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Has Burger King lost sight of its brand?

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As Burger King works to turnaround the company and shore up sliding same-store sales, the company's branding strategy seems to be mimicking its barbell product pipeline.

On one hand, it has launched a smart re-imaging program centered around the <u>new</u> <u>20/20 design</u>. But the chain is positioning the new look as one that can equate with casual dining. It's new menu offerings seems to be courting those customers with the likes of the Steakhouse XT, bone-in ribs and a variety of other <u>premium menu items</u> still in test, such as a breakfast sandwich on a ciabatta roll.

On the other hand, Burger King is aggressively working to convince consumers of its value positioning while simultaneously acquiescing that McDonald's is the leader in the category. First, there was the \$1 Double Cheeseburger, a menu pricing requirement that angered a number of franchisees. McDonald's had already moved its Double Cheeseburger off its Dollar Menu in mid-2008 as franchisees complained about commodity costs and low margins on the sandwich.

Then came the BK Breakfast Muffin Sandwich on the chain's breakfast value menu. Burger King's tongue-in-cheek advertising made it clear the sandwich was a McDonald's Sausage McMuffin clone but better and cheaper. Now there is the Buck Double, which sounds awfully close to the McDonald's McDouble. Both are double-patty burgers with one slice of cheese created to replace the \$1 Double Cheeseburger.

Mike Kappitt, BKC's <u>newly appointed chief marketing officer</u>, North America, said in a news release that the new sandwich reinforces the brand's value positioning. "The Buck Double sandwich further strengthens our value menu offerings and reinforces our brand's commitment to provide our restaurant guests with new, great-tasting flamefresh products at an affordable price."

Denise Lee Yohn, owner of Denise Lee Yohn Inc. and a brand as business consulting partner, said the new Buck Double sounds instead like a "follower" move that also "could damage quality perceptions of their other burger offerings."

Instead, Burger King would be better off aligning its menu and messaging to its brand.

"Why doesn't Burger King act like THE burger king," she said. "BK makes a great burger when they want to – their burgers can be great-tasting because of flamebroiling and all the fixings 'my way.' I think they'd be better off focusing on offering big, juicy burgers with high quality ingredients and perhaps new toppings. With their size and scale, they could lead the way in bringing the growing gourmet burger trend to QSR consumers."

But focusing on premium in the morning might not be the most effective brand strategy. According to several media reports, Burger King is testing its BK Ciabatta Breakfast Sandwich in several markets and relabeling the daypart brunch. The menu includes a non-alcholic mimosa (Sprite and orange juice) and the Whopper.

Yohn isn't sure renaming the breakfast daypart is the right move. "It seems the best part of the effort is the option to order a Whopper anytime of the day," she said.

The <u>Top Stocks</u> blog, however, says the strategy is worth a look and could help Burger King steal market share from McDonald's and others as the morning daypart has recently become more competive thanks to Subway's new breakfast launch.

From the blog:

The breakfast marketplace is very crowded right now as restaurants look to cash in on early risers and early spenders. But perhaps the BK brunch menu could help Burger King stock rise and shine in the months ahead.

Buck Double campaign

Burger King is promoting the Buck Double with a new microsite and video talent contest that is likely to appeal to its Super Fans. The \$1 Talent Show is hosted at <u>1dollartalentshow.com</u>, a new website produced in conjunction with online comedy network Atom.com. Fans can share their talent, view others' special skills, and vote on those they deem dollar-worthy. Talent show participants can identify the \$1 item from the BK Value Menu that they would like to win, including the Buck Double, and then upload a 30-second video demonstrating their talent.

Visitors to the website can vote for their favorite videos by awarding virtual, one-cent "tips." Once a video receives 100 tips, which equals \$1, participants will receive a \$1 online gift card for the BK Value Menu item they chose to win by submitting their video.

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