



Answers to AI for Retailers & Restaurants:

Leverage Turnkey Tech to Thrive Under Pressure



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The fast pace of digital transformation and rising customer expectations have been especially challenging for the retail and restaurant industries. In the past, most restaurants had one or two delivery channels, but now some have as many as five.¹ Retailers are feeling a similar pain, with 73% of customers saying they use multiple channels during their shopping journey.²

Whether they are shopping or dining, consumers are in charge, and they demand a personalized experience that is delivered at their convenience in whichever channel they choose. Consider these indicators:

- **88% of consumers say they would pay more for same-day or faster delivery.**
- **87% of consumers say they begin their shopping journey with digital.**
- **80% of consumers say they are more likely to purchase from a company that offers personalized experiences.³**

Providing a seamless digital experience is vital to the customer experience, but equally critical for restaurants and retailers is how digital transformation unfolds behind the scenes.



“Customer experience is driven by the team member experience. So, when your frontline associates’ work experience is better, they can better meet consumer expectations and deliver on your brand promises—helping you win more market share,” says Samantha Holloway, Co-Founder of GoSpotCheck.

By implementing new ways to work more efficiently and effectively, you can improve the experience for your employees and provide added convenience and engagement for the customer. However, implementing transformative technology into the work environment can take significant time, effort, and expense. Unfortunately, tariff impacts, industry disruptions, attrition and hiring shortages, and eroding margins mean many retailers and restaurants are trying to do more with less.

Analysts anticipate that, as early as next year, **customer experience** will surpass price and product as a key differentiator, so finding sustainable solutions will be vital to remaining competitive.⁴

Customer Experience Matters

- **80%** of business buyers expect companies to respond and interact with them in real time.
- **75%** of people now expect a consistent experience wherever they engage with brands.
- **86%** of those who received a great customer experience were likely to repurchase from the same company.

SOURCE: ECONSULTANCY

To win against competitors, brands will need to be significantly more agile. Following are three strategies that can deliver immediate efficiencies and ROI while positively impacting customer experience.



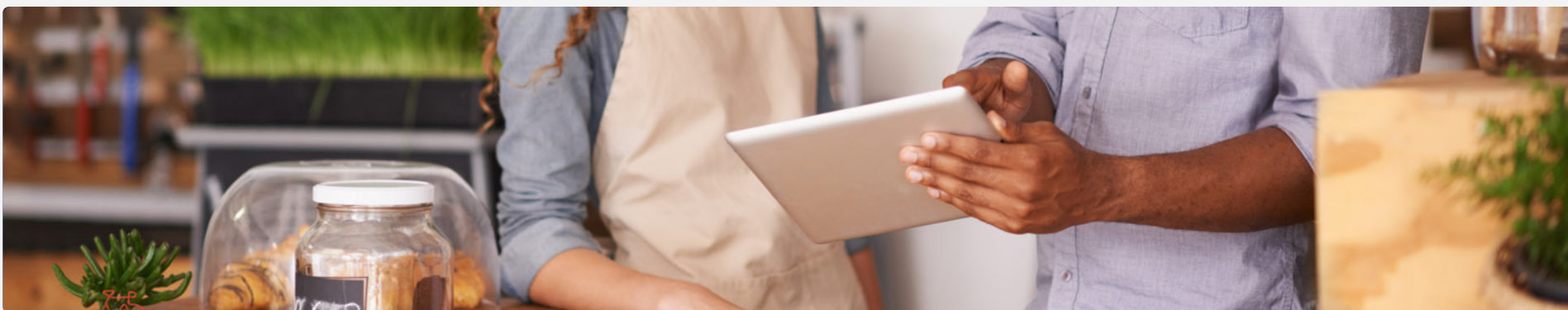
1. Automate and Accelerate Mundane Tasks with AI

From using printed Red Books to communicate your monthly programs to paper checklists to audit food safety logs or ad changes, you likely have numerous workflows that remain paper- or Excel-based. These labor-intensive business processes can slow execution, create blind spots, and reduce profitability. In industries where profit margins are razor-thin, any efficiency gain can have a major impact and redirect labor to higher-value tasks that increase brand loyalty and repeat trips.

Artificial intelligence (AI) and machine learning (ML) technology, which can automate rote tasks and rapidly sift through data, hold tremendous opportunity for restaurants and retailers to create human labor savings and positively impact the customer experience.

For example, AI can enable retailers to eliminate the manual process of counting stock and analyzing sets to ensure adherence to corporate standards. Restaurants can use the same technology to automatically detect which product is in a cold box, keeping team members on the floor and in front of customers.





Reducing time spent on mundane tasks through AI automation can add up to significant labor efficiencies when you multiply the time savings across your enterprise. And, at a time when the retail and restaurant industries continue to struggle with labor shortages,⁵ automation can free up employees to do more of the work that positively impacts the customer experience.

AI-powered technology also can improve hiring processes and employee engagement and retention. For example, AI-powered tools can rapidly scan resumes and review interview transcripts to prevent biases in the hiring process and provide recommendations on how to motivate and reward employees. A 2018 Workforce Institute survey⁶ of workers

across eight nations confirmed they would welcome AI's support in driving process improvement in the hiring process:

- **62% would welcome AI if it increased fairness in subjective decisions.**
- **57% would embrace AI if it ensured managers made better choices affecting individual employees.**

Finally, AI can add value to the customer experience by providing insights into customer behaviors and by predicting what customers are seeking. For example, AI can help store associates provide in-store recommendations that will appeal to a customer based on that individual's past purchases.





When it comes to implementing AI in your organization, Matt Talbot, Chief Executive Officer of GoSpotCheck, advises taking a “crawl, walk, run” approach. This more iterative approach allows for fast implementation, but on a smaller scale. It also allows you to evaluate the ROI before making a bigger commitment.

“The more data AI has, the better it gets, but the best implementations start with a hypothesis, a series of small tests, and a clear set of milestones defined. Do a small test at 10 locations, or of one workflow or process, and see if the technology can prove real business value or a measurable impact on your gross margin, sales, or labor savings. If yes, then you can scale it across the enterprise,” says Talbot.

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MATT TALBOT

CHIEF EXECUTIVE OFFICER OF GOSPOTCHECK



2. Tap into the Power of Gen Z

Gen Z is the largest generation in global history. These young people are quite different from millennials—with a stronger work ethic and a more entrepreneurial spirit. For starters, 77% of Gen Z, who are between 14 and 21 years old, currently earn their own money through freelance work, a part-time job, or earned allowance. Twenty-four percent of Gen Zs plan to pay for college with personal savings, and 12% are already saving for retirement.⁷

In addition to showing self-reliance at an early age, Gen Z members value communication (57%) and problem-solving skills (49%) in the workplace.⁸ This group also wants work to be fun (47%) and flexible (44%).⁹ As for the technology they expect, it should be easy to use, familiar, engaging, and rewarding.

With 73% of Gen Zs saying they have left a job that wasn't what they thought it would be,¹⁰ employers need to be sure to meet job expectations if they want to tap into the value of Gen Z. Here are a few examples of how:



Top Ways to Engage Gen Z Workers

- **Create digital workflows:** More than any other generation, Gen Zs expect technology at their fingertips and won't understand why they are doing something manually when they don't have to. For this generation, modern technology is synonymous with mobile.
- **Stay innovative:** Gen Zs are fast at learning new tech, and they want to stay on the cutting-edge. As digitally-savvy, entrepreneurial-minded workers, they will be disappointed if an employer is not keeping up with the latest digital trends and devices.
- **Use tech to empower and motivate:** For Gen Z, technology should be part of your recruitment and retention strategy. For example, create an app where employees have the flexibility to claim shifts, similar to requesting a Lyft ride, or use mobile to communicate how an individual or team contributed to the success of the business on a given shift or month. Gen Zs need to see and understand their impact, as well as to be rewarded for performance.

Gen Z at Work

- **72%** of Gen Z wants to own their own business.¹⁴
- **77%** expects to work harder than previous generations.¹⁵
- **20%** of the workforce will be Gen Z by 2020.¹⁶

In addition to becoming your next wave of employees, Gen Z is your fastest growing customer base. By 2020, Gen Z will comprise 40% of all consumers. This generation already accounts for \$143 billion in direct spending and another \$123 billion of indirect household spending.¹¹

Despite their affinity for the digital world, though, Gen Zs seek inspiring, aspirational brand experiences that build connection and community in person. Over 75% of Gen Z prefers shopping in a physical store rather than online.¹² Gen Z also prefers the restaurant experience to take-out.¹³



3. Implement Turnkey Tech

Leveraging the value of AI will almost certainly require you to deploy new technology solutions in your retail and restaurant environments. The latest technology, in turn, is essential for engaging digital-native Gen Zs. To be able to adapt quickly and deliver the types of experiences your customers and workers expect in the future, the traditional enterprise technology purchase will no longer suffice.

Turnkey tech is any cloud-based technology that is easy to implement and adopt and can deliver a quick time to value. Implementing new technology today can take weeks, not months or years. Over a relatively short period of time, such as a 12- to 36-month period, brands that have been under pressure to improve performance can show results that signal to the market that they are serious about driving a rapid turnaround.

Turnkey tech can be self-funding, delivering an impact on your P&L that offsets the cost of the software through savings and/or revenue increases.

In contrast to developing custom software in-house, turnkey tech frees your valuable tech team from spending time reinventing a solution that has already been tried and proven in the retail and restaurant markets. Instead, you can invest your resources in



building on your business' core competencies and creating products that will differentiate your offerings from competitors.

If you have an in-house development team, it might seem less costly to use your own people rather than pay ongoing fees to a vendor. Keep in mind, however, that in-house development can be risky, with the potential for delays and hidden costs.

In-house projects are subject to countless variables, from competing priorities for the IT staff to differing visions of the end product on the part of critical stakeholders.

With software development talent at a premium, another risk is the loss of key personnel at a critical point in the development cycle. Recent research reveals that "70% of organizations have suffered at least one project failure in the prior 12 months and 50%...indicated that their project failed to consistently achieve what they set out to achieve."¹⁷

In evaluating a turnkey solution, it's not always the product or capabilities that will determine its full value impact for your business. "The smart strategy is to choose a solution that can



operate independently," says Joey Alfano, Chief Product Officer of GoSpotCheck. "This way, you're not committing to a tool until you are confident that it's valuable to the organization at large. Then, you can consider integrating it with other products in your tech stack, such as your business intelligence tools."

This strategy goes back to the idea of taking an agile, iterative approach to any tech implementation. "If it's truly turnkey," says Alfano, "you should have a clear strategy on how its implementation can drive outcomes across the organization."



Turnkey Tech

It's crucial to find turnkey tech vendors that are willing to take a consultative approach to solving your problems.

"You need to find partners that truly understand your business and your strategic business objectives," says Holloway.

"You have to test solutions in your business and ensure they're delivering value, and the best businesses are cross-pollinating business processes across industries. For example, retailers can learn from innovations in restaurants around environmental design, delivery innovation, and review culture."

Many large retailers are recognizing the value of partnering closely with tech innovators to help them pull ahead of competitors through innovation. Target, for instance, has introduced its own incubator, and other retailers have started partner programs with accelerators like TechStars.

By implementing agile technologies in an iterative manner, you can increase automation, better engage Gen Z workers, and immediately evaluate the ROI of the technology. Most important, though, is that this approach will help you provide a better customer experience by increasing efficiency, speeding time to service, and personalizing interactions with guests.

☑ Turnkey Tech Checklist

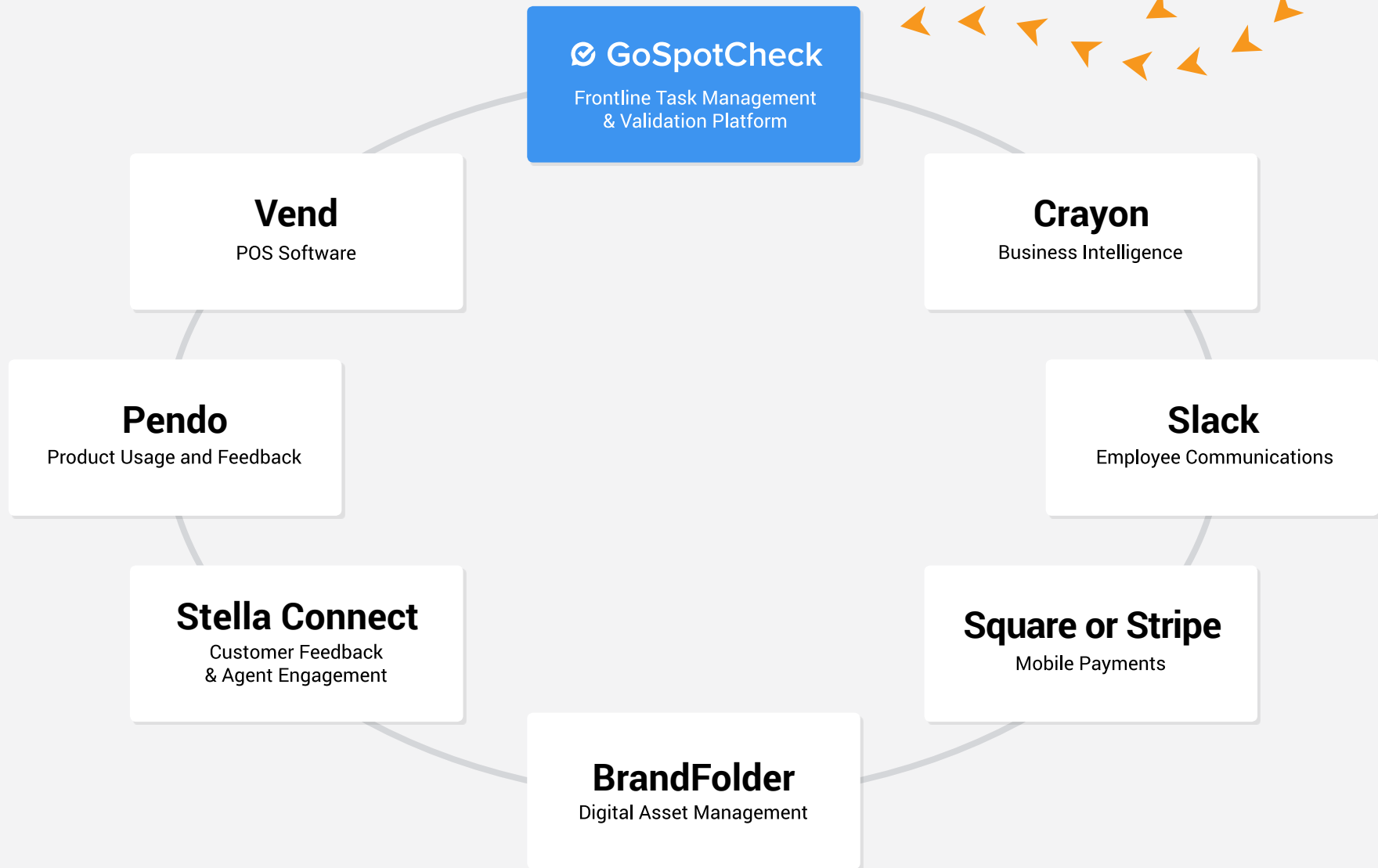
One of the most essential aspects of turnkey tech is evaluating vendors for their longevity, history of innovation, commitment to customer success and ability to provide an immediate impact. Here's what to look for in tech partners:

- ☐ 3+ years of success in the marketplace
- ☐ 25+ enterprise customers
- ☐ Strong investment signals (reputable VC, progressive rounds of funding and demonstrated growth)
- ☐ A successful track record of expanding usage within accounts that can be validated through customer references
- ☐ Ability to provide white glove service or dedicated account management
- ☐ Strong customer success and support teams in place to resolve issues and serve frontline teams
- ☐ Strategic product roadmap and proven tech leadership in Product & Engineering



Turnkey tech provides a wide variety of choices to fit your business goals and work processes.

Here's one example of what your turnkey tech stack might look like:



Endnotes

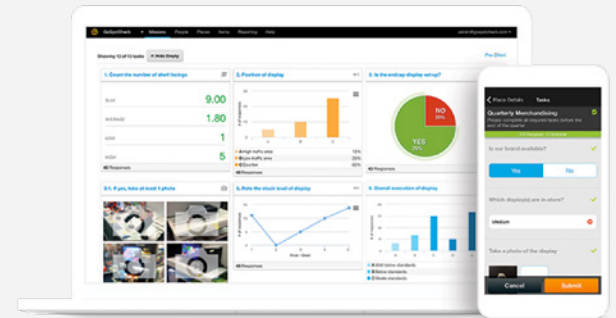
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