

# Medallia

## How to Serve Up an Exceptional Guest Experience



# Introduction

Hungry? Lucky for you, there's an endless array of dining and cuisine options. From dine-in and takeout to drive-through and delivery, consumers can take their pick, selecting what best suits them at any given moment. They may opt to have breakfast at a drive-through, lunch at a quick-service eatery, and then order dinner via an app for curbside pickup or home delivery.

Not so lucky for you? With all of these available options, it's a buyer's — make that guest's — market. And as guest expectations rapidly evolve, the restaurant industry must not only keep up, but stay a few steps ahead. One way to do just that is by truly understanding your guests (or potential guests), optimizing their omnichannel journey with your brand, and delivering not just great food, but memorable and personalized interactions. All of that might sound like a tall order, but, trust us, it can be accomplished.

Now more than ever, restaurants and franchises must have an authentic, real-time view of every interaction that a guest has with their brand across channels. And when all of this data is aggregated and analyzed, you have the chance to unlock actionable insights to elevate the experiences your brand provides, which in turn creates promoters and builds loyalty.

Within this guide, we'll travel through a five-part guest journey with you. We'll discuss each phase and how they're integrated and interdependent. You'll learn how your restaurant brand can drive meaningful change and serve up optimal experiences that will distinguish your business in an increasingly competitive industry.

<sup>1</sup> Medallia Research Report, Full Service vs Limited Service Restaurant Trends (2022)

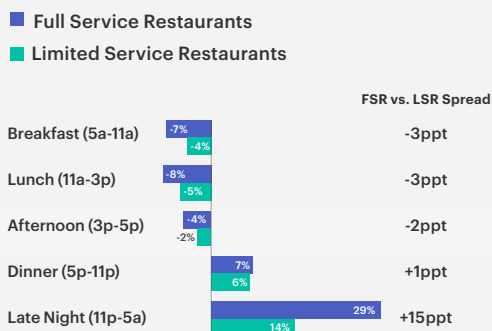
## State of the Industry

Over the past few years, the restaurant industry has endured massive disruption across many fronts. Some have sadly not survived the upheaval, while others have, thanks to exhaustive effort, resourcefulness, and reinvention.

While limited-service restaurants (quick service, fast casual, pizza, and frozen desserts) outpaced full-service restaurants (casual and family dining), overall performance has been relatively flat for the industry. Labor shortages and frequent turnover prevail, which impact capacity to serve. Traditional dayparts also have been challenged with sluggish performance during certain times, especially for full-service eateries.<sup>1</sup>

### Panel Sales by Daypart: Past 6 Months Year-over-Year

US National; Relative % change Jun-Nov '22 vs. Prior Year for Restaurant Category Shown



Late Night is an area where Full Service has especially rebounded year-over-year, but unfortunately it makes up under 5% of the market's daily sales and isn't enough to counteract the worse performance FSR has had at Lunch and Dinner.



As restaurant brands have been forced to retool their business models, they have also dealt with a new breed of consumer: one who prizes a “full-course meal” consisting of convenience, value, quality, personalization, and more. The service and atmosphere of full-service restaurants may be deprioritized by certain guests who gravitate toward the convenience, value, and speed of limited-service eateries. In addition, today’s discerning consumer isn’t solely chasing value and price — some are also seeking premium and upgraded offerings. Savvy brands know how to attract these guests with promotions and specials attract these guests with promotions and specials— ones that stand out due to their personalized nature. Today’s guests can be a fickle entity, and restaurant brands must ensure they can fully engage with them in the omnichannel universe.

## Know Thy Guest

Imagine being able to pinpoint the root cause and key drivers of purchase and non-purchase behaviors to better understand your guests, uncover friction points or experience-enders, and generate actionable insights that positively impact your brand. Medallia can help restaurant brands do all of these and more by unlocking the answers to pressing questions, such as:

- Who are my core guests / customers?
- What do they care about?
- What’s driving traffic to my locations?
- Where else are they visiting, and why?
- Which competitors are gaining market share, and why?
- Why is my performance declining in a specific market?
- Are my competitors outperforming me in certain regions / dayparts?



# Experience Matters: Break Down Information Silos and Inspire Action

To be an experience-led brand requires a 360-degree, holistic, omnichannel view of the customer experience across channels, including digital, mobile, social, and the contact center. These insights are especially effective when captured, analyzed, aggregated, and acted upon in the moment.



## **Listen at Every Moment**

Capturing 100% of interactions, including those of the silent majority



## **Intelligent and Tailored**

Create relevant, frictionless personal experiences for customers in their channel of choice



## **People Led, Tech Enabled**

Break data silos and empower employees with personalized insights and prescriptive actions



## **Programmed to Act**

Be your early warning system, highlighting problems quickly and automatically triggering actions



## **Transformational Impact**

Drive organization-wide alignment around the customer

In fact, actionable insights can enable brands to:

- Deepen and improve customer relationships
- Enhance existing products, service delivery, and operations
- Identify and recover at-risk customers and revenue
- Reduce costs through operational improvements
- Increase upsell opportunities

However, insights alone are not enough. What matters is what companies do with this information.

Medallia puts actionable, role-specific insights into the hands of the people who can influence the customer experience in the moment.



Brands must connect sales, operations, product, support, and digital in a united fashion — not a siloed one. Failing to implement a holistic view of the guest and employee experience across the organization could lead to operational breakdowns and unintended brand missteps and oversights that negatively impact the bottom line. Moving from a siloed approach to an integrated one empowers businesses with comprehensive data that gives a complete and current view that is actionable and transformative. At Medallia, our customers benefit from omnichannel view dashboards that put them in the driver's seat of the customer and employee experience journey.

## Case in Point: Panera Bread

With more than 2,000 fast-casual locations in the U.S. and Canada, Panera Bread Company is on a mission to create great guest experiences. Regardless of the channels guests use to engage with the company, Panera wants to hear what they have to say and take action on their feedback to meet and exceed expectations. To make these ambitious goals a reality, Panera collaborated with Medallia to gather insights to identify opportunities for improvement and continued success, strengthen two-way communication between sales and services teams to create better guest experiences, and automate feedback processes to impact the brand's bottom line.

**Panera**  
BREAD





# Crave

Tacos? Pizza? A frothy cappuccino? A specialty salad or wrap? Chances are, whatever a person is craving, there's an easy way to get it. At the same time, the competition for gaining consumer wallet share has never been more challenging. While meal quality, taste, and presentation are always a priority, so too are convenience and personalization in today's market.

As potential guests shop — and dine — around, there are solutions that savvy brands and franchises can utilize to better understand and serve them. Medallia offers a competitive advantage by delivering robust insights about consumer behavior. Leveraging data science, brands benefit from fully integrated always-on datasets across three key areas: Transactions, foot traffic, and surveys to generate actionable insights in the form of dynamic, easy-to-read dashboards.

Specifically, restaurants can use Medallia's behavioral data to know what's going on in the market to inform featured menu items, promos, pricing, and more. In addition, this data can be used to better understand how consumers are interacting with brands using different channels, such as the in-person vs. digital experience and the direct vs. third-party ordering experience (via DoorDash, GrubHub, etc.)



## Sense360 by Medallia Datasets

### Foot-Traffic Data

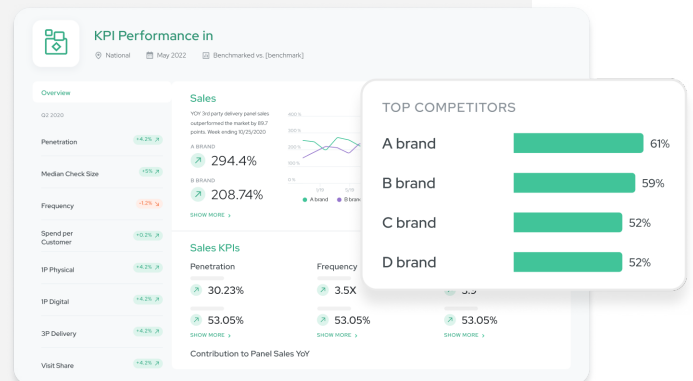
Using mobile location and sensor data, in-store visits of over five million consumers are tracked 24/7 so you'll know where they're going and when.

### Attitudinal Survey Data

With visit-based surveys, consumers are surveyed immediately after they stop by one of your or your competitor's locations to find out the "why" behind the decision. Syndicated and custom surveys are deployed through a proprietary survey panel of trackable consumers — the largest of its kind.

### Transactional Data

Spend data from the debit and credit cards of five million consumers is analyzed so you can know how much consumers are spending at any given location, via direct online ordering or through third-party delivery platforms.







# Decide

What do I want to eat ... right now? Today's consumer has a smorgasbord of dining options at their fingertips. What sounds good one day may be completely different the next, not just in terms of the type of meal, but how they access it.

As with many industries, the customer journey begins in the digital universe, right from a computer or mobile device. The journey evolves as customers engage with your brand and ultimately decide if they'll be dining with you. This initial interaction is of the utmost importance. If the customer encounters a sluggish or confusing website or app, these digital friction points may send them elsewhere — before they even have the chance to sample your cuisine.

In addition, when brands understand the specifics of their customers' digital journeys, they can better identify barriers and optimize high drop-off points, which increases engagement and accelerates conversions. And deploying AI-powered text analytics across all of your digital properties can quickly surface areas of opportunity to fill the sales funnel and boost profits. **In fact, Medallia found that 60% of conversions are the result of the quality of the digital experience restaurant brands offer.<sup>2</sup>**

To gain a competitive advantage, your business must identify and prioritize the most important issues by:

- Tracking digital behavior on your website and app
- Soliciting customer feedback via a pop-up survey on your website or app
- Engaging users in a live web chat
- Utilizing social review tracking and streamlining response engagement

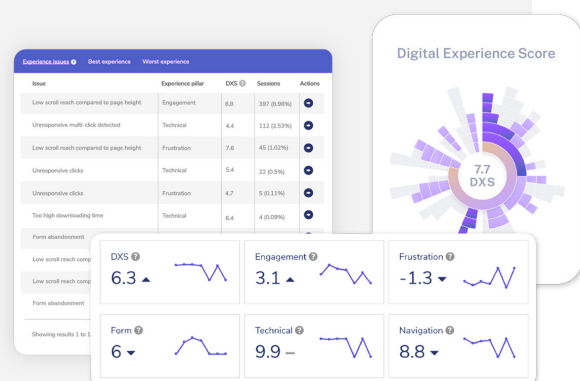
Digital interactions also provide your brand with a wealth of customer data and intelligence. With this information, you can cater to their needs and preferences, creating personalized experiences that make them feel understood and valued. This sparks loyalty, which can be reinforced with loyalty program offerings as well as special promotions.

## Meet Your Digital Experience Score (DXS®)

To stay relevant today, brands are under enormous pressure to continuously improve their digital properties. Yet many face a common problem: Being unable to accurately measure the digital experiences they offer.

Fortunately, a new metric from Medallia, the Digital Experience Score (DXS®), can quantify the online customer experience at scale. Scoring the overall digital experience of a website or app, it automatically analyzes every user's journey, behavior, interactions — even digital body language — when navigating a company's website or app. Designed to help brands identify poor experiences and swiftly course-correct, DXS prioritizes the most urgent experience issues that are having a negative impact on conversions and engagement.

DXS uses five pillars of digital experience: engagement, frustration, navigation, technical, and forms, to measure the overall digital experience of a website or app on a scale of 0–10. A score of 10 reflects a seamless, friction-free experience, while lower scores reveal problematic experiences in need of repair.



<sup>2</sup> Medallia Research, Digital Experience & Conversion: Industry Benchmarks for 2022





# Order

Your guests are now effectively engaging within your omnichannel universe. The digital relationship has been created. Now's the time to reap the rewards of your efforts. **In fact, 88% of customers say their experience is as important as the products or services a company provides.<sup>3</sup>**

<sup>3</sup> <https://www.salesforce.com/news/stories/customer-engagement-research/>

This is also the ideal time to use personalization to delight your customers and exceed their expectations. It will help your brand increase order size and frequency. For example, if a guest orders an entree via your mobile app, why not suggest some sides that pair well or a treat to top off the meal? While some may decline, others will take you up on the offer to enhance their dining experience. And many guests enjoy the pursuit of racking up rewards to snag a freebie, especially if they regularly frequent your establishment. The promise of special deals — only offered exclusively to your “best” customers — creates the sense of belonging to an exclusive community.

This personalization, however, is contingent on the degree of data you have available about each customer. Personalization done right is a game-changer for brands, but it can also be a deal-breaker if done poorly or in an ill-advised manner.

Medallia’s intelligent text and in-app messaging solutions help brands delight guests with personalized and targeted promotions in real time. These can be highly effective at turning non-buyers (or non-diners) into buyers (or diners), considering that consumers are twice as likely to prefer texting over any other communication method — and 90% of text messages are opened within three minutes.<sup>4</sup>

<sup>4</sup> <https://www.forbes.com/sites/forbesagencycouncil/2019/08/16/why-mobile-marketing-can-be-big-for-your-business-and-how-to-use-it/?sh=503993816e3f>

## Power up the Personalization

Personalization is a key factor that drives purchase behavior and customer loyalty. Today’s consumer wants to feel seen, heard, and valued. They want your brand to proactively help them navigate their dining experience in a way that best suits them. In addition, customers expect you to know who they are, what their preferences are, and all of the details of their past experiences with your business.

**80% of consumers are more likely to make a purchase when brands offer personalized experiences.<sup>5</sup>**

Successful personalization requires three key ingredients:

1. Know who your customers are
2. Access the right data to support your thinking
3. Take action to tailor experiences for your customers based on that data

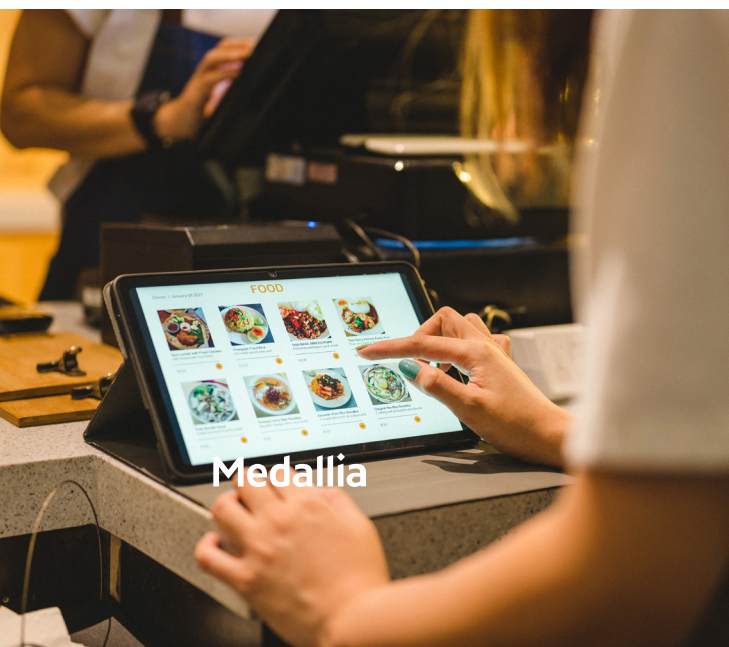
The more you know about your customers and their preferences, the more you can differentiate your brand, create promoters, and increase spend.

## Case in Point: Deliveroo

Looking for ways to cultivate loyalty among customers and create a fully aligned and consistent customer experience program, online food delivery company Deliveroo partnered with Medallia to roll out a voice of the customer program that categorizes feedback by topic. This empowers their team to quickly identify and take action on key improvement areas to reduce churn and gain customer loyalty.



<sup>5</sup> <https://www.epsilon.com/us/about-us/pressroom/new-epsilon-research-indicates-80-of-consumers-are-more-likely-to-make-a-purchase-when-brands-offer-personalized-experiences>



Medallia





# Receive

"The insights we receive from Medallia allows our team members to immediately understand what is working and what needs improvement, which enables accountability across our business."

— Kayley McMahon, Consumer Insights Manager, Noodles & Company

The restaurant industry has always been a people-oriented one. It's people helping customers gain access to food — a basic human necessity — and heightening it into a delicious and enjoyable experience, no matter where or with whom that experience takes place.

A restaurant or franchise's employees bring this goodness to life, whether they are cooking, preparing, taking the order, completing the sale, or serving the meal. The meal doesn't prepare, package, or serve itself, so clearly employees are mission-critical to overall success. Being on the front line, interacting with guests every day and night, they have a profound impact on customer experience.

Many brands are dealing with labor challenges due to unfilled positions or frequent turnover. To combat this, brands must stay as close to their employees as they do their guests. As your brand's frontline ambassadors, your employees are your eyes and ears on the ground, offering visibility into customer pain points and inefficient internal processes. Actively and openly listening to your employees and acting on their feedback and suggestions can streamline operations. Doing so can also help you identify and resolve friction points and experience detractors for employees and customers alike.

**Medallia research shows that employee experience leaders, those who continuously listen, ask meaningful questions, and empower teams, are 12x more likely to indicate revenue growth of more than 20%.<sup>6</sup>**

The best kind of feedback is collected in real time via an always-on mechanism — one that's available 24/7, in the flow of work, to all team members. This helps brands tap into the observations and recommendations of their employees, who are an

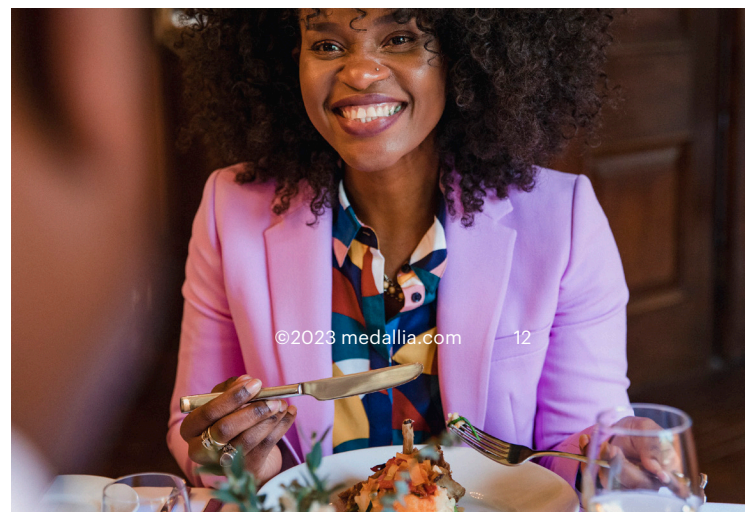
invaluable resource as they see and hear things directly from the customer. If this powerful intel is collected, aggregated, analyzed, and acted upon, it can result in increased employee engagement, heightened customer satisfaction, elevated customer loyalty, and the coveted trifecta of improved productivity, performance, and profitability.

Coaching is also critical. Leading brands recognize the need to democratize customer feedback, share insights specific to employees, provide tailored coaching and training, and help teams perform their jobs better. Creating a more supportive and engaging environment can improve how employees execute the roles they have been hired to fulfill.

Successful restaurant brands also understand the importance of automation to make important activities like ordering easy and intuitive. This lightens the load on local managers and people teams, allowing them to focus on other mission-critical KPIs. Automated service recovery is also key and can be achieved through an SMS or digital service recovery channel. It swiftly and effectively resolves specific experience detractors in real time for your guests, while once again lessening the burden on your employees.

Take 7-Eleven, for example. They redesigned the data flows needed to help stores and field employees address customer concerns without delay. Using Medallia to prioritize customer feedback, 7-Eleven improved engagement by 600%, and customer service saw a 93% increase in case efficiency.

<sup>6</sup> <https://www.medallia.com/resource/mi-ex-research-rpt-2021/>







## Review

There's an adage in the restaurant industry that if a customer waits too long for their check, it detracts from their overall dining experience. Everything was superb ... until the experience hit this road bump, or friction point. This is just one example of an experience detractor that a single customer could potentially share on social media or a review site to influence a much larger audience of potential customers.

### Nearly half of diners (45%) are influenced by social media.<sup>7</sup>

"The food was cold." "They got my order wrong." "It took forever to have my meal delivered." "It didn't seem like the cleanest place to eat." "The line at the drive-through was ridiculously long." If would-be diners read any of these comments, they are likely to look elsewhere.

Social reputation is paramount. That's why it's imperative to listen, capture, and analyze a broad range of signals and feedback to identify themes and actionable areas. This valuable intelligence can uncover untapped customer needs, reinforce new business ideas and campaigns, and shed light on areas for improvement. It also can help restaurant brands get at the root cause of a service or product issue and implement changes to close the loop and repair poor guest experiences.

Medallia can help brands:

- Prioritize actions to recover guests who have had a poor experience and close the loop in the moment
- Access real-time feedback about a location and identify areas of focus
- Measure location performance compared to KPIs and trends

Of course, the feedback brands receive is not always negative. Favorable online reviews can be extremely influential and powerful. One guest's great experience can travel far: Many consumers rely on social media and review sites due to their authentic, unbiased honesty. Think of your guests as brand ambassadors who can help you attract new guests by:

- Increasing online review volume and recency to improve your search rankings
- Influencing your online reputation and creating one that attracts new guests

<sup>7</sup> <https://www.qsrmagazine.com/news/study-nearly-50-percent-diners-influenced-social-media>

- Empowering your employees to respond with confidence using social feedback powered by auto-generated social alerts and dashboards

In addition to influencing decision making, these social review sites are a treasure trove of free insights and opinions. When aggregated and analyzed, they reveal experiences that have a lasting impact on guests. This feedback allows you to better understand what's driving good and bad experiences, and capitalize on positive experiences that influence promoters and build brand loyalty. In addition, robust text analytics can reveal reoccurring key words or themes that identify areas of improvement, like "poor service," "cold food," and "unfriendly staff."

### Case In Point: Del Taco

Specializing in American-style Mexican cuisine, Del Taco operates 580 restaurants in 15 states. Hoping to improve the customer experience by updating the look and feel of their restaurants and menu, the brand teamed up with Medallia to collect and analyze high-quality video feedback from consumers to evaluate the impact of the proposed changes on customer impressions.

Working with Medallia, Del Taco designed and delivered an engaging interactive survey experience to dive deeper into what customers thought about their proposed changes. The company used the platform to analyze and share data-rich customer videos and generate actionable insights. Tom Johnson, Director of Consumer Insights at Del Taco, explained the advantages of video feedback: "When you're using video to receive feedback and are hearing the consumers' reactions, it creates a stronger emotional connection to the insights that adds more depth to the overall findings."





# Deliver Exceptional Experiences

The restaurant industry is dynamic and ever-changing. Those that thrive and prosper have a guest-centric culture and a fully informed, real-time pulse on evolving customer and employee needs and expectations.

Medallia can help restaurants and franchises:

- Understand the key drivers of guest experience and prioritize the right investments
- Make strategic and operational decisions based on powerful and actionable customer insights
- Create a guest-centric culture by empowering frontline employees and foster a seamless brand experience across all channels
- Deliver exceptional dining experiences that influence promoters and build brand loyalty

Hungry for more? Visit [medallia.com/solutions/restaurants-food-service](https://medallia.com/solutions/restaurants-food-service).

## About Medallia

Medallia is the pioneer and market leader in customer, employee, citizen, and patient experience. As the leading enterprise experience platform, Medallia Experience Cloud is the mission-critical system of record that makes all other applications customer and employee aware. The platform captures billions of experience signals across interactions including all voice, video, digital, IoT, social media, and corporate-messaging tools. Medallia uses proprietary artificial intelligence and machine learning technology to automatically reveal predictive insights that drive powerful business actions and outcomes. Medallia customers reduce churn, turn detractors into promoters and buyers, create in-the-moment cross-sell and up-sell opportunities, and drive revenue-impacting business decisions, providing clear and potent returns on investment. For more information visit [www.medallia.com](https://www.medallia.com).

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