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## Burger King (Quebec)

### EXECUTIVE SUMMARY

Ever since the opening of its very first restaurant in Quebec more than ten years ago, Burger King faced problems. This changed dramatically in 1992 after the launch of a breakthrough advertising campaign. This Quebec-tailored campaign shattered not only Canadian sales and operating profit records, but worldwide Burger King records as well. Burger King's Quebec advertising campaign, now in its fourth year of execution, shows no sign of wear-out and hopes are high this year that Burger King will be able to break its own record.

Burger King Canada is an international hamburger fast-food chain with a total of 180 corporate and franchise restaurants across the country, and 30 within the province of Quebec. With no distinct brand positioning or advertising property, Burger King suffered from a major identity crisis in Quebec, a province proud of its '*vive la difference*' claim. When questioned about Burger King, Quebec consumers were grouped in two segments: those who had little or no awareness of Burger King, and those who vaguely knew Burger King as a McDonald's 'clone' hamburger chain. Outside Quebec, Burger King enjoyed a comfortable second place position to McDonald's. But with the restaurant industry far more competitive in Quebec, due in large part to the multitude of family-owned restaurants, Burger King was lagging far behind in third place after McDonald's and Harvey's.

A new communication strategy was developed that focused on:

- Hamburger sandwiches, limited time only promotions.
- Targeting the younger heavy fast food user.
- Developing a unique creative approach in fast food advertising.
- Creating an integrated communication program.

A new campaign using a mix of television, radio and point-of-purchase material was developed featuring the up and coming Quebec star Marc-André Coallier. Host of the very popular children's television show *Club des 100 Watts*, he was selected for his dynamic, charming and humorous personality. With little prior advertising experience, Marc-André was the perfect spokesperson for Burger King in Quebec. The association with Burger King was immediate, as confirmed by a tracking study, enabling Burger King's sales to improve immediately.

Prior to the Quebec campaign launch, Burger King sales and profits had been on a decline for well over five years in a stagnating fast food industry. Burger King's total unaided advertising awareness was just 8%. Only three months after the launch of the new campaign, sales had increased by 3%, top-of-mind brand awareness had increased by 6%, total unaided advertising awareness had jumped to 40% and restaurant traffic increased from 1.6 to 2.0 visits per month. After one complete year, Quebec sales had increased by 7% and operating profits by 4%. Year two broke all worldwide records for Burger King since the launch of their very first restaurant with sales increasing by 11% and profits by 9% over the first year. Total Quebec sales in year three increased 6.3% over the previous year.

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### SITUATION ANALYSIS

At the start of the 1990s, Burger King had no advertising equity in Quebec. The chain had difficulties in developing and claiming a creative territory, or managing the integration of its promotional activities.

McDonald's, on the other hand, dominated Quebec's fast food market. For over a decade, McDonald's had systematically invested in brand building, specifically designing its advertising to appeal to French Quebecers. For example: the '*Moi, j'aime McDonald's*' advertising campaign topped consumer advertising tracking studies for many years. The pressure of Burger King's US head office, as well as its disgruntled Quebec franchisees, reinforced the need to develop a solid and distinct communication strategy that could position Burger King as the fast food alternative.

Burger King had distinct regional issues which needed to be addressed in the short term, and would eventually have a direct impact on the communication strategy.

First, Burger King restaurants in Quebec did not have the critical mass required to adequately cover the province. Its restaurant base, in comparison to the total population of Quebec, was significantly underdeveloped. In Quebec, not unlike the rest of Canada, McDonald's was by far the fast food leader with over 125 restaurants and average sales per restaurant double those of Burger King. The situation was even more dramatic for Burger King in Quebec due to the strong presence of Harvey's 73 restaurants in the province. Tied for third in sales with Burger King's 30 restaurants were Wendy's restaurants, with only eight outlets in the whole province!

Secondly, Burger King's advertising budgets were directly determined by total individual restaurant sales and were consequently only a fraction of their competitors' budgets. As a result of its poor sales performance, Burger King's total advertising budget was significantly lower than its competition. According to Media Measurement Services, McDonald's in Quebec was out-spending Burger King by a ratio of eight to one and Harvey's by three to one. This smaller advertising budget had a direct impact on the communication strategies to be developed.

The third issue that needed to be addressed was target groups. Through many years of brand building, McDonald's had by far monopolized the family segment by appealing to the very young, and old, alike. On the other hand, Burger King had no clear target group definition. Who exactly did we want to target in our communication? One point that would have a direct impact on the target group Burger King would later select, was research indicating that McDonald's had managed to alienate a large number of teenagers and young adults who felt they had outgrown McDonald's.

The fourth and most important issue for Burger King was its lack of a Quebec identity. No emotional tie to Quebecers and to the province existed. Since the opening of their first restaurant in Quebec, Burger King had not managed to develop a proprietary advertising personality. Consumers were not sure what to expect of Burger King restaurants. Consumer comments were diverse, and when questioned in pre-campaign focus groups, some of those comments were harsh. A comment that often arose was that Burger King was an American hamburger chain that had failed to integrate into the culture and way of life of the Quebecers. Not surprisingly, when consumers were questioned about McDonald's, they were equally aware that it was an American chain, but the same criticism did not apply. With breakthrough, home-grown advertising, McDonald's was affectionately called 'McDo' by Quebecers.

All the aforementioned issues became advertising challenges for Burger King and the objective of the campaign was to make Burger King the alternate fast food restaurant in Quebec.

## **STRATEGY AND EXECUTION**

After an in-depth analysis of the Quebec market, a four-tiered communication strategy was developed to have a direct impact on sales and profits.

### **1. Develop hamburger-focused, limited time only promotions**

The first element of the solution consisted of carving a unique fast food identity for Burger King that would clearly distinguish it from McDonald's. Contrary to its rival, Burger King did not have the advertising budgets to communicate a spectrum of menu items, therefore it was necessary to be single-focused.

As McDonald's product offerings expanded to include such menu items as pizzas and fajitas, thus reinforcing

their 'something for everyone' positioning, Burger King chose to concentrate on a narrower product positioning. Burger King opted for a hamburger-focused advertising positioning that would hopefully make them the Quebec hamburger fast food specialists. Translating this positioning into advertising, it was decided to focus the campaign on Burger King's most popular product: the Whopper. Taste test research conducted by Burger King indicated that consumers preferred the grilled taste of the beef and condiments found in the Whopper more than McDonald's chopped condiments and fried Big Mac.

In addition, as McDonald's decided to continue building their generalist advertising approach, Burger King adopted an aggressive tactical strategy. All hamburger-focused promotions featured an aggressive price point, based on a 'limited time only' offer.

## **2. Target the younger heavy fast food user**

The 18 to 34 age segment was identified as the target group that could have the largest sales potential for Burger King. Research indicated this age group frequented fast food restaurants more often than any other age group, and also represented the highest average restaurant sales receipts. In addition, this target group, as a result of its dissatisfaction, seemed most likely to be receptive to Burger King differentiating itself from McDonald's universal strategy.

In terms of media, this group could be easily targeted because of its selective media habits. This group watched specific television shows, watched specialized networks, listened to specific radio stations and frequented specific establishments.

## **3. Develop a unique creative approach in fast food advertising**

In order not to fall within the commonly used 'beauty shots' approach often seen in fast food advertising, an original communication concept needed to be developed that was both appetite-appealing and credible to our target group.

In the history of Quebec's television and theatre productions, a star system has emerged. Quebeckers feel a certain affinity with their home-grown talent, and take pride in supporting local talent. Taking into consideration the strong emotional bonds that Quebeckers develop with their stars, Marc-André Coallier was selected to become Burger King's spokesperson.

After conducting some research, Marc-André Coallier was judged to be the ideal spokesperson for the campaign, because he was hosting, at that time, a very popular children's television show. Using a Quebec spokesperson was not an automatic guarantee that the campaign would succeed. Marc-André was very much respected as an actor, having come from a television family. He had the warm, approachable and dynamic personality that Burger King needed to build its credibility.

As Quebeckers are known for their distinct sense of humour, an advertising concept of absurd humour was developed, featuring Coallier. Although the campaign has evolved over the years, the basic premise behind every commercial remains the same. It is the product that is the star in the commercials and not the actual star himself.

## **4. Create an integrated communication program**

In order to maximize the impact of Burger King's new campaign, in-store material featuring Marc-André Coallier was developed to work with the television and radio commercials. In addition, some tactical print advertising was created to support the electronic media efforts.

To build on Marc-André Coallier's association with Burger King, his role was expanded to include appearances in all new restaurant openings. To his many fans this was their opportunity to get Marc-André's autograph, and for the restaurant operator, a chance to bring in additional sales in those crucial first days. As well as launching new restaurants, Marc-André Coallier was asked to attend employee and franchisee motivational seminars. His presence stirred excitement and opened the way to productive meetings.

## RESULTS

Prior to the launch of the new campaign, Burger King Quebec sales were discouraging. Well into its tenth year of operation in the province, actual sales were relatively flat and not up to expectations.

Then in the late 1980s and early 1990s, the recession kicked in. It could have been a prosperous situation for a fast food retailer like Burger King, because most consumers began to economize. However sales continued their downward trend, declining by nearly 10% in the year prior to the launch of the Marc-André Coallier campaign.

### Year of the launch

The situation took a dramatic turn when the campaign hit the airwaves. Its effectiveness was seen immediately in the restaurants. Consumers began lining up and openly discussing the advertising with restaurant management.

After only two weeks of the campaign, sales were dramatically up. Montreal, which had always been a very tough market for Burger King because of its low restaurant base, was reporting increases of 15%. Secondary markets, such as Sherbrooke, experienced sales increases between 30% and 40%. Monthly restaurant traffic rose to 2.0 visits from 1.6 visits. This was a notable achievement in an industry where, generally speaking, consumer loyalty to a specific fast food restaurant is very low.

Just prior to the Quebec campaign launch, Burger King commissioned a pre-wave advertising tracking study. This initial wave of research collected benchmark data against which future changes could be measured. The following are some result highlights after the first year of the campaign:

- Top-of-mind awareness for Burger King had significantly increased since the pre-wave to 6%.
- There was a significant improvement in unaided advertising awareness for Burger King rising to 40% from 8%.
- An increase of 5% in the number of fast-food users claiming to go to Burger King most often.
- Nine out of ten respondents correctly associated the Whopper with Burger King.
- Awareness of the Whopper increased by 6%.
- Burger King's ratings on all food dimensions had improved since the first wave (up 4%).
- There was a significant increase of 34% in aided advertising awareness for Burger King in Montreal where most Burger King restaurants are located.
- The main message of Burger King's advertising is now interpreted to be that Burger King has the best tasting hamburgers (ie the Whopper). This is contrary to the earlier wave where offering value was viewed to be the main message.
- Over three quarters of respondents (78%) claimed to be aware of Marc-André Coallier as Burger King's spokesperson. Almost universally he was thought to be a good choice because of his humour and his appeal to the target group.
- There has been an increase (9% up from 5%) in the number of respondents rating the Whopper as the best-tasting hamburger.

After that initial first year, sales and operating profits continued their upward trend and the results of the second year surpassed the most optimistic objectives - and broke Burger King's all-time worldwide records!

### EXHIBIT 1: SALES AND PROFITS INCREASES (%)

	Sales	Profits
1991	-10	N/A
1992	+4	+7
1993	+11	+9
1994	+6.3	+4

By August 1994, Burger King had gained market share and was in a comfortable number two position in the Quebec market. The ultimate marketing objective was attained with a restaurant network and an advertising budget that was a quarter of our main competitor. Burger King now reigns in number two spot following this aggressive and strategic advertising campaign.

CLIENT

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