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Bluedot's Latest State of What Feeds Us Report Uncovers Rising Competition Between Fast Food and Fast Casual Restaurants

As COVID restrictions loosen, lines blur between fast casual and fast food; Wait time becomes a vulnerability for fast food

Shines light on the race to innovate with growing demand for restaurants of the future

Drive-thru visits remain at pandemic levels, curbside and in-store pickups dip

SAN FRANCISCO, May 26, 2021 -- [Bluedot](#), which provides location technology to power high-value interactions between brands and their customers, released the [fourth installment of its State of What Feeds Us report](#) which has kept tabs on consumer behavior and restaurant habits throughout the course of the pandemic. Data findings in the series have offered insight into customer expectations to support restaurant brands as they navigate through the health crisis and continue to move forward through the recovery. The latest research, based on a survey of over 1,800 American consumers, was completed last month.

Since the early stages of the health crisis, the State of What Feeds Us has monitored the surge in drive-thru visits and rise in curbside and in-store pickups as consumers sought a safer, more contactless customer experience. Throughout subsequent waves of the pandemic, the reports

explored the growth of off-premise strategies including the spike in mobile apps and, more recently, captured softening safety concerns among consumers when they began favoring shorter wait times over safety protocols.

This latest report offers a year in review of shifting consumer restaurant habits precipitated by the pandemic. In addition to the emergence of indoor dining, it explores rising competition between fast food and fast casual restaurant brands with COVID restrictions loosening. The data finds consistent consumer behavior across both restaurant categories signalling the distinctions between fast food and fast casual restaurants are quickly evaporating.

"It remains to be seen if fast casual brands will win back the customers they lost to fast food restaurants this past year," said Emil Davityan, Bluedot co-founder and CEO. "The data strongly signals long wait times are a vulnerability for fast food restaurants as they compete for customers. Brands that accelerated investments in technology and logistics to deliver faster and more frictionless service during the pandemic are beginning to level the playing field, but now there's a race to roll out restaurants of the future. It's the next evolution of personalization, speed and convenience layered with a unique brand experience that will best position restaurants to win market share."

Highlights from the report include:

Fast Food

- Fast food reigns supreme. Fast food far outpaced fast casual and casual dining restaurants by more than 2X in the past month. 45% visited fast food restaurants mainly, if not exclusively, over fast casual. Visits to fast food over casual dining restaurants were slightly higher at 47%.

Drive-Thrus

- Drive-thru visits remain at pandemic levels. Drive-thru visits have increased 36% since the early days of the pandemic with 9 out of 10 visiting in the last month. 70%

visited the drive-thru as often or more often over the past month, an uptick from 68% in February.

- More money spent at the drive-thru. 35% indicated they are most likely to spend more in the drive-thru, followed by restaurant apps (24%) and the counter (20%).
- Order accuracy and speed top list of what consumers want. The vast majority will revisit a specific drive-thru if their order is always correct (68%) and service is fast (62%).

Curbside

- Curbside pickups at fast food restaurants dip. 57% utilized curbside pickups in the last month, down from 77% in February. 47% used curbside pickups as often or more frequently, a sharp decrease from 67% in February.
- The arrival experience is failing. Of those who want automated check-in upon arrival at curbside, only 32% have experienced that capability. Of those who wish to alert staff with a tap of a button, only 23% have. When pulling into a curbside space, consumers are still required to call or text (32%), flag down staff (7%), or walk inside (9%) to receive their order.

In-Store Pickups

- In-store pickups at fast food restaurants decline. 79% used in-store pickups over the last month compared to 89% in February. 58% used curbside pickups as often or more frequently, a sharp decrease from 67% in February.

Fast Casual

- Curbside is popular at fast casuals. 60% used curbside pickups at fast casual restaurants in the past month, with 48% using it as often or more.
- Indoor dining reemerges. A whopping 88% will dine inside fast casual and fast food restaurants, but there are high expectations for safety protocols including sanitized tables (70%), staff wearing masks (69%) and/or gloves (51%), and limited seating (52%).

Lines Blur Between Fast Food and Fast Casual

- Drive-thrus wanted. The majority (51%) would visit fast casual restaurants more often if they had a drive-thru while 36% would visit fast food and fast casual restaurants equally.
- Consumers expect to visit fast casuals more in the coming months. 41% plan to visit fast casuals and fast food equally and 25% plan to visit more fast casuals than fast food.

Speed of Service and Wait Times

- Long lines are increasingly a dealbreaker. An overwhelming majority (85%) will leave or consider leaving a long line - up from 77% in February.
- Impatience continues to surge at fast food. Consistent with the previous report, consumers still expect a wait time of under six minutes at the drive-thru, curbside and in-store, down from 10 minutes in August 2020.
- Apps are deleted when wait times are too long. While 40% download mobile apps to bypass a long line, 48% will delete a restaurant's app if they still have to wait once they've arrived.
- Fast casuals are given more leeway. Consumers are more forgiving when it comes to curbside wait times at fast casuals. 37% expect a wait time of six minutes or less, but 33% are willing to wait eight or more minutes.

Casual Dining

- Casual dining restaurants will get a boost in the coming months. Consumers plan to visit more casual dining restaurants compared to fast food in the months ahead. 36% plan to visit fast food and casual dining restaurants equally while 26% plan to visit mainly or all casual dining restaurants.
- Safety and sanitation are a priority. Like fast casuals, 88% will dine inside casual dining restaurants with similar levels of expectations including sanitized tables (69%), staff wearing masks (67%) and/or gloves (50%), and limited seating (52%).

Mobile Apps

- Apps are being downloaded for convenience and discounts. Fast and easy (56%) ties with coupons and deals (56%) for the top reasons consumers download apps followed by earn and track loyalty points (48%), easy payment options (43%), and to avoid long lines (40%).
- Restaurant apps are more popular than third-party apps. 68% order directly from restaurant apps multiple times a month compared to 42% who never order from third-party apps.
- Apps are being deleted and redownloaded. 28% will delete an app after using it, but 74% of those will redownload the app when needed. 39% keep restaurant apps on their phone for at least six months, down from 46% in February.

Restaurants of the Future

- More drive-thru options. 63% want designated drive-thru lanes for mobile orders, far outranking other restaurant innovations. 31% would revisit a restaurant if it had a dedicated mobile drive-thru lane.
- Modern menu boards. 40% stated a menu board that confirms their order as a top reason why they revisit a drive-thru.
- Advanced personalization. 29% stated personalized deals and offers would keep them coming back to a specific drive-thru. In the future, 34% want menu boards that display their loyalty points and coupon offers while 24% want a menu board that greets them by name and knows their regular order.
- Text ordering. 35% want the ability to text their order to restaurants.
- Smarter arrival. 35% would download an app if it meant restaurants knew when they are on their way or have arrived.

The fourth State of What Feeds Us report can be found [here](#). Access the [first](#), [second](#) and [third](#) reports for additional insights.

Survey Methodology

The survey was conducted via SurveyMonkey between March 30 - April

1, 2021 among a national sample of 1,802 American adults aged 18 and older. Additional methodology can be found within the report.

About Bluedot

[Bluedot's](#) award-winning location technology for mobile apps powers meaningful interactions between brands and their customers across key industries including [retail](#), [quick service restaurants](#), and [transportation](#). Bluedot is trusted by many of the largest enterprises such as McDonald's, Dunkin', GoToll, IAG, and Vodafone among others. With pinpoint accuracy, Bluedot can identify the moment customers enter the drive-thru, arrive at curbside, or pass a toll location. Bluedot drives consumer engagement with advanced gamification, personalization and loyalty solutions. Inherently compliant with GDPR and CCPA, Bluedot focuses on protecting end-user privacy.

For more information on Bluedot and its solutions, visit bluedot.io.