LOCATION IS KEY

The future of QSRs

▲ **Radar** + *braze*

Introduction

Serving customers has always been at the heart of the restaurant industry. Over the past decade, there has been a significant transformation in the ways restaurants serve their customers. Within the past few years, that change has accelerated at an even more rapid pace as restaurants and consumers have adopted new channels – such as order ahead and pickup – and hybrid digital and physical experiences are increasingly widespread. In this new era, where digital channels increasingly inform the relationship between customers and restaurants, it has become apparent that it's not enough for restaurants to simply meet customer expectations – they need to exceed them. This is especially true within the highly competitive QSR space, where consumers have a myriad of options.

Together, Radar and Braze help restaurants navigate these new expectations and successfully serve customers via order ahead, on-premise, or delivery. Learn how your QSR can use geofencing technology and customer engagement solutions to power the future of your business — and your customer experience.

Changing consumer preferences and economic trends demand agility

Many industry shifts are consumer-led, with studies showing significant growth in online ordering preferences over the past several years. Since 2014, online ordering has grown **300% faster than dine-in and now accounts for around 40% of total restaurant sales**. Consumers have begun favoring dining options that provide shorter wait times through expedited pickup and order ahead processes and new features like mobile pay – with convenience, food quality, and ease of interaction driving dining preferences. Consumers have turned to third-party aggregators to place delivery orders due to the convenience of ordering from a list of restaurants through a single app.

These changes in consumer preferences have happened quickly and many restaurants have also adopted third-party delivery companies to serve their customer base. While the use of these services can drive orders for restaurants, provider fees can cut into bottom-line revenue (up to 30% per transaction) and often remove critical channels of communication between restaurants and customers. Additionally, studies have shown that many consumers report low satisfaction with food quality when ordering through third-party delivery services – citing problems with food delivery quality (e.g. food temperature, incorrect order, missing items, and unacceptable arrival time) **nearly 25% of the time**.

Other challenges have been driven by shifts in the economy. Labor shortages continue to strain restaurant operations – with the US Department of Labor reporting that food services and drinking establishments were one of the industries hit the hardest by **employment losses in 2020**. Even well into 2022, restaurants report ongoing workforce shortages – with many struggling to find new employees to fill open roles.

> Restaurant leaders navigating labor shortages are simultaneously facing pressure to maintain outstanding service while meeting customer expectations around shorter wait times and convenience when placing and picking up orders.

How are restaurants navigating the new landscape?

Restaurant leadership teams need to get creative to remain agile and maintain a competitive edge. Most brands have implemented online ordering and curbside pickup, proprietary apps, and loyalty programs – and are realizing that simply meeting customer expectations is no longer enough for brands to thrive in the current competitive landscape. The most successful restaurant brands have developed meaningful, direct relationships with their customers to increase loyalty and margins.

How Radar and Braze can help

To drive customer loyalty and revenue and maintain a competitive edge, restaurants need to deliver personalized experiences that offer convenience and quality service. Brands like Fiesta Restaurant Group, Whataburger, and CKE Restaurants have begun planting their flag in this new digital era with solutions from Radar and Braze. By doing so, QSR Marketing and Operations teams can deliver stellar customer experiences that go above and beyond expectations to provide a best-in-class restaurant experience.

With Radar's privacy-conscious geofencing, brands can deliver real-time actions based on a customer's location. These insights also provide opportunities for operational efficiency improvements, targeted marketing that reaches customers at the exact right moment, and outstanding experiences curbside with shortened wait times and improved food quality.

QSRs can use Braze's platform to drive convenience and customer loyalty through personalized communication, delivered at the right time and at the right place.

> **Radar and Braze are trusted by leading QSR brands to deliver experiences for consumers that drive higher engagement and loyalty.**

Read on to learn more about how QSRs are powering the future of fast-casual with integrated solutions from Radar and Braze.

Restaurant to customer: Ordering, pick-up, and delivery

Although many fast-casual restaurants offer speedy pickup options via the drive-thru, a 2021 study found that order wait times had actually **increased by 25 seconds** from wait times in 2020. With both wait times and reliance on third-party ordering and delivery apps trending upwards, consumers are turning to the "order ahead" option for convenience and time savings. Restaurants today have opportunities to delight their customers both at the drive-thru window and when picking up online orders with location technology and personalized engagement solutions. Let's take a look at those opportunities in more detail:

1 Order ahead

Early adopters of order ahead and curbside pickup ran into many operational obstacles with their original solutions. These systems often didn't provide reliable insights to restaurant staff about customer arrival time. This meant that customers either received food that was no longer fresh, or the order was not ready when the customer arrived for pickup.

Another obstacle in the order ahead process was that most restaurants did not have a seamless way to communicate pickup instructions to customers. This often resulted in frustration on the customers' end and interruptions in staff workflows – both when they were unable to locate customers for curbside pickup and when customers would call the store for curbside instructions.

The solution: Location-powered messaging for order pickup

Restaurant brands need to stay in touch with customers at critical moments during their order ahead and pickup experience. Location detection and real-time engagement, powered by APIs from Radar and Braze, are required to deliver the messaging for a great on-premise experience.

Location-triggered messaging from Braze and Radar can send updates based on customer location: when the restaurant has begun making a customer's order, when the order is ready for pickup, and where to park to wait for curbside or on-premise pickup. These messages can also contain valuable information about future promotions or rapid item additions to orders before the customer arrives for pickup.

In order to incentivize customers to order ahead instead of ordering delivery, QSRs can offer a higher quality experience at curbside through accurate location tracking, ensuring orders are ready when customers arrive. QSRs can bring back a portion of their customer base and power higher margins on these orders than if they had been submitted through a third-party delivery service.

How QSRs are using Radar and Braze

QSRs use Radar Trips to enable arrival detection at restaurant locations for curbside pickup. Radar's technology seamlessly integrates with existing order management platforms for a simple implementation and adoption process. With accurate visibility into customers' ETA, restaurant team members can prioritize order prep between various order modes (e.g, in-store, curbside, delivery) to deliver the freshest food and reduce wait times by up to 20%.

Push notifications, based on arrival events, provide timely curbside and order pickup instructions to customers. Additionally, Radar's location technology facilitates location-based marketing campaigns for loyalty programs, offers, and promotions. QSRs also use Radar to develop location-aware experiences, like contactless payments or on-premise app mode.

2 Personalization at the drive-thru

In August 2021, 52% of QSR orders were placed through the drive-thru compared to about 42% in January 2020. However, many factors can often interrupt the flow of traffic in drive-thrus, extending wait times and negatively impacting the customer experience:

- The restaurant's menu is too large, has too many items, or is difficult to read
- The customer has difficulty deciding on what they want, slowing down the line
- The customer is not prepared to pay once reaching the pickup window

Fortunately, there are solutions that can make the drive-thru experience seamless – both for customers and restaurant staff. These new approaches also open up the world of personalization at the drive-thru, often resulting in happier customers and more customized (and larger) orders.

The solution: Location-based personalization for offers and ordering convenience

Beacons, installed at entrances, parking spots, and designated curbside pickup areas, can accurately measure customer location. As they are captured by Radar, Beacon entry events flow into Braze to trigger time-sensitive messaging, informing the customer where exactly they should go to receive their order.

Beacons are hardware-enabled micro geofences that can pinpoint locations within a few meters of accuracy that can be used to trigger smart menus and personalized messages. With beacon technology providing precise location, customers who have enabled location services in QSR apps can receive messages while they are waiting in line. These personalized messages can contain recommendations for specific menu items that the customer has a history of ordering, upsell offers for additional items, and in-app contactless payment options so the customer can pay and exit the line.

Smart menu boards are an emerging opportunity for QSRs to deliver personalized experiences to customers. When a QSR uses geofencing, their system can detect when an opted-in user enters the vicinity of the drive-thru and personalize the digital menu to that customer's prior ordering history. This can help to reduce decision fatigue, provide convenience, and give customers a more tailored experience that also speeds up the line for all other patrons.

3 Delivery

QSRs continue to rely on third-party solutions for delivery due to staffing shortages and technological limitations. However, new technologies that integrate with proprietary apps and loyalty programs are the first step toward restaurant-led delivery systems that reduce reliance upon third-party applications.

The solution: Order tracking and delivery update notifications

For brands that offer their own delivery service with a driver app like Domino's Pizza, Radar's Trips can be implemented to provide accurate driver location information. Customers receive real-time updates when their food is on the way, arriving soon, and when it has been delivered using responsive push notifications sent via Braze.

These solutions from Braze and Radar can also be used to communicate with the kitchen when drivers are on their way back from deliveries – prompting the firing of the next round of delivery orders.

Loyalty

Another key strategy for restaurant brands to maintain a competitive edge: customer loyalty. A study from Bain & Company found that a **5% increase in customer retention led to at least a 25% increase in profit**.

> By delivering value to customers through relevant, location-based messaging, personalized experiences, and fresher food served with little to no wait time at curbside, QSRs can drive brand loyalty and repeat business.

The solution: Radar- and Braze-powered loyalty program perks

Radar and Braze can not only help increase customer loyalty through a better customer experience but also through loyalty programs. With the Radar and Braze integration, QSRs can prompt location-triggered reminders to check-in, redeem rewards, and take advantage of in-app experiences. These timely notifications help to re-engage customers by reminding them of in-app offers like loyalty points. When a customer arrives at the restaurant, an entry event is triggered within Radar. From there, Braze can send targeted messaging to the customer, offering in-app options like rewards and mobile pay.

Powering restaurant efficiency

In order to keep up with customer demand and staffing shortages, existing restaurant staff must be equipped with tools that add efficiency to their everyday tasks. Issues with order accuracy, pickup location, and more can create a strain on QSR restaurant staff and interrupt their regular workflows. Solutions from Radar and Braze integrate seamlessly with existing restaurant tools and are easy for staff to navigate and work into their daily processes.

There are two main hurdles restaurants face with operational efficiency:

Inefficient use of staff

QSRs are facing an unprecedented labor shortage and new ordering channels have added complexity and volume. Employees are often interrupted by order-ahead customers calling to inquire about order readiness and pickup locations. With an increased focus on stellar service and revenue, restaurants have to pivot in order to stay ahead of the competition.

Food waste costs

The United States discards more food than any other country, and food is the **#1 item filling up space in landfills in the US**. Restaurants contribute to this number, with **25,000 to 75,000 pounds of food tossed** for the average restaurant annually. This waste can be

devastating to restaurants' bottom line, with many QSRs upholding standards around how long food can sit before being served.

Often, food waste is due to tech stack limitations or staff inefficiencies when dealing with customers' pickup orders. When there are gaps in communication between a restaurant and their customers, orders can be made too far in advance, rendering them inedible when the customer arrives as maintaining high quality standards can often mean wasting food.

The solution: Reliable, location-triggered alerts

Radar's Trips support restaurant efficiency by providing restaurant staff with accurate customer location and arrival times. With the right visibility into when customers will arrive, restaurants can fire orders at the right time, delivering fresh food and reducing waste. Braze can power messages containing order pickup instructions to customers at just the right place and time based on location provided by Radar, ensuring they know where to go to get their food upon arrival.

Conclusion

The Radar and Braze partnership is essential for QSRs looking to stay ahead of the curve. By taking advantage of the Braze and Radar integration, QSRs can deliver personalized experiences and shorter wait times at curbside and in the drive-thru. Additionally, Radar and Braze enable QSRs to improve operational efficiencies and power top-notch loyalty programs geared at driving revenue through repeat business.

To learn more about how Radar and Braze are powering the future of QSRs through location and personalized experiences, email us at team@radar.com and check out the Braze QSR Inspiration Guide.