



GUIDE TO AI-POWERED CUSTOMER ENGAGEMENT

Serving up 1:1 interactions at restaurants
and convenience stores





\$300
million

is the amount McDonald's spent to acquire an AI company whose technology platform will enable the delivery of personalized customer experiences at scale.¹

39%

of QSR customers reported that they ordered a meal via a smartphone app in the past 90 days, a significant increase from 2015 when just 11% reported doing so.²

INTRODUCTION

As consumer expectations for eating out rise, extending to historically exempt “fast food” segments like the quick service restaurant (QSR) and the convenience store (C-store), these sites require a solution that enables personalization en masse, all without treating customers as though they have the same needs, tastes, and interests. With millions of customers around the globe, how can QSRs and C-stores unleash relevant, personalized experiences at scale?

The mobile device has become a central part of the personalization strategy of the on-the-go dining location because it provides a direct route to engage each customer wherever they are, using apps and push messages to drive traffic to the closest restaurant and then supporting cross-selling and up-selling once they get there.

As such, an effective mobile strategy begins with creating a great onboarding experience for customers to download these mobile apps. However, it doesn't end there: the real measure of success is how well each brand can keep these

customers engaged as active users over time. That requires a new level of personalization, with tools that combine the customers' historical data with in-session insights and dynamic parameters such as location, time, and weather to deliver customized offers on an individual basis: the kind of meaningful engagement that keeps the customer coming back for more.

With the right customer engagement platform, QSRs and C-stores can leverage AI-based intelligence to inform real-time decision making at every stage of the consumer journey. In this effort, speed is the name of the game—both in terms of transcending legacy technology stacks to keep pace with your on-the-go customer's preferences and rapidly onboarding and training your data engagement platform to outperform on every consumer expectation.

In this eBook, we'll explore eight mobile-centric strategies QSRs and C-stores can enable with an intelligent, real-time, predictive solution driving 1:1 customer interactions and increasing loyalty.



70%

70% of survey respondents want technology to improve their experiences at QSRs and fast casuals.²

Relevant and timely 1:1 interactions in action

A loyalty program member who frequently visits a particular quick service restaurant fails to stop by for a few days. Recognizing a change in his normal behavior, the QSR's mobile app sends a text message to his phone that contains a discount on an item that the customer has saved in-app as a favorite. When the customer taps the link, he is seamlessly moved to the mobile app to complete his purchase. Using location tracking combined with behavioral information, the app assesses that he is at a location that is associated as his home, and asks if he would like the meal delivered. Pleased, he selects "yes," applies the discount, and places the order.

What are 1:1 interactions? For QSRs and C-stores, 1:1 interactions can be meal offers, social proof or trending information, and discounts that are strategically personalized to be relevant to that one customer in-the-moment they are engaging with your brand. These interactions demand the ability to correlate customer activities to contextualize customer interactions, using data from many sources to trigger the right message in the right place at the right time. **A platform that brings together diverse data types to intelligently analyze and recommend the best engagement will allow you to deliver in-the-moment, 1:1 interactions at scale, while the customer is engaged with you to drive sales and cultivate loyalty.**

STRATEGY #1:

MOBILIZE TRAFFIC TO RESTAURANTS AND STORES, TODAY

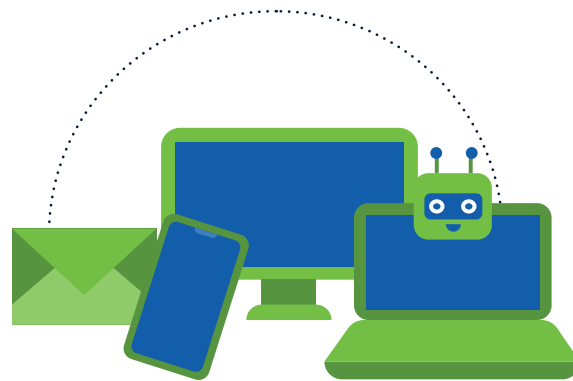
Exclusive, mobile-only promotions allow you to provide unique value to customers who download your app, and grant you nearly 24/7 access to your customers—who almost always have a phone at hand—to keep your brand top-of-mind. Even more, these promotions can vary based on each individual customer's unique interests and your strategic objectives. Want to drive higher traffic to your location? Send an exclusive offer for a customer's favorite beverage, redeemable on-site only. Are you looking to increase orders during a typical lull period? Push the customer a coupon for an item they frequently purchase, redeemable during that time frame only.

The Challenge

To engage customers with timely and relevant promotions, locations must be able to generate highly personalized promotions at scale, and intelligently deploy these offers via a combination of digital coupons and push notifications for maximum success.

26%

more is spent on food when ordered online or via mobile than in-person.⁴



1:1 INTERACTIONS IN ACTION

Exclusive mobile offering

A customer opens their mobile app in the morning and scrolls through the coffee menu at a convenience store, but doesn't place an order. At lunchtime, the restaurant sends an exclusive mobile coupon to her phone—an outreach effort that has been effective with engaging the customer in the past—offering a free 'pick me up' coffee with an in-app purchase of a full-price sandwich, available from 1–3PM this week only. Remembering that she was on the fence about purchasing a coffee earlier, the customer decides to take advantage of the offer and stops by to pick up her lunch and free coffee after placing the order on her phone.

STRATEGY #2:

LEVERAGE LOCATION & PROXIMITY INTELLIGENCE



In the food industry, customer loyalty is often to a specific brand, rather than to a particular franchise location.

This opens up the opportunity to use location intelligence and proximity data to serve up location-centric push notifications via your mobile app to drive customer traffic to the particular location that makes the most sense at a given time. These decisions, made based on the real-time context of your customers and their locations, keep wait times down for lasting satisfaction and loyalty.

The Challenge

To enable location-based customer interactions, QSRs and C-stores must understand the distribution of app users by zip code and DMA code, and create dynamic segments based on location proximity. When location permissions are shared, they must be able to recognize when customers are in new areas and adjust recommendations accordingly.

1:1 INTERACTIONS IN ACTION

Proximity-based outreach

A customer browsing a quick service restaurant's dinner menu is 1.2 miles from Location A of the chain, and 1.4 miles away from Location B. While Location A is closer, it currently has a five-car pileup at the drive-thru and ten mobile orders waiting in the queue. On the other hand, Location B only has one car in the drive-thru, and three mobile orders in the queue. Aware the customer may be inclined to upgrade her sandwich selection to a full meal, her app sends a push notification offering her a \$1 discount on her order with a drink, exclusively available at Location B. Pleased, she adds a drink to her order and checks out.

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\$38.7 billion will be gained from location targeting by 2022.⁵



STRATEGY #3:

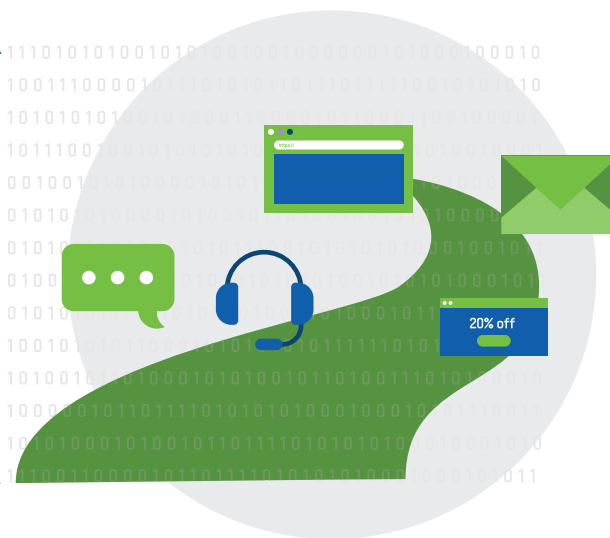
FORECAST CUSTOMER PREFERENCES BY ENVIRONMENTAL FACTORS

Beyond proximity-based outreach, effective 1:1 customer engagement requires consideration of a wide range of environmental factors—such as temperature or time of day—at every transaction. With this in-the-moment data in mind, you can better forecast customer desires and the corresponding actions to carry out, guiding the customer's journey to the most appealing and relevant outcome.

The Challenge

To act upon environmental data, QSRs and C-stores must onboard an advanced technology platform capable of extracting a large volume of ever-evolving data by zip code on temperature, season, location, and time and pairing it with a customer's in-the-moment context to use by-day historical averages to identify if it “feels cold” or “feels hot” at that location in that moment to offer real-time guidance. For example, 70° may feel cool on a winter morning in Houston but feel hot on a winter morning in Chicago.

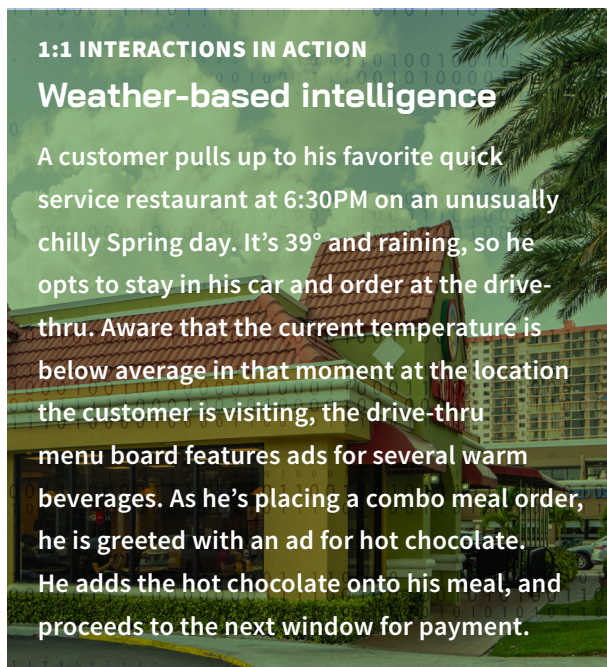
A 31% boost in on-site traffic was gained when a top QSR updated its ads according to changes in the weather.⁶



1:1 INTERACTIONS IN ACTION

Weather-based intelligence

A customer pulls up to his favorite quick service restaurant at 6:30PM on an unusually chilly Spring day. It's 39° and raining, so he opts to stay in his car and order at the drive-thru. Aware that the current temperature is below average in that moment at the location the customer is visiting, the drive-thru menu board features ads for several warm beverages. As he's placing a combo meal order, he is greeted with an ad for hot chocolate. He adds the hot chocolate onto his meal, and proceeds to the next window for payment.



STRATEGY #4:

ANALYZE BEHAVIORAL PATTERNS FOR INFORMED OUTREACH

As you've seen, impactful 1:1 interactions leverage proximity and environmental factors in personalizing experiences to a customer's particular context. Historical data, championed by analyzing behavioral patterns collected by a customer's mobile app, augments this data with greater insight to inform where (e.g., Do they visit the location that's a mid-point between work and home?), when (e.g., Do they only visit on weekend mornings?), and what (e.g., Do they almost always redeem rewards for a free coffee?) offers are served up.

The Challenge

For on-the-go dining destinations, synthesizing past, present, and environmental data into a single customer view surpasses most existing personalization platforms' capabilities. Many can only view data in silos or data in batches, and fail to apply the necessary layer of AI-driven intelligence, that is continuously learning, and creating predictive insights in real time.

1:1 INTERACTIONS IN ACTION

Predictive Behavioral Tracking

It's a warm Wednesday evening. A customer has enabled location tracking on her mobile device, and a convenience store app recognizes that she is parked at a local summer camp. Past data has shown that on Wednesdays at 7:30 PM, the customer will occasionally stop off and buy an ice cream treat on her way home. At 7:00 PM that night, the store's mobile app sends her a push notification for a "buy two ice cream treats, get a third for free." Coupon in mind, the customer stops off on her way home and picks up three ice cream treats.

STRATEGY #5:

GUIDE CUSTOMERS TO FASTER, TARGETED ORDERING

1:1 interactions provide personalized customer experiences at every touchpoint—whether they are in the drive-thru, at the front counter, or purchasing on a mobile phone. To do so, your in-the-moment interactions should take into account a myriad of customer-centric data collected via mobile app, such as a customer's favorites and frequently ordered items, as well as real-time and environmental factors such as customer location and time of day, to help them make decisions more rapidly.

The Challenge

Contextual, 1:1 interactions require a 360° view of customers, paired with real-time insight into location traffic and customer proximity, to determine which location to direct them to, when to send push notifications and digital coupons to their mobile device, and which promotions to display at a drive-thru menu board and in-app

1:1 INTERACTIONS IN ACTION

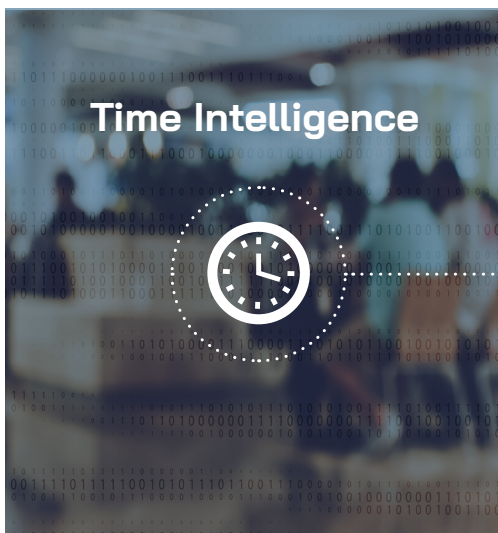
Geo-fencing & Digital Signage

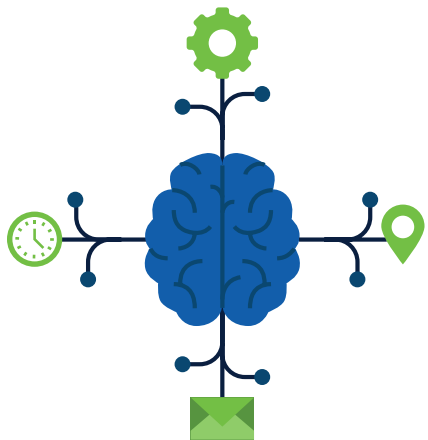
Looking back, the same customer who was directed to Location B due to wait times pulls up to the drive-thru. Analyzing historic purchasing patterns collected by her mobile app, the quick service restaurant recognizes that she occasionally purchases a baked good to go along with her meal. When she pulls up to place her order, a geo-fence is breached, indicating her location to the QSR, the drive-thru menu rotates in a relevant ad for a seasonal baked good, now available. The customer sees this featured item and decides to add it to her order.

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35% is the amount that **digital signage** that rotates through content such as live promotions and weather can reduce perceived wait times.⁷





20%



**more is spent when QSR
customers use technology to
place an order.⁸**

STRATEGY #6:

BUILD LASTING CUSTOMER LOYALTY

Central to effective 1:1 interactions at your locations are customers opting to download and continuously engage with your mobile app and participate in your loyalty program. Such mobile-based loyalty program participation is not only integral for you to collect data on customer purchasing patterns, location, and in-the-moment activity to inform digital coupon deployment and push notifications, but also provides you the ultimate channel to engage in real-time, personalized 1:1 outreach.

The Challenge

For QSRs and C-stores, overcoming the initial hurdle of convincing customers to download a mobile app—and the subsequent difficulty of motivating them to continue engaging with it—requires advanced loyalty programs and exclusive offers that customers perceive as adding value through convenience, savings, relevance, and more.

1:1 INTERACTIONS IN ACTION

Loyalty Programs & Engagement

A customer opens a quick service restaurant's mobile app first thing in the morning and scrolls through their breakfast sandwich offerings but doesn't place an order. Right before leaving for work, he opens the mobile app again—indicating that he is likely interested in placing an order. Meanwhile, his nearest location has a business objective of increasing on-site traffic. The restaurant recognizes that the app user has opened the app for a second time that day, so to increase the likelihood of a purchase, it pushes a loyalty member redemption reminder for a free coffee with the purchase of a breakfast sandwich if purchased on-site or picked up. Pleased with the relevant and timely reminder, he purchases the breakfast sandwich for mobile pickup and decides to add a side of hash browns, as well.

STRATEGY #7:

TAKE REAL-TIME, IN-THE-MOMENT ACTION



As we have seen, 1:1 interactions are not founded on historic data alone, but instead must take into account the real-time and environmental factors that impact a customer at any given moment. At your locations, this data—collected by a customer's mobile device—is comprised of their current location, weather conditions, time-of-day, order progress, and more in context, which should aggregate into an intelligence-driven decision optimized to engage customers based on their unique context.

The Challenge

Machine Learning models are necessary to capture a holistic view of customer's in-the-moment context—from past purchasing patterns to loyalty point status to current environmental factors—to help determine the personalized outreach approach most appropriate at any given moment.

1:1 INTERACTIONS IN ACTION

Intelligent Upselling

A customer approaches the front counter at a location in Fort Lauderdale, FL on a hot, 92° day. He enters his loyalty card number and proceeds to order a sandwich. Before checking out, the POS notifies him that his loyalty has earned him a reward: 99 cents for a large lemonade—served up to him from a myriad of available offers based on the extreme heat in his particular area and in-the-moment information that he had not ordered a beverage. Ready for a refreshing cool off, he redeems his reward and completes the transaction.

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90%

of the brands will practice at least one form of personalization by 2020.⁹

STRATEGY #8:

INFLUENCE CUSTOMERS TO EXPAND THEIR PALETTES & PREFERENCES

Lastly, 1:1 interactions extend beyond customers' past purchases, pushing the boundaries to suggest new and less familiar items with the potential to become fast favorites. When it comes to selecting what item(s) to recommend, you can turn to social proof—influencing customer action by the actions of other customers—to prompt a customer's decision to experiment with choices beyond their typical preferences, and ultimately, increase average unit volumes of desired goods.

The Challenge

Deriving correlations between purchasing patterns and environmental factors requires a technology platform that can quickly integrate data from multiple sources for an informed, holistic view of the average customer's habits in terms of their traditional preferences and tastes.

1:1 INTERACTIONS IN ACTION

Social Proof

A customer taps on his mobile app to browse mid-day snack options. As he makes his selection from his previously saved favorites, he receives an in-app message for loyalty program participants only: *"Hungry for more? 52 customers today added pretzel bites to their personal-sized pizza order."* He had been intrigued by this product in the past, but now gains confidence that they will in fact taste good since so many other customers are choosing them. Affirmed, he adds them to his purchase and completes the order.

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CONCLUSION

THE FAST TRACK TO 1:1 CUSTOMER ENGAGEMENT

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Although these strategies may sound like distant goals for the future-focused QSR or C-store, many of whom only recently began to invest in technology that elevates the customer experience, they are a near-term reality—and they don't require an exorbitant investment in time, money, or resources to get started. While some restaurant giants like McDonald's have invested instead of sunk millions of dollars¹ into acquiring their own personalization platform, and still others will embark in a timely and costly process of building their own customer data platform (CDP) from scratch and expanding

its personalization capabilities, you don't have to. Instead, your stores and sites can unlock meaningful insights from your customers' data in order to drive greater in-app and in-restaurant traffic, up-sell and cross-sell, and maximize effectiveness of loyalty programs. To do so requires a new personalization platform, one based on AI-driven intelligence that analyzes in-the-moment customer context with historical purchasing patterns and environmental factors to form insights that drive meaningful interactions—**ZineOne's Intelligent Customer Engagement (ICE) platform**.



SERVING UP RELEVANT, 1:1 INTERACTIONS AT EVERY TRANSACTION

up to
70%
increase in offer
redemptions.

ZineOne enables quick service restaurants and convenience stores to interact in real time with every customer as a segment of one, unleashing a heightened standard for personalization and engagement at every transaction. Recognized as a Gartner Cool Vendor, our AI-powered Intelligent Customer Engagement (ICE) platform serves up highly relevant, end-to-end customer experiences through an 'in-the-moment' view into customer proximity, purchase history, loyalty program usage and more—resulting in up to a 70% increase in offer redemption. Designed with mobile interactivity in mind, the ZineOne ICE platform maximizes impact through an intelligent combination of text messages, push notifications, and in-app messaging curtailed to optimize customer engagement. Our

platform leverages continuous intelligence from Customer DNA™—an ever-changing stream of short- and long-term consumer data and environmental insights—along with multi-sourced decisions based on a customer's profile, order history, current location, live interactions, and third-party data to serve as a virtual CDP solution that can recall relevant data without sourcing information on the platform itself. It also complies with information security and privacy regulations, and is compliant with regulations such as GDPR.

Proven to detect in-session purchase likelihood by the fifth click with up to 90% accuracy, ZineOne's patent-pending ML models can provide highly accurate predictive intelligence to restaurants, driving more significant sales, heightened engagement, and lasting loyalty.

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up to
90%
accuracy detecting
in-session purchase
likelihood by 5th click.

Hungry to bring intelligent, 1:1 customer interactions to your locations? Visit www.zineone.com to learn more or get in touch to request a no-obligation ICE platform trial.

Visit **www.zineone.com** to learn more, or
get in touch to request a no-obligation ICE
personalization platform trial.



SOURCES:

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