



“From Pancakes to Burgers” | Honest Effort  
or Dishonest Stunt?

## Organizational Profile:

In 1958 two men by the name of Al and Jerry Lapin founded the very first International House of Pancakes in Toluca Lake, California. With a vision of making people smile, the brand has been bringing communities together with delicious comfort food ever since the beginning: “We know the shortest distance between two people is a smile”<sup>1</sup>.

“Everyday life has enough rules. Sitting down for a delicious, comforting meal shouldn’t have any. That’s why at IHOP®, you’re invited to be yourself and enjoy special moments with family and friends. And while we don’t have any official rules, we do have a few suggestions that are sure to make you smile.”

International House of Pancakes eventually changed their logo in 2015 to include a smile. After having a humble beginning, in 1960 the brand began to expand through franchising. Thirteen years later in 1973, the company used the acronym IHOP for the first time and it has remained the preferred name since. IHOP continued to expand over the next several decades which includes the acquisition of the Applebee’s franchise<sup>2</sup>. During the 80s and 90s, Richard Herzer took charge and helped build IHOP into what it is today. “In 1987, he led a management buyout of the now 45 year-old restaurant chain and immediately took steps to refurbish the restaurants, improve operations and revitalize the marketing of the IHOP and International House of Pancakes brands”<sup>3</sup>. The breakfast food king boasts, as of 2015, over 1,700 restaurants

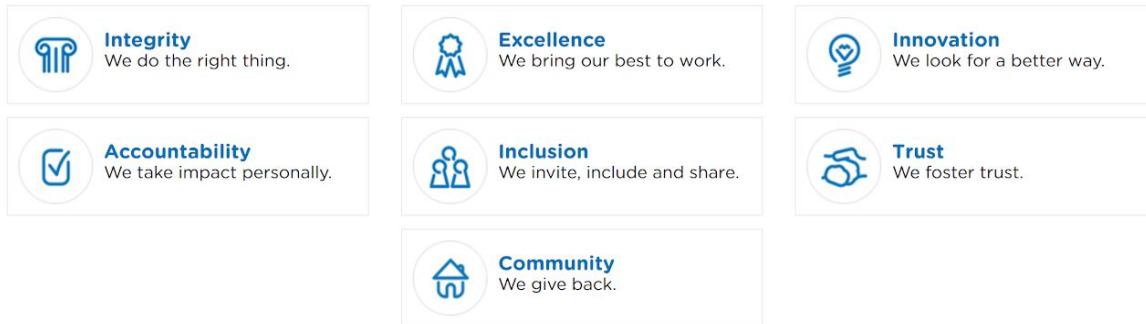
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<sup>1</sup>Our Story. (n.d.). Retrieved from <https://www.ihop.com/en/about-ihop>

<sup>2</sup>IHOP® History. (n.d.). Retrieved from <https://www.ihop.com/en/about-ihop/history>

<sup>3</sup>IHOP Corp. Announces Retirement of Chairman, Richard 'Kim' Herzer. (n.d.). Retrieved from <https://investors.dineequity.com/news-releases/news-release-details/ihop-corp-announces-retirement-chairman-richard-kim-herzer>

globally with locations in all 50 United States and 115 international restaurants helping the company to quite literally live up to the name<sup>4</sup>. In 2017, IHOP reached 3.26 billion in sales<sup>5</sup>



Currently led by President Darren Rebelez, IHOP is taking initiatives to grow not only in size, but volume. The popular family breakfast franchise is trying to expand beyond their name and figure out how to capitalize on the lunch and dinner crowd. IHOP has always sold burgers, but in 2018, they introduced a brand new line of “Ultimate Steakburgers”.

### Case Overview:

On June 4th, 2018, IHOP did something completely unprecedented. The longstanding breakfast brand changed their name of 60 years from IHOP to IHOB.

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<sup>4</sup> Smith, C. (2018, September 16). Interesting IHOP Statistics and Facts. Retrieved from <https://expandedramblings.com/index.php/ihop-statistics-and-facts/>

<sup>5</sup> IHOP: Restaurant sales U.S. 2017 | Statistic. (n.d.). Retrieved from <https://www.statista.com/statistics/222404/ihop-us-sales/>



Following

For 60 pancakin' years, we've been IHOP.  
Now, we're flippin' our name to IHOb. Find  
out what it could b on 6.11.18. #IHOb

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Leaving the meaning for the new letter “b” unknown, consumers and twitter-goers alike began speculating what it stood for. IHOb itself toyed with this idea on Twitter, teasing that the “b” might stand for breakbeats, beluga, and even the name Bill. Over the course of the next week, IHOb tweeted a total of ten times, building off of their initial post. The brand’s social media exploded with engagement and controversy over the name change. Users were in awe, disbelief, laughter, and even anger over the social media announcement. To make it even more believable, one restaurant actually underwent a small renovation to their signage in order to show the world how serious they were about their name change<sup>7</sup>. Fast forward to the anticipated June 11th, IHOP revealed it would now go by the name: International House of Burgers. This caused an uproar over all forms of media and generated a massive amount of buzz for the company.

IHOb’s President Darren Rebelez and Chief Marketing Officer Brad Haley were both outspoken at the beginning of this campaign that it was not permanent change, but actually an effort to prove to the public that they took lunch and dinner seriously as well. “We felt like the best way to convince them that we are as serious about our new line of

<sup>6</sup>Account, I. (2018, September 30). IHOP (@IHOP). Retrieved from <https://twitter.com/IHOP>

<sup>7</sup> Bromwich, J. E. (2018, June 11). IHOP Promotes Burgers by 'Changing' Name to IHOb, Gets Reaction. Retrieved from <https://www.nytimes.com/2018/06/11/style/ihop-ihob-burgers.html>

Ultimate Steakburgers as we are about our pancakes, was to change our name to IHOB,<sup>8</sup>” said Haley in a news piece posted by IHOP on its blog. As a company and brand they had been trying for a while to get their lunch and dinner items to lift off the ground, but had been struggling. Their agency, Droga5, who came up with the campaign “pancakes, pancakes, pancakes” formed the idea in order to promote and raise awareness of IHOP’s new burger selection. It was a very bold strategy, but the company was sure it was going to pay off in the long haul.

### **Business Opportunity/Problem:**

IHOP has been in the leading role for a long time when it comes to family-style breakfast. This model has driven profits and growth for years, but since breakfast only takes up one third of daily meals, in contrast to most restaurants that cover two thirds with lunch and dinner, the dining chain needed a way to expand their business model. IHOP has always had lunch and dinner items, but it was high time the public knew and bought into them. Both Rebelez and Haley were surprised at the impact the campaign had. In an interview with *FSR*, stated that the campaign “exceeded all of our expectations in terms of how much buzz and interest it’s generated.”<sup>9</sup> However, not all buzz and interest was inherently good. Deciding to change their name brought up several concerns and criticisms within the Public Relations sphere.

Many individuals and organizations began questioning IHOP on their methods and motives. The public was calling it “dishonest” and “misleading” that they changed

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<sup>8</sup>IHOP® CHANGES NAME TO IHOB™ AND REVEALS THE “B” IS FOR BURGERS. (n.d.). Retrieved from <https://www.ihop.com/en/news/2018/ihop-changes-name-to-ihob-and-reveals-the-b-is-for-burgers>

<sup>9</sup> D. (2018, June 11). Why IHOB? IHOP’s President Explains the Daring Campaign. Retrieved from <https://www.foodnewsfeed.com/fsr/chain-restaurants/why-ihob-ihops-president-explains-daring-campaign>

their name without the intent of keeping it. Numerous questions are raised from this campaign. Was it unethical or dishonest for IHOP to lead people to believe that they were changing their name to IHOB? What kinds of implications for other companies does this have? In the PRSA Code of Ethics, honesty is very highly valued and should be dictating all of a company's publicity efforts<sup>10</sup>. Taking a look at this move by IHOP with honesty and trust in mind should help to see what the company's true intentions and desires were. Did IHOP break trust with their publics through their effort to promote their burgers? Trust plays a massive role in brand loyalty:

“brand characteristics are relatively more important in their effects on a consumer's trust in a brand. The results also show that trust in a brand is positively related to brand loyalty. Marketers should, therefore, take careful consideration of brand factors in the development of trust in a brand<sup>11</sup>”

Transition

### **RPIE Analysis:**

#### *Research:*

In order to execute this campaign and publicity move, the team at IHOP would have needed to do a lot of research to make sure what was about to be undertaken was a good idea. These sections are speculation on statistics and information that IHOP would have likely used. IHOP most likely conducted most of their own research before instituting this campaign. However it is likely that IHOP also used outside resources to

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<sup>10</sup> Code of Ethics. (n.d.). Retrieved from <https://www.prsa.org/ethics/code-of-ethics/>

<sup>11</sup> Lau, G.T. & Lee, S.H. Journal of Market-Focused Management (1999) 4: 341. <https://doi.org/10.1023/A:1009886520142>

help better their cause. IHOP probably used various forms of research. This would include both quantitative and qualitative research as well as primary and secondary. The restaurant brand would first evaluate its key publics. Since it is a casual family establishment, it is likely that their key publics would be multi-generational. The company would learn that over 50% of their consumers are age 34 or under<sup>12</sup>. With this statistic, they would have been able to see that even though around 50% of their audience is either middle-aged or retired, they still have a large Millennial and Gen Z following. The next question IHOP would need to ask themselves is whether or not advertising these burgers would help their business grow. This question would uncover things like the percentages of revenue in breakfast vs. lunch vs. dinner vs. off premises. One study shows that 49% of IHOP's revenue comes from breakfast, while 28% comes from lunch and only 16% from dinner<sup>13</sup>. At an even smaller amount, off premises sales only account for 7%. These kinds of studies would likely be done through restaurant surveys, company information, and demographics polls. IHOP would have learned that there is a significant shift in business from breakfast to the rest of the meals. With the majority of IHOPs being open 24/7 information like this would have given the company the grounds to believe that a campaign so bold was necessary.

### *Programming:*

1. Goal: To boost publicity, awareness, and actions taken towards IHOP's new Ultimate Steakburgers.

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<sup>12</sup> D. (2018, June 11). Why IHOB? IHOP's President Explains the Daring Campaign. Retrieved from <https://www.foodnewsfeed.com/fsr/chain-restaurants/why-ihob-ihops-president-explains-daring-campaign>

<sup>13</sup> D. (2018, June 12). IHOP is Now IHOB, and Burgers are the Reason Why. Retrieved from <https://www.foodnewsfeed.com/fsr/chain-restaurants/ihop-now-ihob-and-burgers-are-reason-why>

- a. Objective: Increase IHOP consumer awareness about Ultimate Steakburgers by 50%.
  - i. Strategy: Use Twitter to tease changing company name.
    - 1. Tactic: Change company name on Twitter to IHOB standing for International House of Burgers.
    - 2. Tactic: Utilize the hashtag “#IHOB” to get trending status.
- b. Objective: Increase burger sales by 25% nationwide.
  - i. Strategy: Use social media posts to draw people’s attention to IHOP’s new line of burgers.
    - 1. Tactic: Tweet eleven times over the course of the week to tease name change to IHOB.
    - 2. Relentlessly post about IHOB’s new burger line once the new name is revealed.
- c. Objective: Increase lunch and dinner revenue by 15%.
  - i. Strategy: Target millenials and Gen Z through twitter to compete with alternate lunchtime options.
    - 1. Tactic: Tweet once every two days a unique post about burgers to encourage people to come for lunch and dinner.

The above section is speculated and hopes to represent how the company may have organized and articulated their desires for the campaign. If the above are close to accurate, then it would be safe to presume that the business needs were met. In the



effort to increase lunch and dinner time sales, the above efforts will do a good job to achieve and track success.

### *Implementation:*

The campaign was released on Twitter via a simple tweet on June 4th, 2018. In the following days, IHOP tweeted a total of 11 times to increase engagement and anticipation to what their new name stood for. Following the release of International House of Burgers, a restaurant on Sunset Boulevard saw minor renovation with the new branding. IHOP also utilized their personal blog to provide additional information including statements from the President and Chief Marketing Officer. Some of the coverage that ensued looks like this:



CBS/AP / July 10, 2018, 8:23 AM

## **Shocking! IHOP admits it faked IHOb name change**

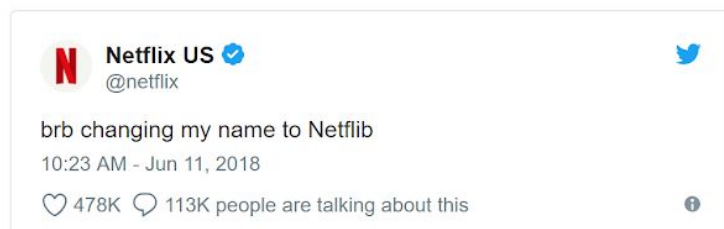
There is no doubt that Twitter was the best medium for the campaign. Twitter is known for inhabiting the weird sides of businesses. Some restaurant brands are very

known for their Twitter accounts having very sassy or funny pages. The IHOB campaign was no stranger to the Twitter community and it started trending immediately.

### *Evaluation:*

The campaign was easily accessible to assess. With tools that Twitter provides and in-store revenue metrics, IHOP was able to accurately figure out if the campaign was a success or not. It was more than they could have ever dreamed. Within hours, the brand was trending on

Twitter. In a matter of a day, there were “over 3,000 articles written and 8 billion impressions last week. And now we’re trending No. 1., No. 2, and No. 4 on Twitter right now.”<sup>14</sup> With over a total of over 36 Billion earned media impressions<sup>15</sup>, this campaign is going down into the books for all companies. Other restaurant’s Twitter accounts joined in on the fun which spread the reach



<sup>14</sup> D. (2018, June 11). Why IHOB? IHOP's President Explains the Daring Campaign. Retrieved from <https://www.foodnewsfeed.com/fsr/chain-restaurants/why-ihob-ihops-president-explains-daring-campaign>

<sup>15</sup> D. (2018, August 02). Did IHOP's IHOB Campaign Drive Sales? The Results Are In. Retrieved from <https://www.foodnewsfeed.com/fsr/chain-restaurants/did-ihops-ihob-campaign-drive-sales-results-are>

even further<sup>16</sup>. As IHOP is reveling in the success of its brand new campaign, what are their hopes for next? IHOP hopes to piggy-back this campaign with their to-go ordering system. Having the campaign quadruple their burger sales<sup>17</sup> means more opportunity to grow. IHOP stated that they went so big with this campaign because it is not a LTO item, but a permanent addition to their menu. While there could be more information provided to understand how much of an impact this campaign had, it seems as if there is enough to decide that it was a success and went beyond expectations.

### **Critique:**

IHOP changing their name to IHOB has been one of the most fascinating PR campaigns to date. All of the coverage was through earned media. The impact was enormous, and the good far outweighed the bad. It is a great example of companies taking extreme risk to attempt to enhance their definition as a brand. The success of these stories can be monumental. What this case raises are important insights into brand loyalty, and brand trust. Companies need to make sure that what they are doing is not misleading or lying to their consumers and publics. Having said that, IHOP could have done a better job at doing this where a lot of people felt deceived by the brand when they found out they were not actually changing their name. The implications of this go beyond IHOP and into corporate businesses. While agencies and organizations alike are attempting to come up with the next “IHOB campaign”, it is imperative that it is pursued with complete trust and transparency.

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<sup>16</sup> The Best Chain Restaurant Twitter Reactions to IHOP Changing Its Name to 'IHOB'. (n.d.). Retrieved from <https://people.com/food/ihop-name-change-ihob-twitter-reactions/>

<sup>17</sup> Taylor, K. (2018, August 02). IHOP's burger sales quadrupled after its controversial IHOB name change. Retrieved from <https://www.businessinsider.com/ihop-burger-sales-grew-with-ihob-name-change-2018-8>