

KING-CASEY *Insights & Trends in Foodservice Merchandising & Design*

REPORT

The Growth in Drive-Thru Business Will Continue Post Pandemic

**Now's the Time to Optimize
Your Drive-Thru's Full Potential**



**DRIVE
THRU**

It's Time to Optimize Your Drive-Thru's Full Potential

Drive-Thru services have allowed many restaurant brands to continue to serve customers during the Pandemic by providing them with a fast, convenient, and safe foodservice option. For operators it's a more profitable off-premise option than delivery, and gives their customers a more direct brand experience. The growing attractiveness of the drive-thru (one of the few food delivery options these days) is certain to see a long-term growth in its popularity.

Leading Brands Optimize All Aspects of the Drive-Thru

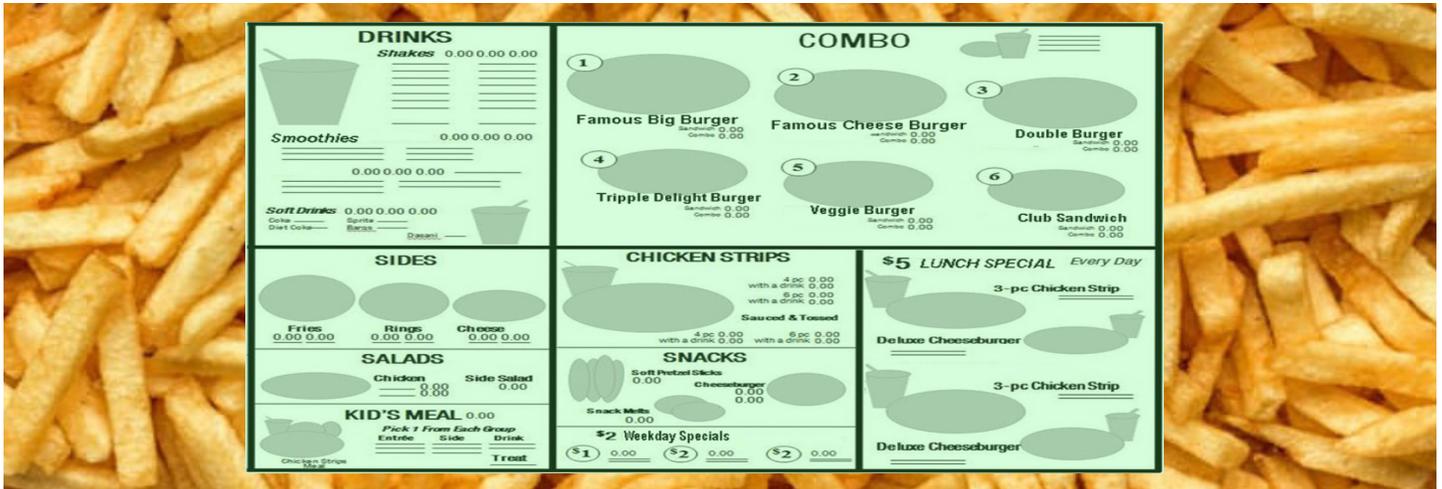
Brands that proactively find ways to maximize convenience, fine tune the customer experience and optimize drive-thru business performance will outperform other brands. Now is the time to optimize the full potential of your drive through: by developing more effective menu communications; by optimizing merchandising throughout the drive-through's various zones, by simplifying the menu itself, and by developing innovative ideas that optimize the customer experience.

Learn More in This Report

We illustrate these optimization opportunities using case examples from our clients who have embraced these strategies. They all followed King-Casey's structured, analytical process, and leveraged consumer insights to develop meaningful solutions that had impressive, measurable payback. Please read on...

THRU

Optimize Your Drive-Thru Menu Communications



OBJECTIVES FOR THIS TOP-20 QSR BRAND

- Grow food sales with priorities on two key platforms (hamburgers and chicken)
- Achieve a net neutral to positive shift in drive-thru margin contribution
- Improve consumer perceptions of variety and value versus key competitors
- Reduce drive-thru service time and increase peak hour throughput and transactions

1.) ANALYZE MENU PERFORMANCE

Our data-driven menu performance analysis allowed us to study key performance metrics, both financial and operational, and objectively identify which menu items lend themselves to promotion, deletion, or product re-engineering. By basing recommendations on transactional data, we took subjectivity out of the equation, allowing for the unbiased identification of those items with the greatest potential.

2.) REFINE MENU STRATEGY

For this project, each menu category and item were prioritized based on our menu performance analysis. The refined Menu Strategy documented specific tactics that would result in the realization of desired business objectives.

3.) OPTIMIZE MENU COMMUNICATIONS

Guided by the analysis and menu strategy, a range of alternative layouts were developed illustrating the strategic organization, layout, product placement, space allocation and key communication elements of the optimized drive-thru menuboard communications. Approved strategies were then developed into color renderings illustrating what the new Menu Communications would look like.

4.) VALIDATE USING CONSUMER RESEARCH

A quantitative evaluation survey identified which of the alternative menu communications strategies would yield the most rewarding results. The most promising strategy was put into Store Test Marketing.

THE BOTTOM LINE

- Increased net sales
- Increased number of transactions
- Increased profit per check
- Higher incidence of trade-up to premium sides
- Desserts experienced a favorable shift to higher margin items

When extrapolating the net sales increase to all stores within the brand's system, these improvements in drive-thru communications represent a **\$15 million increase in sales** for this well-known QSR brand.

Optimize Your Drive-Thru

Path-to-Purchase Communications



1.) DEVELOP ZONE MERCHANDISING STRATEGIES

Starbucks started their drive-thru optimization by developing customer-focused, zone-specific merchandising strategies. This approach has dramatically increased drive-thru sales and profits. Starbucks began making breakthrough improvements to their drive-thru path-to-purchase communications by embracing King-Casey's "customer zone" approach to merchandising. A process called COZI (an acronym for Customer Operating Zone Improvement).

"Understanding COZI turned out to be a breakthrough moment for Starbucks, according to Alan Richardson, who at the time was Program Manager for Starbucks' Innovation Team. "Before we weren't thinking about the drive-thru as an entry zone, plus a wait zone, plus an order zone, plus a pick-up zone. It was just a drive-thru. King-Casey helped us really think about each of those customer touchpoints."

2.) OPTIMIZE THE DRIVE-THRU MENUBOARD

With a path-to-purchase communications strategy firmly established in their culture, Starbucks turned their attention specifically to the menuboard. After all, the menuboard is the single most important communicator in the drive-thru environment. It's the top selling-tool. Successful menuboard optimization programs generate significant returns on investment. Optimizing menuboards can shave precious seconds off the order process, speeding throughput, boosting customer satisfaction and increasing the number of transactions. And brands can steer customers to their most strategically important menu offerings. Menu strategy drives menuboard design. In Starbucks case, the strategy was to increase the incidence of *food* sales. With this as the objective, King-Casey conducted an in-depth analysis of the sales data to identify ways to optimize the menuboard layout, product positioning, menu mix optimization, as well as food attach and pairing opportunities.

THE BOTTOM LINE

As a result of the unprecedented results of their zone communications and menu optimization, senior management authorized the largest capital investment in the company's history to bring these strategies to their drive-thrus worldwide.

Optimize Your Drive-Thru Menu Simplification



OBJECTIVES FOR THIS TOP 100 QSR BRAND

- Simplify menu and speed the ordering process
- Maximize revenue via increased sales of combos
- Increase check size while reinforcing customer value perceptions

1.) ASSESS MENU

- Determine the current menu strengths and weaknesses
- Assess menu differentiation versus the competitive set
- Identify key opportunities relative to menu items

2.) SIMPLIFY MENU

- Use TURF Analysis to determine the shortest list of menu items to satisfy the vast majority of customers
- Use menu operations analytics and item complexity ratings to streamline the menu
- Develop an optimized food & beverage menu

3.) ESTABLISH MENU STRATEGY

- Establish business objectives for your menu categories and items
- Prioritize food & beverage platforms, categories and items
- Optimize revenue & profitability by establishing pricing parameters and increasing prices on low risk items
- Draft a new menu strategy based on all of the above actions

4.) DEVELOP MENU ARCHITECTURE

- Created strategic alternatives to express in words and diagram form how the menu would be organized and prioritized on the menuboards to achieve the project objectives.

THE BOTTOM LINE

- + 3.2% increase in transactions as a result of improved ease of use and faster throughput
- + 2.7% increase in overall sales (higher incidence of combo sales)
- +1.5% increase in profits (better communication of high margin menu

Optimize Your Drive-Thru

Innovate the Customer Experience

Optimizing Menu Communications, Path-to-Purchase Messaging, and simplifying the Menu itself can make a significant contribution to improving customer satisfaction and growing sales and profits. These are all strategies that have a rapid return on investments. These are improvements just waiting to be addressed.

There's an additional approach that can further enhance sales and truly delight customers: INNOVATION. Developing out-of-the-box solutions and creative ideas that can dramatically improve business performance and set you apart from the competition. Here are a few examples.



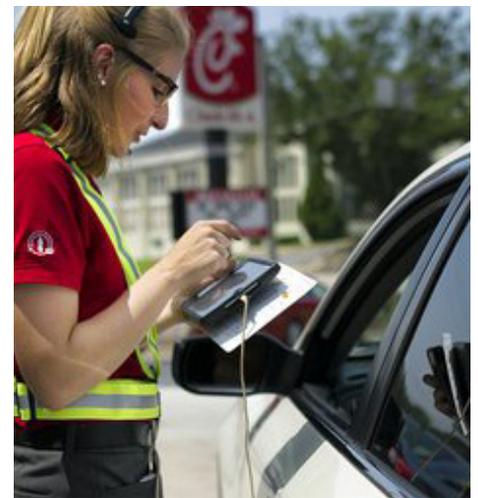
Starbucks Virtual Barista

In their traditional stores, Starbucks has created a signature feature that their customers love: a personalized relationship with the barista who prepares your order and gets to know your preferences. But how to bring that unique brand attribute to the far more impersonal drive-thru? Starbucks innovated a live, two-way video communication built into the drive-thru's digital order and verification board. Customers can see, speak and interact with their barista, just as they would inside the store.



KFC's New Drive-Thru Only Location

While traditional drive-thrus are mostly an add-on afterthought to the brand's store, KFC has innovated a new, tech-enhanced drive-thru only location in Newcastle, Australia. There is no dine-in store. The new off-premise concept has five drive-thru lanes, including ones dedicated to customers who order and pay through the brand's app or website. And of course there a lane for the more traditional, on-the-spot drive-thru orders.



Chick-fil-A's Remote Order Taking Tablets

Its a game of saving seconds when it comes to a world-class drive-thru experience. That's why customers see Chick-fil-A employees walking the drive-thru line armed with digital tablets. This innovation allows team members to go up to a customers' window, take their order, relay it to the kitchen, and take payment. All while maintaining personalized service. The result? Cars move through the drive-thru twice as fast as they do at a traditional speaker box drive-thru.

The Leading Brands Come to King-Casey When They Want Results

King-Casey, founded in 1953, provides practical, analytics-driven insights and research-validated solutions for restaurant and foodservice brands. We are renowned as the leader in providing comprehensive, turn-key Menu Optimization Services that increase Sales and Profitability.

Our team of industry professionals provides a suite of totally integrated optimization services. Collectively, our services provide advanced solutions that enable our clients to unlock the full potential of their menu communications, and achieve significant, measurable business results. No other firm provides such comprehensive menu optimization analytics and solutions.

Our Suite of Services Include

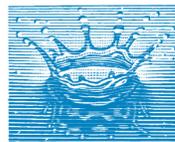
- Consumer insights analytics
- Attitude and usage research
- TURF analysis
- PMIX analysis
- Menu performance analytics
- Menu operations analysis
- Menu reengineering
- Menu strategy
- Menu communications analytics
- Path-to-purchase communications analytics
- Total store communications

The Benefits Are Immediate and Meaningful

- Increased sales and profitability
- Improved customer experience (P2P)
- Totally integrated solutions
- No loss or dilution of insights and data due to their transfer from one consulting resource to the next
- Cost and timing savings resulting from combining the full suite of services under one umbrella

Want to Know More?

Please call Tom Cook, Principal, King-Casey at (203) 571-1776. Or e-mail Tom at: tcook@king-casey.com. Take the first step in optimizing your drive-thru and increasing your business performance.



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