

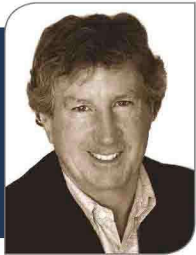
How to Compete at the Drive-Thru

Operators must go beyond speed of transaction and order accuracy

As a convenience store operator, you may already have a drive-thru at your stores, or you may be thinking of adding one. In either case, my intention here is to provide you with insight and direction on how to get a leg up on your competition and better compete at the drive-thru.

Most quick-service, fast-casual and other food-centric brands with drive-thrus concentrate on speed of transaction and order accuracy.

This is because historical research studies have indicated these to be the strongest needs of drive-thru customers. However, consumers' attitudes and behaviors have shifted tremendously in recent years, and continue to do so. Yet, the typical drive-thru remains largely unchanged from when it was introduced in 1947 by Red's Giant Hamburg on



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Route 66 in Springfield, Mo., and transformed consumers' dining habits.

CUSTOMER EXPERIENCE IS THE KEY

The key to success at the drive-thru is the customer experience; going beyond speed of transaction and order accuracy to deliver a customer experience that transcends these and leapfrogs your competition.

The process begins by clearly and thoroughly understanding what consumers want and need at the drive-thru in general, and from your convenience store drive-thru in particular. This coupled with your key brand attributes, equity elements and brand essence will form a strategic framework, from which you can develop a differentiated, proprietary and branded drive-thru experience.

Today, when it comes to dining, no matter if it's quick-service, fast-casual or casual-dine restaurants, consumers (millennials, in particular) place a signifi-



Instead of thinking about the drive-thru as a whole, Starbucks views it as distinct customer zones requiring different strategies.

cant premium on the overall experience. What's noteworthy is that virtually all of the customer-experience enhancements and restaurant makeovers take place in the interior and not in the drive-thru.

WHAT YOU CAN LEARN FROM STARBUCKS

Five years ago, Starbucks' drive-thrus were nothing special, not even at parity with industry standards. The story of their rise to industry drive-thru leadership includes adopting a new way of looking at their drive-thru business through individual customer zones, a commitment to developing solutions based on their customers' needs and behaviors, and incorporating proprietary brand and design elements.

Several years ago, by their own admission, Starbucks' drive-thrus had "hit a wall." They lacked differentiation, and customer communications were limited to poorly designed menuboards. Their vision was to find ways to think differently about the drive-thru. What could be done to speed throughput, increase transactions, provide better service, and grow ticket? What could be done to differentiate the Starbucks drive-thru experience and dazzle customers?

Addressing these questions is testament to a market leader willing to change in order to generate significant and meaningful improvement.

Starbucks asked King-Casey to evaluate the drive-thrus and make recommendations. The first step was to conduct an audit and assessment of the drive-thrus, looking at them through the lens of their customers and utilizing King-Casey's COZI (Customer Operating Zone Improvement) methodology. King-Casey was accompanied on the audits by a small team of Starbucks executives to whom the results were eye-opening.

By the third site visit, the Starbucks team was leading the audit, pointing out how little consideration was being given to their customers at the drive-thru (e.g., "There aren't even any signs to indicate where the drive-thru is."). The audit provided the first "aha" moment for Starbucks — that their drive-thru was something more than just order and pickup points.



"Pickup and pay" is one of the Starbucks drive-thru customer zones.

The COZI audits enabled Starbucks to hone in on meaningful solutions. COZI is a methodology that treats stores not just as branded retail boxes. Each store is actually a collection of many individual "customer operating zones," with customers behaving differently in each one. Their needs and expectations are different. Their attitudes and mindsets are different. Each of these unique zones is right for one communications and merchandising strategy, and dead-wrong for another.

In this case, Starbucks needed to identify each of their drive-thru zones. These included: approach, entry, pre-order, order, pickup and pay, and exit. Following the identification of zones, Starbucks needed to understand how their customers behave in each zone, what their needs are, and then establish specific business and improvement goals for each zone.

CUSTOMER-CENTRIC SOLUTIONS

Customer zones was a breakthrough moment for Starbucks. Instead of thinking about the drive-thru as a whole, Starbucks started thinking about the different

and distinct customer zones. Being able to dissect the drive-thru into key customer operating zones helped Starbucks think through and identify many different improvement opportunities.

New zone-specific strategies were developed for the different customer zones. Communications and messaging were now cognizant of customer needs, attitudes and behaviors, and were tailored to meet specific, zone-appropriate business objectives.

These changes alone made a big difference in sales performance and customer satisfaction that exceeded expectations. But Starbucks didn't stop once they had optimized their zone-specific customer messaging. They set out to identify what else they could do to deliver to their drive-thru customers a superior and memorable experience like their customers enjoy inside the store. That took some creative ideation, focusing on clearly understanding their drive-thru customer needs and even inventing new technological solutions. What follows are a few examples:

- **The "Digital Barista."** The key element in replicating Starbucks' interior customer experience at the drive-thru is the addition of a 46-inch digital screen that allows customers to interact live via two-way video with the baristas who serve them. The innovative digital display also serves as an order confirmation communicator, and promotes (in real time) available bakery items and suggest-sell promotions to increase incidence of food attachment to beverage orders. Customers love it, particularly the unique ability to see and chat with their barista. The "digital barista" illustrates another object lesson that is less obvious. It capitalizes on Starbucks' greatest asset: its people, and their engagement with customers. This is an insight and opportunity that would have never surfaced from a typical research study on the drive-thru.
- **Branded Wayfinding at the Drive-Thru.** Customers had difficulty identifying Starbucks stores that had drive-thrus, and smoothly navigating through them. To alleviate this, Starbucks added unique branded signage with chevron arrows and "Starbucks green" pavement stripes to help customers quickly find and easily navigate the drive-thru.
- **Optimized Customer Communications.** One area of significant opportunity — increased food sales at the drive-thru — was initially imperiled by an internal cultural concern that images of food on the menu board would cheapen the Starbucks image. But positive customer feedback and test

results convinced Starbucks that food images were helping drive food sales at the drive-thru. Starbucks now prominently utilizes visuals on its interior menuboards as well.

Another key insight involved their drive-thru merchandising. There is a saturation point for messaging within individual customer zones. Depending upon the zone and how customers use it, there's an ideal maximum number of messages the customer can digest. Going beyond that saturation point is a waste of money, and it also frustrates the customer and slows down throughput. So, zone-specific merchandising guidelines were developed to help Starbucks with "message management" within the drive-thru.

DRAMATIC BUSINESS RESULTS

Average store sales are approximately 50 percent greater in Starbucks locations that have a drive-thru. The dramatic business results Starbucks achieved through reinvention of its drive-thrus have initiated the largest capital expenditure in the company's history. In fact, Starbucks' stated goal is to have drive-thrus in



half of its stores by 2020. This is positive proof of the continued and growing importance of drive-thrus to today's busy and time-starved consumers. **CSN**

Tom Cook is principal of King-Casey, where his primary responsibility is to oversee and direct the strategic and operations management of the retail consulting and design firm. This entails King-Casey's core business processes: client service delivery, client business development, design and implementation delivery, new service development, and new business development. Cook's expertise in branding, marketing and strategic retail design spans a broad range of clients and industries.

Editor's note: The opinions expressed in this column are the author's and do not necessarily reflect the views of *Convenience Store News*.