



WHITEPAPER

The AI Transformation of Restaurants Begins with Phone and Text Ordering

How Leveraging Artificial Intelligence Now Can Help Your Restaurant Succeed in the Future



I would like to order...

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How Leveraging Artificial Intelligence Now Can Help Your Restaurant Succeed in the Future

The infusion of artificial intelligence into our everyday lives is shaping up to have a profound impact on the ways restaurants and customers interact today, fueled by increased accessibility and customer acceptance.

In this whitepaper, you will learn more about:

- The state of today's labor shortage and the short- and long-term implications for your restaurant
- How AI-based technology can transform your restaurant, ease your current pain points, and help your business grow
- The ways new technology allows you to provide flexible options to your guests through whatever channels they prefer

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Restaurant AI is Ready for Prime Time

We've entered an era where “artificial intelligence” is no longer a buzzword. The game has changed and the types of AI available today are more specialized in their uses, more natural sounding, and better at learning than ever before.

For the restaurant industry, this is our printing press moment.

Much like the scribes of old copied information from one source to another by hand, restaurant staff have always had to manually input phone orders into the POS system. This can be tedious at best and time-consuming at worst, and becomes a problem when the restaurant is already short-staffed.

On the flip side, modern AI (i.e. our new self-learning printing press) can take on the burden of the phone without breaking a sweat. It can guide customers through the ordering process using conversational language, take payments, input orders into the POS, and send customers an order confirmation text—all while learning how to do it better and better each time. And that's just the beginning.

Artificial intelligence is a system designed to make decisions and respond to inputs (e.g. questions about a food's origin or a request for directions) to provide the best-fit response the way that a human would.

Example: Apple's Siri answers questions based on information it accesses in real-time, as if it's a human.

Machine learning is a function of AI technology that enables progressive improvement. This means the AI can ingest new data, test different responses, evaluate the effectiveness of those responses, and increase accuracy over time.

Example: Google Translate tests itself against newly published content to become more accurate over time.

While there's already talk of robotic arms in the kitchen and delivery robots on the streets, for the next several years, the primary uses of artificial intelligence in restaurants will be in software applications. That's where the most inefficiencies—like complicated labor planning and a lack of time to run sophisticated marketing programs—can be solved with the least amount of resistance.

Undoubtedly, AI and machine learning will be incorporated into more and more workflows for restaurants over time, both at the individual store level and at the corporate level.

Using AI to automate the ordering experience across multiple channels is a no-brainer—voice assistants have given us a taste of this for years, albeit a frustrating one. But back-of-house applications are coming, too. Examples include using machine learning to better optimize inventory and purchasing, creating staff schedules that more precisely reflect rushes and business needs, and creating remarketing campaigns that are perfectly personalized for each unique customer.

AI can consider more data points at one time when making decisions than any human could. Studies from the last 20 years confirm that at any given moment, humans are only capable of comparing four items before decision-making efficiency begins to fail. In contrast, AI can consider a thousand variables at once, rapidly testing them against each other to identify the best decision.

This scaling of decision-making ability is beginning to transform a wide variety of areas within restaurant operations.

For example, inventory and purchasing is a set of steps where a specialist must consider what's currently in stock, what the expected demand is, and what needs to be ordered in order to close that gap. That's the bare minimum. Once you add in the real-world complexities of the shelf-life of existing stock, how upcoming events or weather may impact demand, and trim yield, the number of variables skyrockets, making it nearly impossible for that specialist to buy just the right amount of inventory to minimize waste and complete service.

Existing inventory AI solutions, on the other hand, can already understand, measure, and use all of those variables to make recommendations for how much food to purchase for not just one location, but hundreds—and it only takes minutes to run all the calculations and create purchase orders.



The floodgates of AI applications within the restaurant industry are opening.



NOW HIRING

Staffing Remains the Biggest Challenge for Restaurants

Today's restaurant industry faces rising costs, shrinking margins, and an unpredictable supply of labor. Digital channels like delivery marketplaces and online ordering platforms have mitigated these trends over the last decade by decreasing the manual labor of employees inputting orders one at a time and increasing order throughput. But due to the increasing intensity of these challenges—labor in particular—problems remain.

In a 2022 report using data from the Bureau of Labor Statistics, the **National Restaurant Association concluded** that restaurant employment is still 6.4% below pre-pandemic levels. The number of unfilled positions at restaurants exceeded 500,000 in April 2022—over twice as many as was common in any given year from 2000 to 2019.

As a result, employee burnout has **skyrocketed** due to increased workloads,

customer experiences have **dropped in quality** due to dining room closures and slower speed of service, and restaurant groups have lost margin points due to the **increased labor costs** that accompany high demand and low supply.

These vacancies may not be filled anytime soon. Hundreds of thousands of workers have exited the hospitality industry in the last two years with no intention to return. It's vital that restaurants realign staff to where they are needed most—and remove them from tasks where that make a smaller impact.

But labor woes are just the tip of the iceberg for problems that AI might be able to address.





Taking Orders: Where AI Will Have the Largest Impact

The phone line is one of the greatest time sinks for restaurant staff. Employees spend hours per day answering phones and keying in orders by hand. This is a poor use of their time, which would be better spent preparing food or interacting with customers.

Thankfully, artificial intelligence has developed to a point where it can replace human phone operators altogether. Today's phone bots can answer an unlimited number of calls, answer common questions, take orders, upsell, and collect payments—all without breaking a sweat. And if there's any confusion during the interaction, they can redirect the call to a staff member to reintroduce a human element.

This all benefits the customers as well. They no longer have to wait on hold wondering if the server has forgotten about them.

And in the case of AI-driven text ordering, a transaction can take place without having to talk to anyone—something a lot of younger demographics prefer.

Considering the undeniable convenience of 3rd-party delivery apps, which continue to refine their experiences to maximize speed and simplicity, restaurants that want to own their off-premise channels *must* master a similarly seamless experience.

There are few circumstances where it makes more sense to have a human on the phone than a bot. The time savings are substantial, and with no end in sight for the staffing struggles most restaurants face, AI is a desperately needed long-term solution.

Jet's Pizza, A Bellwether of AI's Restaurant Industry Future

Jet's Pizza is an early pioneer of AI-powered phone and text ordering, with over 3 million successful orders placed as of August 2022. Early adopters of AI are saving *hundreds* of labor hours each week, increased reordering and loyalty rates, increased successful upsells, and increased guest satisfaction.

In 2022, Jet's Pizza completed a pilot of the new technology in over 70 stores. The results of the pilot were not subtle, signaling a new era for AI in restaurants.

92%
order completion rate
for phone bot customers

29%
of customers who received
text remarketing placed
one or more orders

20%
of customers who used
text ordering placed two
or more orders per month

14%
more profit over orders
placed through third-
party delivery services

9%
increase in
transactions annually

"This solution has been a big win for Jet's, store employees are less stressed because they are off the phones and focusing on the best part of the job - making pizzas. Our customers are getting a great experience with crystal clear quality every time, accurate order details and the ability to set up easy payment options."

— Aaron Nilsson, CIO of Jet's Pizza





Artificial Intelligence is Getting Smarter: The Latest Developments

Today's AI order bots are built with cutting-edge Natural Language Processing (NLP) technology, a branch of artificial intelligence and machine learning that focuses on understanding and interpreting language the way that real humans use it.

In contrast to the rigid and linear chatbots of the past, NLP enables AI bots to have natural conversations with customers that feature unexpected events, like multiple

speakers on a phone call or regional slang in a text message. This ability to cut through the confusion results in more accurate orders and a more pleasant experience for customers.

The complexities of language are unending, so here are some of the things that AI order bots are learning to handle across millions of successful orders.

Language Variations

Understanding that “regular” and “bone-in” wings are the same menu item.

Unclear Modifiers and Tie-Breakers

Knowing when a guest means sauce on the side when they say “pizza with BBQ sauce.”

Food Metadata and Categories

Knowing which dishes are vegan or contain dairy.

Multiple Speakers

Understanding who's placing the order and who's just chatting in the background.

Mid-Order Changes

Knowing when items already ordered are being removed or altered.

Problem Identification and Escalation

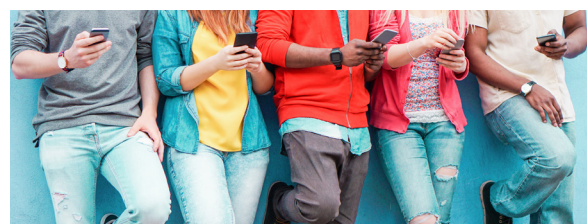
Recognizing when a customer sounds confused or frustrated, and redirecting the call to a human.

Mid-Order Upsells

Creating personalized offers based on a customer's known preferences or past orders.

Text Marketing Offers

Sending timely, personalized offers via text to incentivize reordering in the future.





You Can't Afford To Be Less Convenient Than Your Competitors

Today's consumers expect fast, predictable, and seamless ordering experiences. Missed calls and long hold times are not only irritating, but they make people feel like it would be easier to order from somewhere else.

Restaurants need efficient off-prem ordering channels that maintain a convenient and pleasant ordering experience for customers while also reducing operational/labor complexity. Artificial intelligence, while still a rapidly evolving technology, is finally at a stage in its development where everyone can benefit without sacrificing the personal touch that customers still value.

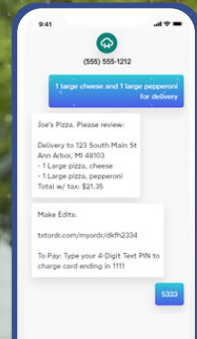
The adoption of AI bots for phone and text orders is accelerating, and it won't be long before the technology becomes well-understood and even expected by customers.

Jet's Pizza is a hallmark example of how willing customers are to adopt a new technology if it gives them the smooth experience they want, to the tune of millions of orders. And for Jet's, the upside is not an incremental improvement, but a significant boost to the company's revenue.

In the near future, interactions with artificial intelligence will become mainstream in the restaurant industry, and phone and text ordering will be leading the way.

Restaurants that delay in adopting this emerging technology will soon find themselves losing customers to those that do.

AI-Driven Solutions from HungerRush



 **HungerRush™ 360**

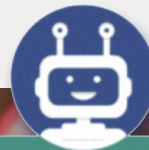
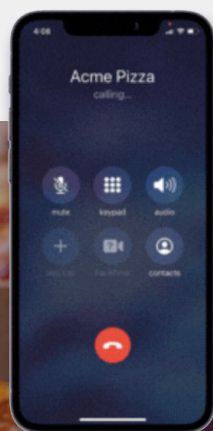
OrderAI is an artificial intelligence system built into the HungerRush 360 platform that enables customers to place orders by phone or text message and receive personalized remarketing messages thereafter. With the help of NLP technology, the process of ordering via OrderAI is natural and seamless, with shorter wait times and higher accuracy.

For restaurants, it's a powerful tool for automating a highly manual ordering channel, freeing up staff to work on higher-impact tasks, and outsmarting today's staffing challenges.

There are three components to the OrderAI product:

OrderAITalk

OrderAI Talk is an intelligent phone bot that answers a restaurant's incoming customer calls, takes orders and payments, and sends tickets directly to the POS system. Since OrderAI is entirely self-operating, the bot can answer an unlimited number of calls at once and keep the line moving with minimal disruption to the flow of on-prem operations.



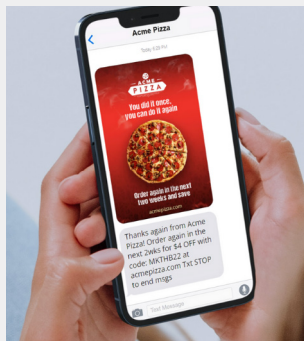
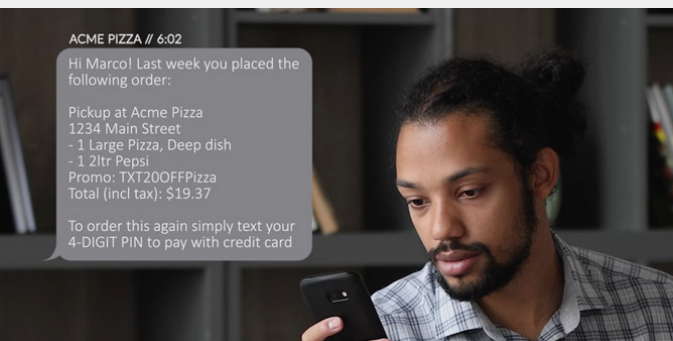
**Thanks for calling Acme Pizza!
What can I get for you today?**

OrderAI Text

OrderAI Text leverages the same artificial intelligence used in OrderAI Talk, but optimized to understand written language. OrderAI Text guides customers through a simple ordering journey that happens completely via text. It is also self-operating and can handle an unlimited number of text conversations with ease, even when customers use text speak or abbreviations.

Text Marketing

Text Marketing is a complementary feature that uses the OrderAI engine to send timely, personalized text offers to customers who have opted in through previous Talk or Text orders. Text Marketing is designed around one goal: create a frictionless experience for existing customers that enables them to repeat past orders in a matter of *seconds*.



With over 3,000,000 orders processed successfully through Jet's Pizza, one of the largest pizza chains in North America, OrderAI is a proven and sophisticated way for brands to automate phone ordering at scale. Learn more about [OrderAI's impact for growing restaurants](#).

I WANT ORDERAI FOR MY BUSINESS



HungerRush 360 is an integrated system of solutions that gives restaurants everything they need to reduce labor, streamline operations, unify digital channels, delight customers and employees, and of course, sell more food.

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