



In partnership with:

**TOSHIBA**



# Redefining the Guest Experience through Unified Commerce

This Market Snapshot is part of Incisiv and Toshiba's effort to deliver peer-based learning and thoughtful insights on important topics that will help you navigate today and prepare for tomorrow.

*Unless otherwise indicated, all data in this Market Snapshot is from this Incisiv's industry data pool.*

## Industry Outlook

Digital is the front door to the restaurant and operators must provide a consistent experience across the buying journey.

**The food industry must adapt their models to remove friction from the buying journey that most often starts in the digital realm.**

### Format Proliferation

The restaurant industry is experiencing an explosion of new formats and models, including ghost kitchens, drive-through only, and shared use commercial kitchens to accommodate guests' changing consumption habits and the need to keep labor costs under control.

### **\$1 Trillion**

revenue opportunity for **ghost kitchens** by 2030.

### Changes in Labor Model

Higher wages and changes to associates' roles mean operators have to be smarter about how and when they staff. Efficiency is critical to maximizing margins, and operators can leverage tools, including point of sale, to keep costs under control.

### **62%**

Of operators **disagree** that their labor optimization tools are effective.

### Cross Channel Integration

The ordering journey for consumers is forever changed. Restaurateurs must now meet the customer where they are, which means they must provide a consistent, unified experience across channels. This includes promotions, payment options, ordering, checkout and pick-up/delivery.

### **70% of QSR and 42% of Fast Casual**

restaurant chains are looking to enable seamless operations across channels. The **#1 area of technology investment.**

## New Guest Priorities

As food service industries reopen, they need to adapt their systems to accommodate new habits formed during 2020.

**Guests are defining their ideal customer experience regardless of format. Their expectations are being set by the best experience overall.**

### Convenience

There has been a massive surge in digital ordering and in the adoption of new fulfillment options such as curbside pickup and delivery. Guests are becoming accustomed to the convenience these services provide and will want them to continue post-pandemic.

**35-55%**

Of European shoppers intend to continue to use **delivery** for restaurant orders when pandemic ends.

### Consistent Experience

The digitization of the dining experience was rapidly accelerated in 2020. Guests want the ability to leverage digital capabilities such as ordering or payment regardless of whether they are in-location or at home and they want a consistent experience across all formats and buying journeys.

**72%**

Of restaurants are looking to enable **self-service options** for guests in 2021.

### Value

Value is not solely defined by the lowest price. Guests who believe they are getting better value by superior service or food quality are still willing to pay more. However, the economy is still hurting, so restaurateurs must balance the equation appropriately.

**27%**

**reduction** in the share of consumer food expenditures at restaurants from 2019 through December 2020.

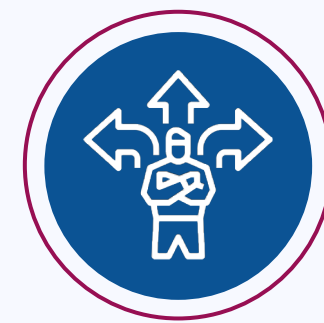
## New Guest Priorities

Operators must offer a consistent 'unified' view of their offerings to their guests and must have the same view internally to ensure efficient operations.

**A point-of-sale system must provide restaurant chains the ability to quickly adapt to a dynamic environment and a redefined set of guest expectations.**

Point of sale has taken on a whole new meaning in the restaurant environment of 2021. It must accommodate a new set of operational processes and must be nimble enough to work across format or operating model. There are four core imperatives that operators need to focus on in 2021 and beyond.

### The 4 imperatives of the redefined restaurant environment



#### Flexible

Technology that can quickly adapt to the required changes to the store environment is now table stakes.



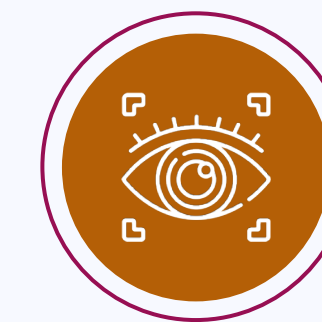
#### Scalable

The restaurant industry must have systems that can scale, regardless of format or number of locations.



#### Efficient

Associates need intuitive systems to maximize productivity and customers expect familiar interfaces with which to interact.



#### Future-Ready

Restaurant systems need to integrate and share data with new technologies (order ahead, etc.) & this requires them to be open and scalable.

## #1 Flexible: Restaurants must have technology that can be leveraged regardless of operating environment.

As restaurateurs slowly begin to see locations open at full capacity, they must adjust operations to a hybrid of pre-pandemic and pandemic-related protocols. While guests want to get back to in-location dining, many of the digital solutions adopted will remain. This environment highlights the need for point-of-sale systems that are flexible enough to operate in multiple use cases such as delivery/pickup staging area, hostess stand, or kiosk check out. This means a solution that offers multiple configurations to accommodate various levels of guest interaction. Finally, a modern point of sale must have the ability to interact with consumer technologies that will continue to proliferate in 2021 and beyond.

**43%**

of operators will deploy Mobile POS in the next 24 Months.



Operates up to seven restaurants, retail stores, spas, casinos and gyms on a ship from a single, unified POS platform.

**95% QSR, 62% Fast Casual and 30% fine dining**

restaurants are expected to deploy their own mobile app by 2021 (Nearly double 2019).



**Robin Lyon**

Director – ISV Relations, Europe  
Toshiba Global Commerce Solutions

The tools that restaurateurs use to deliver great customer experiences must evolve quickly. As vaccines continue to roll out and customers' post-pandemic preferences start to take shape, food service businesses need point-of-sale technologies that are designed to multi-task, facilitating great experiences across channels. Toshiba's TCx™ 800 has the flexibility and durability that the food service industry needs today, and provides a solid foundation so businesses can evolve to meet customers' needs in the future.



**Carsten Wulff**

Vice President LS Retail Europe  
LS Retail

Mobility is now a clear priority. If you run your Point of Sale on mobile devices, you can more easily manage the flow of guests, and organize the movement of your employees within your premises, keeping everyone safe. At the same time, service is faster and more convenient for your guests, as they don't need to queue at the register. They can stay at their table throughout the entire dining experience, from when they order, to when they pay.

## #2 Scalable: Restaurateurs must continue to innovate with new models to keep up with changing guest tastes.

As restaurant chains tried to survive in 2020, many had to pivot to new formats and models, including ghost kitchens, limited menu formats and brand extensions. To innovate efficiently, restaurateurs should have a point-of-sale that is extensible across any format and can integrate with other systems such as loyalty programs, mobile wallet and online ordering/delivery. In addition, as growth again becomes a priority, the system's ability to scale from one location (e.g., a new test format) to hundreds or thousands of locations is critical.



Many European restaurants have innovated through glass or canvas enclosed single tables to allow for in person dining.

## #1 Driver

of technology investment is enabling seamless orders/ commerce across all channels (82%)

## 52% QSR and 40% Fast Casual

of the top 50 have adopted contactless pickup options for guests.



**Robin Lyon**

Director – ISV Relations, Europe  
Toshiba Global Commerce Solutions

Consumers are engaging with their favorite restaurants in new ways, and if food service businesses expect to survive and thrive in the years to come, their point-of-sale technology needs to be able to scale to keep pace with future innovations and customers' needs.



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Vice President LS Retail Europe  
LS Retail

In the past few years, the food service panorama has been transformed by innovators who merged eating with retail stores, cooking classes, and entertainment. To differentiate the offering, and still deliver a consistent brand experience, restaurants need a strong single platform, which can handle retail sales, hospitality services and events and ticketing at once, and maintain all data - including customer information - in a unified way.

## #3 Efficient: Restaurateurs need solutions that are intuitive for the employee and easy for the consumer.

As operators look to re-staff their locations and return to full capacity, they need their point of sale to be their core system of record that can efficiently manage their operations. This means implementing a single platform that can be utilized for multiple use cases (hostess, menu viewer, bar, server area, kitchen, delivery staging, drive-through) and can easily integrate with other systems. Also, systems should offer a familiar interface for associates to reduce training requirements, especially considering many of the added responsibilities that are now part of an associate's role. Finally, the system must be easy to clean, given the 'new normal' of restaurant dining.



LS Retail solutions power some of the most complex organizations, including a 650+ location chain of fast-casual restaurants and retail stores in the United States. The company can now run their retail and food business within a single platform, which has reduced IT costs and increased order efficiency by 30%.

### Platform Vs Point of Solution:

**70%** of top QSRs and **50%** of Top Fast Casual chains are moving to platform solutions vs point solutions.

### Personalized Experience:

**40%** of top QSRs and **44%** of all fast casual chains are investing in AI for personalization.



**Robin Lyon**

Director – ISV Relations, Europe  
Toshiba Global Commerce Solutions

As food service businesses look toward the future, technology interfaces must be an important consideration. A good technology user experience can make a big difference to shoppers and staff; it needs to be reliable, versatile and, a critical feature in a post-COVID world, easy to clean. Our TCx 800 All-In-One POS is made to thrive in harsh, high-touch retail environments and is easy to service with simple components. But even with our retail-hardened technology, consistent maintenance and cleaning will help you get the best and longest life out of your hardware.



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Vice President LS Retail Europe  
LS Retail

One of the functionalities that have been delivering the most benefits for restaurants are kitchen display systems (KDS). These are screens which are directly connected to the POS in your employees' hands, as well as the self-service devices and kiosks, and the online ordering systems. Orders are sent straight to the correct kitchen station display, making production faster and more organized.

## #4 Future-Ready: Solutions must have the capability to handle growth and be able to adapt to changing conditions.

As the industry continues to evolve to accommodate new buying journeys, new digital interaction points and new fulfillment methods, POS technology will remain at the core of a restaurant's IT infrastructure. The core POS platform should offer the integration capabilities to allow for simple plug into to new digital applications and the agility to manage the business across different operating environments and/or formats. As restaurants look to return to growth in 2021, investment in a POS platform that is ready for what the future holds is just good business. In addition, operators need to select hardware that is able to stand up to the harsh environments of restaurants for the long term.

### 25% QSR and 40% of Fast Casual

brands plan on upgrading their POS in 2021.

### 58%

of restaurants will offer voice-based ordering by 2022, growing 250% in two years.

## TOSHIBA

Recently rolled out its TCx 800 Platform across a large multi-format restaurant chain. The solution's robustness enabled rollout across different formats and different use-cases, including POS stations, bars, hostess stands and kitchens.



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Director – ISV Relations, Europe  
Toshiba Global Commerce Solutions

Whether it's the ability to process multiple orders on a variety of platforms and consumer touchpoints, or protection from everyday environmental hazards like impacts and spills, the food industry needs point-of-sale technology that is designed for retail and that is powerful, resilient, and can keep up as the industry changes.



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Vice President LS Retail Europe  
LS Retail

The first step for restaurants is to implement unified commerce solutions that cover the whole business, unify data from various sources into a single database. That's the necessary premise to get reliable business data. Step two is running the data through business intelligence and analytics services, and getting insights that can be used to deliver personalization, predict trends, and make smart business decisions.



## Next Steps

### Quick start recommendations

There is little doubt that technology will be the enabler for the redefined requirements for restaurant operators. While revenues are down and capital is tight, operators have to look at technology and systems as an investment to ensure their viability going forward. Measured steps can be taken, however, and we recommend:



#### **Follow the guest:**

Gain an understanding of what core consumers want from your locations and how mobile or 'location-less' preferences are going to impact your business long-term.



#### **Map the experience:**

Work with cross functional internal teams to map the many experiences your guests desire from a process and technology perspective.



#### **Build enabling roadmap:**

Research and test technologies that enable the experience you're looking for. Be sure to know the interoperability and complexity of the integrations into the core platform.



#### **Start with the core platform:**

Look for a POS that can drive multiple components of the restaurant experience and is flexible enough to enable integrations that will drive a frictionless experience for both guests and associates.

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Toshiba Global Commerce Solutions is a global market share leader in retail store technology and retail's first choice for unified commerce solutions. Together with a global team of dedicated business partners, we advance the future of retail with innovative commerce solutions that enhance customer engagement, transform the in-store experience, and accelerate digital transformation. To learn more, visit [commerce.toshiba.com](https://commerce.toshiba.com).



LS Retail is a world-leading developer and provider of unified commerce software for restaurants, retail, hospitality, pharmacy and forecourt businesses.

Every day the LS Retail systems power over 80,000 retail stores, restaurants, pharmacies and gas stations across the globe.

The LS Retail solutions unite within one platform ERP, Point of Sale, e-commerce, inventory management, advanced analytics, and more. With our unified commerce software, thousands of businesses have managed to cut IT costs, reduce mistakes, gain control over their whole operation, take timely strategic business decisions and build superior customer experiences. Learn more at [www.lsretail.com](https://www.lsretail.com).



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