

# Restaurants Spice Up Their Offerings:

Strategies for  
the New Dining  
Experience



After more than a year of lockdowns, American consumers are feeding their desire to get out and about — and that includes visiting restaurants. A recent survey found that two out of three Americans now feel comfortable dining out at restaurants.<sup>1</sup>

In fact, eating out might be one of the activities we missed most as we complied with quarantines and social distancing. According to the National Restaurant Association's 2021 State of the Restaurant Industry Report, 88% of adults enjoy going to restaurants, and **85% of adults prefer to socialize at a restaurant** rather than cook at home.<sup>2</sup>

Of course, restaurant dining wasn't completely restricted during the pandemic, and the industry has been one of the most prolific in reinventing itself to offer diners choices that reflected realities, whether it was the desire for quick, contactless service or adherence to local regulations. Brands pioneered packaging designed to retain takeout freshness, created new family style menus, turned themselves into ad hoc grocery stores and converted parking lots into outdoor dining areas.

While many of these pivots served a temporary purpose, others have staying power. Read on for four trends that are likely to continue as restaurants position themselves to accommodate an influx of invigorated diners.



# Trend 1: Reimagining the restaurant footprint

Restaurants are recalibrating as they seek to serve guests in more flexible formats, and the restaurant of the future features ideas that modernize existing layouts to make them more amenable to new tastes. Many of these innovations, such as enhanced options for drive-thru and pickup, were critical to the industry's ability to survive and thrive during the pandemic, and, today, they remain integral to ongoing success because consumer expectations have reset.

“QSRs have been leaning into the convenience that curbside pickup and drive-thru offer by implementing strategies that make online ordering and pickup as efficient as possible,” says Mike Wilson, Waze’s restaurant lead.

Drive-thru demand in particular has skyrocketed: The NPD Group reports that **drive-thru represented 44% of orders outside the home in 2020**.<sup>3</sup> That has led many brands to invest in resources designed to optimize the experience with a variety of solutions that will help manage the influx of demand by reducing customer wait times (and frustration) and traffic. Popular format changes include:

- Double or triple lanes that increase throughput, often with one lane dedicated to fulfilling mobile orders
- Handheld devices that allow staffers to take orders and relay them to the kitchen long before drivers reach the first window
- Enhanced digital menu boards that promote accuracy

The pandemic also introduced a whole new segment of consumers to the convenience of takeout, with the National Restaurant Association's 2021 State of the Restaurant Industry Report finding that **68% of consumers were more likely to purchase takeout from a restaurant now than before COVID-19.**<sup>4</sup> In response, restaurants increased the areas allocated for curbside pickup, along with streamlining their process and better informing consumers through clearer directions and signage. They also experimented with new takeout models and contactless options, such as grab-and-go lockers or cubbies that can keep food hot or cold.

Going forward, dine-in is expected to revive, and brands are careful to meet all the needs consumers have expressed. "Whether they visit our restaurant in person or order ahead via mobile, we want consumers to feel like it's that same top-notch El Pollo Loco experience," says Andy Rebhun, VP and Digital Officer for the quick service restaurant.

To satisfy consumers who are dining in, restaurants are exploring how to expand patio seating and rethinking areas that were originally designed to encourage diners to linger, such as kids' slides or ball pits. Now, QSR consumers are more apt to want to fuel up and get on their way.



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Andy Rebhun, VP Digital Officer, El Pollo Loco

Restaurants are also rethinking other parts of their footprints. A renewed focus on health and hygiene has driven El Pollo Loco to freshen up the aesthetic of its restaurant design, Rebhun says, pointing to increased “behind-the-scenes” visibility, such as allowing visitors to watch the cook grilling the chicken.

“Accessibility is vital to on-the-go customers, offering an opportunity for restaurants to not only implement these changes but also promote them through out-of-home advertising,” Wilson says. “It’s the perfect complement to the turn-by-turn directions that Waze is known for. Brands that advertise on the platform are further showing they prioritize convenience for their guests.”

The conversion rate is high: Pei Wei, a fast-casual Asian restaurant, has seen engagement on their ads **increase by 18%<sup>5</sup>** after implementing “Location personality” badges to tout the availability of curbside pickup at their locations.



### Have you made the trend yours?

- ☐ Can you reconfigure drive thrus or otherwise speed up mobile pickup?
- ☐ Have you considered reallocating staff to serve customers on the go?
- ☐ Is there room to provide more outdoor seating?
- ☐ Does your signage clearly explain where customers should park or queue to get their orders?
- ☐ Are you using digital out-of-home advertising to publicize your location’s convenience?



## Trend 2: Utilizing technology in a different way



Remember that disembodied voice in the drive-thru speaker that asked, as a standard, whether “you wanted fries with that”? Today, the drive-thru has evolved to better meet customer needs, and it is more apt to deploy personalization tools to remind customers that last time they subbed in a plant-based burger patty, or use AI to note the weather and suggest one cools down with an iced coffee on a sweltering day.

But tech developments are not all in the drive-thrus. Mobile pay will continue to be the dominant consumer preference with **more than three-quarters of consumers saying they would use contactless payments post-pandemic.**<sup>6</sup>

QR codes are another technology that are revitalizing many restaurant functions as brands replace physical menus with digital ones or offer a choice. Not only does the use of QR codes cut down on printing costs and promote hygiene, but it streamlines menu updates designed to mitigate increasing food costs or the continued effects of a disrupted supply chain.

In many cases, technology is playing a double role by helping ease the staffing shortages that are plaguing restaurants while simultaneously improving service since stores can redeploy existing employees from taking orders to more strategic, customer-focused tasks.

Whereas kiosks used to be the “next big thing,” many customers today might be hesitant to touch a keypad someone else just used, which is accelerating the use of mobile apps — and brands are embracing the many benefits they offer.

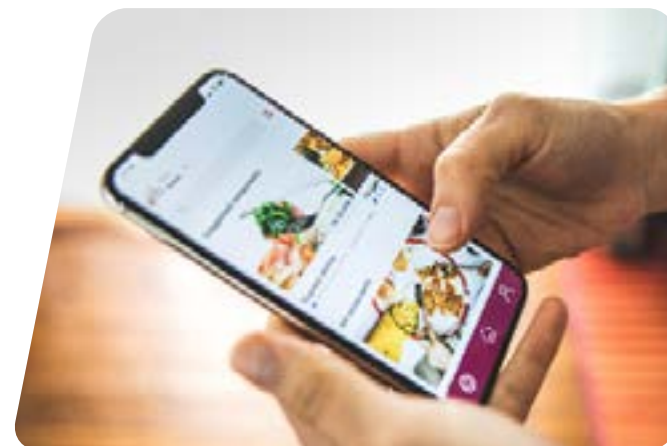
First, they increase order accuracy and thus satisfaction — especially for those picky eaters who definitely don’t want

pickles on their burger. Prompting users with details on their previous order is the type of personalization and convenience consumers covet, and mobile ordering can even increase check size by nudging the user to add something they typically buy and might have forgotten or alerting them to a special item or promotion.

“Apps efficiently store a customer’s favorites, along with their payment information, which can reduce friction and, thus, help drive repeat visits,” says Wilson. “Because users have taken the time to download it to their screens, your brand has already earned that real estate, which will spur awareness and action.”

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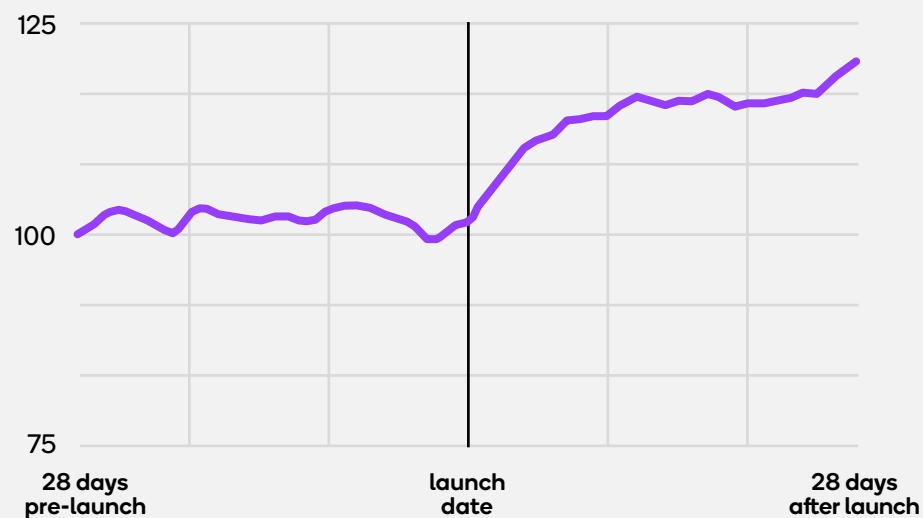
Utilizing new marketing methods is another way that restaurants are seizing the opportunity to use tech to reach consumers, and digital, out-of-home advertising is a proven tactic for driving measurable results. In fact, Waze found that restaurants that advertise on Waze see an average

**increase of 12% in navigations** to their business locations in the first 28 days after the launch of a Waze Ads campaign compared to the 28 days prior. This shows the impact of being on the map versus not being on the map.<sup>7</sup>

### Have you made the trend yours?

- ☐ Have you considered how technology can help you optimize staffing and service?
- ☐ Have you converted your menus to QR codes or adopted digital reader boards?
- ☐ Have you created a contactless-first environment?
- ☐ Have you considered optimizing your media mix with digital out-of-home advertising to drive diner visits?

### Navigations to Store Based on an Aggregate of QSR Campaigns





## Trend 3: **Promoting new perks for loyalty programs**



Who doesn't want to be acknowledged and rewarded for being a repeat customer? Many diners are apt to respond to a robust loyalty program by giving the eatery even more business: As one example, 40% of survey participants said a restaurant loyalty program would encourage them to spend more on food orders.<sup>8</sup> That's a key reason that 42% of restaurateurs say they plan to increase their investment in their loyalty programs in the near future.<sup>9</sup>

But forget those outdated punch cards that offered a free drink after you bought 10 — that is, if you hadn't already lost it. Today's app-based loyalty programs are far more powerful with a variety of new bells and whistles better suited to truly rewarding a restaurant's most avid fans.

Brands today are making it faster to earn rewards and easier to redeem offers, but they're also replacing the one-size-fits-all mentality by tailoring offers to your personal preferences based on past orders and routines. They're aiming to reward top customers with something beyond universal food or beverage items through more unexpected perks like early access to limited-time deals or promotions on special occasions.



“We see brands investing in creating a valuable program that forges a more personalized consumer connection,” Wilson says.

An impressive example is El Pollo Loco, which was recognized by Newsweek as one of America’s 2021 Best Loyalty Programs for its redesigned effort that was launched as part of the brand’s digital transformation and contributed to a 40% year-over-year growth in new memberships.<sup>10</sup>

One critical update is making rewards less transactional and more emotional and functional, Rebhun says. “We are exploring options like merchandise, experiences with our chef or the ability to try a product early and get unfettered access before anybody else.” They have also improved the sign-up offer and created lower rewards tiers to offer quicker satisfaction. The brand is using data to help them customize offers with an affinity score that predicts who is likely to convert and at what price point.

## Have you made the trend yours?

- ☐ Have you moved your loyalty program to a digital platform?
- ☐ How about talking to customers about what rewards would resonate?
- ☐ Is it possible to examine your rewards tiers to boost satisfaction?
- ☐ Do you actively promote your loyalty program in digital advertising?
- ☐ Does your messaging underscore your desire to acknowledge and appreciate your best customers?

## Trend 4: **Messaging more creatively**



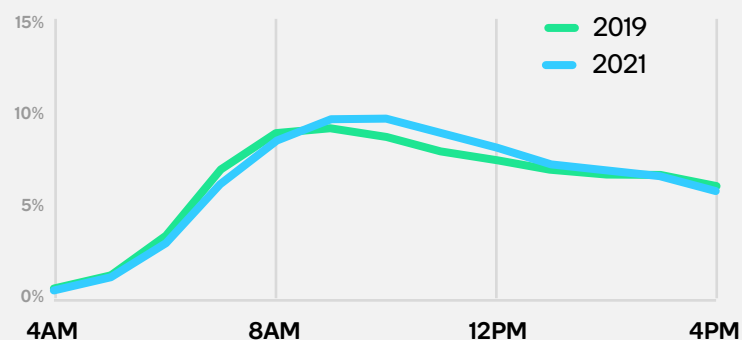
Implementing all these changes is only the first step; naturally, the results will lie in making sure target audiences are aware of the benefits. That's where advertising can help ensure you are reaching customers with the right messaging in the moment of decision-making.

Promotions and special pricing will always drive traffic, but Wilson recommends brands expand their communications with a breadth of information to create mental awareness among all types of customers in your radius.

One vital area where brands can expand their voice is by extending dayparts to take advantage of commuting changes that are leading to more flexibility in when people are making their dining decisions. Waze data shows that consumer behavior is shifting. More navigations are taking place between 1-4pm and 7-10pm, and QSR restaurants are seeing more consistent traffic throughout the day. Coffee shops, more specifically, are seeing steady opportunity from 9 a.m. to 4 p.m., rather than the previous 5 to 9 a.m. core time frame.<sup>11</sup>

“People are no longer isolated to just one hour to grab lunch or only thinking about dinner on their drive home from the office. Now they might stop for a coffee and scone at noon to reward themselves after their morning meeting or make a meal decision at 2 p.m. while they’re out running errands,” Wilson says. “We are urging advertisers to re-imagine the concept of a traditional ‘daypart’ to align with this different mindset and revised schedules as changing travel trends have created a widening of the day.” He adds that Waze expects these fluctuating habits and patterns to continue for the foreseeable future, if not forever, which opens up new opportunities to reach these “always on” drivers.

### Coffee Shops Buzz A Bit Differently These Days: Distribution of Navigations



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The value proposition Waze offers is in helping partners be contextually relevant. But, adds Wilson, Waze is also a playful brand. “We encourage advertisers to potentially be a little more tongue in cheek to garner attention,” Wilson says. “I like to tell partners that we present you with the canvas, and you can take that to create a message that stands out from the clutter.”

So if you’re the brand owner, that might mean aligning messaging to whatever KPI you’re currently measuring against — whether it’s to raise awareness of a newly launched mobile pickup service or drive people to download and use your app.



## Have you made the trend yours?

- ☐ Have you relaxed stricter dayparts to reach people at opportune times?
- ☐ Have you updated your data with hours, accessibility details and more so that Waze, Google and other search options can give accurate information?
- ☐ Have you segmented your lists to highlight stores that accommodate curbside pickup or drive-thru options to share that in your messaging?
- ☐ Have you taken advantage of out-of-home options to creatively message drivers who are looking for you?



# Putting your brand on the map to future success



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While the pandemic initially caused havoc for most restaurant brands, it also spurred a transformation that created some lasting changes, which are already paying dividends. Forced to re-imagine everything from menu items to delivery methods to technological advances, restaurants adapted and pivoted and ultimately found a “next normal” that is leading to success.

Now, they must ensure they are reaching potential customers in a contextual manner where it counts... when they are in the driver’s seat.

But if you’re not on the map — the Waze map, that is — hungry diners will be choosing your competitors who are, Wilson says. “It’s about being there in that moment of need.”





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