QSR

QSR Chain Opens Window of Opportunity to a $50 Million Breeze

KEY RESULTS

GOAL	Understand how the brand was executing in the drive-thru	Improve operational performance	Increase customer satisfaction	Increase sales	Staff and train correctly to boost growth
RESULTS	Less than half of the locations were meeting the standard of 165 seconds	Drive-thru window utilization was a key factor in slowing performance.	Locations performing well on 6 key factors had 90 percentage point lift in satisfaction over locations that were not executing.	If the slowest 10% could act like the faster stores, sales potential was $54M annually.	ROI of fully staffing drive-thru windows had potential net increase > $200M per year.

THIS LARGE QUICK SERVE RESTAURANT (QSR) BRAND WAS A LEADER looking to re-inspire growth in North America. The brand had been hit with a series of setbacks, and the new leadership team was determined to turn the brand around. Their exec team invested in getting the basics right—setting priorities, improving training, closing poor facilities, updating and streamlining the menu, and investing in marketing. The brand began to regain some momentum. But once the team had begun to get a handle on the core business, those early gains began to stall. Improving the customer experience became a top priority.

They began by taking a look at each major part of their business. First up: The drive-thru. They weren't sure they were getting it right. Guests expect to spend as little time as possible in the drive-thru—from the time they gave their order at the menu board speaker to exiting with food in hand at the delivery window. To complicate this speed of delivery issue was the similarly important key drivers of food quality and order accuracy.

But how little time was ideal? What should the drive-thru time goal be? And once that was determined, how was the brand doing at getting guests through the drive-thru in all of their locations? They turned to Market Force Information® for help.

MARKET FORCE MYSTERY SHOPPING AND ADVANCED ANALYTICS

Market Force designed a comprehensive program to give them the answers.

A mystery shopping program was set up to help them “inspect what they expect” around speed of service and other key elements of the guest drive-thru experience, including:

- How long drive-thrus were taking to deliver orders
- How many cars were in line
- Available windows open to serve customers
- Order accuracy
- Guest greeting
- Friendliness
- Cleanliness of the exterior of the facility
- Thank you and invitation to return

The QSR calculated that the magic number for drive-thru satisfaction was 165 seconds. Once that critical time threshold was reached in the drive-thru, customer satisfaction began to drop off dramatically. In less than three minutes, customers began to feel frustrated. So Market Force designed a study that measured speed of service.

The study was conducted over several months to collect a robust set of data. The findings were a surprise to the executives. Less than half of their locations were meeting the standard.

Did that really matter? Market Force’s Advanced Analytics was able to give them an unequivocal answer: **absolutely yes**.

THE FORMULA FOR SUCCESS: SPEED + FRIENDLINESS = $$

About half of the locations performed within those speed standards. When adjusted to compare like-for-like stores and filter for other store differences, did they actually sell more than their slower counterparts?

The data showed that whether there were 1, 3, or 6 cars in line, some locations simply delivered faster. Speed of delivery was highly related to the number of transactions being processed during a specific period of time. The “fast group” was able to deliver up to 30% more transactions per month than the slow group. So being busy couldn’t be an excuse for not being fast—there were locations that clearly demonstrated how high the bar could be set.

The revenue potential was huge: If the slowest bottom 10% of stores could act like the faster stores, Market Force calculated an ROI of $4.5 million of additional revenue per month, which represented a total potential value of $54 million on an annualized basis. And this is just for the bottom 10%.

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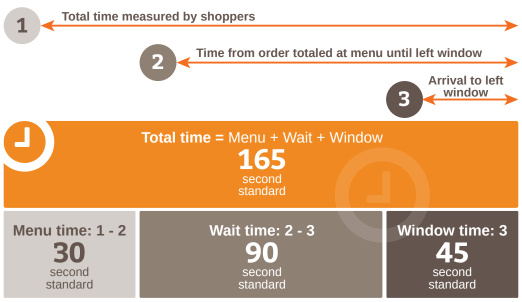
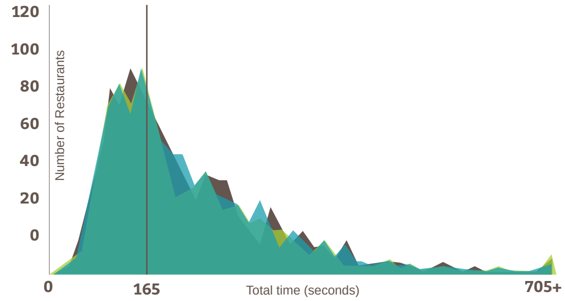


Market Force looked at each step of the drive-thru process to find out where the problem was.



Market Force found that less than half of the QSR’s locations were meeting the 165-second threshold

A WINDOW OF OPPORTUNITY

Market Force also wanted to help the brand understand what they could do to help the slower stores improve. One big factor jumped out of the advanced analysis. Among stores that had two drive-thru windows, half were utilizing just one window. Yet those stores utilizing both windows were ringing up 32% more transactions.

Anticipating objections for keeping both windows open, Market Force calculated the wages for staff versus the increase in revenues, and found that if both windows were staffed, this would mean a $15,000+ monthly gain per location after deducting wages, which translated to almost $200 million increase in annual sales for the franchises across the brand.

> Market Force identified six key factors that drove satisfaction.

QUICK SERVE SUCCESS: ADVANCED ANALYTICS

This analysis has helped the brand focus its efforts on improving the drive-thru experience and increase its customer satisfaction scores. Utilizing customer measurement methodologies—mystery shopping and customer satisfaction survey scores, store-level financial data, store attributes and demographic data inputs—Market Force's Advanced Analytics distilled these millions of inputs into a set of precise recommendations for the brand that would yield the highest lift in satisfaction, and ultimately sales.

Market Force identified six key factors that drove satisfaction. Advanced analysis showed that locations performing well on those six factors had an average Top Box satisfaction score of 92%, versus just 2% for locations with none—a 90 percentage point lift.

The good news? None of these factors were overtly challenging. The sandwich quality, the speed of service, the friendliness of the greeting and cleanliness were all key factors.