



KING-CASEY



# King·Casey REPORT

Insights and Trends in Retail Branding, Merchandising and Design



## Success at the Drive-Thru

Driving Business by Re-Inventing the Drive Thru

# Success at the Drive-Thru

## Driving Business by Re-Inventing the Drive Thru

A KING-CASEY REPORT by Howland Blackiston, Principal, King-Casey

### There's a Need for Change

In recent years, drive-thru traffic has grown at four times the rate of in-store business. On average, the drive-thru accounts for about 50% of a QSR's sales. For many, the drive-thru has eclipsed in-store sales by accounting for nearly three-quarters of the total business. Despite this impressive growth, the drive-thru typically takes a back seat when compared to efforts to enhance the in-store experience.

### Customers are Unhappy

Despite the drive-thru's popularity, consumers continually complain that the speed and quality of service at the drive-thru do not meet expectations. In a Shopper Report, 24% of fast food customers rated drive-thru service as "poor-awful". Less than 50% of the customers rated the service as "adequate". Many kitchens are capable of filling the peak time drive-thru orders up to 3 times the actual pace of the drive-thru line. Clearly there are opportunities for improvement.

### Current Drive-Thru Strategies Put the Brakes on Growth

Today's drive-thrus are relatively archaic. Most have a "back alley" look and feel. They are essentially "tacked on" to the sides and back of a conventional dine-in restaurant. Technology improvements which are being heralded as new in the restaurant category, have been in place for over a decade in other retail categories. The current paradigm with its con-

figuration, process, pad utilization, technologies and bottle necks are putting the brakes on continued drive-thru growth. Drive-thru practices are not keeping pace with best practices in other retail sectors. This gap makes drive-thru improvement mission-critical for the restaurant industry.

### The Drive-Thru is More Than One Zone

QSR's tend to think of the drive-thru as one area or "zone". But it isn't. Any drive-thru is actually comprised of many different customer operating zones. By clearly understanding each zone and how customers interact within a particular zone, one can develop merchandising and communications strategies that make the customer experience faster, easier, and more enjoyable. The right message in the right zone can maximize ticket, throughput and margin while creating a distinct and competitive brand.

### Key Drive-Thru Zones

For each zone you should identify business objectives, message priorities and merchandising elements. Here are some key drive-thru zones:

**Entry Zone.** The Entry Zone is your customer's invitation to the drive-thru. It includes the motorist's first in-traffic awareness of the drive-thru. Studies show that over 50% of drive-thru awareness comes from Signage and Banners versus other media. A good Signage System will lead the motorist from the roadway onto

the pad, through the drive-thru and back to the street like a "Yellow Brick Road". At the street level, the message needs to be tailored to the motorist's absorption window which is often only 1-2 seconds. Done well, the Entry Zone triggers awareness, creates appeal, facilitates access and delivers a more profitable customer at the Order Point.

**Line-Up Wait Zone.** Where there is both a captive audience and space, there should be Pre-Sell merchandising to trigger hunger and thirst craving, promote alternate day part traffic and up-sell to higher margin meals. Signage should be positioned in the driver's line of sight. Best practices calls for the inclusion of a Pre-View Menu Board set one car length back from the Order Point. When signage design is well-executed, our research indicates that 85% of customers will read Pre and Post-Order signage.

**Order Zone.** All too often the Order Zone is the key bottleneck in the drive-thru process and the low point in the customer experience. This zone is key to improving the speed and quality of service problems, increasing profitability and reducing overhead. The Order Zone should make the order selection process quick, easy and pleasant. It should reinforce food and beverage craving and up-sell the customer. It should echo the Pre-Sell verbatim

**The Role of the Menuboard.** Done right, the menuboard generates craving, up-sells and expedites the order process. This

tends to be the most problematic system for both the operator and the customer. Placement, presentation, and content are often poorly executed. Communication barriers such as terminology, timing, language, accents, mumbling, acoustics and ambient noise can make the selection and order taking process a disaster. Many customer's are so pressured to get through the ordering process that they actually read the Menu Board after they have ordered. The Menu Board is a first priority in improving the drive-thru experience and profitability.

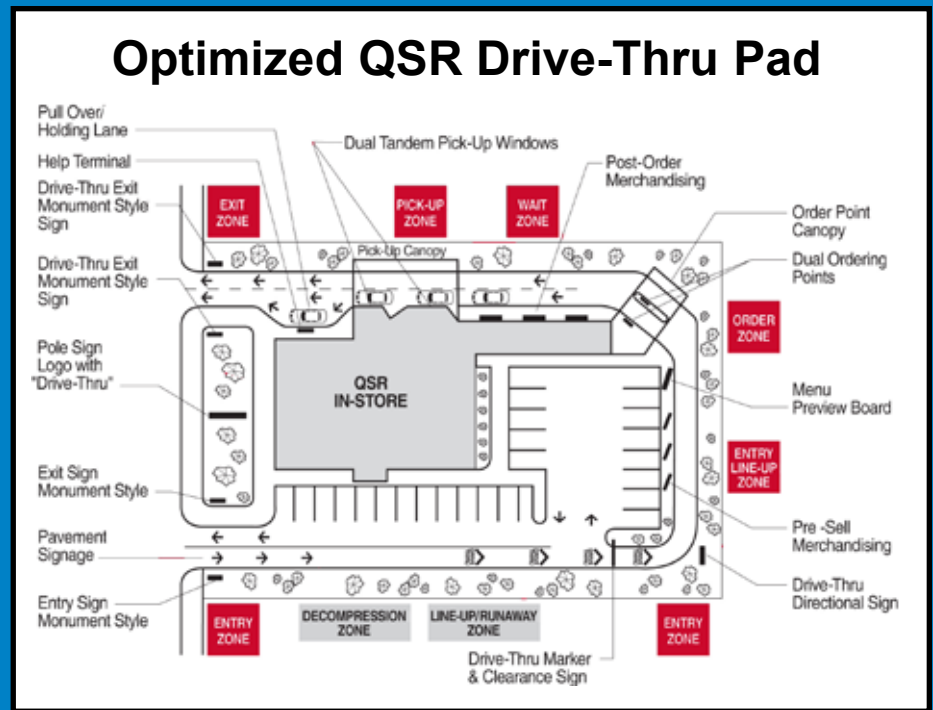
### Develop a Menu Board Strategy.

Separate the combo menu from the a la carte items. If possible, display only the current day part menu by using rotating, scrolling or Digital Display Menu Boards. Angle the boards a little towards on-coming drive-thru traffic. Place the board far enough back or scale it down to the point where it fits within the average customer's field of view.

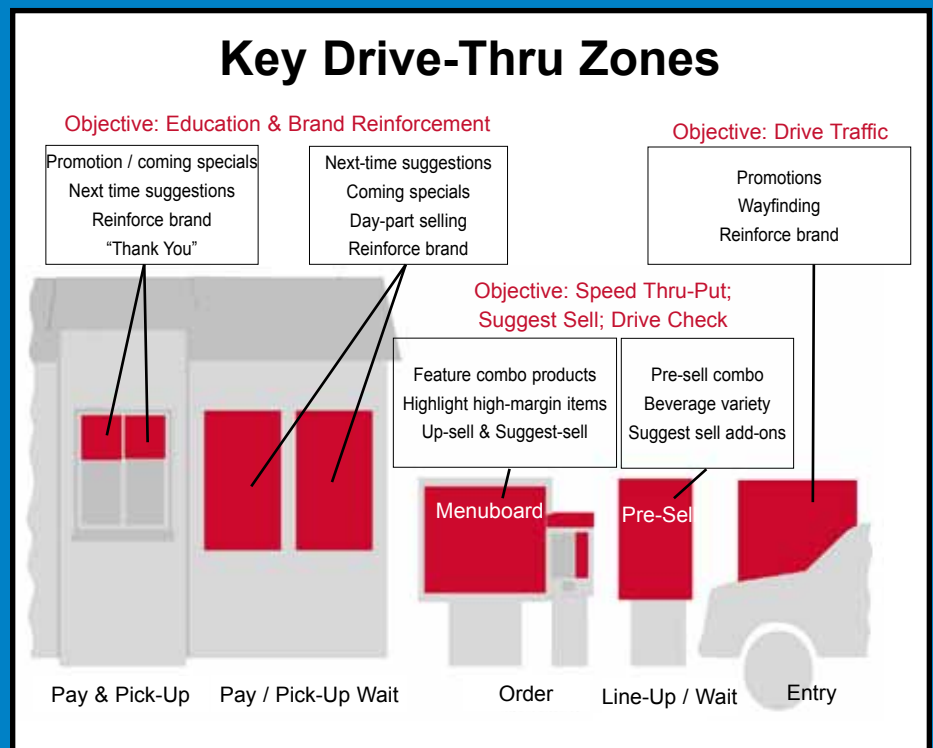
**Pick-Up Wait Zone.** This zone is used to communicate next-time suggestions and to sell alternate day part offerings. Keep it informative and entertaining and you can also reduce perceived wait time.

**Pick-Up & Pay Zone.** This zone focuses on completing the transaction and delivering the order. The Pick-Up Zone should provide next time incentives like take-away menus or coupons and utilize Post-Order Merchandising which sells alternate day parts, meal occasions and upcoming specials.

**Post Order / Exit Zone.** Here's a zone often ignored. Consider a "holding lane" with a help intercom for long and problem orders or after-thought requests. Frequently asked directions to local routes or highways should be posted to help customers navigate out of the lot. Where possible, provide a Re-Entry Lane to Parking. This zone should continue to brand the experience and reinforce customer loyalty.



Optimized QSR Drive-Thru Pad Layout. Sales at the drive-thru can account for over 50% of a QSR's total business. And yet this cluster of zones are seldom given the same level of strategic thinking and design innovation as is given to the interior of the store. Oddly, even new drive-thrus constructions continue to be configured around the in-store business and its respective brick and mortar. Pad Configuration should optimize and maximize the space utilization. In this example we see a small pad re-configured to optimize drive-thru operations.



Customer Zone Strategy. Once you've identified the zones within your drive-thru, it's time to develop a strategy for each zone. This ensures that the resulting merchandising and communication pieces work effectively within specific zones. Note that the actual "design" is the last step. When you get the strategic elements right, you can increase sales, profits, thru-put and customer satisfaction.

## Tidbits of Information

Based on our experience analyzing and developing drive-thru environments, we have gathered some interesting information. This can (and does) vary greatly from one concept to another. But the following is quite typical for a QSR with a drive thru offering three day parts. How does this compare with your drive-thru experience?

- The average time for a customer to get through the drive-thru is about 3 minutes
- The best-in-class time (benchmark) for a customer to get through the drive-thru is about 2 minutes
- A ten second improvement in the average QSR drive-thru time can generate 10,000 additional transactions per year, per store
- Drive-thru business typically accounts for 50-60% of a QSR's total business
- Preview boards can reduce customer stress by giving them extra time to decide while waiting in line
- 85% of customers read well-designed pre and post menu boards
- In the USA, over 30% of the QSR customer base is hispanic, making language communication issues an important consideration at the drive thru
- About 20% of drive thru customers are presented with an incorrect order

### Raising Margins Beats Raising Volumes

At the drive-thru, many consumers do not order a branded beverage with their meal. But a branded beverage sale can have a 70-90% margin and can add 25-30% to the check total. Note it would take several burger sales to match the margin from one large fountain beverage. So, increasing the incidence of high margin items (such as branded beverages) is therefore a shrewd strategy for improving drive-thru profitability.

## Accelerate Innovation!

Success and the drive-thru also means thinking outside of the box -- coming up with innovative solutions that will improve the customer experience, enhance sales and create a competitive advantage. Here are some examples.

**Food Packaging and Delivery Systems** are pretty much an adaptation of the existing in-store Food Delivery and Takeout Packaging. Many customers forego ordering multiple items because the packaging and handling are not user friendly for automobile occupants. Develop dashboard dining trays that can work on the seat or on a motorist's lap and which hold the entree, sides, fixings and beverage in one integrated package.

**Be bold when it comes to curb appeal.** Take Scotch Print technology and turn the side of the building into a scene like they do with busses and tractor trailers. Put a canopy overhead that looks like no other. Use lighting to transform the drive-thru by night and during inclement weather.

**Use digital signage** as it becomes proven and cost-effective. Helpful for featuring changing day part listings. Also allows you to create a moving digital drive-thru assistant which sticks with each vehicle throughout the process.

**Low power radio broadcasts** allow customers to tune in and hear daily specials and recommendations. Initial tests have shown that a radio program can lift the average check by 5%.

**Embrace new technologies** and consider automated non-contact Radio Frequency Identification (RFID) systems such as Mobile Speedpass. Consider a Heads Up Display (HUD) like jet fighters and Cadillac utilizes which could project information on the car's windshield.

**Personalize the process** by linking the Transaction Display into an on-line Relational Database and Customer ID system. Order verification can be personalized to the individual customer.

**Reduce perceived wait time** and improve customer satisfaction by providing entertaining merchandising. The return on investment is good, quick and sustainable (providing the content is well managed, presented and refreshed often).

**Devote 50% of the pad to drive-thru.** Showcase the drive-thru. Perhaps it should be featured at the front of the pad (rather than stuck in the back). Consider dual entry lanes (one could go away during non-peak times). Maybe the drive-thru is a dramatic two story configuration with eat-in dining above.

**Use rotating day part merchandising** to keep the message relevant to the specific day part. Digital Display Technology can enable high impact, highly targeted local marketing and easily customized multi-media content. It's a matter of getting the cost/benefit ratio right.

## How to Get Started

Success at the drive thru starts with a thoughtful audit and assessment of what you have now. Benchmark best practices (both in and outside of your industry). Gain an understanding of the current customer experience and drive-thru operation. Consumer research can be helpful. Consider hidden camera studies, intercept interviews, focus groups. The ultimate solutions are strategically driven -- not esthetically driven.

King-Casey is a pioneer in retail consulting and design firm providing a complete range of services including assessment, research, branding, visual merchandising, retail store design, and rollout.

King-Casey has been particularly successful in helping restaurant brands optimize the guest experience and improve business performance.

If you would like to discuss drive-thru enhancement in your restaurant chain, please call Howland Blackiston at King-Casey. Telephone (203) 571-1776. Or visit our website: [www.king-casey.com](http://www.king-casey.com)