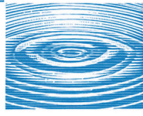




KING-CASEY



KING • CASEY REPORT

Insights and Trends in Retail Branding, Merchandising and Design



Reinventing the Drive-Thru

You Need More Than Speed and Accuracy

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

Current Drive-Thru Strategies Put the Brakes on Growth

In recent years, drive-thru traffic has grown at four times the rate of in-store business. For many, the drive-thru has eclipsed in-store sales by accounting for nearly three-quarters of the total business. Yet today's drive-thru's are relatively archaic compared to in-store environments. Most have a back alley look and feel. They are essentially "tacked on" to the sides and back of a conventional dine-in restaurant.



Although the drive-thru is playing an increasingly important role for a brand's overall business, the space is often little more than an afterthought. Leading companies are getting away from that "back alley" look, and putting as much thought to the drive-thru as they give to the restaurant interior.

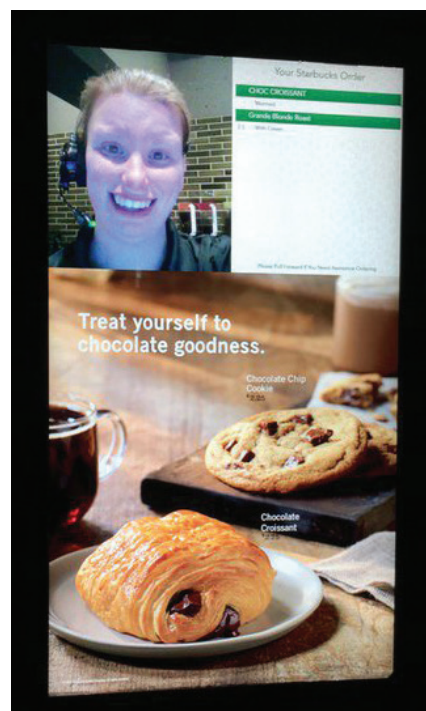
The current paradigm with its configuration, process, pad utilization, technologies and bottle necks are putting the brakes on continued drive-thru growth. Drive-thru practices are not keeping pace with best practices in other retail sectors. This gap makes drive-thru improvement mission-critical for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

Customers Want to See a Change

Numerous research studies indicate that speed and order accuracy are the top drive-thru consumer demands. Yet 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.

Innovation is the Key

Research indicates that customers want more than just speed and order accuracy. They seek an experience that transcends traditional expectations and competition. The key to success at the drive-thru is innovation. Creative ideas that provide



Starbucks is experimenting with digital verification boards, complete with live two-way video chat with an order-taking barista. The board verifies a customer's order, and makes real-time up-sell suggestions based on available bakery items. This and other thoughtful, customer-centric changes have made a significant and positive impact on Starbucks's drive-thru sales.

customers with “extras” that are positive and personal. So, what are these innovations and “extras”? Simply put, they are new ideas, methods, devices or novelties that provide an out-of-the-ordinary drive-thru experience.

Start Thinking Zones

The most successful restaurants have recognized that their drive-thru’s are not just order and pick-up points. Each drive-thru is actually a collection of “customer operating zones”. Customers behave differently in each zone. Their needs and expectations are different. Each of these unique zones is right for one customer strategy and wrong for another.

By identifying these zones and understanding how customers behave in each one, you can craft zone-specific strategies that are sharply responsive to how customers use your drive-thru zones. Utilize these strategies to develop innovative ways to make the customer experience easier and more enjoyable. In doing so, you can distinguish your brand, maximize business results and earn customer loyalty.

The concept of developing an enhanced customer experience based on “customer operating zones” is a proprietary method that was pioneered by King-Casey decades ago. This blend of science and creativity is used to help our clients manage the entire customer experience. The acronym “COZI®” (Customer Operating Zone Improvement) involves a multi-step process, as follows:

The COZI® Innovation Process

The purpose of this process is to develop solutions on a zone by zone basis that are keenly focused on enhancing the customer experience. Begin by identifying all of the COZI® zones within your drive-thru. Using a QSR drive-thru as an example, typical zones include the following:

- Entry Zone
- Line-Up Zone
- Order Zone
- Pick-Up and Pay Zone
- Exit Zone

You need to understand how your customers use and interact within these drive-thru zones. Measure the time they spend in each zone and probe to discover your customer’s needs, expectations, attitudes and behaviors. What problems do they encounter in these zones? Do they understand what’s being communicated to them? Are you meeting their needs? Here’s where objective qualitative



McDonald's incorporates helpful way-finding, branded structural elements, zone-specific communications and attractive landscaping to distinguish their drive-thru experience.

Identify the business objectives for each of the zones. What is it that you hope to achieve in this zone? Note that your business objectives may vary from zone to zone.

Generate a wide variety of new drive-thru innovations and ideas that meet each zone’s business and customer needs.

Finally, conduct research to validate the new innovative concepts with customers, lapsed customers and non-customers. Make modifications as necessary. Select several drive-thru’s that will serve as a test market for the new enhancements. Monitor results during the test period. Measure sales increases, customer satisfaction and return on investment.

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. Consider consumer research, hidden camera studies, intercept interviews and focus groups which can be helpful. The ultimate solutions are strategically driven -- not esthetically driven.

About King-Casey

King-Casey is one of the top restaurant and food-service consulting and design firms in the U.S., with regional offices in the Middle East and Russia. For more than half a century, we have been helping brands build competitive concepts. We provide a complete range of services including assessment, research, branding, visual merchandising, store design, and rollout. We will help you develop creative, innovative solutions that result in increased customer loyalty, higher sales and greater return on investment.

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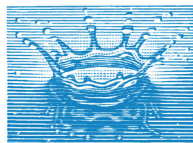
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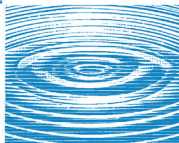
COZI® (Customer Operating Zone Improvement) is King-Casey's unique strategic principle for brand building which focuses on understanding your customer's behavior to develop brand specific solutions that make the customer experience easier and overall more pleasant.

Designs Based on Customer Zones

The most successful brands have recognized that their stores are not just big branded boxes. Each is actually a collection of many individual "customer operating zones". Customers behave differently in each zone. Their needs and expectations are different. Each of these unique zones is right for one merchandising strategy, and dead wrong for another. By identifying these zones and understanding how customers behave in each zone, you can craft zone-specific communications and merchandising strategies that are sharply responsive to how customers use these zones.



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