

Five guys burgers and fries case study

[Business](#), [Company](#)



Five Guys' Philosophy

The Five Guys' philosophy centers on a value for money concept, which is “focused on a limited menu with quality, award-winning foods” (DataMonitor, 2010, p. 1). More specifically, Five guys' burgers are a bit more expensive than their competitors, such as McDonald's, Wendy's, and Burger King, but the price discrepancy is compensated for by better quality, that is, Five Guys uses better quality beef, and they also cook their food in peanut oil (Weise, 2011), which would be healthier than regular oil. They also don't have a freezer, which means that everything is made-to-order and even their fries are hand-cut (Weise, 2011). In addition, they have really big servings, and all of these more than make up for the higher price.

In addition, Five Guys offers a limited menu because they believe that by having only a few items on the menu, they will be better able to focus on ensuring the quality of these food items. Their menu also does not change. This would be in contrast to their competitors' strategy, as their competitors mostly have various food items and would regularly have new ones. Still, another of Five Guys' philosophies is that they don't allot resources for marketing initiatives, again making them different from their competitors (DataMonitor, 2020). Instead, they rely on word-of-mouth for the promotion of their stores and products. As a result, they are able to allot more resources to improving the quality of their products. As well, they are able to use their supposed advertising money for rewarding their employees for their good performances. In turn, this results in better customer service.

Original Values for the Startup Company

One of the original values that kept Five Guys strong is that it started as a family business and remains a family business (Burke, 2012a). Each member of the family has his or her own role in the business and they make sure that everyone is involved in making the decisions. CEO and Founder Jerry Murrell initially started the business to keep the family close and up to now, they don't only continue to work well together but they also live close to each other.

Another of the restaurant chain's original values is their commitment to the quality of the food they offer. The family tried to find the perfect way to cook their burgers when the business was still starting and up to now, they still strive to continue to improve the quality of their food. In their commitment to providing quality food, they have stuck to keeping their menu limited despite pressures from competitors, the market, and even from some of the company's other executives.

Similarly, they have continued to adhere to their value for money concept, which makes them different from their competitors. For example, they offer free peanuts, which the customers can munch on while waiting for their orders and they also offer eleven different toppings for free (Morgan, 2012). In addition, they ensure that they provide their customers with fresh food in that everything is made-to-order and nothing is frozen.

Three Factors that Contributed to Five Guys' Success

Three factors that contributed to Five Guys' success are the quality of their food, their commitment to providing good customer service, and their franchising efforts.

As discussed earlier, the quality of Five Guys food items is what sets them apart from their competitors. They use quality Angus beef for their burgers and also use peanut oil for cooking. Aside from their value for money offerings, which include free toppings, free peanuts, and large servings, Five Guys also offers traditional food that everyone can relate to and that brings them back to their childhood (DataMonitor, 2010).

Moreover, Five Guys is committed to providing good customer service, as evident in the way they manage to keep the tables clean and the long lines moving even on their busiest days (Morgan, 2012). Also, to further ensure that the various Five Guys stores are able to keep up with their standards for good customer service, the management team of Five Guys employs mystery shoppers to regularly judge their various outlets (Datamonitor, 2010). In particular, Five Guys sends out secret shoppers to all of their locations twice a week in order to identify the staff who delivers outstanding customer service. These outstanding performers are then given a bonus based on how they rank relative to the other stores. This initiative costs Five Guys about \$6 million in employee bonuses every year, but in return, the employees become more motivated to perform well.

Finally, Five Guys started to expand even more when they started to franchise the business in 2006 (Burke, 2012b). By 2012, the restaurant has grown by 792%, making them the fastest growing restaurant in the country (Burke, 2012b). By 2012, Five Guys has 1, 039 restaurants, both in the U. S. and Canada, eight hundred of which are company-owned (Burke, 2012b). Revenues are also forecasted to exceed \$1 billion by the same year (Burke, 2012b).

These factors are affected by external factors in that they provide Five Guys with differentiation from their competitors. Instead of “going with the trend,” they chose to go against it. Similarly, their decision to franchise the restaurant greatly helped in the company’s fast expansion as this resulted in more funds and more employees for the company.

Ethical and Social Practices within Five Guys’ Culture

As discussed earlier, Five Guys ensures that they offer their customers with fresh and quality food. Aside from their made-to-order policy on their food items, their stores are also set up such that the kitchen is visible to the customers. This means that the customers can see the Five Guys crew preparing their orders, making the customers feel assured of the cleanliness and quality of their food.

Other than providing their customers with the best service possible, Five Guys also performs its social responsibility by implementing projects that intend to benefit various social groups. An example is when Five Guys donated 10 percent of their April 9, 2013 sales (from 11 a. m. to 2 p. m. and from 5 p. m. to 8 p. m.) to the Cliff Hagan Boys & Girls Club (Suwanski, 2013). On this day, the customers who made purchases were also entered for door prizes. Another example is when Five Guys teamed up with Kraft and Feeding America for National Cheeseburger Day (PR Newswire, 2012). In this two-week event, Kraft donated a meal to Feeding America for each customer who visits Five Guys and checks in at a Kraft website using their mobile device. This endeavor was in support of Hunger Action Month.

Reference

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