

Burger Wars

MANAGEMENT DECISIONS

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

The Response

McDonald's came out with a reply at 2:20 PM on August 26. A message signed by McDonald's CEO Steve Easterbrook was posted on the brand's official Facebook page. The post was edited and corrected at 2:21 PM, and again at 2:23 PM. The message, after the edits remained intact:

Dear Burger King,

Inspiration for a good cause... great idea.

We love the intention but think our two brands could do something bigger to make a difference.

We commit to raise awareness worldwide, perhaps you'll join us in a meaningful global effort?

And every day, let's acknowledge that between us there is simply a friendly business competition and certainly not the unequalled circumstances of the real pain and suffering of war.

We'll be in touch.

-Steve, McDonald's CEO

P.S. A simple phone call will do next time.

(McDonald's Corporation Facebook Fan Page, 2015)

The message was also tweeted on McDonald's official twitter account at 2:22 PM.

Inspiration for a good cause @burgerking. Let's do something to make a real difference.
(McDonald's Corporation Twitter Account, 2015)

Deconstructing the Message

Choice of a medium: The response was clearly addressed to the widest possible audience. But using social media is an unconventional way of making official information for McDonald's and it therefore also signals that the company is playing the incident down. McDonald's Facebook posts are not normally signed by individual authors, let alone the CEO. This may be interpreted as both an acknowledgement of the seriousness of the matter (the cause) but also as an indication of the urgency it created internally (irrespective of whether the message was actually written by Mr. Easterbrook himself or not).

The quick succession of edits suggests that a moment of panic erupted in McDonald's situation room, particularly because the change was only intended to correct a syntactical error (which was successfully done at the second attempt).

McDonald's reply tries to deflate the hype stirred by Burger King by appearing to rise above the inter-company rivalry and point attention to more 'substantial' issues. The message aims to belittle the initiative by framing it as a trivial marketing ploy. At the same time, in an effort to take the moral high-ground, Mr. Easterbrook's makes a counter-proposal, although a hazy one at that.

Reactions

McDonald's post on Facebook received 6,179 Comments (as at November 20, 2015): All but one of the top 50 comments criticize McDonald's decision, the manner of reply, or both. The one supportive comment reflects the reasoning in the official message.

The official tweet attracted 145 Replies (as at November 20, 2015). All of them are critical of McDonald's decision, the manner of reply, or both.

Newspaper and Magazine Headlines:

- Forbes News: *McDonald's Chooses Pride over Peace with Burger King's McWhopper Offer.* (Burns, 2015)
- CNN: *McDonald's nixes Burger King's McWhopper pitch.* (Smith, 2015)
- Toronto Star: *McDonald's snubs Burger King's proposal to create a 'McWhopper' for peace.* (Lou, 2015)
- Wall Street Journal: *McDonald's to Burger King's McWhopper Gimmick: 'A Simple Phone Call Will Do'.* (Perlberg, 2015)
- The San Diego Union Tribune: *McDonald's rejects Burger King's offer to make a McWhopper.* (Baker, 2015)
- Fortune: *The McWhopper: A food abomination in the name of peace* (Fortune Magazine, 2015)
- New York Times: *Burger King to McDonald's: Let's Make a 'McWhopper'.* (Strom, 2015)
- The Chicago Tribune: *McDonald's won't have it Burger King's Way on 'McWhopper'.* (Trotter, 2015)

Peace Day Burger

News Wire quotes Fernando Machado, Senior Vice President for Global Brand Management at Burger King Corporation that thousands of DIY McWhoppers had been made and shared online by enthusiasts following the proposal. (Brod, 2015)

After Easterbrook's reply, four other brands entered the space vacated by McDonald's to create the Peace Day Burger: Burger King, Giraffas, Krystal, Wayback Burgers and Denny's. (Brod, 2015) A limited number of sandwiches were available

on Peace Day, with proceeds going to Peace One Day. The five participating brands pledged to give a separate donation to the beneficiary. (Wohl, 2015)

Exhibit 1 Comparison of Social Media Engagement (Facebook)

Social Engagement Comparison: Facebook	
Selected Official Post	Reactions
National Sandwich Day (November 3, 2015)	325 Likes, 17 Shares
White House Climate Pledge (October 19, 2015)	127 Likes, 13 Shares
National Coffee Day (September 29, 2015):	307 Likes, 15 Shares
Reply to McWhopper (August 26, 2015)	9,454 Likes, 3912 Shares
Number of Page Likes as at November 20, 2015	60, 140, 837

Exhibit 2 Comparison of Social Media Engagement (Twitter)

Social Engagement Comparison: Twitter	
Selected Official Tweet	Reactions
National Sandwich Day (November 3, 2015)	45 Likes, 46 Retweets
White House Climate Pledge (October 19, 2015)	469 Likes, 110 Retweets
National Coffee Day (September 29, 2015):	15 Likes, 12 Retweets
Reply to McWhopper (August 26, 2015)	496 Likes, 591 Retweets
Number of Followers as at November 20, 2015	12, 500, 500