



## > Restaurant IT

### Driving up the Drive Thru Sales

## Introduction

As a business concept, Drive Thru started in the 1940s and since then has played a pivotal role in bolstering a Quick Service Restaurant's (QSR) top line in a big way. From customers walking in to place their orders at the order counter, order placement has undergone a sea change of formats over time. Over the years, the order placement process has been dominated by various technologies including Drive Thru, Phone, Online and Mobile Ordering. In the last five years the Drive Thru channel has secured more than <sup>1</sup>60% of the total QSR sales.

Being the major revenue contributor, Drive Thrus have focused on increasing the speed of service (SOS). The proposition for years had been – the faster a customer can be served, greater is the number of customers that can be attended to in a given period of time. However, with the number of vehicles in line (VIL) having a negative impact on SOS, being the fastest may not ensure a Drive Thru to be the best in terms of order fulfillment, employee retention and customer friendliness. Factors like order accuracy, menuboard appearance and speaker clarity also influences the customer perception and impacts the QSR brand as a whole.

This paper attempts to describe how modern day technologies (e.g. mobility enablement) may address some of these issues through customer empowerment, resulting in increased Drive Thru revenue.

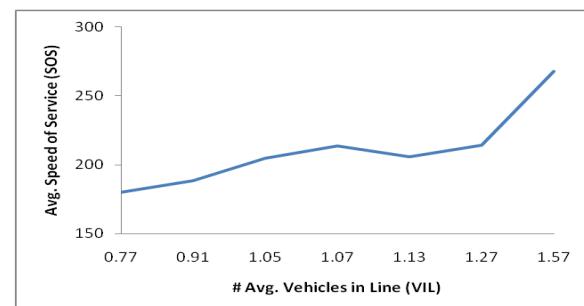
## Factors influencing Drive Thru Performance

The major factors influencing Drive Thru performance are as follows:

- Speed of Service (SOS)
- Average Vehicles in Line (VIL)
- Order Accuracy
- Menuboard Appearance
- Speaker Clarity
- Customer Friendliness
- Employee Retention

The first five factors in the list are more technology driven while the rest are cultural in nature.

Over the years, the Quick-Serve Drive Thru Performance Study has consistently demonstrated that for any given chain, more **Vehicles In Line** equal longer service times. Handling payments at the counter may increase the SOS significantly.



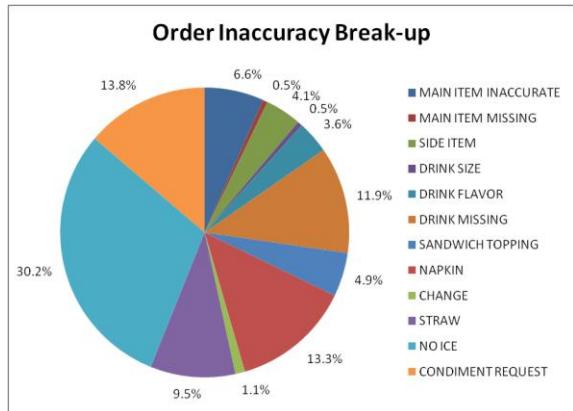
Data Source: 2008 Quick-Service Drive Thru performance Study

**Order Accuracy** is another critical factor in creating <sup>2</sup>quick loyalties for Quick Service restaurant. Beverage fulfillment appears to be the most problematic item regarding order

<sup>1</sup> Data source: A 25-Year Analysis of QSR Drive-Thru Service

<sup>2</sup> Quick Loyalty – Means faster repeat purchases for low priced products having short post purchase life period. According to the RFM model of customer loyalty measurement, for such a product Recency is the most critical factor.

accuracy. Customers ordering for a drink without ice may receive one with ice, while others may receive their beverage with no straw. For some it may be an incorrect flavor or size of drink while some may land up with no drink at all. Compared to this there exists only few such fulfillment inaccuracies, which includes unfulfilled or incorrect changes to toppings on sandwiches for the main item.



Data Source: 2008 Quick-Service Drive Thru performance Study

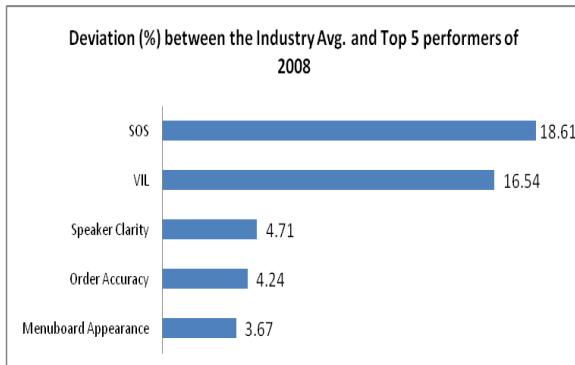
**Menuboard Appearance** is another key factor that affects the QSR business. A well maintained and interactive menuboard across all the stores may not only facilitate ease of operation for any QSR - it also contributes to overall customer satisfaction.

**Speaker Clarity** is another factor that impacts the Drive thru performance. With full duplex systems (where the customer and the order taker can converse simultaneously) being the recommended method, roughly 50% of the QSRs in USA are still using half duplex (either the customer or the order taker can talk at a time). According to 2008 Quick-Service Drive Thru Performance Study, with communications becoming clearer and understandable due to the usage of a well maintained duplex speaker system, a QSR can

get substantial competitive advantage to stay ahead of its peers.

**Customer Friendliness** is more of a training issue. Sometimes a simple “Please” while asking for payment can generate substantial customer satisfaction. According to the study conducted as a part of the 2008 Quick-Service Drive Thru Performance study, in 20% of the total number of restaurants visited, the servers at the counter failed to show customer friendliness leaving 38% of the researchers to form an impression that the service provided was not provided in a “pleasant demeanor”.

Considering the fact that store level employees are the only liaison between the restaurant brand and its customers, **employee retention** for the store level recruits (considering such a job to be an entry level one), proper training and commitment to one's job are some of the critical factors that may impact the success or failure of a QSR Drive Thru.



Data Source: 2008 Quick-Service Drive Thru performance Study

Looking at the 2008 QSR market, what sets apart the top five performers from the rest are SOS and VIL while Order Accuracy, Menuboard Appearance and Speaker Clarity are more of parity factors where the deviation between the industry average and the top five performers is sometimes less than 5%.

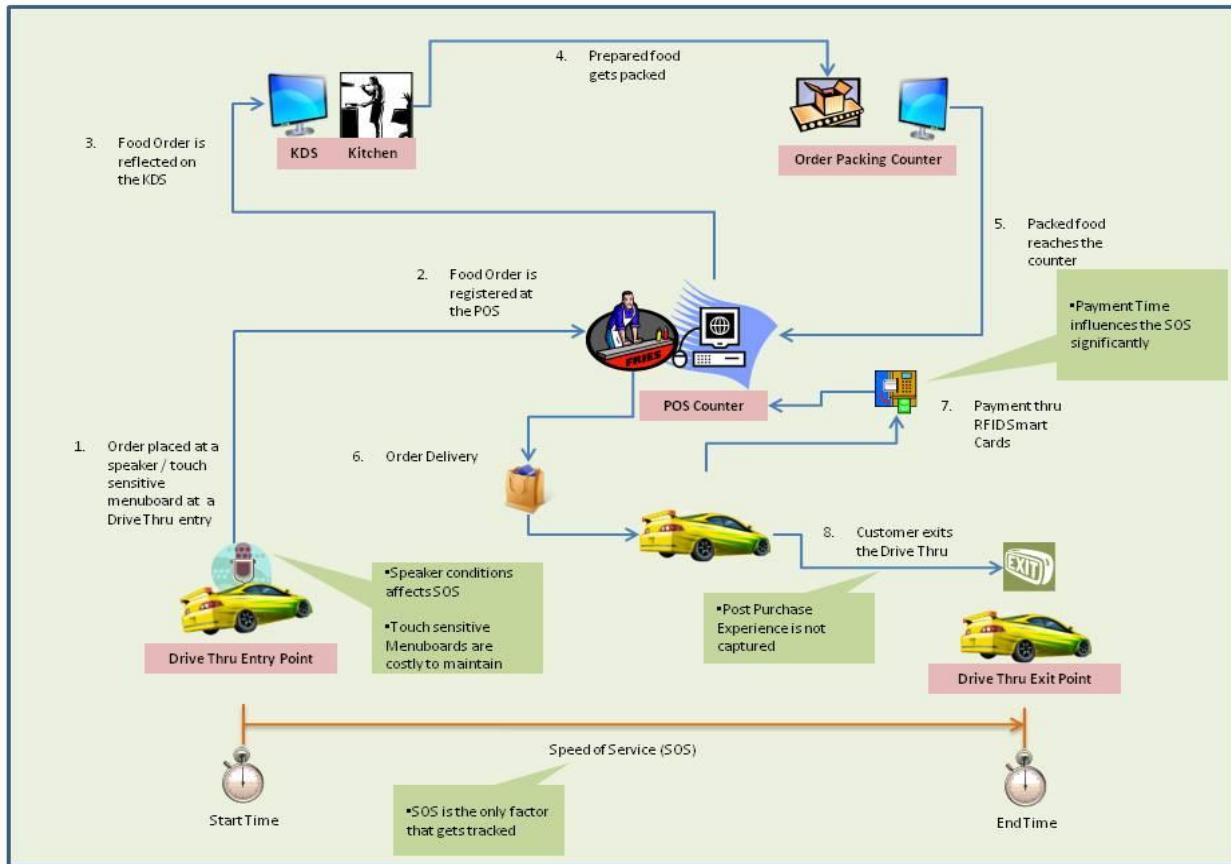
However, it needs to be mentioned that the combined effect of these three parity factors may have a significant influence on QSRs to gain competitive advantage.

### Drive Thru “AS-IS” Process

A Drive Thru process is like a Take Away concept starting with a customer placing an order and ending with the customer receiving the same. However, what makes the former

different from the latter is the time that a server gets in serving a customer i.e., the SOS.

Typically, in a Drive Thru, the customer places an order at the entry point either thru a speaker system or thru a touch sensitive menuboard. With Digital Signage systems gaining popularity in this space, a menuboard today can be configured and managed centrally from the QSR corporate office. With the advent of touch screens, such menubards



#### Salient Features:

- Order taking is significantly human dependant
- Sub-optimal order accuracy
- SOS is considered as the most important factor
- Post purchase customer experience is not captured

are becoming increasingly customer interactive.

Once the order is placed, it flows directly/<sup>3</sup>indirectly to the Point-of-Sale (POS) from where it gets reflected onto a Kitchen Display System (KDS). After being packed, the order gets delivered at the delivery counter and payment is received.

Payment is another area that has experienced varied technological innovations over the years. Currently, RFID smart cards are also being used where the user simply waves it in front of a reader, while still sitting inside her/his vehicle. Contact-based technologies are gradually becoming obsolete.

In the current state, SOS is considered to be the major business critical parameter and therefore gets measured frequently. However, a customer's level of satisfaction is not only a function of SOS. Rather, it is a complex combination of several other factors that we have described in the previous section.

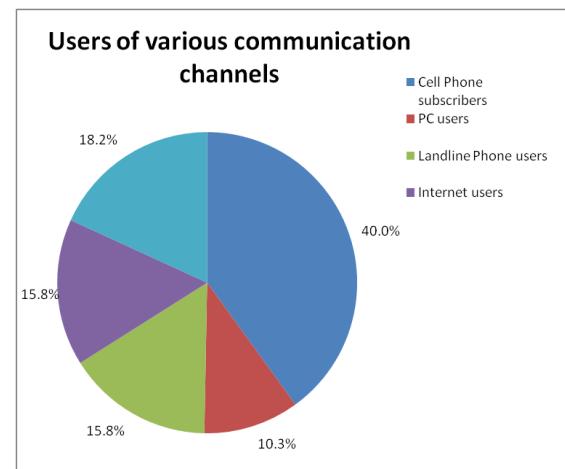
Parameters like ease of operation, level of interactivity, order accuracy, customer friendliness do not get captured often. In fact a QSR IT framework is not oriented to capture all these parameters in the first place.

Customer empowerment is another area that needs to be addressed to improve Drive Thru sales. Though touch sensitive menuboards have made life all the more easier for the server to understand the customer's order without investing more time, customers continue to face some hurdles like improperly managed menuboards, menuboards not

updated etc. Additionally, maintenance of such screens also takes a toll on the QSR's IT budget.

Post purchase experience is another important aspect that has always been prioritized lower in the pecking order (or perhaps not prioritized at all!) in a Drive Thru environment. However, it has been a time tested phenomenon that the return of a customer to a Drive Thru is influenced by her impression based on the recent few visits.

### Driver Thru Drivers for Future



Data Source: <http://www.tagonline.org/articles.php?id=26>

Out of the world's population of 6.6 billion, 50% happens to be cellphone users. With 92% of these cellphone users always carrying their cellphones and 72% of such users actively communicating through text messages, the mobile platform has become a popular sales channel. Customer empowerment in future thus translates to providing them with controls at their finger tips and can result in a viable revenue generating medium, also resulting in more efficient Drive Thrus.

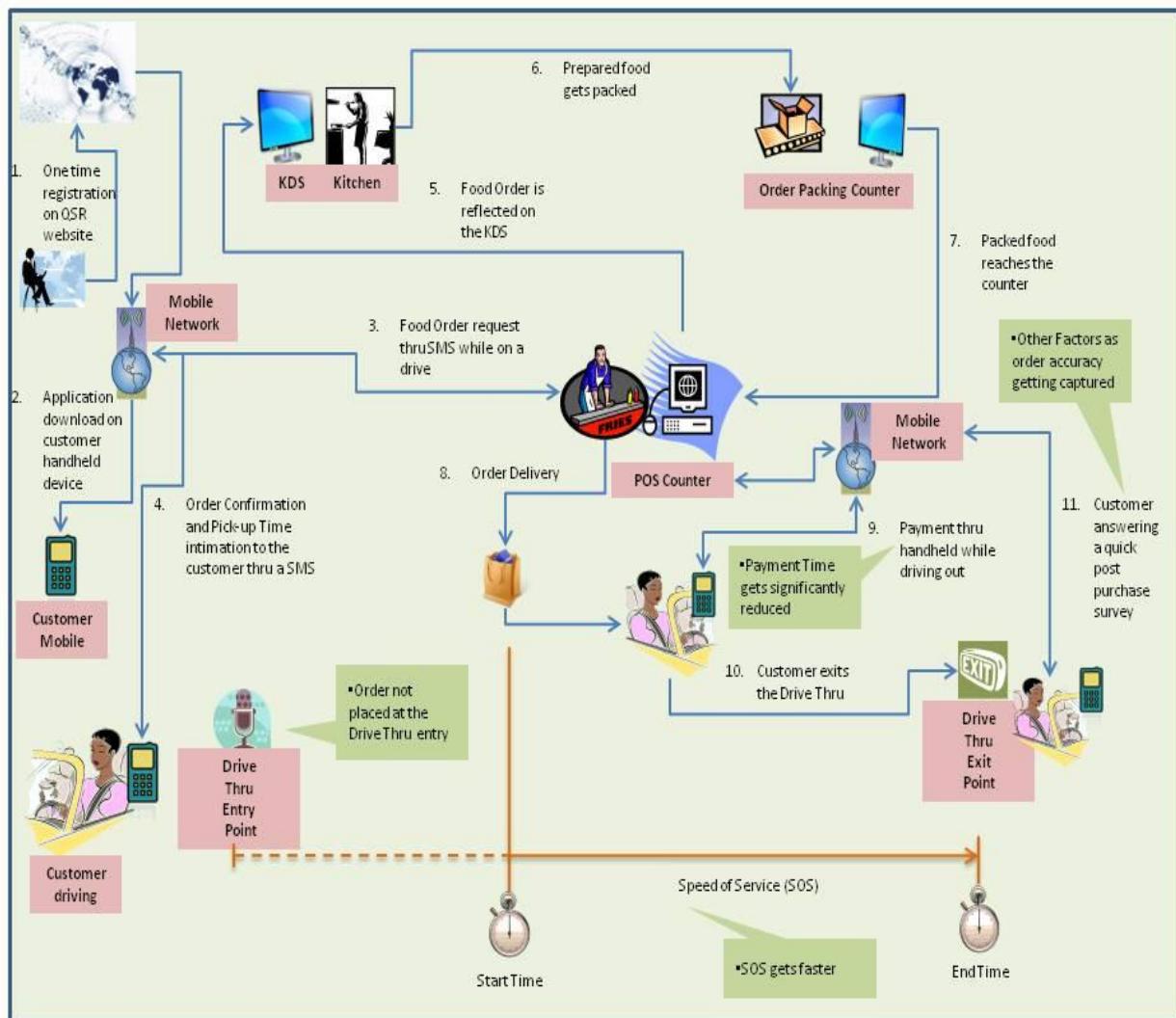
Let us consider a scenario where a customer tries to locate the nearest Drive Thru of her

<sup>3</sup> Orders placed by the customers are often routed to the POS via a third party/captive call centers. This may reduce the human dependency involved in order taking.

favorite QSR brand on her cell phone while driving. The customer may key in the request on her mobile phone using a text message to communicate to the QSR IT system. The QSR IT system can utilize a third party service as Google Maps/Map Quest to get the

required store location data. Once received, the information can be suitably purged and send back to the customer via a text message.

The same can be facilitated thru a thin/thick client mobile application residing on the



#### **Salient Features:**

- Order taking is totally system dependent
- Optimal order accuracy
- Faster SOS
- Apart from SOS, order accuracy is considered as a significant factor
- Post purchase customer experience is captured

customer's handheld device.

Furthermore, the customer also gets to text in her order from her handheld device. She can even save her frequent orders as her favorites for such a transaction. This leaves the cook at the restaurant with ample time to prepare the order by the time the customer reaches the Drive Thru counter.

The customer can download such an application by registering one time on the QSR website. Once registered, the customer can be identified thru her mobile number each time she sends a store location/food order request.

Managing the content for new menu items may be a challenging area for a text based application. For such an environment, the customer may be intimated of a menu item change thru a text message after which she can log onto the QSR website to set her favorite. However in case of a thin/thick client application, the customer can make these modifications from her handheld only.

Again, with payment being done from her handheld, the customer is expected not to mind answering a couple of questions on her post purchase experience thru the exchange of a couple of text messages. This will enable the QSR to have a faster SOS leading to more number of customer transactions and in increased Drive Thru sales. Moreover, capturing the customer feedback will help in appropriate analytics, providing an opportunity to analyze and improve service levels.

The above scenario can utilize an international termination model of mobile texting to ensure that the texts are delivered to the right

recipient within the required time. The customer won't mind as long as she is not paying for it. This could be facilitated thru the use of a toll free short code.

Though connectivity could be an issue, with improved cellular infrastructure and an uncluttered telecom spectrum, connectivity is expected to improve in future.

To control and support such a mobility solution, the QSR should be able to measure the key performance factors through suitable data analytics. This would require the QSR to capture the right kind of data, clean it and finally feed it to an analytics solution.

Such a solution should be able to work in tandem with the proposed mobility solution. The analytics solution should not only aim at reporting the data captured but also should be intelligent enough to decide the right customer action based on a robust decision support system. This should further drive up Drive Thru sales.

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## Reference:

- Results of the 2008 Quick-Service Drive Thru performance Study – Brian Baker
- A 25-Year Analysis of QSR Drive-Thru Service - Kent Wyland
- The Future: Expert opinions on what a quick-serve will look like in the year 2030 - Blair Chancey, Jamie Hartford, Robin Hilmantel, Marilyn Odesser-Torpey, Paul Gereffi, and John Gregerson

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Cognizant (Nasdaq: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services. Cognizant's single-minded passion is to dedicate our global technology and innovation knowhow, our industry expertise and worldwide resources to working together with clients to make their businesses stronger. With more than 50 global delivery centers and approximately 63,700 employees as of March 31, 2009, we combine a unique onsite/offshore delivery model infused by a distinct culture of customer satisfaction. A member of the NASDAQ-100 Index and S&P 500 Index, Cognizant is a Forbes Global 2000 company and a member of the Fortune 1000 and is ranked among the top information technology companies in BusinessWeek's Hot Growth and Top 50 Performers listings. Visit us online at [www.cognizant.com](http://www.cognizant.com)



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