flybuy

UNLOCKING THE FUTURE OF
CUSTOMER SERVICE

FLYBUY CONNECT: A CAPACITY MANAGEMENT SOLUTION

Shaping the Future of Frictionless Omni-Channel
Customer Experiences and Driving Repeat Business

Content

Overview

Imagine a customer eagerly placing an online order for food at 11am on a quiet Monday, anticipating a swift preparation time. They're informed it will be ready in 20 minutes, a standard estimate given to every customer without considering the current demand, capacity, or the make-time for the order. The customer arrives in 20 minutes and is delighted because the order is waiting for her. The simplicity of the situation suggests a seamless service experience, but the reliance on a static timeframe (in this case 20 minutes) often leads to unmet expectations, even during off-peak hours.

Contrast this with another scenario where a different customer orders the same meal at the peak of rush hour — 6pm on a bustling Friday evening. Despite the increased demand and operational stress, they too are promised a 20-minute wait. However, even though the customer arrives on schedule, the reality of the situation leads to nearly double the wait time, culminating in customer and staff frustration and a tarnished view of the service provided.

These scenarios highlight a common pain point in today's dynamic service landscape: the struggle against fragmented and inconsistent service experiences. The issue of inaccurate readiness times for food pickup, delivery, and dine-in services is not just a minor inconvenience; it significantly mars the customer experience, leading to dissatisfaction and the potential loss of future business. This challenge is magnified as the food, retail, and hospitality sectors expand their multi-channel offerings, from online shopping and drive-thru services to mobile ordering, increasing the complexity of efficiently managing these diverse service avenues.

In this white paper, we will explore the dynamic shifts in customer preferences, providing an in-depth analysis of contemporary behavioral trends and insights into the current market landscape. Furthermore, we will delve into the psychology underlying customer loyalty and decision-making, shedding light on the key factors that influence consumer engagement. Additionally, we highlight the pressing need within the industry to pivot towards a more customer-centric approach, one that not only enhances efficiency but also allows businesses to concentrate on their core competencies. Through this comprehensive examination, we aim to equip readers with a nuanced understanding of how to adapt to and thrive in today's ever-evolving consumer environment.

80%
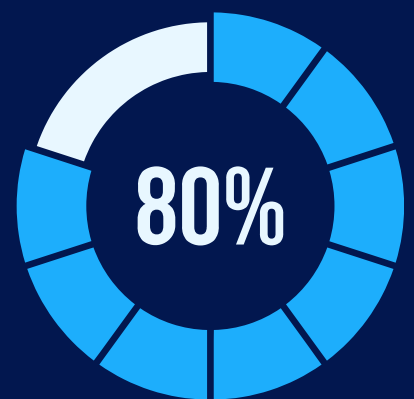
80% of customers contemplate alternatives after a single negative experience

Orchestrating the Kitchen and Customer Experience

In the current landscape of the restaurant industry, there's an acute need for a software solution that enhances the orchestration and connection between customer engagement and kitchen operations. This necessity arises from the requirement to dynamically manage kitchen capacity in line with fluctuating demand, utilize customer location intelligence for timing orders precisely, and ensure seamless integration with third-party systems for initiating timely processes like auto-firing orders. The ideal solution would employ Artificial Intelligence (AI) and machine learning to uncover efficiencies, optimize the timing of customer communications, and adjust operations based on real-time data analysis. However, most companies today explore software solutions that address only a fraction of these essential components, focusing perhaps on one or two aspects of the technology stack in isolation without offering a comprehensive solution that encompasses all critical elements within the larger system.

The gap in the market is clear: there is a lack of software solutions that bring together kitchen capacity management, customer location insights, and third-party integration in a cohesive manner. By leveraging AI, a unified software solution could not only predict demand with greater accuracy but also tailor the preparation and delivery of orders based on the customer's real-time location, ensuring meals are served at the peak of freshness. Furthermore, AI's capability to integrate smoothly with existing systems and external platforms could automate and refine the order preparation process, significantly reducing manual oversight and streamlining kitchen operations.

This unified approach would mark a significant advancement in how restaurants manage their operations and interact with customers. By bridging the current divide with a comprehensive, AI-driven software solution, restaurants could significantly enhance the customer experience, from order placement to pickup or delivery. The integration of these technologies promises not only to elevate service delivery but also to set a new industry standard for operational efficiency and customer satisfaction.
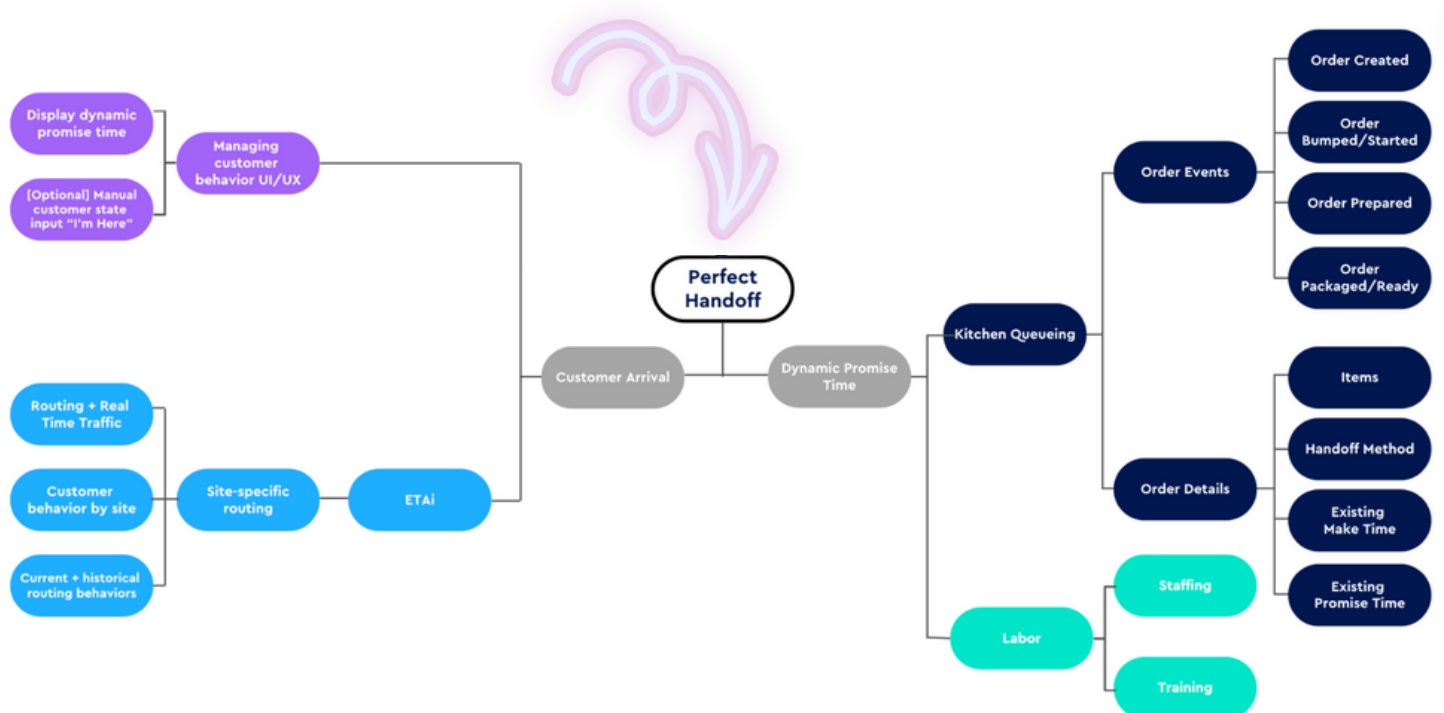
Customer Experience as a Pivotal Differentiator

In an era marked by escalating inflation, the significance of customer experience and perceived value cannot be overstated.

In addition to the Stellar Elements study findings to the right, McKinsey in the grocery sector underscores the critical role of personalized experiences in fostering consumer loyalty. They found that **80 percent of consumers are more likely to make a purchase when offered a personalized experience.**

Further insights from the Stellar Elements research underscore a growing recognition among restaurant executives of the crucial role customer service plays in driving revenue. However, **80% of these leaders cite cost reduction pressures as a primary barrier to delivering high-quality service, while 67% point to insufficient staffing levels as a significant challenge.** These findings highlight a notable shift in behavior, influenced by rising operational costs and the potential for reaching pricing limits in the market. This tension between value proposition and customer perception, increasingly evident in consumer expectations, underscores the need for innovative solutions.

Software solutions that boost productivity and elevate customer service play a crucial role in overcoming modern business challenges, allowing organizations to evolve without necessarily expanding their workforce. Moreover, the integration of AI into these platforms is essential for uncovering the final frontiers of efficiency and customer experience enhancements. AI's capability to analyze vast datasets and predict consumer behavior enables businesses to identify and capitalize on previously untapped opportunities for operational improvement and more personalized, impactful customer interactions.

Evidence from a Stellar Elements study reveals compelling insights:

80%
of customers contemplate alternatives after a single negative experience

73%
demonstrate a pronounced readiness to switch to brands offering superior customer service, notwithstanding higher prices

72%
are inclined to spend more with companies that excel in customer experience

80%
advocate for brands based on consistent positive experiences

50%
withdraw after four or fewer negative encounters

The Inevitability of Waiting

Industries such as restaurants, retail, and hospitality are faced with the unavoidable challenge of managing customer wait times. It's a well-documented fact that American consumers spend an astonishing 37 billion hours annually waiting in queues. This extensive amount of time spent waiting not only impacts the customer's immediate experience but has also been identified as a leading cause for customer loss in the retail sector. The frustration associated with waiting can deter customers from returning, highlighting the need for effective wait-management strategies.

Research has demonstrated that one of the most effective ways to mitigate the negative aspects of waiting is through the provision of frequent and relevant updates to customers. Such communication serves to inform, empower, and engage customers, transforming the waiting experience from a passive to an active one. Software solutions equipped with advanced analytics and insights into current operational capacities and workloads are pivotal in delivering accurate, real-time updates on order statuses. These updates can range from notifications of order readiness to alerts on potential delays.

This proactive approach not only improves the waiting experience but also enhances overall customer satisfaction by fostering a sense of value and inclusion throughout the service process. The ability for customers to make well-informed decisions regarding their pickup times minimizes the uncertainty and annoyance often associated with waiting, thereby enhancing the brand's perception positively. Additionally, the smooth integration of these software solutions with existing operational frameworks ensures an efficient customer journey, demonstrating the business's commitment to outstanding service provision. Importantly, the incorporation of AI as an extra layer of technological enhancement is crucial for ensuring that communications regarding wait times and order readiness are dispatched precisely when needed, based on real-time capacity and demand. This sophisticated application of technology to manage and convey wait time information underscores the method by which businesses can adeptly tackle prevalent service industry hurdles, paving the way for increased customer loyalty and satisfaction by aligning messages perfectly with operational realities.

Evolving Consumer Behavior Post-Pandemic

The COVID-19 pandemic triggered an unprecedented shift towards digital channels, significantly increasing the demand for pickup and delivery options. This transition underscored the importance of software solutions in refining and improving the customer experience. Recent trends underscore the evolution of consumer behaviors, with drive-thru not only gaining traction as a leading channel for quick-service restaurants (QSRs) but also experiencing growth beyond traditional pickup and delivery services. A study conducted by Revenue Management Solutions, surveying 550 individuals, reveals this expanding preference, indicating a broader adoption of drive-thru services that extends its utility and convenience to consumers.

Technologies are creating a transformation in drive-thru services, as QSRs achieve greater efficiency and unlock tremendous financial gains. With so much throughput in successful drive-thrus, **order accuracy** and **speed of service** are key. By focusing on these two success metrics would solve for over 52% of issues experienced by customers.

As consumer preferences diversify, the challenge of managing multiple service channels within a single location becomes increasingly complex. This complexity is not just about balancing in-store, drive-thru, and digital orders but also involves optimizing each channel to meet the high expectations of today's consumers. Software solutions designed for capacity management play a pivotal role in addressing these complex issues by harmonizing these diverse channels into a unified, software-driven platform. This integration ensures seamless order management, enhances operational efficiency, and provides a unified customer experience across all service touchpoints.

Furthermore, the necessity of integrating AI into these sophisticated software solutions becomes apparent when considering their use of real-time data and analytics. AI's capability to proactively anticipate customer needs and dynamically adjust capacity is indispensable, especially for QSRs and other industries aiming to navigate the complexities of the current market. By leveraging AI to swiftly respond to fluctuations in order volume and customer arrival times, businesses can ensure the delivery of an exceptional customer experience, setting a new standard for service in the post-pandemic era. This strategic implementation of AI not only meets the immediate demands of the marketplace but also prepares businesses for quick adaptation to future shifts in consumer behavior, thereby promoting long-term success and reinforcing customer loyalty.

The Science of Loyalty: Behavioral Insights

The critical role of a positive initial customer experience cannot be overstated, especially when considering its impact through the lens of the dopamine response cycle, a fundamental psychological process that significantly influences brand loyalty and the propensity for repeat business. This cycle begins when a customer encounters a positive experience with a business, triggering a release of dopamine, a neurotransmitter associated with feelings of pleasure and satisfaction. This initial burst of dopamine creates a powerful, positive association with the brand, laying the foundation for loyalty and continued patronage.

The second step in harnessing the dopamine response cycle involves ensuring that the anticipation of interacting with the business—the cue—leads to a dopamine release even before the service is experienced again. This anticipation is built on the memory of past positive experiences. When the subsequent experience meets or exceeds the customer's expectations, it reinforces the dopamine response, strengthening the association between the brand and the positive feelings elicited. This reinforcement is crucial; it not only confirms the customer's expectations but also enhances their overall satisfaction and attachment to the brand.

DOPAMINE ACTIVITY

Baseline   Cue   Reward

Unexpected Reward (Learning)

Expected Reward
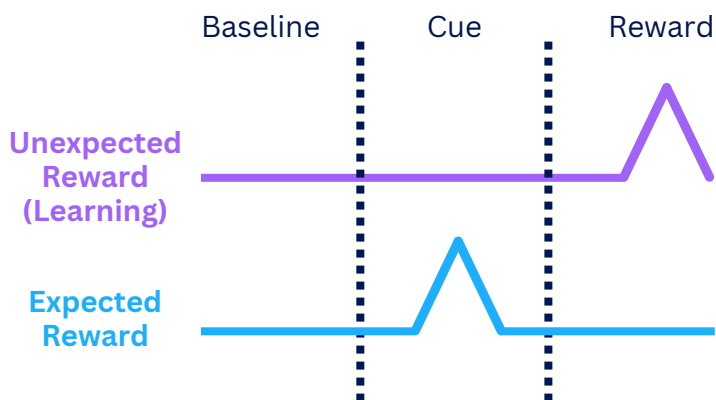
By consistently creating and fulfilling these positive expectations, businesses can cultivate a cycle of anticipation and satisfaction that leads to long-term loyalty. Implementing software solutions for capacity management plays a crucial role in this dynamic, markedly enhancing the chance of consistently favorable experiences. By optimizing operational efficiency and minimizing wait times, such software solutions can ensure that the customer's experience remains seamless and meets their anticipations, thus strengthening the dopamine response. This cycle, when repeated over time, fosters a deep sense of loyalty and satisfaction among customers, making them more inclined to choose a business that utilizes such customer-centric technologies.

In essence, the dopamine response cycle not only explains how positive experiences can be leveraged to build loyalty but also illustrates the importance of consistency in these experiences. Employing strategic tools for capacity management allows businesses to guarantee that every customer engagement contributes to a positive feedback loop, significantly boosting customer loyalty and satisfaction.

Empowering the Customer With Information

Research has pinpointed that customers generally have a tolerance threshold of about 30 minutes for waiting, according to a study by MailShark that surveyed 9,165 people. After this threshold, customer satisfaction begins to wane significantly.

How long of a wait time is acceptable for delivery?
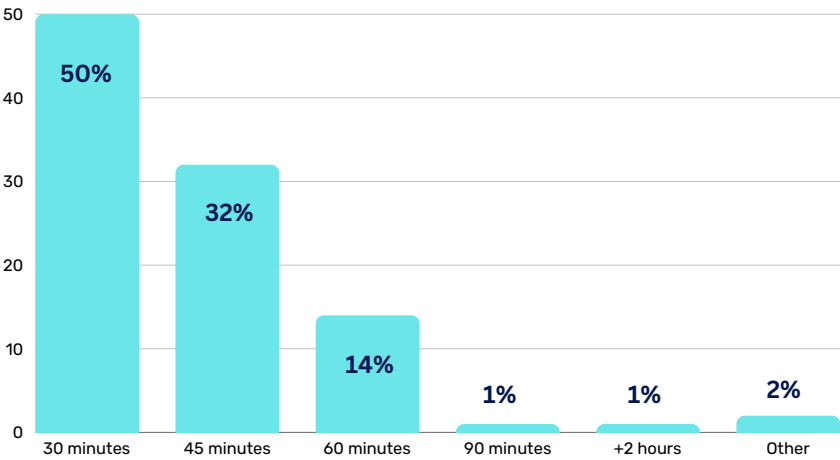
Total Participants: 9,161

82%

**82% of customers feel that anything beyond a one-hour wait for delivery is not acceptable**

Source: Mailshark Survey

This finding underlines the delicate balance businesses must maintain to keep customer experiences positive, especially during peak times when wait times can easily exceed this threshold. The critical role of frequent, proactive updates has been emphasized in mitigating the negative impacts of waiting, effectively reducing the perceived wait time and enhancing overall customer satisfaction. McKinsey further stresses the value of crafting a seamless omnichannel experience that is meticulously tailored to address consumer needs precisely when and where they arise, ensuring a smooth and engaging customer journey across all touchpoints.

In response to these insights, there is a clear demand for software solutions that can proactively manage customer expectations and experiences during high-demand periods and potential delays. By providing customers with real-time, active information regarding the status of their order readiness, the system plays a pivotal role in redefining the waiting experience. This capability not only informs customers about when their orders will be ready for pickup but also allows for adjustments in their plans, thereby minimizing any inconvenience caused by unforeseen delays. Such transparency is instrumental in transforming the customer experience from a passive state of waiting to one of active engagement and anticipation.

Incorporating AI is crucial for refining operational workflows and delivering precise, contextually relevant messages to customers. These forward-thinking methods extend well beyond simply updating customers about the status of their orders. By harnessing AI-powered analytics, businesses can accurately forecast and manage operational demands, enabling the adjustment of workflows and staffing on-the-fly to align with real-time needs. Such adaptability is key to upholding high service standards during peak periods and mitigating the occurrence of extended wait times from the outset. The adoption of this dynamic system allows for the delivery of a tailored and attentive service experience, effectively addressing the personalized experience criteria emphasized by McKinsey. The implementation of AI in these processes results in a marked enhancement of the customer service journey, significantly reducing perceived wait times and elevating overall satisfaction. Customers come away feeling more appreciated and engaged, a testament to the business's commitment to understanding and meeting their needs.
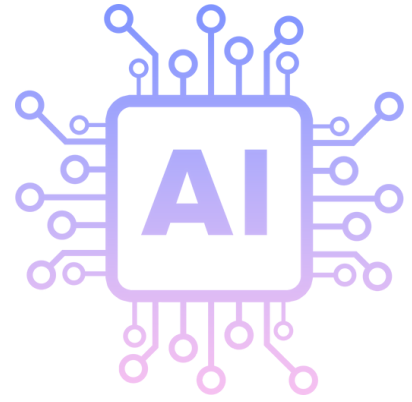
How Flybuy is Tackling the Challenges of Capacity Management

Flybuy is a pioneering solution designed to reinvent capacity management by integrating cutting-edge, AI-driven location technology. Flybuy's proprietary ETAi™ technology empowers businesses with precise location intelligence, facilitating efficient product and service delivery. By incorporating features such as auto-order firing, accurate order readiness estimates, and timely customer messaging, Flybuy Connect ensures a fluid handoff process, cultivating an experience that customers are eager to revisit.

Flybuy Connect

A capacity management solution that reinvents your customer experience by aligning the customer's expectations with the reality of the kitchen. Flybuy Connect unifies restaurant and customer data to deliver more accurate promise times and minimize the perceived wait time.

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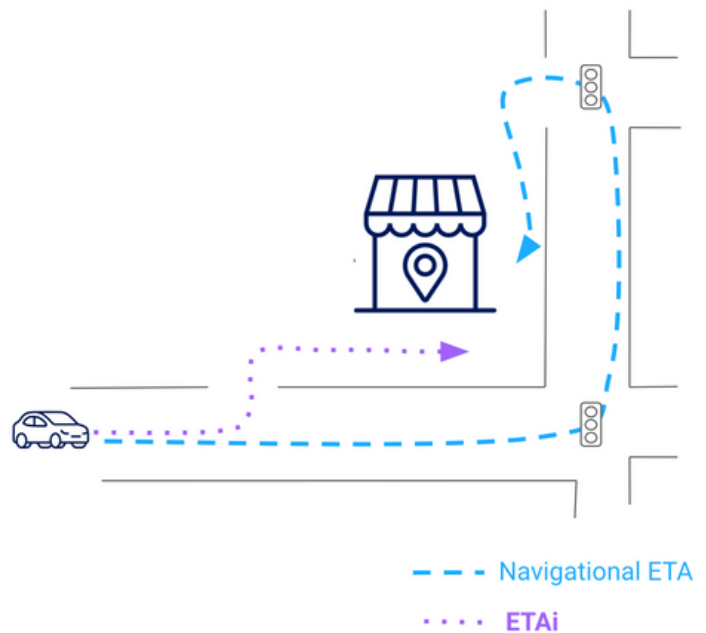
Key Features

The core components of our technology platform encompass the following key features:

Precise Order Readiness Estimation

Providing customers with accurate readiness times, adjusted dynamically according to current operational load and capacity.

Proactive Order Journey Communication

Offering customers timely updates throughout the order preparation process, ensuring transparency and engagement.

Advanced Customer Location Intelligence

Equipping staff with precise insights into customer arrival times, facilitating impeccably timed food preparation for an optimal handoff experience.

Seamless Auto-Order Integration

Automating order initiation within existing systems to streamline operations and enhance efficiency which reduces stress and burnout and increases job satisfaction and retention.

Flybuy Connect transcends traditional capacity management, offering a comprehensive platform that propels businesses into a new era of operational efficiency and customer engagement, with a harmonious blend of staff and customer experiences at its heart.
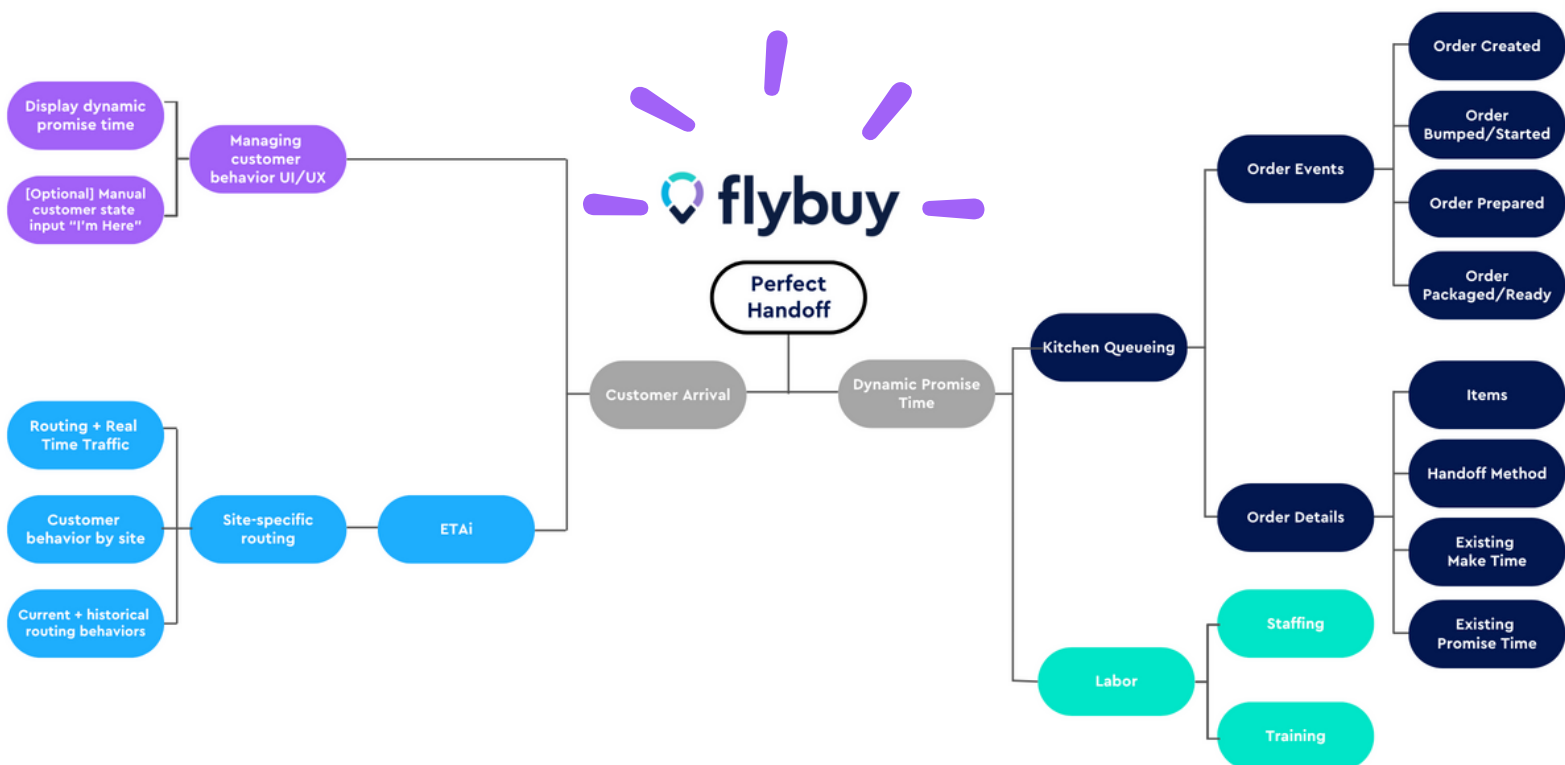
Parting Thoughts

By Alonso Vargas, SVP of Product at Flybuy

In today's fiercely competitive landscape, the imperative to deliver an unparalleled customer experience while optimizing operational efficiency has never been more critical. Businesses are tasked with the intricate balance of managing staff operations and exceeding customer expectations—a dual challenge that requires a nuanced approach and strategic foresight. The key to success lies in the effective synchronization of these elements, ensuring that every customer interaction is not only frictionless but also personalized and engaging. By leveraging cutting-edge solutions, businesses have the opportunity to orchestrate a symphony of customer satisfaction and operational prowess.

By harnessing Flybuy Connect and its AI technologies to streamline operational efficiencies and anticipate customer needs, businesses can reallocate their resources towards enhancing the quality and presentation of their food offerings. This shift not only elevates the dining experience for customers,

making every interaction more memorable and satisfying, but also empowers staff by allowing them to dedicate their talents and passion to what truly matters: creating exceptional culinary experiences. A food-centric approach places the spotlight firmly on the culinary creations, fostering an environment where chefs and kitchen staff can innovate and excel, unburdened by logistical concerns and operational challenges. For customers, this emphasis on the food itself promises a more authentic and enjoyable dining experience, where the quality and craftsmanship of the meal take center stage. Ultimately, adopting a food-centric model in the industry not only drives customer satisfaction and loyalty but also enhances job satisfaction among staff, creating a virtuous cycle of positive experiences and business success.

This strategic alignment of technology and customer service fosters a culture of efficiency and excellence, making businesses more agile and responsive to the dynamic needs of their customers. The result is a robust platform for nurturing customer loyalty and encouraging repeat business, ultimately setting a new benchmark in customer service and operational excellence.

Alonso Vargas is the Senior Vice President of Product for Flybuy, focused on driving the next generation of AI products and harnessing technology to drive innovation, create solutions, and improve efficiencies. As an engineer at heart, Alonso has a deep understanding of mobile applications, guest engagement, and product management across many industries.

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