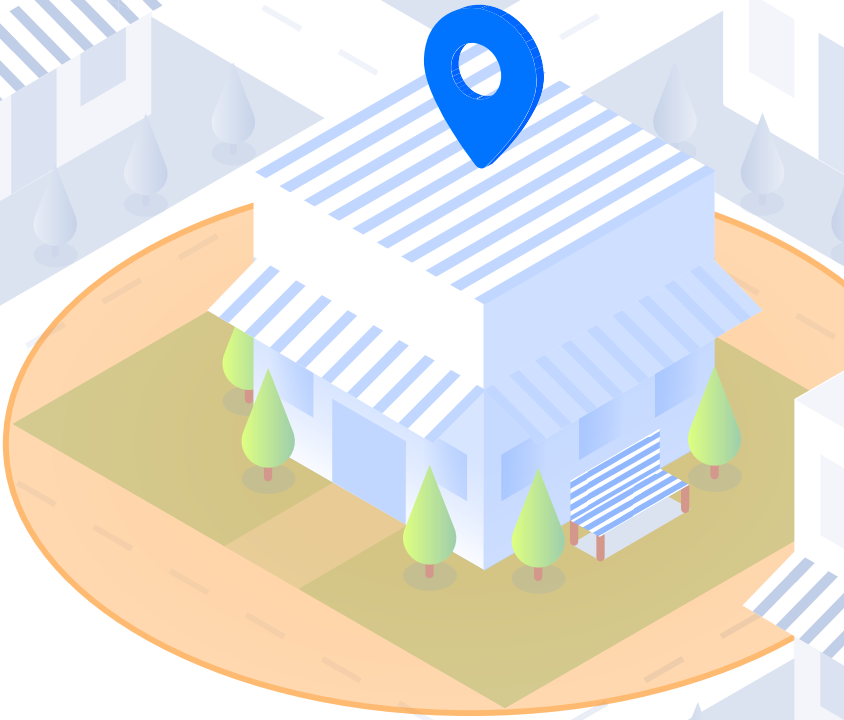

THE COMPLETE ORDER AHEAD APP PLAYBOOK FOR A POST-COVID WORLD

Radar | HATHWAY

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Introduction

Malls are pretty empty these days—but that was happening before the COVID-19 pandemic. Customers love the increasing convenience of digital experiences. When Amazon started offering direct-to-your door, next-day delivery, a trip to Sears didn't seem as attractive.

When COVID-19 hit, safety became a priority, and the need for reduced contact greatly accelerated the transition to digital order ahead experiences. Just look at the jump in numbers: pre-pandemic, only 15% of restaurants offered curbside pickup; today, that's up to 70%. In April 2020 alone, curbside pickup at retail stores increased 208% compared to the year prior.

Brands have had to quickly build stellar digital experiences around curbside pick-up or risk losing their customers to more tech-savvy competitors. While some businesses were already on the road to building robust order-ahead mobile apps, others had only started thinking about a curbside pickup option.

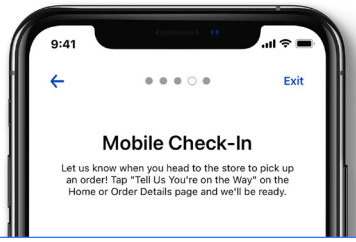
This playbook is meant to **assist restaurants and retailers, whether they've just broken ground on the idea and need guidance to move forward or already have order-ahead built into their app but are looking to improve it.** To help, we looked at how some of the biggest brands are catering to customers in a post-COVID world to demonstrate what makes a winning order ahead app—from getting customers on board to expanding functionality that will win new users.

Put Safety First To Onboard Users

While capacity and social distancing restrictions fluctuate, dangers around the virus and its variants remain constant. To keep their staff and customers safe, many businesses have moved their operations to reduced-contact models – like **online ordering and curbside pickup**.

Before COVID, only 17 retailers in the Digital Commerce 360 Top 1000 Report this past year supported curbside pickup services. This was particularly challenging for the restaurant industry, which had to carry over brick-and-mortar experiences, like ambiance and kitchen timing, into the digital world.

Remember: This is more than a fad. While the current surge in order ahead activity is all about staying safe and healthy, the behavior is here to stay – 66% of customers plan to use curbside pickup after in-restaurant dining returns. Retailers will need to re-think their layouts post-pandemic, according to a CBRE report, in part because of an expected sustained increase in digital orders for pick-up; dedicated curbside pick up spots will be a must. But for now, onboarding efforts and your order ahead process should emphasize safety.



Pro Tip

Most customers are digitally native and use their mobile devices for everything, but what about your less technologically adept users? Almost one in four people will stop using an app after only one use, so consider the adjacent user theory. "Adjacent users" are those who know a product exists—and have maybe even tried it once—but never became regularly or fully engaged users because of perceived barriers to adoption. Restaurants and retailers looking to onboard new users for their order ahead apps will find this group a great one to focus on. Start by identifying what the barriers are for your adjacent users. Looking at the user journey (e.g., interactions with FAQ pages and Help Center queries, understanding where in their journey they abandon the app) is one way to find out what they need and are not getting.

Action Checklist - Lay the Right Foundation

Now it's time to take the next steps to **launch your own order ahead program and begin onboarding your users**. Follow our checklist to get started.

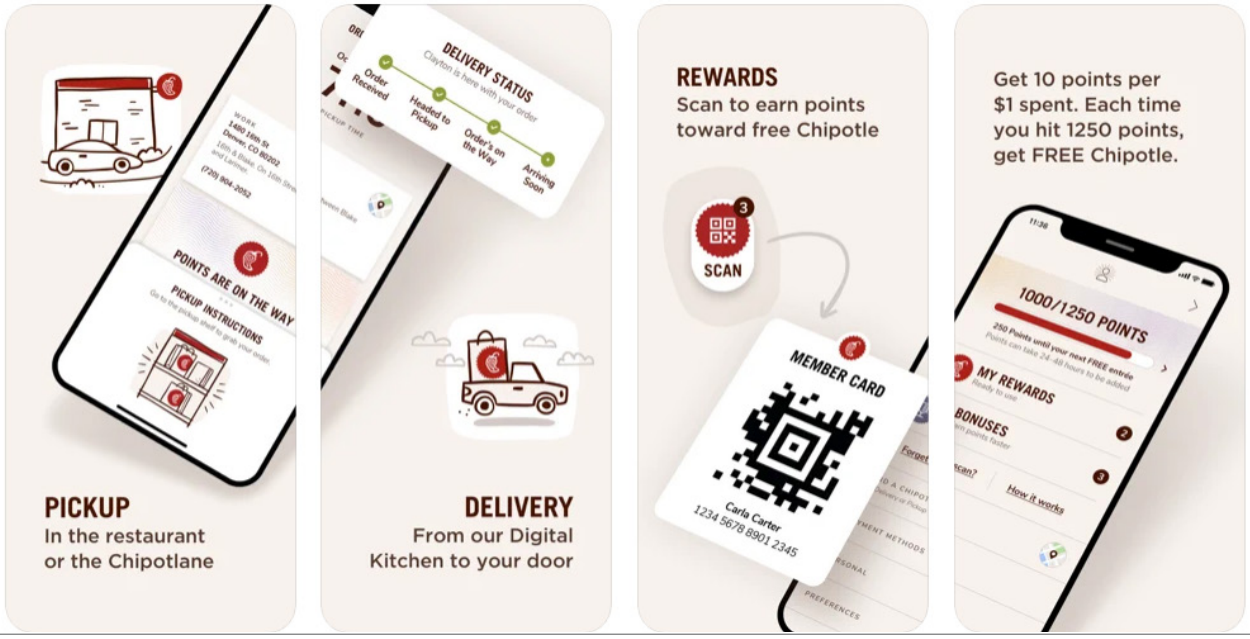
1. START SMALL

Chipotle created its own basic order ahead app in 2017 but also put its weight behind third-party delivery apps shortly after in 2018. This was a short-term risk for a long-term play; once they saw significant demand, they could justify an investment in building out a more functional, bespoke app.

Because third-party apps take a significant portion of profits from restaurants, Chipotle tested higher menu prices on orders through those apps to offset losses. (For further discussion on this, check out Radar's interactive session on mobile growth in a post-COVID world.)

By simultaneously launching a smaller, white-label solution of their own, the brand was able to get its feet wet with a digital transition. It gave them time to upgrade to custom digital experiences and better understand what their customers wanted.

By early 2019, Chipotle had built a profitable delivery business, and in November 2020, it launched its first digital-only restaurant. Customers can order on the Chipotle website, the Chipotle order-ahead app, and third-party delivery apps – though the chain is focusing on moving third-party app users directly to the brand's own app. Their efforts to move customers over include giveaways and enhanced features only available in the Chipotle app.

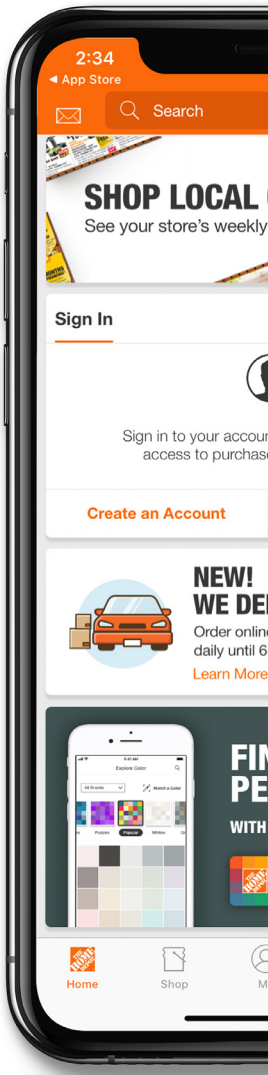


2. ROW ONE BOAT

Sharing the same vision for the purpose, priority level, and structure of an order-ahead app will save businesses a lot of trouble down the line. Starting small (step #1) and proving concepts on a lower-risk scale can help with executive buy-in.

Once leadership gives the green light, avoid the silo trap. Align product, marketing, and IT to row one boat instead of three. This becomes very important in the pickup flow—from stress testing the customer experience during high volumes to improving process speed using real-time status updates. Rowing one boat will also help your business respond to changing situations more quickly.

For example, The Home Depot realized that in order for their high-volume curbside pickup system to work, they needed the physical space on-premises. Working together across departments, the brand repurposed an entire fulfillment center in only three weeks and pivoted the organization's focus to provide curbside pickup services at all stores within 90 days.



3. HAVE EMPATHY

Looking at the "buy online, pick up in-store (BOPIS)" model, have empathy with the latter. Paying and ordering online is 100% safe, but if customers don't feel safe at pickup, they won't return. Make sure you designate a sufficient, clearly marked space to avoid crowded pickup areas and train staff in safety protocols for all interactions.

From studying a wide variety of online reviews, combined with our own experiences, one of the most important aspects of feeling safe at pickup is knowing that the experience will be the same across store locations (and this is where tip #2 comes through).

The Home Depot has a unique approach to alleviating congestion. The chain is creating so-called flatbed delivery centers, where pro customers can pull up with their trucks. This professional segment makes up 4% of their customers, but they account for 45% of total sales. With these flatbed locations, professionals have a great pickup experience, and the new centers also reduce congestion at the stores. As such, they also improve The Home Depot's curbside experience for the casual customer.

4. PLAY THE LONG GAME

Mobile order-ahead is one piece of a much larger digital strategy. When building an app, your team should be creating a product roadmap to incorporate additional features and capabilities over the next several years.

Even prior to COVID, Wingstop foresaw a huge opportunity in digital and announced that they would be aiming to accelerate their digital sales from 25% of their total revenue to 50% in just 12 months. To reach that ambitious goal, they created a fully customized app with order-ahead, carryout and delivery capabilities that put them in a strong position when on-premise dining wasn't available for most of 2020.

While the pandemic may have sped up the transition to digital order ahead service models, it won't be a thing of the past once the pandemic has subsided – customers' buying behavior has changed forever. This is true for restaurants especially, as 87% of consumers want food brands to continue curbside pickup, along with other processes that limit in-person contact, according to the COVID-19 & the Future of Commerce report.

5. KEEP THE CART BEHIND THE HORSE

Don't jump into creating an app that you think your customers want. Take the time to understand the motivations and behaviors of both your existing and potential customers through research, surveys, and data analysis. Without this critical step, you'll be throwing money away by creating a solution to a problem you don't fully understand.

Fleshing out customer personas, looking at what the competition is doing through a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, and diving into data analysis are all key to building an app your customers will want to use.

Prior to creating their first order-ahead and loyalty app, Dairy Queen thought to not only gather detailed insights from their customers but also from their franchisees. This helped DQ and the Hathway team build the app that customers wanted and that franchisees would happily adopt, as well.

6. INVEST IN THE RIGHT SYSTEMS

You don't want to put a ton of work into creating an amazing app only to find out that the tech you're depending on is a disaster. Create a solid foundation for scaling by selecting the right tech stack with systems that interact efficiently with one another.

Both The Home Depot and Lowe's moved their IT infrastructure into the cloud in order to scale sufficiently, though their approaches were slightly different. The Home Depot relied on open source tools to build their app, connecting through a common API.

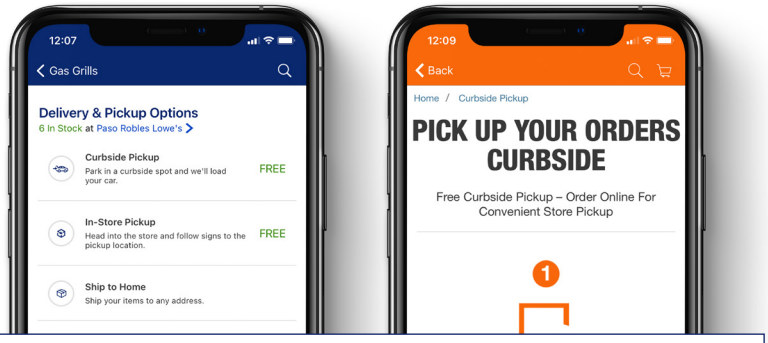
While the brand primarily builds in-house, it will sometimes partner with high-quality third-party vendors that have met their high vetting standards.

Alternatively, Lowe's went with a hybrid approach using third-party hosts and their own data centers and hired thousands of engineers for their new technology center.

There's no one-size-fits-all tactic when it comes to onboarding users—a lot depends on budget, brand vision, and even local culture. Grassroots efforts can include outside signage and emails that let customers know your restaurant has an app. Consider adding a message to print receipts and your website's homepage. There's more than one way to cook an egg, so consider your design options before you commit.

But no matter what tactics you use to get the word out, you must provide users with that magic "Aha!" moment as soon as you can—the instant when they realize this will make their lives easier. Map out your user onboarding flow, which will help you hone in on what you envision for the user journey. And finally, pay attention to design and how it ties into the lead generation information you're asking of the (potential) user. For example, if you require customers to create a profile by linking their email or social media profiles, make sure it's simple, clean, and intuitive.

To do that, you need to eliminate adoption barriers. In your e-outreach, include a quick video walkthrough of how customers can use your app to order food.



Case Study

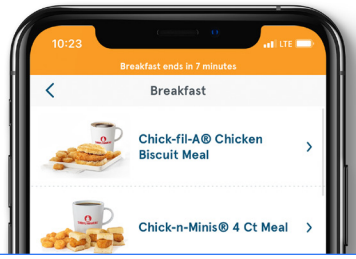
See how Lowes and The Home Depot built out their order ahead **mobile apps to respond to COVID-19** *– and get a complete technology checklist of curbside must-haves. Find out how the two leading brands took on fast and unified leadership responses, wove empathy into designing the app to match safety protocols, process, and supply, and worked closely with IT to automate all points in the customer journey.*

Tackle Pain Points To Retain Users

Now that you've launched your app and onboarded users, you must work to keep them **coming back**. There's good news and bad news at this stage. The bad news: Building a mobile app is a bit like organizing a wedding—no matter your attention to detail, every plan put into action will reveal its gaps. The good news: You don't have to fall victim to the classic pitfalls of building an order-ahead mobile app; simply **learn from everyone else who's already made those mistakes**.

First, understand the reasons why mobile apps fail and how those factors would play out in the context of retaining your restaurant's order ahead customers. For example, 19% of apps fail due to a weak product core. That can encompass things like not automating cumbersome manual tasks or rolling out an app before its features meet consumer expectations.

Chick-fil-A only made digital order ahead possible via their website, potentially deterring customers who prefer to use apps. Dunkin' Donuts requires customers to tap an "I'm here" button when they arrive for pickup instead of automating that process using location technology. These extra steps can be the kind of perceived barriers to adoption discussed in the first section of this ebook.



Pro Tip

Want to know what customers think? Ask them. Send out a digital survey to your customers after they pick up their purchase. When customers are disappointed in an experience, they often turn to the internet to air their grievances on review sites.

Push a message to your customers after they've gone home with their order *to see what they liked (or didn't like), and use it to inform your improvement plan. Businesses can do this easily with a combination of trip tracking tech- nology and integrating with a form provided to send surveys post-pick up.*

Action Checklist - Understand What Works

Ready to find – and eliminate – your order ahead app's pain points? Follow these guidelines to **improve the user experience and grow brand loyalty**.

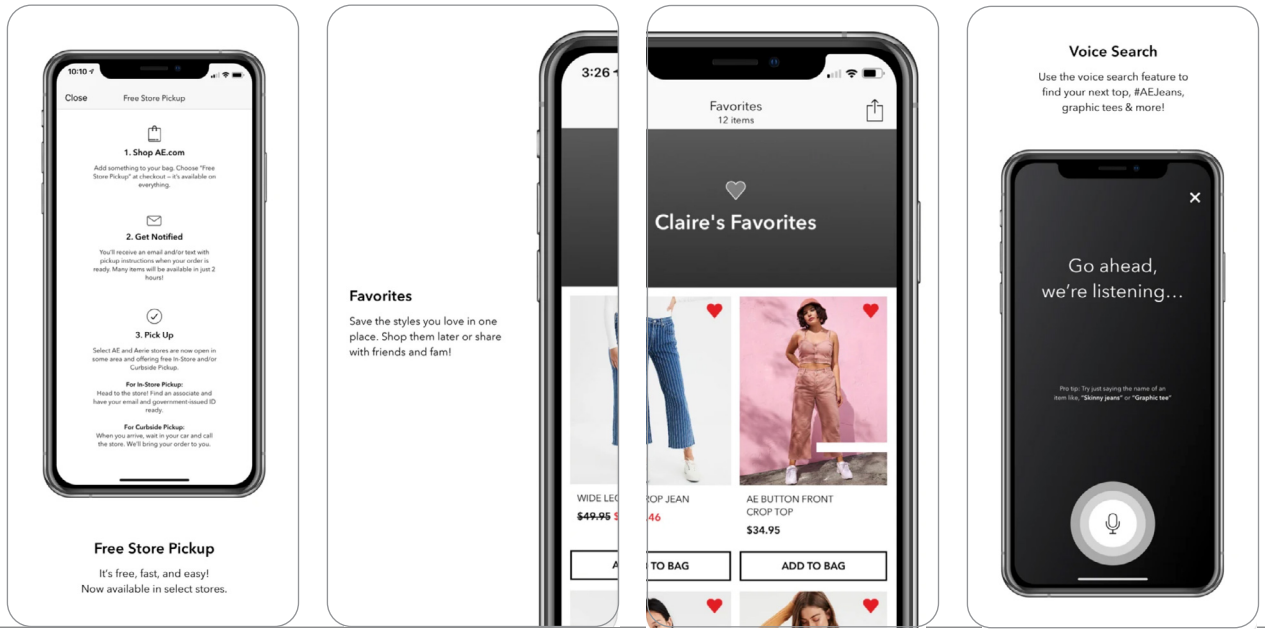
1. LOCATION, LOCATION, LOCATION

Combining automation with location-based technology makes the curbside pickup experience more convenient and enjoyable for customers and employees. Location technology can help restaurants estimate how long it will take a customer to arrive, allowing the kitchen staff to time meal prep and determine packaging so food is temperature-appropriate. For retailers, it can help workers know when to bring an item out for pick up so that the customer isn't waiting around.

Location technology also requires the customer to do less; they won't need to provide information (like when they've arrived or where they're parked) because you'll already know.

Automating location-based triggers for perfectly timed messaging, staff direction, and, later on, data analytics can resolve many pain points and bring long-tail benefits for the customer experience. Even though customers don't see this back-end orchestration, it translates into their dining experience.

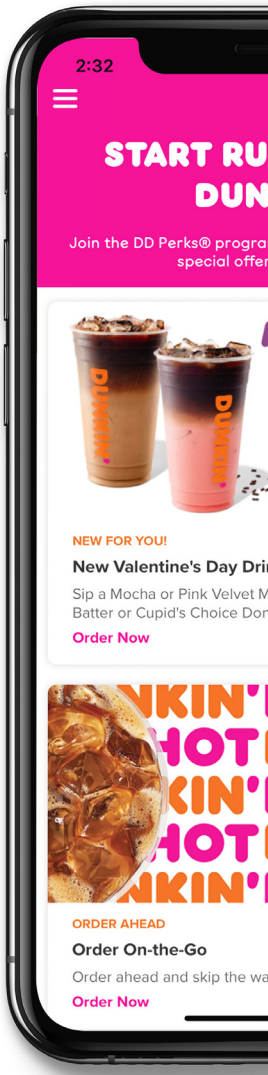
American Eagle uses Radar's location technology for curbside and order-ahead to notify staff when customers are on their way. Now, associates can fit in tasks before heading to the parking lot to handoff an order, and customers no longer have to wait on hold attempting to contact the store upon arrival.



Toppers Pizza added geofencing to its curbside pickup system so that staff knew when a customer arrived—and that reliability and speed drove their curbside sales from 20% of their total revenue to 30%. Walmart's app automatically recognizes when a customer has arrived on-premises so that employees know to bring out the order, reducing wait times.

2. CREATE 1:1 EXPERIENCES

Keep the customer informed through every step of the process, from providing them with an estimated time of when their order will be ready to let them know what to do when they get there. A survey from Boston Retail Partners found that 87% of consumers are interested in personalized, consistent experiences across channels.



There are different ways businesses have chosen to do this. Habit Burger provides each customer with a countdown timer for when their order will be ready, while Panera Bread lets users choose the date and time they want for pickup.

Retailers can trigger post-pickup incentives based on a customer's unique purchases. For example, if a customer bought paper towels a few weeks ago, they may be ready to re-up--sending a message and offering a discount creates a more personalized experience.

3. LOOK AT THE TIMING

Don't launch new features until they're ready. Speed is attractive in a competitive market, but brands that roll out an underwhelming, half-baked feature will only disappoint customers.

In addition to timing, consider how time plays a role in customer preferences and behavior. Dunkin Donuts did this. They noticed that the onset of COVID changed peak demand times from the usual early morning commute. In response, they changed the menu to match what people preferred to eat slightly later in the day.

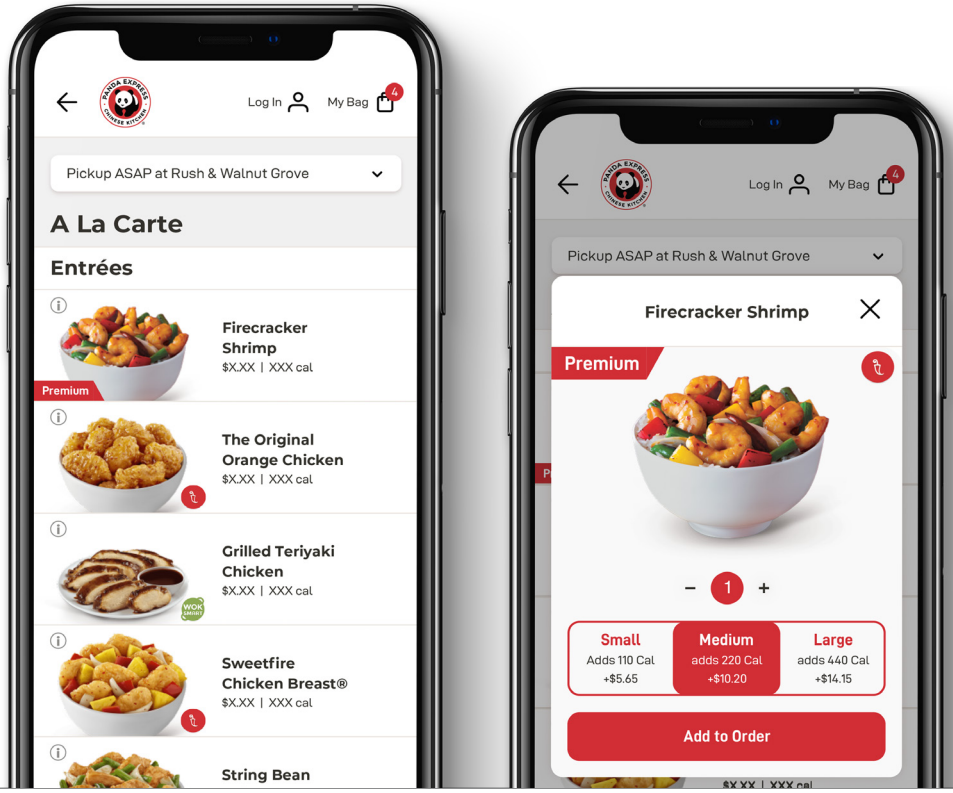
While many prototypes encounter problems when brought into physical practice, failing to sufficiently look at all aspects of timing can make big waves. In 2018, McDonald's revamped its menu and curbside pickup system with new technology that actually gave employees more work to do—and some of them quit. A more phased rollout of the new technology and menu might have prevented this.

4. MIMIC THE IN-STORE EXPERIENCE

Your digital experience should allow for the same personalization and customization that your customers would get when they order from a brick-and-mortar location. Don't let customers get frustrated by having to "settle" for something close to what they would have purchased if only they had been in person.

Chipotle, known for its interactive assembly line, wanted to recreate the experience digitally. To do that, they made a virtual assembly line as part of their order ahead app, prompting customers to swipe left or right to signal their preferences as their meal is put together. Panda Express recreated two of the best parts of their in-store experience for their app: visual interaction with food and a station-to-station ordering flow. Sephora uses AI and AR to let customers "try on" different beauty products via their smartphones.

You can leverage your app as a helpful tool for customers buying online, then picking up in-store with an in-store app mode. American Eagle leverages Radar to determine when a customer is inside a store geofence, triggering a push notification to let shoppers know a self-checkout feature is available. Opening the app within the store loads this mode automatically, increasing discoverability for a feature that improves safety and customer satisfaction. Customers can then use their own device to scan products and check out and pay without exchanging cash or cards.

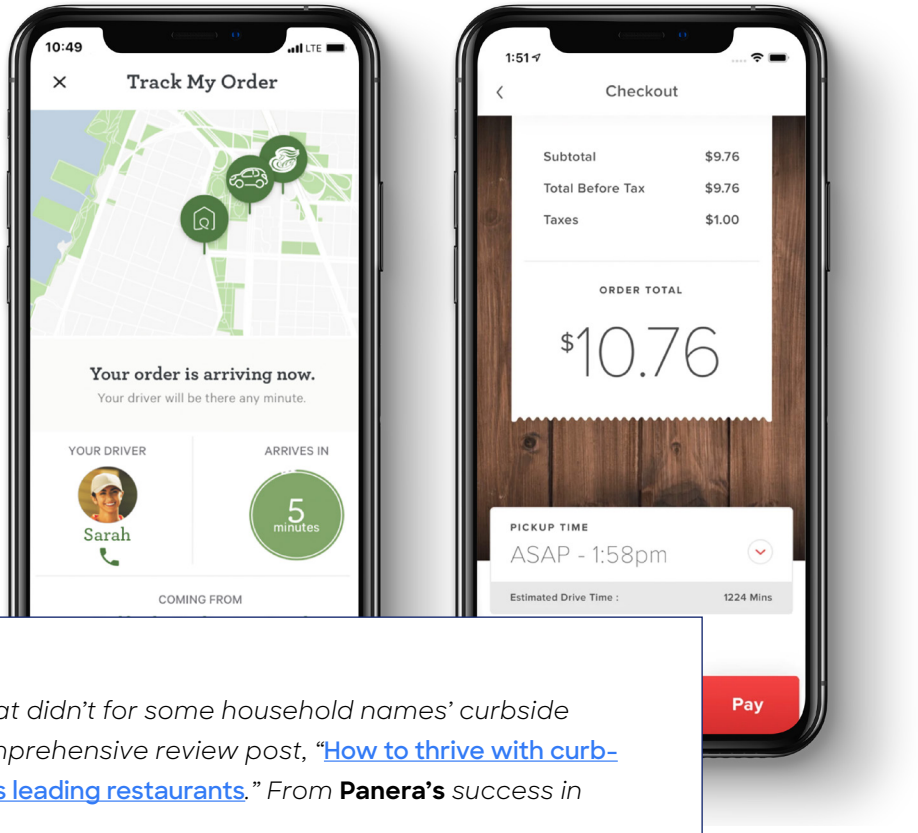


5. ESTABLISH A LOYALTY PROGRAM

Integrate your app with a loyalty program to create a core feedback loop and promote customer habits. In time, you'll have access to more user-rich data, which means you can improve the experience for each user and keep your order ahead app earning five-star reviews.

In fact, a recent survey found that pairing their loyalty programs with order ahead in their apps is a key differentiator for top-performing eateries. The survey also found that 39% of restaurant customers would spend more money at their go-to restaurants if they were offered loyalty and rewards programs. To learn more, read Radar's take on how to build a loyalty program for QSR and retail.

Retailers can benefit from connecting their apps to their loyalty programs. Pre-pandemic, Nordstrom's loyalty members had exclusive access to curbside pickup, and H&M app users who are enrolled in the retailer's loyalty program get a host of perks that are linked to increased spending, like discounts and free online returns.



Case Study

Learn what worked and what didn't for some household names' curbside pickup game in Radar's comprehensive review post, "How to thrive with curbside: lessons from the nation's leading restaurants." From **Panera's** *success in fully*
leveraging geofencing capabilities to **Habit Burger's** *gaps in pickup flow (eeek), these case studies offer valuable insight around user retention and*

Upleveling Your App To Drive Revenue

Congratulations! You've launched your order-ahead mobile app and you're maintaining a steady level of customer usage rates. Now it's time to take it to the next level by getting more sophisticated with monetization techniques, increasing engagement and growing your user base. **At the heart of these efforts? Personalization**.

Personalization is the future of sales, according to a 2019 McKinsey report. Starbucks knows this well and takes the opportunity to personalize digital interactions, whether it's directly tied to sales or if it's based on fun brand-building perks. The retailer's in-app promotions intertwine with its location functionalities, which allows the brand to personalize in smarter ways. For example, during a record-setting heatwave in Memphis, Tennessee, the brand pushed out a geographical promo for iced drinks. The chain also leverages its GPS capabilities to generate promotional recommendations to customers approaching a Starbucks location. On the non-salesy side, Starbucks uses GPS to identify which store a user is in and shares the current playlist.

Some restaurants are personalizing using AI and other technologies, which we talk about in the final section.

Pro Tip

Upleveling your order ahead app requires a careful balance. Location-based advertising is expected to reach $38B by 2022, but if everyone else is doing it, how do you cut through the noise? Engage customers in the right place at the right time—make sure location tracking is highly accurate when reaching out to your existing customers, use geo-targeting to get in front of prospective customers who frequent the area, and provide immediate rewards, like a promotion or discount for everyone.

Action Checklist - Get Closer To Go Bigger

You're almost there—now it's time to turn a good app into a great app. Consider the below strategies for **increasing the value of your app** (as well as your restaurant's bottom line).

1. EXTEND YOUR LOYALTY PROGRAM ACROSS CHANNELS

A great way to drive sales is to turn your loyalty program into an omnichannel one, integrated across digital and physical experiences. Customers want to earn and redeem their rewards, whether they're using your app, browsing your website, scrolling through their social media channels, checking email, ordering at kiosks, or standing at the register, in-store. Extending loyalty-related benefits across channels ensures customers are consistently rewarded for their business, no matter where it originates. Omnichannel loyalty programs also extend the access to aggregate customer behavioral data, which you can use to improve 1:1 experiences.

Let's get back to Starbucks, a frequently cited brand when it comes to superior omnichannel loyalty programs. Customers can earn rewards with every purchase using their Starbucks card in-store but are also able to reload the card and check-points via the mobile app or on the Starbucks website. And, every transaction is updated in real-time across channels. Customers never have to wonder if that $5 latte made it to their points.on hold attempting to contact the store upon arrival.

2. LEVERAGE LOCATION-BASED ADVERTISING

Location-based ads keep your brand front of mind while also connecting proximity and convenience to incentivize purchases. Location-based marketing and advertising can materialize in a few forms, including text messages, push notifications, in-app promos, or Google Ads.

Data shows this tactic works. Hot dog restaurant Nathan's Famous said the ads they tied to their app's geofencing functionality were 10 times more efficient than traditional efforts. Ibotta, a company that enables users to earn cashback on purchases, uses location services to let a member know when they're near a retailer that participates in Ibotta's program—and also uses location to trigger promotional emails.

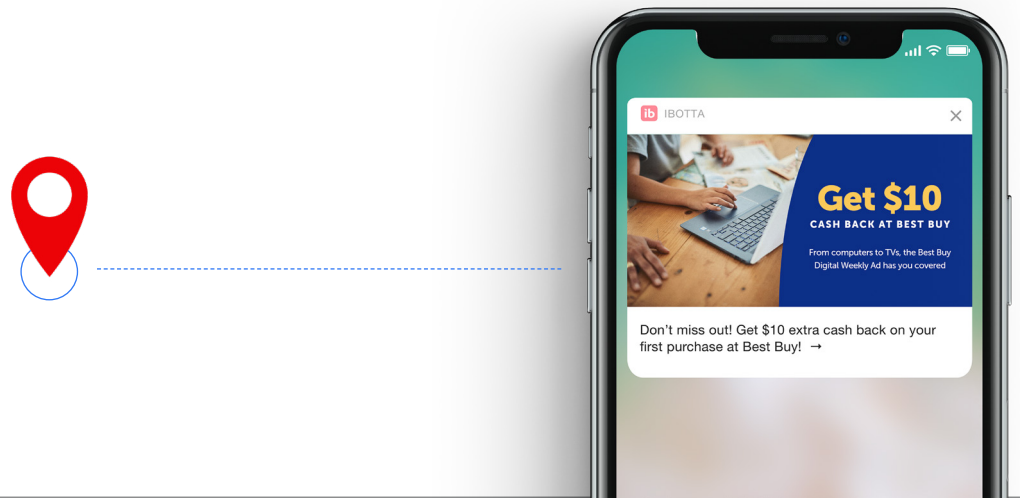
Other companies simply serve up a digital ad to a customer's mobile when they're close to a location, creating brand awareness, keeping the restaurant top of mind.

3. TEST, ANALYZE, OPTIMIZE, REPEAT

As you scale your app's personalization and functionality, take baby steps. You're not always going to get it right the first time, and that's okay! Take advantage of things like A/B testing to discover what does work, and iterate from there. This goes for everything from user interface to promotional campaigns.

Even one of the largest tech powerhouses does this: Google is beta testing its localized ad features for regional sellers trying to move inventory via curbside pickup on Google Shopping. Instead of rolling it out in full, they're testing what works and what doesn't with select merchants first.

Restaurant chain Maggiano's Little Italy wanted to see if location-based Facebook ads would bring in more business. Two weeks after running ads for different locations and A/B testing creative elements, the restaurants saw a 600% return on their ad spend and got almost 21,000 more visitors to stores.



4. GET THE ANSWERS STRAIGHT FROM THE HORSE'S MOUTH

No one knows what your customers want as much as your customers do—so ask them. Find out where you can improve and what they really enjoy about your current app. Getting to know your customers' wants and needs should be an ongoing learning experience that allows you to prioritize items on your roadmap.

McDonald's decision to bring a plant-based burger to its menu in 2021 was a direct result of customer feedback. In addition to satisfying their customers, the move will better position them to compete with chains like Burger King and White Castle, which have already added plant-based burgers to their menu. Olo, a cloud-based e-commerce platform for the restaurant industry, recently partnered with a third-party firm to integrate customer feedback collection into their app and will use the data to improve the off-premises experience.

Case Study

The debate about the importance of personalization in driving revenue is over: It works. RetailMeNot, which helps customers save money, tapped into the power of personalization with contextual messaging and content – and **drove a 19% uplift in visits** *to retail partners. Here's how.*

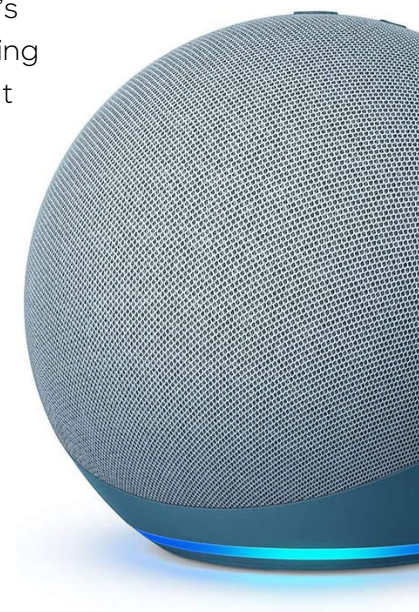
Your Mobile Order-Ahead App Is Amazing. Now What?

If there's anything we've learned from the dramatic consumer behavior shifts brought on by COVID-19, it's that **it always pays to get on top of emerging trends sooner rather than later**—in a way that's meaningful to your customers. As technology advances and society settles into a "new normal," businesses should pay attention and prepare to adjust to what's next.

What's Next For Order-Ahead Mobile Apps

Voice recognition capabilities continue to grow in popularity. According to Statista, 31% of smartphone owners use voice search at least once a week. With the growth in curbside and drive-through pickup, adding voice recognition features to your order ahead app is perfect for customers on the go.

"Alexa, Let's Order Wingstop"



Domino's was an early adopter for voice-activated ordering, and even though it's been wildly successful, they follow our advice above: They continue to test, using customer feedback to improve. Voice-activated ordering now makes up about 75% of the company's revenue.

Wingstop also jumped on the AI-powered voice recognition train for their order-ahead service, but after regional dialects made some orders difficult to process, they integrated with Amazon's Alexa for more sophisticated recognition capabilities.

The pandemic has led more retailers to look at voice technology, as some customers don't want to touch screens that many others have also touched. A report from Capgemini showed that more than **75% of global respondents** expect to increase their use of touchless interfaces using technology like voice assistants; **62% say they will continue to leverage the technology** after the pandemic has subsided.

In an interview with CNBC, retail consultant Jan Kniffen said voice tech will allow customers to stay in their cars vs. getting in line for pick up or to do other things, like check product availability.

AI-powered menus and suggested items are catching on, though they're in the testing phase. **McDonald's**, which has rolled out its smart digital menu at 700 locations, says the technology can update menu items by time of day, local weather, and trending items.

Eventually, the brand hopes to integrate this technology with its mobile app to personalize even further.

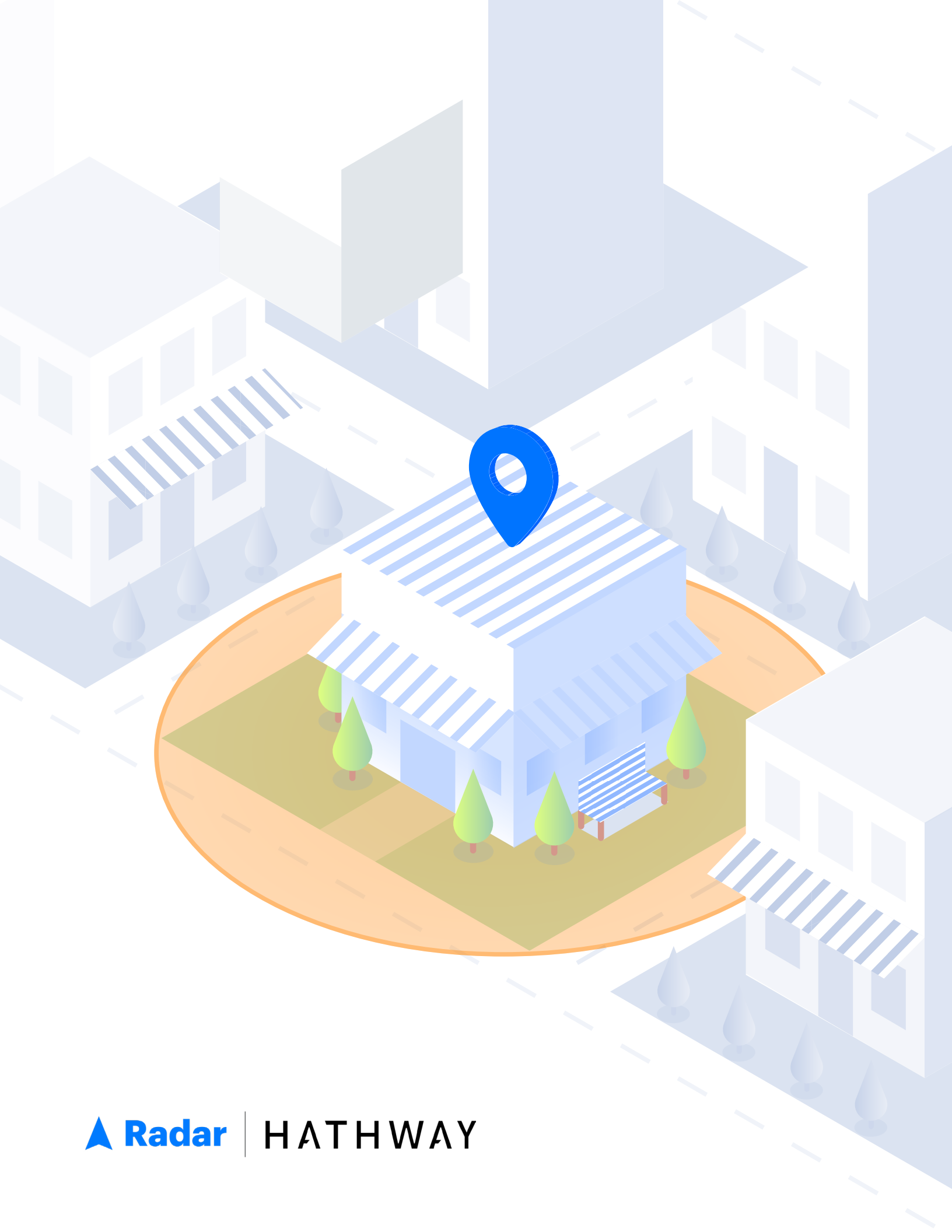
Sonic is piloting AI-powered menu boards using voice assistants to take orders at their drive-thru locations. AI technology will personalize each customer's ordering experience using Sonic's loyalty app, and geofencing capabilities will be able to recognize loyalty members once they park on-premises.

Retailers are increasingly using AI to help customers find what they want via smart recommendations. Household goods retailer Wayfair has seen its success rate go **up by 50%** (measured by number of clicks to purchase and purchase frequency), thanks to their smart software that can pick the best suggestions. For example, finding the mug a customer is most likely to purchase from tens of thousands of options. Sephora is using Google Cloud's Machine Learning capabilities to power more personalized suggestions for online shoppers.

Drones are far further down the line for restaurants that don't have pockets as deep as Walmart's—the super chain has been testing drone delivery (and location technology and tracking is a big factor in the success of these technologies). Delivery drones have another appeal: Any car trip they can save the customer cuts down on emissions.

Late last year, Walgreens partnered with drone company Wing to trial a drone delivery service in a Virginia town. Interestingly, customers place their Walgreens order via the Wing app (vs. the Walgreens app), which lists the chain's medicines, foods, and beverages. The two partners have also created different order "packs" for pre-packaged buys, like a kids' snack pack or the cough/cold pack.

Any new technology you choose to add to your curbside pickup program can follow the same journey outlined in this playbook: **Onboard effectively, iron out the pain points and build on a solid product** to provide a top-notch customer experience. Then, watch all the success of a good plan follow.



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