

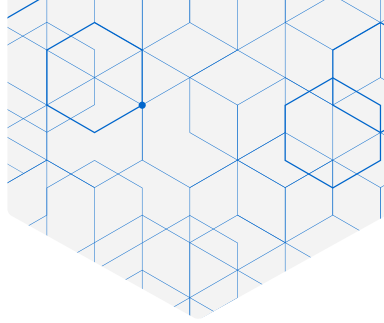


BLACK BOX  
INTELLIGENCE

REPORT

# Data Delivered: Customer Satisfaction Insights Driving Today's Modern Restaurant





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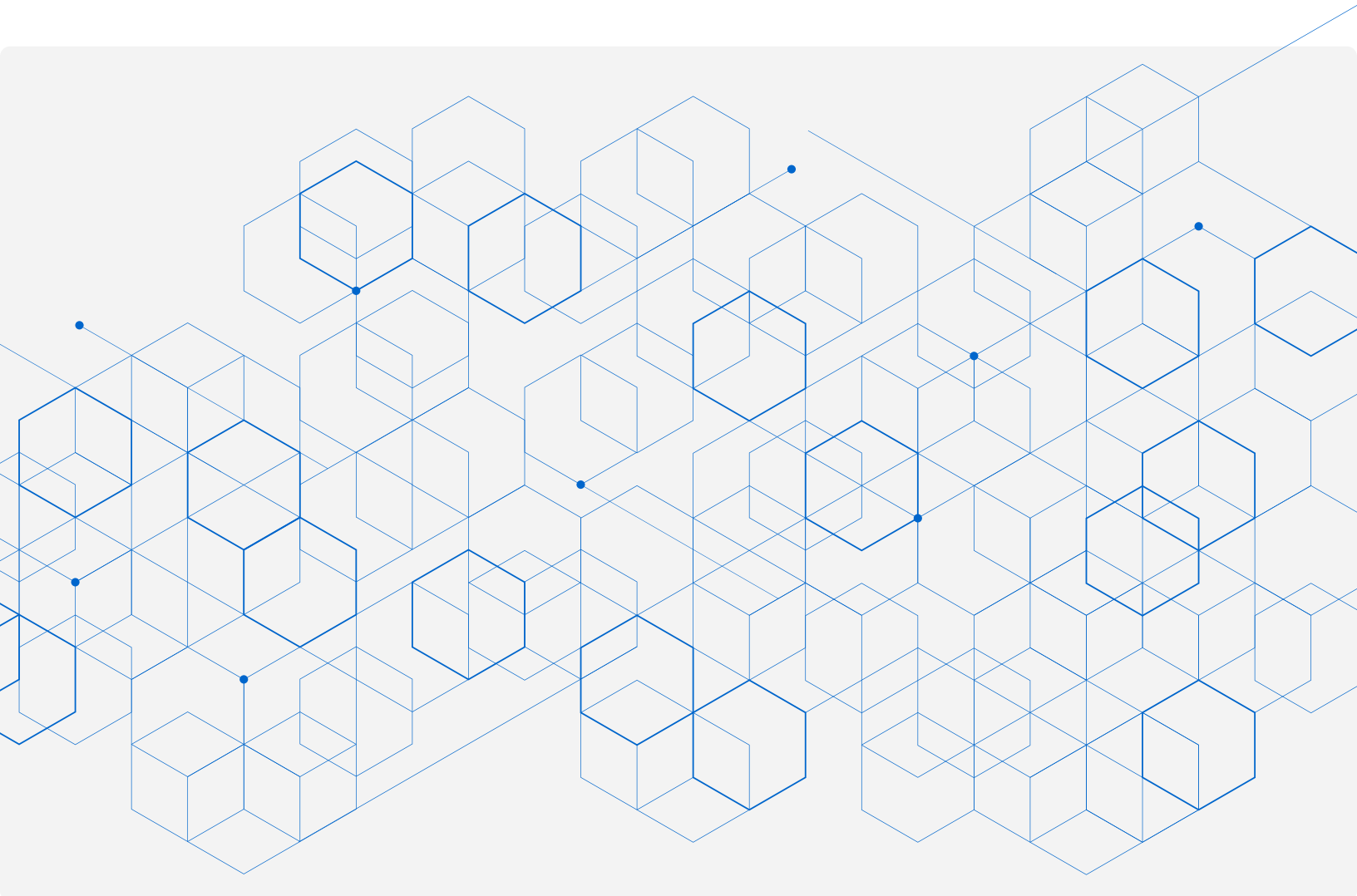


# Introduction

The deciding factor whether someone chooses to dine with you - or the competition - can often come down to the quality of your restaurant's customer experience. And let's face it – consumers have the upper hand in any situation where convenience, value and attentive service are expected.

Meanwhile, restaurants are looking for reliable ways to deliver with an experience that does in fact make it “worth it.”

Black Box's Guest Intelligence is how we've [aggregated data](#) and discerned some of the top post-pandemic industry-wide restaurant consumer trends. In this report, we'll assess the data to uncover the latest customer satisfaction insights that are driving today's modern restaurant.



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# How we collect and measure key customer satisfaction metrics

Before we dive into the data, we're sharing how Black Box Intelligence™ gathers comprehensive customer satisfaction metrics with Guest Intelligence. The CX solution searches reviews to detect what's driving the customer experience and can be customized to monitor mentions of certain words, like specific restaurant characteristics and menu items.

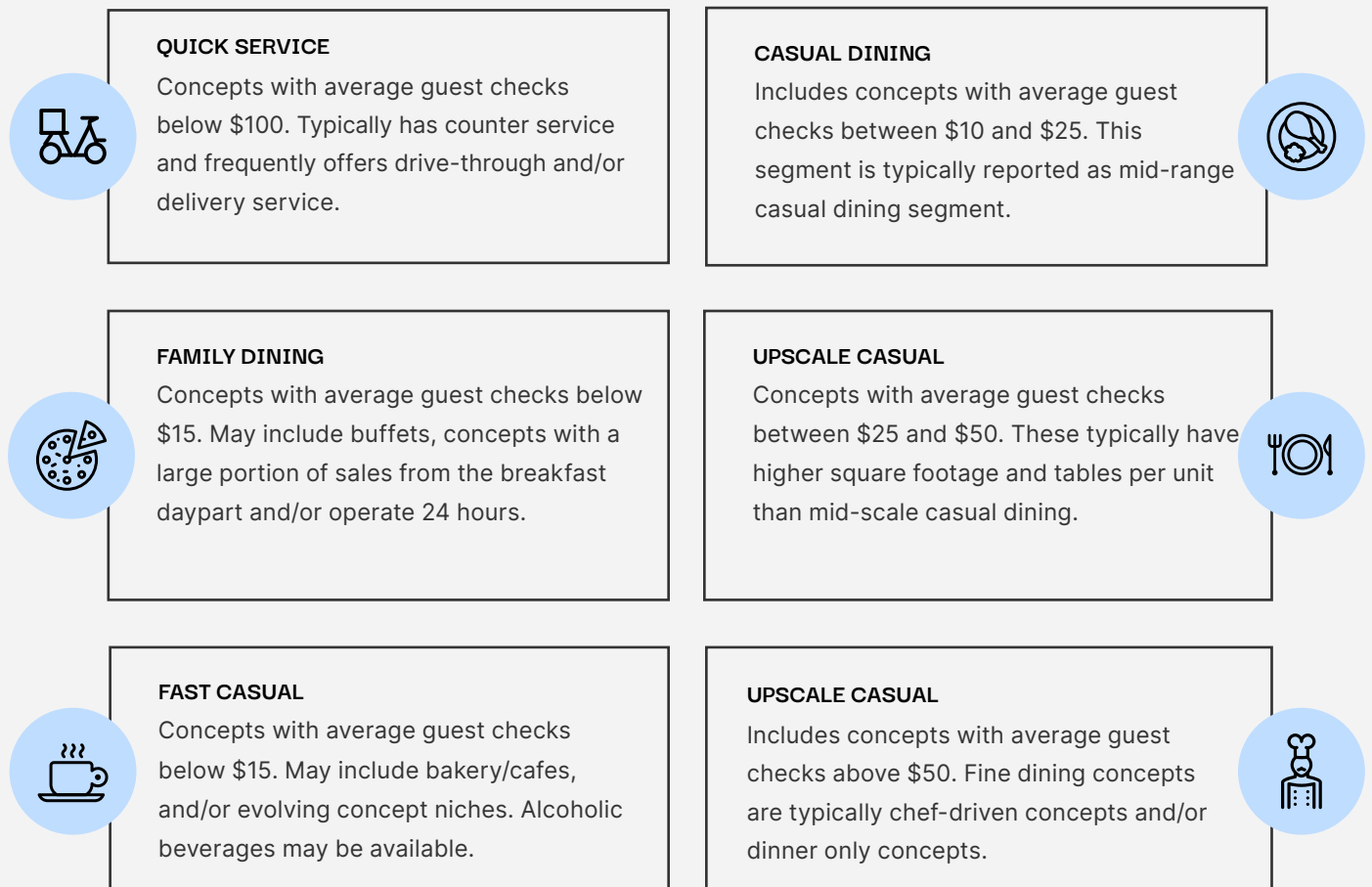
For our client base, we collect guest sentiment data by [aggregating reviews](#) from online review sites. We use this data to formulate a [net sentiment score](#) across six

categories: food, beverage, service, ambiance, value, and intent on return.

In addition to providing this data at the individual brand level, we also track broader customer experience trends throughout the industry.

To provide this industry-wide insight, we anonymize this data and segment it according to various [restaurant categories and segments](#).

## RESTAURANT INDUSTRY SEGMENTS TRACKED BY BLACK BOX INTELLIGENCE



# Restaurant customer trends we're watching

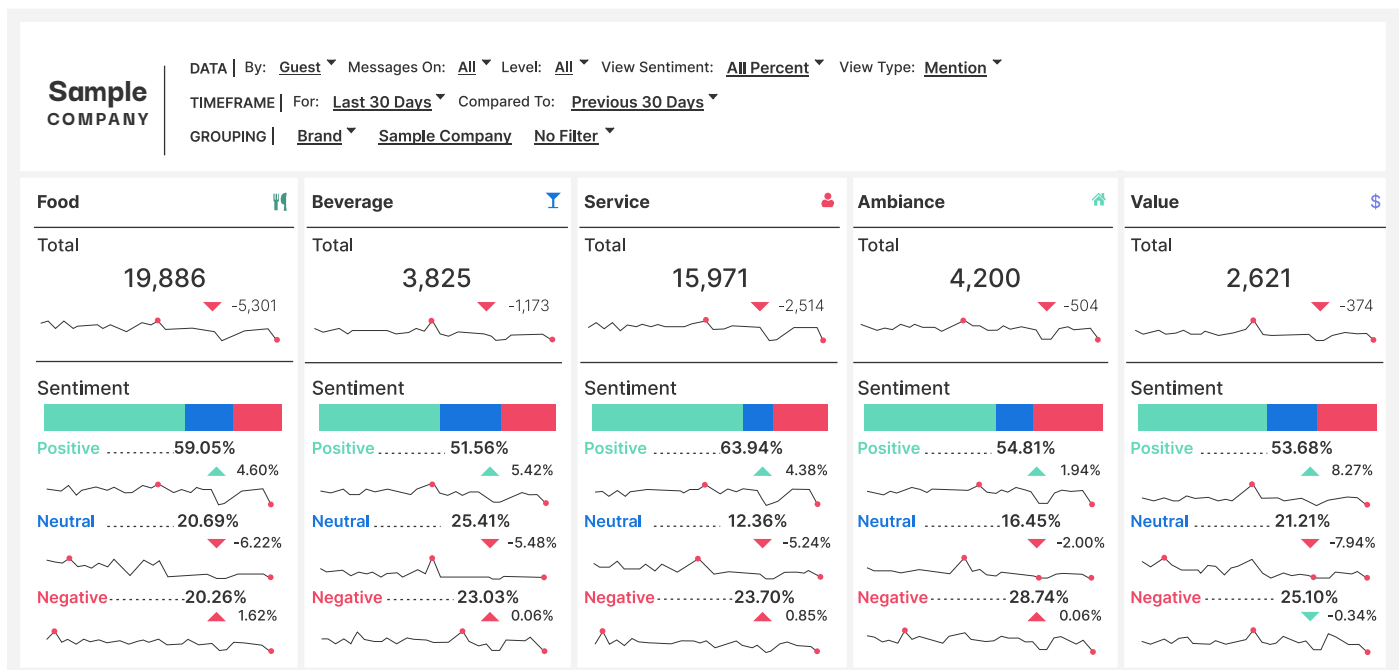
The dominant factors driving restaurant customer satisfaction trends: staffing issues and check growth. These categories are frequently cited as areas of concern across restaurant segments and size. Alternatively, our Black Box Guest Intelligence data reveals that restaurants with mentions of “great price,” “affordable” and “worth it” tend to receive the highest average star ratings from guests. Can you spot the correlation? Below we dive into the top categories more granularly.

## Staffing Issues and the Customer Experience

Ask any restaurant operator their biggest challenge right now – and the answer very likely at the top of their list is staffing. Black Box Intelligence workforce data tells the same story month-after-month, year-after-year – and no segment is immune to its effects. Record-high turnover rates mean operators and general managers battle to keep restaurants fully staffed. Although turnover rates are easing, they remain significantly higher than the already above average pre-pandemic turnover rates.

So, the question the industry is trying to answer: what can restaurant companies do to improve their employee retention and reduce turnover?

There's a direct correlation between a restaurant experiencing [staffing issues](#) and how customers rate restaurant quality. It's particularly challenging in full-service restaurants, where so much of the experience is dependent on the frontline teams providing it. Surprisingly, speed and convenience are less of a concern in this segment.





The number of online mentions of restaurants being short-staffed has continued to rise throughout the year.

The largest increase in “short-staffed” mentions was in family dining compared to the beginning of the year; mentions are running about 30% higher than the industry overall in Q3 to date. Casual dining is also trending about 10% higher than the industry.

Relatedly, guests are also expressing frustrations with restaurant wait times. Those in limited service also experienced increased mentions, but not nearly the same magnitude as full-service.

## Average Check Size

Supply chain issues mean certain items consumers might be used to seeing are now not on the menu anymore, and quality might not be as consistent as it used to be. For example, you might get dishes with varying sizes of chicken breasts.

Staffing issues exacerbate these problems with quality because not only are restaurants experiencing more irregularity in their orders, but they also don't have enough cooks in the kitchen to prepare food quickly, leaving food preparation in the hands of those without proper training.

Due to economic constraints, the [average check size](#) in restaurants has been continually growing. It is the result of a cycle of falling customer satisfaction and value sentiment due to increased check growth, making dining out seem not worth it. Because of this decrease in customers, restaurants have had to raise their prices so they meet their margins. Overall, Black Box Intelligence has found that the bigger the average check increase, the lower guest sentiment and customer satisfaction becomes.

Black Box Intelligence Analysts investigated average guest check growth in Q2 2022 compared to Q2 2019.

Restaurant companies reporting the lowest increase in guest checks (i.e. restaurants companies that represented the 25% with the lowest check growth) saw an increase in guest counts. All other restaurant companies reported negative traffic growth for the same time period.

Furthermore, the companies with the lowest check growth reported much higher growth in traffic – a significant 16 percentage points over the 25% of companies with the largest increase in average check.

Guest sentiment data from [Black Box Guest Intelligence](#) provided deeper insight into what likely drove an increase in guest traffic for restaurants with the lowest increase in average check growth.

The restaurant companies with the lowest increase in checks reported a value net sentiment that was almost 5 percentage points more positive than those with the highest check increases during Q2 2022. Guests of low check growth restaurants talked about their experiences using more positive value-related words than the rest. Some of those words and phrases typically found in those positive value mentions included “worth it,” “reasonable” or “great prices.” Guests also took the time to specifically call out efforts to provide greater value using terms like “specials,” “deals” and “unlimited” promotions.

But the improved guest sentiment for those brands with the lowest check growth didn't stop with just value. Inferred intent to return (analyzed through online review data) was an impressive 17 percentage points stronger than the restaurants with the largest increase in average check.

The takeaways: guests notice the continuous price increases and interpret the higher check as an erosion to the perceived value restaurants can offer. Higher prices negatively impacted the intent to return and resulted in fewer visits to those restaurants.



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## Ambiance and Cleanliness

If you're looking to drive up restaurant customer satisfaction, start by cultivating a good [restaurant ambience](#).

Ambience is determined by the quality of the [physical environment](#) in which diners find themselves. Things like dirty dishes, disrepaired furniture, unclean bathrooms, and unpleasant smells are all things mentioned in various reviews that negatively affect ambience.

Additionally, the ambience is partially relative, as it must match the expectations of the restaurant customers who fill up a space. For example, the expectations for the ambience of a fast food burger chain are going to be wildly different from those for a fancy steak house. So, make sure to take the characteristics of your restaurant into account when it comes to improving your ambience.

Cleanliness comes up regularly in guest reviews, which has a significant impact on ambience scores. Elements like music, lighting and decor are still important factors in ambience ratings, but cleanliness emerged as a safety issue. Guests are specifically raising concerns with the cleanliness of tables, restrooms, and cutlery.

## Off-premises Sales and Restaurant Customer Satisfaction

When looking at 2021 vs. 2022 segment performance, the trailing impact of the pandemic is a factor and important in the context of positive or negative segment growth.

Sales and traffic growth face difficult laps from 2021's release of pent-up demand and stimulus. Data reveals that only two segments were able to improve their performance during the last month – Quick Service and Family Dining. On the other hand, Fine Dining experienced the largest slowdown in the three-year sales growth. The data aligns with broader macro pressures against a backdrop of inflation and the looming question of recession. Consumers continue to contend with these pressures by trading down their spending to segments and brands with the lowest average checks (typically Quick Service) or toward lower price points within Full-Service restaurants (typically Family Dining).

BBI has also noticed a rise in mentions of forgotten items in off-premises orders. Comments like "I had no utensils with my order", or "they forgot our appetizers", are becoming more commonplace. To drive greater customer satisfaction when it comes to off-premises orders, consider adding a position to focus particularly on off-premises sales.

“

HERE ARE SOME EXAMPLES OF  
**CUSTOMER  
COMPLAINTS**  
IN RESTAURANTS:



“My husband's silverware looked dirty, and my supposed clean napkin had food in it.”



“My feet stuck to the floor as I walked and there were old dried-up pieces of food laying under several of the tables.”



“The restrooms were dirty, and the hand soap was empty during COVID.”

# What you can do to improve the restaurant customer experience

Many of the challenges facing restaurants today are outside of your control. However, there are things you can do to influence and improve guest satisfaction.

## Improve the restaurant experience for customers and employees

Restaurant culture plays an important role in overcoming challenging times. It's vital to create an environment that attracts and retains engaged employees who can then deliver high-quality service. It's more important than ever to make sure employees feel supported.

Employees need to know that you understand the complexities of what it's like to do their jobs right now. When they feel like leadership has their back, they're more likely to be loyal and engaged.

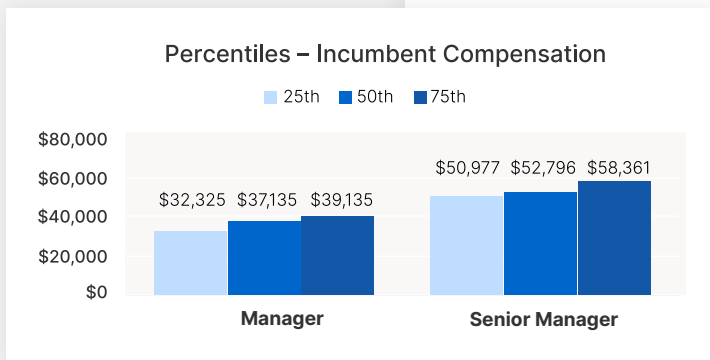
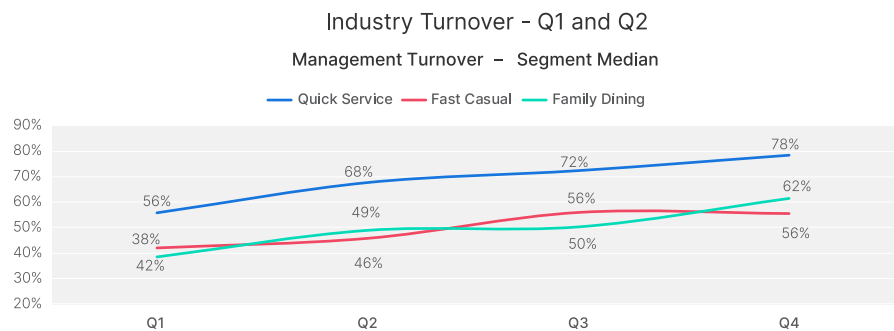
For more insights on what restaurant employees need from their managers and employers, download [The Restaurant Moneyball Metric: Why the #1 Driver of Performance is Your GM.](#)

## Manage guest expectations

[Staffing issues](#) (among other challenges like [rising food prices](#)) are creating less-than-ideal circumstances in most restaurants. Instead of trying to maintain the same output as you would in normal conditions, deal with the challenges head-on by managing guest expectations. For example, if you're short-staffed, you can move tables that you're unable to serve out of sight.

That way, customers don't see empty tables and assume that you have the capacity and just don't want to serve them.

<b>Manager</b>
<b>\$37,135</b>
<b>Senior Manager</b>
<b>\$52,796</b>



Percentile	Manager	Senior Manager
5th	\$28,026	\$47,158
25th	\$32,325	\$50,977
50th	\$37,135	\$52,796
75th	\$39,135	\$58,361
95th	\$43,284	\$61,877



# The connection between customer satisfaction and sales

Across both Limited- and Full-Service segments, guests tend to provide the highest value star ratings for “delicious” and “fresh” food, “friendly” service and a “clean” environment. On the other side of the sentiment spectrum, “wait” time for food and “small” portions dragged ratings down significantly. Capturing customer satisfaction metrics and investing in better service translates to better sales.

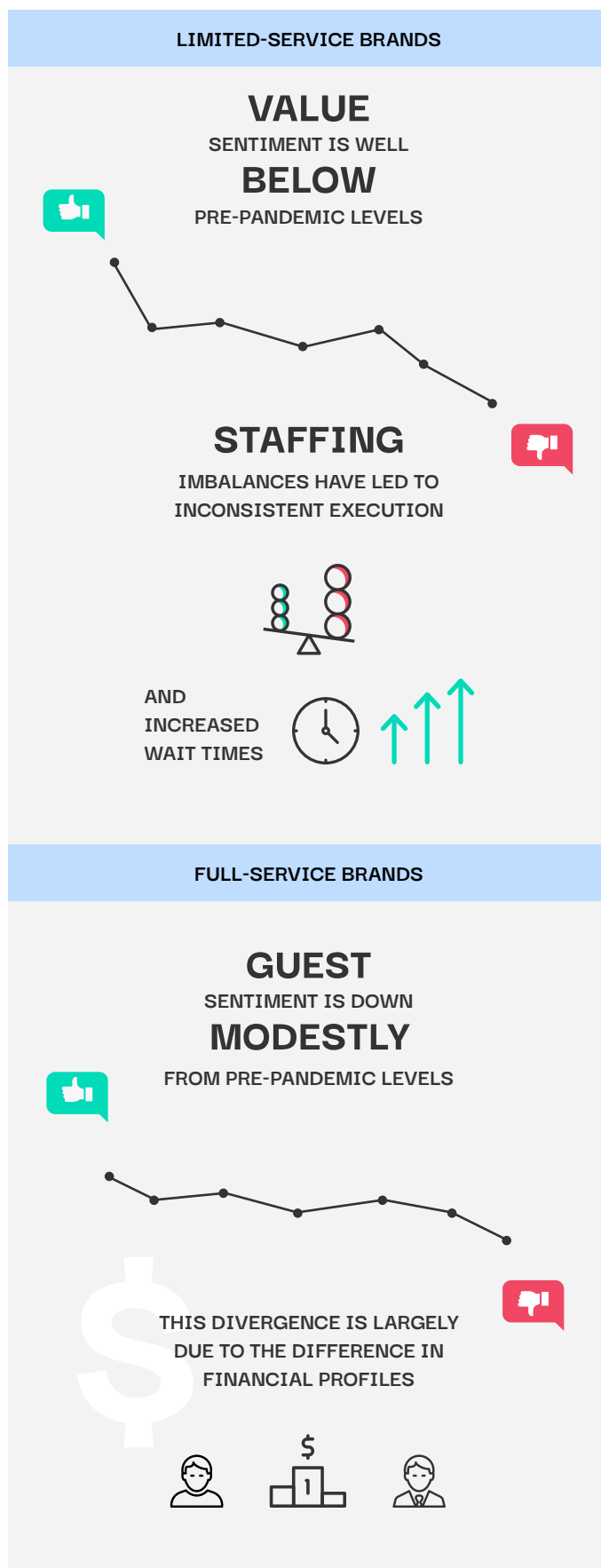
## Limited-Service Brands

Black Box Intelligence data shows value sentiment is well below pre-pandemic levels and in negative territory. There are several reasons for the surge in negative reviews over positive ones. Staffing imbalances have led to inconsistent execution and increased wait times.

Combined with a perceived deterioration in experience and the substantial increase in check growth over the last three years – it’s unfortunate, though not surprising to find value sentiment down for the Limited-Service segment. Guest review data in Q2 notably revealed that Limited-Service guests mentioned “overpriced” and “expensive” more often. The terms “worth it” were mentioned fewer times in Q2 than in Q1.

## Full-Service Brands

Guest sentiment is only down modestly from the pre-pandemic period despite average check growth and similar staffing challenges. Black Box Intelligence believes this divergence is largely due to the difference in financial profiles. Frequent Full-Service guests’ incomes typically skew higher than guests frequenting brands in the Limited-Service Segment (where there is more sensitivity to price hikes).



Guest review data reveals that Full-Service guests mentioned “deals” more often and more positively. “Expensive” and “overpriced” were mentioned less times in reviews. However, like its Limited-Service counterpart, guests mentioned “worth it” fewer times in Q2 than in Q1. Full-Service guests also tended to provide higher value-related average star ratings for lunch specials as of Q2.

And in the case of limited-service brands, top performers had over nine percentage points higher sales growth than the limited-service benchmark in Q2. Those same top performers had guest net sentiment eight points more positive than the median company in limited service.

These brands are using data wisely to inform their restaurant customer relationship management practices. As a result, they’re able to anticipate customer needs and respond effectively.

These trends should provide a good starting point for your restaurant but nothing compares to data that shows consumer sentiment about your restaurants specifically.

[BBI’s Guest Intelligence tool](#) reveals real data detailing not only your food, beverage, service, ambiance, value, and intent to return sentiments, but also gives you visibility into your competitors, segment, and industry data for more accurate assessment of where your brand performance ranks against the rest.

You can do the same for your restaurants. Guest Intelligence provides all the unsolicited guest feedback you need to answer these questions and more. Learn how [BBI’s Guest Intelligence Solution](#) allows you to harness customer satisfaction insights to optimize service and generate more revenue.



TOP PERFORMERS HAD OVER



POINTS HIGHER

SALES GROWTH THAN THE LIMITED-SERVICE BENCHMARK



THOSE SAME TOP PERFORMERS HAD GUEST NET SENTIMENT



POINTS HIGHER

MORE POSITIVE THAN THE MEDIAN COMPANY IN LIMITED SERVICE



## How are you tracking customer satisfaction to drive sales and traffic?

Learn how you can leverage guest data to improve customer service and generate revenue.

**SCHEDULE A CONSULTATION WITH ONE  
OF OUR SPECIALISTS TODAY!**

**GET DEMO**

**BLACKBOXINTELLIGENCE.COM**

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