



Business Case Study of BURGER KING

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Burger King

- More than 17000 outlets
- Profit of \$823 million in 2020
- Agrees to \$3.3 billion sale to 3G capital in 2012
- Stock price shot up by 100% in 18 months.
- First focus on hygiene.

Fundamental Issues

- Confusing menus → Too many options.
- Too much chaos at kitchen → less efficiency.
- Annoyed drive thru customers
- Very few products were high profit margin products.

Drive thru Customers

- More than 60% sales.
- Hungry customer becomes angry.
- Potential customer leave.
- Sales dropped.




Whopper as Signature Product

- 87% whopper sales.
- Less sauce, less ingredient, less confusion.
- Wait time reduce.
- Supply chain and inventory became simple to manage.
- Whopper → High profit margin product.

Burger King Strategy

Burger King's Proven Strategy



Strategy	Initiatives		Results
 International Accelerate NRG and continued SSS growth	Accelerate growth of Master Franchise JVs ("MFJV") and Development Agreements Capitalize on emerging middle class consumer spending and under-penetration of the brand		Increased NRG by 4x since 2010 Expanded brand into ~100 countries Pioneered MFJV model
 U.S. & Canada Increase average unit sales with Four Pillars plan	Menu	Marketing Communications	3 consecutive quarters of SSS growth On track to achieve 40% remodel target
	Image	Operations	
 Franchised Business Model	Transformed business into a cash flow generative platform for growth		Completed refranchising in 2013 Best-in-class EBITDA margins Generating cash to deleverage quickly

Benefits

- Reduced unnecessary costs related to micro-expenses.
- Marketing of Burger King brand through conflict.
- Conflict brings attention.
- Less cost on marketing, less snowball effect, more publicity.

Burger King Revenue

SWOT ANALYSIS OF



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Strengths

- Wide geographic presence
- Strong franchise system
- Value Menu
- Product innovation
- Menu Diversity
- Strong marketing campaigns
- Digital Presence

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Weaknesses

- Limited breakfast market share
- Inability to capture the coffee market
- Dependence on franchisees
- Vulnerability to changing customer preferences
- Negative publicity
- Reliance on the value menu

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Opportunities

- Partnership with food delivery platforms
- Focus on sustainability
- Expanding into the breakfast market
- Menu innovation
- Expanding the drive-thru
- Digital Marketing

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Threats

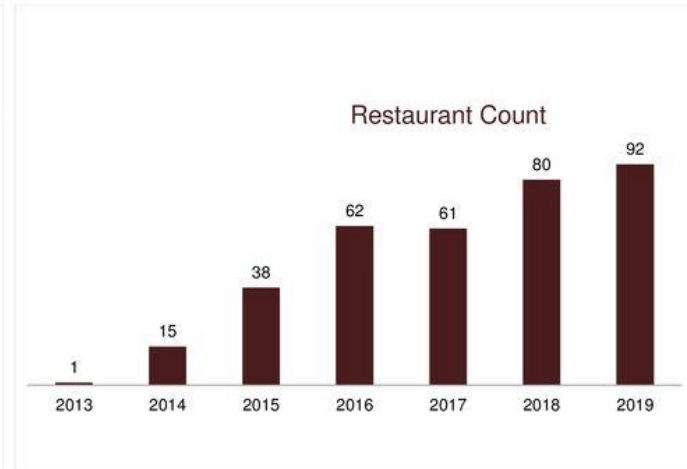
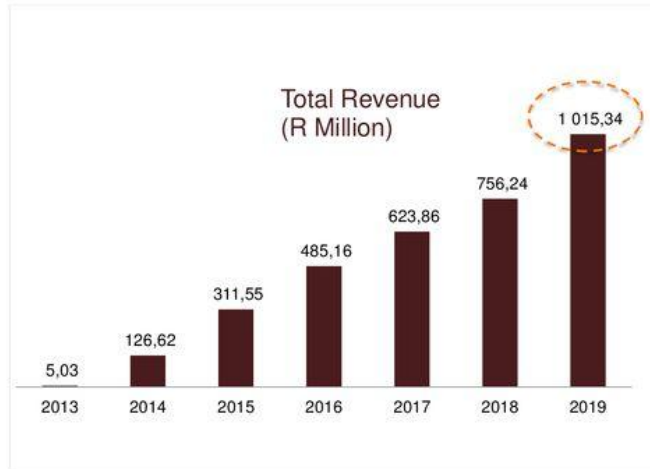
- Health consciousness
- Economic Factors
- Technology disruption
- Rising ingredient cost
- Regulated environment
- Highly Competitive Industry
- Food safety concerns



Burger King Revenue

REVENUE GROWTH

BURGER KING® tops a Billion Rand



Business Lessons

- Great leaders never shy away from getting hands dirty.
- Micro-expenses are very expensive.
- Keep the process lean and low cost.
- Conflict is a marketing superpower that breeds attention.