



RETAIL + E-TAIL GOLD WINNER Wendy's Intentrack™ - Winning on Quality

BUSINESS SITUATION & CAMPAIGN OBJECTIVES

Wendy's began the year with some significant hurdles - a recessionary market where consumers were increasingly opting for at-home meals or on the hunt for more value in their out-of-home meals, a category in decline, strong and aggressive competition from deep-pocketed players and a brand that had perhaps lost its way in marketing.

Undeterred and invigorated by new management, a company-wide and passionate belief in the Wendy's brand and their right to win, Wendy's set a number of clear objectives - to differentiate themselves from their quick-service restaurant competitors, to drive successful introductions of new and innovative products, and to appeal to a younger, more fast-food oriented target segment with well-entrenched category beliefs and behaviors. Ultimately, Wendy's needed to elevate the brand's overall status and reposition itself in the marketplace to significantly grow its share of category visits via a unified marketing effort.

RESEARCH STORY

Wendy's had an abundance of marketplace and consumer research that formed the starting point of our research investigation. This included strong and detailed quick-serve customer segmentation work, sales tracking, a very detailed brand tracking study and a host of other quantitative and qualitative data inputs that we could draw from.

While helpful, the available data left some important gaps in our knowledge, and a more comprehensive and unified measurement approach was required that could link the complexities of the consumer decision process directly to brand marketing opportunities.

So we developed our own solution.

Enter Intentrack™, Starcom MediaVest's consumer-inspired proprietary survey and analytics framework to measure both the emotional and behavioral manifestations of consumer intent throughout the consumer decision process.

Intentrack™ has two core deliverables:

- Connection Stories use correlation modeling to identify the behaviors and attributes that are most strongly correlated to business results and help guide marketing objectives & messaging

- Continuous campaign measurement assesses individual and cross-channel performance against these key objectives to help inform channel selection and allocation strategies

Intentrack™ was selected over other methods to identify ways in which to best leverage marketing opportunities to drive Wendy's growth. Specifically, this study aimed to:

Provide a deeper understanding of the consumer path, from advertising exposure through to restaurant visits

Identify the brand attributes and consumer behavior/intent metrics that were most strongly correlated to Wendy's visits

Provide a single-source, consumer-centric view of the relationship between channel-specific marketing investments, real-time advertising exposure and past week visits

Explore new opportunities and the potential role and value of specific and combined marketing channel investments to shape channel prioritization

MediaVest launched Intentrack™ for Wendy's in March 2008 and the study has continued through 2009 (with slight modifications made in late 2009 to address the new brand positioning). Elements of the ongoing study include:

- 350+ quick-serve visitor respondents surveyed each week
- 8 major National and regional quick-serve restaurants
- 30 brand-related attributes, including a combination of product-specific measures, rational and emotional attributes
- A series of proprietary intent behavior metrics
- Marketing exposure data for 12 distinct communication channels

Data collection is further supported by extensive analytics using binary logistic regression to produce Connection Story roadmaps and to isolate the impact that marketing communications has on key brand behaviors and attributes. The relationships between these variables are expressed as odds-ratios – a measure of likelihood (e.g. a consumer who engaged in a brand conversation - i.e. brand word-of-mouth - about Wendy's is 5.4-times more likely to visit Wendy's in the past week).

Perhaps not surprising given the economic climate and related consumer mindset, Intentrack™ showed that “looking for or redeeming an offer” was an important element in driving purchase for Wendy's. While important, the data clearly showed that a purely value-based strategy was not going to provide a competitive advantage for Wendy's. More important, the data showed that interest in a value-based offer was really an outcome of other, more critical brand elements further up the consumer funnel. Our data proved that while value messaging was important, it was not going to be a driver of sustained brand growth.

Intentrack™ identified a gateway to consumer interest in Wendy via two core brand perceptions that would drive differentiation for the brand. A strong correlation was found between “better taste” and “better quality” and brand interest, with consumers who felt Wendy's offered “better taste” being 1.8-times more likely to show interest in the brand while those feeling that Wendy's had “better quality” were 2.4-times more likely to exhibit high intent to purchase behaviors. To succeed and differentiate itself, Wendy's would leverage its strength in taste and quality, manifesting in new messaging aimed at communicating the brand's superiority in these areas to effectively move more consumers down the intent continuum towards a restaurant visit and a

sale. Simultaneously and to boost short-term results, the brand could boost sales with more value-based, limited-time-offers.

Intentrack™ also pointed to the need to trigger brand ‘talk’ in the QSR category - consumers who had engaged in WOM related to Wendy were found to be over 5-times more likely to visit the store in the past week. This was especially true among the younger, heavy-QSR visitor segment. This learning has led to a number of innovative initiatives and multiple digital activations aimed at putting Wendy’s in the middle of the conversation and to facilitate meaningful brand interaction and sharing amongst our core targets’ community of friends.

Learning from Intentrack™ has also shaped communication channel optimization and strategic focus. Through its unique, continuous data collection methodology, Intentrack™ was able to quantify the correlation between exposure to brand marketing and a range of consumer and business metrics by comparing results among consumers exposed to Wendy’s messaging vs. those that were not exposed. Our analysis ultimately showed that pure exposure to Wendy’s brand advertising was an important driver of brand talk, interest & redemption of brand offers, online search behavior for brand information and increased sales. Our communication plans needed to focus on reaching more people vs. reaching people more often.

Our research approach also offered highly valuable insights into both channel-specific and cross-channel marketing effectiveness, and provided clear evidence that a multi-vehicle approach was essential to driving brand results. While those exposed to brand TV advertising were 1.8-times more likely to exhibit key intent behaviors and online exposed consumers were 1.5-times more likely to exhibit key behaviors, the combined effects of TV and online exposure increased the odds of consumer action by nearly 40%. Similarly, the significant impact that TV and online had on brand results could be further enhanced with strong WOM-driving marketing activations. These learnings were critical to proving the value of a multi-channel approach to marketing for the Wendy’s brand.

CAMPAIGN & RESULTS

Intentrack™ has been a key component in the evolution of Wendy’s marketing communications. Equally important, this approach has allowed for real-time campaign effectiveness tracking for the brand, thereby providing immediate and clear evidence of early brand success stories.

The campaign launched in Q4 2009 with three main objectives: To introduce and create awareness of the brand’s new positioning among its core target segment, re-establish Wendy’s product superiority and to reframe quality and taste in the QSR category in favor of Wendy’s.

Spurred by Intentrack™ learning, strong multi-media communication goals were developed to drive leadership presence in the market. A video neutral approach was put into place, across TV, broadband video and cinema to drive awareness of the new positioning in a bold way. A highly interactive digital presence using a mix of display, social networking, gaming, mobile and search was activated to extend exposure and drive deeper consumer interaction with the Wendy’s brand. All of this was complimented by tactical radio efforts to drive traffic into the stores during key craving moments and by rich custom-content messaging to leverage experiential, big idea platforms in sports.

Each marketing channel had a clearly defined role to play in activating consumers throughout their journey to drive a well-orchestrated “expose-educate-experience-connect” strategy for Wendy’s.

Early research results shows that this new campaign it making in-roads with Wendy's core target segment:

1. More visits to Wendy's and Wendys.com
 - +9.7 percentage-point increase in weekly store visits
 - +10.7 point lift in Wendy's website visits
2. Improvements in brand perceptions
 - +20 percentage-point change, on average, on key perceptions among those exposed to Wendy's advertising
3. Improvements in product perceptions
 - +7 and +10 percentage-point changes on product-related attributes

Figure 1.0 - Quality & taste perceptions are a gateway to consumer intent, leading to purchase

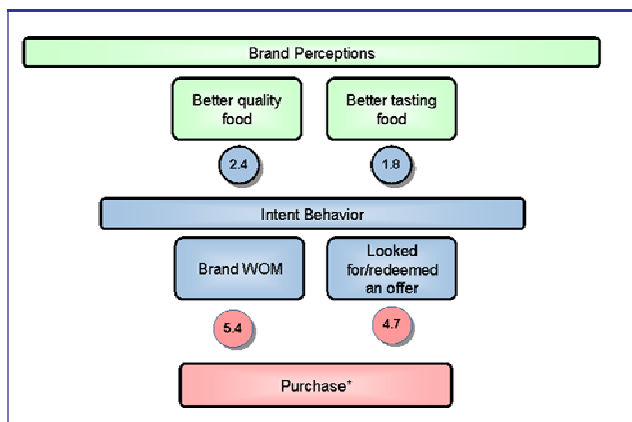


Figure 2.0 - Strong correlation between exposure to brand marketing and business metrics

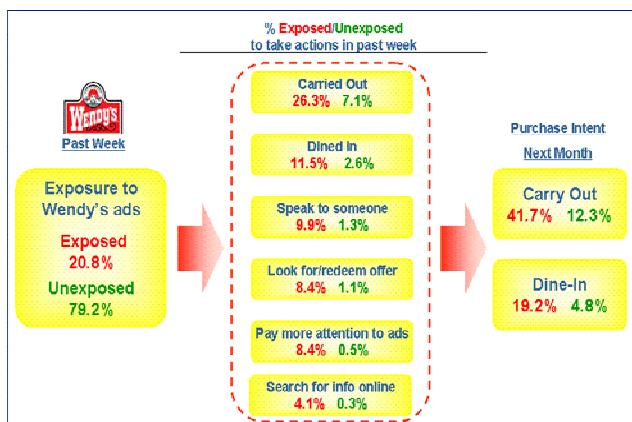


Figure 3.0 - Relationships between brand perceptions and key intent behaviors

Media sources of awareness with significant relationship to purchase intent

Odds ratio / Predictor Variable

TV + Online + WOM	3.3
TV + Online	2.5
TV ads	1.8
Online ads	1.5
Radio ads	1.2