

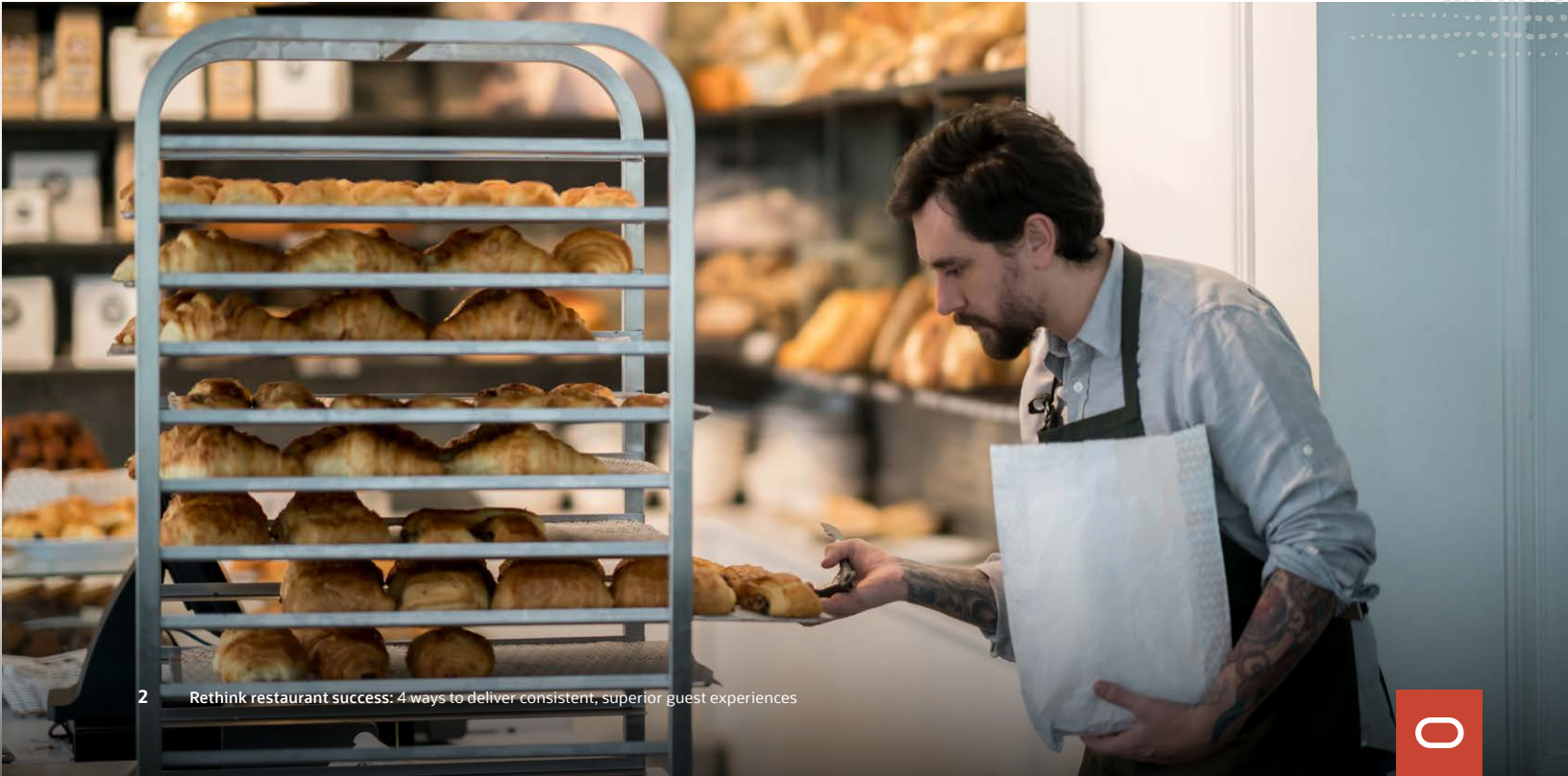
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# Rethink Restaurant Success: 4 Ways to Deliver Consistent, Superior Guest Experiences



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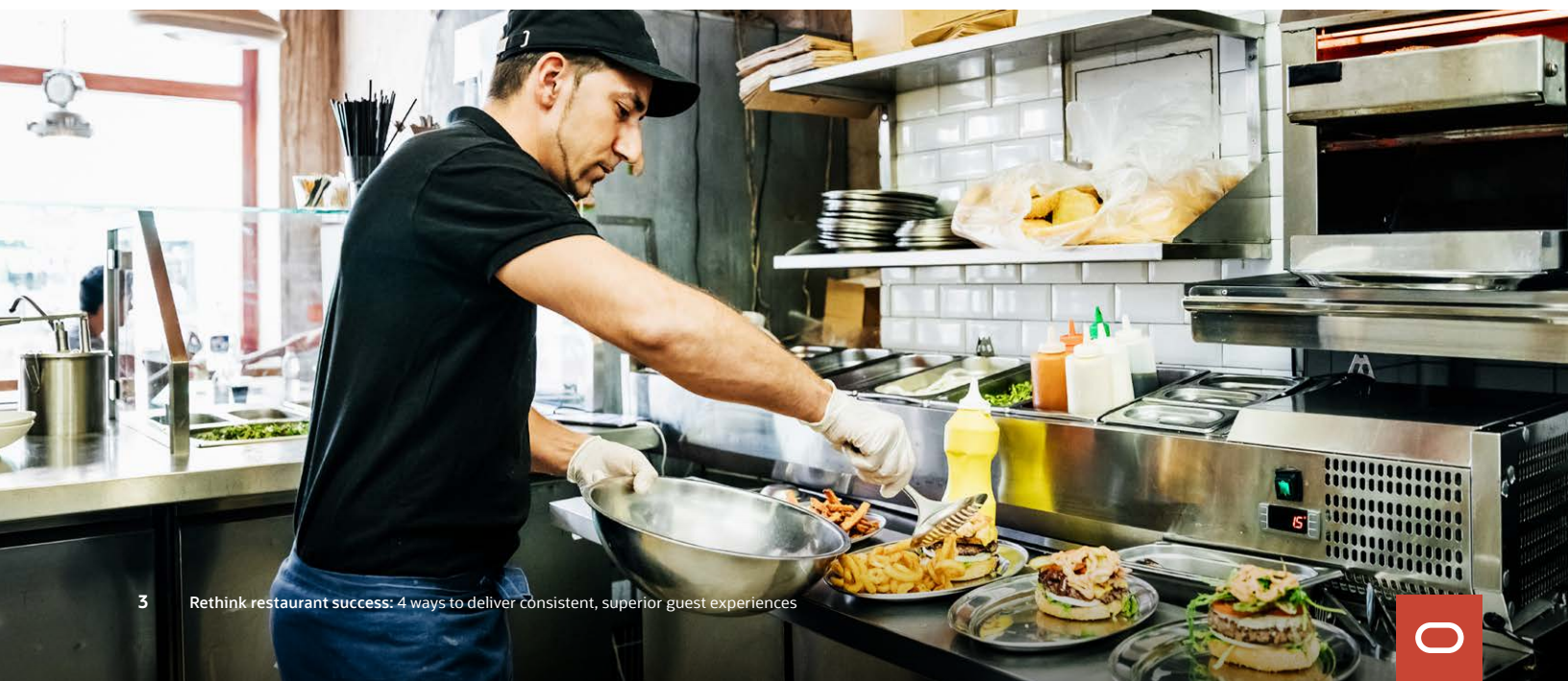
**By Alex Chan and Suzy Strutner**  
**Senior Writers, Oracle Restaurants**

Restaurants and other venues that serve food and beverages face challenges in every aspect of their business. The extraordinary disruption of COVID-19 aside, their biggest issues include rising food and labor costs, a shortage of workers, a raft of new competitors and service options, and ever-changing consumer tastes.

It's tough for restaurant operators to make ends meet in any business climate. Profit margins are tight compared with other industries, averaging about 5%, making it difficult to deal with rising costs and invest in growth initiatives such as loyalty programs. Only 62% of restaurants offer one, according to research firm PYMNTS, yet 39% of consumers the firm surveyed say such programs would prompt them to spend more at an establishment.

Leading restaurant chains aren't sitting still. In addition to encouraging customer loyalty through a range of data-driven and other innovations, they're taking steps to improve the ordering and dining experience, train and develop their workforces, and build more efficient and sustainable supply chains. In line with all this work, they're starting to market to and treat guests even more like individuals—the promise of personalization.

All of that will require investments in integrated applications and technology infrastructure. This ebook delves into the creative tech and other solutions leading chains are applying to improve their operations and grow their businesses, focusing on the four main areas cited above: guest experience, workforce, supply chain, and loyalty.

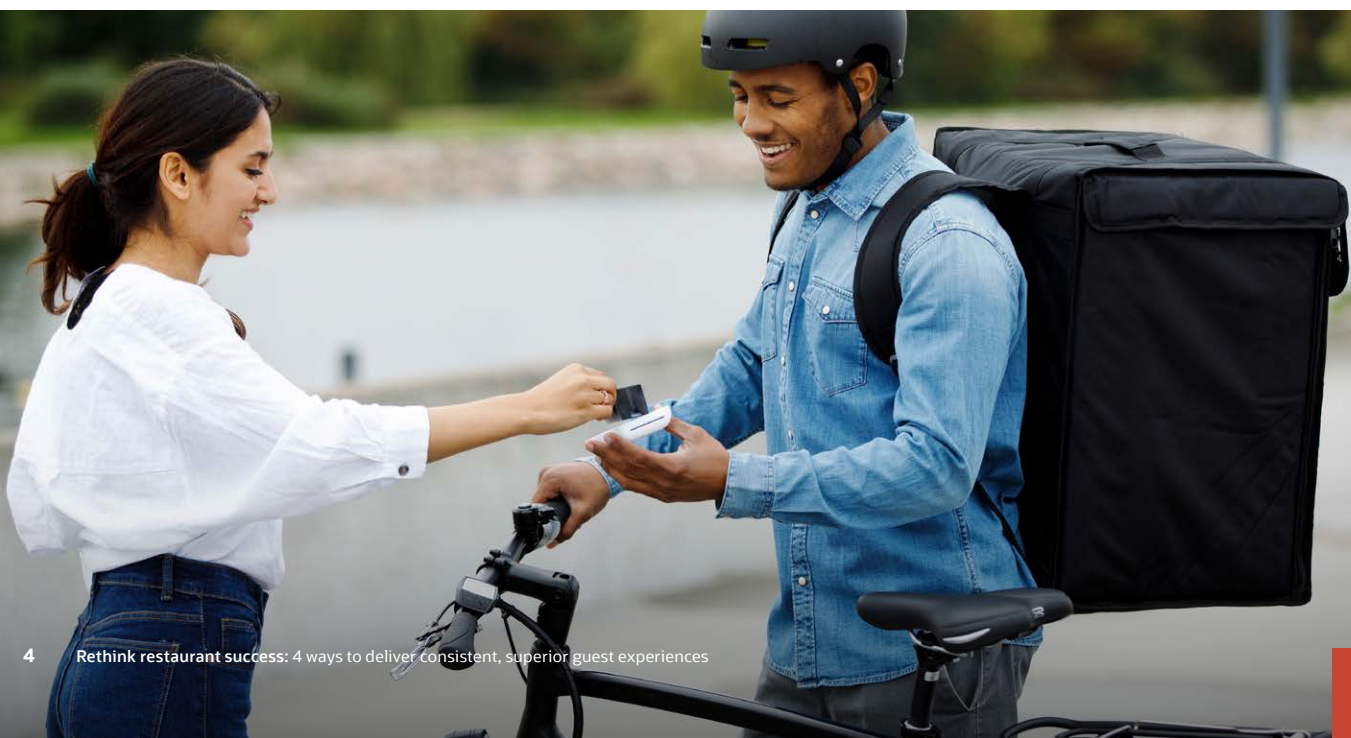


## 1 Create consistent, quality customer experiences across ordering and payment methods

Today's customers demand efficiency, speed, and convenience in all their interactions with a restaurant brand. This requires restaurants to offer them a multitude of options for placing and paying for orders, while giving them a consistent experience across all dine-in, drive-thru, and online channels.

Some consumers favor third-party apps, such as Uber Eats, Grubhub, and DoorDash, but these apps don't own the food delivery space. In a 2022 survey of consumers by Service Management Group, an experience management software company, 83% said they had at least one quick-service restaurant app and 36% had five or more. A separate study by media group Hospitality Technology found that 75% of customers prefer to order delivery straight from the restaurant's own app.

What's clear is that restaurants must commit to implementing, integrating with, and improving multiple channels for order placement and fulfillment, including in-person at kiosks, on mobile phones, and via drive-thru. Companies identified as having strong

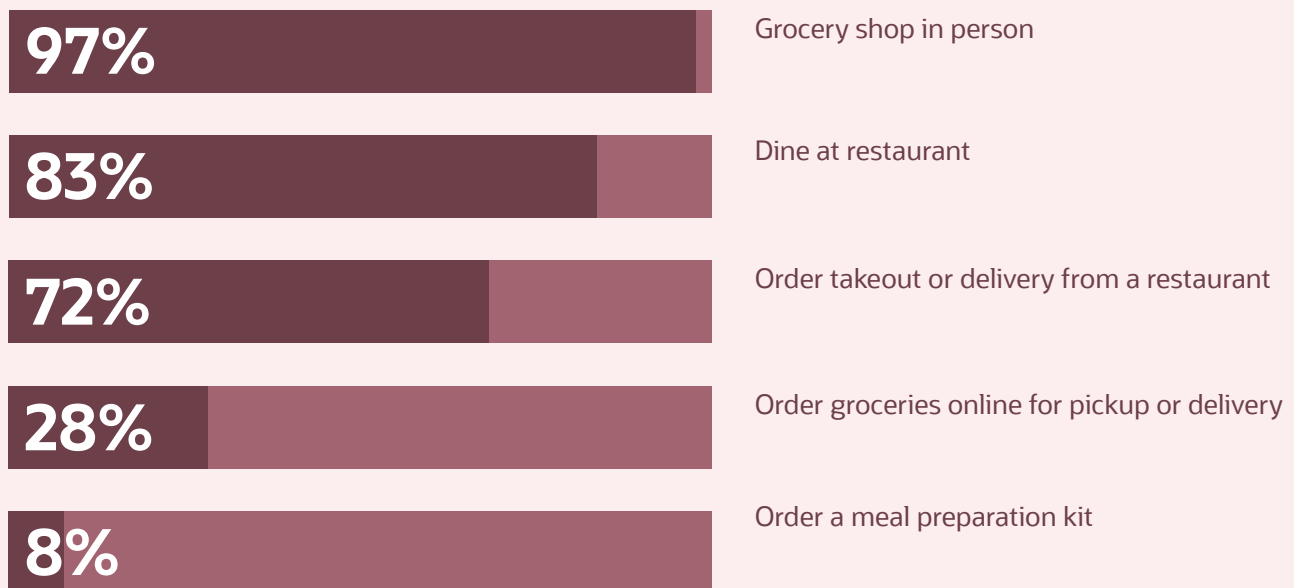


customer engagement channels retain, on average, 89% of their customers, compared with 33% for companies with weak channels, according to Aberdeen Strategy and Research.

The challenge is that many of the processes and systems of most purveyors weren't designed to handle fast, quality, and convenient multichannel operations. "That's become a necessity," says Robert Peterson, a vice president in Oracle's restaurants unit. "When orders come from a channel other than the counter, those sales tend to be higher. If your customers can't order whenever, wherever, then you're a stale brand and losing market share."

## Ways Americans Order Food

Percentage who say they do each of these activities at least once a month



Source: Gallup, MarketingCharts

Nowhere is that "wherever, whenever" mantra more important than at the ballpark. After the San Francisco Giants implemented a cloud-based point-of-sale (POS) system at their 40,000-seat stadium, fans gained the ability to make food, beverage, and other purchases from their mobile devices without missing a moment of the action. "When you're at a sports game,





you're there to watch your team win and create memories, not to wait in line for a beer or hot dog," says Andy Hook, market strategy lead for sports and entertainment at Oracle. "From a service standpoint, [ordering food] needs to be a seamless, quick experience, and that's how technology can help."

The cloud solution's built-in data analytics also helps the Giants improve inventory management, make better-informed decisions on pricing and promotions, and reduce food waste. For example, if a promotion causes an item to sell out, that's automatically reflected on the park's digital menu boards and on its mobile app. And if the system detects a surplus of an item, park managers can decide to run a new promotion to accelerate sales. With this software as its foundation, the park is well prepared to introduce other ordering channels, such as self-service kiosks and grab-and-go checkout locations.

A luxury resort and residence complex in Stowe, Vermont, used its cloud-based POS system to introduce online ordering across three of its onsite restaurants, in addition to supporting dine-in and phone ordering. The resort now fills as many as 100 orders on the average busy night, compared with about 40 orders previously.

Restaurants, entertainment venues, and other foodservice providers must make customers' payment experience just as seamless. Following the pandemic, just over half of Americans—and even larger percentages in developed countries in Europe and Asia—use contactless

“Our customers love the classic nostalgia of our restaurants... and we know those same customers are looking for modern conveniences like paying from their mobile device.”

**Patrick Marshburn**

Waffle House Vice President  
of Innovation and Strategy

payment methods, including tap-and-go credit cards and mobile wallets, such as Apple Pay. By 2025, the number of QR code payment users will grow by 240%, compared with a 2020 base, according to Juniper Research.

Waffle House, a chain with more than 1,900 United States locations, uses a cloud-based service to give guests contactless payment options, including tap-and-go debit and credit cards, as well as Apple Pay, Google Pay, and Samsung Pay. The chain now gets transparent, fixed-fee pricing with no monthly minimum requirements, so there's no unexpected costs.

“Our customers love the classic nostalgia of our restaurants...and we know those same customers are looking for modern conveniences like paying from their mobile device,” says Patrick Marshburn, Waffle House's vice president of innovation and strategy, who adds that the digital payments service took only three months to roll out. “We are already seeing a positive response from both our restaurant operations team and our customers.”

IDC analyst Dorothy Creamer notes that all these restaurant payment and especially ordering systems need to talk with one another. “Whether the customer starts their journey at a kiosk, mobile app, or drive-thru, customer data needs to be visible across the enterprise so that the appropriate associate will get that order, know who it's for, and fulfill it quickly,” Creamer says. “Guest profile data will have to go through all channels. Restaurants want to be looking at that to mitigate on-property challenges when there is an increase in guest throughput.”

## 2 Don't take worker shortages and rising wages lying down

In an industry that was already experiencing high employee turnover, the post-pandemic environment leaves restaurants facing staff shortages and rising minimum wage requirements.

Staff shortages during the busy summer 2023 tourist season forced many European restaurants to cut their hours, and in October, the US restaurant and accommodations sector logged a quit rate of more than 4.5%—the highest of all industry sectors—for the 28th consecutive month, according to data from the U.S. Bureau of Labor Statistics.

Meanwhile, the average minimum wage globally has increased 29% since 2020, according to the Organisation for Economic Co-operation and Development, placing

### Quit Rates by Industry

Companies in the leisure and hospitality sector consistently lose people at a faster clip than do other industries.



Source: US Chamber of Commerce, US Bureau of Labor Statistics. Figures apply as of October 2023





a further strain on already razor-thin restaurant industry profit margins.

To do more with fewer people while reducing costs, restaurants and other food and beverage venues are evaluating and trying out ways to incorporate customer self-order capabilities. This often involves technology that lets customers order and pay on their own mobile devices, at self-order kiosks, or via voice AI in the drive-thru. In a pilot program at one major fast-food chain, customers at the drive-thru order off a full menu interacting with an AI-based chatbot, which understands even slang terms (thanks to extensive training), then responds verbally without skipping a beat.

Most consumers say they're OK with these automation technologies: In a 2023 Deloitte survey of consumers, 79% said they're at least somewhat likely to return to a restaurant that uses voice-response systems for drive-thru, and 66% said they prefer automation over live staff in at least one part of their dining experience.

While they require capital investment, customer self-order technologies can boost revenue, in part by consistently suggesting additional items to order. For example, BurgerFi, a global burger chain, saw an 18.5% increase in average check size for orders placed at a self-service kiosk versus those placed at the register.

Establishments are also automating routine tasks for staff. POS systems organize both in-store and online orders, then route them to the optimal location among multiple restaurants. There, kitchen display systems prioritize the orders and their associated

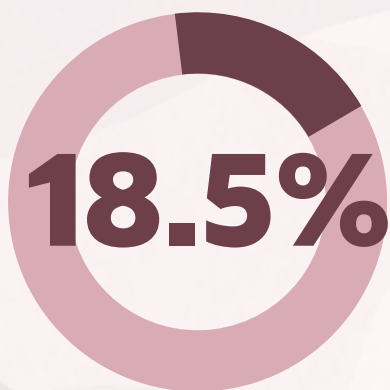


preparation tasks according to promised delivery times at a physical table or on a doorstep. Robust inventory management systems similarly sync with the POS system to adjust stock levels as soon as a customer places an order, eliminating the need for multiple manual inventory counts later.

Restaurants and other food and beverage establishments are also improving how they schedule their people. Workforce management software forecasts personnel needs based on historical trends, then creates schedules that put the right number of staff in the right locations at the right times. The best of these tools consider skills and contingencies, such as whether an employee has the required alcoholic beverage service certification to work a shift at the beer garden in a sports arena.

Employers are also offering their people more control over when they work, frequently cited as a major retention opportunity in the foodservice sector. A 2022 global survey by Boston Consulting Group found that 56% of “deskless” shift workers weren’t satisfied with their schedules, and among those who were considering leaving their jobs, 50% cited a lack of flexibility or work-life balance.

Scheduling applications that let employees request shifts and swap them with colleagues from their phones, considering the contingencies mentioned earlier,



**BurgerFi, a global burger chain, saw an 18.5% increase in average check size for orders placed at a self-service kiosk versus those placed at the register.**

can go a long way in boosting morale, which in turn helps with employee retention, says Colleen Denston, vice president of HCM transformation at Oracle.



**90%** of US restaurant managers started in entry-level positions.

Restaurants are also using technology to simplify their processes for recruiting and hiring workers. With quality talent hard to come by, they can't afford for interested job candidates—many of whom are convenience-obsessed Gen Zers—to drop out of the process because it's too complicated, feels impersonal, or the employer fails to provide a same-day response.

Human capital management tools can personalize the candidate experience and speed it up, automating tasks such as responding to applicant inquiries, issuing screening questions, and scheduling interviews. The best HCM tools help candidates discover jobs aligned with their skill sets and avoid the tedious step of creating an account to apply. Once a candidate is hired, the tools guide them, step by step, through the onboarding bureaucracy. "It's about giving candidates a seamless, consumer-grade hiring experience," says Kellie Hayden, a senior product marketing manager at Oracle. "It's critical to hire and onboard quickly, not only when it comes to productivity but also when it comes to creating a welcoming culture for employees."

Restaurants must also show select workers that they have a future at the company, mapping out milestones to complete and recommending learning based on their





career interests. Online courses and workshops that lead to certifications or degrees—in, say, sustainable coffee production, Online courses and workshops that lead to certifications or degrees—in, say, sustainable coffee production, as one notable coffee maker and global café chain offers its global workforce—motivate employees while building a talent pipeline. Fun fact: 90% of US restaurant managers started in entry-level positions, according to the National Restaurant Association.

Wendy's, for example, recently implemented a cloud-based HCM system that brings increased capabilities to its global workforce to set and align on goals, engage in calibrated performance feedback, and create development plans. The system represents “an opportunity to put the power of furthering your career in each employee's hands,” says Stephanie Shaw, vice president of enterprise technology at Wendy's.

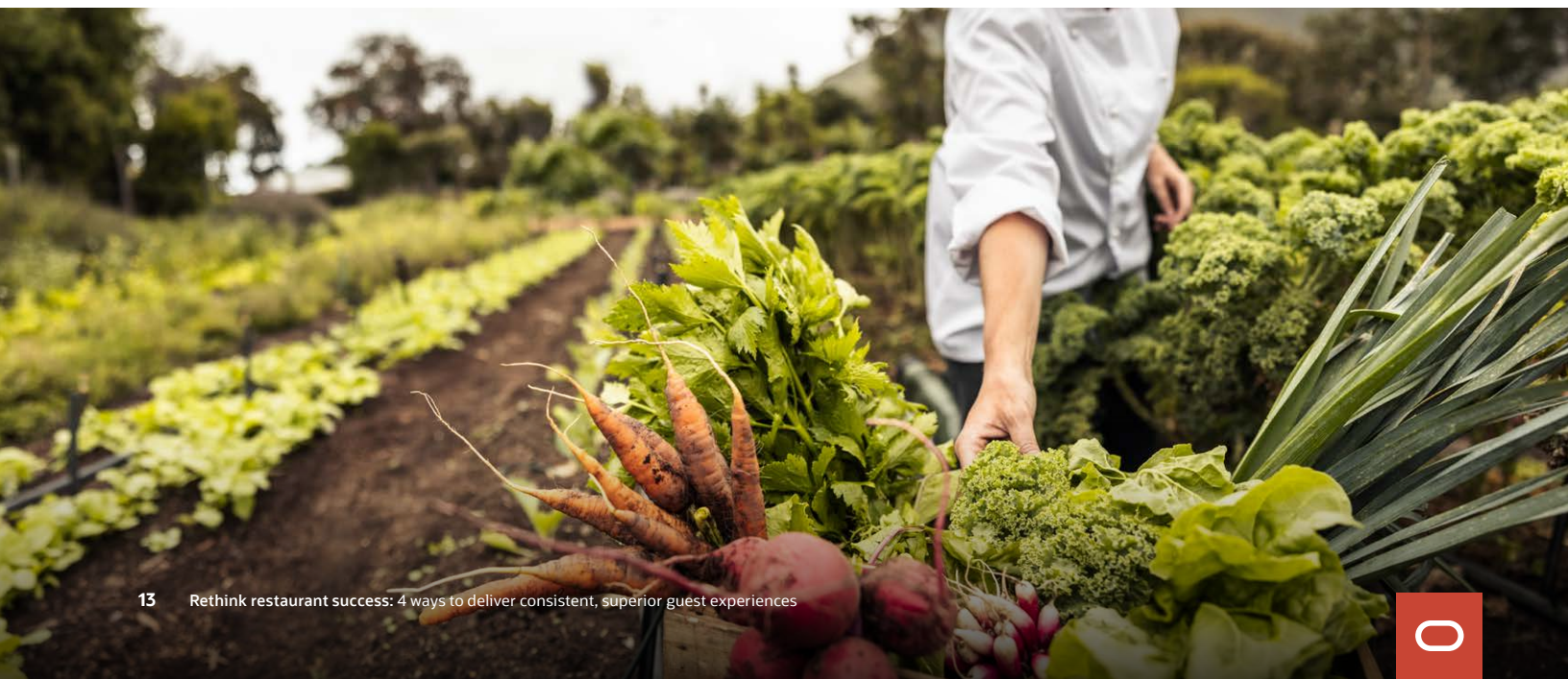


### 3 Build more adaptive and sustainable supply chains

Rising food prices and overall inflation are putting pressure on industry profit margins. Meantime, restaurants and other foodservice companies continue to face supply disruptions for any number of reasons—crop failures, livestock diseases, transportation strikes, plant closures, labor shortages, and other factors. Consider the dramatic increase in US egg prices in early 2023, partly due to an avian flu outbreak, which left some eateries scrambling to adjust their menus and others raising prices. Such variability makes historical trends unreliable for predicting demand, supply, and pricing of ingredients.

In response, top-performing businesses are slimming their menus and allowing for quick adjustments to address changing prices or availability of ingredients. “It all comes down to menu planning and being more dynamic,” says Tim Brown, a trained chef and now a group vice president in Oracle’s restaurants unit. “A good supply chain comes from good menu planning, and good menu planning comes from looking at the cost of raw materials as well as in-season, local goods, then finding suppliers that can provide them at high quality.”

Supply chain software can help restaurant chains track food prices, summarize changes day over day, then recommend menu adjustments that safeguard margins based on the individual business. Amid the recent increase in lamb meat costs in the UK, for example,





customers at fine-dining restaurants might've been willing to pay more for a lamb dish while quick-service chains would've been better off switching to chicken. Frequent menu changes not only keep costs in check, but they also can keep consumers interested. 55% of consumers surveyed by consultancy Technomic in 2021 said they're more likely to try a menu item if it contains seasonal ingredients, and 35% are more willing to try a new flavor or item if it's only temporarily on the menu.

But no matter how fine-tuned the menu planning, unpredictable supply chain disruptions—think a freeway closure that stalls pretzel deliveries to a ballpark—threaten customer satisfaction.

An international restaurant chain implemented cloud-based supply chain management software that offers a view of product flow worldwide, including farms, distribution centers, and its restaurants. Now, its rate of service—the measure of whether a restaurant has all its required inventory—is up from 90% to over 99%.

While ensuring they maintain enough inventory to meet customer demand, restaurants must also avoid overstocking, which can lead to unnecessary costs and food waste. Diners are demanding restaurants follow more sustainable practices. For example, they are



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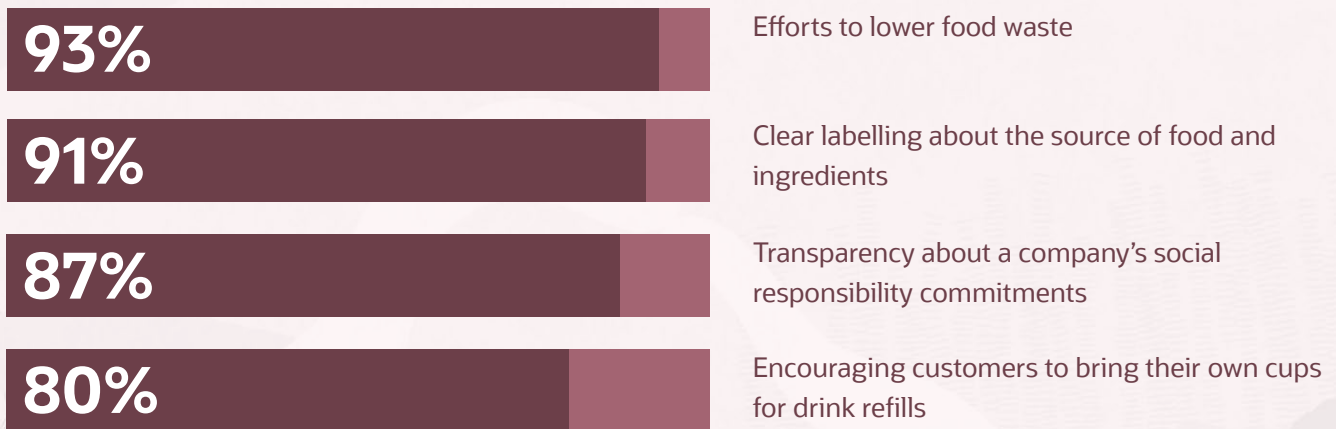


urging restaurants to minimize waste and procure ingredients from suppliers committed to sustainable farming methods, while offering evidence of those practices.

More than 87% of consumers worldwide say it's important that restaurants reduce food waste, clearly label food sources, and are transparent about their environmental, social, and governance (ESG) commitments, according to a 2022 survey by Oracle and Untold Insights. Foodservice brands that use integrated supply chain planning and inventory systems can more accurately forecast demand at a specific restaurant location, then automate ordering for higher accuracy and saved time.

## Sustainability Commitments Get Noticed

Most consumers say these practices by restaurants are important to them.



Source: Oracle, Untold Insights

Many businesses in the restaurant supply chain have turned to Internet of Things (IoT) sensors and radio-frequency identification (RFID) tags, which monitor ingredients' location and quality as they move through the chain. For example, sensors embedded in shipping pallets of fresh produce monitor temperature and humidity, flagging levels that may lead to spoilage and providing a record of the conditions in which shipments traveled to a particular



restaurant or other venue. Meanwhile, teams can scan RFID tags on, say, crates of meat to track their location as they travel from processor to distributor to restaurant. When coupled with the appropriate supply chain software, the practice provides inventory updates in real time without manual counting or logging.

Restaurants can also use these technologies to offer customers information about the source of ingredients in the dishes they order, down to the farm or fishery. The international restaurant chain mentioned earlier, which began using RFID to trace ingredients from suppliers to restaurants in 2022, is also committed to offering customers insight into the origins of and carbon output associated with each ingredient on its menu.

In an IDC survey<sup>1</sup>, 38% of hospitality companies said they planned to invest in IoT or RFID technology in the coming three years to support tracking and tracing of food temperature, humidity, and other conditions. The firm predicts that by 2027, 55% of hospitality and travel organizations will use the technologies to identify and reduce food waste.

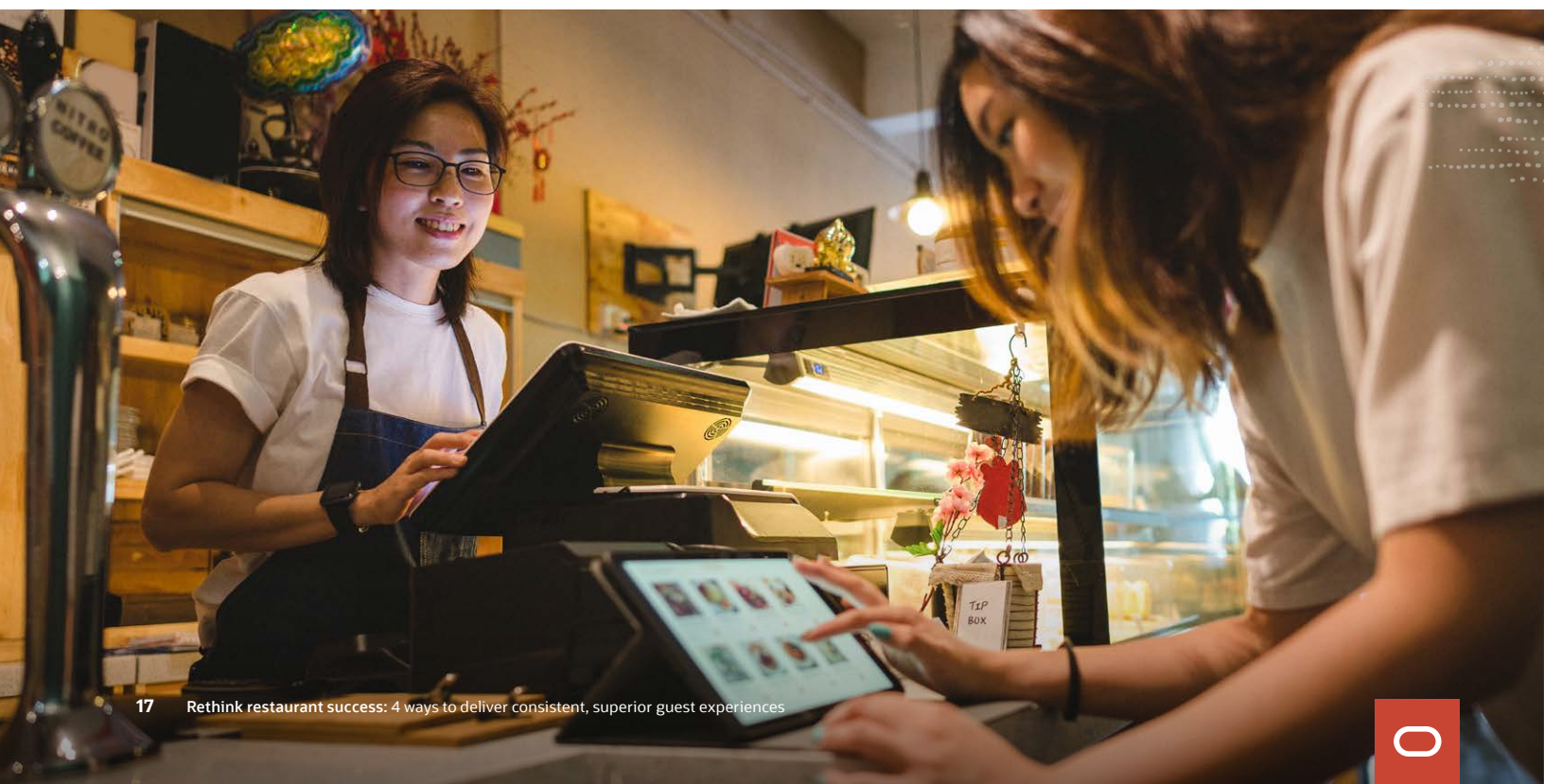
<sup>1</sup> IDC FutureScape: Worldwide Hospitality, Dining, and Travel 2024 Predictions, Dorothy Creamer, IDC, October 26, 2023

## 4 Boost customer loyalty and strengthen customer relationships

Restaurants face a host of new direct and indirect competitors, including the aforementioned online ordering and delivery companies, as well as ghost kitchens. These competitors tend to be technology-led and have a leg up on traditional restaurants when it comes to gathering customer intelligence, making it all the more important for restaurants to focus on driving customer engagement and loyalty through their own channels.

Industry winners will recognize that loyalty isn't only about points, promotions, and spend. It's also about building authentic relationships with customers by understanding their personal preferences, needs, and habits. And that happens by capturing data on customers every time they engage with the brand.

Rewarding customers only for dollars spent leaves a gap in data and tends to yield ineffective promotions and discounting, says Emily Rudin, vice president of loyalty product strategy at Oracle. Instead, businesses should identify and reward any brand-valuable activity, such as writing a review or taking a survey. Loyalty and engagement applications that monitor





this activity give restaurants additional data they can use to create more personalized experiences and promotions.

For example, one international restaurant chain recently offered a fun quiz to rewards program members through its cloud-based loyalty platform, testing their knowledge of American football. The chain then sent each quiz taker double rewards points for dining in to watch weeknight games, not only enabling them to rack up more points but also encouraging future interactions with the brand, such as ordering takeout for Sunday game days.

Rudin offers the example of a pizza restaurant that, based on a survey a family member filled out, knows that the family orders takeout every Friday night as a tradition. If the restaurant can gather more information, like the ages of the family's children, it can craft personalized offers, such as a promotion on slices during spring break from school or a coupon for use

“Food is an emotional category, and understanding consumers’ emotions allows for a more significant connection beyond price and discounts.”

**Emily Rudin**

Oracle VP of Loyalty Product Strategy

at a franchise location in a child's college town. “If I take a survey and tell the restaurant that it's our birthday dinner place, now they have an opportunity to say, ‘We know you trust us with your celebratory events. Join us for Valentine's Day and create more special moments,’” Rudin says. “Once you understand why a customer shops, then you can encourage them to

do it more regularly. Food is an emotional category, and understanding consumers' emotions allows for a more significant connection beyond price and discounts.”

Oracle's Peterson also emphasizes the importance of offering creative rewards, such as access to items that aren't listed on the menu or the ability to place orders ahead of the line at a busy time of day.

The more behavioral, sales, and other data restaurants can pull together in their loyalty and engagement applications—including data from third-party sources—the better they can categorize customers into precise personas and refine their offers. It's the promise of hypersegmentation.

One US Midwest supermarket chain tapped a cloud-based loyalty and engagement application to integrate data from its in-store POS systems, ecommerce platform, and email service provider, helping it deliver more-personalized offers on its app and in email. In the first months of the program, email open rates increased by 10% and digital coupon redemption increased by 5%. The brand also saw increased traffic and engagement on its app and website, as well as incrementally higher in-store sales.



**10%**

**Percentage increase in email open rates at a major supermarket chain after it implemented a loyalty application**



# How can Oracle help?

## Deliver incredible guest experiences with Oracle restaurant technology solutions

Leading food and beverage operators—including fast-casual and fine-dining establishments, quick-service chains, stadiums, and theme parks—use [Oracle's restaurant technology solutions](#) in more than 350,000 locations across 180 countries, processing 6.3 billion transactions per year.

Their foundation is [Oracle Symphony](#), a restaurant management platform that ties together front-of-house, kitchen, and back-office operations to improve efficiency, enhance the customer experience, and ultimately increase revenue and profit.

- [Oracle POS hardware](#), including workstations, tablets, and self-service kiosks, integrates with [Oracle Symphony](#) to route orders, log menu changes, and track inventory levels in real time across locations. Symphony POS also integrates with business applications such as [SoundHound for Restaurants](#), which delivers voice ordering capabilities for phone, kiosk, and drive-thru.
- [Oracle Restaurants Payment Service](#) simplifies ordering and payment processing, helps reduce credit card processing rates, and allows businesses to process transactions more efficiently and securely.
- [Oracle Restaurants Kitchen Display Services](#) prioritize orders from across sales channels and their associated preparation tasks, increasing the productivity of back-of-house staff.
- [Oracle Symphony's inventory management capabilities](#) help restaurants optimize stock levels, reduce food waste, and manage cash flow.
- [Oracle CrowdTwist Loyalty and Engagement](#) lets restaurants capture data when customers engage with their brand, then use that data to personalize customer offers.



## Improve back- and front-office processes with Oracle Cloud Applications

Restaurants also use Oracle's enterprise applications to manage their finance, HR, supply chain, ESG planning, and other key processes.

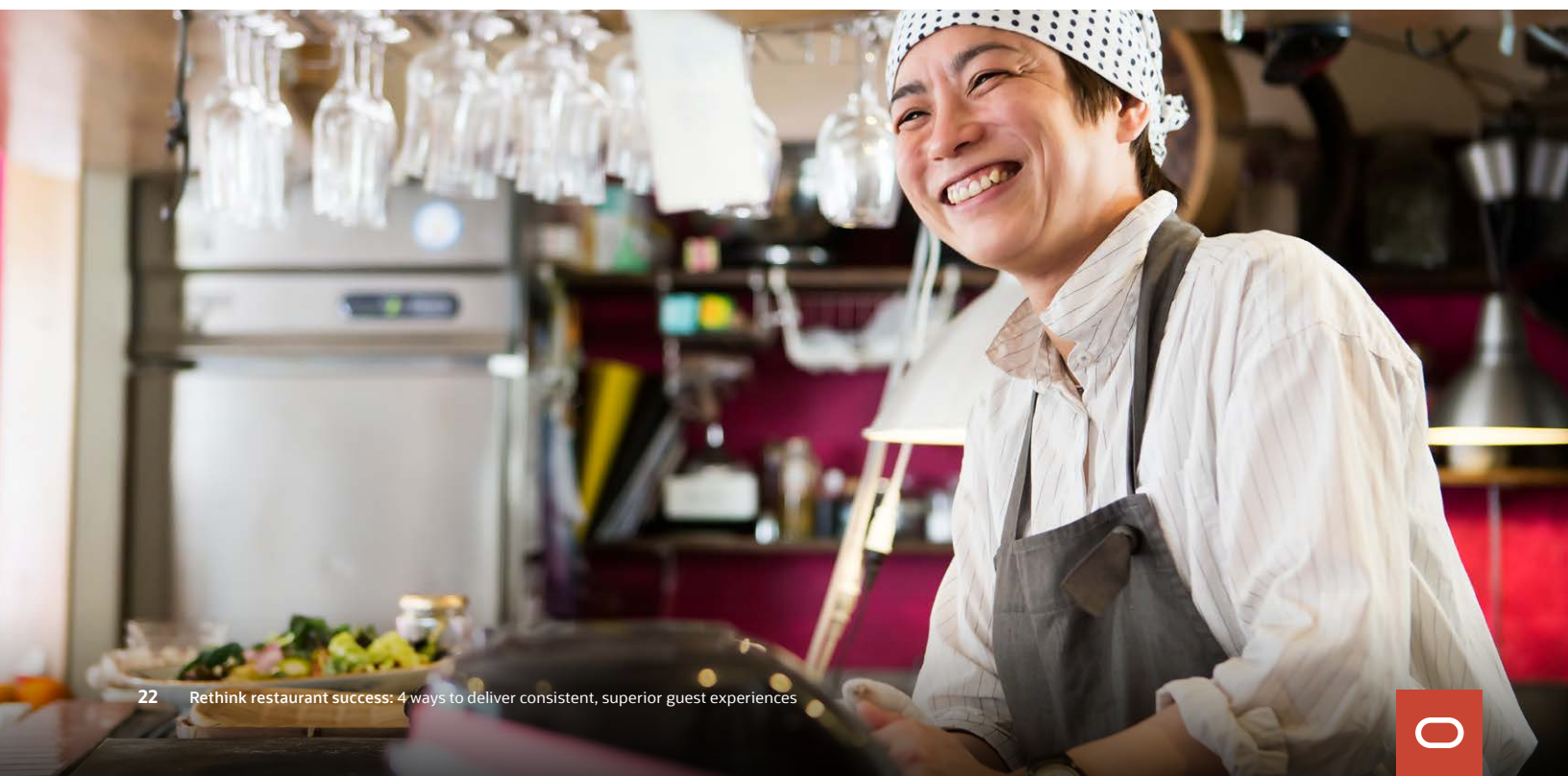
- [Oracle Fusion Cloud ERP](#) offers the tools that restaurants need to connect kitchen and back-office operations as they serve customers across ordering channels and locations. These include finance and accounting capabilities that simplify franchise management and make it easy to explore the potential revenue impacts of innovations, such as installing self-order kiosks.
- [Oracle Fusion Cloud HCM](#) helps restaurant HR teams recruit, onboard, develop, engage, and retain highly skilled workforces to deliver the service levels guests expect.
- [Oracle Fusion Cloud SCM](#) lets restaurants confidently manage inventory and menu planning. Teams use the application suite to manage supply changes across corporate and franchise locations, make stock replenishment decisions based on customer trends, collaborate with suppliers, and more.
- [Oracle Fusion Cloud EPM](#) helps businesses define their sustainability goals, make plans to achieve them, then track and report progress.



## Build a technology foundation with Oracle Cloud Infrastructure

[Oracle Cloud Infrastructure \(OCI\) services](#) provide a platform for restaurants to grow their businesses more efficiently and securely, while reducing IT complexity. OCI gives providers the computing resources, data systems, and development tools they need to deploy the mission-critical applications their staff and guests rely on.

- **Performance:** OCI provides a common infrastructure on which restaurants can store and analyze their data and run their applications quickly and securely, at low cost.
- **Expansion:** Restaurants can use OCI services to support their growing businesses. For example, a restaurant group might use [Oracle Cloud for Telcos](#) to handle growing call volumes in customer service centers that handle reservations and special events, while a quick-service chain can use [Oracle Cloud construction and engineering infrastructure solutions](#) as they build new locations.
- **Interconnected operations:** For restaurants that are part of a larger hospitality organization, such as a hotel group, running on OCI connects operations. Groups that use [Oracle's hospitality cloud infrastructure](#), for example, can more easily explore data relationships across the enterprise—such as how hotel room occupancy affects traffic to the property's cafe.





## Grow Your Business with Oracle Restaurants

Oracle helps restaurants transact in new ways, place their customers at the center of every business decision, and deliver great guest experiences.

[Learn more](#)

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