

CONVENIENCE WITH A SIDE OF FRIES: **BENEFITS OF LOCATION OPTIMIZATION IN QUICK SERVICE RESTAURANTS**



The quick-service restaurant sector is thriving as consumers increasingly eat out instead of at home. Busy schedules coupled with a disposable income—and, for many, a sheer reluctance to cook—add up to growth among QSRs, filling the hunger void with all types of meals ranging from hamburgers and fries to kung pao chicken, bean burritos, calzones, fish and chips and more.

QSR locations have adopted numerous technologies to enhance the dining experience and gain greater mindshare among customers, including point-of-sale systems, digital signage, in-store Wi-Fi and even high-definition TVs showing the latest in programming. These technologies are designed to attract customers and keep them in the restaurant for longer periods, in the hopes they spend more while they're there.

A technology-centric dining experience can be a real driver for repeat business, as well. In today's always-connected, mobile-focused environment, customers expect to be able to log on to work or play while they eat. Savvy QSR locations understand the importance of having Wi-Fi as a bare-minimum customer perk, and many have moved well beyond that to offer services that not just enhance the dining experience but help to connect customers and restaurants in a much more meaningful way.

WHAT'S DRIVING LOCATION OPTIMIZATION

The QSR sector is growing by leaps and bounds—faster, in fact, than other restaurant types¹—as dining out has usurped sitting down to a homecooked meal for many families. In 2017, Americans dined out at a QSR at least once a week, spending an estimated \$290 billion collectively at 190, 649 restaurants in the United States alone.²

QSRs' rise in popularity and accompanying growth has meant restaurant locations have had to work harder to attract and retain loyal customers. The entire dining experience—from marketing to food preparation to customer interaction and even tableside services such as drink refills or fetching napkins—is under close scrutiny by customers who have no qualms about not returning to certain locations they perceive to be inadequate.

QSRs, therefore, are finding ways to distinguish themselves from their competitors—even their sister locations—by providing one-of-a-kind service that includes the latest in technology offerings within and away from the restaurant itself. Artificial intelligence, chatbots, voice ordering via smart assistants (think Alexa and Siri, for example), personalization and even the next generation of kiosks are helping advance the dining experience among QSRs that understand the impact such technologies can have on their business—and their customer relations.

ONE RECENT STUDY FOUND THAT MILLENNIALS WILL USE A CARD TO PAY FOR A LOW-TICKET ITEM 69 PERCENT OF THE TIME, AND ALMOST HALF (49 PERCENT) PREFER TO RECEIVE THEIR RECEIPTS VIA EMAIL OR TEXT.

For example, a number of QSRs are experimenting with AI-enabled voice-assisted and chatbot technologies to allow customers to order anytime, anywhere. Starbucks is working on a virtual assistant that can take orders via a user's app, while Burger King has implemented chatbot ordering—customers simply type in or speak what they want to the virtual agent, which takes the order and the delivery address and lets the customer know about special offers or cash-back deals.³

Personalization, too, is gaining more traction as QSRs strive to develop deeper relationships with the customers. The popularity of mobile apps has made personalization tenable among QSRs, giving them the ability to offer coupons or suggest new menu items based on customers' past purchases, for example. In addition, personalization can provide simple-yet-effective services such as closest location and even let the customer know when his favorite seasonal food item is once again available.

Kiosks also are becoming more popular as a way for customers to help themselves while increasing overall satisfaction through more accurate orders and faster service overall. Kiosks also can take payments, encouraging a cashless environment—a plus among younger diners in particular, who tend to use their debit or credit cards for the majority of their transactions. One recent study found that Millennials will use a card to pay for a low-ticket item 69 percent of the time, and almost half (49 percent) prefer to receive their receipts via email or text.⁴

In the back office, next-generation technologies are helping QSR managers and owners be more efficient and work smarter. Devices connected by the Internet of Things (IoT), machine learning and big data analytics, to name a few, are pushing back office operations well beyond

today's limits and providing new, more valuable insights on the status of the business and ways it can run better.

Inventory automation technology that helps restaurants control food and waste costs by monitoring and adjusting inventory levels accordingly are gaining acceptance in many QSRs. Meanwhile, employee scheduling solutions and apps that enable employees to choose their shifts, sign up for training sessions and request time off are helping reduce the ongoing problem of employee turnover.

IT TAKES THE RIGHT MIXTURE OF WIRED AND WIRELESS CONNECTIVITY, ROBUST VOICE AND DATA SOLUTIONS AND DATA CENTER AND CLOUD CONNECTIVITY TO ENSURE ALL LOCATIONS HAVE THE INFORMATION THEY NEED TO SERVICE THEIR CUSTOMERS IN A MANNER THAT IS THE MOST EFFICIENT AND SECURE.

Analytics also are becoming more important to QSRs, as franchise owners in particular have come to depend on real-time sales and revenue information to form their business decisions. In fact, according to a study, 78 percent of restaurateurs said they check their sales data and metrics daily, which is a 70 percent increase from 2015.⁵

Even in the kitchen, technology is helping QSRs work more quickly and accurately, contributing to higher customer satisfaction and better location performance metrics. For example, automation and robotics are helping cook, prepare and present food to the counter agents—and doing so in a manner that is most efficient to reduce wait times for customers. Devices connected to the point-of-sale systems in the restaurant can trigger a shake machine, for example, to make a chocolate milkshake as soon as the order is input by the counter agent, or by the customer using a self-service kiosk.

Technology is important to QSRs not only in improving their quality of service within their own locations, but at the other locations with which they do business as well. Corporate headquarters, for one, must have sales data in a timely manner—if not in real time—and must be able to drive menu boards and other digital signage direct to all locations, both company-owned and franchised, to ensure consistent messaging and ambiance. In addition, QSR locations

must be able to communicate and transact with distribution centers either automatically or manually to ensure proper inventory of food and other items such as napkins and cups.

TECHNOLOGIES TO OPTIMIZE QSR LOCATIONS

An optimized environment is one that can handle the voice and data needs of each user at all points on the network, whether the restaurant location, food service warehouse, other franchise locations or corporate headquarters. QSRs need technology that will enable them to work independent of the corporate headquarters yet integrate seamlessly with HQ to communicate and collaborate effectively. It takes the right mixture of wired and wireless connectivity, robust voice and data solutions and data center and cloud connectivity to ensure all locations have the information they need to service their customers in a manner that is the most efficient and secure.

High-quality QSR networks should include:

- **Connectivity:** The right amount of bandwidth, from high-speed Ethernet connections or high-speed broadband up to a Gig, can mean the difference in delivering fast, reliable service to customers. Software-defined networking and software-defined wide area networks can reduce dependence on hardware and simplify complex data networks, giving administrators the ability to manage multiple sites from one central location. SDN also can support the adoption of high-speed broadband networks to handle the data and speed loads of next-generation technologies at every location.
- **Voice and Unified Communications Services:** Each location must be able to communicate with customers, distribution centers, the corporate headquarters and each other—and do so in the most efficient manner. Having a flexible yet robust communications system that can be managed from any location can provide a true value-add and impact interactions at every level considerably.

BY WORKING WITH A THIRD-PARTY NETWORK SERVICES PROVIDER, QSRS CAN LEVERAGE VIRTUAL AND PHYSICAL PRIVATE ETHERNET CONNECTIVITY TO ASSURE THERE ARE NO GAPS IN NETWORK PERFORMANCE AND AVAILABILITY FOR CRITICAL APPLICATIONS AT LOCATIONS.

Cloud-based advanced voice systems that interoperate with popular productivity tools, such as Microsoft Office 365 and CRM systems, help QSR managers operate at an even more meaningful level.

- **Direct Connections to the Cloud:** QSRS need secure, reliable and direct internet connectivity to public or private clouds to speed the performance of cloud-based applications. Direct access also reduces the cost of—and time involved in—transmitting data back through corporate data centers.

COMCAST BUSINESS AND OPTIMIZED QSR LOCATIONS

In building the network for optimized locations, QSRS should consider an environment that includes both on-premises and cloud, and networking technologies such as SD-WAN and high-speed broadband to better manage business applications across all locations. And networking components such as WiFi and unified communications can ensure users of the network—location managers, inventory warehouses and distribution centers, corporate headquarters and diners alike—interact and transact using their preferred method of communication.

To help ease stress on a QSR’s current network—not to mention the daily burden on IT managers—managed services can be utilized to offer certain services without further impacting the network. Managed services can be used to help tie disparate systems together and “fill in the gaps” as QSRS update their current infrastructure and can prove useful even after networks have been upgraded.

Working with a network service provider can help ease the burden associated with building and maintaining a network capable of handling the bandwidth-intensive needs of various technologies today and in the future. By working with a third-party network services provider, QSRS can leverage virtual and physical private Ethernet connectivity to assure there are no gaps in network performance and availability for critical applications at locations. They also can receive all or some of their most critical connectivity functions as a managed service, including managed connectivity, WiFi, security, voice and business continuity, among others.

To learn more about how Comcast Business can help, visit business.comcast.com/distributed-enterprise.

CONCLUSION

The QSR sector is growing rapidly to meet customer desires for speed and convenience along with selection at an affordable cost. However, as the industry has grown, so has competition among QSRs for mindshare among diners. Many QSRs, therefore, have adopted myriad technologies to ensure an optimized environment for its customers and an efficient, well-run business for its employees and business partners.

Technology plays a critical role in ensuring customers have the most optimal dining experience available while QSRs work more efficiently in the dining room, in the kitchen and in the back office. To ensure a consistent, high-quality customer experience and an efficient, effective working environment, QSRs must ensure each location on the network is equipped to provide services efficiently and without fail. That requires a flexible, robust network designed to handle the needs of today's technologies and meet the requirements of the next generation of technologies and services.

1 Jonathan Maze, "Fast Food is Not Dead," Nation's Restaurant News, Aug. 22, 2017 <http://www.nrn.com/sales-trends/fast-food-not-dead>

2 "Consumer spending in the quick service restaurant (QSR) sector in the United States from 2004 to 2017 (in billion U.S. dollars)," chart, Statista, 2018, <https://www.statista.com/statistics/259148/consumer-spending-us-qsr-sector/>

3 Stephanie Mills, "5 Quick-Serve Restaurant Brands Using Artificial Intelligence to Change the Way We Eat," Street Fight, Feb. 1, 2017 <http://streetfightmag.com/2017/02/01/5-quick-serve-restaurant-brands-using-artificial-intelligence-to-change-the-way-we-eat/>

4 "Restaurant Technology in 2017," research report, Toast, October 2017 https://pos.toasttab.com/hubfs/Content_+Assets/Restaurant%20Technology%20in%202017.pdf?hsCtaTracking=c342eb7a-0ed6-44b2-b996-dc422a665%7C71f1208e-e93e-42d3-88fc-3541b4f48961

5 Ibid.