

How automation (and other pain points) impact fast casual and quick service restaurants

Fast-casual restaurants are becoming increasingly popular for good reason. They provide the best of both worlds: the quality of trendy dining with the affordability of quick-service restaurants. According to [industry reports](#), fast-casual restaurant chains are expanding more rapidly than other dining establishments. Experts forecast [a market share growth of the fast-casual restaurant industry by \\$186.27 billion between 2021 and 2026](#).

The quick-service restaurant (QSR) industry isn't far behind. Since 2017, [the fast-food industry has grown 2.8% per year](#) on average, with customers craving quick convenience and low-cost dining options.

Despite those impressive numbers, restaurant brands—across the industry—that provide more automated/self-service options are bringing the heat. And concepts that are lagging with their digital transformation efforts are feeling the burn.

Since the goal of self-service automation is to provide customers with a time-saving option, fast-casual and QSR brands especially need to step up their offerings to improve efficiency in the in-person dining experience and remain competitive in a field that is becoming more automated every year.



In this article, we'll look at how fast-casual and quick-service restaurateurs can overcome automation challenges and other related pain points, including recruiting and retaining employees, managing operating costs, and attracting customers. By the end, you will have a better understanding of how technology has impacted the modern-day restaurant business and whether automation is hurting or helping your brand. >>



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The evolution of automation technology in the restaurant industry

Customer satisfaction is the core of a successful restaurant business, and efficient service plays a pivotal role. Additionally, efficient service is the main driving force behind the increasing adoption of automation.

Fast-casual restaurants might not match the efficiency of quick-service restaurants, but a customer opting for fast-casual dining doesn't mind foregoing convenience for a more personalized experience. Nonetheless, with several automation solutions available for fast-casual and quick service restaurants, you can't afford to lag.

Think of kitchen meal preparation robots, dish-cleaning robots, digital ordering, kitchen display screens, among other recent innovations. Investing in these technologies not only lowers labor costs but can increase efficiency significantly, giving you an edge over the competition. According to a past [Toast restaurant success report](#), 95% of restaurateurs admitted that technology increases efficiency in their business. But the key is to implement that technology in a strategic way that minimizes the risk of alienating your customers.

Restaurant pain points and how to address them

From managing operating costs to recruiting and retaining employees, restaurateurs have much to worry about to keep business thriving amid stiff competition. Let's look at how these challenges arise and how automation tech can help overcome them.

PAIN POINT #1

Managing operating costs in a restaurant

Restaurants run very high operating costs, with food and labor being the most costly. Food waste also accounts for a significant part of operating costs, especially when management is lax.

Automating functions that don't necessarily require human involvement can help cut down your labor costs in the long run. You may also look into upping your inventory management to minimize food waste. On the same note, automating the meal ordering process is a great way of addressing the challenge of order errors and reducing the resulting food waste.

Also, if you have extra space on the premise, renting it out for events can bring additional income and supplement your budget. In other words, exploring all cost-saving opportunities available, be it outsourcing staff for peak seasons, renegotiating your lease, or phasing out unpopular menus, can go a long way in optimizing your operating costs.

PAIN POINT #2

Recruiting and retaining great restaurant employees

High employee turnover is a perennial pain point in the restaurant industry. From the back-of-house and kitchen staff to front-of-house and managers, restaurant employees have the highest churn rate, with data showing an average tenure of [slightly above 100 days](#).

Recruiting and training employees is a cost-intensive exercise for any establishment keen on delivering consistent quality service. The cost of advertising, recruiting, and training new staff every time a replacement is needed is a huge financial setback. Additionally, productivity is lost in-between new hires and before a new staff settles into the business culture.

While high turnover is a universal problem, there are measures you can employ to control the churn rate, such as attracting and hiring high-performing employees. Set your standards high, and don't compromise. We know that's easier said than done, but it's so important—top performers tend to be motivated and more satisfied with their roles. As a result, they're more engaged in their job and tend to [stay longer](#).

High performing employees...



Companies with highly engaged teams outperform their less engaged counterparts by:

+5% Overall customer satisfaction +8% Comp sales -18% Less turnover

Consequently, happy and satisfied employees provide better customer experiences. To foster a healthy cycle of strong employee engagement and high customer satisfaction, consider the following employee experience efforts:

- ▶ Conduct thorough onboarding and training
- ▶ Gather feedback from employees to align your actions with their expectations
- ▶ Establish a strong corporate culture that's not out of touch with the field
- ▶ Provide learning and development opportunities
- ▶ Provide pay transparency and offer paths to growth
- ▶ Provide benefits that go beyond what's expected (e.g., family care assistance)

PAIN POINT #3

Attracting customers and building loyalty

Attracting and retaining customers is another pain point restaurateurs face. Great food and efficient service are crucial for success in this industry. But every competing restaurant strives hard to offer quality and efficient services. As such, getting new customers through the door or ensuring your past customers keep coming back amid a sea of other options is a real challenge.

This calls for an aggressive marketing strategy to target new customers and encourage previous patrons to keep visiting. Here are some strategies you can employ to achieve this:

- ▶ Map your [customers' journey](#)
- ▶ Define your unique [value proposition](#)
- ▶ Complete your [Google Business Profile \(GBP\)](#)
- ▶ Evaluate your [omnichannel strategy](#)—including your website
- ▶ Take an active approach to [social listening](#)
- ▶ [Optimize your online presence](#) for local search
- ▶ Invest in content marketing, including creating local content
- ▶ Ask for reviews + stay on top of your [online reputation](#)
- ▶ Establish a [customer loyalty program](#)

How technology impacts your business

Technology continues to revolutionize the restaurant industry—from voice ordering to tabletop ordering, chatbots, self-ordering kiosks, and drone deliveries, the innovations over the past several years are tremendous.



4 in 5 customers report using digital channels to place a food order

While the change is self-paced, you need to adapt to relevant trends quickly to ensure you don't hurt your business.

However, there's a delicate balance between implementing technology successfully without affecting the customer experience. Fast-casual and quick-service restaurants must understand their target market to ensure any technology they adopt does not compromise the customer experience.

For instance, a tabletop ordering system should have a simple user interface to ensure any customer who walks through the door can use it with ease. As much as the technology improves efficiency, if the customers struggle to use it or it does not support personalization, it can affect their experience and hurt your business.

An effective marketing strategy can boost your number of new customers drastically. But then, you must consistently offer exceptional services to keep the customers happy, win repeat business, and increase opportunities for positive reviews and referrals.

Examples of technologies you should consider include:

 **Digital menus:** Enabling customers to place tabletop orders through digital menus is convenient for them and the business as well. Besides minimizing order errors, it makes it easier for you to update the menus with seasonal offers and daily specials, improving the overall customer experience. Moreover, the system can help you track your most popular menus easily for better inventory management.

 **Review generators:** A review generator is an AI-enabled technology that helps you send automatic review requests to your customers. Once you receive reviews, the tool allows you to manage them easily, including publishing them on your website.

 **Geomarketing:** Geomarketing involves sending custom ads to potential customers within your location. Not only does it help attract new customers, but you can rely on the data to communicate with frequent customers (e.g., pushing offers and reminders of daily specials).

 **Employee management tools:** Tools such as staff scheduling systems can help you manage shifts and records more efficiently. Eliminating manual processes in employee management goes a long way in improving payroll accuracy, eliminating time theft, tracking performance, and avoiding compliance pitfalls, among other benefits.

 **Kitchen technology:** From kitchen display screens to meal preparation robots and Bluetooth temperature sensors for improving food safety and quality, there are numerous kitchen technologies you can adopt to improve your service delivery.

 **Customer relationship management software (CRM):** CRM is a handy tool for managing customer relationships. Investing in the software can provide vital data to personalize offers to your customers, manage customer loyalty programs, and generally keep track of customer interactions with your business.

There are numerous technologies available for the restaurant industry. [Keeping abreast with the trends](#), especially in fast-casual and quick-service restaurants, and automating where needed is crucial to remaining competitive.

Automation: is it hurting or helping?

Automation must be done strategically at the right stages of the customer journey. Otherwise, poor processes that don't offer personalized experiences where customization is required can lead to lost business.

Let's say a customer is making an order over a tabletop system and they want to substitute a certain ingredient, but they are unable to communicate that in the order.

This is a very common example of automation technology missing the crucial element of order personalization. Automation should never hinder the personalized experiences that diners seek. But if you don't have an air-tight CX program in place, you might never hear about this issue and your automation efforts will fail.

When it comes to delivery, food delivery services offer a convenient means to serve off-site customers. However, third-party delivery creates lots of issues between brands and their customers. But despite the woes, many customers still prefer the convenience of ordering food remotely. Using drones in food delivery is also gaining momentum and is a more convenient and environmentally friendly option.

There's a lot to think about when it comes to creating a more automated environment within your brand—and it has to be done strategically, with the customer experience front-and-center. SMG partners with more than half of NRN's Top 50 Restaurants, using our unique software with a service (SaaS) approach that combines in-app feedback capabilities with professional services to help brands turn user experience data into real-world improvement strategies.

Uncover insights across your customer journey

As you embark on automation and establish when + where to implement new tech, know we're here to help. Check out [how we support restaurant brands improve the customer experience](#) and connect with our team to learn how we can help you drive improvements.

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