



T.G.I. Friday's, UK Limited
London, England
www.tgifridays.co.uk

Industry:

Consumer Goods

Annual Revenue:

US\$150 million

Employees:

3,000

Oracle Products & Services:

Oracle Crystal Ball
Oracle Crystal Ball Decision
Optimizer

Oracle Partner:

GfK NOP Consumer Services
www.gfk.com

“GfK Consumer Services’ optimization tool that runs on Oracle Crystal Ball has leveraged Oracle’s leading analysis and simulation tools to build a model that helps us optimize pricing as a profit driver while enhancing guest satisfaction.” – Darrell Wade, Commercial Director, T.G.I. Friday’s UK Limited

T.G.I. Friday’s, UK Limited Grows Profit 44% and Guest Satisfaction 25% by Understanding the Dynamics of Pricing

American restaurant chain T.G.I. Friday’s has more than 1,000 restaurants in more than 50 countries worldwide. In the United Kingdom, the chain currently operates 46 restaurants in 41 cities and is renowned for offering quality, innovation, and an enhanced guest dining experience.

Challenges

- Optimize the pricing of key menu items and bundle deals comprising multiple courses to maximize profitability, enhance customer satisfaction, increase covers, and grow market share
- Identify what drives guests’ meal choices, develop appropriate pricing and promotion strategies, forecast demand accurately, and respond promptly to new trends in a dynamic environment

Solution

- Commissioned GfK NOP Consumer Services division, part of the GfK Group, to develop a survey tool to test price sensitivity of menu items and bundle deals (key menu items) and show how price changes impact selections
- Used GfK NOP’s innovative menu-based choice analysis technique, which leveraged Oracle Crystal Ball Decision Optimizer, an optimization tool that runs with Oracle Crystal Ball, to determine the best combination of prices across the menu items tested
- Surveyed a sample client base of more than 1,500 respondents between 18 and 35 years old who eat out regularly at licensed, branded restaurants offering full table service
- Reduced the price of the bundle deal in line with the outcome of the optimization analysis
- Adjusted menu items and bundle deals prices in line with the survey results at a test restaurant for a three-month period
- Achieved profit increase of 44% at trial restaurant, compared with 12% increase in control restaurants over the same period
- Determined that the profit increase is attributed almost exclusively to the change in price of the bundle meal deal, and can grow guest satisfaction
- Gained a powerful intelligence tool that can be reused to assess ongoing changes in the pricing and bundle deal strategy