

1 – Summary of Key Facts and Information.

The paper titled “Wendy's: Capitalizing On Emerging Social Media Trends” was a very interesting case study that focused on examining the company's innovative approach to social media marketing and its overall impact on brand engagement and revenue. I think the case study thoroughly explores Wendy's innovative use of Twitter to enhance its brand presence, engage consumers, and utilize its social media activities to influence its brand and market positioning. The company has developed a unique Twitter strategy, that engages with its approximately 3.7 million Twitter followers (as of November 2020) [1]. The company did this by not only using Twitter (now X) to promote its own products and respond to customer complaints, it also regularly mocked users, insulted competitors, and responded to teasing and other playful challenges from Twitter users [1]. However, despite this social media engagement, evaluating the company's success with its social media strategy had proven difficult. As a result, a key question in this case, centers around investigating how Todd Penegor (Wendy's CEO) could effectively determine whether the company's approach on Twitter positively impacted the company's sales and profitability. Another important aspect under consideration is how could the CEO improve the company's future social media strategy. The company was founded in 1969 by Dave Thomas in Columbus, Ohio [1]. Wendy's quickly became known for its innovative methods, by offering a menu that deviated from typical fast-food menus, introducing items such as the baked potato and chili, as well as the value menu [1]. This innovation extended to their marketing department as well. This is evidenced by the way the company uses humor and directly engages with users of the social media platforms (e.g. Twitter). For example, it became known for its quick and witty interactions, often roasting users, and competitors like McDonalds, which in turn attracted significant attention and engagement. This leads to another area of focus in the paper which is concerned with how Wendy's was able to create a distinctive brand reputation that resonates with a relatively large audience. I think this also contributes to increasing the company's brand recognition (public awareness) as it engages in an authentic and witty way with its customers, and its competitors. However, I also think that to appreciate the full scope and impact of this strategy, it's vital to understand the context and nature of these social media platforms. The various platforms have demographic considerations and usage patterns which are important in the context of how impactful this marketing strategy could be for Wendy's. For instance, as of November 2020, Facebook was the largest social media platform globally with significant engagement across all demographics, contrasting with platforms like Twitter, which shows distinct usage patterns that skew towards younger age groups, and have more diverse demographics. Finally, the paper explains that the company is facing the critical challenge of working to connect its social media strategy directly to sales (to measure the effect [i.e. are sales increased or decreased following a new marketing campaign, promotion etc.]). The paper explains that despite the company having several high-profile engagements and viral posts (on Twitter) — such as the notable 2017 tweet exchange between them and McDonalds [1] — it remains difficult and complex for Wendy's (and other companies) to effectively quantify the benefits (i.e. outcomes) of these online viral engagements. I think that the company's online approach of using humor and wit with customers and competitors, has created a unique brand persona. I think that while it's no doubt difficult to directly correlate any short-term sales increase to a specific tweet, or social media post - I think the brand's unique online presence will certainly facilitate an increased awareness of the company (as well as brand loyalty). I think this case study was a very interesting paper which helped me gain a better understanding of the impact of social media strategies

on brand development and consumer engagement. I have created a summary table of critical elements (below) which provides some of the key information I think is relevant for this case study. The table also includes a summary of some of the core features of Wendy's, its business model, strategic challenges, and marketing strategy. This table also provides a detailed overview of Wendy's social media strategy, its impact, the connection to user engagement, demographic targeting, financial outcomes, and obstacles (as well as opportunities) that the company faces, as described in the case study.

<u>Summary Table of Critical Elements</u>	
Elements	Details
Topics of Interest	Social media marketing, consumer engagement, brand loyalty, and competitive strategies for the industry.
Twitter Followers	January 2017: ~ 1 million. December 2017: ~ 2.24 million. November 2020: ~ 3.7 million.
User Engagement	Wendy's response to McDonald's fresh beef tweet garnered 249,200 social media interactions; in contrast, McDonald's original post received only 14,400 interactions.
Social Media Operations	The average salary for social media personnel was approximately \$44,800 in 2021. Wendy's employs three social media managers. Total cost for three managers: Approximately \$134,400 per year.
Twitter Roast Campaign	Wendy's tweet roasting a user questioning their "fresh, never frozen" motto went viral, significantly increasing Twitter interaction over a 24-hour period compared to the previous month.
Follower Growth	Wendy's observed a 125% increase in Twitter followers from January to December 2017.
Marketing Effectiveness	Compared to Wendy's snarky and engaging tweets, McDonald's more traditional video-heavy feed resulted in lower engagement relative to views.
Social Media Strategy	Wendy's unique Twitter strategy involves engaging interactions with users and competitors, marked by humor and snarkiness. This approach has helped to distinctly position the brand.
Customer Expectations	Consumers expect responses within an hour on social media, but only 17% of businesses meet this expectation. Wendy's attempts to respond quickly to customer inquiries and complaints to boost engagement and service quality.
Demographics and Usage	Demographic breakdown across platforms: Facebook (2.7 billion users, 72% of internet users), Instagram (28% of internet users, 55% among 18–29-year-olds), Twitter (340 million users), LinkedIn (766 million users), Pinterest (31% of internet users).
Influencers and Trends	Social media as a shopping destination is highlighted by features on Instagram and Facebook allowing direct purchases. Influencers significantly affect purchasing decisions, with a reported ROI of up to 600% from influencer endorsements. Influencer marketing is increasingly significant, with 34% of daily US Instagram users purchasing products through influencer recommendations.

Financial Impact	Wendy's revenue fluctuated from \$1.44 billion in 2016, down to \$1.22 billion in 2017, then rose to \$1.59 billion in 2018, and again to \$1.71 billion in 2019. These fluctuations made it challenging to directly link the success of the social media campaign to sales.
Engagement Metrics	High-profile social media interactions have included record-breaking tweets with 3.6 million retweets. Wendy's aims to maintain high engagement levels to foster brand loyalty, but the direct link to sales increases remains elusive.
Posting Frequency	Regular but not excessive posting is recommended to optimize engagement without causing user fatigue. Wendy's posts daily but avoids saturating its audience, balancing high-volume interactions without overwhelming its followers.
Brand Engagement	Wendy's has grown its Twitter following significantly, from 1 million in January 2017 to 3.7 million by November 2020, reflecting successful engagement strategies. The use of humor and timely responses has been key to this growth.
Engagement on Platforms	Pinterest users demonstrated significant engagement with content related to purchasing decisions, with 93% using the platform to plan purchases and Pinterest referrals spending significantly more than those from other platforms.

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2 – Primary Challenges and Key Issues.

The case study on Wendy's social media strategy encompasses multiple challenges and several key issues that the company is faced with, regarding their innovative approach to digital marketing efforts (and strategy). As a result of these challenges and issues, I think that it is important for the company's CEO to address them in a forward-looking manner, with a focus on the long-term results. These challenges that the company and its CEO (Penegor) must overcome are primarily concerned with the context of Wendy's social media strategy, and its impact on overall business operations. In this area, the company faces several distinct issues that I think are critical if the company wants to continue growing its market position. I think that these challenges will require thoughtful leadership and the effective implementation of innovative ideas which can ensure that Wendy's and its social media strategy are able to continue growing, while hedging risks and generating growth. The primary challenges and key issues that I think the company is faced with are firstly the challenge of dealing with negative feedback publicly. Having a distinct and well-known online presence and engaging on social media platforms does expose Wendy's to potential negative feedback and brand attacks (a liability that could hurt the company, especially if it escalated). As a result, I think it's important for the company to be prepared for these scenarios so that the company can navigate these situations carefully, to maintain its brand image and the customer's trust. The second key issue is related to response time expectations (of consumers engaging with the company online). I think this is a possible challenge the company will face, as more and more consumers will come to expect rapid responses to their posts and questions on social media. I came to this conclusion when the case study explained that "Consumers on social media platforms expect quick responses to their queries and complaints. Meeting these expectations consistently, as only 17% of businesses responded within an hour, was a significant operational challenge for Wendy's" [1]. However, meeting these expectations consistently posed a significant challenge for most businesses engaged in social media customer service (not just Wendy's) [1]. The next

big challenge that the company faces is related to managing brand reputation and maintaining a consistent brand voice. I think that Wendy's distinctive, humorous brand voice on social media is a key component of its strategy. However, maintaining this voice consistently across posts and interactions can be challenging. There is a risk that the humor could be misinterpreted, or that attempts at humor might not resonate with all demographics, potentially alienating some customers. Also, I think that ensuring consistent brand messaging is present across various platforms and campaigns (without becoming repetitive or predictable) was a challenge for the company. Wendy's needed to keep its content fresh and engaging while maintaining its unique brand voice. I think the next challenge for the company was working to balance tone and professionalism in its online posts. Wendy's humorous and often snarky social media remarks posed a challenge which required careful balancing to ensure it did not cross the line into unprofessionalism. I think that this challenge of maintaining a brand voice that is consistently humorous without offending users or diminishing the brand's professionalism will be a continuous challenge. Additionally, missteps in social media interactions, or a response perceived as inappropriate, can quickly lead to a worsening brand crisis. Therefore, I think that for companies to successfully navigate these situations, it requires they implement a proactive approach to public relations and crisis management. Engaging in roasts and snarky banter, while popular, will always carry some risk of public relations issues or backlash (no matter how experienced the social media manager) if the content is perceived as offensive or in poor taste. This goal of ensuring that customer interactions on social media consistently reflect the company's values and voice will be difficult. Yet the company and CEO Penegor must address this challenge to ensure that the social media teams are well-trained. That way the teams will have the knowledge and the training to respond to complex situations, and addressing this challenge ensures there is alignment of Wendy's overall customer service and engagement strategy (ensuring consistency for customers). The final key issue that the company must address is related to the company's strategic alignment of social media goals and its need for a mechanism for linking social media engagement to company sales. Even though the company has a large presence and high engagement rates online, quantifying the exact impact on sales is complex (due to the influence of external factors like market conditions and competitive activities). Related to this point, the paper explained that this was one of the primary challenges for Wendy's (measuring the direct impact of its social media campaigns on the company's sales) [1]. While brand engagement increased, it was difficult to determine whether these efforts led to a significant increase in revenue due to the fluctuating sales figures across different time periods. This company challenge is also like one of the primary challenges facing Penegor. Penegor is ultimately responsible for ensuring that Wendy's social media strategies are implemented fully and in agreement with the overall company goals, strategies, and objectives. There needs to be a clear linkage between the playful and engaging content on social media and the company's sales and growth targets. Balancing humor with commercial goals without diluting the brand's unique voice is a strategic challenge. Another significant issue related to this is the difficulty of quantifying the actual return on investment (ROI) of capital allocated to marketing efforts. Although Wendy's has seen engagement and follower count increase, translating these metrics into concrete financial results (like sales growth) is currently not an option. I think that the company could really benefit from a reliable method for measuring how social media campaigns contribute to the company's financial objectives. I think overcoming this obstacle and developing a method to measure the company's return on investment (ROI) from social media campaigns would benefit the company and would also allow for more effective

mechanisms by which the company can justify ongoing or expanded capital investments in these marketing channels. Finally, I think that these challenges require strategic planning, adaptability, and rational thinking so that Wendy's can effectively leverage its social media presence to mitigate potential risks, as well as provide maximal value to the company.

3 – Alternative Courses of Action.

I think the company needs to address these challenges head on. I think Wendy's is facing several different types of challenges (identified previously in the case study), and because of these I think the company must consider several alternative courses of action (which can address these challenges). The following alternative courses of action are designed to address the challenges that were identified in the Wendy's case study. To address the challenges facing Wendy's in the realm of social media strategy and business operations, several alternative courses of action must be taken into consideration. These strategies aim to enhance engagement, drive sales, and ensure the sustainability of Wendy's digital presence. I think that by exploring these alternatives, the company and its strategy teams can continue to innovate their approach to social media marketing, enhance brand engagement, and drive growth (while also mitigating potential risks associated with online brand management). Also, by implementing these alternatives, Wendy's could potentially mitigate the challenges faced in their current strategy, enhancing both their social media impact and overall business results. I think that the alternative courses of action that the company should consider are to implement enhanced analytics and ROI measurement methods, diversify the company's social media content and engagement strategies, explore customer service integration, collaborate and/or develop partnerships with influencers, and finally to develop a crisis management plan (as a proactive measure). I think that the first alternative course of action the company should consider is to implement enhanced analytics and ROI measurement methods. This would be accomplished if, for example, the company developed a plan to implement advanced analytics tools to track the impact of specific social media campaigns directly (on things like sales and customer engagement metrics). I think that the company could do this by integrating these tools with Wendy's point-of-sale systems, to correlate social media activity with changes in the purchasing behavior (of customers). I think that one key benefit of this course of action would be that it would provide clearer insights (via data) into which aspects of social media campaigns are directly influencing sales. This would be beneficial for the company as it would allow the company to pursue more targeted marketing efforts. This would provide clearer insights into the financial returns of social media investments, and marketing projects – which would further benefit the company by enabling more data-driven budgeting and capital adjustments. I think that the second alternative course of action the company should consider is to explore how the company could diversify their social media content and engagement strategies. This course could be pursued by developing a content calendar that includes a mix of humor, promotional offers, customer stories, and behind-the-scenes content about company operations. This diversification can help balance engagement with brand-oriented content. I think that the company would see benefits resulting from this plan, as it could enhance the brand's reputation, and sustain long-term engagement (by appealing to a wider target audience). I would propose that this could then be carried out further, if the company were to consider optimizing (the type of) content it posted, based on analysis of which particular social media platform is being posted to. The goal of this action I think would be so that Wendy's can maximize its impact and relevance across different segments of its

customer base. I think that the third alternative course of action the company should consider is to explore potential ways the company could pursue effective customer service integration (with online social media sites). This course of action could be implemented by Wendy's working to integrate social media more deeply into the company's customer service operations. I think by doing this, the company would provide convenience to customers as they could then use these platforms as a primary tool for addressing customer complaints and questions in a timely manner. For example, the company could work to develop a dedicated social media customer service team equipped with tools to always ensure rapid responses to online complaints or concerns. I think that the fourth alternative course of action the company should consider is to explore partnerships and/or collaboration opportunities with popular online influencers. This course of action could be implemented if the company were to partner with influencers who align with Wendy's brand values and could create authentic content that resonates with their followers (and Wendy's). These collaborations could range from one-time promotions to long-term partnerships. I think this course of action would confer benefits to Wendy's as influencer partnerships (or collaborations) can tap into the influencer's followers and fan base, potentially leading to increased reach and engagement (which also feels authentic and not overly promotional). I think that the fifth alternative course of action the company should consider is to explore how the company could proactively develop a crisis management plan (or team). I think a pivotal step in this course of action would be for the company to establish a dedicated crisis management team responsible for monitoring social media channels for potential issues and responding rapidly to any negative publicity. I think this course of action benefits the company as being prepared with a crisis management plan can minimize damage and allow for quick, coordinated responses to any social media fallout. Additionally, when a crisis emerges, it will benefit the company to have a plan already developed that can be referenced and does not need to be created. This type of proactive crisis management can protect Wendy's brand reputation, as it facilitates the ability to address issues swiftly and effectively, and thus helps to preserve the customer's trust and loyalty, if something does go wrong.

4 – Evaluation of Alternative Courses.

The evaluation of these alternatives should take into consideration Wendy's specific brand objectives, audience demographics, and operational capabilities. For instance, while enhanced analytics can provide valuable insights, the investment must be justified by the potential increase in the company's ROI. Similarly, while diversifying content could attract a broader audience, it should not compromise the brand's unique voice that differentiates the company from all its competitors. I think that the best strategy to implement will likely involve an approach which is a combination of several of these courses of action. For example, integrating advanced analytics with a diversified online content strategy, and approving proactive crisis management – would be an effective combination approach to safeguarding the company and the brand's reputation (while simultaneously optimizing engagement and sales). All the alternative courses of action facing the company have their own set of benefits and drawbacks, and deciding which aligns best with the company's long-term goals requires careful deliberation. The first set of strategic alternative courses of action, that the company can pursue, is related to the strategy of implementing enhanced analytics and ROI measurement methods (for measuring the results of the online marketing campaigns). This course of action is positive in that it provides data-driven insights which can lead to increased capital allocation for marketing projects and

optimization of strategy. Also, I think this course of action would help in quantifying the impact of social media efforts on financial outcomes. However, the negative aspects of this course are the high upfront costs for advanced analytics tools and the potential complexity in integrating new data systems with existing platforms. I think that this approach facilitates improved data-driven decisions and would make it easier to identify what types of content drive actual sales and user engagement. However, the implementation of such systems can be costly and requires complex technological integration with existing IT infrastructure. The second course of action to evaluate is the strategy where the company focuses on diversifying its engagement strategies and social media content strategies. This course of action allows the company to benefit by positively balancing different types of content which can attract a wider audience and reduces dependency on any single content style (e.g. humor on Twitter). However, this course of action may dilute the brand's distinctive persona, if it's not managed carefully – as this could potentially alienate existing followers who prefer the original. The third course of action for the company to consider and evaluate is the strategy of pursuing avenues to grow customer service integration channels (and align them with the company's online social media channels). This course of action allows for the company to directly address customer service issues and concerns through social media, which would support the improvement of the brand's perception and the customer's loyalty. The fourth course of action to explore the areas of crisis management planning (the areas which are pertinent to the company), and this course of action could prove essential for mitigating the risk of social media backlash which can damage brand reputation quickly. This course of action is beneficial for the company because by implementing this course, the company prepares the brand to handle potential negative situations swiftly, thus proactively working to protect and preserve the brand's image and reputation. However, this course of action does involve the risk that developing and maintaining a comprehensive crisis management plan can be resource-intensive and be a large commitment. However, this is more about risk management than proactive growth, and so would likely not be as draining on company resources. I think the potential outcome and benefits this course of action provides is that it acts like a protective covering around the brand. The next course of action the company must take into consideration is related to the engagement and content strategies that the company utilizes for its online marketing efforts. This course of action would call for the company to begin pursuing a strategy of tailoring content to each platform, to optimize resources and maximize engagements and impacts across all the social media platforms. However, this approach requires detailed knowledge of each platform's audience and continuous updating based on changing user and platform trends. I think that this is a rather complex course of action, but if followed through, I think it could potentially be a highly effective way of reaching all demographics, yet this would require sophisticated understanding of social media platforms, the platform's workings and demographics, and an efficient content creation process. The final course of action that must be evaluated and analyzed is the idea of the company pursuing potential partnerships or collaboration opportunities with influencers that are well known in popular culture. This course of action must be evaluated after taking into consideration the fact that influencers have been shown to be an impactful driver of e-commerce shopping decisions. This course of action is based upon the observation that social media influencers are highly effective and can significantly extend the reach and credibility of partner companies (like Wendy's for example). This strategy depends heavily on choosing the right influencers whose followers align with Wendy's target market, as there is a large risk of over-reliance on external parties. I think that this course of action could be highly effective in driving

engagement and sales, especially among younger audiences. I think that the benefits of this course of action are that it extends reach and elevates credibility (of the company) through association with well-respected figures. However, this option also poses some risk to the company (if implemented), and this is primarily related to the risks depending on external parties whose actions could impact the brand negatively. Additionally, this course of action also poses a risk to the company's financial health, as influencer contracts are usually associated with higher costs.

5 – Recommendation.

I think that each of the presented alternative courses of action are viable paths for the company to follow, yet it is critical for the company to choose the one that optimizes success and ensures strategic alignment of the company's overall goals and vision. Therefore, my recommendation for the company is based on the strategic course of action which I think is optimal for creating synergy with the broader strategic goals of growth, market expansion, and long-term planning. My recommendation is to implement enhanced analytics and ROI measurement. My rationale behind this suggestion is that the data which would result from this course of action would be a strong foundation and start (to the company's journey of) to better understanding the impacts of social media marketing strategies on sales and engagement. This data will provide the insights needed to fine-tune other areas of the social media strategy efficiently. Secondly, I think that the company should simultaneously implement the course of action of planning for crisis management (proactively). I think that the company should also implement this course of action because in times of crisis, it will benefit the company to already have a crisis management plan in place that can be referenced. Also due to the snarky and bold manner of Wendy's social media presence, ensuring the company has a solid crisis management strategy is crucial, so that the company can mitigate potential negative fallout effectively. In conclusion, given the potential impacts, costs, and risks associated with each alternative, the best course of action for Wendy's (to facilitate its growth trajectory) which is supporting of the company's overall business goals, objectives, and strategies. I think that by implementing these actionable strategies, the results will be valuable contribution which ensure that Wendy's can make informed decisions based on data, engage a broad audience with varied content, and optimize its approach for each social media platform to maximize reach and effectiveness. This approach leverages the strengths of analytical rigor, creativity, and multiple social media platform strategies – to drive both engagement and sales, while also maintaining its unique social media presence. These recommendations aim to leverage Wendy's existing strengths while simultaneously mitigating risks associated with the negative aspects of social media engagement. The focus on analytics will ensure that the strategies are data-driven and tailored to maximize ROI, while partnering and collaborating with influencers will help in building and growing a sustainable and loyal customer base that contributes to the company's overall market reach.

[1] Di Muro, F. (2021). *Wendy's: Capitalizing on Emerging Social Media Trends*

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