SIMON ◆ KUCHER & PARTNERS
Strategy & Marketing Consultants

Pricing strategy and optimization to steer traffic and profitability

Presentation of Simon-Kucher's Restaurant Practice

November 2017

david.vidal@simon-kucher.com

www.simon-kucher.com

Simon-Kucher & Partners at a glance

Best consultancy in marketing and sales

Forbes 🇺🇸	Capital 🇫🇷	brand eins Thema 🇩🇪
Marketing, brand, pricing	**Marketing, sales, pricing**	**Marketing, sales, pricing**
Simon-Kucher & Partners	**Simon-Kucher & Partners**	**1 Simon-Kucher & Partners**
on a par with	**on a par with**	**2** Boston Consulting Group
Boston Consulting Group	Boston Consulting Group	**3** McKinsey & Company
McKinsey & Company	McKinsey & Company	

Source: *Forbes,* Survey of best management consulting firms in the US, October 2016

Source: *Capital,* survey of the best consultancies in France, October 2016

Source: *brand eins Thema* special edition: Consulting – industry report from *brand eins Wissen* and Statista, online survey, May 2014, 2015, 2016, 2017

World leader in pricing

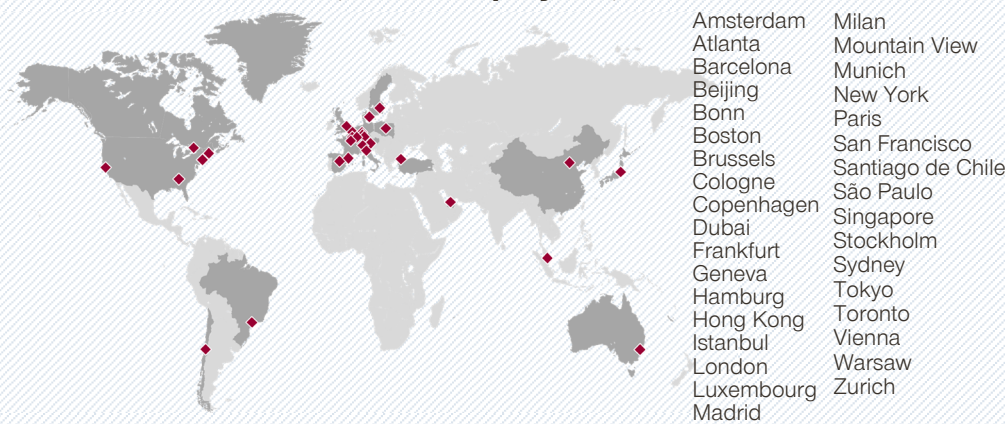> **World leader in giving advice to companies on how to price their products**
> *BusinessWeek*

> **The world's leading pricing consultancy**
> *The Economist*

> **Pricing strategy specialists**
> *The Wall Street Journal*

> **In pricing you offer something nobody else does**
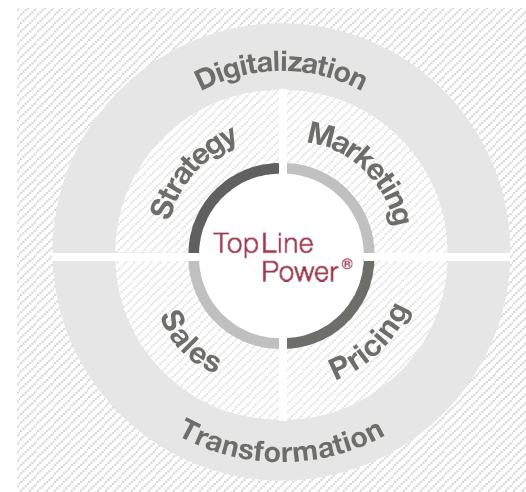> Professor Peter Drucker

Global presence

34 offices worldwide, 1100 employees, €240m revenue in 2016

Amsterdam
Atlanta
Barcelona
Beijing
Bonn
Boston
Brussels
Cologne
Copenhagen
Dubai
Frankfurt
Geneva
Hamburg
Hong Kong
Istanbul
London
Luxembourg
Madrid
Milan
Mountain View
Munich
New York
Paris
San Francisco
Santiago de Chile
São Paulo
Singapore
Stockholm
Sydney
Tokyo
Toronto
Vienna
Warsaw
Zurich

Source: Simon-Kucher & Partners

> 3,000 projects in the last 3 years

Digitalization
Strategy
Marketing
Sales
Pricing
Transformation
TopLine Power®

- Growth and competitive strategies
- Product portfolio (re-)design
- Pricing excellence
- Sales strategies and sales channel optimization
- Customer-centric digital approaches
- End-to-end transformation towards customer excellence
- ...

Selected references in the restaurant industry

Fast food	Casual dining	Take-away & delivery	Cafeterias	Private Equity firms

Source: Simon-Kucher & Partners

Overview of key areas of support of Simon-Kucher

Key steps of demand stimulation	A Attention	I Interest	D Desire	A Action		S Satisfaction

Levers

Brand promise and traffic levers by daypart and consumer segment

Product & Innovation Strategy

Pricing & Promotions

"Come-Back Management"

Local Marketing

Digital (before, during, after the visit)

Pre-requisite

Establish indicators and a diagnostics on traffic and customer segmentation

Source: Simon-Kucher & Partners
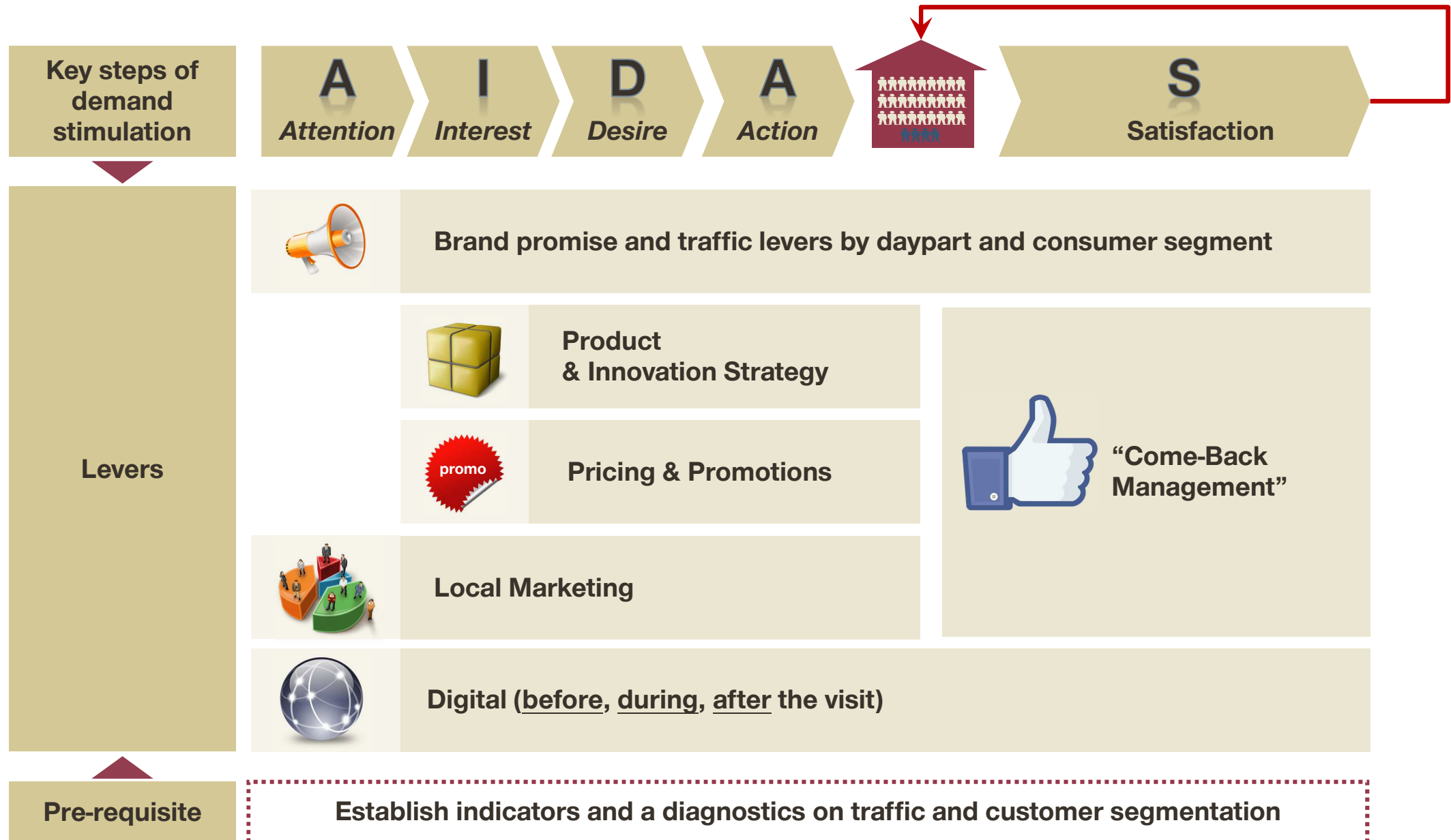
Example of recent client references and impacts

Client	Locations	Example project scope	Financial impact
Leading QSR chain	550+	▪ Optimized menu board prices by simulating profit impact of price changes based on customer research and expert pricing tools ▪ Developed new product architecture and price communication strategy	**ROS* increase of +2.8 pp**
Pizza restaurant chain	~600	▪ Supported pricing policy redesign, based on detailed analysis of customer order behavior, and in-depth study of customer price and value perceptions	**Sales increase of +5% through increase of volume by order**
Top-tier casual dining chain	~550	▪ New pricing framework to create price consistency while accounting for local dynamics (customer and competitive) ▪ Support in brand pricing strategy and detailed pricing tactics at menu, and local level	**ROS* increase of +2.1 pp**
Local, family owned fast casual chain	40+	▪ Conducted pricing diagnostic and implemented new pricing and promotion process ▪ Reworked pricing architecture of product portfolio	**ROS* increase of +5.5 pp**
Casual dining chain	330+	▪ Tactical menu items and price optimization (product content and price levels, value menus and deals) ▪ Development of strategic value and pricing identity to support brand re-launch	**From -3pp traffic trend vs. benchmark to +6pp**
Leading sushi chain	100+	▪ In-depth pricing analytics and customer research to understand consumption profiles by location type and identify psychological price thresholds ▪ Developed optimal product/menu offers and up-sell pricing strategy for side products to increase sales	**EBIT increase of +10% through +5% traffic increase at lunch and surgical price increases at dinner**

Source: Simon-Kucher & Partners

Your contact

SIMON ◆ KUCHER & PARTNERS
Strategy & Marketing Consultants

David Vidal

Partner

Tel: +33629548077
david.vidal@simon-kucher.com
www.simon-kucher.com

Background

David's consulting work focuses primarily on Value Management, Strategic Pricing and Marketing, and Pricing Optimization. He has carried out projects for clients in the US, Europe and Asia.

David has been with Simon-Kucher for 13 years, he was part of the founding team of **Simon-Kucher's New York office.**

He focuses on Pricing in Retail & Hospitality industries, with a specific focus and experience in the Restaurant industry. David serves clients in Europe, the US, and Asia, and has worked for **over 20 restaurant brands** on their pricing strategies, across all segments.

David studied Business Administration at ESCP-EAP in Paris and at the University of Illinois at Urbana-Champaign, with an emphasis on Strategic Marketing.