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Marketing Audit of Burger King

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Executive Summary

This report provides a comprehensive audit of Burger King's market environment amid global economic challenges through tools such as PESTEL analysis, Porter's Five Forces Model, value chain analysis and SWOT analysis. The main findings are as follows: As the second largest hamburger chain brand in the world, Burger King has significant advantages in brand influence and supply chain management, but it has low brand loyalty, strong supply chain dependence, insufficient store coverage and slow menu innovation speed. In addition, with the increasing uncertainty of the global economy, factors such as inflation, changing consumer trends, and international trade barriers have had a profound impact on the fast-food industry. Analysis of the external environment shows that healthy eating trends, digital transformation, sustainability and increased government regulations present both opportunities and challenges for Burger King. The report recommends that Burger King accelerate product innovation and introduce more healthy foods; Drive digital transformation to optimize delivery and ordering processes; Strengthen supply chain management and reduce dependence on international market; And enhance brand differentiation and enhance consumer experience. Through these strategic adjustments, Burger King is expected to maintain its leading position in the fierce market competition and achieve long-term sustainable development.

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Introduction

According to Wibisono (2023), studies say that the fast-food industry is facing unprecedented challenges and opportunities in the context of rapid changes in the global economic environment. The increase in consumer health awareness, the acceleration of digital transformation, the strengthening of environmental regulations and the instability of the supply chain have put higher requirements on the operation of fast-food companies. As a world-famous fast-food brand, Burger King is facing many challenges in the market competition. To maintain a leading position in the fierce market competition and achieve sustainable development, Burger King needs to conduct a comprehensive review and optimization of its market strategy. (Wibisono,2023).

The purpose of this report is to provide Burger King with a comprehensive market audit, assess the macro environment through PESTEL analysis, analyze the industry competition using Porter's Five Forces model, and combine SWOT analysis and value chain analysis to deeply explore its operating situation, and then formulate targeted strategic recommendations to help it maintain a competitive edge in the fast-food industry and promote long-term development.

1.0 PESTEL Analysis (Macro Environmental Analysis)

The PESTEL analysis covers six dimensions: Political, Economic, Social, Technological, Environmental and Legal to comprehensively assess the external factors affecting Burger King.

1.1 Political

According to Zhang (2023), studies say that due to the current Brexit trade policy changes, policy changes affecting food supply chain and costs, coupled with the government's changes in the food industry's issuing regulations, this has increased the operational pressure. Therefore, enterprises need to pay attention to political developments, respond to policy changes in advance, and ensure compliance operations (Zhang, 2023).

1.2 Economic

According to Slack (2021), studies say that in recent years, inflation has led to rising food and energy costs, which has increased the operating costs of the fast-food industry. At the same time, the recovery of the UK economy and the growth of the takeaway market provide new growth opportunities for the fast-food industry. At the same time, consumer spending patterns are constantly changing, which prompts Burger King to adjust its pricing strategy (Slack, 2021).

1.3 Social

According to Li (2021), studies say that with the increasing demand of consumers for healthy food, the fast-food industry is under pressure to adjust the menu. For example, more and more consumers are choosing plant-based foods (such as the Impossible Whopper), which makes it necessary for Burger King to introduce healthier products for the environment (Li,2021). According to Re Z ek (2021), studies say the accelerated pace of life of British consumers has prompted fast food companies to optimize delivery and digital ordering experiences. At the same time, the influence of social media has increased, and consumer evaluation and brand interaction have become important factors affecting brand image (REZ ek,2021).

1.4 Technological

The development of technology has brought many opportunities to the fast-food industry. According to Slack (2021), studies say Burger King has adopted technologies such as digital ordering systems, self-service terminals, and AI order optimization to improve operational efficiency. In addition, the popularity of mobile payment and food delivery platforms has further changed consumer buying behavior and brand loyalty, making online sales channels critical

(Slack,2021).

1.5 Environmental

In recent years, sustainable development has become an important issue in the fast-food industry. According to Vidani (2024), studies say Burger King has introduced environmentally friendly packaging in several countries and reduced the use of plastic straws. The UK government has tightened regulations on carbon emissions and food waste, forcing companies to adopt greener practices. In addition, consumers are increasingly concerned about companies' environmental responsibility, pushing fast food brands to optimize their supply chains to reduce their carbon footprint (Vidani, 2024).

1.6 Legal

According to Brooks (2021), studies say that the UK has strict regulations on the food industry, including food safety standards and consumer rights and interests' protection. For example, government restrictions on junk food advertising aimed at children have affected the marketing strategies of fast-food brands. In addition, changes in employee benefit regulations, such as minimum wage increases, working hours regulations, etc., are also affecting Burger King's cost structure (Brooks, 2021).

PESTEL analysis reveals the complex external environment that businesses face. In the face of these complex external environments, Burger King needs to make appropriate measures to eliminate these complex environments. Taken together, companies must develop strategies that adapt to these complex environments to remain competitive and sustainable in a highly competitive market.

2.0 Porter's Five Forces Model (Industry competition Analysis)

According to Kumar (2022), studies say that Porter's Five Forces Model is a tool used to analyze the competitive situation of an industry. The model helps firms understand their market environment by assessing five key forces: the degree of competition from existing competitors, the threat of new entrants, the threat of substitutes, the bargaining power of suppliers, and the bargaining power of buyers to develop effective competitive strategies (Kumar, 2022).

Through the analysis of Porter's Five Forces Model, Burger King can comprehensively evaluate its competitive position in the fast-food industry and formulate its strategy accordingly. According to Obi (2023), studies say that in terms of existing competitors, Burger King faces fierce competition from

McDonald's, KFC and other brands. These competitors dominate the market with strong brand loyalty, extensive store networks and continuous innovation strategies. For example, to stand out from McDonald's rapid launch speed and good customer experience, Burger King needs to further strengthen its differentiation strategy. In addition, Burger King's innovative products such as the "Have It Your Way" customized menu and the Impossible Whopper have gained some market recognition, but it still needs to continuously optimize its product line and service experience to meet consumer demand for healthy eating and personalized service (Obi, 2023).

In terms of the threat of new entrants, the fast-food industry has higher barriers to entry, but the rise of small healthy fast-food brands and delivery platforms provides opportunities for new entrants. According to Marco (2021), studies say that small healthy fast-food brands and delivery platforms usually sell health and environmental protection, attracting health-conscious consumer groups. Therefore, Burger King can reduce costs by optimizing supply chain management and strengthening cooperation with suppliers, while using its brand influence and franchise model to rapidly expand to meet the challenges of new entrants (Marco,2021). In addition, Burger King needs to pay close attention to changes in consumer demand and timely adjust the product line to introduce more low-calorie, high-protein healthy foods to adapt to market trends.

As consumers become more health conscious, healthy food, homemade dining and vegetarian brands have become powerful alternatives to traditional fast food. According to Hartini (2024), studies say that Burger King needs to enhance its competitiveness through innovative products and services. Burger King, for example, could further expand its vegan product line with more plant-based burgers and low-calorie dining options to meet consumer demand for healthier eating. At the same time, Burger King can also improve customer satisfaction by optimizing the delivery and digital ordering experience, thereby maintaining a leading position in the fierce market competition (Hartini,2024).

Burger King's competitive position in the fast-food industry is influenced by many factors such as the strong brand loyalty of existing competitors and the rise of new entrants. At the same time, consumers' demand for healthy diet and personalized service changes, as well as the stability of supply chain management, are the key to maintaining its competitive advantage. Therefore, Burger King needs to continue to make efforts in product innovation and supply chain optimization to meet these challenges, maintain market competitiveness and achieve sustainable development.

3.0 Porter's Value Chain

According to Mohammadi (2023), studies say that Porter's Value Chain aims to identify and evaluate how various activities within an enterprise work together to create value. By dividing business activities into essential and ancillary activities, value chain analysis helps companies identify opportunities for cost savings and differentiation to gain competitive advantage (Mohammadi, 2023).

3.1 Purchasing activity

Burger King's sourcing activities depend on global supply chains, which gives it significant sensitivity to global trade policies and cost fluctuations. For example, after Brexit, supply chain management costs in the European region rose, affecting profit margins. In addition, as government requirements for the sustainability of food sources increase, Burger King needs to be more careful in its supplier selection to ensure government requirements for food.

3.2 Production and operation

Burger King is using automated kitchen technology to improve efficiency, but there is still room for optimization in some markets. According to Halim (2024), studies say its global franchise model reduces operating costs and increases the rate of expansion, enabling it to enter new markets quickly. However, the

low store coverage has limited its brand exposure and market share compared to McDonald's. In addition, Burger King's menu innovation was slow to meet consumer demand for healthy food and personalized products in a timely manner (Halim,2023).

3.3 Marketing and sales

Burger King is known for bold and innovative marketing strategies, with viral marketing campaigns such as the "Burnt McDonald's AD" attracting global attention. However, its brand loyalty is low, so Burger King needs to further increase consumer engagement and brand loyalty by optimizing delivery processes, offering more attractive promotions, and strengthening social media marketing.

3.4 Customer service

Burger King has introduced services such as self-service ordering, mobile payment and takeout delivery to improve the customer experience, but the quality of service still needs to be optimized. For example, food delivery speed and insulation technology still need to be improved to ensure that consumers have access to high-quality products and services.

3.5 Technical support

Burger King has applied AI ordering and big data analytics, but the digital transformation has been slower. Only by further promoting mobile ordering, self-service terminals, etc., can Burger King reduce customer queuing time and improve user experience. At the same time, the use of big data analytics for personalized recommendations can improve consumer stickiness and brand loyalty.

Burger King faces several challenges across the value chain: global supply chain volatility in procurement, inadequate store coverage and lagging menu innovation in operations, and low brand loyalty in marketing. These problems affect its market competitiveness and brand influence. Therefore, Burger King needs to optimize the supply chain, accelerate product innovation, improve digital capabilities and other actions to cope with industry competition and market changes.

4.0 Internal environment analysis

4.1 Overview of SWOT theory

According to Farrokhnia (2024), studies say that SWOT analysis is a strategic

planning tool used to evaluate the internal environment of an organization. Help companies make effective strategic decisions by identifying their Strengths, Weaknesses, Opportunities and Threats (Farrokhnia,2024).

According to Yusuf (2022), studies say that Strengths refer to positive factors within a company, such as strong brand influence, unique technical expertise, and abundant resources. Weaknesses: Negative factors in the company, such as resource shortage, backward technology, inefficient management, etc. Opportunities refer to the factors conducive to the development of a company in the external environment, such as the growth of market demand, policy support and technological progress. Threats refer to factors in the external environment that may pose challenges to the company, such as increased competition, market saturation, and regulatory changes (Yusuf,2022).

4.2 SWOT analysis

Strengths:

According to Nappo (2023), studies say that Burger King, as the second largest hamburger chain brand in the world, has strong brand awareness and extensive market coverage. Burger King's "Have It Your Way" customized menu strategy and innovative products have made it a place in the healthy eating trend. In

addition, Burger King relies on the global sourcing capabilities of its parent company Restaurant Brands International and has cost control advantages in supply chain management (Nappo, 2023).

Weaknesses:

According to Liow (2023), studies say that Burger King's product supply chain is highly dependent on the global market, making it vulnerable to trade policy changes, raw material price fluctuations, and supply chain disruptions. Colleagues and Burger King have a huge brand influence, but their brand loyalty is relatively low, especially in the European and American markets, consumers are more inclined to choose competitors. The reasons are related to the store coverage rate, the menu innovation speed is lower than the main competitor McDonald's, and it is not related to the current mainstream consumer demand, which greatly limits the brand exposure (Liow,2023).

Opportunities:

According to Pasquali (2024), studies say that with the rise of delivery and digital ordering, Burger King can attract more consumers by optimizing the delivery process and offering more attractive online promotions. Increased consumer demand for healthy foods provides Burger King with an opportunity

to expand its healthy product line and catering. In addition, digital transformation also provides Burger King with opportunities to optimize the user experience and improve operational efficiency, such as through AI order management and self-service ordering machines (Pasquali, 2024).

Threats:

As the market becomes increasingly competitive, Burger King's major competitors continue to optimize their products and marketing strategies, posing a threat to its market share. According to Noroozi (2024), studies say the government's increasingly strict laws and regulations on the fast-food industry may have an impact on Burger King's marketing strategy and product line. In addition to this, changes in consumer dietary preferences, such as increased demand for healthy diets and organic foods, as well as rising raw material costs and supply chain instability, have had a huge impact on the market demand for Burger King's traditional burger products (Noroozi, 2024).

Burger King's internal environment analysis shows that while it has many advantages, it faces problems such as low brand loyalty, insufficient store coverage and slow menu innovation. At the same time, emerging factors such as take-out and healthy eating trends are playing a role. Overall, Burger King

needs to accelerate the pace of brand differentiation, product innovation and digital transformation to enhance competitiveness and achieve sustainable development.

5.0 Conclusion

Through a comprehensive market audit of Burger King, we found that Burger King has strong brand influence and supply chain management capabilities in the global market, but at the same time, it also faces challenges such as fierce market competition, changing consumer eating habits, and strengthening government regulation. Analysis of the external environment shows that inflation, healthy eating trends, digital transformation and other factors have become important factors affecting the fast-food industry. The internal environment analysis shows that Burger King needs to further optimize in brand loyalty, product innovation, supply chain management and other aspects.

Therefore, to maintain its competitive advantage, Burger King should adopt a series of strategies, including but not limited to expanding its healthy food line, advancing digital transformation, strengthening brand marketing and enhancing the consumer experience, to ensure long-term sustainable growth in the fast-food industry.

6.0 Synthesis and Recommendations

1. Product strategy optimization

Burger King should accelerate menu innovation and introduce more foods that are in line with health trends. For example, to promote plant-based burgers (such as the Impossible Whopper) globally, and to develop more low-calorie, high-protein, low-carb foods. In addition, Burger King can introduce specialty products according to the eating habits of different markets to improve consumer acceptance.

2. Digital transformation and upgrading

Burger King should invest more in technology to optimize the ordering process and improve operational efficiency. First, further promote mobile ordering, self-service terminals and AI intelligent ordering systems to reduce customer queuing time and improve user experience. Secondly, the use of big data analysis for personalized recommendations, combined with membership programs and points systems, to improve consumer stickiness and enhance brand loyalty.

3. Supply chain optimization and sustainable development

Faced with the risk of global supply chain instability, Burger King should

strengthen local supply chain cooperation, reduce dependence on international raw materials, and reduce logistics costs and supply risks. At the same time, companies should reduce plastic packaging, reduce food waste practices, and promote green supply chains to meet government regulations.

4. Brand marketing and market expansion

Burger King should continue to leverage its creative marketing strengths with more interactive and engaging marketing campaigns and co-branded products to reach young consumers. In addition, in terms of global expansion, Burger King can further penetrate Asia, the Middle East and South America and other regions, increase the number of local stores, while adjusting the product mix according to the needs of consumers in each region, and improve market competitiveness.

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