

Foodservice Updates

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Put these revenue boosters on the menu

It's that time of year when a cool drink can be even more appealing than a meal or snack. What's more, a new survey by Revenue Management Solutions found that specialty drinks can be revenue powerhouses for foodservice operators – largely because they break many of the rules consumers tend to follow when it comes to their spending. Specifically, when the 600-plus people participating in the survey were asked about their purchasing habits, 80 percent of respondents said they order specialty drinks multiple times a week, even though they reported a drop in their overall restaurant visits. One in four respondents said they order specialty beverages more than once a week – even though almost half of respondents said they are ordering less in order to save money right now. Specialty drinks are also ideal items for people to enjoy on the go or at home – and according to the survey, people who use delivery are less sensitive to price than guests using other sales channels. There might be an opportunity for you to include specialty drinks as an upsell suggestion on your app, where people might be more open to paying a bit more, or for you to promote them as a special limited-time offer. If you're looking into expanding your menu offering in this area, consider a diverse mix of options: The survey found that tastes differ across generations, with younger consumers preferring sodas and soft drinks, and older consumers opting for house-made drinks. Flavor and price were the top factors affecting a person's purchasing decision. Other key themes stood out: The top beverage choice was hot or iced coffee, earning 82 percent of the vote, followed by soft drinks. While 80 percent of respondents ordered their beverages from coffee shops, 76 percent ordered them from restaurants, so respondents perceive restaurants as places to go for an appealing drink, whether it's coffee or not. Recommendations from friends and family played an important role in respondents' decision to buy too, so giving people an incentive to spread the word with others if they enjoy their drink can help boost traffic and sales.





Tech Talk

Sustainability tech takes spotlight at National Restaurant Association Show

Foodservice sustainability was a key theme to the recent National Restaurant Association Show – and the tools and systems on display promoted benefits well beyond the environment. According to a Nation’s Restaurant News report, highlights of the show supported restaurants’ efforts around waste management, operational efficiency and food safety. Think eco-friendly fryers that reduce frying time, use less oil and may reduce oil vapors; AI-supported tech that helps operators track their food consumption and waste in real time; and sensors connected to the Internet of Things that can inform staff with greater precision when food that has been sitting out needs to be discarded, or if it’s still safe to serve.



Better food safety through stronger connections

If your restaurant is slipping up on food safety – or simply has areas where it can perform even better – it’s possible your team may not necessarily see the connection between what they do each day and the impacts on the health and safety of your guests. This isn’t just about the people preparing your food. It’s about people at every level of your organization who play a role in delivering the best possible experience for guests – even if they don’t know it. For example, the complex tasks your kitchen has to complete tend to carry greater risk. They’re more difficult to get right. Making these tasks simpler and easier may require looking at them in a different way. Your connections and partnerships with other parts of your operation can be helpful here in making positive changes. Involving partners from the beginning and as a regular part of the job can make them more invested in food safety as foundational to the overall success of the business – not something that is layered on top as extra information that needs to be learned and applied by a select group. In a recent webinar from Food Safety Magazine, Steven Lyon, director of food safety at Chick-fil-A, shared an example of how such connections can be helpful: He said that Chick-fil-A is the world’s No. 2 buyer of lemons, after Walmart. Team members used to hand-squeeze every lemon, handling 50 cases of lemons a day – not a great experience for team members and a burden on operational storage space. But the team came up with the idea of transitioning to high-pressure-process lemon juice to ease those strains – and over the course of a multi-year period, they were able to get buy-in across the business about the value of the change. Where might your business benefit – in safety, costs savings or other areas – from gathering the input and buy-in of people across your operation?



#FoodSafety

Foodservice CEO

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Could AI know what your guests want before they do?

Artificial intelligence is demonstrating its ability to tap into consumer cravings – and to help restaurants generate more sales as a result. One recent example is IHOP, whose online sales have gotten a significant boost recently with some help from AI. Last year, the brand launched an AI recommendation engine on its website. The platform, which was trained on the brand’s historical order data using machine learning, suggests menu items based on what a customer has already put in their cart. The response to date has been enthusiastic – and profitable. According to a Restaurant Business report about the change, 73 percent of customers who see a recommendation on their order add one to their cart, and IHOP’s digital check average has climbed 10 percent in the year since the feature launched, including menu price inflation. Adopting the AI platform wasn’t an overnight process: IHOP conducted testing with live customers, placing the tool in just 15 stores before expanding it incrementally until it was in use at all of the brand’s roughly 1,700 U.S. locations. During testing, they wanted to make sure customers weren’t turned off by the recommendations and abandoning their carts. They also had legal hurdles to clear regarding how the new platform would be using and storing data. But so far, the investment has been worthwhile – and perhaps one to watch if you’re considering a similar platform. Justin Skelton, CIO of IHOP parent company Dine Brands, said their platform, which they purchased from a vendor after considering building it in-house, costs IHOP just \$1 for every \$60 it generates.



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