Menu performance and optimization analyses
Casual dinning

Analyzed the sales transaction data to determine how the menu items differ in their sensitivity to price for various locations and ascertained the menu items that could be de-listed or expanded for different locations, in order to enhance the overall sales performance

Casual dinning Chain needs menu performance and optimization analyses

Picture this...

You're looking to identify items for de-listing & expanding on the menu, potential items for set menus and combos in the next menu. Currently you have an opportunity to optimize the menu to improve the sales performance for the next season by studying the impact of previous price change and menu change events.

You turn to Accordion.

We partner with your team to analyze the sales transaction data to determine how the **menu items differ in their sensitivity to price for various locations** and ascertained the menu items that could be de-listed or expanded for different locations, **to enhance the overall sales performance,** including**:**

1) Studying the impact of historical menu changes and price changes on guest spend, migration across menu categories

2) Evaluating item level performance across locations to identify menu listing and de-listing opportunities for beverages and food items

3) Identifying groups of items frequently ordered together to suggest items to be included in the set menus and combos for up-selling and cross-selling opportunities

Your value is enhanced.

- You have identified 10 high-performing items for expansion to the entire portfolio and 24 low performing items that were being sold in most of the locations to be de-listed from the menu

- Guests preferred migrating to lower priced dishes within the same category post menu change. This was identified as the key reason for the decrease in spend per guest.

KEY RESULT

- 10 high-performing items for expansion to the entire portfolio
- 24 low performing items that were being sold

VALUE LEVERS PULLED

- Order Behavior
- Menu Analysis
- Price Sensitivity

Menu performance and optimization analyses

Situation

- Client had an opportunity to optimize the menu to improve the sales performance for the next season by studying the impact of previous price change and menu change events
- Partnered with the client to identify items for de-listing & expanding on the menu, potential items for set menus and combos in the next menu
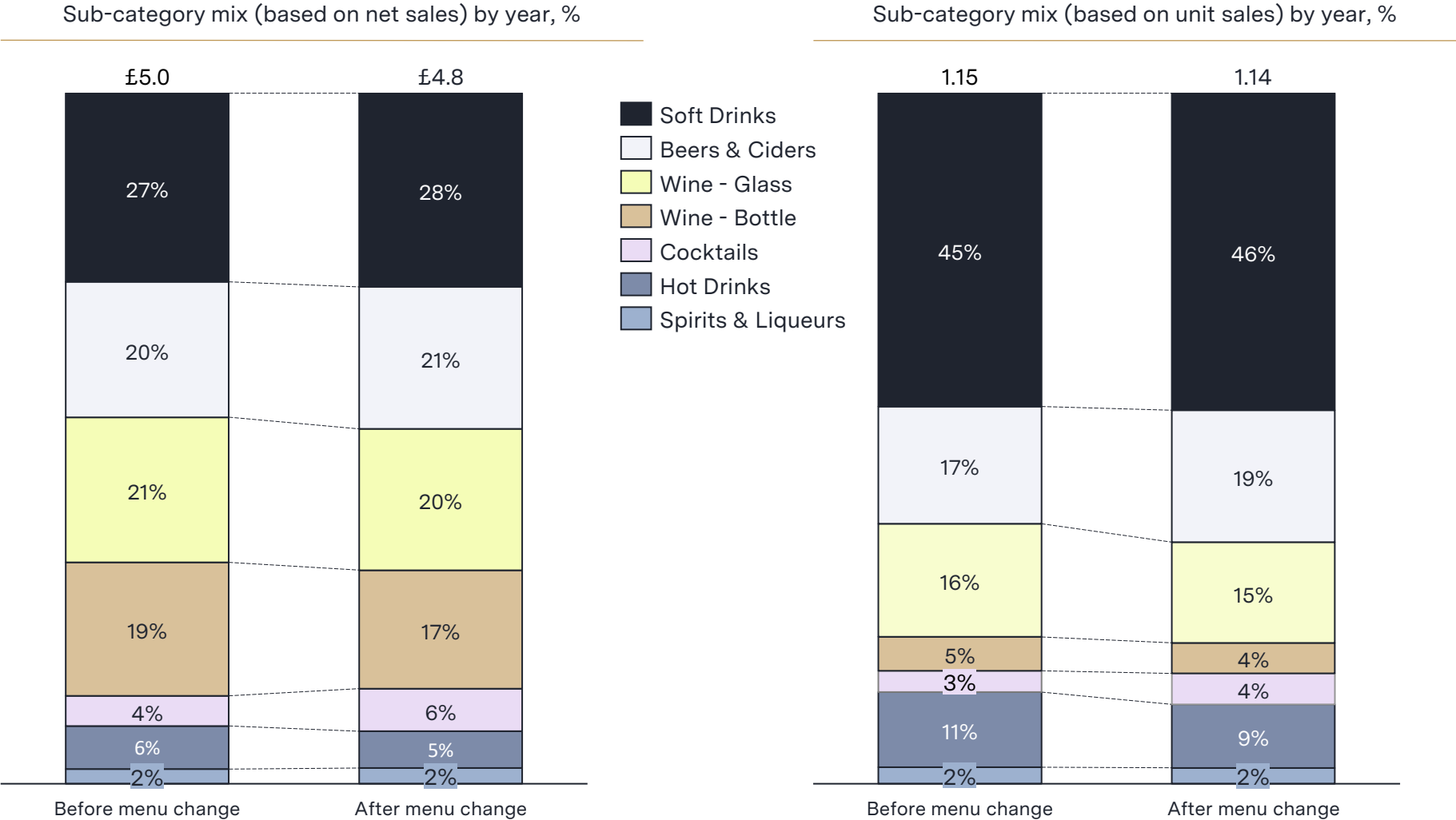
Accordion Value Add

- Studied the impact of historical menu changes and price changes on guest spend, migration across menu categories
- Evaluated item level performance across locations to identify menu listing and de-listing opportunities for beverages and food items
- Identified groups of items frequently ordered together to suggest items to be included in the set menus and combos for up-selling and cross-selling opportunities

Impact

- Identified 10 high-performing items for expansion to the entire portfolio and 24 low performing items that were being sold in most of the locations to be de-listed from the menu
- Guests preferred migrating to lower priced dishes within the same category post menu change. This was identified as the key reason for the decrease in spend per guest.

Analyzed food & drink mix to better understand migration patterns post menu change

Sub-category mix (based on net sales) by year, %

Sub-category mix (based on unit sales) by year, %

Legend:
- Soft Drinks
- Beers & Ciders
- Wine - Glass
- Wine - Bottle
- Cocktails
- Hot Drinks
- Spirits & Liqueurs

Net sales chart:

£5.0 (Before menu change):
- Soft Drinks: 27%
- Beers & Ciders: 20%
- Wine - Glass: 21%
- Wine - Bottle: 19%
- Cocktails: 4%
- Hot Drinks: 6%
- Spirits & Liqueurs: 2%

£4.8 (After menu change):
- Soft Drinks: 28%
- Beers & Ciders: 21%
- Wine - Glass: 20%
- Wine - Bottle: 17%
- Cocktails: 6%
- Hot Drinks: 5%
- Spirits & Liqueurs: 2%

Unit sales chart:

1.15 (Before menu change):
- Soft Drinks: 45%
- Beers & Ciders: 17%
- Wine - Glass: 16%
- Wine - Bottle: 5%
- Cocktails: 3%
- Hot Drinks: 11%
- Spirits & Liqueurs: 2%

1.14 (After menu change):
- Soft Drinks: 46%
- Beers & Ciders: 19%
- Wine - Glass: 15%
- Wine - Bottle: 4%
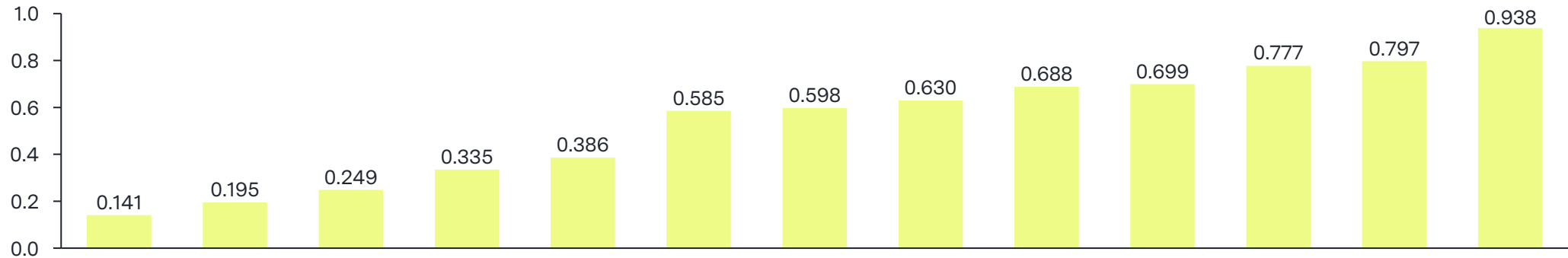- Cocktails: 4%
- Hot Drinks: 9%
- Spirits & Liqueurs: 2%

Notes: 1) The pre period and post period are defined as 8 weeks before and after (starting the following Monday) the menu change event

Identified low performing food & drink items to potentially remove after evaluation
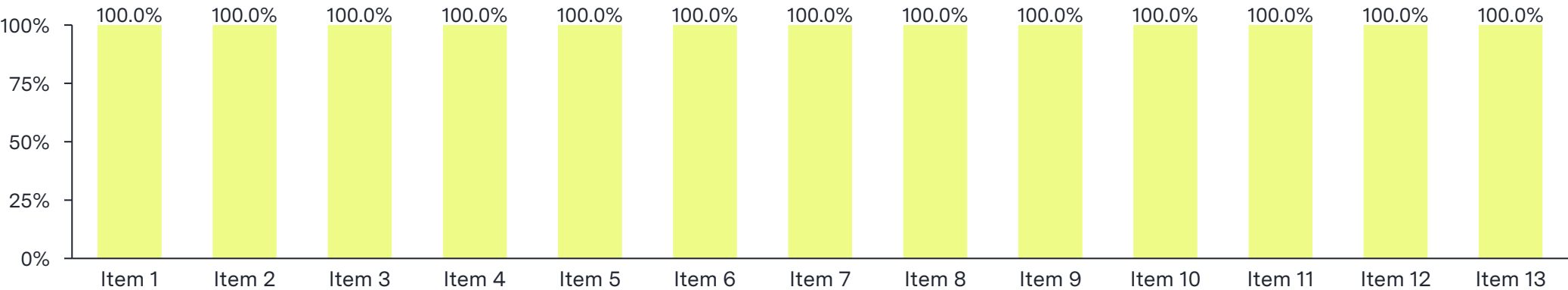
Units per 100 Covers by Item – Across all Locations

Item	Units per 100 Covers
Item 1	0.141
Item 2	0.195
Item 3	0.249
Item 4	0.335
Item 5	0.386
Item 6	0.585
Item 7	0.598
Item 8	0.630
Item 9	0.688
Item 10	0.699
Item 11	0.777
Item 12	0.797
Item 13	0.938

Share of Locations by item, %

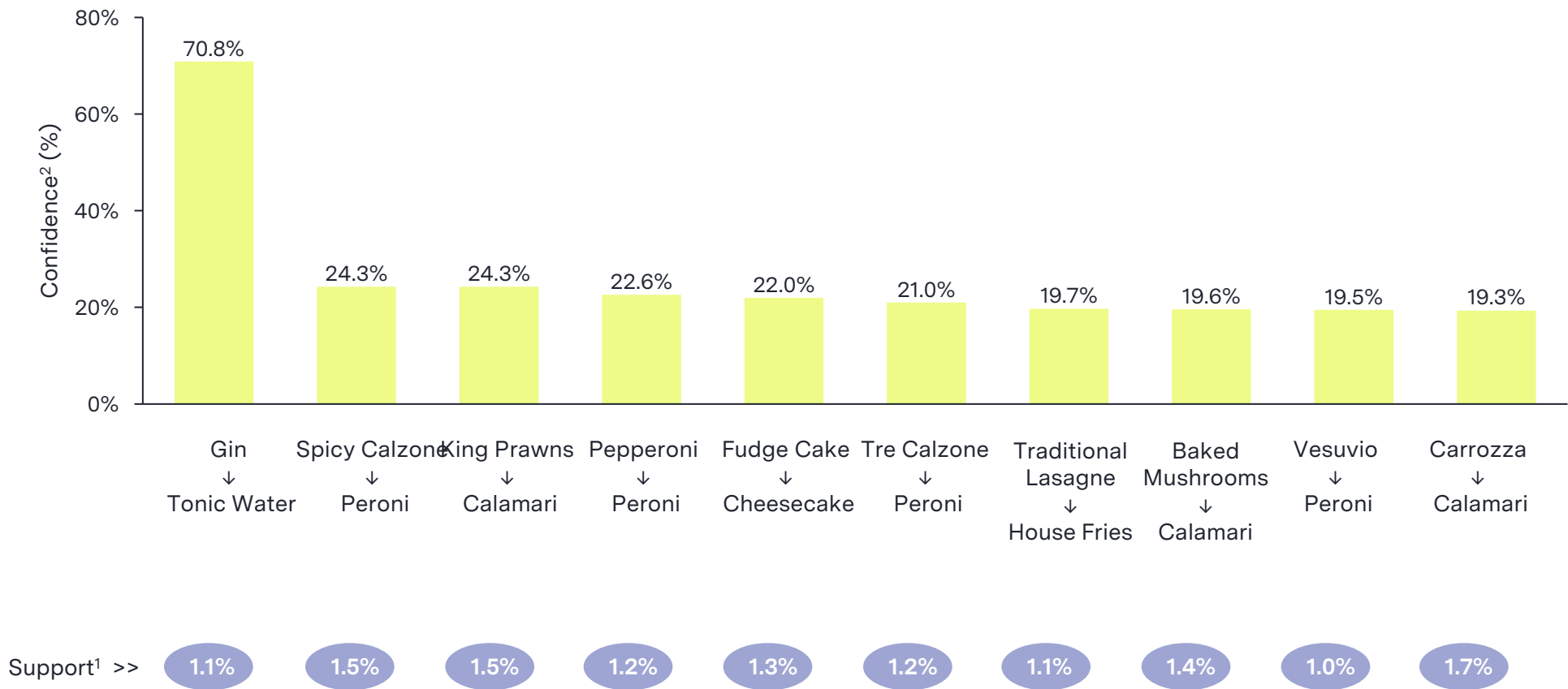| Item	Share of Locations
Item 1	100.0%
Item 2	100.0%
Item 3	100.0%
Item 4	100.0%
Item 5	100.0%
Item 6	100.0%
Item 7	100.0%
Item 8	100.0%
Item 9	100.0%
Item 10	100.0%
Item 11	100.0%
Item 12	100.0%
Item 13	100.0%

Notes: 1) "Units per 100 Covers" is the ratio of # of units (quantity) purchased per 100 customers in the locations where the item is ordered; 2) Considered 253 locations that are opened before May 2017

Identified market basket product combinations to potentially offer combos/set menu to increase cross selling

Chart: Confidence[2] (%)

Combination	Confidence	Support[1]
Gin → Tonic Water	70.8%	1.1%
Spicy Calzone → Peroni	24.3%	1.5%
King Prawns → Calamari	24.3%	1.5%
Pepperoni → Peroni	22.6%	1.2%
Fudge Cake → Cheesecake	22.0%	1.3%
Tre Calzone → Peroni	21.0%	1.2%
Traditional Lasagne → House Fries	19.7%	1.1%
Baked Mushrooms → Calamari	19.6%	1.4%
Vesuvio → Peroni	19.5%	1.0%
Carrozza → Calamari	19.3%	1.7%

Notes: 1) # of bills in which both the items are present. Considered only Full Paying bills for the analysis; 2) (X→Y) Probability of occurrence Y when X occurs in the bills; 3) Locations that are stabilized by May 2017 are considered for the analysis