

## CASE STUDY

# CKE

Provoking the right response in difficult times.

### SITUATION

How does a fast-casual dining innovator continue to build momentum behind its bold strategies at a time of unprecedented economic turmoil?

For the past few years, CKE Restaurants, the parent company for Carl's Jr.<sup>®</sup>, Hardee's<sup>®</sup>, Green Burrito<sup>®</sup> and Red Burrito<sup>®</sup>, had been building a strong brand, financial and operational foundation through a three-part capital initiative: new unit growth, store remodels and the dual branding of various Carl's Jr./Green Burrito and Hardee's/Red Burrito locations. The arrival of global economic crisis forced many in the industry to resort to discounting and other short-term tactics to adapt to difficult times. CKE, however, stayed the course. In its annual report, the company needed to reinforce the soundness of its bold strategies and methods at a time that seemed to demand greater reserve and prudence.

### SOLUTION

For the printed and online annual report, Baker used the same provocative storytelling that characterized CKE's Carl's Jr. and Hardee's brands. Using striking visuals and brash messages, Baker featured CKE's keys to success despite the times: affordable, premium fare that people crave, supported by audacious advertising; quality food, service and store environments; aggressive franchise expansion in the U.S. and abroad; and continued capital structure and cost improvements. Originals, such as the Monster Breakfast Sandwich<sup>™</sup> and Six Dollar Burger<sup>™</sup> line-up at Carl's Jr., the Little Thickburger<sup>™</sup> at Hardee's and the Six Dollar Service initiative, allowed CKE's brands to outperform its competitors and stay at the industry's forefront. Not only did CKE's approach command attention, it provoked the right response from the media and its key target audience, males 18 to 35.

### RESULTS

By capturing the company's self-confident personality and strategies, Baker helped CKE position itself as an industry maverick in attitude, taste and quality — a position designed to challenge the status quo and short-term uncertainty. After reporting slightly declining same-store sales in the quarter following the annual report, CKE reinforced its focus on long-term profitability, food and service quality, and strong brand image over temporary measures to prop up immediate sales. The company reiterated its commitment to innovative products and programs that would build and sustain the value propositions of its brands over the long-term — and on its own terms.

### CENTERS OF EXCELLENCE:

Corporate and Investor Communications

### CKE PROGRAM COMPONENTS:

Messaging and Voice  
Annual Report  
Website

### ↓ 2009 ANNUAL REPORT

