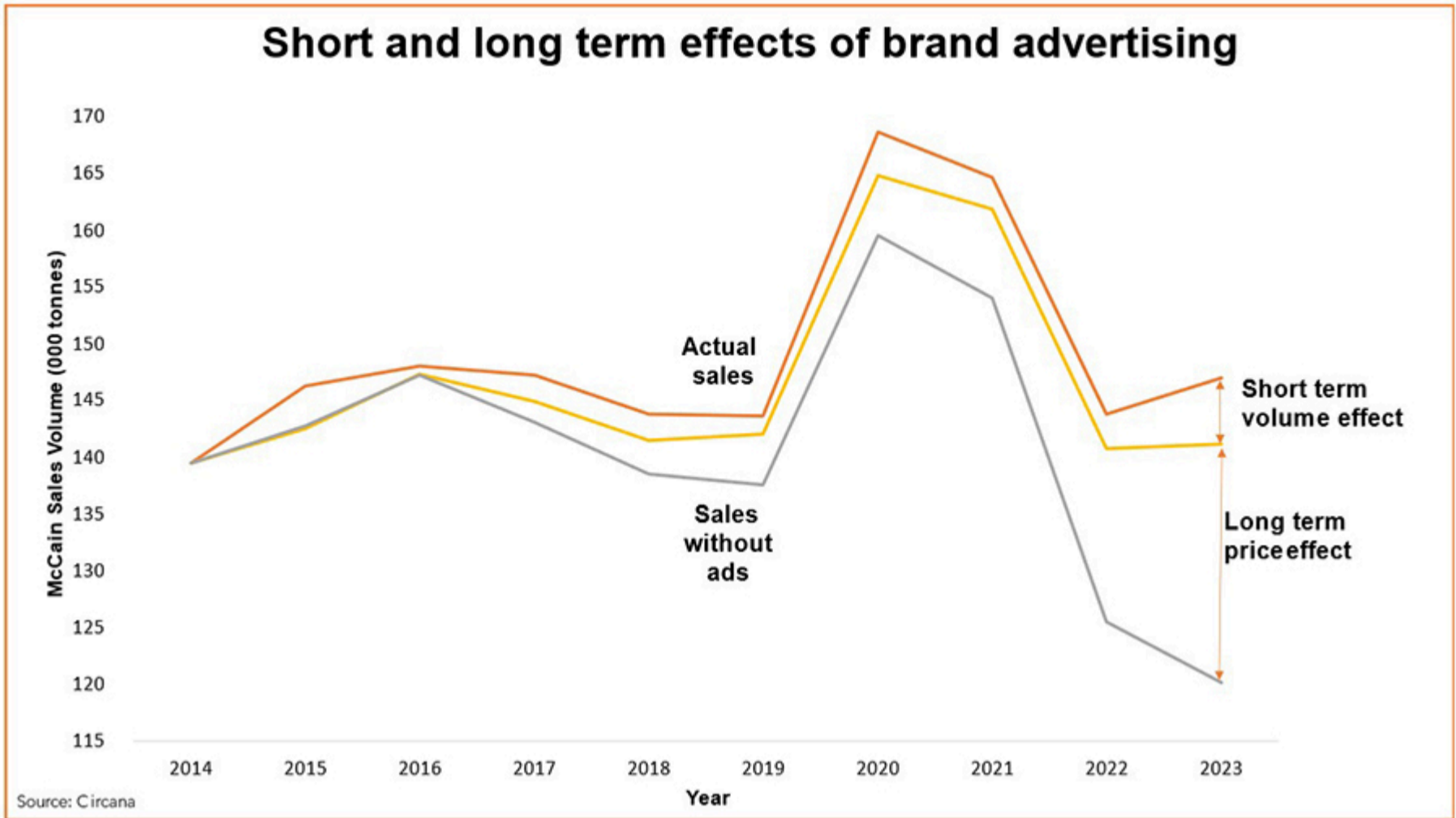
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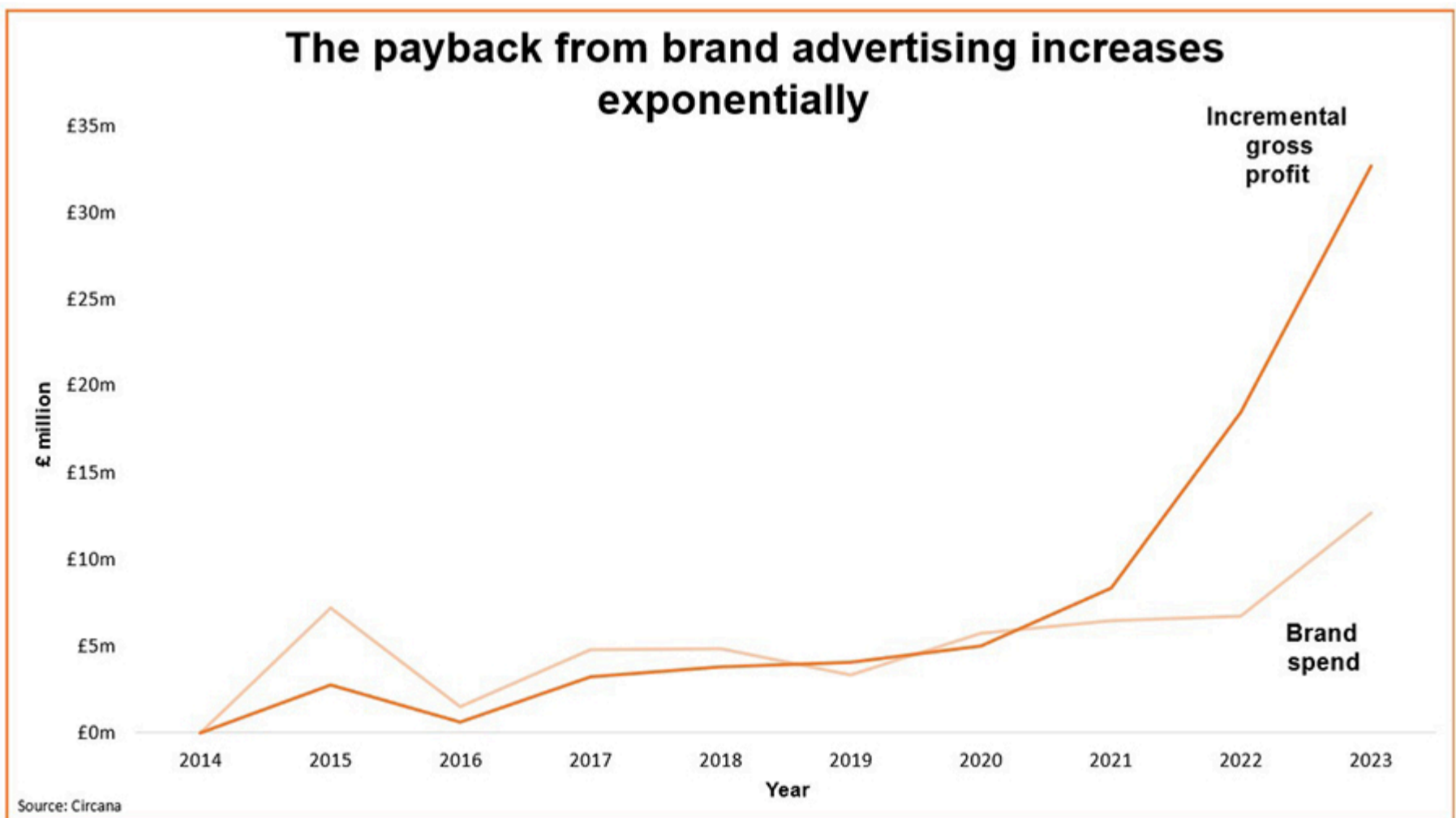
But were these effects profitable? To answer that, let's see what would have happened if we hadn't advertised.

Econometrics suggests that McCain's advertising has two effects. The short-term effect, directly measured by econometrics, is to increase volume. The longer-term effect is to reduce price elasticity, allowing McCain to discount less without losing sales.

As the chart below shows, short-term volume effects dominated at first. But long-term price effects have gradually built up over the years, and now drive most of the payback.



Using econometrics, we can estimate how much extra profit brand advertising has generated over the years. Our simulations suggest that brand ads roughly broke even in the early years but really came into their own during the crisis period of 2021-2023, when pricing power mattered most. Strengthening the brand during the good times paid back big when the chips were down.



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Overall, we estimate that brand advertising had paid for itself nearly 1.5 times over by the end of 2023. And our simulations suggest

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Expenditure	£53m
Incremental gross profit generated	£79m
Net profit	£26m
Profit ROI	1.48
ROMI	48%

Sources: Circana, ONS

10. Summary

In 2014, McCain faced a double-headed challenge.

Customers were buying more own-label chips and shopping more at the discounters, where McCain chips weren't available.

In response, McCain could have gone for the short-term fix; deeper and higher frequency promotions to drive volume.

But instead, they took a sustainable long-term view. To improve price elasticity, by investing in the brand.

Ever since this new strategy was laid out in 2014, we have executed against it.

We have stayed true to the Lodish & Mela mindset – that brands are built over years, not managed over quarters.

Ten years on we are very proud to be able to share the results.

Profit ROI of 1.48 over 10 years because price elasticity fell by 47% and base sales increased by 44%.

Strengthening the McCain brand through emotion-based advertising has enabled the business to grow revenue and profits despite the rise of own label, the discounters, surging costs, a cost-of-living crisis and macro-economic shocks.

None of us know what tomorrow holds, but today McCain is once again in a position of strength for the journey ahead.

Wallace, Harrison, Robert, and Andrew would be very proud.

11. Learnings

This is a long-term game. Here are five things we've learnt over the last decade.

- The importance of price elasticity** – as both a lever to unlock profitability and as a long-term measure of effectiveness.
- The resilience a strong price elasticity gives you** – especially for large, market-leading brands with limited ability to increase market share or grow the market size, but still at the mercy of cost fluctuation.
- The focus on years, not quarters** – Brands are built over years, not managed over quarters. Strategies and KPIs need to be set accordingly. Marketing often places 'newness' on a pedestal, sometimes the right thing to do is 'stick' not 'twist' and reap the benefits of 'wear in'.
- The importance of getting ahead when the sun is shining** – the stronger your brand, the more resilient it will be when a crisis does emerge that forces you to put up prices or decreases demand for your product or service.
- Advertising's hidden superpower** – Everyone understands that advertising helps shift volume in the short term. And most marketers believe it can have longer term effects on sales. But few understand how brand advertising affects price sensitivity. This paper demonstrates just how important and valuable that effect can be.

Footnotes

- Harvard Business Review, 'Understanding the post-recession consumer', Jul-Aug 2009
- ONS
- The policy institute – A growing liberalisation
- PHD, McCain Media strategy, 2015-2023
- Les Binet and Peter Field, The Long and the Short of It, IPA
- TGI Audience data; Primary shopper in household; 2

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