



CASE STUDY

Applebee's Services Reduces Draught Beer Loss By Over 50% By Using TapDynamics' TapAdvisor Service

SITUATION SUMMARY

- In 2008, Applebee's owned and operated 398 locations in the United States.
- Applebee's sold over \$540 million worth of adult beverages in 2008.
- 50% of the adult beverages sold at Applebee's are draught beer.
- A weak economy and increased competition created a very difficult operating environment.

CHALLENGE

- The economic climate had reduced revenue and increased costs which were severely impacting profit margins.
- Applebee's identified a significant issue with one of its most profitable menu items—draught beer.
- A lack of draught beer management in their locations was resulting in significant loss and a poor quality product.
- Applebee's needed to implement a solution in all 398 locations simultaneously.

SOLUTION

- Applebee's initiated a new **Draught Beer Optimization** program and launched the **TapAdvisor** service offering in all 398 corporate locations.
- **TapAdvisor** was used to drive three goals: increase **draught beer revenue**, **reduce draught beer loss** and **improve the overall quality** of draught beer poured at Applebee's.
- Through its strategic partnership with **Micro Matic USA**, TapDynamics managed the entire **TapAdvisor** deployment process across all locations.
- **TapAdvisor** automatically analyzed the draught beer activity from each location on a daily basis and identified the specific causes of draught beer loss which included human behavior, poor equipment and gas mix and lack of regular line cleaning.
- The **TapDynamics Client Services** team then worked with individual locations and the Applebee's corporate team to use the information to change behavior-related issues (give-away and over pouring) and address equipment and gas issues.

RESULTS

- TapDynamics deployed **TapAdvisor** into all 398 locations in 4 ½ months
- By sending actionable information to each individual location and to the corporate team, Applebee's was able to act immediately to resolve the issues.
- In the first two weeks of activation of **TapAdvisor**, Applebee's reduced draught beer loss, by 20%. This was accomplished by communicating with staff to quickly reduce give-aways by staff which in turn reduced loss and increased revenue.
- Since implementation in mid 2009, the **TapAdvisor** service has reduced draught beer loss by over 50% in Applebee's Services locations resulting in a significant increase of net income.