

Wendy's Will Test Surge Pricing In Some Of Its Restaurants

Just imagine that you have been waiting in line at your local Wendy's during the lunch rush, but when you pull up to order everything on the menu is a dollar more than usual. That scenario may soon become real, because Wendy's plans on testing surge pricing that will increase the price of its spicy nuggets, burgers, Frostys, and other favorites during its busiest times. How do we feel about this? Uber does this for its rideshare app, but should is this a sustainable business practice in fast food?

Earlier this month, Wendy's CEO Kirk Tanner has this to say: "The fast food chain plans on investing \$20 million to roll out digital menu boards to US-based restaurants by the end of 2025. As part of the change, Wendy's will also introduce something called "dynamic prices" that will change the prices on the digital menu boards based on demand. It sounds similar to the surge pricing system implemented by Uber, which charges riders higher rates in busy areas."

"Beginning as early as 2025, we will begin testing more enhanced features like dynamic pricing and day-part offerings along with AI-enabled menu changes and suggestive selling," Tanner says. "As we continue to show the benefit of this technology in our company-operated restaurants, franchisee interest in digital menu boards should increase further supporting sales and profit growth across the system."

Won't this practice simply drive customers to their competitors or can we expect other industry leaders to follow suit? This vintage Wendy's ad reminds of the good times...

Wendy's®

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