



2023 QUANTITATIVE RESEARCH REPORT

# The New Driver of Restaurant Customer Satisfaction: **Innovation**

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A delivery person wearing a pink jacket and a white helmet is riding a white bicycle with two large orange delivery bags on the back. They are on a city street at night, with a building and trees in the background.

# Introduction

With a growing economy and unemployment at historical lows, people have returned to restaurants at a pace not seen since before the pandemic.

But they are doing so in ways different than from before, and which are now becoming part of a new era influenced strongly by takeout and delivery.

“The temporary ‘pivots’ developed during the pandemic — expanded delivery services, outdoor dining options, to-go alcohol offerings, and investments in technology — are the foundation of the industry’s new normal.”

2023 State of the Restaurant Industry Report



# Delivery / Takeout Growth Holding & Accelerating |||||

These trends toward greater delivery and takeout are backed up by numbers. Among fine-dining restaurants that offered delivery during the pandemic, 79% added it for the first time; 8 in 10 of those plan to continue.

Two-thirds of adults — **66%** — say they are more likely to order takeout food from a restaurant than they were before the pandemic. And 9 in 10 operators who set up outdoor dining during the pandemic and started selling alcohol-to-go plan to keep doing so where permitted.

A woman with long brown hair, wearing a bright yellow beanie and a green jacket, is smiling and eating a slice of pizza. She is sitting outdoors at a table covered with a white tablecloth. In the background, there are some green plants and a white wall. The overall atmosphere is warm and casual.

## 79%

of fine-dining restaurants that offered delivery during the pandemic added it for the first time; 8 in 10 of those plan to continue.

## 66%

of adults say they're more likely to order takeout food from a restaurant than they were before the pandemic.

## 69%

of adults say they like the option to dine outside.

National Restaurant Association: 2023 State of the Restaurant Industry Report



# What's Driving Satisfaction in the Era of Takeout? |||||

As the new market dynamics of delivery/takeout take hold, how is this changing expectations for restaurant goers? What's ultimately driving greatest satisfaction?

During times of change, it's often a challenge to understand what's really important to customers and what's simply a nice-to-have. Does the modern decor register with customers? Is it quality of food, loyalty programs, order accuracy? What moves the needle?

# Getting at Deeper Customer Motivations

In our July 18-24, 2023 online survey of more than 1,015 U.S. adults ages 18+ who frequent restaurants at least once a month, we uncovered hidden insights by understanding the difference between consumers' stated importance of specific attributes of the dining experience vs. the derived importance of them.

When customers are asked questions directly (stated), sometimes customers don't tell the truth (intentionally and unintentionally), or they may not want to answer in a perceived anti-social way, or they answer based on a recent (negative) experience ("at my last visit the restaurant was messy"). So the responses may not reflect what truly underlies their beliefs and motivations.



But using a derived importance analysis, we uncovered factors that revealed the true underlying drivers of preference, proving a more complete picture of consumer concerns and desires.

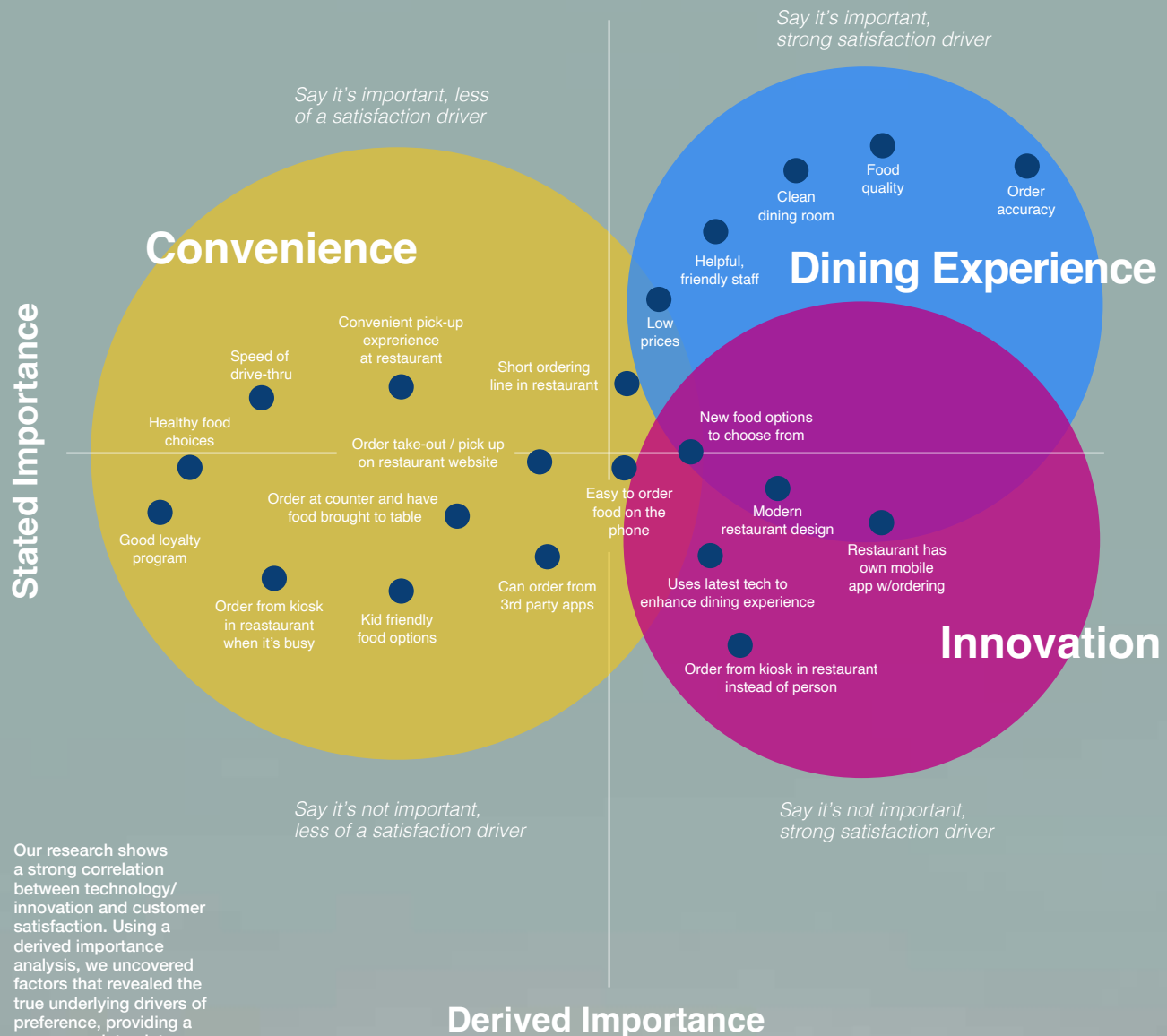
As you can see in Fig. 1 below, we found ample evidence that customers were expressing greatest satisfaction at restaurants where innovation was in healthy supply (bottom right quadrant). This ranged from attributes such as "Restaurant has its own mobile app with ordering" to "Order from kiosk in restaurant instead of with a person." This doesn't mean that other attributes — a clean dining room; helpful, friendly staff; order accuracy; speed of service — didn't also rank high.

It shows a strong correlation between technology and customer satisfaction, and this tells us that restaurants that are investing in technology will see a significant positive impact on their customers' satisfaction.



# QSR, Fast Casual, and Casual Dining Segments

Figure 1: Restaurant Experience Curve in the Takeout Era



So what does this mean?

# Technology Acceptance is Now Customer-Driven

Many operators are aware of the value of technology and innovation since the pandemic and many are embracing it — innovations like new drive-thru layouts to ghost kitchens to technologies like robot cooks or automated AI ordering.

So what's new in our report? What our report is uniquely pointing out is that this phenomenon is not only driven by operators looking to boost efficiency, cut costs, and increase productivity, but it's something that customers want as well.

“There’s always been a tension between companies or businesses introducing new technologies and concern about how customers will respond.”

— **Andrew Weisselberg**  
VP of Marketing at SoundHound AI.



“Our research shows that innovation is having a significant positive impact on customer satisfaction.”



# Key Takeaways

## Convenience is Table Stakes

Our study results confirmed that, while attributes such as convenient pick-up experience, and healthy food choices are very important, they didn't register as highly as drivers of satisfaction. We consider them “must haves” to operate successfully, but not necessarily differentiators. It's also important to note that restaurants will have difficulty offering the level of convenience customers want in this era of delivery/takeout without using technology.

### Dining Experience is Driver of Satisfaction

Respondents in this quadrant say these attributes are important to them and that's consistent with data that show these attributes drive strong satisfaction. And they are consistent as follows, from most important to less important:

- **Order accuracy**
- **Food quality**
- **Clean dining room**
- **Helpful, friendly staff**
- **Low prices**
- **Short ordering line in restaurants**



# Key Takeaways

## **Innovation is the Indispensable Ingredient**

This quadrant is highly relevant to operator thinking and strategy as it reveals hidden drivers of strong satisfaction. We used derived importance to compare attributes respondents said were not important to them versus the level of satisfaction these attributes actually delivered.

These are the attributes that increased significantly when we factored in derived importance.

- **Modern restaurant design**
- **Uses latest tech to enhance dining experience**
- **Restaurant has own mobile app with ordering**
- **Order from kiosk in restaurant instead of with a person**
- **Ability to conveniently place pick-up orders by calling the restaurant**



# Why Technology is Important — A QSR Example

To understand how derived importance reveals new insights around technology and innovation, note in Figure 2 how QSR customers ranked both quality of food and accuracy of order as #1 and #2 in stated importance, respectively. In other words, when asked directly about their concerns across many variables, respondents identified order accuracy and quality of food as their top 2 concerns.

And this was consistent with derived importance. When respondents were asked in a different way about the importance of these attributes in relation to their level of satisfaction in restaurants they populated frequently, these 2 attributes again ranked #1 and #2. So what respondents stated directly was backed up with the results of other questions that assessed their satisfaction.



But note the striking difference with the attribute, “restaurant uses latest technology to enhance my experience.” When asked directly — or stated — respondents collectively attributed a low rank of 17 as a concern or consideration. In other words “latest technology” was not consciously registering as important to their satisfaction. However, it skyrocketed to #3 when derived importance was factored in.

A similar dynamic played out with the attribute “modern and inviting restaurant design aesthetic.” Asked directly, this attribute only ranked at 13, but jumped to 4 when measured with derived importance.



Figure 2:

QSR Customers	Stated Importance Ranking	Derived Importance Ranking
Accuracy of order	02	01
Quality of food	01	02
Restaurant uses latest technology to enhance my experience	<b>17</b>	<b>03</b>
Modern and inviting restaurant design aesthetic	<b>13</b>	<b>04</b>
Low prices	06	05
Kid friendly food options	18	06
Ability to conveniently place pick-up orders by calling the restaurant	11	07
Having new food options to choose from	09	08
Speed of drive thru service	07	09
Order from kiosk in the restaurant instead of a person	21	10

# How Technology / Innovation Impacts All Areas


Although the attributes of innovation and technology highlighted in quadrant 4 are the “hidden insights” of this study, it also impacts other quadrants as well. And helps to satisfy customers. You can see this in the Restaurant Experience Curve highlighted in Fig. 2 around order accuracy, which is up and far to the right, a big concern and driver of satisfaction.

## Order Accuracy

Order accuracy ranked consistently as a top concern of QSR, Fast Casual, and Casual Dining customers at an eye-popping **92% of respondents**.

	QSR	Fast Dining	Casual Dining
Accuracy of Order	93%	91%	92%





Concerns about order accuracy reflect the impact of both staff shortages and high employee turnover. Only 54% of QSR employees worked 90 days before quitting in 2022, according to Restaurant Dive, which provides little time to train staff or for them to gain on-the-job experience. So un-trained staff are left to fend for themselves as they take food orders and handle food prep in high-pressure, understaffed environments. No wonder orders are not captured correctly, are not entered in accurately, and result in errors that diners often don't notice until they've arrived at home when it's too late to do anything about it.

“Only **54%** of QSR employees worked 90 days before quitting in 2022.”

– Restaurant Dive

Similar issues play out at the drive-thru, as inexperienced, under-trained, and under-manned staff struggle to move cars more quickly through the drive-thru.



# Here's how innovation in the form of an AI voice assistant improves order accuracy:

- **Consistency:** A well-programmed voice AI does not get tired, distracted, or forgetful, but processes information in the same manner every time. And they can multitask with multiple callers without any loss in accuracy.
- **Error reduction:** Advanced voice AI capabilities like SoundHound's multimodal Dynamic Interaction provide continuous feedback via audio and visuals "live" as the customer engages with a device or service – providing reassurance that an order or request has been understood accurately.
- **Direct integration with the POS (point of sale) system** reduces the chance of manual data entry errors.



# Speed of Drive-Thru Service

Concerns were also recorded around speed of drive-thrus, noted by 76% of respondents, registering much higher with QSRs (83%) than Casual diners (63%), unsurprisingly.

**Figure 3:** Drive-Thru Speed of Service as Top Area of Concern

	QSR	Fast Dining	Casual Dining
Speed of Drive-Thru	83%	79%	63%

In this area as well, though, technology can have a huge impact on speed of service.

Today, for example, when diners pull-up to a drive-thru, they are often asked to wait, because the staff is multi-tasking, either finishing up the previous car’s order and entering it in the POS system, pouring beverages or collecting payment from a guest. This is further exacerbated by staffing shortages.

With voice automation, drive-thru guests are greeted by the AI voice system immediately, avoiding typical delays that frustrate guests. And the automated voice assistant can handle multiple orders at the same time. Orders are immediately sent to the point of sale system (POS), which immediately eliminates bottlenecks and keeps the drive-thru flowing smoother while making guests happier.



# Long Wait/Hold Times

When asked about the pain points of using different ordering channels, long wait or hold times were most significant at the drive-thru for Fast Casual (63%) and QSR (58%) customers, and at walk-ins across all channels but most significant in Fast Casual (84%). Fewer respondents noted phone hold times as an issue, most likely because phone ordering was not selected as a widely used ordering channel in this survey.

**Figure 4:** Long wait/hold times across ordering channels and dining segments

	QSR	Fast Casual	Casual Dining
Long hold times - phone		41%	43%
Long lines - drive-thru	58%	63%	
Wait times - walk in	70%	84%	71%





# Rise of Fee Fatigue

Digital ordering is showing consistent strength across a restaurant's app/website (22%) and third-party delivery apps (19%) for a combined 41% of respondents. But 76% of those who used 3rd party apps complained about fees and higher costs. In addition, restaurants must pay a commission from 15 to 30% to the third-party, further hurting profits. And still customers complain about order accuracy and long delivery/wait times.

**Figure 5:** Fees and higher costs are customers' largest complaints with 3rd party delivery apps.

	QSR	Fast Dining	Casual Dining
<b>Fees and higher costs</b>	<b>72%</b>	<b>79%</b>	<b>77%</b>
<b>Gets order incorrect</b>	<b>47%</b>	<b>49%</b>	<b>43%</b>
<b>Long delivery - wait times</b>	<b>44%</b>	<b>46%</b>	<b>40%</b>

Dissatisfaction with fees and higher costs for 3rd party delivery apps offers restaurants an opportunity to recapture lost revenue and deliver greater customer satisfaction.

The high cost of using third-party apps opens up an opportunity for restaurants to recapture lost revenue and deliver greater satisfaction to their customers by encouraging customers to call and interact with an efficient AI-powered voice assistant such as SoundHound for Restaurants.

# Acceptance of AI

We also see this awareness of and openness to technology, and AI in particular, among restaurant customers. When asked about how they felt about using AI tools and services generally, 55% were positive, though significant discrepancies appeared across generations:

<b>Gen Z</b>	<b>68% positive</b>
<b>Millennials</b>	<b>60% positive</b>
<b>Gen X</b>	<b>53% positive</b>
<b>Boomers</b>	<b>38% positive</b>

# Openness to AI Voice Assistants With Improved Food Ordering

Survey respondents were most comfortable using an AI voice assistant with a mobile app and at the drive-thru (Fig. 6), according to 61% of Gen Z, Millennials, Gen X, and Boomers, with Millennials being the most open to using the mobile app (67%). Only 21% were uncomfortable using a voice assistant with the mobile app.

**“68%** of those who were initially uncomfortable using a voice assistant at a drive-thru would be comfortable if the voice assistant sped up the ordering process. **”**

**“76%** believe it's likely that the majority of food ordering will be handled by voice assistants. **”**



# Openness to AI Voice Assistants With Improved Food Ordering

**Figure 6:** Comfort level with an AI voice assistant is highest among millennials, but Gen Z and Gen X also favor mobile apps and drive-thru

	GenZ (18-26)	Millennial (27-42)	GenX (43-58)	Boomer (59-77)
On the Phone	51%	60%	54%	47%
At a Drive-Thru	61%	61%	65%	57%
At an In-Store Kiosk	54%	62%	57%	40%
On a Mobile App	65%	67%	64%	49%



# Voice Assistants Fill Unmet Need

One issue that is often raised with AI is employee fears of losing their jobs. But with the ongoing staffing issue, the question is not taking someone's job, but filling an unmet need that is threatening the health of the business — poor service, high costs, long wait times. And lending a hand to staff that are overwhelmed.

“Working with Julia helps keep the stress levels down for the drive-thru staff. Trying to take an order, cash out an order, and make a drink while still making it your duty to give excellent customer service can be very hard especially during rush periods.”

— **Harmony Simmons**, Assistant General Manager, White Castle

# Research Methodology

The **CARAVAN** survey, fielded by Big Village, sought the opinions of 1,008 U.S. adults. All participants, aged 18 and above, visit a restaurant at least once per month. Conducted from July 18 - 24, 2023, this survey targeted a sample who voluntarily engage in online surveys and polls. Like all surveys, it's subject to multiple sources of error, from sampling error to issues linked to question phrasing and response options.

**Big Village** — a leading light in collaborative research — partners with organizations worldwide, offering extensive resources for information collection and analysis. Adhering to industry ethics and best practices, we maintain respondent anonymity and require authorization for any publication of research findings.





# What can SoundHound Do to Reverse These Trends?

SoundHound for Restaurants delivers a voice assistant that handles 100% of customer phone calls, answering questions and taking orders - reducing staffing challenges while maximizing sales for restaurants.

## Maximize Sales.

SoundHound's voice assistant answers 100% of your calls—even during peak hours—so you never miss orders.

## Save Money and Time.

Eliminate training and onboarding time and costs.

## Speed Drive-Thru Service.

SoundHound voice assistants are ready as soon as drivers pull up.

## Process Multiple Orders.

SoundHound handles multiple orders simultaneously so you never miss a call.

## Increase Customer Satisfaction.

No more long wait or hold times.

## Increase Order Accuracy.

SoundHound Dynamic Interaction gives immediate feedback so customers know their order is correct.

Want to Learn More About AI Voice Ordering?  
Visit [SoundHound for Restaurants](#).

Or [talk to an expert](#) about how we can help you bring your voice strategy of life.

TALK TO AN EXPERT

**SoundHound**  
Restaurants