

Industry Roadmap: Restaurant
July 2022

4 Ways Restaurants Can Boost Visits in Light of Changing Driver Behavior



Over the past two years, the restaurant industry has become a chameleon – constantly changing to serve the needs of customers with ever-shifting life situations. Now, as pandemic restrictions wane, diners are returning in droves. But they're also demonstrating several behavioral shifts that will shape the restaurant industry for the long run.

With restaurant brands aiming to drive brick-and-mortar restaurant traffic over the next several quarters, we created this comprehensive report to look at insights from category taste makers – including a **custom-fielded survey featuring feedback from restaurant industry brand and agency leads** and exclusive **Waze first-party data** – to show where the industry is heading next. In doing this, we've identified four opportunities for how to best shift to meet on-the-go consumers to add to restaurant brands' bottom lines.





Opportunity 1: Industry leaders say in-person dining is critical to nurturing customer relationships

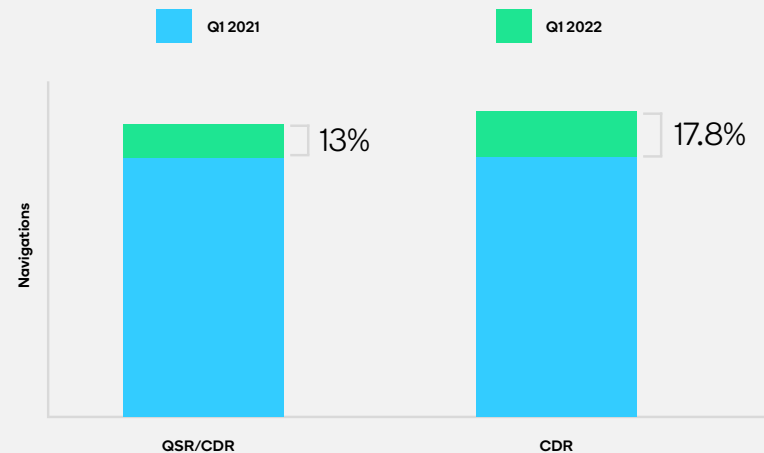
While there are numerous ways for on-the-go consumers to grab a meal, growing direct in-store sales will always be a critical focus for restaurant brands.

A recent survey conducted by Restaurant Dive on behalf of Waze showed a clear preference for the brick-and-mortar experience, with restaurant brand and agency leaders saying the goals of increasing in-person restaurant visits easily beat out increasing digital meal orders as a priority. In fact, 83% of those respondents cited in-person restaurant visits as a critical or high priority, compared with only 70% citing the same about increasing digital meal orders.¹

Waze navigation data shows trips to restaurants are increasing, too. There was a [13% increase in overall navigations to quick-serve and sit-down casual dining restaurants](#) in the first quarter of 2022 when compared to the first quarter of 2021. That includes a 17.8% increase in just the sit-down casual dining category, as people became more comfortable with congregating again.²

In-person visits have been an increased focus for Waze Ads customers, including one Texas-based chain, Fuzzy’s Taco Shop. The percentage of Fuzzy’s overall customers visiting their roughly 150 U.S. locations for takeout has grown from roughly 30% before the pandemic to about 40% today.³ “Our rewards program shows an increase in takeout from our loyal guests, so we are seizing the opportunity to build our in-store dining back up to where we were before,” says Laura Purser, Vice President of Marketing for Fuzzy’s.

Trips to restaurants are increasing



Source: “Category Trends.” Waze

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Laura Purser,
Vice President of Marketing, Fuzzy’s Taco Shop

“In-person customers are more valuable over their lifetimes because of the positive interactions they can have with brands,” notes Mike Wilson, Head of Industry for Restaurants at Waze. “It allows restaurants to have more control over the brand experience by directly providing fresh, tasty food and avoiding the pressure delivery app fees apply to a restaurant’s bottom line.”

Survey responses bear this out, with restaurant survey respondents voicing their opinions that interacting with

consumers via restaurant visits is effective in nurturing relationships. “Dine-in assists to boost customer interaction, which will lead to more sales and a better reputation for the business,” one survey respondent said.

Another benefit to promoting in-person encounters rather than delivery app fulfillment stems from the worry cited by several survey respondents that customers who have a poor delivery experience are likely to blame the restaurant rather than the delivery service.

83%

of restaurant industry brand and agency leaders say increasing in-person visits to restaurant locations is a “critical” or “high” priority over the next 12 months

Source: studioID survey commissioned by Waze



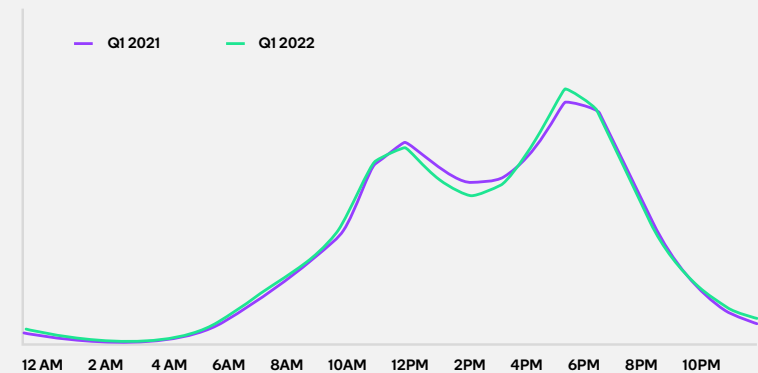
Opportunity 2: Restaurant leaders see more flexibility on timing and choice for visiting diners

Coffee shops used to see a surge from commuters from 6 a.m. to 8 a.m., with fast food and casual dining establishments experiencing the same during the traditional lunch period from noon to 2 p.m. Those office-inspired rituals seem antiquated today, as many people now operate on a flexible work schedule.⁴

With on-the-go commuters less anchored to eating at fixed times, restaurants are enjoying fresh opportunities to reach consumers at different dayparts as they expand their routines – dashing out for a snack mid-morning or taking the opportunity to pick up dinner as they run errands in the early evening.



Changes in dining hours



Source: Category Trends, Waze

The Restaurant Dive survey of agency and restaurant executives conducted on Waze’s behalf confirms this evolving driver behavior, with 90% of respondents either strongly agreeing or strongly agreeing customers have shifted their eating patterns outside of traditional mealtimes since the onset of the pandemic.⁵

Waze internal data underscores these behavioral changes, Wilson says.

“We’re seeing the ‘early bird special’ may be back in style, with a greater percentage of navigations to quick serve and casual dining restaurants happening in the 4 p.m. and 5 p.m. hours during the first quarter of 2022, as compared to the same time period in 2021,” Wilson says.⁶



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Mike Wilson
Head of Industry, Restaurant, Waze

On-the-go consumers' willingness to make impulse decisions and explore new restaurants make marketing leaders' push to attract them through in-car and out-of-home advertising even more important. After all, 87% of survey respondents said they either strongly agree or agree consumers are more likely to try new restaurant brands while they are out and about. That lines up well with an Epsilon survey that found 41% of customers who said they had recently tried a new restaurant just because it was nearby.⁷

"We never know when a consumer will be hungry and crave our chips and queso," Fuzzy's Taco Shop's Purser says. "We are seeing more on-the-go dining than we were two to three years ago, so it's great for us to use Waze Ads to get in front of diners who may not have been thinking of us at the moment or may not have known we are in the area."

87%

of restaurant industry brand and agency leaders either strongly agree or agree that on-the-go-consumers have made more impulse decisions about where they will eat since the start of the pandemic.

Source: studioID survey commissioned by Waze





Opportunity 3: **Brick-and-mortar restaurants need to continue to improve the in-person experience to thrive**

When dining rooms closed, customers embraced on-premise channels like drive-thrus, curbside pickup and patio seating. But while they might be tempted by crave-worthy food, restaurants know they also need to continue to upgrade their on-premise experiences.

“It’s been exciting to see the innovations that restaurants are bringing to the table from dedicated order-ahead drive thru lanes to modernized loyalty programs,” Wilson says.

Brands are showing their creativity in ways large and small: Quick serve restaurants from Chipotle to Sweetgreen have introduced new drive-thru approaches, while Panera is offering unlimited drinks with a monthly subscription and Focus Brands – parent to multiple concepts including Jamba Juice and Cinnabon – is trying out new personalized loyalty programs designed to unlock value with suggestive selling.^{8,9,10,11} This pivot is even leading Fuzzy's to open its very first drive-thru this summer, says Purser.

These anecdotal examples of improved experiences were underscored by respondents to the Restaurant Dive survey that was conducted on behalf of Waze. 94% of respondents strongly agree or agree that their organizations will upgrade their ability to provide more convenient drive-thru service over the next 12 months.

But they have other changes on the menu to keep up with customer preferences, too:

- **86%** of respondents agree or strongly agree their brands will **provide more convenient takeout/curbside pickup options**
- **85%** of respondents agree or strongly agree their brands will **increase outdoor seating**
- **85%** of respondents agree or strongly agree their brands will **increase in-restaurant seating**
- **83%** of respondents agree or strongly agree their brands will **increase their reliance on their loyalty program**¹²



Once again, consumers are confirming these preferences. A study by customer arrival platform Bluedot found 90% of consumers said they had visited a drive thru in February 2022, up from 79% in the month after pandemic shutdowns began, with more than half favoring designated drive-thru lanes for mobile pickup. And convenience is just one key aspect: 42% suggested they'd like their food kept warm at the pickup station.¹³

These responses underscore that consumers still want to visit restaurants, and restaurants that boost investment in on-premise amenities will reap the rewards. However, these investments must be supported by a corresponding marketing push. Notes Wilson, “Brands will need to strategically share the news about these upgrades to boost awareness and intent.”

94%

of restaurant industry brand and agency leaders agree or strongly agree that their organizations will upgrade their ability to provide more convenient drive thru service in the next 12 months

Source: studioID survey commissioned by Waze



Opportunity 4: **Meeting on-the-go consumers at their moment of need**

Wilson's acknowledgement of the need to broadcast new approaches is advice every restaurant brand should keep front of mind as they work to attract foot traffic.

That might entail a shift from conventional (and expensive) marketing strategies like broadcast to focus on modern channels which cater to hungry diners at that crucial moment of decision.



Already, brand and agency leaders are embracing more targeted channels for on-the-go consumers, with Waze survey data confirming that out-of-home, social media and in-car advertising are all seen as extremely effective for boosting in-person restaurant visits. 94% of respondents said social media advertising is effective, with 42% saying it was “extremely effective.” And 90% of respondents said out-of-home advertising – such as on buses, subways, billboards – is effective, with 42% finding it “extremely effective.”¹⁴

90%

of restaurant industry brand and agency leaders found in-car advertising effective. 40% found the method to be extremely effective.

Source: studioID survey commissioned by Waze

“We are seeing a confluence of factors – most notably incredible pent-up demand for travel – which makes it even more likely these mobile marketing channels will intrigue diners,” Wilson says. “Hungry on-the-go consumers are going to be looking for dining solutions and are liable to have more time to stop when taking leisure trips this summer. Targeting them through the advertising channels they naturally encounter in the car – particularly navigation apps like Waze and out-of-home advertising – should be vital parts of any brand’s marketing mix.”

It’s been a winning strategy for Fuzzy’s. “We’re not always as visible from the highway, so we need to invest in ways that attract new guests,” said Purser, who also noted she finds Waze Ads to be an ideal way to bridge the digital and physical worlds.

The proof is in the numbers, according to Nikki Rasmussen, Fuzzy’s Taco Shop Director of Digital Marketing. “Our conversion rates from navigations, takeovers and other Waze-supported advertising have been through the roof,” she said. “Plus, with consistent advertising on Waze, we see a significant increase in history navigations showing that once guests find us, they’re coming back again and again.”

Putting profit on the menu

It's clear that 2022 restaurant trends are creating new opportunities to boost restaurant visits – and increase sales.

It's an exciting time in the restaurant world, with consumers starved for new experiences and eager to try new options, Wilson says. "Our restaurant clients are telling us navigation app ads are engaging drivers like never before, by literally putting their location on the map at that moment of decision," he says. "Turn-by-turn directions alert drivers that your restaurant's location is close to their route, saving them time and fuel and helping impact restaurant visits."

Waze Ads can help serve up success and drive restaurant visits for hungry on-the-go consumers. Visit waze.com/ads to learn more about industry trends and opportunities.

Four key trends to incorporate into your brand's strategy:

- ❑ Grow in-person visits to boost brand affinity
- ❑ Track consumer driving patterns and increased schedule flexibility to create more opportunities for in-person visits
- ❑ Improve the in-person experience
- ❑ Meet on-the-go consumers at their moment of need through in-car and digital out-of-home marketing campaigns

Sources

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