

SoundHound

# Why Voice AI Is On The Menu For Restaurants



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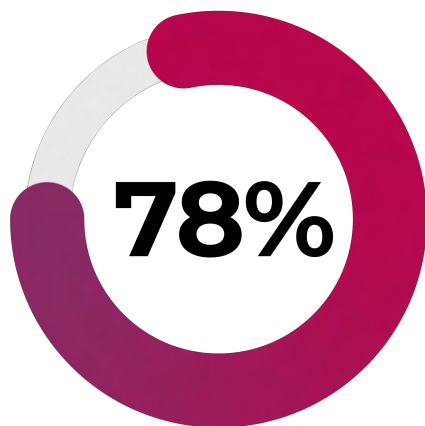
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## Overview: Labor Challenges, Consumer Demand, and Rising Costs Create Business Challenges



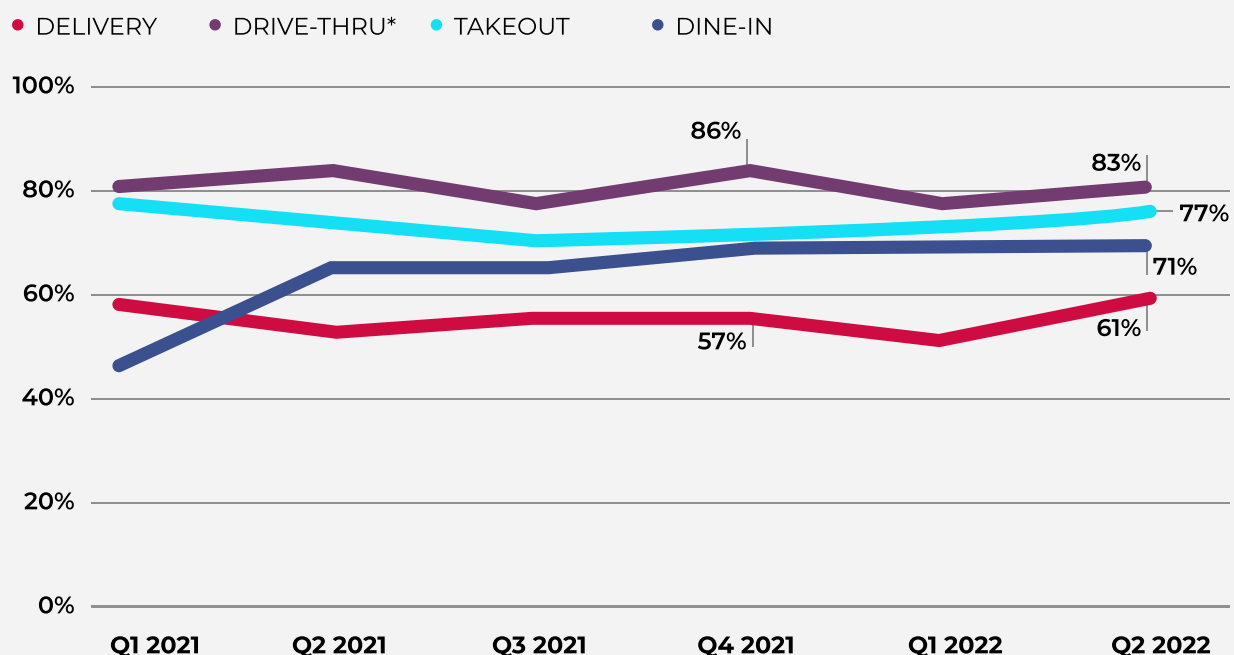
**of restaurant operators do not have enough employees to support customer demand.**

Source: [QSR Magazine](#)

The labor shortage that began with the COVID-19 pandemic and accelerated during the Great Resignation continues to pose major challenges for many quick-service restaurants (QSRs). But while staffing is short, consumer demand has continued unabated—it's just shifted to new channels. Delivery, drive-thru, and takeout remain highly popular, even while dine-in has crept back up.

### ALL REVENUE CHANNELS HAVE STABILIZED, WITH DRIVE-THRU STILL LEADING

Share of respondents reporting at least 1 weekly restaurant visit by revenue center



Source: [NRN.com](#)

Meanwhile, consumer impatience continues. Consumers are only willing to wait 30 minutes or less for their food, according to [Deloitte](#). And they want many options for ordering and picking up their food, from web apps, phone, and drive-thrus to delivery, curbside pickup, and more.

Caught between an ongoing labor shortage and continued demand for a high-level of service, many restaurateurs are warming up to the idea of using automation technology to fill labor gaps. Automation served them well during the pandemic: 87% of industry operators, owners or managers believe technology adoption has been critical for survival throughout COVID-19, according to Lightspeed's "[Global State of the Hospitality Industry](#)" report.

One of the most innovative automation solutions that has gained traction with many enterprise restaurants in the last few years is voice AI. Voice assistants are efficient and save costs because they engage directly with customers and free employees to focus on other tasks such as food prep and providing better service to customers—an ongoing issue with reduced staffing.

Voice AI can also be deployed omnichannel, enhancing the customer experience across drive-thrus, kiosks, mobile apps, as well as phone ordering.



In this whitepaper, we'll take you through a simple guide to find the solution that's best for you and your organization. We'll consider the challenges faced by restaurant owners, and look at solutions that allow restaurant chains to address the continued demand for takeout and delivery amid the staffing challenges, and the consumer desire for fast, convenient, and hands-free experiences.



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Section **1**

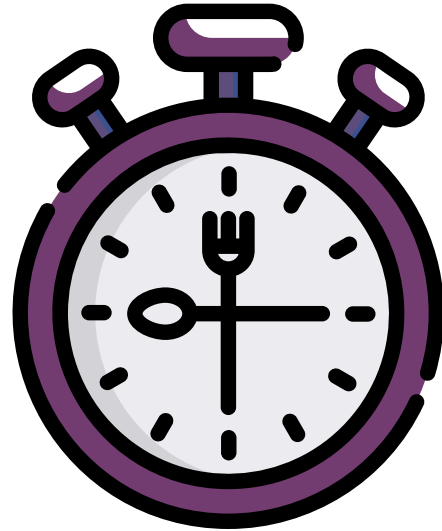
# Meeting Customer Demands For Fast, High-Quality Service



## Serving Customers Quickly

At most franchise restaurants, whether dining in or ordering food for pickup, most customers want to order food and be served quickly. When ordering by phone, they've grown less patient with being placed on hold and they want a faster, and more efficient drive-thru or drive-in experience.

One study found that just a seven-second reduction in customer wait times increases a chain's market share by as much as 1%.



## New Cultural Attitudes Around Food Ordering

During this time, cultural attitudes have continued to shift and many customers respond well to increased options for getting food:

- **More phone ordering.** An estimated 42% of surveyed customers ordered food via phone calls. Source: [PYMNTS](#)
- **Kiosks.** 51% of grab and go customers feel positively about ordering via a kiosk. Source: [PYMNTS](#)
- **Drive-thrus.** 20% increase in orders at drive-thrus in 2022 compared to 2020. Source: [Restaurant Engine](#)

The challenge facing restaurants is how to staff this barrage of ordering coming from multiple sources, how to integrate it quickly into their point of sale systems (POS), and how to operate more efficiently to cut costs.

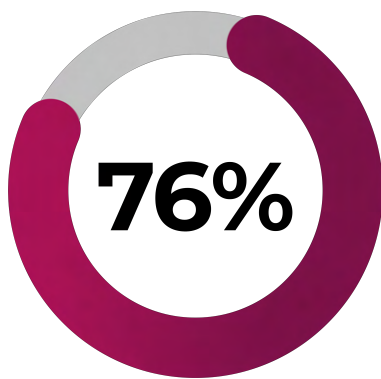
## Automation as a Solution

Restaurateurs see automation as an important option for today's situation. As mentioned earlier, 87% of industry operators, owners or managers believe technology adoption has been critical for survival throughout COVID-19, according to Lightspeed's "Global State of the Hospitality Industry" report.

And 50% of U.S. operators plan to deploy technology in the next two to three years.



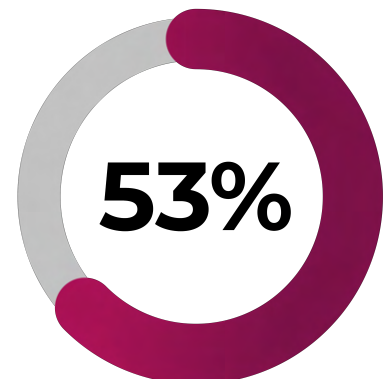
## For most restaurants, automation is worth the investment



of restaurant leaders say their employees find it easy to use automation tools



say their restaurant's revenue has increased since it began using automation tools



say that in general, the automation tools they use perform as well or better than humans at their designated task

Source: Capterra 2022 Restaurant Automation Survey

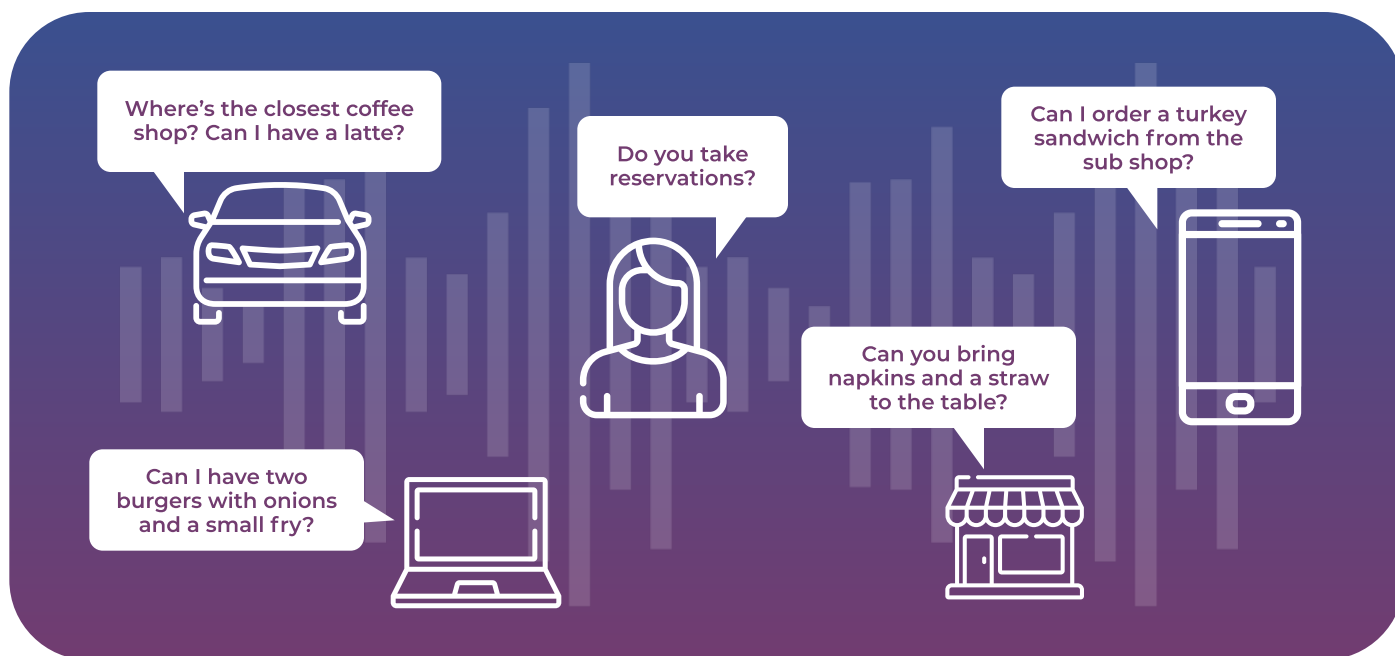
***“There are huge technological advances now, and I think that the pandemic has kind of forced a lot of companies to take an introspective look and ask themselves, ‘How can we change our experience for our guests and how can we make it quicker and more efficient and utilize technology to assist in that?’ My advice is to embrace it and use it to your advantage.”***

*~ Al Harrison,  
Vice President of Information Technology, Driftwood Hospitality Management*

## Voice-Enabling the Customer Experience

While many functions of the restaurant business are ripe for automation, customer ordering is particularly well-suited to conversational AI, which allows humans to interact with technology using just their voice. Conversational AI voice assistants understand complex and compound-order requests, so customers can speak naturally and conversationally.

The most fully developed voice AI platforms are multichannel and end-to-end. They take orders quickly and accurately through drive-thrus, phones, kiosks, or tableside devices, and deliver a consistent experience that feeds into a POS system. More advanced voice AI platforms also offer an “ecosystem of commerce,” where they can connect into the rapidly expanding world of voice-enabled cars or TVs, providing new opportunities to drive new revenue streams.



***“..it got to the point where answering the phone became completely frustrating to the point where we just wouldn't answer it, because we couldn't get to it...”***

***“...started doing some research and I came across SoundHound....it's seamless, it goes right through our POS into our kitchen display system...it's been working great so far...it not only helps our customer service, speed and keeps the quality in check, but it also helps alleviate the actual stress, the extra stress that it puts on the other employees.”***

*~ Victor Matchie  
Owner, Monkey's Subs*

A voice AI-powered phone ordering system increases the number of orders that restaurants can process simultaneously. SoundHound's voice AI system, for example, can handle 20+ calls at one time, which assures almost any busy restaurant that it has capacity to serve customers fast. And it avoids putting customers on hold, which creates customer frustration and sometimes abandonment of the order in favor of a competitor who answers the call immediately.

Accuracy is also essential in a voice-ordering platform. Voice assistants must be able to handle complexity, including people ordering from multiple menus, requesting modifications, or canceling items. To be effective, the voice assistant must be able to recognize customers are making changes to earlier items and not require them to restate what they are changing.

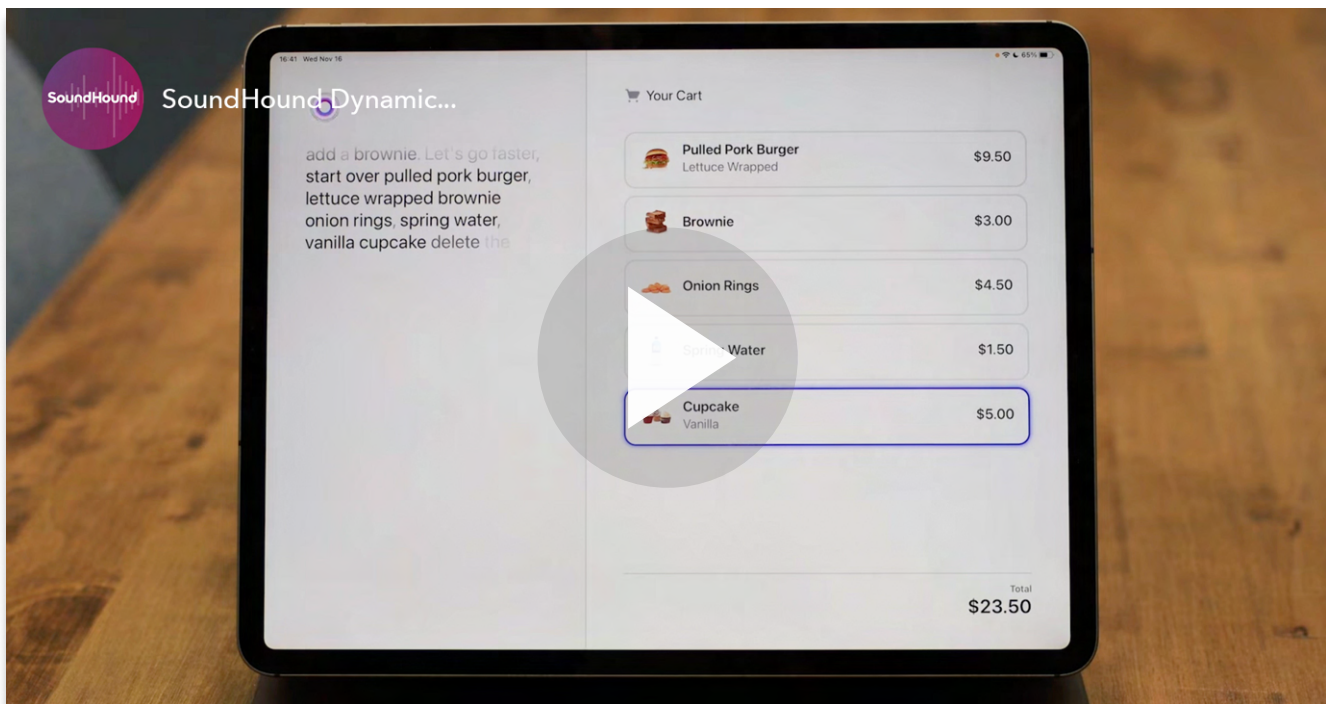


## Food Ordering Complexity: Not All Voice AI Platforms are the Same

Food ordering can be challenging to understand, as many consumers order food in disjointed ways. Consumers customize their orders, change their minds, and order one item then modify it a few minutes later. And when multiple people in a car are talking at once, the challenge increases.

Yet consumers become frustrated quickly if they have to repeat a request, or if they have to explain that a modification refers to a request they had made a few minutes back. Whomever is taking their order, they want a fast, simple, and pleasant exchange.

An advanced conversational AI platform that has been built specifically for voice and uses the most advanced Automatic Speech Recognition (ASR) and Natural Language Understanding (NLU) is needed to offer these capabilities.



Watch video at <https://youtu.be/5WLYH1qHfq8>

In a major technological advance, SoundHound has introduced **Dynamic Interaction™**, a category-level breakthrough in conversational AI that raises the bar for human-computer interaction. This capability not only recognizes and understands speech, but also responds and acts in real-time. When ordering food at a restaurant, this means that customers can communicate just as if they were talking to a human, receive instant responses, and customize and edit a food order “live” as they go.



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Section **2**

# How Voice Assistants Are Driving Efficiencies





For restaurant owners who are trying to capture more orders and do more business while balancing limited time and resources, voice AI platforms ensure every call or drive-thru request is answered and more orders are taken quickly and accurately to help drive greater sales. This offloading allows staff to focus on other customer-focused tasks like food prep or personal customer service.

### Here are 5 key ways voice assistants are bringing efficiency to the restaurant ordering experience:

1. Calls or drive-thru customers requests are handled promptly and personally
2. Orders are recorded accurately
3. Customers interact with a conversational voice assistant
4. Owners enjoy simple and easy setup with instant solutions
5. Restaurants achieve increased operational efficiencies

***“For restaurant owners who are trying to capture more orders and do more business while balancing limited time and resources, SoundHound for Restaurants is like a permanent employee—always on shift, taking orders quickly and accurately through multiple channels including drive-thrus, phones, or kiosks to help drive greater sales, while freeing staff to focus on serving customers and enhancing food prep.”***

~ Zubin Irani  
CRO, SoundHound

## Productivity Increases When Voice AI Is On Multiple Channels

**\$6k**

PER MONTH

average monthly labor cost for a cashier during business hours

Source: The takeout

**52%**

Drive-thru holds the largest share of traffic for QSRs.

Source: QSR Web.com

Feb. 2022

**30%**

of phone calls to restaurants are estimated to go unanswered

Source: SoundHound

When franchise restaurants equip all of their ordering channels with voice AI, QSRs see significant staff efficiency improvements and increased sales.

## Phone Ordering

When 42% of customers order food via phone calls (Source: [PYMNTS](#)), that's a lot of time your staff is spending taking orders. Time that could otherwise be spent serving customers standing in front of them, or giving more attention to food preparation.

And your staff is not the most efficient way to answer calls. Anywhere between 20- 30% of calls in restaurants go unanswered, most often during busy lunch and dinner times. These are lost revenue opportunities.



With the ability to handle up to multiple calls at one time, voice AI platforms answer every call quickly and efficiently. So restaurants never miss a call, more orders are taken, and staff are freed up.



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Watch video at <https://vimeo.com/552171803>



## Drive-Thrus

Consumers continue to prefer drive-thrus at QSRs, accounting for an estimated 52% of total ordering traffic (Source: QSR Web.com Feb. 2022). Even as dine-in has returned, restaurant operators across the industry said their drive-thru business has remained strong.

But as drive-thru volume has increased combined with labor shortages, many QSRs are seeing drive-thru backups and some customers driving away.

### **When restaurants deploy a conversational voice assistant, they can:**

- Reduce bottlenecks especially during peak times
- Supports multiple drive-in stalls or drive thru lanes
- Lessens the workload for employees with voice-enabled menu boards

## Kiosks

**Self ordering at kiosks can generate orders up to 30% higher value than orders placed in person.**

Source: Modern Restaurant Management

Adoption of kiosks is increasing as consumers show a growing interest in self-service to avoid lines and speed through faster. They've also been shown to generate greater upselling opportunities and higher ticket prices as voice assistants can make suggestions and easily add new selections to an order.

And with concerns around hygiene still top of mind, cleanliness is enhanced when voice-enabled kiosks provide hands-free ordering options.

## Tableside

Voice-enabled tablets bring greater convenience and efficiency to table service as they allow customers to easily request condiments or additional items without having to flag down waitstaff and wait for delivery. It also frees up waitstaff to focus more on personal interactions without being under continuous pressure. This can lessen employee workload and stress, increasing morale.

## Greater Cross-Selling/Upselling Opportunities

When voice AI solutions are used for placing orders as opposed to in-person or mobile ordering, data shows the average order value increases by 20-40%, according to Forbes.

For example, the voice assistant could look through the menu items and suggest something that goes with the customer's order. If a customer orders a burger, the voice assistant could say, "Would you like fries with that?" after the customer has placed their order.

Voice assistants are designed to recognize and act on these opportunities, unlike employees who may not keep this top-of-mind.

## Reducing Training Costs

Voice assistants require very little training. Unlike the endless time spent training staff for phone etiquette, menu details, and payment collection, once AI software is integrated with your POS and your specific restaurant and menu information is loaded in, all the information is ready to process customer orders efficiently. And as your menu changes, updates are easy to make.

## Lowering Turnover Rates

Employees report more satisfaction with their work when the pressure of manual, repetitive tasks are reduced and they can focus on delivering better customer service or preparing food to perfection. Also, if tables are equipped with voice assistants, customers can order condiments or drink refills quickly without needing to flag down a server. And servers can provide a more personal touch, leading to a better experience and increased brand loyalty.

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Section 3

# Simplified Integration And Predictive Analytics



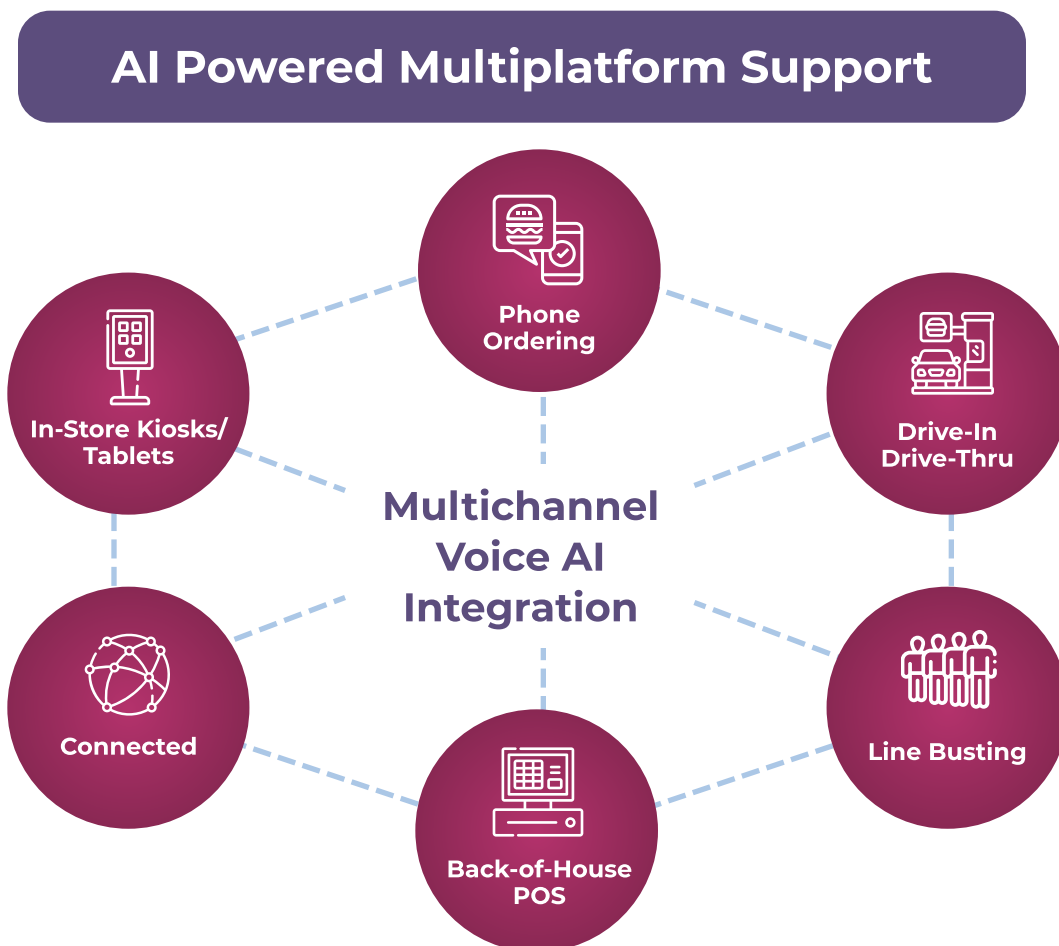


To create greater operational efficiencies and reduce labor costs, restaurateurs need a voice AI platform that integrates multiple domains (phone, drive-thru, kiosk, tableside) seamlessly with their POS system, and a platform that captures all customer interactions and uses that information to provide data visibility and analytics for continual improvement. Voice AI also continues to learn and improve from its interactions.

## POS Integration

Many early voice systems have been implemented piecemeal without concern for integration. A restaurant may have begun with phone ordering and then later added kiosk or table side ordering and the different domains are difficult to integrate with the POS system.

SoundHound for Restaurants offers integration across phone ordering, drive-thrus, kiosks, and tableside tablets. Once the order has been placed and modifications accepted and acknowledged, the voice AI platform seamlessly processes the order and payment through the POS, with no required interaction between staff and the front-of-house customer.



A multi-channel voice AI platform supports multiple modalities for taking orders—phone, drive-thru lanes, in-store kiosks, tableside ordering—and integrates all of them into a single point-of-sale system.

## Optimizing Operations with AI-Powered Insights

Voice AI captures customer data during each interaction and AI allows it to build intelligence over time, which means voice AI interactions will lead to deeper insights and analytics.

These are some of the capabilities we expect to see in the near future:

- **Predictive Analytics:** Improve menu engineering taking into account considerations such as food costs, customer preferences and seasonality.
  - **Inventory management:** An AI system can help predict what ingredients will be in demand and when to help a restaurant buy the right amount of ingredients at the right time.
  - **Popular/unpopular menu items:** Information used to make changes to the menu so that it is more in line with what customers want.
  - **Seasonality:** AI can help identify which menu items are popular during certain times of the year.
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Section **4**

# Voice AI With SoundHound For Restaurants





**SoundHound for Restaurants offers restaurant franchises significant benefits to thrive amidst today's changing and complex operating environment:**

## Take More Orders and Maximize Sales

Restaurants can capture more orders and do more business while balancing time and resource constraints. With SoundHound for Restaurants, you quickly and accurately get every order request answered and can take multiple orders at the same time.

## Free Up Staff Time

Eliminate the time and resources it takes to continually hire, train, and onboard staff. SoundHound's voice ordering solution for restaurants is like having a permanent staff member who's always on shift and ready to take orders.

## Increase Operational Efficiency

Here are specific capabilities that SoundHound for Restaurants offers:

- Integrates menus with 3,000+ items
- Uses natural language understanding
- Integrates seamlessly with leading POS systems
- Captures orders across phones, drive-thrus, kiosks, and more
- Offers fully customizable questions and answers
- Provides the highest level of security and privacy
- Offers a customizable solution for back of house operations
- Continually improves voice recognition with automatic optimization



**Answer 20+  
calls at once**



**Can integrate  
menus with **3,000+**  
items including  
modifiers**



**Understands  
natural language**



**Seamless  
integration with  
leading POS  
systems**



**Fully customizable  
questions and  
answers**



**Highest level of  
security and  
privacy**



**Provides the ability  
to edit and change  
orders with  
varying complexity**



**Customizable  
solution for back of  
house operations**

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Section 5

# Final Thoughts





For restaurant owners who are trying to capture more orders and do more business while balancing limited time and resources, SoundHound for Restaurants ensures orders are taken quickly and accurately to help drive greater sales without the need for staff to spend their valuable time on manual and repetitive tasks.

- **Less workload**—machines and software are far more efficient than humans when doing repetitive tasks. Allowing machines to take over menial yet mission-critical tasks empowers employees to tackle more impactful work.
- **Increased productivity**—when employees can tackle more meaningful work like ensuring product and service quality and assisting customers instead of getting bogged down taking orders, the funnel grows wide and moves faster.
- **Better customer experience**—customers also seek to maximize their time. A more efficient and faster-moving queue can improve customer experience and even draw more potential customers.
- **Higher revenues**—increased employee productivity and enhanced guest experience encourage more business, stimulate growth, and improve your bottom line.

At SoundHound Inc., we have all the tools and expertise needed to help you deploy voice assistants across all of your restaurant ordering channels and to integrate with your POS systems and back-of-house operations.

**Explore our SoundHound for Restaurants solution. Want to learn more? Talk to us about how we can help you bring your voice strategy to life.**