

Advanced Analytics

Getting the Business – and Growing It

The U.S. restaurant industry is fiercely competitive – and becoming more so. With competition from more than 900,000 locations, serving 70 billion meal occasions annually, industry leaders realize the secret



to building brand loyalty while increasing revenue is the ability to make decisions quickly and accurately. This means the collection and analysis of data – and its transformation into usable information.

Many foodservice companies have collected vast amounts of data. They've mined, sliced, and diced it – and diligently utilized pre-mapped report solutions – for considerable success. But, their emphasis on reporting – as opposed to data analysis – means they're not fully utilizing the value of the data they've collected.

That's where Teradata® Advanced Analytics for Food Service comes in – the next step in the evolution of data analysis. Teradata

Corporation can show you how to predict and validate profitable activities and campaigns based on detailed customer transactions and behaviors – so you get a deeper understanding of your business, leading to better decision making and increased profitability.

Teradata's Advanced Analytics – Customized for Your Business

Advanced Foodservice Analytics is a strategic methodology that improves the art of data collection and analysis by focusing on clear business objectives, then tailoring the analytics to meet those objectives. Teradata's consultants first assist your company in mining the appropriate data, then provide a specialized suite of analytics that grows right along with your business' needs, continually providing the critical functionality and analysis needed for strategic decision support.

Answer Any Question, about Any Subject, at Any Time

Guest Analysis

- > Analyze detailed guest purchase behavior – and react to the findings.
- > Develop sophisticated segmentation schemas.
- > Predict guest purchase behavior.
- > Determine optimum promotion offers and predict the success rate.
- > Track continually changing customer preferences and expectations.

Affinity Analysis

- > Identify which products are purchased in addition to promoted products.
- > Identify products that drive the purchase of primary items.
- > Determine optimum bundling and meal deal promotions (pricing, profitability) – by store.

Marketing Campaign Analysis

- > Predict the ROI on each marketing (advertising, promotion) campaign by media type and expenditures – by store, region, and district.
- > Determine optimum “suggestive sell” to increase spend based on eating occasions.
- > Gather and analyze guest data for Local Store Marketing programs.
- > Measure advertising and promotional campaigns, (ex: LTOs and menu items) – to create promotional themes and optimize campaign duration.
- > Identify promotional opportunities.
- > Customize menus for single unit, region, or ADI based on such factors as ethnicity, seasonality, and demographics.
- > Determine menu item improvements/eliminations.
- > Analyze new products – what is complementary to your food costs but preserves the bottom line?
- > Optimize joint marketing programs with suppliers and other retailers.

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Operations Analysis

- > Determine true labor situation, within multi-unit chain, with Guests Per Hour data.
- > Track labor hours and allocations for optimal labor schedules on the regional and store level.
- > Track employee behavior via the sales data to identify training gaps and patterns of fraud.
- > Plan optimum levels of labor without hurting the guest experience.
- > Predict volume on a particular day, each year.
- > Forecast staffing based on volume in 15-minute increments.
- > Determine more exacting product portioning and costing programs.
- > Improve preservation programs to reduce spoilage and food borne illnesses.
- > Evaluate server labor cost – by menu item.

The Teradata Difference

What makes Teradata Advanced Analytics so powerful? First, we use in-database mining to overcome the limitations of typical analytic environments to maximize performance and scalability. Our data mining tool – Teradata Warehouse Miner – provides a comprehensive set of data mining functions that enables you to build and deploy analytic models directly in the Teradata Database.

Value Delivered

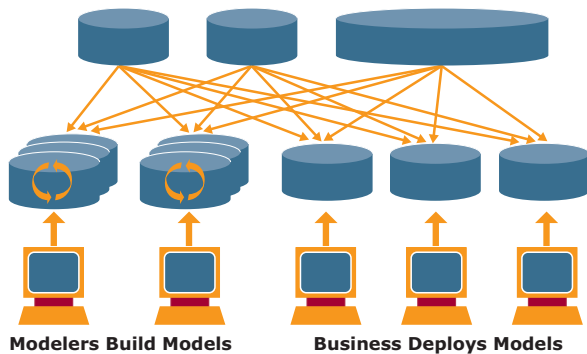
Teradata's clients routinely recognize value by leveraging Teradata's Advanced Analytics services and product offerings, including:

- > A Teradata fast food client needed help with promotional analysis – during the promotion. The promotion included a popular video with the purchase of any combo meal or top-of-the-line sandwich. Analysis after the first week showed a sales lift of 65% less than the plan – and food costs were 35% higher than the plan. Through detailed transaction analysis it was determined that in 47% of the transactions in which the video was sold, it was sold without the requisite value meal or sandwich purchase – but at the reduced price. Immediate action was taken to fix the problem at the store level.
- > Teradata assisted a client in developing sophisticated segmentation models to better differentiate customers and their item preferences. This led to a range of marketing initiatives targeted to specific behaviors of each segment.
- > Teradata helped a client to predict which customers would be most interested in a certain product offering – with a model that captured 70% of all who tried the product in just 10% of the base – and 95% captured in just 50% of the base – resulting in maximum product trial and minimal marketing investment.
- > A Teradata client was struggling with how to analyze promotional campaigns. Teradata developed a plan to improve current client methodology – resulting in the customer's finance and marketing department's agreement on a new standard of measurement.
- > Sometimes common knowledge can be misleading. A Teradata client was convinced that customer A was more valuable than customer B – and allocating resources accordingly. After a detailed analysis by Teradata it was determined that the original thesis was incorrect – requiring a change in long-term strategy.

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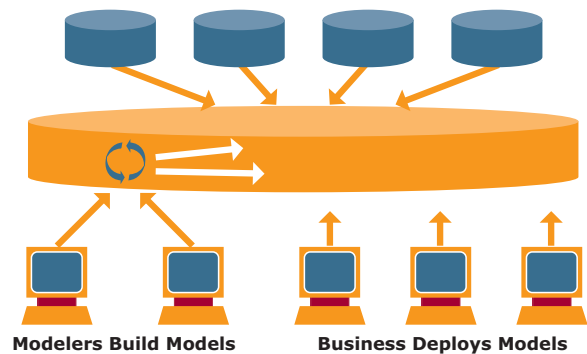
Teradata's Analytics Architecture

Teradata's analytical architecture is different. It is important to understand why.



Typical Analytics Environment

- > Distributed processing
- > Multiple copies of the data
- > Requires data movement
- > Limited scalability
- > Additional hardware and software costs



Centralized Analytics with Teradata

- > Centralized processing
- > Single source of data
- > No data movement
- > Leverage Teradata's parallelism
- > Single point of administration

Next, we approach analytics as a strategic process that can greatly improve your business, not simply as a collection of algorithms. We never lose sight of the business perspective of analytics. We start by helping define clear business objectives, and then we tailor the analysis to meet those objectives. Finally, Teradata offers a suite of software and hardware products that can grow right along with your business, providing you with the critical functionality, data, and analysis you need for strategic decision support.

End-to End Support

Along with our Advanced Analytics capabilities, Teradata offers end-to-end support. We bring you thought leadership and advice about how to implement analytics best practices within your business. We also provide the consulting expertise you need to assess your current analytical environment and improve it. Teradata consultants will execute analysis

projects for you using either Teradata Warehouse Miner or another tool you may already have in place. Upon stress testing the data mining utilities, our consultants can assist in fine tuning for speed and efficiency; or provide any necessary Teradata Warehouse Miner software, related training, and implementation support to ensure your most complex strategic business questions are being addressed.

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Why Teradata?

Why should you trust Teradata to provide the advanced analytics solutions you need?

Because Teradata:

- > Brings more than a decade of food service and data warehouse experience.
- > Has 25 years of retail data warehouse know how.
- > Has a successful track record of helping organizations just like yours leverage their business data for analysis and decision-making.
- > Has a built-in foundation of industry knowledge, consulting experience, global customer support services, and world-leading hardware technology – a combination of strengths unmatched in the industry.

Teradata Warehouse Miner Offers Powerful Features and Functions

- > **Descriptive Statistics**
- > **Transformational Components**
- > **Data Reduction Functions**
- > **Data Visualization**
- > **Organization and Partitioning Functions**
- > **Multivariate Statistical Analysis**
- > **Machine Learning Algorithms**
- > **Model Deployment**

For More Information

To learn more about how Teradata Advanced Analytics for the Food Service Industry can help you efficiently respond to your most challenging business questions and improve your bottom line, contact your Teradata representative or visit

Teradata.com.

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