

GOURMET BURGERS AND BREWS

Strategic Audit of Red Robin Keith Buchhalter Ronna Faris James LeFevre Tianyun Liu Misty Tobin April 2021



# EXECUTIVE SUMMARY

- Unattractive Industry Red Robin is in an unattractive industry, with high rivalry, buyer power, and substitutes. 1
- Threat of Rivals The threat of rivals in the restaurant industry is very high?
- Recommendation continue

   a differentiation strategy with a focus
   on improving the overall guest
   experience

### Entry **Threat** Moderate

many suppliers, industry decline due to Covid.

### Supplier Power Low

"There are plenty of companies, have buyer power to negotiate better

### Rivalry High

conglomerates have a high percentage of the market

Buyer

Power

price sensitive and look for

better value for the dollars

n a dining out experience

they are willing to spend

High

## High

choices and are highly aware of all the substitute options.

## FIVE FORCES ANALYSIS

The Five Forces analysis concludes that Red Robin is in an unattractive industry with high rivalry and substitute products.

## Substitutes



## STARTEGIC ISSUE

Red Robin's biggest threat to profitability is high rivalry in the market with many established restaurants and new competition entering frequently. <sup>7</sup>

# Red Robin Casual Dining Custome price

# STRATEGY CANVAS

Differentiate products and services to improve the total guest experience and capture a larger market share. <sup>5</sup>



# RECOMMENDATION

- Differentiate services and menu offerings.
- Build on existing brand image with the "TGX" model and increased marketing. <sup>1</sup>
- Improve overall guest experience.<sup>4</sup>

### 7 S Before Recommendation

The strategy is to differentiate themsel ves from competitors

The shared values are honesty, integrity and having fun <sup>3</sup>

Structure Strategy Shared Value Skills Staff

The skills are focused to specific jobs to improve quest experience

The structure is performance metrics

System

The system is customer service driven

Style

The style is creating a fun family culture within the staff to create a fun family atmosphere for guests

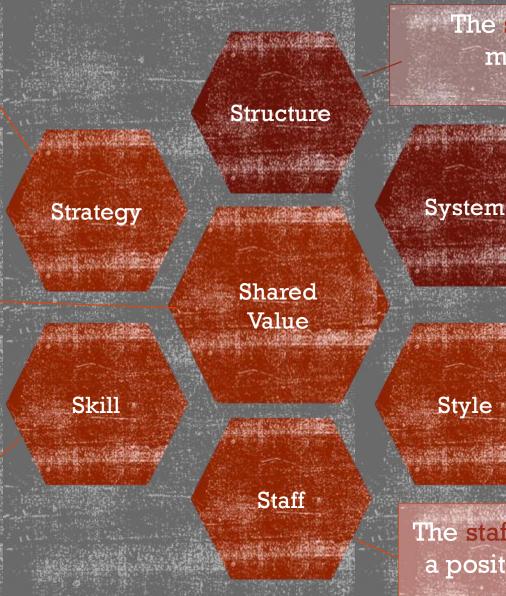
The **staff** is hired for and trained to provide a positive and memorable experience for guest

The strategy is to differentiate themsel ves from competitors

The shared values are honesty, integrity and having fun<sup>3</sup>

The skills are focused to specific jobs to improve guest exper ience

### 7 S After Recommendation



The structure provides increased management flexibility and supervisory coverage <sup>3</sup>

> The system is streamlining processes for smoother and service by implementing TGX

The style is creating a fun family culture within the staff to create a fun family atmosphere for quests

The staff is hired fand trained to provide a positive and memorable experience for guest

Style



# THANK YOU!

- Questions
- Concerns

# RESOURCES:

- 1. "Business Wire." *Businesswire*, 11 Jan. 2021, www.businesswire.com/news/home/20210111005298/en/Red-Robin-Gourmet-Burgers-Inc.-Provides-Business-Update%E2%80%8B.
- 2. Campaignium. "Notable Millennial Food Trends: What Do They Like to Eat?" *DFA Ingredient Solutions*, 15 Dec. 2020, <u>dfaingredients.com/trends/millennial-food-trends</u>
- 3. "Investor Relations." *Red Robin*, 2021, <u>redrobin.gcs-web.com</u>.
- 4. MBA Skool Team. "Red Robin SWOT Analysis, Competitors, Segmentation, Target Market, Positioning & USP." MBA Skool-Study.Learn.Share., 29 Apr. 2020, www.mbaskool.com/brandguide/food-and-beverages/10483-red-robin.html.
- 5. Lauchlan, Stuart. "A Tale of Two Burgers Digital Transformation at Wendy's and Red Robin Gourmet Burgers." *Diginomica*, 12 Nov. 2018, diginomica.com/a-tale-of-two-burgers-wendys-red-robin.
- 6. Myers, Dan. "10 Things You Didn't Know About Red Robin." *The Daily Meal*, 1 Dec. 2015, www.thedailymeal.com/eat/10-things-you-didn-t-know-about-red-robin-0/slide-8.

# RESOURCES:

- 7. Romeo, Peter. "5 Ways Red Robin Will Be Different in a Post-Pandemic World." Restaurant Business, 4 Mar. 2021, <a href="www.restaurantbusinessonline.com/operations/5-ways-red-robin-will-be-different-post-pandemic-world">www.restaurantbusinessonline.com/operations/5-ways-red-robin-will-be-different-post-pandemic-world</a>.
- 8. "RRGB Stock Price | Red Robin Gourmet Burgers Inc. Stock Quote (U.S.: Nasdaq)." MarketWatch, 25 Mar. 2021, www.marketwatch.com/investing/stock/rrgb.
- 9. Stice, Joel. "The Real Reason Red Robin Is Struggling." *Mashed.Com*, 19 Apr. 2020, www.mashed.com/148673/the-real-reason-red-robin-is-struggling.
- 10. MarketLine Company Profile: Red Robin Gourmet Burgers Inc. (2020). In Red Robin Gourmet Burgers, Inc. MarketLine Company Profile (pp. 1–30). https://www.marketwatch.com/investing/stock/rrgb