

The Once and Future Burger King

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Abstract

Art Rey, middle-aged and the General Manager of a Burger King franchise in a little town far away, is something of a local legend. His store is renowned in the neighbourhood for its cleanliness, attention to detail, and for providing friendly service — often by Art himself who works tirelessly to ensure a “first class” customer experience. Art has been awarded dozens of recognitions by Burger King Corporation over three decades of employment, having started with the company as a fry cook when he was quite young. Art progressed through the ranks at the store level, holding many positions before reaching his present post as GM. He is now looking forward to imparting his years of hard-earned knowledge to younger employees and eventually to retirement.

The Story

Constantly thinking of the well-being of the store, Art has taken up the task of identifying his replacement. Nearly a month ago, at Art’s request, a young and motivated college graduate was assigned to his store under the Burger King Leadership Development Program. As an “LDP”, Gwen O’Reileigh had been fast tracked to learn the best practices of top performing stores and was excited to be learning from an acclaimed mentor. Gwen had gone through extensive training in a corporate classroom setting, learning about the financial, managerial and strategic aspects of the hamburger business, but this was her first foray into “the field”. After three full weeks under Art’s tutelage she had proven herself to be a fast learner and was very motivated, although “sometimes flustered by the familial environment” that Art had established in his store.

During her fourth week, Gwen was scheduled to work the front of the house as a cashier and switch-shift Assistant Manager. This role would be a test of the employees’ merit as it was timed just before their one month review and it required them to wear two hats: one managing customers and one managing staff. During this dual role rotation, on the morning of Saturday October 26th, Lance, a regular

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*Brands and names are disguised to protect individuals and corporate brands.

customer of this store, came in and patiently waited in line to order. Art waved hello to Lance as he walked in out of the cold and offered him a warm cup of coffee as he waited. Lance was very glad to have the coffee; he always walked the several blocks from his retirement home to the restaurant. Gwen was busy taking orders and managing personnel in a diligent manner, and curiously observed Art's gesture. Shuffling up to the counter, the day's newspaper folded under his arm and tissues falling out of his jacket pocket, Lance set his coffee on the counter next to the register. "Welcome to Burger King, may I take your order, sir?" Gwen hurriedly exclaimed through pursed lips. "Hello young lady...Ah, yes...I think today I'd like a..." Lance stumbled over his thoughts and words deciding as the line grew behind him. Cutting in abruptly Gwen exclaimed, "I see you already have a medium coffee sir, that's \$2.85, what else can we prepare for you?" Lance replied, confused, "Oh, yes...the coffee but... well, OK. I'd also like a number uhh ..." at that point turning his body towards the menu board and spilling coffee with the newspaper. Gwen groaned audibly and rolled her eyes, demanding that an employee from the food prep line get a bucket and mop to "clean up his mess". Instead, Art who had been watching from out of sight, grabbed a damp cloth, some napkins and a fresh cup of coffee and approached an embarrassed Lance. "It's OK" he said, "step over to this terminal and we'll get you sorted out, no need to rush on such a beautiful morning as this". Happy to have a familiar face and a fresh cup of warm coffee, Lance quickly forgot about the event and harboured no ill-will towards Burger King. He continues to come to the store regularly and tells his friends and visitors at the retirement home how much he enjoys the uniquely warm hospitality there.

Art wrote his one month review of Gwen for Burger King's "Leadership Development Program" Manager. Gwen also had the opportunity to comment on the state of Art's Franchise to the same "LDP" Manager. In turn, the LDP Manager, Josh, needed to summarize both for the Regional Senior Vice President of Burger King Corporation. The following are summaries of both Art's and Gwen's perspectives as written by the "Leadership Development Program" Manager. Which do you think contains the most business-critical information?

Optional: For additional points; Include a brief addendum to your choice by including any additional information stated or inferred from the reading of the case that the Regional SVP may have found useful and why.

Solutions

To: The Senior Vice President (SVP: Marketing)

Hey Boss... dropping you a line regarding the LDP participants this quarter. Please see my notes regarding each GM/LDP Trainee. Josh.

District 17: Gramercy Park Location: Art Rey/Gwen O'Reileigh

A. Gwen is working diligently in the field and is picking up the corporate tenets of efficiency and service quite well. However, our long time GM Art may be too comfortable with the patrons of the restaurant. While I do not have visibility over margins at the store level, I have a note that states he is accustomed to providing

non-marketing-approved give-aways. Art reports that in the first month of Gwen's LDP rotation she "is seen as scrutinizing by other employees", proving that our training at corporate equips LDPs with an eye for detail.

B. Operations are running smoothly; Art is up to his old tricks in store...playing the role of Brand Ambassador. Gwen is a bit too formal for his management style, but we are playing this new LDP rotation by the book, so I can only attribute this to the training regimen. Everything is a Work-in-Progress, and thus we'll see how this pans out soon.

C. Gwen is having some challenges adjusting to the unique character of Art's store. I have sent her a summary of the Burger King corporate tenets and scheduled a follow-up meeting with her to stress the importance of service and compassion for all of our guests. Art, ever the people's champion, will hopefully impart some of his years of wisdom to her during the quarter. I recommend you continue to identify experienced candidates from within BK to replace Art when he retires. In addition, there seems to be an opportunity for some community marketing at a local retirement home near Art's store; he knows more details and has some ideas to grow the business. I've put a meeting placeholder on your calendar tagging marketing, Art, yourself and me.

D. We'd better hope Art doesn't retire early. He is going to be a tough role to fill at the branch level. While his store has received accolades for its performance, I worry that it's his big personality and dedication to service that carries the load there. Chick-Fil-A has recently moved into the neighbourhood...have we noticed an erosion of market share? I'm trying to prepare an LDP for the role of GM, but they just don't have the ability to ensure the customer loyalty that Art does. Any help you can send my way is appreciated, we need to modify the LDP to incorporate more of Art's brand of service.

E. Gwen continues the trajectory we established in the classroom portion of the LDP training regimen, although I've felt from Art's review of her actions with a specific customer named Lance that it might be best to remove her from the field and reassign her to an operations post at the Jacksonville office. Let's schedule an appointment with Art to identify some characteristics he deems important for the next candidate to exemplify before sending them into the field and ensure that we incorporate them into the training. This task of finding Art's replacement does appear to be more challenging than we'd anticipated.

Surface Assessment

Corporate culture is hard to instil into new employees; it's even more difficult to impart the wisdom and experience that is gleaned over a lifetime in a service-oriented position. If anyone in a restaurant tells you they are in the business of selling food, they are wrong. They are in the business of providing a customer experience (whatever that may look like in the eyes of the customer and the purveyor). Dining out, whether it be fast food or fine dining, is about more than the ingredients and Art understands that; his track record also speaks for itself and in

this example he instinctively dissolved what could have been a customer service nightmare.

Deep Assessment

You may not remember a time when the melodic corporate mantra for flame-broiled Whoppers was “Hold the pickles, hold the lettuce. Special orders don’t upset us,” but the jingle resonated with beef patty-loving Americans and took direct aim at McDonald’s then infamous obsession with ordering consistency (AKA resolute lack of customization). Times have changed in the “burger wars”, as threats in the fast-food/quick-service restaurant industry are coming from new entrants and nimble incumbents as they scramble to serve up new and innovative dining options to their patrons and higher earnings for their shareholders. In this hotly-contested business space, attempts to woo customers range from digital custom ordering platforms (McDonald’s “Create Your Taste”), to new delivery methods (Taco Bell and DoorDash partnership), and proving chivalry isn’t dead (Chick-Fil-A’s employees holding open doors, warm greetings, handing out ponchos in the rain, etc.). However, deeper than just change for the sake of novelty, these efforts all pertain to a firm’s attempt to establish the brand’s identity in the mind of the consumer. If the brand were a person, who would it be? If you could design a brand from the ground up, who (not what) would it emulate?

Within a brand’s identity, a personality will emerge. A brand’s personality is established or influenced by every asset within the company. (All the P’s of the marketing mix). This means there are variabilities in brand personalities just as we see variabilities in the people around us. There are those that we love (your favourite chocolate), and those we disdain (your cable company)! Some aspects of a brand’s identity are seemingly beyond precise control; it is a relationship dependent on each consumer’s interaction with the brand. However, it is the responsibility of brand managers, in concert with the marketing and sales teams, to establish and maintain an identity and to ensure consistency across offerings, which in this case means franchises. Even so, each brand will have to determine how far from the “script” they are willing to let branch/product extensions stray. It’s not known from this case to what degree BK Corporate marketing expects subscription to its normative values, but Art is an award-winning GM, so this should lead the reader to believe that his management style is appreciated across the corporation.

Do these attempts to differentiate via brand personification actually influence consumers? Do they ensure customer loyalty, effectively deter competition or attract new customers? These questions and many more are being worked out by practitioners and academics in an effort to quantify the effectiveness of a firm’s efforts. But you already know these techniques are effective. I challenge you to write down 100 brands and their signature product/service from memory; for many you can even recall their logo and tagline, or maybe a jingle. Now, try thinking of any 100 historical figures throughout time and their contribution to humanity. You may be able to complete both thought exercises, but which experience was more

evocative? Maintaining a clear brand identity is a significant contributing factor in establishing consumers' top-of-mind recall of that brand and its attributes and could make the difference between selecting it or its competitors'. While Art may have never studied a marketing textbook or thought deeply about the issues of consumer motivation, he inherently understands that if customers enjoy the time they spend with a brand (in a clean, warm store with a friendly, caring staff), then they are likely to think fondly of it and prefer it over competing options that neglect those affectionate feelings.

Solution Points Awards for Multiple Choice Selection

Hey Boss... dropping you a line regarding the LDP participants this quarter. Please see my notes regarding each GM/LDP Trainee in the "Beyond Region".

Art Rey/Gwen; Location: Far Beyond

A. Gwen is working diligently in the field and is picking up the corporate tenets of efficiency and service quite well. However, our long time GM Art may be too comfortable with the patrons of the restaurant. While I do not have visibility over margins at the store level, I have a note that states that he is accustomed to providing non-marketing-approved giveaways. Art reports that in the first month of Gwen's LDP rotation she "is seen as scrutinizing by other employees", proving our training at corporate equips LDP's with an eye for detail.

3 points (This is an obvious attempt by the LDP Manager (whose job it is to coordinate these trainees) to cover his butt and ensure that the future of his program isn't in question. When reports with such a disparity between Gwen's glowing reviews and Art's corporate theft come across an SVP's desk they should be investigated further. The SVP should look into all aspects of the branch's operations to ensure it is performing comparably with similar stores. However, since we know that Art's branch is likely better than most, should the SVP be concerned with occasional freebies?)

B. Operations are running smoothly; Art is up to his old tricks in store...playing the role of Brand Ambassador. Gwen is a bit too formal for his management style, but we are playing this new LDP rotation by the book, so I can only attribute this to the training regimen. Everything is a work-in-progress, and thus we'll see how this pans out soon. 0 points (There is almost no relevant information in this note to the SVP. He draws no insight as to the nature of the Leadership Development Program or business at Art's store. Unfortunately, this is often the type of lazy (or fear-based lack-of-detail) summation that pervades middle management. Possibly feeling like he isn't empowered to correct Gwen's issues and having a lot to lose if his program looks like it's struggling, including less information is better...however, in the long run this benefits no one!)

C. Gwen is having some challenges adjusting to the unique character of Art's store. I have sent her a summary of the Burger King corporate tenets and scheduled a follow-up meeting with her to stress the importance of service and compassion for all of our guests. Art, ever the people's champion, will hopefully impart some of his

years of wisdom on her during the quarter. I recommend you continue to identify experienced candidates from within BK to replace Art when he retires. In addition, there seems to be an opportunity for some community marketing at a local retirement home near Art's store, he knows more details and has some ideas to grow the business. I've put a meeting placeholder on your calendar tagging marketing, Art, yourself and me.

8 points (Could be made perfect by inferring more detail from the story (perhaps even getting creative with the characters) and condensing the verbiage into a tighter format. One must always keep in mind that a Senior Exec's time is competed for by many other events and other managers.)

D. We'd better hope Art doesn't retire early. He is going to be a tough role to fill at the branch level. While his store has received accolades for its performance, I worry that it is his big personality and dedication to service that carries the load there. Chick-Fil-A has recently moved into the neighbourhood – have we noticed an erosion of market share? I'm trying to prepare an LDP for the role of GM, but they just don't have the ability to ensure the customer loyalty that Art does. Any help you can send my way is appreciated, we need to modify the LDP to incorporate more of Art's brand of service.

2 points (Yikes, this manager is not including much information on the state of the business. And he reaches beyond the scope of his position by worrying about the threat of new entrants to the market. He does mention that the Leadership Development Program could benefit from a modification, but he contributes no value as to what that should look like.)

E. Gwen continues the trajectory we established in the classroom portion of the LDP training regimen, although I've felt from Art's review of her actions with a specific customer named Lance that it might be best to remove her from the field and reassign her to an operations post at the Jacksonville office. Let's schedule an appointment with Art to identify some characteristics he deems important for the next candidate to exemplify before sending them into the field and ensure we incorporate them into the training. This task of finding Art's replacement does appear to be more challenging than we'd anticipated.

6 points (We don't know exactly what Art's write-up included, we also only know about this one instance of Gwen's behaviour in the branch, but we should be able to infer that Art is one hell of a GM and is telling it like it really is for the sake of turning over his store to the right manager. This response could be made better (even than option C) by identifying some more actionable insights for the review of the SVP.)

Editorial Commentary

Effective marketing executive decision-making requires a uniquely-balanced configuration of talent, competency, effective use of decision tools, a good dose of gut feeling and luck (not the same thing) and some reliable, trustworthy information. As a senior marketing executive you will be required to make critical decisions that

directly and indirectly affect the profitability of the company and the lives of employees, customers and other stakeholders (in this case the promotion of Gwen, the replacement of Art and all those working with and buying from them). Effective decisions are reliant on sound, specific, valid, timely and accurate information. But as we all know, information is not always available and the information others provide is based on **their** perception of what is important – their selection of facts, statistics and information may not always align with your needs or perception of key factors, given the circumstances or context at the time. It is thus important to communicate the marketing strategy and those key performance indicators that can be translated into marketing metrics to those who are in a position to gather and report such information accurately and on a regular basis. Not only is the scope of the required information important, but marketing metrics should reflect what was, what is, and what is likely to come. Reported facts should compare projections (from the past) with the current reality and forecast projections into the future, and these must be compared with strategic imperatives and competitor activities.

Adept marketers understand very well that a vision statement, current missions and up-to-date SWOT analyses are not merely some exercise completed because the CEO demands it; they are fully cognisant of the importance of understanding the “charter” of the business. These strategic reviews are not to be done perfunctorily once a year and then left unattended until the next year. They need to be regularly reviewed and updated, giving full consideration to changes in the marketplace. Much as flying a plane in a very busy airspace requires constant communication with air-traffic controllers, steering a business in the hypercompetitive marketplace today requires a clear sense of “where to from here, and what is the intended destination.” These vital directional marketing metrics need to be monitored in the same way that captains monitor instrumentation aboard their ships/planes/trains. There are three important questions to answer:

- Do results compare well to those forecast in the most recent business plan?
- How do we compare to our closest competitors using the same indicators?
- Is short-term performance adjusted according to the change in our brand equity (market-based assets)?

There is a growing trend for marketers to be held accountable for measurable results (Seggie et al., 2007). The most commonly used factors (as Ambler, 2000, p. 64, reports) are: loyalty/retention, relative perceived quality, consumer satisfaction, number of complaints (level of dissatisfaction), total number of customers, relative price (market share value/volume), market share (volume or value), perceived quality/esteem, awareness, and distribution/availability.

Barwise and Farley report on the importance of marketing metrics in the boardroom: “Market share (79 per cent) and perceived product/service quality (77 per cent) are most used, while estimated customer or segment lifetime value is reported used by only 40 per cent of firms” (Barwise & Farley, 2004, p. 257).

The issue is simple. If you want to know what you are doing right or wrong and where your future growth, cash-flow and profit will come from, you must investigate, monitor and control the important market-related statistics closely. A

widely accepted assumption is that companies are more likely to achieve what is measured. As the saying goes: what gets measured gets done. Marketing managers (and the board for that matter) should review metrics that will indicate important milestones along the intended route.

References

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