## What's Next for QR Codes in Restaurants?

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Some loved them. Some hated them. Everyone used them during the height of the pandemic. Just as suddenly as they came, many disappeared. What now?

Is the QR code a relic of pandemic-era dining, or is it the future of restaurants? The answer probably depends on the type of eatery you're in. While restaurants of all stripes embraced QR codes during the height of Covid-19, usage of the technology varies considerably these days.

Take downtown Minneapolis staple Zen Box Izakaya. Like many restaurants, Zen Box began using QR codes in May of 2020 to reduce contact. But by late 2022, physical menus were back. "We're starting to see that in a full-service restaurant, the customer experience starts to diminish [with QR codes]," says Lina Goh, general manager of Zen Box Izakaya.

Across town at the <u>Eat Street Crossing</u> food hall, though, Goh and her husband John Ng own and operate a separate quick-service restaurant called <u>Sushi Dori</u>, where QR codes are still heavily used. As Goh was weighing the pros and cons of the technology, she says she found that QR codes work better in a quick-service setting.

Beth Perro-Jarvis and Mary Van Note, retail consultants with <u>Ginger Consulting</u>, say that tracks with ongoing trends in the hospitality industry. The fancier the restaurant, they say, the less likely consumers will want to use a QR code.

Restaurants have a lot to consider when deciding whether to use QR codes. On the one hand, customers like the freedom of being able to go at their own pace, and they generally require less labor for the restaurants.

Certainly, some customers like being able to order without having to talk to people.

At the same time, some QR code systems might require additional credit card fees for restaurants. There's also the potential for fraudulent transactions or smaller tips for servers. Sometimes, QR codes can make it more difficult for customers to get their questions answered and for them to modify a food order.

Perro-Jarvis and Van Note say that restaurants tend to like QR codes because they are efficient, though they can seem impersonal. But Perro-Jarvis maintains that QR codes don't necessarily have to mean reduced human connection when dining.

"Technology is adding more humanity in some ways than it is taking it away," she says.

For example, restaurants could use QR codes to streamline the logistical aspects of ordering and paying for food, freeing up the servers to spend more time ensuring the customers are having a positive experience.

Putting the decision of whether to use QR codes in the hands of the customers is the best option because people like having choices, according to Van Note.

"If you can choose, I think that's great," Van Note says.

## A pre-pandemic trend?

Although the pandemic increased the usage of QR codes in restaurants, some, like <u>Centro</u>, were already considering using them before the pandemic.

"We were already moving in that direction for tableside ordering on your phone," says Centro CEO Jami Olson. "We were really worried about having to teach people and really get them used to [QR codes] because it was such a new thing ... [The pandemic] forced people to learn how to order with their phones because that was the only way to do it."

Olson says she was hoping the QR codes would reduce communication errors, eliminate lines, and appease the customers who want things to be quick. Now, there are usually no lines at Centro's three Minneapolis locations, and customers can order food and pay at their own leisure.

Olson says she calls the model "fast casual 2.0" because her restaurants still provide a hospitable environment by welcoming customers and making servers available for any questions. Furthermore, she still wants to accommodate all people, so Centro does provide the option to order at the counter or from a server

Although the pandemic made customers more familiar with QR codes, it didn't necessarily increase customers' love of them. In a 2023 <u>survey</u> commissioned by food distribution giant U.S. Foods, 76% of respondents said they prefer in-person menus over QR codes, with older generations having a higher preference for physical menus.

Mani Subramani, associate professor of information and decision sciences at the Carlson School of Management, says QR codes became connected to Covid-19, and, for some consumers, they remain an unwanted memory of the pandemic.

However, Subramani says QR codes have a lot of potential for restaurant owners. "I think the QR code is a valuable source of data," he says.

For example, restaurants could use QR codes to track customer preferences, habits, or even dietary restrictions. Based on past choices, a digital menu could also recommend new dishes for customers. As

another example, restaurants could send automated texts to customers who haven't visited in a while, perhaps dangling incentives like a free drink for returning.

Subramani says restaurant owners could be missing out on the full potential of QR codes if they're only using it to speed things up.

"There are two paths," Subramani says. "One, you use [QR codes] to make things faster, cheaper, better. [Or] you use the system ... to truly understand what is happening, what a customer prefers."