

# Restaurants aim to boost sales with mobile apps

By LISA TERRY

**(March 02, 2009)** To enhance sales and service—and generate consumer buzz—operators in several segments are exploring bring-your-own-technology initiatives targeting users of wireless mobile-computing devices and cell phones.

Among the concepts with such ongoing tests or deployments are:

- Fruits Smoothies of Cooper City, Fla., which is piloting technology that turns customer wireless-network-capable cell phones, laptops and PDAs into ordering and payment devices.
- **The Boiling Crab**, a casual-dining restaurant in Garden Grove, Calif., that is managing its 300-to-400-name table-wait lists by substituting cell phone calls or text messages for pagers.
- Branches of Atlanta-based **Church's Chicken**, and franchised California outlets of the **Jack in the Box** and Denny's chains, which are trying cell phone-based couponing and surveys.
- A trio of Southern California table-service operations that are letting guests text message compliments or complaints to nearby managers.



Fruits Smoothies is testing an application that guests can access with their cell phones and use to place orders and pay tabs.

Many say the initiatives yield multiple benefits, from increasing operational efficiencies to boosting customer satisfaction.

Fruits is testing DineBlast Mobile from point-of-sale system maker SoftTouch LLC in 10 locations. Guests in those stores with Wi-Fi-capable computers, PDAs and phones log on to a hosted application via the DineBlast wireless network and see a simplified menu and price list fed from the local SoftTouch POS system. They can place orders, make requests and pay their tabs using their personal devices.

Food runners deliver orders to the waiting self-service customers, creating what Fruits Franchising Cos. Inc. vice president of operations Scott Miller describes as a "hybrid-QSR" experience.

Similarly, customers within 300 feet can order from their cars, allowing Fruits to reap the benefits of curbside ordering without the cost of a drive-thru or an end cap lease. Guests choosing optional account sign-up can save favorite combinations of menu items, make secure payments and, eventually, redeem electronic coupons.

A DineBlast Online "Mobile Edition" permits customers to place pickup and delivery orders using their mobile devices from anywhere that they have an Internet connection.

Fruits sources say they hope the convenience sets the chain apart and boosts return business. The chain is relying on DineBlast Mobile to meet its goal to produce menu items in three minutes or less.

"This allows us to have 10 registers going and people getting through much more quickly," Miller says. "The number of transactions we can put through in an hour jumps substantially."

He added that the development may require reallocation of staff.



Fruits VP Scott Miller says the DineMobile Blast app will help boost the number of transactions per hour.

Fruits received an undisclosed promotional price for DineBlast Mobile for a test that was five weeks into its eight-week pilot at presstime. For the \$2,000 standard price, SoftTouch representatives say, a restaurant gets a wireless network, a 5-user concurrent license and an appliance that plugs into the restaurant's SoftTouch POS system. The system is also being marketed to table-service operations.

Fruits ultimately plans a DineBlast rollout to all of its 40 units, subsidizing a portion of the cost to franchisees. Declining to provide specific numbers because the test had not concluded, Fruits' Miller says that in test stores using DineBlast, "We would look at possibly a 15-percent to 20-percent increase in our sales."

On the cell-phone front, Church's Chicken and Coca-Cola are partnering on a cell phone-based couponing promotion through Be Heard Solutions. Customers opt-in, answer four questions, receive a code, text that to a phone number the company provides, and then receive coupons and a sweepstakes entry.

JIB Management, a Fremont, Calif.-based **Denny's** and Jack In the Box franchisee, at selected stores of both concepts is testing technology from MobileVerbs Inc. that delivers content to customers' cell phones. In the eight-week tests, customers

opt in to answer survey questions and receive a secure coupon instantly, then one per week.

In a statement, JIB president Anil Yadav said his company was persuaded to try MobileVerbs' technology by its "ease of use and sophistication." His company has a paper- and Web-based surveying system, but he indicated that he is impressed by the flexibility of MobileVerbs in that guests can respond "via e-mail, SMS [text message] or Web simply using their cell phones, and we can see survey results instantly by store in a [reporting] dashboard."

"The best part" about using the mobile-marketing technology, Yadav added, is that it "can be deployed within a matter of hours, not days and weeks."

MobileVerb sources said the response rate for the mobile surveys is more than 3 percent and the redemption for mobile coupons is more than 10 percent, almost 10 times the response rate of paper surveys and coupons.

Beyond Internet-accessible reporting dashboards, the Mobile-Verbs system features content management tools; customer-relationship management functions; and programming interfaces for integration with client applications. The vendor said its technology automatically detects phone or PDA type; has situational sensors that base messaging on location, time, temperature, demographic or other criteria; distributes a wide range of content, including images; and can export analytical data to help operators understand user trends.

MobileVerbs charges \$300 per store per month on a 12-month contract; JIB is operating on a shorter trial contract.

Cell phones as pager substitutes have been around for a few years, but new twists are being added to the technology.

At The Boiling Crab on Brookhurst Street in Garden Grove, the seven-unit chain's busiest site, owner Dada Ngo has an enviable problem: waiting lists of up to 300 to 400 names that alienate impatient customers. So Ngo is trying QLess, a remotely hosted concierge application.

Boiling Crab guests provide their cell phone numbers in person or via the Web along with how far ahead they'd like to be notified when their tables are ready. Then they receive periodic updates via voice or text message, with the option to request more time and to check status.

"It's helped keep customers from walking away," says Ngo, who was concerned about theft or abuse of restaurant-issued pagers. "Complaints have subsided to some degree."

QLess says the restaurant has seen 29 percent more people return to eat than those signing up and waiting for a table. They also report a 34-percent increase in customers seated.

"That's probably true, but it's not all because of QLess," Ngo says. "The business was already growing, and we added 50 to 80 chairs."

Initial configuration of the hosted software takes into account restaurant setup and preferences. Each day, Boiling Crab staff log on via laptop and the Web, then notify the application when a table becomes available and when a party arrives. Software algorithms calculate wait times.

Besides an initial setup fee, Qless charges restaurant owners about 40 cents per customer served, though costs can vary widely depending on services provided.

"Last month it cost me \$5,000-plus," Ngo says. "We're still weighing it" to determine if it's worth the cost.

In another example of cell-phone-based bring-your-own technology, three-unit, Southern California-based **Café Sevilla** uses the txtandtell system for guest feedback and event promotions at its locations in Long Beach, Riverside and San Diego. The concept combines a tapas bar, restaurant and nightclub. For about \$100 a month per site, the hosted txtandtell service permits the chain to interact with its guests, who are notified of the capability by way of table tents.

"We get mostly favorable comments, but it saves us once or twice a month," says Eric Van den Haute, Café Sevilla chief executive. "The complaint automatically goes to the cell phone of the manager on duty, and he is able to go to the table and rescue the situation instantly. If it saves two tables a month per restaurant, we get our money back."