Restaurant Owner’s Guide

WHY SOME RESTAURANTS HAD RECORD SALES DURING COVID-19

The Secret Power Behind The Pandemic-Proof Restaurants
OVERVIEW

COVID-19 gutted the restaurant industry in a single, sudden event. Dine-in went to zero—overnight. And when the PPP money runs out, the collapse will accelerate at a frightening pace. Some believe the carnage is just getting started.

The shocking list of national chains closing for good, grows by the day. Cheesecake Factory couldn’t even pay their rent one month after the pandemic hit.

OBJECTIVE

To help independent restaurant owners recognize that a massive and permanent shift has happened—that customer habits have been forever altered. And to spotlight the three traits of restaurants that grew market share in the middle of the pandemic. Ironically, the virus itself is a metaphor for the industry. It is killing the old (table-service) in record numbers. The young (takeout/delivery) have never done better.
There Will Be Winners & Losers

Off-Premise has been growing at the expense of dine-in for over a decade. COVID-19 simply pushed this trend to the finish line in 30-days.

Off-Premise: Since 2008, Domino’s Pizza has outperformed every publicly traded restaurant on Wall Street. Their stock also beat Amazon, Google, Apple, Facebook, Tesla, and Netflix.

Table-Service: Meanwhile, during the best economy in our lifetimes, popular dine-in restaurants have flat-lined. Bloomin’ Brands has been closing locations for years.
Won’t This Crisis Blow Over Soon?

We are in the middle of permanent societal changes. The question is not whether restaurants need to adapt, but how fast they can adapt before burning through their capital, PPP, lines of credit, loans, and the owner’s personal savings. **True Story:** A 200+ location casual dining chain is in absolute analysis paralysis as they stare at empty restaurants. They are trying everything to keep kitchens running, employees on payroll, control cash burn, and survive the plague. They’ve always viewed Off-Premise as a distraction and simply non-essential incremental business and never really gave it much thought... until now.

**But They Don’t Know...**

Their operational DNA is table service. So they are trying everything in their experience to manipulate their current kitchen expertise, technology, and layout to accommodate an unknown service type—Off-Premise. In essence, rearranging deck chairs on the Titanic.

Pick-up and delivery is no longer a side-hustle for restaurants, it is now the price of admission to stay in the game at all. Fortunately, the price is low.
The 3-Point Pivot

1. **Technology**: Pizzerias have relied on Off-Premise-Stations (OPS) for decades. This is the technology that determines:
   - When specific items should go in the oven
   - What side-items and utensils NEED to be included
   - The most efficient delivery route

   In short... how to get a fresh, tasty meal to your customer when they’re dining at home. You do not need to ditch your dine-in POS, just add a (very affordable) OPS station.

2. **Control**: Shell-shocked restaurants rushing to 3rd-party ordering/delivery services are committing restaurant suicide. These services steal your customers and send them advertising from your competitors. The proper OPS Platform reduces (even eliminates) your need to be bullied by these predators.

3. **Marketing**: DIY email blasts? Discounts? That’s a sure way to stay broke in the restaurant business. Instead, an OPS Platform collects customer details with each order. This data powers an automated marketing platform that has a single objective: Make you the maximum amount of profit from each customer every single day. Best of all, you never lift a finger. Let’s take a closer look...
The Blueprint for “Next Level” Money

Many restaurant owners think they “save” money with DIY marketing. What they don’t see is how much it “costs” them in lost sales. But we’ve seen this first hand. Repeat Returns has been powering some of the most successful, high-volume restaurants and pizzerias in the nation since 2008.

FACT: Off-Premise restaurants using data-driven marketing have been printing money. When the pandemic hit, they printed more. Here’s an example:

Sales “up” $455,000 in April

This small chain (started in the 50’s) had already seen remarkable sales growth since launching the Repeat Returns marketing platform.

When the pandemic hit, the owners braced for impact like everybody else. But the unexpected happened. Loyalty-Member sales defied gravity, surging 59% ($445,000) higher in April than January. This is a common theme with restaurants running Repeat Returns.

OFF-PREMISE operators don’t wait for traffic or use discounts to drive it

The reason Repeat Returns outperforms DIY entry-level marketing is because it studies each customer and creates a personalized and adaptive marketing path that builds frequency, wallet-share, and long term retention. And while we don’t know all the nuances they use to drive sales, we do know that restaurants running the platform dominate their trade areas. The FlatZero OPS Platform is fully integrated with Repeat Returns.
The Madness of Crowds

In a burning theater, why do people instinctively follow everyone to the front door when there is an exit only 3 feet to their right? When under extreme stress, humans assume the crowd knows best and follow with little thought. This is what’s in play right now as restaurants jump on GrubHub, DoorDash, and other 3rd-party bandwagons.

The foundation of the 3PO model is to remove you from the equation, and have consumers use them as their central focus when hungry.

The BIG Lie

They promise you “new” customers. Then they hijack searches for your restaurant’s website, and redirect it to theirs (even if you don’t have an agreement with them) and then charge you up to 30% for orders from your own customers.

It’s YOUR Reputation

Think about it! A driver at the front door is the ONLY experience many people will ever have with your restaurant. Can you trust that to a 3PO driver that’s not accountable to you?

Talk about a virus. 3PO charges you up to 30% to steal your customers, and send them deals from your competitors.

The FlatZero OPS platform has built-in tools that empower you to operate a thriving OFF-PREMISE business without being victimized by predatory 3PO providers.
The Difference Between POS and OPS

Most table-service restaurants found themselves holding a butter knife at a gunfight when the pandemic hit. Their POS could manage table tops, split checks, and print tickets to the kitchen. And somewhere it had the ability to mark orders for takeout. It handled dine-in without breaking a sweat.

But then there was none
Dine-in went to zero. Their POS sat strangely silent, phones started ringing, and the headless chicken scramble was on.

Meanwhile, experienced OFF-PREMISE operators had:

- Perfectly-timed orders flying out of their kitchen printers
- Efficiently routed drivers delivering delicious meals to customer homes
- Smooth, well-organized curbside takeout
- And record-breaking sales

Ahhh. These... were the best of times.

There are sure to be troubled times ahead for many restaurants. Some will be fine, some will go extinct, some will struggle. And some will adapt.

If you need to adapt, we can help—right now.

We Now Live In a Takeout/Delivery World
A shift from dine-in—to dine-at-home
There will be winners and losers
If you’d like to explore the immediate benefits of adding an OPS platform, purpose-built for the times we live in, visit...

FlatZero.com

“IT IS NOT THE STRONGEST OF THE SPECIES THAT SURVIVES, NOR THE MOST INTELLIGENT. IT IS THE ONE THAT IS MOST ADAPTABLE TO CHANGE.”
Charles Darwin