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Examining the latest menu tests at McDonald's, Burger King

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Faced with flat same-store sales and seemingly less momentum than some of their quick-service rivals, McDonald's and Burger King are reportedly testing new menu strategies to shake things up.

Oak Brook, Ill.-based [McDonald's will begin testing seasoned French fries](#) called Shakin' Flavor Fries in Northern California and St. Louis in three varieties: Garlic Parmesan, Zesty Ranch and Spicy Buffalo. On Thursday, the 35,000-unit chain reported a [1.2-percent global increase in same-store sales for April](#), though comparable sales in its more than 14,000 locations in the United States were flat.

Another report found that Miami-based [Burger King is offering its signature burgers like the Whopper and the Original Chicken Sandwich, along with French fries and apple pie, during breakfast hours](#). Approximately 5,000 of Burger King's more than 7,400 restaurants in the United States and Canada — which reported essentially [flat same-store sales for the first quarter](#) — reportedly will participate in the “burgers at breakfast” test.

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John Gordon, principal of San Diego-based Pacific Management Consulting Group, graded the tests from McDonald's and Burger King as smart possible extensions to core parts of their menus, but he did not see in them new ways to significantly drive sales or supercharge menu innovation.

“Really, what we've just seen from McDonald's and Burger King are good actions around the middle, but they're not dramatic platforms,” Gordon said. “If McDonald's were able to get breakfast to work 24-7 like Jack in the Box, that could be big. Burger King is doing better, no question, and I was excited to see them do Satisfries.”

At the moment, he added, Wendy's and Taco Bell “have better overall consumer platforms,” which support optimism emanating from leaders of those brands.

While French fries are a side item, McDonald's often touts its sales mix of fries and its other core menu items like Big Macs and Chicken McNuggets. Meanwhile, innovation around French fries has resulted in incremental success for its competitors. Last year, Burger King credited the launch of lower-calorie Satisfries with driving sales of the side item as well as combo meals, which Wendy's similarly reported when it revamped its fries to a skin-on variety with sea salt.

[Seasoned French fries and other fried items have proved successful for Checkers and Rallys as well, as the popular “Famous Fry” batter at those drive-in chains gave rise to the “Fry Love” platform that](#)

extends the flavor to several limited-time offers like potato skins and mozzarella sticks.

Platforms in place at Wendy's, Taco Bell

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Elsewhere in the quick-service segment, Gordon noted, Wendy's and Taco Bell seem to be done with tests currently and are enjoying momentum from reworked or newly launched platforms.

Wendy's recently reported first-quarter same-store sales increases of 1.3 percent for company-owned units and 0.6 percent for franchised locations. The Dublin, Ohio-based chain's executives credited the chain's menu balance for attracting and maintaining customer traffic.

Value-focused transactions "are no longer a leaky bucket" with the Right Price Right Size menu in place, Wendy's chief executive Emil Brolick said. He also noted recent innovation around the core menu, with two new salads, as well as the limited-time offer pipeline with a current promotion of Tuscan Chicken on Ciabatta.

Taco Bell's comparable sales in the United States fell 1 percent in its first quarter, but officials for parent company Yum! Brands Inc. were very bullish about the chain's new breakfast program, which rolled out nationwide March 27.

Yum chief financial officer Patrick Grismer said Irvine, Calif.-based Taco Bell expects the breakfast menu to achieve the high-single-digit mix of sales it garnered during tests the past few years, which was "highly incremental" to traffic.

"If we achieve and maintain that mix, that's what we need to deliver our same-store sales target for the year," he said. "It will be accretive to margins and put us in the position to accelerate the pace of new-unit development."

While the rollout was timed ideally to hit breakfast's seasonality, the morning menu would still need time to build for Taco Bell on a national scale, Gordon said.

"It will take a year of really executing and marketing breakfast," he said. "The securities analysts shouldn't be banging on the table to get the optimal results from it right away."

In a related matter, he added, Wendy's focus on its three main parts of the menu is benefiting from its decision to shelve its test of breakfast yet again last year, "and that is Emil — he is a very bright, thoughtful man," said Gordon, who worked with Brolick at Ponderosa decades ago.

"I wasn't surprised when he came on board and decided that Wendy's had bigger fish to fry [than breakfast]," he said. "It's his way of thinking, and it's correct. There's still an essential synergy with breakfast for your lunch and late-night dayparts, where you have to have a strong breakfast platform, but I think Wendy's will get to it eventually."

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