



Insights Report.

# The Restaurant Digital Maturity Model



Give your customers the Personalization They Crave.





# “Good” Is No Longer “Good Enough”

It wasn't terribly long ago that a restaurant would be considered ahead of the curve if it had a website with online ordering capabilities and a mobile application. Restaurants rushed to offer these experiences, leading to a massive spike in templated and white-label experiences.



While white-label solutions provided quick access to features such as online ordering, customers now expect more from restaurants and their digital experiences.

## White-Label Solutions Were Initially A Good Fit

They can be implemented quickly and cost less than developing a custom solution.



## Expectations Have Shifted

Customers now expect more from restaurants than what white-label digital solutions have typically provided.

The shift in expectations has left much of the restaurant industry scrambling to figure out how to keep up and where to invest — resulting in paralysis. Businesses are as worried about not making the right move as they are about making the wrong one.



# The Shift

The shift in customer expectations has led to a strange situation: Your food alone is not enough. Customers can get food from hundreds of places more easily than ever. This doesn't mean food isn't critical to the success of your restaurant. It's just table stakes.



## What Do Customers Expect?

Customers want restaurants to show they understand them. They expect you to understand their dietary restrictions and preferences, and assume that this information will be factored into the experience they're provided.

Customers expect restaurants to not only meet their basic needs by providing food that is tasty and safe to eat, but to go above and beyond to create a seamless, delightful experience. When your offerings don't align with the customer's needs, their experience is negatively impacted. They'll dismiss you without thinking twice.

**WHILE YOUR MENU OFFERINGS BUILD A STRONG FOUNDATION THAT GETS CUSTOMERS "IN THE DOOR," IT'S THE EXPERIENCE YOU PROVIDE THAT KEEPS THEM COMING BACK FOR MORE.**



# Personalization: Customer Data + Custom Tech Solutions

To appeal to customers individually, restaurants must introduce personalization to their digital solutions. Personalization is a two-part equation, requiring both customer data and the appropriate technology. While restaurants control the technology, customers understand they have a vital role to play.

# 84%

are willing to share personal data in exchange for a better experience.

— Source 1

# 71%

express frustration with impersonal shopping experiences.

— Source 2

**Remember, your customers are real people  
And they want you to treat them as such.**

Source 1 : <https://www.psfk.com/report/food-service-debrief>

Source 2 : <https://instapage.com/blog/personalization-statistics>

Source 3 : <https://hbr.org/2017/05/whats-your-data-strategy>



**“Data was once critical to only a few back-office processes, such as payroll and accounting. Today it is central to any business, and the importance of managing it strategically is only growing.”**

Leandro DalleMule, Chief Data Officer at AIG Harvard Business Review — Source 3

# Not All Data Is Created Equal

## THE KEY TO PERSONALIZATION? A SINGULAR VIEW OF THE CUSTOMER.

In the restaurant industry, customer data is collected in one of two ways. It either comes in as first-party data — the data your restaurant collects directly from your customers, or third-party data — data collected by someone besides you, such as a third-party delivery service, which may not always be shared with you.

While third-party customer data is certainly better than no data at all, first-party data produces the highest quality insights into consumer behavior and ensures your data is clean and accurate. First-party data also allows for the creation of a singular view of your customer. This is what enables you to effectively personalize your customer experience.

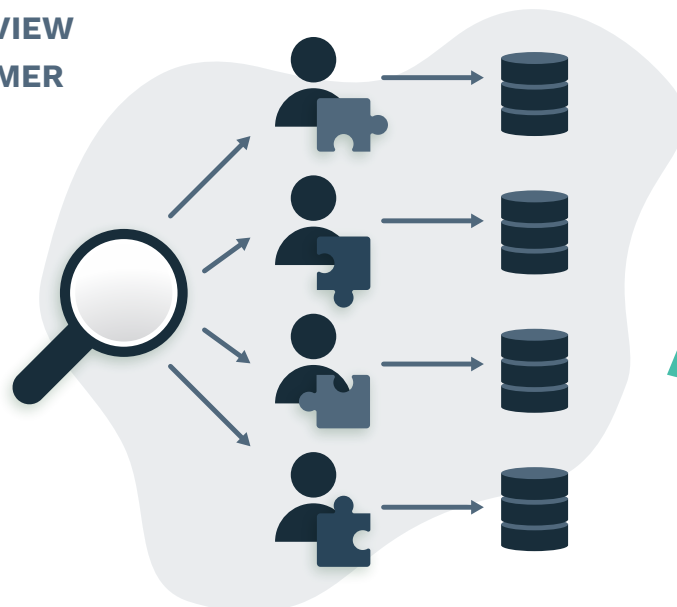
So, if first-party data allows you to create a singular view of the customer, and a singular view of the customer allows you to personalize your customer experience, what must you do to ensure you have a clean data set primarily composed of first-party data?

The answer: create custom digital solutions. In addition to personalizing the customer experience, restaurants with custom and fully integrated online ordering experiences use a singular view of the customer to control the quality of every customer interaction.

It's not that white-label solutions don't produce customer data, it's just not your data. These third-party vendors don't always share their data, and even when they do, it must then be integrated with what you already have on file. This creates a disparate, disjointed, and complex view of the customer, making it much harder to meet and exceed customer expectations.

### FRAGMENTED VIEW OF THE CUSTOMER

Customer data collected by a third-party service for you



### SINGULAR VIEW OF THE CUSTOMER

Customer data collected directly from the source





# Why Does Personalization Matter?

As a business leader, you're responsible for creating results that drive your business forward. In the end, everything ties back to ROI.

A 2019 study by Monetate shows that 78% of businesses with a full or partial personalization strategy experienced revenue growth. —Source 4—

It's no wonder ROI is the primary reason personalization has taken off as a trend across industries.

Source 4:  
<https://get.monetate.com/2019-personalization-dev-study/>



Personalization doesn't happen in a vacuum, and the revenue growth that comes with it is a direct result of:

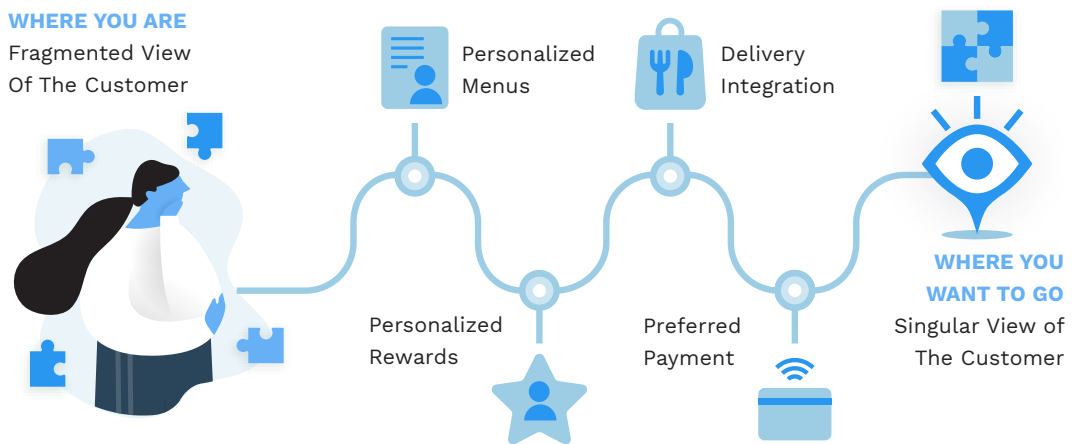
- More Engaged Customers
- More Loyal Customers
- Higher Checkout Totals
- More Frequent Visits
- Increased CSAT (Customer Satisfaction Scores)

## WHAT DOES MY RESTAURANT NEED TO DO TO ACHIEVE THESE RESULTS?

If your restaurant is using white-label solutions, don't panic. They serve a purpose, and have probably provided your business with real results. But what if you want more than what they provide? You're not alone. Your customers are expecting more and more from your digital solutions. If you want to take your business to the next level, your restaurant must make the necessary investments to provide the personalized experiences customers crave. Like anything in life, if you want to make a change, it's necessary to have a full understanding of where you stand, or in this case, where your digital solutions currently stand. If you know where you are AND where you want to go, it's time to make a plan to help you get there.

### WHERE YOU ARE

Fragmented View Of The Customer



# The Restaurant Digital Maturity Model

## WHERE DO YOUR DIGITAL SOLUTIONS STAND?

In the restaurant industry, there's a wide variety of technology that can impact your digital offerings. But navigating what's right for your business can be confusing. That's why we created the Restaurant Digital Maturity Model (RDMM). The RDMM shows that businesses in the restaurant industry exhibit four distinct levels of digital capabilities, resulting in four levels of digital maturity. Using the RDMM, we can identify your restaurant's current level of digital maturity, as well as the steps to move to the next level.

Different restaurants have different needs. The digital maturity that's right for one restaurant may not be appropriate for another. The digital solutions that make up each level of the RDMM have their own benefits. But the more digitally mature a restaurant is, the more these digital tools can impact the customer experience (CX) and ROI of your business. In the next section, we cover what each level encompasses, why you would want to be on that level, and provide examples of real restaurants that are on that level. We've also included possible signs that indicate it may be time for you to move on to the next level.



# LEVEL 1: INFORMATIONAL

## WHAT IS IT?

Level 1 of the RDMM consists of a website that is purely informational, with content centering on the restaurant's history, as well as its menu, hours, and locations. Customers can find enough information to help them find and learn about your restaurant. While the digital solutions on Level 1 do not allow users to place orders through a website, users can still use the contact information provided to place an order.

## WHY BE ON LEVEL 1?

- Budget-friendly
- Your restaurant is newer or smaller in scale
- Your website will have minimal impact on operations

## SIGNS IT'S TIME TO MOVE TO LEVEL 2

- Customers demand online ordering, delivery, loyalty and more
- Your restaurant can handle the increase in operations that comes with introducing new service lines

## REAL WORLD EXAMPLES



### DEWEY'S PIZZA

Dewey's Pizza is a Midwestern Pizzeria founded in 1998. Dewey's currently has 25 locations and counting. Their website contains information regarding their menu, locations, and community giving. Customers who wish to place an order for takeout can do so over the phone.



Tobacco Road Sports Cafe is a North Carolina-based restaurant, with three locations. A staple of the Tobacco Road area, its website tells the story of the restaurant while also providing information and directions to each location.



# LEVEL 2: DIGITAL CUSTOMER INTERACTION

## WHAT IS IT?

The jump from Level 1 to Level 2 is the biggest move in terms of features and functionality. Customers are now able to digitally interact with restaurants in new ways, through online ordering, delivery, or loyalty programs. Restaurants that are on Level 2 of the RDMM use out-of-the-box, white-label websites and mobile applications to provide customers with these experiences.

## WHY BE ON LEVEL 2?

- Introduction of service lines such as online ordering, delivery, loyalty programs
- High ROI initially due to the creation of new service lines
- Quick and affordable to implement

## SIGNS IT'S TIME TO MOVE TO LEVEL 3

- You've proven the ROI of your online ordering, loyalty or catering programs, and want to invest in them
- You've created a fully sustained and consistent online ordering or catering revenue system, encompassing 5-10% of all revenue, reinforcing the need for an API-driven approach
- You have a desire to manage your own customer data as well as the experience your digital solutions provide
- You want to create a differentiated experience and avoid becoming a commodity

## REAL WORLD EXAMPLES



## FIVE GUYS®

Five Guys is an American, fast-casual restaurant chain focused on hamburgers, hot dogs, and French fries. Headquartered in Virginia, and with over 1,500 locations, the Five Guys website has a templated online ordering experience. Five Guys has an estimated annual revenue of \$1.4 Billion.



The Cheesecake Factory is an upscale casual-dining restaurant that serves a broad range of menu items with 50 types of cheesecake or speciality desserts at 200+ locations. They offer online ordering via Olo and Doordash, and they have an app called CakePay® which can be used to pay from your phone only if you are dining in at a Cheesecake Factory location.

# LEVEL 3: PERSONALIZED DIGITAL EXPERIENCE

## WHAT IS IT?

Level 3 of the RDMM is all about integrating services formerly conducted by disparate third-parties into a singular digital experience, giving restaurants a singular view of the customer. Restaurants on Level 3 of the RDMM offer their customers personalized web and mobile experiences. They leverage customer data and put it at the center of the experience. Restaurants own these experiences and the customer data that comes with them.

## WHY BE ON LEVEL 3?

- Better, more detailed customer data and insights
- Higher customer engagement
- Improved customer satisfaction
- Control over the experience

## SIGNS IT'S TIME TO MOVE TO LEVEL 4

- Digital ordering has been cemented as a core element of your business model
- Your customers habitually place orders via your website and mobile application
- You want to create new customer access points

## REAL WORLD EXAMPLES



BJ's Restaurant & Brewhouse is a national restaurant with a menu of over 140 offerings where craft matters. Their broad menu has something for everyone, from EnLIGHTened Entrees® to signature deep dish pizzas, and world-famous Pizookie® dessert. In 2016, BJ's and WillowTree re-built their website with a hyper-local approach to feature the content most relevant to individual users. An updated CMS, integrated online ordering, and geolocation features helped drive a 43% increase in organic traffic and a 13% increase in online ordering.



Jimmy John's is an American franchised sandwich fast food restaurant chain, specializing in delivery. Jimmy John's offers online ordering through their website as well as through their mobile app. Jimmy John's recently decided that they would not be partnering with any third-party delivery services, as they want to control the quality and timeliness of every order they deliver.

# LEVEL 4: NEW CUSTOMER ACCESS POINTS

## WHAT IS IT?

The final level of the RDMM looks to the future. Level 4 is all about creating new access points for the customer. It's about being innovative and connecting with the customer using new tech such as voice integrations, smart watch apps, augmented reality, AI, and more. The key for restaurants in level 4 is to use innovative technologies to provide customers with additional value. Each solution may require a period of trial and error, as ROI and customer value must be proven in order for the technology to become a restaurant staple.

## WHY BE ON LEVEL 4?

- Your restaurant is innovative and experimental
- You're looking to elevate your customer experience via new technology

## REAL WORLD EXAMPLES



Domino's is an American multinational pizza restaurant chain founded in 1960. Domino's is an industry leader when it comes to all things digital. Recently, they've introduced a smart watch application, and are experimenting with cutting-edge technology. For example, Domino's AnyWare pizza-ordering app is built on the Xevo platform and allows customers to place easy orders directly through their vehicle. — Source 5



Chipotle is an American chain of fast-casual restaurants that specializes in tacos and Mission-style burritos. Chipotle recently overhauled their website and custom mobile application, including improved infrastructure to speed up delivery and mobile order pickup shelves. They saw digital sales double and account for 15.7% of all sales in Q1 of 2019. Chipotle has also experimented with placing online orders using innovative tech such as Amazon's Alexa products or Apple Watch. — Source 6

Source 5 : <https://thetakeout.com/dominos-pizza-ordering-app-xevo-loaded-vehicles-1833574763>

Source 6 : <https://www.restaurantbusinessonline.com/financing/chipotles-same-store-sales-surge-thanks-digital>



# Give Customers What They Crave

Moving from Digital Customer Interaction (Level 2) to Personalized Digital Experience (Level 3)



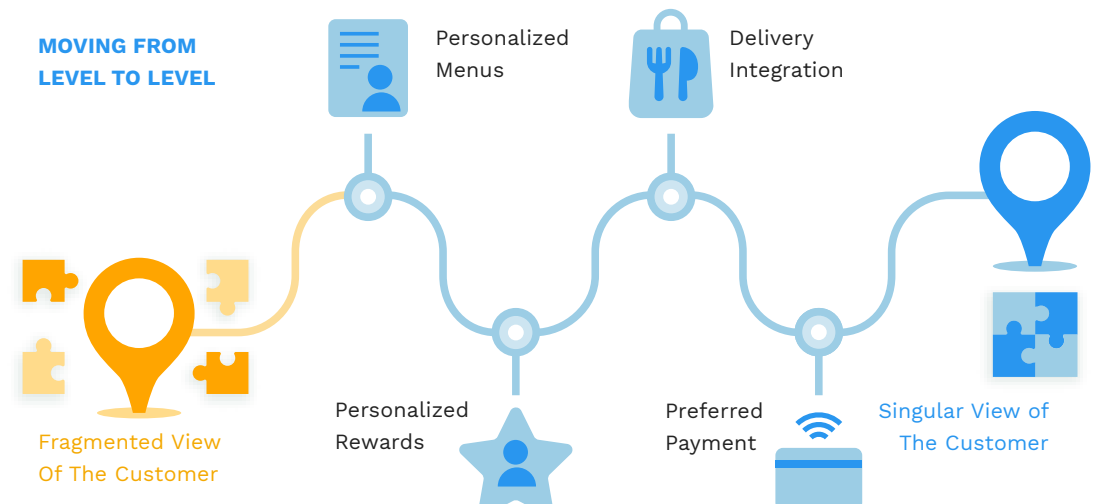
Customer expectations are higher than ever before. They expect personalized menus, rewards, and advertisements. Customers are hungry for more.



Now that we've covered the "What" and "Why" of each level of the Restaurant Digital Maturity Model, let's revisit the question of "How?"

- How can your restaurant avoid becoming a commodity?
- How can you increase revenue, better engage your customers, and increase customer satisfaction?
- How can you introduce a personalized customer experience?
- How can you move to the next level of the Restaurant Digital Maturity Model and give your customers what they crave?

For most of our clients, CX and ROI drive digital innovation. The bottom line is that in order to deliver the transformation you want and your customers expect, you're going to need a plan. To get started, you'll need to identify where you are now with your digital solutions, where you want to go, and the steps you need to take to get there.



# How To Take Action

## THE CUSTOMER PERSONALIZATION BLUEPRINT

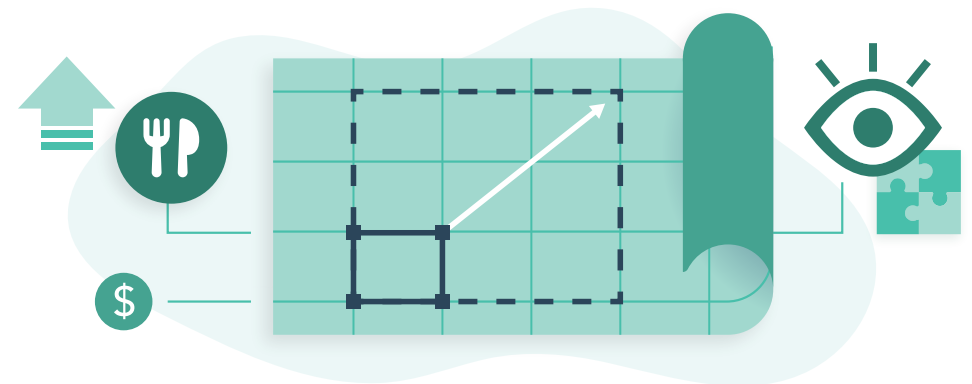
Personalization can transform your business beyond a commodity. We understand that this isn't easy. It's imperative you make the most of every project dollar. That's why we've created the customer personalization blueprint — a program that delivers the personalized experiences your customers expect, while spreading the costs and benefits across your business.

## THE CUSTOMER PERSONALIZATION BLUEPRINT INCLUDES THE FOLLOWING FEATURES:

- Mapping of technology to customer journey via persona development and frameworks that uncover unmet customer needs
- Full integration of an ordering experience into the main website menu, utilizing UX research and best practices
- Integration of an enterprise-grade CMS, including advanced features such as dynamic content widgets and menu personalization
- Full integration of loyalty and account experience into main website
- Personalized promotions via email, web, and social
- Additional enterprise-grade online ordering tools available to content authors for personalization, upsell/cross-sell and more

## BENEFITS OF THE CUSTOMER PERSONALIZATION BLUEPRINT

- Enables the personalization customers expect from an elevated experience
- Provides you with more control of your web experience
- Increases your ability to customize website content for ordering, loyalty, and catering programs
- Accelerates your margins, orders, and ROI on your digital solutions
- Enables a singular location for ordering, loyalty, and catering data



If you want to be the one to deliver on these new customer needs, contact WillowTree today and we will help you put together your customer personalization blueprint.

Email us : [INFO@WILLOWTREEAPPS.COM](mailto:INFO@WILLOWTREEAPPS.COM)

Call us : [\(888\) 329-9875](tel:(888)329-9875)

Visit us : [WILLOWTREEAPPS.COM/CONTACT](https://WILLOWTREEAPPS.COM/CONTACT)



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