
British Broadcasting Company (BBC), United Kingdom

McD's at Turning Point, Could Disappear or Become Relic

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In a heavily-promoted and widely-watched program last night on BBC television, the disappearance of McDonald's was predicted if it didn't change in response to various factors, including specifically so-called obesity law suits. (Big Mac Under Attack, BBC2 TV July 15, 2003)

"It's possible McDonald's could disappear: I actually think the crisis is deep very deep. It could be that the McDonald's brand is now dying out like many brands we've seen in the past," predicted David Upton of Harvard Business School.

BBC Business Editor Jeff Randall warned that McDonald's could become nothing more than "an interesting relic." "McDonald's is at a turning point: It's a unique business and cultural force. It has literally changed the landscape of much of the world. But it's reached what people here call a tipping moment. A point where it has to make tough choices, difficult decisions. If it gets them right it could enjoy another 50 years of prosperity. If it gets them wrong, it will end up like this old car once widely admired, but now just an interesting relic."

The big problem, says this BBC report, is the obesity law suits and how they are rapidly changing public attitudes: "Putting healthier food on the menu now may be too late to prevent the obesity lawsuits. Many people in America believe that the hamburger is responsible for their weight problems. The fast-food industry is being blamed for pumping up America. It stands accused of encouraging people to eat too much, and offering portions that have grown hugely for little extra cost."

"McDonald's is also in the dock for allegedly not telling customers clearly enough about what's in its food and just how fattening it can be. Obesity has become a major political issue in Washington. And now a legal one too. Lawyer John Banzhaf is famed for helping whip up the blizzard of lawsuits that cost tobacco companies such as Philip Morris billions of pounds in damages. Now he's turned his crusading wrath onto fast food - and McDonald's in particular."

"Lawyers such as Banzhaf promise litigation. The question, he says, is whether the fast-food industry is going to be smart enough to do what the health campaigners want or whether they are going to wait for the kind of litigation which has now put Philip Morris literally on the edge of bankruptcy. It's up to them, Banzhaf says. 'If McDonald's foolishly digs its heels in, we will sue the hell out of them,' he says. It's another challenge for the golden arches company."

The BBC report quotes Banzhaf as suggesting that McDonald's should do at least two things to help avoid legal liability. The first is disclosing key nutritional information about its offerings - especially the calorie and fat content - to customers on the menu board so they can see it when they are deciding what to order. The second is that "the company should inform customers about the possible perils of eating fast food or face the consequences."