

Technology Innovations For Restaurants

A closer look at the latest tools of the trade and how operators are using them.

By Kara Newman



Chicago chain Wow Bao, which is owned by Lettuce Entertain You Enterprises, uses online ordering (top) as well as a Facebook page (below).

Chef Russell Jackson wasn't always a wired kind of guy.

In fact, he describes his younger self as chronically late, disorganized and uninterested in technology. But after one missed appointment too many, a friend demanded that Jackson "get it together and buy the best organizer on the market." One high-end PDA later, he quickly became a self-described "techno-geek," an early adopter obsessed with the latest gadgets. He never would have dreamed, nearly 20 years later, that technology would have revolutionized his restaurant.

Guests entering his 130-seat San Francisco French restaurant Lafitte are handed an iPad as soon as they sit down (and if they have their own on hand, they can simply download an application), to peruse the wine list and cocktail menu. Although traditional printed menus are brought out for ordering the meal, at dessert time the iPads return.

"It's had a great impact," Jackson enthuses, who has slashed his one-time \$4,000 a month printing budget in half while seeing dessert sales spike 20 percent. "No one has ever said to the hostess, 'Hey, can I get a printed menu?'"

From iPads to online orders, technological innovation is rapidly changing the restaurant business in myriad ways from the reservation and ordering process to how food is delivered.

BOOKING A TABLE

Few guests these days pick up the phone these days to reserve a table. One of the reasons why is that OpenTable has become the

iPad Wine Lists



At Lafitte Restaurant guests can view the wine list on an iPad.

Wine lists have long been a target of technology. Aureole was among the first to bring tablet PCs tableside with their “eWinebook” technology a couple of years ago.

But the iPad seems to have democratized the online wine list for smaller operations with limited budgets. Just ask chef Russell Jackson of Lafitte Restaurant in San Francisco, who built his own iPad app from scratch. Although his system also extends to desserts and cheeses, as well as special event menus, customers are most likely to use the iPads to scan the wine list and cocktail list.

But what makes the iPad wine list functional for Jackson is that he’s built it as a centralized database: if he suspects a bottle of wine is priced too low, he can bump up the price mid-shift; if he runs out of a particular bottling, it can be removed from the menu in a matter of minutes.

“A real-time menu means you never have to go back and tell a table, ‘we ran out,’” Jackson boasts. “I want to make sure people are happy and this is a tool for that.”

Jackson also notes when it comes to training, the concern is customer service, not the technology aspect: “Some waiters haven’t yet figured out this is a tool to assist them, not a babysitter,” he warns. “I’ve seen waiters drop the iPad and run away. They need to think about it as a sales tool to get them to close the deal.”

clear category killer for booking reservations online, although many operators gripe about the cost.

John Harof, director of operations for Ruth’s Chris Steak House, uses OpenTable for its nine locations (soon to be 10 by year-end), each with between 175 to 270 seats. “It opened a new revenue center for us,” he says, estimating that 10 to 15 percent of all online reservations come through OpenTable; the remainder comes through corporate and other online websites.

However, a growing number of operators say that OpenTable is useful for more than just its reservation function. For example, since guests can use OpenTable to input special requests or note a birthday or special event, Ruth’s Chris uses it to collect that information as well as other details. “Do they prefer to sit someplace special, do they have a favorite server, what do they prefer to drink?” Harof notes. That information can translate into improved hospitality: “We load it up for repeat guests. So, for example, we can offer them a drink without them even having to ask.”

Ruth’s Chris also uses OpenTable for table management—for example, to see how many guests are in the restaurant at a given time and how many guests each server has—and for managing mailings to guests around birthdays, anniversaries and other information the guest has elected to provide.

At Morton’s The Steakhouse, Tylor Field III, vice president of wine and spirits, for the 77-location chain says that OpenTable



Chef Russell Jackson at Lafitte restaurant in San Francisco has reduced his printing costs through the use of iPads.



McAlister's Deli uses digital menu boards.

Advice for Operators

How can operators choose among the dizzying array of services out there?

Do The Research: Kreider recommends doing "a lot of research" before making decisions, and she tries to keep on top of new technologies by attending trade shows and collaborating with the IT team, executive chefs and operations teams.

Consider Integration: Particularly for operators without access to an IT department, make sure a provider is able to integrate their product with existing systems.

Find the Best People: Especially if you're planning to build a system from scratch, Jackson recommends working with the best people you can afford. "If you don't do it right it won't help sales, it will hurt you. People will walk."

Fit the Concept: "If you don't do a to-go business, online ordering might not make sense," Alexander counsels. "But if you do a lot, online ordering could free up people on the phone and make it easier on the back end."

Take It Slow: Rather than trying to implement every new technology at once, Alexander's philosophy is: "Pick one and go for it."

Make It Intuitive: Make sure any new technology is easy for servers to learn and easy for customers to figure out and use. "Ultimately the people at the store are there to serve the guests, not to power up the menu boards every day," Kreider quips. "The easier you can make it, the better the experience all around."

The Final Word? One theme heard repeatedly from operators, especially in the fine-dining world, is that technology can help efficiency and customer engagement, but it's not a substitute for hospitality.

Harof sums it up: "It's nice to make things as efficient as you can, but the technology isn't going to help a guy cooking 300 steaks on a Saturday night. That comes from experience. And for the server, being friendly doesn't come from a computer."

is “extremely valuable” for tracking guests’ habits and “wants,” and “since it’s a live platform, it can give us instant feedback if the guest uses it a lot.”

However, “even though we have OpenTable, we ask our hosts and hostesses to stand away from it when a guest walks in. That way you aren’t being greeted by someone who is looking at a computer screen.” After all, Field concludes, “No technology can replace warmth and hospitality.”

A REVOLUTION IN ONLINE ORDERING

Particularly for casual restaurants, online ordering has taken flight with all these new applications. And it has the potential for even more traction when combined with marketing and social media, such as at Wow Bao, a Chicago chain of three Asian fast-casual restaurants. Each location has 50 seats and a thriving take-away business.

At Wow Bao social media is an important part of the mix. The restaurant partnered with Exit 41 to create Facebook pages that allow customers to “Like” the restaurant and order food directly from the page. The result: a 10 percent increase in online order volume within five weeks of implementing the system.

“I believe social media goes well with our concept,” says Geoff Alexander, vice president of Chicago-based Lettuce Entertain You Enterprises, which owns Wow Bao, and managing partner for the Wow Bao franchise. “People ask me how we measure ROI on social media. I base it on three things: Are we having fun? Yes. Are sales up? Yes. And are we being talked about? Yes.”

In addition to the convenience factor, Alexander also notes that online ordering has yielded check averages three to four times higher than in-person orders. “Someone at their desk is grabbing other people to place the order,” he surmises. It has also yielded cost savings.

“The best part about online ordering is all the responsibility falls on the guest,” he says, since it eliminates the potential for writing down orders incorrectly. “Online, the guest is clicking and writing down the instructions. It goes right to the cook and the expeditor, so it’s triple-checked. It’s a great cost saver.”

In addition, guests are required to pay for their orders prior to pick up. “If someone never picks it up, there’s no lost product. They’re guaranteed sales.”

FINE TUNING THE IN-HOUSE ORDERING PROCESS

While Lafitte’s iPad menu represents the cutting-edge for fine dining, casual restaurants in particular have embraced all manner of tech-inspired menus as well – in some cases, leading directly into the order process.

At Wow Bao, guests can place orders and pay via a kiosk, which also asks questions and attempts to up-sell. If a credit card is swiped, the system also remembers the guest’s last four orders, which can be used to quick-shop.

Meanwhile, in Ridgeland, Mississippi, quick-casual restaurant chain McAlister’s Deli has over 300 restaurants operating in 22 states, with each restaurant seating on average 40 guests.



At Morton’s OpenTable has been extremely helpful in tracking customer preferences.

Most of those incorporate digital menu boards, which feature pictures of the menu items.

“The visual boards drive consumer engagement,” says Annica Kreider, vice president of marketing. Locations with visual boards sell 49 percent more limited-time offer items compared to those with static boards, she estimates, as well as 17 percent more dessert items.

Although most of the restaurants utilize various forms of technology for the ordering process and cooking, what makes this chain special is their “smart store” in West Monroe, LA, which is packed with new and sometimes experimental technologies.

McAllister’s relies heavily on its central IT team to integrate the systems at the various locations, cobbling together a relatively seamless system from different technologies from a wide variety of vendors. The Digital Menu Boards are made by WAND; the Kitchen Display Systems by Merry Chefs; and the POS system (by HSI) runs through iPads to “line-bust.”

Why do it this way? In a nutshell, because no single off-the-shelf solution would fit the bill. “We wanted best in class providers,” Kreider explains, “But the people who might specialize in BOH [back of the house] might not be the same people who do FOH [front of the house]. The people who do digital menu boards probably don’t do BOH kitchen platforms.”

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