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Designed to Dine Out

Design that prioritizes off-premises ordering—such as small-footprint stores or additional branding in the drive thru—was already becoming popular. Now it's necessary.

BY CHARLIE POGACAR

As restaurants open back up for dine-in service, brands are scrambling to make stores feel as safe as possible, both for guests and employees. Many measures are being taken, like moving tables to create 6 feet of space between them, or adding barriers at ordering points. Most employees are wearing masks and gloves at all times, several stores are offering hand-sanitizer stations, and host stands are being moved outside. But all of these maneuvers, big and small, feel temporary.

The situation begs the question: What long-term effect will COVID-19 have on restaurant operations and design?

Some believe that guests, newly familiar with just how efficient off-premises ordering can be, will remain cautious of dining in for months, or even years, to come. Others suspect some customers may never return to dining rooms after becoming acquainted with the convenience of the now-ubiquitous off-premises ordering methods. Others still are convinced that the service changes being pushed to the fore will fundamentally alter the way restaurants are designed in the future.

Cincinnati-based design firm FRCH NELSON predicts that, in the future, more quick serves will focus on smaller buildouts with amped-up delivery, takeout, and drive-thru operations.

KFC SOPAC

Marty McCauley, design director at FRCH NELSON, a design firm based in Cincinnati, says tables won't necessarily be permanently designed to be 6 or more feet apart, or have barriers between them. His firm has designed for Yum! Brands concepts including KFC units, as well as stores for other brands like Buffalo Rings and Wings and Domino's. Based on his past experience with quick-serve design and the state of the industry today, McCauley believes quick-service brands will begin moving at least some of their portfolios toward small-footprint units geared toward facilitating off-premises transactions.

"If we're talking about designing restaurants from now on where there's 6 feet of space between all tables, I view that as a knee-jerk reaction," he says. "What's not a knee-jerk reaction, [what] we really believe is the future of quick-service restaurants, is instead of these 3,000-square-foot units, you're going to see maybe 1,500- or 2,000-square-foot units. What brands have learned is they have to have the ability to be agile, and customers are really responding to things like curbside pickup and other off-premises channels."

McCauley says he isn't suggesting that every quick serve built moving forward will clock in at 2,000 square feet or under, but rather that operators are experiencing firsthand how important it is to have some flexibility, both in a store's build-out and also in the brand's portfolio. Take Buffalo Wild Wings, for example, which unveiled its new fast-casual brand, Buffalo Wild Wings Go, in May with an 1,800-square-foot Atlanta prototype with limited seating. This foray into quick service was an admission of sorts: As other wing purveyors soared during the pandemic, Buffalo Wild Wings was left trying to figure out how to comply with social distancing and remain afloat.

"I can imagine moving forward that the commitment to flexibility will bring with it a range of expression," McCauley says. "The idea isn't that every building will get smaller, but that they have to create these pathways to go out and grab the attention of guests. More brands might try to-go-only concepts where they're catching guests' attention digitally rather than with signage outside of their storefront. Restaurants previously aimed to bring guests to them, but now they are having to figure out how to bring their brand to the guest."

Still, delivery only makes up a portion of off-premises revenue, and firms like FRCH NELSON are helping cli- [CONTINUED ON PAGE 50]

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Dickey and her team decided to cut royalty payments in half for eight weeks.

"People needed cash flow to deal with the immediate fallout," Dickey says.

That, paired with the PPP loans that many of the brand's franchisees received, has helped keep up momentum for Dickey's during trying times. Dickey reports that the 150-plus members of the brand's corporate staff all remained employed despite the 50 percent reduction in franchise royalties. This was a boon to franchisees, as it was the finance staff who oversaw the loan logistics and helped walk franchisees through the myriad loan-related questions that consumed the industry.

For Coolgreens, an 11-unit fast casual based in Oklahoma, these questions and other financial challenges fell to CEO Robert Lee and vice president of operations, Amanda Powell, who doubled as the financial advisers for the brand's five franchisees.

"It's funny, if you talk to people or go online right now, there's so much discussion about what people are binge-watching on Netflix," Lee says. "But a lot of us in the industry are spending double and triple time with franchisees, talking them through these different initiatives and applications for small-business loans."

As COVID-19 spread, Lee immediately made the decision to suspend all royalty payments. At the beginning of May, the brand wasn't sure if those payments would be deferred or waived. Lee and his team instead went to work on things they might immediately control: figuring out when rents were due and establishing a strategy for moving forward, with particular attention on a location that opened in March and was not eligible for government loans.

Lee says he found landlords to be generally amenable to negotiating some kind of deal that at least deferred rent, or cut payments down a bit. And when it comes to this year's FDD, Lee says he is hopeful that potential franchisees or investors will be able to contextualize the information.

"We're going to report the numbers for what they are, and hope people understand," Lee says. "We can't make excuses for why it happened, because it's something that was out of our control. All we can do is work through this with our team, franchisees, and ground level employees, and hope for the best."

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ents figure out how to get more usage out of parking lots, with an emphasis on providing a branded experience from start to finish.

McCauley says that FRCH NELSON specializes in designing buildings where every single inch is scrutinized. While that's always been an exciting challenge for McCauley and his team, he says the stakes have been raised in a world where the majority of guests never enter storefronts. If that continues into the future—and McCauley and his team think that it might—restaurant companies and their design firms will face the new challenge of creating branding out of the smallest outdoor details. These include signage, menuboards, pre-sell boards, drive-thru entry points, outdoor eating areas, and even pavement. Every element is a branding opportunity.

"We come from a place of strategy and insight where we are seeking to connect the brand and the product to the guest and their needs," McCauley says. "Yes, at a certain point we're just picking what type of material will make up the building's facade, but even something like that we have to think about. What is it communicating to the guest? What are the touchpoints throughout the journey, and how do we guide and create tools of connection within the store's design? When it all comes together—the brand, the product, and the environment—the end result is always supposed to connect with guests ... and all of that is part of what we do."

While no industry expert can say with certainty what store build-outs or customer behavior will look like in the future, it's clear that off-premises will play a larger role in design than ever before. The pandemic has only accelerated what already felt inevitable pre-coronavirus. McCauley says there's even some excitement over the direction this might lead the industry, and how storefronts will be designed in the future.

"Everything is on the table right now," he says. "Everyone we talk to now is so heavily relying on the digital brand to forge their relationship, and you can feel that change we've been anticipating for a while; dining in has become less emphasized, and you must find ways to ensure that the digital relationship is still a branded experience that connects the guest to the product. It's exciting for us, honestly."

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also increased at an alarming rate."

It was an opportune time to show partner brands what they had been missing had they not already developed convenient ways to provide delivery and curbside pickup options to their customer base.

"Part of our messaging was that we have been living in a curbside economy for some time now," Roumeliotis says. "If you haven't been doing curbside pick-up, you need to, but it can also be harrowing and intimidating. So we were telling brands, here is a solution that we can help you get off that ground in less than a day, and if we're offering it for free, you don't have to worry about the economics of it. Use it to get through this crisis, and we'll talk when things start to return to normal."

Uber Eats received a lot of attention early in the pandemic for its ability to help brands maintain sales and gain clientele, but perhaps less talked about were its efforts to ensure employee and customer safety.

"Across Uber, our focus has been on supporting communities as best as we can during this time of need, and to move what matters," says Kelly Seeman, director of enterprise sales at Uber Eats. "To those of us at Uber Eats, this means caring for our restaurant partners and delivery people first and foremost. In an effort to help, we drove support to local restaurants with $0 delivery and created an in-app, leave-at-the-door feature."

The reality is that none of these processes were new a few months ago. But they were suddenly necessary. A complex legacy will be born of the COVID-19 pandemic, a time when many brands floundered and some even went out of business entirely. But, if searching for silver linings, the crisis has also shaped up to be the season when brands and partnering tech companies doubled down on getting resourceful with carryout and delivery. As a result, the off-premises movement was fast-tracked.

"In any business, you have to be flexible, and able to pivot at a moment's notice," Chipotle's Lieberman says. "It's been inspiring to see that, across the industry, there's been so much great creativity coming out of this time. … Every business is so different and there's no one-size-fits-all opportunity. You learn through experimenting, and that's what a lot of companies out there did, and are doing."