Restaurant Technology Needs Are Serving up Great Entrepreneur Opportunities

The restaurant industry used to be ranked at the bottom of the pack in terms of its application and broad use of technology. That's changing.

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In 2015, the McKinsey Global Institute evaluated U.S. industries based on their commitment to technology and digitalization. The hospitality industry, including restaurants, was ranked in the bottom of the pack in terms of its application and broad usage of technology.

This is changing: In the years since the McKinsey study, restaurants have integrated technological resources into their operations and customer satisfaction activities, but there are still plenty of opportunities in this sector ripe for development.

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Connecting to customers

In the 2016 *Restaurant Technology* survey conducted by Toast, 79 percent of respondents stated that their dining experience was improved by technology. Specific resources these customers noted included the ability to order from the restaurant's

website, digital receipts and servers using hand-held tablets.

As restaurants seek new ways to compete in an extremely competitive marketplace, technology will play a significant role in creating customer loyalty, attracting new businesses and branding. While some technologies are already in play, there are significant opportunities still to be realized, to create new tools to support customer service. Here are some of those opportunities:

Websites

Restaurant websites are more important than many owners realize, and a well-designed and informative site can make or break a business. According to a Deloitte survey, 85 percent of respondents stated that they viewed the menu on a restaurant's website when deciding to visit for the first time. In addition, the customers who do return are more likely to spend more each time they visit the restaurant.

Most restaurants post online menus that mimic their print menus. But these owners may not take the time to adjust the layout or highlight the menu tabs, which can negatively impact the ability to gain new customers. In addition, the websites themselves are often not scalable to smartphones and aren't responsive to users.

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Speaking of mobile, there is a great demand for entrepreneurs to transform restaurant websites into mobile versions that highlight those restaurants' menus and deliver the responsive functions that users demand.

Apps

Restaurant apps are used for a variety of activities, including menu review, food ordering, delivery management, reservations and more. The Deloitte survey described above found that 70 percent of respondents looked for restaurant apps that deliver personalized offers. A Statista report stated that 48 percent of U.S. diners surveyed said they enjoy using on-demand food delivery services that they access through apps. Restaurants also use these apps for customer loyalty programs, reviews and other customer retention activities.

Currently, most restaurant apps are owned and operated by large chains with significant national coverage, but there is a demand to develop apps for regional chains that have enough volume and customer loyalty to support this effort. For entrepreneurs who understand restaurant-consumer expectations, developing apps for these underserved regional chains is a great business opportunity.

Augmented reality

Some restaurants are using augmented reality to provide customers with a 3-D menu experience. The developers at Kabaq help clients use this technology at restaurants, on social media, for-catering menu presentations and for delivery services. Kabaq has found that the restaurants it surveyed that use this technology experienced a 25 percent increase in dessert sales alone.

The use of augmented reality to connect with customers and upsell food products is in its infancy. For entrepreneurs with AR experience, this technology is ripe for restaurant and food service development.

Restaurant efficiencies

In addition to increased customer engagement, restaurants are looking to technology to reduce costs and improve their operations efficiencies. According to Starfleet Research, 89 percent of restaurant operators surveyed cited their need to drive increased operational efficiency. Among the key success factors they listed was their need to increase staff productivity and to reduce inventory waste.

The demand for technology efficiencies in areas of onboarding new staff, inventory management, purchasing tools and food safety is strong and will continue to grow as these systems deliver a strong ROI.

Restaurant supply chain management

For many restaurants, supply chain management of anything from food to uniforms is their biggest challenge. Companies such as Dining Alliance help restaurants of all sizes maximize their purchase power by leveraging their numbers to get the best prices on high-quality food, equipment, place settings and more.

Using various technologies, Dining Alliance can locate the freshest food and negotiate the best prices on everything from farm-to-table staples to seafood delicacies. Using its vast network of providers, this company can also manage linen services, cleaning supplies and more.

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Dining Alliance further helps clients access the latest technologies that meet specific needs, like the streamlining of reservations, food temperature safety management and the tracking of customer preferences.The company’s personnel analyze and vet the best technology tools to manage both the front and back of the house, making these tools available to

customers at the best possible prices.

This type of integrated supply chain management service supports the success of a restaurant that is part of an industry notorious for its thin line between profit and loss. The demand for this service is growing and entrepreneurs can create chains at a local, regional or national level to support customer success.

Bottom line

The use of technology is gaining traction in the restaurant and hospitality industry, and the demand for these tools is on the rise. Entrepreneurs who are able to develop platforms that streamline processes, solve problems, improve efficiencies and address customer expectations can “have their cake” and eat it, too.

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