

Perry Quinn:

We took 10 years of digital technology and pushed it out all in four days starting about March 16th.

Jason Lopez:

This is the tech barometer podcast. I'm Jason Lopez, a wave of lockdown mandates in March of 2020 halted, many aspects of life as we knew it. It was especially true for the restaurant industry, which dove deeper into digital technologies to stay competitive and in many cases, just to stay alive. For this story, we talked to restaurant owners, an it expert, and a restaurant innovation advocate to get a flavor of what was happening behind the scenes.

Perry Quinn:

Those that embraced and got in front of the digital side of this, whether it's email, web, mobile, online ordering, et cetera, really hit the ground running, extending their services to their existing customers.

Jason Lopez:

Perry Quinn is the senior vice president of business innovation development for the National Restaurant Association. He says the organization tracked over 110,000 restaurants, which temporarily or permanently closed since last year. What's notable is that it's less than 20% of restaurant locations in the U.S. How did 80% of restaurant locations stay in business? They switched to take out.

Deb Mok:

Well, we arrived at that because we were all forced to do that.

Jason Lopez:

Initially, Debra Mok is the owner and chef of wild ginger in Cambria, California, a small coastal town, just south of Hearst castle. And here's, what's interesting about her story of adopting digital technologies to survive.

Deb Mok:

Well, I'm not at a very technology savvy person, so I don't utilize much of those tools.

Jason Lopez:

So when the lockdown came, how did she transition her small sit-down restaurant to take out.

Deb Mok:

Well we've improved our website tremendously. We have made sure that all the updates and changes do appear on Yelp, TripAdvisor, and Google. And so that when people go in and look, those updates are accurate.

Jason Lopez:

This is one of the key insights of digital adoption. She did it without really knowing it, putting up a restaurant presence online seems almost effortless.

Deb Mok:

I'm a very low tech person, but if people can go to their phones and their devices and see what's available out there and what we are doing, then those are great tools.

Jason Lopez:

An app is only one part of the equation, a small restaurant like Wild Ginger can physically shift to take out without too much hassle. What about bigger sit-down places?

Deb Mok:

You know, my sister owns a very large incorporated restaurant, whereas mine is just a little small sole proprietorship and it's a small,

Shanny Covey:

Our main concern was like, what could we do to stay open? You know, so a lot of things were just manual initially. The plan wasn't to look for the software and then figure out how we could use it. It's like, do what we had to do, and then figure out what software would work.

Jason Lopez:

Deb's sister is Shanny Covey who co owns Robbin's in Cambria as well as Luna Red and Mint and Craft in San Luis Obispo. She runs these with her former husband and still business partner, Robin Covey.

Shanny Covey:

So we stayed open offering takeout and figuring out what menu worked well and who could work it and how to get the word out to everybody, which is why the emails and social media posts. And then while we were doing that, we were able to look into some software that would help us, you know, accomplish what we needed to do better. Like the contact lists, you know, payments and ordering and things like that. It was just a process, you know, but the main thing was, keep the doors open and then figure out how we can do it better.

Jason Lopez:

Aside from being able to quickly establish an online presence there was another factor in Deb's and Shanny's favor. They already had positive feelings about transforming their kitchens to making takeout food. The sisters grew up in Singapore, loving the city's famous street food sold by food makers known as hawkers.

Deb Mok:

The street food is the best and that's where our inspiration comes from. Singapore's a food paradise, they're all just focused on food. And so that's what I've been trying to bring to Cambria: excellent Southeast Asian street food.

Shanny Covey:

I don't know of any city other than Singapore, where you can eat 24-7, and there's people eating all the time. The favorite pastime in Singapore is to eat. It's so amazing. You go there. It's like, oh my God, what am I going to eat? It's like, everything.

Jason Lopez:

Within days of shelter in place orders issued throughout California, Shanny's customers began receiving highly tailored email communications about takeout, curbside services, updated menus, and an easy online point of sales process.

Shanny Covey:

I try to be forward-thinking in the sense of, you know, like knowing that, hey, it'd be a good idea to utilize a contactless payment option. So let's look into that. And just looking at, from a guest perspective, too, what would they like to have? And that's where we were put our energies to. So in this case, you know, our digital growth has been in the online ordering and the contactless payments. We feel that that's been necessary because of COVID.

Perry Quinn:

I see this as just yet another mode for delivering food to people where they are.

Jason Lopez:

Perry Quinn is not just referring to delivering food to a customer at their home, the way we usually think of delivery. He's referring to a digital ecosystem in which the customer could be using any device, anywhere, picking food up, curbside, having a delivered to their home or wherever they happen to be.

Perry Quinn:

I think that's similar to the convenience side of target, right? You order on your app, you roll up, you call the number or you say I'm here and they come and deliver the product into the back of your car or hand it to you. I see the convenience on some of these food offerings. I don't think you can put that genie back in the bottle. I think that it's going to be expected. The convenience aspect is not, it's not going to slow down there at all.

Tarak Parekh:

A lot of existing brick and mortar businesses such as Walmart and Target have had to digitize.

Jason Lopez:

Tarak Parekh is director of product management at Nutanix. He points out that everything the customer sees on their phone or laptop, whether it's retail sales, reservation systems or ordering apps is as seamless and simple as it is because of what's happening in the background... data centers, the cloud virtualization, these technologies allowed developers to quickly spin up features like curbside pickup.

Tarak Parekh:

That feature kind of showed up within two to three months of pandemic hitting something that would have taken maybe 12 to 18 months just happen in 3 months. Not just because they wanted to capture more consumer dollars, but just the acceleration of what they could deliver this quickly I don't think would have happened if the digital adoption that was already under way was not there. And they had the drive to accelerate it and take advantage of the current situation to deliver these features.

Perry Quinn:

The mobile app or the online ordering, you know, I put those together a lot of times it's powered by the same. I think that that was a big turning point for the industry to get behind something. And, and again, I

think there's so much work on the backend to make the user experience and the onboarding from a speed and efficiency perspective, much easier than it used to be.

Jason Lopez:

Before the rise of contract data center services, if you wanted a comprehensive online presence for your restaurant, you basically had to get into the weeds of computer science and do it yourself. But cloud services have gotten so flexible and costs so low, developers now handle that platform layer. They rent servers such as from Amazon, AWS and sell their platform services to restaurant.

Shanny Covey:

We found that since COVID software engineers have been working around the clock, trying to get platforms made and designed and ready for restaurants and other businesses to use. So we've grown along with them and given them feedback: this works, this doesn't work.

Jason Lopez:

We've come to expect to be able to use our smartphone to access anything. That idea is infecting how data centers even operate. Imagine running enterprise applications and platforms with the ease of using a smartphone. There are people working on this and it's how a restaurant owner even thinks.

Shanny Covey:

Well I'm always looking at things to be simpler because I feel like technology has added an element of complexity to our operations that wasn't there before. And in the same way, as in other ways, made it simpler like the online ordering, for instance. But myself in our company, we focus on taking care of our guests, however complex it might be. But the goal is to try to keep it as simple as possible.

Perry Quinn:

Some are super savvy. Some are less savvy.

Jason Lopez:

In this story of two restaurant owners, one hip to digital and the other, not so much the massive digital adoption because of the lockdown might lead you to think we're on the path of tech companies, making food, but Quinn points out one big reason why he doesn't see that happening.

Perry Quinn:

Most of the folks don't come into this to be technologists. They have passion for food, and they have a passion for community

Jason Lopez:

Talk to data center engineers, and they may say something similar. They also want to focus on the things that they're passionate about in computer science and let the automation tools handle the mundane stuff and let the complexity recede into the background. Restaurant owners don't want to think about boring stuff as well.

Shanny Covey:

We don't think of how it's going to present digitally or with the different platforms. My goal has always been, I got to focus on doing the best that we can here every day for our guests, for every single person that comes in the door, because I feel that everything else will flow from that. And that has always been my premise. And you want to grow your business. You know, you've got to focus on those things. I mean, of course there's the operational cost controls and all that, but you won't have the business. If you don't focus on customer service, food and ambience.

Jason Lopez:

Shanny Covey is the co-owner of Robbins and Cambria, California, as well as restaurants in San Louis Obispo. She says because of the pandemic, the concept of takeout, even for a fancy sit-down restaurant is probably here to stay. Her sister, Deb Mok, says she loves the idea of wild ginger transitioning to take out only where she can focus on the kitchen and the food much like the street food hawkers in Singapore. And Perry Quinn says the trends toward a higher end food offerings for takeout and a broader range of restaurants offering takeout could accelerate the development of delivery technologies such as robotic vehicles and drones. This is the Tech Barometer Podcast. I'm Jason Lopez. Tech Barometer is a production of The Forecast. Find more stories on technology at theforecastbynutanix.com.