



REDEFINING THE DINING EXPERIENCE AT THE POINT OF SALE: LEVERAGING CLOUD AND MOBILE SOLUTIONS FOR EFFICIENCY AND INSIGHT

By Robert Whitehead

Traditional Point of Sale (POS) solutions in the restaurant industry have focused on the transactional element of the dining experience. While marginally effective in streamlining order fulfillment and improving tracking of perishables, POS solutions have typically lacked seamless connectivity to broader organizational systems and databases. The result is disparate pockets of customer data and a missed opportunity to leverage the dining transaction to gain insight into consumer habits and preferences. Today, emerging cloud-based solutions and mobile applications are enabling deeper integration between POS systems and customer data and creating opportunities to:

- Improve restaurant operations by optimizing order fulfillment and management of perishable supplies
- Tailor marketing and promotions initiatives to preferences and buying patterns of patrons
- Redefine the dining experience by streamlining the transactional components of ordering and paying for meals

Existing POS Limitations

Existing Point of Sale (POS) solutions are constrained by the fact that they typically reside as discrete server and terminal systems. As a result, they are confined to managing the data transaction that occurs inside a restaurant when an order is placed, filled and paid for. If a customer places an online order through the restaurant's website or mobile app, for example, or buys a meal with points from a multi-partner loyalty program, that data must be communicated to the POS solution via a separate channel. Similarly, the data managed by the POS system provides no information on what a customer ordered, how often they dine at the restaurant or if they have favorite dishes.

The limitations of POS technology result in a missed opportunity to improve operational efficiency and add business value. Because POS tools don't provide ready visibility into what a customer orders, extracting the critical nuggets of insight residing in a customer's order requires arduous mining and cross-referencing of multiple, disparate data sources.

Let's say, for example, that John takes his two kids out to dinner every Tuesday, while his wife attends a book club meeting. His kids typically get burgers or mac and cheese, he typically orders tacos and a beer, and typically uses points from a loyalty program to get a discount. To identify the patterns of John's visits and purchases, the restaurant must aggregate data from its POS and other internal systems that store order and receipt data, as well as from the third-party system of the loyalty program. While doable, the process is costly and time-consuming.

Cloud and Mobile Solutions

The combination of cloud-based data storage and mobile technology offers restaurants an opportunity to more easily access, aggregate and analyze data from multiple sources.

Cloud systems make data more readily available and extractable. Rather than compiling data from three discrete sources to glean information on transactions, orders and loyalty, restaurants can seamlessly access and integrate different data sources and types from the cloud.

Customer Insight

The ability to access, integrate and analyze data from multiple sources gives restaurants an opportunity to target customers and promotions with increasing insight and precision. Restaurants can, for example, design special promotions around football games, holidays or seasonal dishes. And by driving continual data collection and analysis around the results of promotions and assessing the impact of a wide range of variables, restaurants can optimize their management of inventory, supplies and perishables, and get increasingly smarter about their customers and how to engage with them.

By, for example, tracking results from previous promotions, a sports bar can more accurately anticipate how much ground beef to purchase in advance of March Madness. And to return to the specific case of John and his kids and their weekly outing, their restaurant is better positioned to leverage data collected over time to upsell featured items, provide coupons for special desserts and offer incentives to dine out more often.

Mobile devices, meanwhile, can fundamentally redefine how restaurants manage operations and processes, as well as how customers experience going out to eat. Obviously, many restaurants already deploy smart phones and pads for order taking and transactions, and diners use mobile devices to place orders, make reservations and apply discounts and special offers. Such applications, however, merely scratch the surface of what's possible.

Redefining the Transaction

The larger mobile opportunity for restaurants – and for customers – lies in essentially digitizing the transactional component of the dining experience, while maintaining and enhancing the experience of sitting down in a restaurant and enjoying a meal.

Consider the front end of the dining experience. John and his kids arrive at the restaurant and are seated. The server arrives with menus and takes their drink orders, then returns and takes their meal orders. At the back end of the meal, John asks for the check. The check arrives, John leaves his credit card, the server picks it up, processes it and returns it. John signs the receipt, adding a tip. If the entire meal takes an hour, 15 minutes of that meal likely involve waiting for menus and drink orders, and then waiting to pay the bill.

All of those transactional components can potentially be executed via mobile devices; specifically, via a mobile app on John's phone and via a server's hand-held tablet. In this scenario, John uses his phone to place his and his kids' orders before they leave their house. Upon arrival at the restaurant, the server checks his or her mobile device, confirms their order and seats them. After the family is done eating, John pays and leave a tip via his smartphone, and the transaction is captured and recorded on the server's tablet. In the process, the time spent waiting for menus, drinks, food and the bill is dramatically reduced.

Experience Implications and Opportunities

The use of technology to replace traditional interactions between server and customer has significant implications for the industry. One strategy is to go [all-in and automate the entire dining experience](#). A middle ground approach being taken by many fast casual restaurants is to use [table-top tablets to allow patrons to order drinks and appetizers](#), thereby freeing up wait staff to handle higher volumes.

While removing people from the equation is technologically feasible, doing so creates a risk of devaluing the traditional dining experience, and turning traditional restaurants into take-out establishments. Obviously, one reason people go out to eat is to interact with other people, and that interaction includes chatting with servers and hearing about new menu items, daily specials and featured wines. But effective use of mobile devices doesn't preclude that type of human interaction; rather, it simply removes the transactional element of that interaction, and allows restaurant staff to focus on value-adding roles.

In this regard, the issue facing restaurants is similar to that confronting many industries where [Robotic Process Automation \(RPA\) and other intelligent technologies](#) are being applied to execute rote administrative tasks previously done by humans. In these cases, businesses face the challenge of re-skilling employees who have additional bandwidth, as well as defining new ways to measure employee productivity and effectiveness.

Gaining an Edge in the Fast Casual Space

The use of mobile devices to facilitate the transactional component of the dining experience could be particularly attractive to the hyper-competitive fast casual sector. One critical benefit would be to substantially reduce the average time a party spends at a restaurant. This would improve cash flow and turnover during peak periods, as well as make weekday lunches out a more feasible option for time-strapped office workers. In addition, mobile-based ordering and fulfillment creates a more precise data record, thereby enabling more accurate tracking and management of perishables.

Technology innovation and changing consumer preferences – particularly among tech-savvy millennials – are redefining the way businesses in all sectors engage with their customers. Restaurants need to acknowledge that diners are open to new experiences, particularly if they involve a tangible benefit in terms of convenience or cost. The tools needed to redefine the dining experience and chart a new customer journey are available today.

About the Author



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