

Burger king



Burger King, often abbreviated as BK, is a global chain of hamburger fast food restaurants headquartered in unincorporated Miami-Dade County, Florida, United States. Burger King Holdings is the parent company of Burger King; in the United States it operates under the Burger King Brands title while internationally it operates under the Burger King Corporation banner. The company began as a Jacksonville, Florida-based restaurant chain in 1953. Originally called Insta-Burger King.

After the company ran into financial difficulties in 1955, its two Miami-based franchisees, David Edgerton and James McLamore, purchased the company and rechristened it Burger King. Over the next half century the company would trade hands four times, with its third set of owners, a partnership of TPG Capital, Bain Capital, and Goldman Sachs Capital Partners, taking the company public in 2002. The current ownership group, 3G Capital of Brazil, acquired a majority stake in the company in a deal valued at \$3.26 billion (bn) in late 2010.

At the end of fiscal year 2010, Burger King reported it has more than 12,200 outlets in 73 countries; 66% are in the United States and 90% are privately owned and operated. The company has more than 38,800 employees serving approximately 11.4 million customers daily. Over the course of its history the company has used several variations of franchising to expand its operations. In North America, franchises are licensed on a per store basis, while in several international locations licenses are sold on a regional basis with franchises owning exclusive development rights for the region or country.

These regional franchises are known as master franchises, and are responsible for opening new restaurants, licensing new third party operators, and performing standards oversight of all restaurant locations in these countries; the largest example of a master franchise is Hungry Jack's, which exclusively owns, operates or sub-licenses over 300 restaurants in Australia. Despite its reliance on its franchisees for the majority of its revenue, Burger King's relationship with its franchises has not always been harmonious. Occasional spats between the two have caused numerous issues, and in several instances the company's and its licensees' relations have degenerated into precedent setting court cases.

The Burger King menu has evolved from a basic offering of burgers, fries, sodas and milkshakes in 1954, to a larger, more diverse set of offerings that includes several variations of chicken, fish, salads and breakfast. The first major addition to the menu was the Whopper, a sandwich developed by McLamore in 1957; it has since become Burger King's signature product. Not all introductions have had the success of the Whopper; BK has introduced many products which failed to catch hold in the marketplace.

Some products that have failed in the US have seen success in foreign markets, where BK has also tailored its menu for regional tastes. After the purchase of the company in 2002, Burger King began to aggressively target the 18-34 male demographic with larger products that often carried correspondingly large amounts of unhealthy fats and trans-fats. This tactic would eventually come to hurt the company's financial underpinnings and cast a negative pall on its earnings.

Introduction

Based in Miami, Florida, Burger King is one of the worlds best known fast food restaurants (it is the second largest company in the world). The company's 40, 000 plus employees helped it earn over \$190 million dollars in 2008. Its success is reflected in a 28. 4 percent increase in net profits for FY 2008.

Currently Burger King operates in about 71 countries worldwide, but it all began in Miami where the first restaurant was opened in 1954, and began to grow exponentially after the introduction of the Whopper sandwich in 1957. The firm became a publicly traded company in 2006. Product

* As a fast food hamburger restaurant (FFHR) chain, Burger King produces, hamburgers, cheeseburgers as well as Fries, Salads, Hash browns, Onion rings, Coffee, Juice, Shakes, cookies and pies. * Burger King sets itself apart from competition with its “ have it your way” theme which allows individualize each orders with many options including fries or onion rings, cheese, bacon, mustard, ketchup, mayonnaise, lettuce, tomato, pickles, and onion.

* The nation's No. 2 burger chain will add Starbucks Corp.'s Seattle's Best Coffee to all its U. S. restaurants in a phased roll-out that begins in the summer of 2010. Under the effort, more than 7, 000 Burger King Restaurants will begin selling the coffee along with iced varieties that also come with a choice of plain, vanilla or mocha flavors and whipped toppings. * Burger King has signed a licensing deal with ConAgra Foods Lamb Weston which will

result in offering a retail line of microwaveable Burger King Brand French fries at select retailers in the United States, including Wal-Mart.

Price

* Burger King recently joined McDonalds in offering a \$1 double cheese burger. Some of its franchises claimed the price reductions cut into profits. Burger King has reportedly ended its unpopular (among franchise owners) \$1 double cheeseburger promotion. * Burger King plans to sell slushy drinks for \$1 leading into the summer in order to offer an alternative to McDonalds \$1 summer drink. * The company also will continue to sell its new premium burger, the Steakhouse XT, for \$3.99 through mid-September, with another national television ad splash planned in August.

Place

* Burger King operates its business via franchises, under a franchise arrangement, the franchisees invest in the equipment, signage, seating and decor, while the company owns or leases the land and building. The company generates revenues from three sources: sales at company restaurants, royalties and franchise fees and property income from those franchises that lease or sub lease property from the company. * Burger King occupies primary locations.

Promotion

* Burger Kings Big Value Menu \$1 Talent Show invites customers to display their talent via videos they submit with the goal of winning a menu item. * The company has coined the term “next best move” to feature scheduled <https://assignbuster.com/burger-king/>

promotional tours with stops in urban communities around the country. The effort is augmented by a special website where Participants can describe community service contributions. * Burger King is backing its biggest product launch of the year, the Tendercrisp Premium Chicken burger, with a promotion theme encouraging consumers to “cheat on beef”. The campaign began in March of 2010 using ads created by Crispin Porter & Bogusky.

Process

* A Burger King strategy has focused the customer segment that spends the most money at its restaurants. These young men and women visit fast-food burger chains on average almost 10 times per month. * The company has employed a combination of “loss leader” promotions” coupled with upsells of more expensive menu items, specifically higher-margin French fries and soft drinks. * Recently Burger King has concentrated on adding restaurants and entering new strategic markets. They have added over 400 new restaurants in the last three years. * The company seeks to further growth and popularity via its innovative marketing promotions such as the King television commercials.

Physical Evidence

* Burger King, based in suburban Miami, Florida, operates more than 11, 900 restaurants in all 50 states including 107 in Alabama, 122 in Arizona, 336 in Michigan and 547 in its home state of Florida. * Burger King has an internet presence via its website BK.com. The site provides company information such as a video history of the company, press releases, and stock

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information. * The company is in the process of reinventing its image via key changes in its decor. Its new restaurants will feature modern, box-like architectural lines and urban-industrial building materials, including corrugated metal.

People

* John W. Chisley is Burger King's Chief Executive Officer and Executive Chairman of The Board. He has served in the CEO capacity since 2008. * Alexandra Galindez is the director of multicultural marketing for Burger King and is in charge of implementing its "Next Best Move" initiative, which seeks to strengthen its standing in urban communities by conducting a national tour to community basketball courts in 41 markets. * In 2009 Black Enterprise magazine named Burger King one of the "40 Best Companies for Diversity." * Burger King pairs its "have it your way" theme with speedy customer service. To facilitate fast service Burger King takes customer orders on a continual basis. After an order is taken, the customer then moves down the line where another employee is preparing the order. Meanwhile, the original employee is taking another customer's order. Customers also get their own drinks while they are waiting for their meal.