The Transformation of the Restaurant Drive-Thru
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Executive Summary
Once considered an adjunct to an established restaurant, the drive-thru has evolved into an essential business component helping eateries achieve profitability and exceed customer expectations. Drive-thru’s are illustrative of a case where technology has helped redefine the dining experience. QSR Magazine cites examples of national chain restaurants that have more than doubled revenues by implementing an effective drive-thru strategy. The drive-thru has become the industry’s most popular off-premises channel having accounted for fifty-two percent of to-go orders in 2021. This growth activity represents an increase of four percent over the prior year.

Most industry practitioners believe restaurant success depends as much on service quality as it does on food quality. The speed and coordination in preparation, as well as the wholesomeness of menu items, are critical factors. Consumers have always sought speed and accuracy with a drive-thru order, but pandemic circumstances amplified guest expectations to include personalization and concise communications. From a drive-thru perspective, clear communications, accurate order entry, and secure payment processing are core technical elements for an effective operation.

It is estimated that the average American will spend more than $1,200 on drive-thru food this year. This sum represents a substantial annual increase attributable to the restrictions of the pandemic. Simply stated, drive-thru’s have become the restaurant industry's most popular off-premises channel, accounting for more than half of all to-go orders in 2021, according to industry researcher NPD. This business volume represents an increase of four percent over the prior year. During the pandemic, restaurant takeout orders experienced exponential growth. As a result, operators need to continue supporting a multiple channel approach to off-premises dining that also includes delivery services and order ahead options, including mobile apps.

According to QSR Magazine, no area has seen more digital improvements than the restaurant drive thru. Many industry practitioners claim the pandemic made the drive-thru an essential part of keeping restaurants open during lockdowns. It was the sole way to continuously serve customers at eateries across the country. To thrive amid elevated off-premises demand, restaurants have begun investing in innovations designed to maximize delivery, curbside pickup, and drive-thru offerings. These plans for futuristic store models include digitally integrated double and triple drive-thru’s to better accommodate mobile orders, and take-out, with reduced on-premises dining room space. For example, consider the two-story Taco Bell in Brooklyn Park, Minnesota that according to taco.com was developed featuring four drive-thru lanes, including three lanes designated for mobile or delivery order pickups. The fourth lane will offer a traditional drive-thru experience with face-to-face interaction between customers and staff.
A Trip Down the Drive-Thru Lane

The drive-in preceded the drive-thru at restaurants and required a customer to order and consume a meal on the premises, typically without leaving the comfort of their car. The drive-in concept was first popularized by a Texas chain of eateries called the Pig Stand in 1921. It was located on a highway between Dallas and Fort Worth, TX. Customers drove their vehicles into the parking lot and were greeted by a carhop who served as a combination waitstaff-busser. The carhop was responsible for serving burgers and fries on trays that clipped onto the car’s window. In 1931, a Los Angeles franchisee of the chain allowed drivers to order and receive bagged meals on a grab and go basis. The drive-thru soon emerged as the preferred type of takeout service as it enabled customers to purchase products without leaving their vehicles.

The drive-in was considered less of a novelty and more a business expression of passion for speed, efficiency, and rapid production. By indulging guests’ desire not to leave their cars, operators could survive with fewer employees, thereby rendering reasonable pricing and a decent level of profitability. The drive-in simply allowed parked customers to call in their orders for car-side delivery.

Despite the success of the drive-in concept, several large national chains were slow to adopt the model. In 1947, the first drive-thru restaurant was created in Springfield, Missouri by the operator of Red's Giant Hamburg in Springfield, Missouri. It wasn’t until the mid-1970s that the first McDonald’s drive-thru opened. It is interesting to note, that several attempts at a drive-thru were also made by independent and small chain operators.

Industry observers claim the drive-thru changed the types of food that quick-service restaurants offered as well as the way cars were designed. In-car cup holders became standard, windows were made larger and easier to open/close, and seating was made more spacious. As highlighted by sustainablecitycode.org, it is important to note that drive-thru’s are designed for vehicles not pedestrians (no walk-up trade).

The drive-thru allows a restaurant to serve more guests than could be accommodated in its dining room at any given time. This fact was especially important during the pandemic, when indoor seating was extremely limited or prohibited and outdoor dining was weather dependent. The drive-thru ordering system helped restaurants survive during and following the pandemic as it provides an unequaled increase in capacity with reduced physical touch points.

Drive-Thru Concepts

A critical metric when dealing with drive-thrus is speed of service; how quickly a vehicle can be serviced and moved through the line will render the customer experience fast and efficient. Operators also can incorporate mobile technology early in the path to allow order takers to work more efficiently.
Such an approach gives restaurant employees multiple points to take orders instead of relying on the traditional menu board setup.

There are many different drive-thru formats including a dual drive-thru where there may be a central ordering point followed by two pickup points or two separate tandem windows for ordering and pickup, respectively. Another factor is the need to support the drive-thru in multiple ways. Supportive services typically include a payment window where a vehicle stops to provide payment prior to proceeding to the order pickup window. Alternatively, during slow times, only one window may be in use.

It is widely thought that the convenience of drive-thru depends on innovation and effective delivery. While drive-thru’s once handled a smaller percentage of the business, recently they have become instrumental for satisfying the growing demand for off-premises consumption. Many industry observers foresee the drive thru as the cornerstone for the restaurant of the future.

Customers are looking for experiences that differentiate drive-thru’s from one another. A popular means by which to speed drive through service is to assign a staff member to take orders ahead of ordering at the drive-thru menu board. This technique is normally referred to as line busting. Deploying line-busting technologies, such as rugged handheld tablets, allows employees to turn these devices into mobile POS systems by integrating barcode scanners and payment. This order taking method can speed up the process for customers to get their orders in the drive-thru lane.

Source: touchbistro.com

Seamless Operations

There are a few ways a restaurant can employ a drive-thru system to create a seamless ordering, payment, and pickup sequence for customers.

1. Customer places order using a traditional drive-thru two-way microphone and menu display screen.
2. Customer places order via online app or mobile device before arriving at a drive-thru lane (termed call-ahead ordering) to complete pickup service.
3. Customer orders from a staff member, via line busting, with a handheld POS tablet designed to accelerate the drive-thru lanes.

The pandemic has led restaurants to alter production processes in a way that can benefit efficiency and effectiveness of customer service. Innovative drive-thru technologies provide a platform for servicing higher levels of traffic with minimal congestion or bottlenecks. The implementation of designated lanes that separate online or mobile ordering from on-premise drive-thru activity contributes to enhanced operational performance and increased sales.

As a result, drive-thru operations have the following benefits for restaurant operators and customers:
1. Drive-thru ordering systems are pandemic-friendly. Systems rely on a clear channel microphone ordering system designed to reduce or eliminate physical contact between staff and customers.

2. Drive-thru’s provide customer convenience. According to a study by QSR Magazine, customers spend an average of 250-275 seconds (just under 4.5 minutes) in a drive-thru line. A comparatively rapid service exchange.

3. Drive-thru’s increase foodservice capacity. Efficient communication technologies enable an operator to serve more customers than would be otherwise accommodated. When indoor seating is limited and/or outdoor dining is weather impacted, the drive-thru can enable continuous service.

4. Drive-thru’s present an added source of revenue. By adding drive-thru opportunities, a restaurant can complement on-premises dining, takeout, and delivery channel sales.

**Drive-Thru Challenges**

We have shared many beneficial reasons to consider a drive-thru for your restaurant, however, keep in mind of these constraints and use appropriate strategies to overcome them.

**Throughput:** As restaurants serve an increasing number of drive-thru customers and nontraditional service, e.g., online ordering. Use proper signage to direct customers where to place or quickly pickup orders.

**Analytics:** Detailed analytics to identify and diagnose potential drive-thru bottlenecks. Resolving congestion problems helps avoid negative customer experiences.

**Resources:** Keeping restaurant employees fully engaged and working efficiently can assist in retention and drive-thru service improvement. Short staffing may result in having to close or restrict drive-thru lane operations, while curbside pickup could require staff to communicate with customers to ensure order accuracy.

**Real Estate:** Restricted Lane may limit the configuration or number of drive-thru lanes or a designated area for order pickup from mobile or online orders.

**Communications:** Minimize kitchen and outdoor sounds when taking orders to ensure accuracy and avoid orders being repeated. Utilize headsets that complement your drive thru system with a battery to last during an entire shift.

**Drive-Thru Technologies**

Many technical components need to work harmoniously in order to create an effective drive-thru. There are sophisticated headsets that allow staff to interact with the outside speaker post to take the order, to physically enter it into the point-of-sale system, to play it back to the guest, and to ensure that the proper pricing is conveyed. High quality audio is essential for speed of service and order accuracy. Along with the audio headsets, there are timers that track service times, including how long a vehicle has been in the queue, and how long a vehicle has been waiting to get their order so that speed of service metrics can be measured and improved upon. The goal being to move a vehicle through the drive-thru in less than 2 or 3 minutes from the time of order placement to time of pick up. If it is going to take longer, to keep the line flowing, the vehicle should be taken out of the queue and “parked” so that the order can be carried out to them.
Another piece of equipment, vehicle detectors, alert servers when a vehicle has joined the queue. They identify how many vehicles are in a queue and provide data to track speed of service. Some systems allow you to track the number of vehicles that are in line so that you can determine at what point it makes sense to start line busting.

Strategically positioned digital menu boards enhances the customer experience. They can promote specials and increase check averages while reducing the staff’s time on menu item updating. Enterprise-ready software allows for self-management or the flexibility for a fully managed solution.

Maximize Staff to Meet Customers’ Needs

According to the recently published The Future of Restaurants Report: 2022 Edition from Square, nearly three out of four restaurants state they are experiencing a labor shortage and that automated tools and integrated apps can be a part of the solution. Foodservice staffing shortages and minimum wage increases represent major industry challenges leading operators to implement cross training programs. Such strategy allows idle drive-thru employees to handle other responsibilities when the drive-thru’s do not require full-time assignment. Staff may be capable of fulfilling related roles such as handling in-house order production, online and mobile order processing, and delivery app placement.

Both drive-thru and online ordering platforms should integrate with the restaurant’s POS system so that the kitchen automatically gets tickets for all drive-thru orders. Prepare takeout packaging at the start of each day by placing plastic ware, sauce packets, napkins, and other amenities in individual bags to be used for drive-thru items. Speed is critical for drive-thru orders, so it is wise to determine “pre-build” items in advance as reasonably possible.

According to the 2022 QSR Magazine Restaurant of the Future report, customers want experiences outside the traditional dining room that provide the same quality and variety balanced with convenient ways to choose, order, receive, pay for, and consume a meal. Deloitte research supports these findings and adds that restaurants do not anticipate returning to pre-pandemic in-store dining frequency. This is a notion that will continue to lead restaurants to keep tweaking convenience strategies in an effort to meet guests where they want to be.

After deciding how customers will place orders, operators need to determine how these same customers will receive them based on available capabilities: For example, consider these three scenarios:

1. Dedicated pickup window: If your restaurant offers traditional drive-thru ordering system capabilities, there’s no need to reinvent the process.
2. Food lockers: This contactless, self-service option involves placing a food locker at a designated area of the restaurant for customers to access easily, much like an Amazon Locker, and to ensure the correct order is picked up by the correct customer and food items are kept at the proper temperature.
3. Call-ahead Curbside: For call-ahead orders, customers can avoid the drive-thru lane and park in a designating spot, with reserved parking signage. The customer would then call the posted phone number upon arrival and their order would be brought out to them.
Regardless of whether a restaurant has a traditional drive-thru ordering system or a hybrid one, there are several ways to optimize drive-thru traffic that can encourage repeat customer visits, including:

1. Invest in proper digital signage: This will minimize confusion, traffic jams, and accidents while ensuring smooth traffic flow. Place overhead signs as well as consider painting directional arrows and words on the parking lot surface. With curbside pickup, additional signage informs customers where to park and what phone number to dial upon arrival. Digital signage allows you to quickly change or update the message, based on food order demand and other factors.

2. Create a drive-thru menu: Implementing a simplified drive-thru menu will help ensure customers can be in and out of the queue in five minutes or less. If drive-thru wait time takes longer than five minutes, set expectations from the start.

3. Promote the drive-thru: Providing content on email, internet sites, and social media can help familiarize customers with restaurant operations. Offering drive-thru incentives and discounts can also be effective.

4. Leverage technology: Most industry practitioners claim technology is the key to a smooth drive-thru ordering process. For example, providing a customer-facing display to confirm orders and pricing, can resolve difficulties during the ordering process. For heavy trafficked drive-thru operations, equipping staff members with POS tablets, for line busting, expedites order placement.

Customers will revisit a drive-thru if the restaurant fulfills the order accurately and that sixty-two percent of diners will return if the experience is quick.

Customer Driven

Customers are even more enthusiastic about the drive-thru than restaurants’ managers, according to data from PYMNTS’ 2021 Restaurant Readiness Index, created in collaboration with Paytronix. Forty percent of diners believe the ability to pick up orders at a drive-thru will be important to restaurants’ future success, while only twenty-six percent of managers agreed. Additionally, the study found that the most successful restaurants are more than three times more likely than their least successful counterparts to offer a drive-thru option, with fifty-seven percent of top performers featuring drive-thru’s, compared to sixteen percent of bottom performers.
Not Just for QSRs

Although drive-thru’s are very common among Quick Service Restaurants (QSR), some fast casual restaurants are adding drive-thru lanes. Smokey Bones Bar & Fire Grill (opening in Spring 2022) reported by restaurantbusinessonline.com will offer two drive-thru menu options, Express and Made Fresh for You. Those ordering from the Made Fresh for You menu will wait in a designated area for their order. Besides the added level of customer convenience, it is expected that the drive-thru will increase both lunch and late-night business.

Future Trends in Development

Customers will dictate their orders to the cloud, which will interpret the voice order via artificial intelligence (AI). The technology is currently in development. Across the industry, QSR chains are looking for ways to win consumers’ drive-thru loyalty by offering the most seamless and efficient experience.

In car voice technology will soon allow customers to order while in their cars by voice through the vehicle’s dashboard. Industry consultants predict in-car AI will be able to create and place an order based on time of day and previous orders. For example, prompting morning customers to order coffee and a breakfast pastry. In fact, voice ordering may be essential to obtaining the quickest, most frictionless drive-thru experience.

Synq3.com cites the downsizing the restaurant building but adding support of pickup areas and drive-thru lane(s). Leveraging, AI greetings and AI to automatically take orders, voice recognition will build the order and do suggestive selling at drive-thru window speaker post. When needed, the AI will transition to a Live Person. It is expected for restaurants to benefit in increased labor savings, enhanced customer service, maintain production consistency, and boost customer satisfaction.

By upgrading drive-thru’s with advanced digital technologies, restaurants can capture customers’ demand to help provide the freshest food items when they are ready to pick up their orders.

Summary

Since the 1940s, drive-thru’s continue to capitalize on convenience and quick ordering. Restaurants are making major investments in the drive-thru channel. The drive-thru technology must allow restaurant staff to communicate with customers with clarity and accuracy, so the order is placed once and not repeated. Drive-thru and the sophistication around the whole drive-thru process adds a tremendous amount of complexity to a point-of-sale environment. It is important to keep in mind the key considerations when dealing with drive-thru’s ability to quickly service an order, in terms of staffing, and utilizing payment and pickup windows to quickly move vehicles through the lane. Effective drive-thru technologies are imperative for efficient and quick drive thru experience for both operators and customers. The drive-thru became a lifeline for restaurants during the pandemic and might never be looked at the same in the future.
The Value of the Drive-Thru During COVID-19
by Jon Prater and Connor Olandt
qsmagazine.com

The average American will spend over $1,200 on drive-thru food annually. The value of having a drive-thru has increased tremendously since the onset of the pandemic. The NPD Group Tuesday reported that drive-thru visits increased 26 percent in the April, May, and June quarter and represented 42 percent of all restaurant visits.

In July when more restaurants were reopened, drive-thru visits still increased 13 percent, the highest among the service modes of on-premises, carryout, and delivery, according to NPD's daily tracking of U.S. consumers' use of restaurants and other foodservice outlets.

Since the 1940s, drive-thrus continue to capitalize on convenience and quick ordering. Drive-thrus are likely to increase in popularity now that social distancing guidelines have come into play.

Quick-service restaurants, like most other businesses, have had to find ways to adapt to recent challenges. For instance, quick-service restaurants obtain sales primarily through two types of customers, the first being daily population customers, and the second being passerby customers. Passerby customers consist of people who happen to stop at a quick-service venue while on the way to their destination; passerby customers are typically not frequent customers at one specific restaurant.

The daily population consists of customers who live or work near a restaurant and frequent the restaurant multiple times a year. Since the COVID-19 pandemic hit the U.S., there has been a decrease in commuter traffic. While most offices have shut down and people are working from home, quick serves are experiencing less traffic from those customers who would typically visit during a lunch break.

This decrease in commuter traffic has caused coffee shops such as Starbucks, Dunkin', and Coffee Bean to experience a decline in sales. As people choose to stay home instead of going out, the decrease in overall traffic has caused a decline in the need for the convenience of drive-thru's. As people are staying home more and traveling less, some quick serves are experiencing a drop in customers who would normally stop while commuting.

The socioeconomic results of COVID-19 have forced many major brands to innovate. We are seeing a sharp increase in brands investing in mobile ordering and delivery technology through cell phone apps. Additionally, quick-serves are adapting to optimize drive-thru lines as their inside dining rooms are closed. Some franchisee operators of national chains have made statements that they prefer the new model of drive-thru only as closing the dining room decreases expenses associated with paper products, soft drinks, cleaning, and maintenance.

Among the restaurants that encouraged customers to get their food to-go during the outbreak are Starbucks, Chick-fil-A, and Taco Bell. All of which utilized drive-thru's to limit large gatherings and keep customers safe.

There are two main differentiating factors of a quick-service restaurant versus a casual dining or sit-down restaurant. First is the short amount of time in which the customer receives their food after ordering. The second is the drive thru. Drive-thru's have been critical to a quick-service restaurant’s success, not only during COVID-19 but overall.

Drive-thru's make the accessibility for customers significantly more convenient, and in turn, increase sales as much as 70 percent for some national chains. Panera Bread claims that adding a drive-thru window to its existing stores instantly generates more sales. As it relates to COVID-19, having a drive-thru allows a
restaurant to remain open to customers as it limits the physical contact between employees and guests. Furthermore, the CDC identified restaurants with drive-thru’s as essential retailers, thus permitting them to remain open during the pandemic.

As most restaurants without drive-thru’s have shut down, the only option other than cooking at home is to stop at a local quick-serves and pick up food through the window. Brands equipped with drive-thru’s have fared significantly better than sit-down restaurants during the COVID-19 pandemic. Drive-thru access is ideal for contactless ordering. Furthermore, restaurants are available on most major food delivery platforms. Mobile apps allow customers to order meals with minimal interaction. The changes brought on by COVID-19 have resulted in less competition from full-service sit-down restaurants which has benefited quick service restaurants.

All in all, drive-thru’s have been the top contender for distributing food to customers during the COVID-19 pandemic. On average, 50 million Americans eat fast food every day, generating $570 billion in global revenue, with an annual growth of approximately 2.5 percent. Quick-service restaurant assets have a clear advantage during COVID-19, making them a sound investment for commercial real estate investors.