



service  
management  
group®



4 TRENDS

that will impact the  
restaurant customer  
experience in **2023**



Supply chain issues, ongoing inflation, and labor shortages have caused a ripple effect across the global restaurant industry. Consumers are planning to dine at restaurants less, have higher expectations of their experiences, and are interacting with brands in more complex ways.

But through this challenge comes an opportunity to provide the value customers are seeking. By understanding consumers' changed habits + behaviors, restaurant brands can pivot their strategy, drive improvements, and deliver stronger customer experiences.

To get you started, we've compiled the **top 4 consumer trends restaurant brands should be tracking**. Based on proprietary SMG research across the US + UK, these trends—along with a list of questions to ask of your current CX program—**should serve as a guide for 2023 + beyond**.

## TREND #1

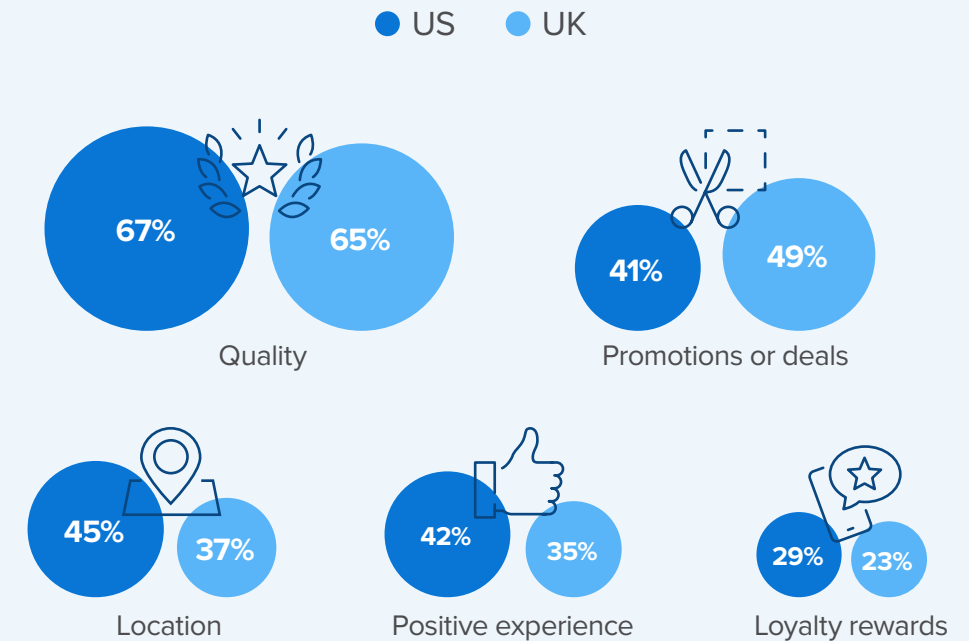
# Value will be a big factor in driving repeat visits

Economic challenges are impacting consumers' discretionary spending, with 68% of UK consumers and 59% of US consumers planning to cut back on the number of times they eat at restaurants.

But winning their business isn't necessarily about providing the cheapest option. Consumers cite quality (not cost) as the most important factor when choosing a restaurant and are placing more emphasis on overall value. To stand out, restaurants must take a value-forward approach, leaning in on what it is that keeps loyal customers coming back.

Using CX data and insights is a great way to not only determine what those key drivers of value are, but also to assess the effect your efforts have on customer sentiment, and ultimately, your bottom line.

Which of the following are most important now when choosing which restaurant to order from?



When customers are highly satisfied with Value, they return **3-4 days faster**

# What does value *really* mean to customers?

The key to winning (+ keeping) customer loyalty relies heavily on one important factor: **the value you provide.**

It's not always about cost or deals. High value is about providing a differentiated product or service that customers feel is worth the price they paid. And when that happens, you will be rewarded—research shows brands that maintain positive value perception see increased share.

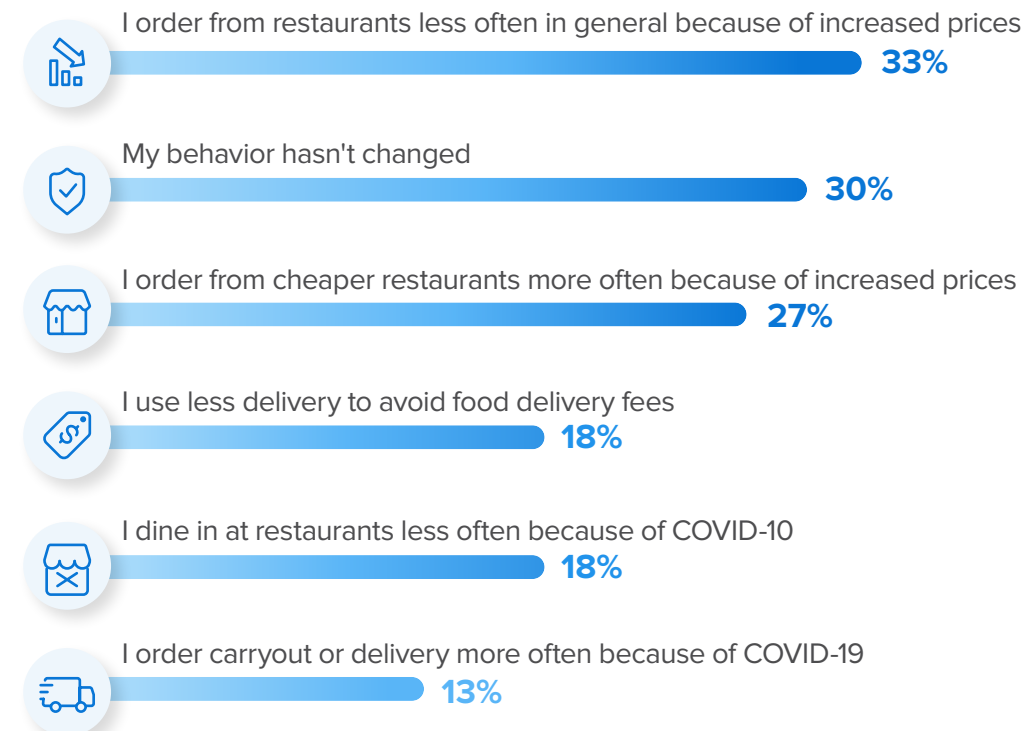
## The interrelation of value, customer satisfaction, and price

$$\text{VALUE} = \frac{\text{SATISFACTION}}{\text{PRICE}}$$

# Where are consumers cutting back?

To help you better understand how consumers are changing their interactions with restaurants, here's a deeper look at where they're scaling back + how they're reallocating their spending.

## Which of the following describes how your restaurant ordering behavior has changed in the past 12 months?



## How the global economy is impacting consumer spend

Craving even more on evolving purchasing habits? This executive brief draws on feedback from 15,000 US + UK consumers, revealing how customer sentiment is trending and the impact it will have on brands.

[DOWNLOAD BRIEF ►](#)

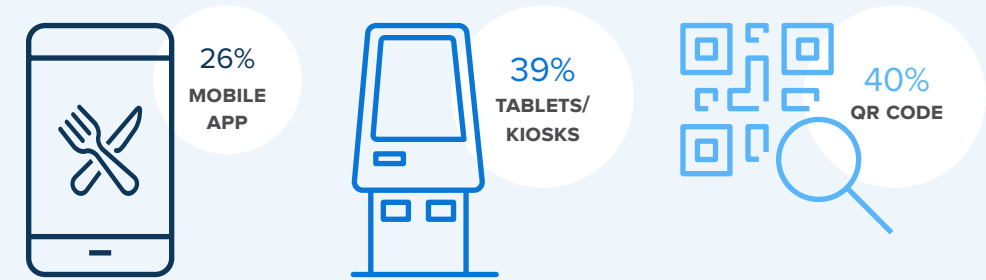
## TREND #2

# Digital orders will continue to increase—but tech issues could cause friction

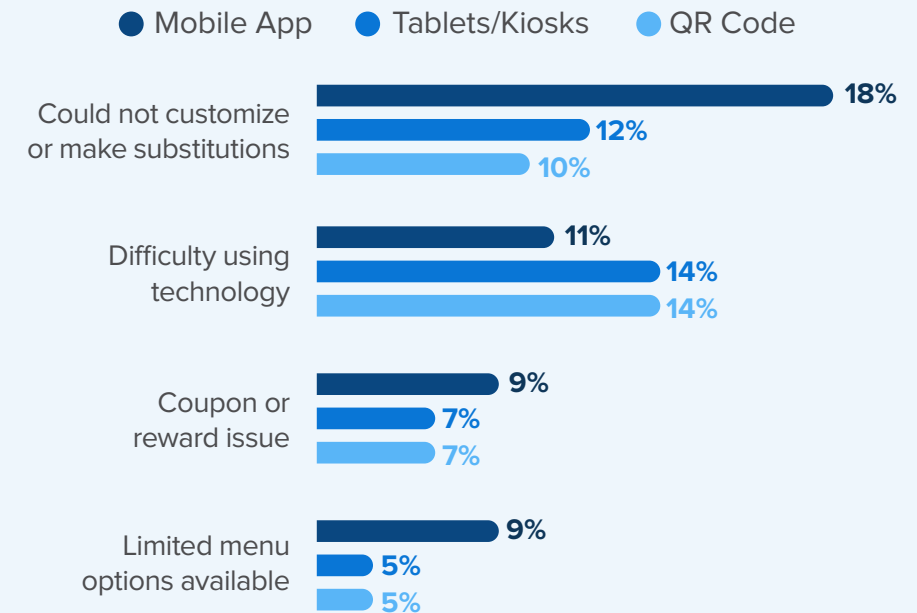
With 4 in 5 consumers reporting usage of digital channels to place a food order, restaurants need to take a discerning look at the digital experiences they're providing customers. Mobile apps are the most adopted + favored option, but 1 in 4 users experience a problem with their orders—citing lack of customization + substitution as the most common issues.

Brands that improve their ordering tech and provide seamless digital experiences will be rewarded. When customers don't have problems with their mobile app orders, they are 25% more likely to visit that restaurant more often.

### % of respondents who experienced a problem



### Issues experienced when using this tech to order from restaurants





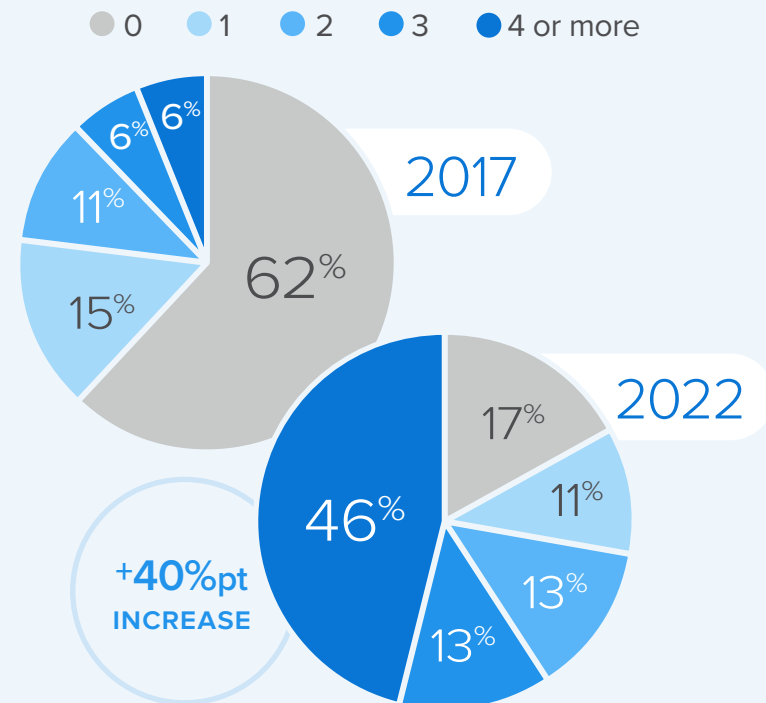
# Convert app downloaders to repeat users

While there's been a sharp uptick in consumer adoption of restaurant apps in recent years, more than a third of users have not placed an in-app order in the past month.

To evolve from a novel touchpoint and drive engagement, restaurant apps must offer their own value proposition that aligns with their brand's customer experience—and enhance it.



## How many restaurant apps do you have installed on your mobile device?



## Why did you download the fast-food restaurant apps?



To encourage app usage—not just downloads—you need an air-tight mobile engagement strategy.

**Check out this executive brief for 3 trends to track + 3 actions to take.**

**DOWNLOAD BRIEF ►**

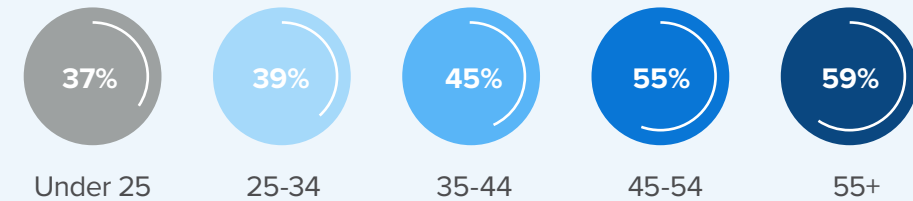
### TREND #3

## Tech-resistant customers will opt for in-person experiences

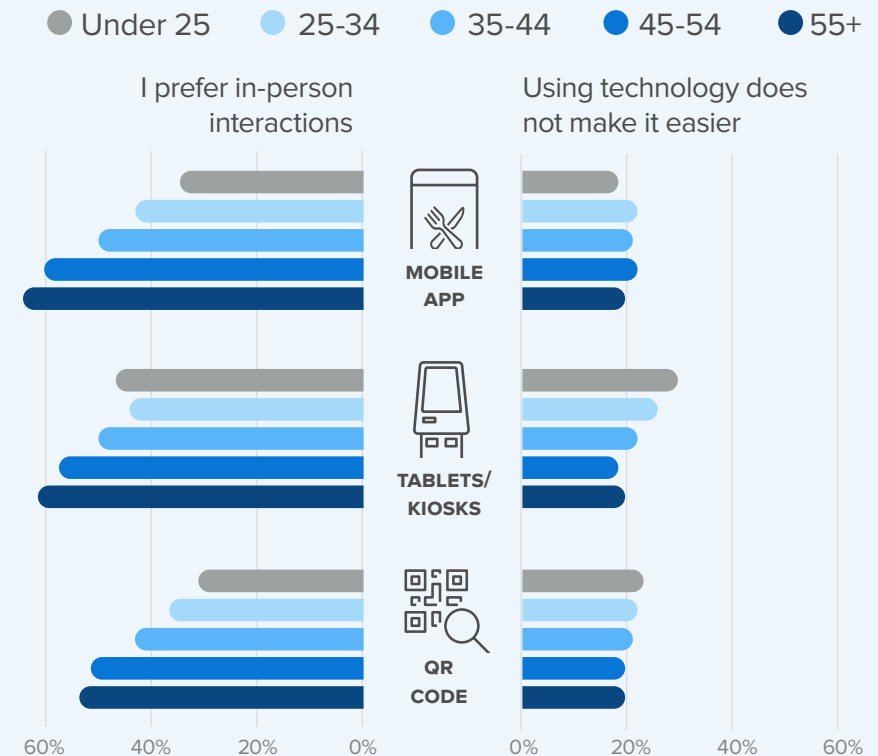
While digital ordering continues to increase across the restaurant industry, 1 in 3 consumers still prefer human interaction. Not surprisingly, hesitation to use digital touchpoints increases with age, with more than half of consumers over the age of 45 preferring in-person ordering. And only 15% of customers of all ages said a fully digital ordering experience would make them visit that restaurant more.

Not every restaurant brand should have the same digital transformation journey. Implement a cross-channel strategy that meets the needs of your customer base.

% who prefer in-person interactions



Why have you not used this tech to place a restaurant order (% by age)?



## TREND #4

# Employee engagement efforts will be key to providing valuable CX

The combination of labor shortages, increased product costs, and the return of dine-in customers has created a perfect storm for restaurants struggling to attract + retain quality employees. It's never been more important for brands to prioritize the employee experience and put forth efforts to improve factors like job transparency, compensation, onboarding, and retention.

These efforts won't just improve employee engagement but will also impact the customer experience. Remember: Value is not just about the price or product but the customer's perceived value of their overall experience—and your staff + the service they provide is key to that unique value offering.

## How to attract + retain employees



### ATTRACTION

Focus on onboarding efforts

4 in 10

new hires are not highly satisfied with their onboarding experience **decreasing their intent to remain to 47%**



### RETENTION

Top reasons employees stay

63%

Pay

52%

Scheduling or hours

38%

Work/job is fulfilling

▲ **+11pts since 2021**

### WHY IT MATTERS

Brands with highly engaged teams outperform their less engaged counterparts by

▲ **5%** Overall customer satisfaction

▲ **8%** Comp sales



“ The industry is still down 750,000 jobs—**roughly 6.1% of its workforce** from pre-pandemic levels. ”

NRN



# Brand success stories

Real-world inspiration for improving value, loyalty, + your bottom line



## Menu + front-line refinement

After venturing into the breakfast daypart, Wendy's used product-level analyses and text analytics to identify improvement opportunities for new menu items + across key performance drivers.

### RESULTS

**+8%**  
Total sales

[LEARN MORE ►](#)



## Problem resolution

When a third-party contact center became too expensive and inefficient, CKE automated and optimized its service recovery operations to save time + money and increase responsiveness.

### RESULTS

**>\$900k**  
Saved

[LEARN MORE ►](#)



## Online ordering streamlined

To improve the digital ordering experience, Pizza Pizza integrated cross-channel insights to simplify the ordering process and offer support throughout the digital journey.

### RESULTS

**+12%**  
YOY digital sales

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## Food delivery operationalized

After launching partnerships with third-party delivery providers and seeing dissatisfaction, Church's Chicken implemented operational improvements targeting order accuracy.

### RESULTS

**+5ppts**  
Overall satisfaction

[LEARN MORE ►](#)

# Can your CX insights answer these 4 questions right now?

1

**What does value mean to our customers?**

Consumers are placing emphasis on value, but that doesn't mean they're always wanting the cheapest option. To win + keep loyal customers, you need to leverage CX feedback to identify which elements (e.g., quality, convenience, consistency) matter most to your customers and prioritize those differentiators.

2

**Is our brand providing a seamless digital ordering experience?**

As mobile app adoption continues to rise, a longer-term strategy focused on user experience and customer engagement metrics must be in place to ensure your app delivers ROI. Brands that stand up active and passive feedback channels at this pivotal touchpoint will be better positioned to take a customer-centric approach to innovation.

3

**How are we performing against consumer expectations?**

Whether they're placing their order through an app or dining in your restaurant, today's consumers are prioritizing cost + convenience and paying attention to how your brand is meeting those demands. Leverage location + industry benchmarks to see how your brand is performing on these measures over time and how you stack up against competitors.

4

**How is the employee experience (EX) impacting customer satisfaction?**

Though digital engagement with restaurants is increasing, many customers still prefer in-person interactions—and one encounter with a disengaged employee could ruin that experience. If you're not measuring employee engagement + using that feedback to improve EX, it's hurting your bottom line.

# A successful CX strategy starts with an ROI-driven solution

You have a lot of choices when it comes to selecting an experience management (XM) partner. But if you can't answer the questions in this report, you're not delivering consistent and significant impact across your enterprise.

SMG's differentiated approach is ROI-centered. Our top priority is helping brands drive tangible business outcomes from their XM programs—and do so quickly.

Within 3 years, the average SMG client sees:

551%  
ROI

\$15M  
Total benefits

\$2.8M  
Turnover recution

\$800K  
Cost reduction from process improvements



Learn more about how we can bring these results to your business

[Request demo ▶](#)



## About Service Management Group

SMG is a leading experience management (XM) provider, accelerating value by changing how brands act on customer + employee insights. With a rich 30-year history rooted in The Service Profit Chain, SMG is the industry's only software with a service (SwaS) provider—uniquely pairing an enterprise platform with professional services to help brands generate new revenue, grow existing revenue, reduce churn + detractors, and drive operational efficiencies. To learn more about our customer, employee, and brand experience management solutions, visit [www.smg.com](http://www.smg.com).

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