



# The Evolution of Malaysian Burger: The Case Study of Myburgerlab

Kum Lung Choe<sup>(✉)</sup>, Luen Peng Tan, Ka Fei Lai, Yin Kuan Ng, and Hooi Ching Khor

Faculty of Business and Finance, Universiti Tunku Abdul Rahman, Jalan Universiti, Bandar Barat, 31900 Kampar, Perak, Malaysia

{choekl, tanlp, laikf, ngyk, khorhc}@utar.edu.my

**Abstract.** The novel coronavirus (COVID-19) has devastated Malaysian food and beverage industry immensely. This case study investigates the business challenges faced by a domestic fast-food restaurant amid COVID-19 pandemic. Moreover, this case study also dwells into the functional levels (i.e., marketing, operation, and human resource) of the business. Qualitative approach was adopted in this case study by conducting in-depth interviews with the restaurant's founder. Furthermore, we also obtained relevant information about the restaurant from the company's website, internet, and newspaper reports. Additionally, we find that COVID-19 pandemic has significant and profound impacts on the functional levels of the restaurant. Business and managerial implications are also being discussed in this case study to benefit businesses in the same industry.

**Keywords:** Food and beverage industry · myBurgerLab · COVID-19 · Case study

## 1 Introduction

It all started with Mr Chen Ren Yi (Ren Yi) and his part-time work at Starbucks Coffee. The scent of coffee and the light-hearted ambience sparked an idea that he could offer the same experience with his own Food and Beverages (F&B) outlet. After graduating with an engineering degree, he went into realise his entrepreneurial dream. The fact that Ren Yi likes to connect with people and cares to learn and empathise the customers' joys and concerns finds him a spot in the Food and Beverages (F&B) industry. After having a bad day, people tend to go for a good dinner to leave their unpleasant memories behind.

Together with his two good friends, RenYi started the first myBurgerLab (MBL) at SeaPark, Petaling Jaya. The word "Lab" emphasises the unique approach of exploring various ingredients to create the fun atmosphere in the F&B outlet. The founders believe that a good corporate culture is the cornerstone of the success of a company. MBL corporate culture is instilled with four major values. These values are (i) be welcoming and sincere, (ii) be passionate and dedicated, (iii) be responsible and accountable and (iv) be considerate and respectful, be unique and inventive in knowledgeable and humble are embedded in the culture and be the guidance to the employees. These values become

the instilled pledges that employees need to fulfill. Ren Yi will always practice two-way communication. The employees are given opportunity to provide their feedback for improvement. He always holds the principle that a bottom-up communication is important to improve employee collaboration because everyone will be involved in the decision-making process.

COVID-19 pandemic has posed an enormous challenge to Malaysian businesses in many distinct sectors. The pandemic has upended many Small and Medium Enterprises (SMEs) where they are forced to adopt new strategies to stay alive (Hasin, Jamil, Johari, & Kasim, 2021). It made things worse when Malaysian government curbed the spread of the virus by imposing lockdown, control on foreign workers, and compulsory work from home. Such measurements have deeply impacted the operations of many SMEs especially the Food and Beverage (F&B) industry. From the economic perspective, the continuous spread of COVID-19 have critically decreased the global GDP growth (Craven, Liu, Mysore, & Wilson, 2020).

## 2 Research Methodology

This study adopts the qualitative approach (case study) to explore the challenges faced and strategies adopted by myBurgerLab (MBL) during the COVID-19 pandemic. Since this is a case study, the respondent is selected based on purposive sampling method (Ilker, Sulaiman, & Rukayya, 2016). The company selected for this is case study is myBurgerLab (MBL) which operates six F&B outlets across Klang Valley in Malaysia.

The interview session was recorded, and the interview was transcribed into text and tested for accuracy by comparing the information with secondary data sources. Subsequently, the analysis based on different themes was conducted which focus on different data sources such as government records, books, newspaper articles and journal articles.

## 3 Challenges AMID Covid-19 Pandemic

### 3.1 Marketing and Customer Service

Ren Yi is certain that MBL was the first burger joint in Malaysia that serves charcoal theme products in 2012. These eye-catching products went viral and they always ended up on headline news. Although customers believed that the black burger is more premium in quality, they know that it was no different in taste and texture. As their business grew and expanded, they needed to structure their marketing strategy by offering more attractive products. Hence, MBL started to focus on product innovation. Some of their product designs that turn heads were watermelon lychee beef burger, “nasi lemak” burger and salted egg yolk burger. This initiative had successfully differentiated themselves from its competitors.

However, the founders noticed that people were no longer looking for that level of excitement, not looking for something that is too out of the world or too bombastic when COVID-19 Pandemic began. MBL started to move towards a more meme like strategy in 2018 or 2019 when the idea of using meme as a marketing tool was so popular. They tried

to use humorous images (from Internet) that are relevant to their business to promote their brand and products through social media such as Instagram and Facebook.

According to Ren Yi, there was a huge change in human behaviour because people were depressed and unhappy during lockdown (MCO). He also realised that some of the marketing strategies that they were using from the beginning did not trigger the same reaction anymore. Market studies revealed that customers are keen to share their experience and feelings via photos and videos. Customers are also interested in behind the scenes broadcasted via Tik Tok.

Since COVID-19, Ren Yi feels that their competition is across the board. They are not only competing with the direct competitors such as McDonald's, Burger King, Spades, KGB and Five Guys (an international chain from U.S. that is coming in next year) but also the indirect competitors such as any restaurants that sell other types of food.

A lot of inspiration drawn from most successful brands in the west like In-N-Out and Shake Shack for the food wise. The dedication to serve burgers on freshness is what inspired MBL founders. MBL has its own burger recipe stemmed from the founders' personal taste that is inspired by the integration of the western and local flavours. It has a team to develop recipes and identify the flavours to work with. Its management intends to serve its food hot and fresh with least operation cost. Customers may directly order the food from the menu. Alternatively, customers have opportunity to mix and match the ingredients from the menu on the making of the burger according to their taste. They will feature something new every month. To better serve their customers' needs, their menu will be updated and some recipes will be improved from time to time which yield various extended versions of some of their burgers adding to its menu at least once a year.

MBL management prioritizes the attention on the food it serves. Food service value is created from quality food along with excellent services. Customers will not return to their outlets if the food is not tasty despite good services are provided. The management decides on ingredients based on certain costing and the price range that they want to serve their customer and make the best out of it. There are many ingredient choices out there. Different ingredients are mixed up together to make different flavours and present them to the customers. Some customers may make a comparison on the food served between the restaurants. According to Ren Yi, it is just a matter of customers' food preferences.

In order to respond the customers' need, MBL has created its own app where customers are part of the loyalty program and once they have made a purchase, a message will be sent to customers to gather the information of their experience within 24 h. The management conducts surveys to figure out what customers are looking for to enable them to provide better products and services to their customer. Besides, the customer voices may reach out the management via social media platforms such as Facebook, Instagram and Google to leave their feedbacks and reviews. More attentions are given to deal with those negative feedbacks. The management reaches out to the negative feedbacks and tried to turn them into the positive experiences.

### 3.2 Operations and Food Delivery

The restaurant layout design decided by the founders based on the style that they wanted to, to represent themselves after taking the advice of appointed interior designer. Instead of going for the high-end furnishings, more funds are allocated for equipment. They opt to provide a clean, safe and comfortable dine-in environment. MBL has its own Standard Operating Procedure (SOP) for its crew to conform and tools for the crew to perform their job to ensure that their job is accomplished within the expectations. The SOP includes the food preparation according to the given recipes and about 15 min expected serving time upon ordering.

MBL initial business model has been portrayed for dine-in. COVID-19 has changed the dining preference of MBL customers whereby 45% of MBL revenues are derived from food delivery. The delivery fees take up to 30% of their selling cost as their existing business model and pricing strategy are not designed to cater for food delivery. Despite of the improvement in online food ordering and delivery, the improvement is not up to the expected level. The business could only yield a tiny profit in some favourable months with the remaining months struggled to breakeven. MBL expands their revenue base by supplying their special sauce and ingredients to other restaurants and cafes.

Currently, MBL faces challenges from their outsourced delivery services. The customers want their food to be delivered faster and being served hot but in reality, it doesn't work that way. The speed and quality of the food delivery service are beyond the control of MBL. Sometime riders take longer time than the expected to deliver the food ordered. The riders are taking their own sweet time. These are common regardless of which delivery services companies it attaches to. As MBL outlets are all located in the Klang Valley, Selangor, Malaysia, there is a shortage of riders during festive seasons as the riders went back to their hometown. This is a common problem across all delivery platforms. In response to the delivery challenges, customers are asked to dine in or takeaway by themselves.

Global supply chain disruption occurs around the world during the COVID-19 pandemic. MBL management foresee the possible disruption which need to be dealt with as the disruption will affect the restaurant's operations. The management has their way to overcome it by seeking alternative or changing the recipe accordingly based on the circumstances face. There are thousands of ways to prepare food. It's just a matter of how it works around the available ingredients which do not require to have specific ingredients to prepare them.

In facing the short staffing, simplifying the menu and adopting automation are among the ways to overcome the shrinkage and improve the operations. Customers can make pre-ordering via the restaurant website prior to their arrival. The management decided to adopt QR code ordering recently and is looking for introducing some level of automation such as automation towards ordering process and the kitchen electrical appliances to streamline the workforce.

### 3.3 Human Capital Development

Ren Yi assures that his staff is the biggest assets for the success of the business. His manpower undeniably provides a great support to the food and service quality and the

business operations. The crew is the one who interacts with customers daily and takes care of customer by producing good food and services for the customers. Thus, the crew need to be happy with their job to exert good job performance.

The management believe that human capital will always an important aspect of F&B industry. Up to now, the company has hired more than 800 workers in four outlets. His belief on human capital development is more towards experience-based. From his experience, his staff demand something more than monetary rewards. His employees requested space and his F&B business could provide a sense of ownership to them. In general, the employees with zero experience will be trained on different aspects, e.g. customer engagement, working in kitchen etc.

For the job arrangement, Ren Yi has initiated a new idea in allocating the tasks among his employees. A total of seven stations are created in his F&B business. Cards will be given if they successfully completed the tasks given in each station. He believed that work is something fun, work is something to improve on and to get rewarded. For example, traveller card is created to motivate staff to work in other outlet. For those who had travelled nine times will earn this card which acts as a recognition. A veteran card is given to employee who has worked for 500 h. Such working environment provides fun place to work with and acknowledgement to employees. The entire card collection provides a motivating reward system. The employees earn a basic salary of RM6.50 per hour. If the employees collect 3–5 cards, they could earn RM7 per hour, with 5–7 cards, they could earn RM7.50 per hour and with 7 cards and above they could earn RM8 per hour.

Ren Yi makes uses of Myers Briggs Type Indicator (MBTI) test to assist him in the allocation of tasks according to their personalities. Before employees report to work, Ren Yi would require them to do this test, which help to identify their strengths and weaknesses that separate them into 16 general personalities. Ren Yi will use this test to identify the suitable station for his employees. For example, architect imaginative and strategic thinker personality are suitable for overall planning. They are good leader and these employees are suitable to be stationed as coordinators in MBL. Employees with console personality (caring, socially popular and eager to help) will be stationed as servers. The entertainer personality with the characteristic as spontaneous, energetic, enthusiastic and lively will be stationed in the assembly line as these employees bring fun to the job as the job in the assembly line is quite boring.

Besides, Ren Yi also uses another innovative method in bringing more fun to his workplace. The employees are dressed up as Role Play Game (RPG) characters and each and every one could be segregated according to their attributes. Similar to an RPG game, employees could level up in accordance to their extra gained attributes they collected throughout their journey in the company. An application system is created to track the workers' performance. Also, this could be an added advantage to the employees as they could build up their CV via this application. Each activity will be recorded in this application, e.g. a record will be created in the application system when an employee is assigned to travel to another town, attended training, work for seven hours in kitchen, etc. This system is very useful to groom the young employees into more diplomatic, smart and ultimately become an all-rounder.

## 4 Discussion and Conclusion

This case study highlights the journey of a Malaysian young entrepreneur on how his restaurant mitigate the risks posed by the pandemic which has severely upended Malaysian's food and beverages industry. Ren Yi is undoubtedly an optimistic and inspirational entrepreneur who creatively adopted various effective business level strategies in order for his business to stay competitive among its rivals. In addition, Ren Yi constantly stresses the importance to concentrate on the guises of human capital and unique corporate culture to sustain the business, particularly during the upheaval time, such as the COVID-19 pandemic. Although, there were many pivotal business adjustments which had been made by Ren Yi and myBurgerLab (MBL) during the pandemic time, these efforts are considered to be worthwhile for the business to remain competitive nonetheless until these days. Moreover, it is pleased to note that MBL is planning to expand its business by opening more branches in the Klang Valley, Selangor, Malaysia in near future. The success of the business has proven the importance of incorporating creativity, effective business strategies, and good product/service quality to remain competitive in Malaysian food and beverage industry amid uncertain time.

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