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TheFork by TripAdvisor : A French success story

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Abstract

Two-sided platforms are developing and changing the way we work. They often embed an app. This case study aims at understanding the development of a two-sided platform in the restaurant industry to discuss its functioning, the details of its attractive characteristics, the value proposition for each side, and multiple network effects. The case deepens the reflection of the transition from a value chain to an ecosystem through the two-sided platform. A review of the exploitation of data and their valorization is included. This case will be particularly useful for post-graduate or MBA students in courses on platforms, ecosystems, innovative business models and/or data exploitation.

Keywords

Start-up success story ; Digitalisation ; Digital platforms and ecosystems ; Teaching cases ; IT for competitive advantage ; Business value and economics of IT

TheFork by TripAdvisor : a French two-sided platform success story

Abstract

Two-sided platforms are developing and changing the way we work. They often embed an app. This case study aims at understanding the development of a two-sided platform in the restaurant industry to discuss its functioning, the details of its attractive characteristics, the value proposition for each side, and multiple network effects. The case deepens the reflection of the transition from a value chain to an ecosystem through the two-sided platform. A review of the exploitation of data and their valorization is included. This case will be particularly useful for post-graduate or MBA students in courses on platforms, ecosystems, innovative business models and/or data exploitation.

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The Fork concept

The Fork is an online restaurant booking technology company. It enables users to book a table at restaurants in advance. The organization has developed a website and an app. The Fork has also been part of the Trip Advisor group since 2014 and was previously called La Fourchette. Founded in 2007 by Frenchman Bertrand Jelensperger, it encouraged users to make reservations through its website, and then in 2011 its mobile app by offering them formats not accessible live, including discounts of up to minus 50% on a full menu.

In 2020, the platform had a turnover of 24 million euros¹, had 80,000 restaurant references and was present in 22 countries².

About TheFork

TheFork is the leading online restaurant booking and discovery platform in Europe and Australia. Discover more than 60,000 of the best dining spots across London, Paris, Barcelona, Sydney and many more with our unrivalled selection of restaurants for whatever you want. Search for restaurant availability at any time and at the best price. With over 20 million verified reviews to guide you, you can discover the perfect restaurant on TheFork.

Every day and for all occasions, you can enjoy discounts of up to 50% off the food bill and also earn reward points called Yums, which you can redeem at participating restaurants.

Do you feel like eating [paella in Barcelona](#), [Japanese in Madrid](#), or do you want to discover a [gastronomic restaurant in Lyon](#)? Are you fond of [quirky little eateries in Paris](#), eager for a [Sunday brunch in Geneva](#), or in search of a [romantic mood in Paris](#)? Follow the guide and find the best restaurants on TheFork!

Figure 1 home page and presentation, source : thefork.com

¹ <https://www.societe.com/societe/la-fourchette-494447949.html>

² La Fourchette becomes The Fork, Les Echos, February 2020

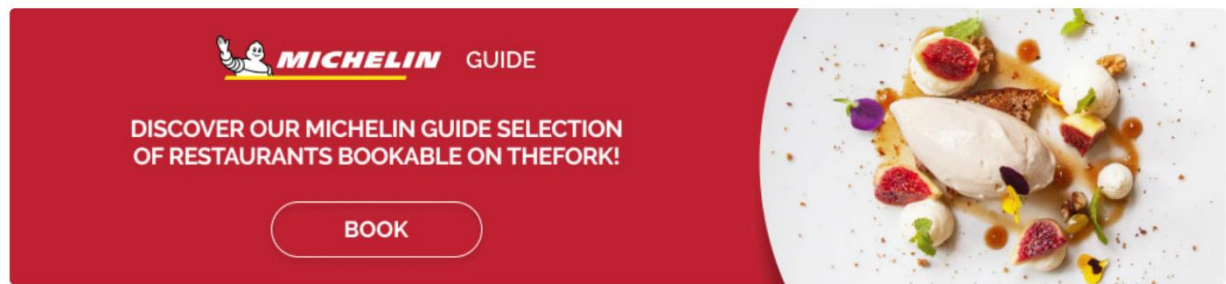


Figure 2 sponsored ad, source thefork.com

How to attract restaurants to the platform

Initially, La Fourchette offered greater visibility for its member establishments through referencing. "My Fourchette" software, distributed to partner restaurants, completed the offer and was offered in two versions: a full version for 100 euros/month or a Freemium version³.

With the management software, now labelled TheFork Manager, restaurant owners can manage better their reservations and increase their occupancy rate by fighting against the no-show phenomenon for instance.

It's easy & with no time-commitment to get started!

You only Pay-Per-Use: Reservations made on The Fork website, or on one of its partners, will be billed per seated cover.

(In addition to booking fees, an additional subscription fee is applicable for Pro and Pro+ plans)

TRY THEFORK NOW



Figure 3 presentation page, source theforkmanager.com

The Management Software also offered more visibility on social networks (Facebook, Instagram, Google...).

³ <https://skeat.fr/fr/blog/article/thefork/>



Get your restaurant BOOMING!

Want to increase your restaurant revenue and optimize your activity? Try our solutions to get maximum visibility, increase your reservations during off-peak periods and equip yourself with an ultra-efficient system for managing your customers and your seating plan.

Figure 4 source theforkmanager.com

What can you expect with TheFork



Gain greater online visibility

TheFork is the first restaurant discovery and booking platform, available in 12 countries! You can get now a customized page for free visible on all devices.



Increase your table occupation rate

A win-win management model for your restaurant. Propose special offers or participate in the YUMS loyalty program and festivals to increase your off-peak bookings.



Fight against no-show

Decrease your no-shows using TheFork tools such as automatic confirmation emails and SMS, guest reliability score and credit card imprint.



Rely on Industry experts

TheFork teams work alongside nearly 60 000 restaurants for more than 14 years to grow their business providing free training, expert advice, and 7/7 customer support.

Figure 5 Manager interface, source theforkmanager.com

Be visible & bookable on the biggest global digital players



Our local partners are also there to promote your restaurant



Figure 6 source theforkmanager.com

The business model

The platform is paid by charging an amount per meal, the amount being different according to the countries (in France, first 1.5 euros and then two euros per meal⁴. In Switzerland, La Fourchette charges 2 francs at noon and 3 francs in the evening per meal)⁵. The amount charged is lower if the restaurant is equipped with La Fourchette reservation technology⁶. The Fork also charges restaurant owners for its reservation management software. In 2007, before the buyout, The Fork's revenue was €15 million. In 2018, Bertrand Jelensperger announced that he had generated one billion in revenue for restaurant owners⁷.

Fundraising

In 2008, a first fundraising of one million euros from Smart&Co, which became a majority shareholder, in 2011 took place a second fundraising of 3.3 million euros. Finally, a third round of financing of 8 million euros led to the company's expansion into Switzerland.

To facilitate its rapid growth, The Fork had acquired nine companies.

Trip Advisor's \$150 million buyout in 2014

In 2014, LaFourchette was acquired by the American TripAdvisor for an estimated \$150 million⁸⁹.

Then present in four European countries (United Kingdom, Spain, France and Switzerland) in 2014, the La Fourchette group wanted to "benefit from the global influence of Trip Advisor" and accelerate its expansion. In 2014 The Fork had over 12,000 affiliated restaurants.

The American travel advice site Trip Advisor had made an "exclusive offer" to acquire the European restaurant reservation platform La Fourchette.

The platform had been majority-owned by Otium Capital since 2009. According to the investment company, the site directly generated about €250 million in sales for partner restaurateurs and employed 190 people, mainly in Paris and Barcelona. By early 2014, there were more than 700,000 monthly reservations.

Bertrand Jelensperger, CEO of The Fork, said the acquisition will allow the company

⁴ The "Fork" platform launches an unprofitable initiative for restaurateurs, RTL, September 2020

⁵ "La Fourchette wants to become the reference gastronomic guide in Switzerland", June 2018, on Bilan.ch

⁶ Menus at low prices on the Internet, Le Figaro, May 2010

⁷ The French start-up that became No. 1 in online restaurant reservations The Fork to conquer the world, February 2018, Laurent Centrella, Trends Trends

⁸ "Reservation specialist La Fourchette acquired by U.S. giant Trip Advisor" [archive], on La Tribune, 25 May 2014

⁹ "Un coup de Fourchette à 150 millions de dollars", on lejdd.fr

to "leverage Trip Advisor's global reach to drive more customers to our partner restaurants and rapidly expand into new and evolving markets," he said.

The American giant was already gathering a very large community of travelers worldwide: 570 million reviews - 200 contributions per minute - on 7.3 million accommodations, restaurants and attractions. There is therefore enormous room for growth for The Fork, which has inevitably been renamed The Fork. With one click, users can now book an affiliated restaurant from TripAdvisor.

International expansion...through acquisitions

As of November 2018, LaFourchette had already completed acquisitions in Italy, the Netherlands, Portugal and Australia (The Italians Mytable and Restopolis, BestTables in Brazil and Portugal, lens, SeatMe and Couverts in the Netherlands, Sneat and Tous Au Restaurant in France, Dimmi in Australia). The organization was then in 11 countries. The acquisition of Restorando in February 2019 gives it a presence in eight Latin American countries (Argentina, Brazil, Mexico, Colombia, Chile, Uruguay, Panama, Peru)¹⁰.

TheFork acquires full control of UK-based Bookatable in alliance with Michelin Group. Before the pandemic, 5 million customers used the platform each month. By 2022, TheFork is present in 22 countries in Europe, Australia, and Latin America¹¹.

In 2022, La Fourchette will have 1,000 employees, a third of whom will be in France.

Strategic developments in governance

TheFork's co-founder and current CEO, Bertrand Jelensperger, will join Tripadvisor CEO and co-founder Stephen Kaufer to lead TheFork's new advisory board, effective April 1, 2021. This new organization will support the company's strategic framework and key decision making. As part of the leadership development, Almir Ambeskovic has been named CEO of TheFork. He will provide operational management and brand development for the company.

The new services

Operation Back to School

Early campaign.

In 2021, after the pandemic, for each new user, The Fork offered a coupon worth 20 euros to be used at the restaurant. The only condition to take advantage of this is that the user has never made a reservation via the platform. After downloading the app, the customer enters the code "AURESTO" and selects the business of their choice from

¹⁰ "LaFourchette accelerates in Latin America with the acquisition of Restorando" [archive], on e-commerce-mag.fr, 28 February 2014

¹¹ "Change of governance for The Fork", [EcommerceMag](http://EcommerceMag.com), Stéphane Marius, 23 Feb 2021

the list of those that have activated the fork pay option. "We have 18,000 partner restaurants out of 110,000 in France, and 5,000 are using The Fork Pay, a free service until the end of the year," says Damien Rodière, The Fork's general manager for Western Europe. Thanks to this digital payment (via the app and not on the spot), the voucher can be subtracted from the bill of a minimum amount of 21 €.

Insider

La Fourchette launches Insider, a selection of the best restaurants. From "neighborhood nuggets" to "the latest trendy gastronomic table". Insiders also share valuable tips such as signature dishes not to be missed, the best table to ask for when making a reservation, and anecdotes about the cuisine and the chefs. "Above all, we want to confirm our knowledge of gastronomic trends," says Rémy Bitoon.

The platform has also deployed a new tool called 'Pop'. This tool links to all the restaurants with occasional promotions in the relevant region.

Michelin

Michelin and the TripAdvisor/LaFourchette duo believe that by working together, they bring together "the best of both worlds." The French group wants to promote its gastronomic know-how by relying on an audience of American platforms and brands of French origin.

The Michelin Guide, a showcase of the world's gastronomy for 120 years, has partnered with the travel app TripAdvisor and its online booking subsidiary TheFork to boost awareness of its restaurants.

The Michelin Guide features 14,000 carefully selected restaurants around the world. On the eve of its 120th anniversary, the Michelin Guide, known worldwide for its selection of starred restaurants, proposed to partner with TripAdvisor and LaFourchette, two leaders in online reservations. Scott Clark, a Michelin Group executive committee member, said the partnership would provide "unprecedented visibility of the properties featured in the Guide.

With 14,000 of the best restaurants and hotels in more than 30 countries, the Michelin Guide has long served as a showcase for the world's gastronomy. But now that's not enough. This partnership will allow web giants like TripAdvisor and TheFork to provide what travel guides lack: a digital audience.

Each month, approximately 460 million travelers read reviews of more than 8.6 million accommodations, restaurants and more on the TripAdvisor platform alone. TheFork is now the leading online restaurant booking platform in Europe, Australia and Latin America, with a network of more than 67,000 restaurants and over 30.5 million monthly visits to the app.

According to a recent study by Strategy&, a member of the PwC network, TripAdvisor

and TheFork generated nearly 7.9 billion francs in sales in six markets last year and served more than 320 million meals in restaurants. unparalleled boost

With the help of two strategic partners, the Michelin Guide hopes to offer users of these platforms a wider selection of quality restaurants worldwide and "exclusive and diverse" offers. In addition to increasing the number of reservations in this establishment. To achieve this, the Michelin Group has decided to sell the online booking site Bookatable to TheFork.

The acquisition will give TheFork a foothold in five new countries, making it a global leader in its field and enabling it to "support a growing number of restaurant owners in the digitalization of their businesses," according to Bertrand Jelensperger, Senior Vice President of Restaurants and CEO of LaFourchette¹².

Below, some questions that can be asked to the students :

1. What is the value proposition of The Fork?
2. What type of platform does The Fork have? What is the specificity of these platforms?
3. What types of effects are implemented in such a system? List and detail them.
4. How is the Fork part of an ecosystem?
5. Why did Trip Advisor decide to buy The Fork?
6. What data does The Fork use? How can the business model be described as data-driven?

¹² "Michelin Guide, TripAdvisor and LaFourchette: Three restaurant behemoths join forces," on bilan.ch in December 2019

APPENDIX 1: Key figures (2016-2020)¹³

	2020	2019	2018	2017	2016
Sales figures	23 434 486	41 908 364	34 334 756	27 247 717	21 285 858
Operating expenses	60 375 298	64 872 276	49 952 683	43 077 223	35 859 958
Profit or Loss	-29 301 594	-17 440 105	-9 435 970	-10 747 890	-10 734 775
Equity	26 691 162	25 100 313	16 802 402	26 299 907	8 670 553
Net fixed assets	36 678 450	32 387 957	23 495 490	19 352 392	12 764 737
Treasury	1 868 319	3 973 874	1 542 306	9 519 946	7 137 001
Financial debts	1 036 839	1 844 543	1 960 881	191 384	6 255 493
Balance sheet total	52 229 857	55 365 452	43 040 200	43 360 869	33 824 260
Financial expenses	21 572	18 725	17 063	14 972	
Financial income	532 728	91 827	104 406	61 993	121 320
Salaries and expenses	20 880 911	25 288 245	21 922 739	17 566 957	14 184 330
Number of employees	231	239	209	176	156

Appendix 2 : Additional screenshots from the website theforkmanager.com


20
million

visits per month on all devices

*Source: *All visits on all devices, October-December 2019**

Immediate & Tangible Benefits

TheFork offers restaurant solutions to boost revenue and optimize activity by tapping into a wider potential of diners and increasing team efficiency.



Bookings
x11


with special offers

Source: TheFork performance promotion analysis July 2017 (600 restaurants) - Average data impact on bookings can vary from 2 to 30 times

-65% in no-show

with credit card imprint feature (available for PRO and PRO+)

*Source: *2018 Study by TheFork on No-Show regular bookings vs standard bookings with card-imprint in FR, BE, IT, PT, ES, SE, CH**



¹³ "THE FORK - recent balance sheets -" [[archive](#)], on www.verif.com

