

Five Guys

Five Guys Burgers and Fries serves up tasty profits

KEY RESULTS



FIVE GUYS NEEDED A PROGRAM TO HELP THEM MANAGE THE brand while providing franchisees with tools to pinpoint areas for improvement with the biggest payoff. The results speak for themselves.

THE TASTE OF SUCCESS

Sell a really good, juicy burger on a fresh bun. Make perfect French fries. Don't cut corners. Make sure that every customer experience is excellent, so your customers will come back more often, and tell their friends. That's been the business plan since Jerry Murrell and his sons opened Five Guys Burgers and Fries in 1986.

From those humble beginnings, Five Guys has now crested more than 1,100 restaurants across the country in the US. They were the fastest growing quick serve restaurant in North America last year. How have they done it? Jerry Murrell gave an interview to Inc Magazine where he cited his five rules of success.

FIVE GUYS®
BURGERS and FRIES

FIVE GUYS AND FIVE RULES OF SUCCESS

The Best Salesman is the Customer

"Treat that person right, he'll walk out the door and sell for you," Murrell says. "From the beginning, I wanted people to know that we put all our money into the food. That's why the décor is so simple—red and white tiles. We don't spend our money on décor. Or on guys in chicken suits. But we'll go overboard on food."

Jerry knows that spending money to get customers in the door, only to have them underwhelmed with a bad experience was a waste of time and precious dollars. Instead he invests in making the experience outstanding, and lets his customers do the selling for him.

But all that quick growth poses the unique problem of ensuring that all franchisees—new and old—deliver on the expectations that has fueled growth. Five Guys turned to Market Force Information® to implement a combined guest satisfaction, mystery shopping, and contact center program to measure the things that matter most to guests: exceptional food, friendly and efficient service, and sparkling clean restaurants.

KnowledgeForce®, our customer reporting platform, has provided franchisees with a comprehensive tool to measure performance and optimize their investments. The results helped franchisees drive improvements on the things that mattered most to customers. And that flawless execution led to industry-leading guest loyalty and referrals—the key revenue source for Five Guys.

Every Position at the Company Has Value

Murrell says it's important to make employee feel a sense of ownership—and accountability. "Boys hate to smile. It's not macho. And it's definitely not macho to clean a bathroom," he says of some employees. To motivate them, Five Guys uses Market Force mystery shoppers to give weekly feedback for every location, and ties bonus compensation to performance. "If the auditor walks in and the bathroom isn't clean, that crew just lost money," Murrell says. "Next thing he knows, the guy who was supposed to clean the bathroom has toilet paper all over his car and a potato in his pipe."

Know What You're Good at – and Stick With It

"When we first started, people asked for coffee," Murrell says. "We thought, Why not? This was our first lesson in humility. We served coffee, but the problem was that the young kids working for us don't know anything about coffee. It was terrible! We tried a chicken sandwich once, but that did not work, either. We do have hot dogs on our menu, and that works. But other than that, all you are going to get from Five Guys is hamburgers and fries."

Quality Is Everything

"The magic to our hamburgers is quality control," Murrell says. "We toast our buns on a grill—a bun toaster is faster, cheaper, and toasts more evenly, but it doesn't give you that caramelized taste. Our beef is 80 percent lean, never frozen, and our plants are so clean, you could eat off the floor. The burgers are made to order. That's why we can't do drive-thrus—it takes too long. We had a sign: "If you're in a hurry, there are a lot of really good hamburger places within a short distance from here." People thought I was nuts. But the customers appreciated it."

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Treat that person right, he'll walk out the door and sell for you.

- Jerry Murrell
Founder, Five Guys

Customer

Five Guys, currently one of the fastest growing franchise restaurant companies in the world.

Challenge

As opposed to using traditional advertising, Five Guys relies on its customers for referral growth—creating a premium on outstanding service. Their rapid growth requires flawless execution of their brand promise at each franchisee: Truly great burgers and outstanding operational execution.

Solution

Five Guys chose the KnowledgeForce, Market Force's customer reporting platform, to measure operational performance and guest satisfaction then point to the actions necessary to improve bottom line performance.



Five Guys pays incentive bonus to crew members for delivering great customer service and excellent experience based on our customer experience measurement program.

Market Force customer satisfaction surveys and daily feeds from the contact center coverage lets Five Guys stay on top of exactly what consumers are thinking, so they can immediately take action if performance slips.

Employee Incentives Go a Long Way

“A lot of companies put three percent of their revenue toward marketing or advertising,” Murrell notes. In contrast, Five Guys will collect 1.5 percent from all franchisees and give bonuses to the crews that score the highest on their weekly audits and customer satisfaction scores. As Murrell relates, “The crews make about \$8 or \$9 an hour. If they get a good score, they will split another \$1,000 among them, usually five or six people per crew.”

KEY BENEFITS

- Identified \$15MM in potential lost revenue opportunity and the actions required to recapture that business
- Identified that they could generate a 2x increase in loyalty with great execution
- Five guys scored 90% highly likely to recommend—a leading score among Market Force clients and unique in the industry
- Five Guys was the fastest-growing quick serve restaurants in North America last year, driven entirely by the guest experience and the recommendations they make to friends

DRIVING RESULTS

In multiple competitive studies performed since 2009, Five Guys was rated as the favorite QSR among a field of over 50.



Market Force’s analysis is allowing us to dial in on tangible actions that we can take to maintain and improve our guest experience.

- Sam Chamberlain,
Chief Operating Officer, Five Guys

Thought Leadership

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