

Industry Roadmap: Restaurant
March 2023

Waze's 2023 Restaurant Forecast:

Three key insights
to reach on-the-go
customers



The road ahead: **Driving restaurant traffic and brand growth in 2023**

Despite restaurant marketer sentiment around macroeconomic concerns and 2023 revenue forecasts tied to consumer spending, there remains a growing opportunity for restaurant brands and marketers to reach diners on the go this year.

To help restaurant owners and marketers reach their business objectives, we highlight how to capture the increase in consumers dining out. Our report draws on data from Waze, the world's largest crowdsourced navigation app, insights based on survey feedback from restaurant industry brand and agency leaders, plus complementary research to create recommendations for driving restaurant traffic and brand growth over the next several quarters.



Part 1: Customers are visiting restaurants more than ever

Back to the table

40%

increase in the number of navigations to restaurants from January 2022 to 2023 YOY.

Source: Waze category trends, January 2022 vs. January 2023

Amid the overarching narrative surrounding consumer spend in light of macroeconomic headwinds, there remains a mutually valuable opportunity for restaurant owners and marketers to meet on-the-go consumers at their moment of buying intent. According to Waze, visits to quick service and casual dining restaurants are already growing — up over **40%** YOY.¹ Specifically, navigations to dessert shops and those serving up ice cream in particular (**+20%**), along with coffee shops (**+17%**), have seen the largest increases from 2019 – evidence that restaurants can both maintain sales and even find growth in this climate.²

One potential reason for this growth? Grocery prices have risen at a faster rate of **13%**, compared to the cost of meals consumed away from home, which increased by only **8%**.³

“Because it is both convenient and, at times, more cost effective, drivers are increasingly looking to dine out or pick up meals on their ride home. Restaurateurs who reach these on-the-go consumers will find a receptive audience that is still spending despite inflation,” says Mike Wilson, Head of Industry for Restaurants at Waze.

Part 2: Understanding restaurant diners' evolving behaviors and preferences is critical



Today's consumers appreciate the experience of dining out, but also value the convenience that services like curbside pickup, mobile ordering, takeout and drive-thru add to their lives. This means that mobile app ordering and streamlined takeout and curbside conveniences continue to be big draws for on-the-go diners and will remain valuable areas of investment for restaurants in 2023.

In fact, restaurants large and small are building new locations geared toward to-go orders. For example, both a new McDonald's in Texas and a Chipotle location in Ohio are takeaway-only with no indoor seating, and Starbucks plans to add 400 U.S. stores with only delivery or pick up service in the next three years.⁴

Waze navigation data echoes how important these services are to on-the-go customers. In fact, it shows that restaurant locations with drive-thrus have seen more navigations than those without. Today, Waze is seeing that navigations to quick-service (QSR) locations with drive-thrus represent over half of total navigations.⁵ Alongside the popularity of QSRs with drive-thrus, takeout is also on the rise. Takeout increased from **35%** of restaurant orders in January 2022 to more than half of them by May 2022, a growth trend that appears to be continuing.⁶

Restaurant brand and agency marketing executives further underscored this trend, expressing confidence in takeout's resilience. In a survey of these leaders conducted by Restaurant Dive on behalf of Waze, **70%** of restaurant brand and agency leaders said that curbside pickup and takeout are very or extremely profitable for their restaurants.⁷

"Because large numbers of consumers continue to prioritize convenience and time savings, restaurant marketers who reach on-the-go consumers with attractive offerings for drive-thru, takeout and curbside pickup will stand to drive the highest revenues and profitability in 2023," says Wilson.



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Part 3: Use contextual messaging to reach consumers on the go



As restaurants invest in customer conveniences like drive-thru, curbside pickup and takeout, it is critical for them to make consumers aware of these attractive offerings. Marketers who are able to present hungry, potential customers with contextually relevant messaging that reaches them at the right time — and when they're in the right place — stand to benefit from a competitive edge throughout the remainder of this year and beyond.

For example, **43%** of weekday navigations to restaurants on Waze occur during the lunch and dinner time periods between 11 a.m. to 2 p.m. and 4 p.m. to 9 p.m.⁸ These Waze users are actively looking for places to eat on the platform in real time. In addition, Waze users are **5%** more likely than the average U.S. consumer to have dined out at a QSR nine or more times over the past 30 days; **42%** of Wazers fall into this avid QSR consumption category. This also directly correlates to spending at QSRs, with **21%** of Wazers spending more than \$100 on fast food in the past 30 days (**11%** more likely than the average US consumer).⁹ Restaurant brands and marketers can reach these valuable drivers at the right moment when they are in close proximity to restaurants or in search of their next meal.

Restaurants can also help drive loyalty by retargeting drivers who are known to have frequented a specific restaurant in the past or enjoyed a particular type of food. For example, consumers' navigation behaviors vary seasonally. On Waze, taco consumption (based on navigations to restaurants that specialize in them) tends to peak in the spring and summer — and yes, peak on the famed “Taco Tuesday” — whereas eaters are more likely to crave a hearty burger and fries during the cooler months.¹⁰ Understanding these types of behaviors

and trends can help restaurant brand and agency marketers craft messages and special offers that are more likely to resonate with their audiences in the moments that matter.

“Restaurant marketers can make very strategic investments in advertising by doubling down on their awareness of consumers' locations while creating offerings that are carefully tailored to attract on-the-go diners at the right times,” says Wilson.

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Taking action: **Get in front of consumers behind the wheel**

The current macroeconomic climate may tempt restaurant marketers to reduce their spending, but a closer look at the data underscores the fact that restaurants that invest strategically are not only poised to win market share of the growing number of on-the-go diners in the near term, but also to retain the lasting loyalty of their customers for the long term.

To realize both short- and long-term gains, restaurant marketers must prioritize on-the-go customers who are visiting restaurants now more than ever and invest in diner takeout conveniences.

Waze Ads can help marketers reach those target audiences who are likely to continue to dine in restaurants. “In-car advertising is a unique offering,” says Wilson. “What sets it apart is that it delivers the right contextually relevant message to the right customers at the right time and place.”



Sources

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