

Foodservice Updates

In This Issue

- [With state food safety audits at risk, restaurants have even greater responsibility](#)
- [Tallying the true cost of restaurant tech](#)
- [As compensation laws change, operators face new cost challenges](#)

Strengthening your emotional connection with guests

Recent research has found that as critical as it is for businesses to increase their guest loyalty right now, consumer loyalty has been falling. A Salesforce survey found that the portion of consumers who feel emotionally connected to brands fell from 62 percent in 2022 to 54 percent in 2023. As technology has become a necessary part of operations for many restaurants, there has been greater potential for the brand experience to get watered down. As a result, loyalty needs some careful management. Precise, data-driven personalization is at the heart of it. In a Restaurant Dive interview, Rick Camac, executive director of industry relations at the Institute for Culinary Education, said that brands that keep the same rewards without measuring the emotional connection they make with loyalty members will ultimately lose value and customers. Chipotle, whose rewards program grew almost 14 percent to more than 36 million members in 2023, is using a “personalized decision engine” to identify the free items their rewards members can receive through Freepotle, a perk the brand launched last year to drop 10 free food items into rewards program members’ accounts over the course of the year, the report said. Providing guests with such offers not only makes their experience with the brand feel fun and special – it also helps Chipotle collect reams of additional data about the kinds of items rewards members like receiving from them. That data can, in turn, feed their plans for future menu items, specials and targeted rewards offers. Earning loyalty doesn’t have to involve offering large amounts of free food, either. Consider gamifying your program with a rotating list of contests throughout the year. What might your brand do to strengthen its emotional connection with guests?





Tech Talk

Tallying the true cost of restaurant tech

Managing the investment of new restaurant technology goes well beyond the up-front costs of tablets or other hardware. For each of your system components, you may have to consider everything from monthly costs for licensing software, to tech support charges, to credit card fees. Beyond the financial costs, consider those related to time and complexity too, such as the hours that will be required to train your team, the time you may have to take to troubleshoot legacy systems and all of the components they comprise, and the challenge of making sense of data silos across multiple technology vendors and within your own organization. One benefit of having a more vertical, streamlined tech stack is that you have fewer links in the chain to manage – and fewer that can fail. Investment now may help you prevent waste later. But first, it's important to understand the problems you're trying to solve. Analyzing your data to clarify what you're doing well and where you have opportunities to improve can help you see where you can apply and streamline your tech solutions to the greatest benefit.



With state food safety audits at risk, restaurants have even greater responsibility

The FDA is considering cutting funding for state food inspections, which currently total about 5,700 – a large portion of the country’s food safety audits. This comes at a time when foodborne illness outbreaks are an ongoing threat. According to the Centers for Disease Control and Prevention, there were 12 multi-state outbreaks in the U.S. in 2022, nine in 2023, and four in the first four months of 2024. Third-party inspections can and do help businesses identify risks and make corrections before they balloon into larger problems. In the meantime, foodservice operations may have to take some steps on their own to manage their role in protecting against foodborne illness, including shrinking and closely managing the food supply chain and securing relationships with suppliers who are committed to protecting food safety and have systems in place to identify risks and alert businesses to them in real time.



#FoodSafety

Foodservice CEO

www.foodserviceceo.com

As compensation laws change, operators face new cost challenges

The recent news that the Department of Labor is increasing compensation thresholds for overtime eligibility as of July 1 means that managing costs in ways that are acceptable to guests will continue to challenge operators. “This rule will exponentially increase operating costs for small business restaurant owners who are trying desperately to maintain menu prices for their customers,” said Sean Kennedy, executive vice president of public affairs for the National Restaurant Association. “And because DOL created a one-size-fits all rule based on national income data, rather than regional data, this change is going to disproportionately impact restaurant owners in the South and Midwest.” On an ongoing basis, it seems restaurant operators will need to find new ways to run as leanly as possible. Are there areas of your business where waste is lurking? Could you make adjustments to your hours/staffing/menu/service model that help you maximize your efficiency or generate new streams of income? Could automation ease the load on your team, allowing you to streamline tasks or even trim the number of people required during a shift? Could you create a staff contest to generate ideas to manage costs? Talk to Team Four if you need guidance on how you can help your business operate as efficiently as possible amid ongoing cost pressures.



To find out how Team Four can help your business save money contact us at:

1-888-891-3103 or visit our web site at www.teamfourfoods.com

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