

## Relationships Key in Checkers Delivery Blitz

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Checkers and Rally's making a major delivery push that will bring all five of largest third-party delivery firms into its operations.

Checkers has about 900 locations, with about 300 of those being corporate locations. So it's not as large as the big QSR players, and it's not small enough that it could just turn on delivery and hope it works. That in-between size may have helped the company avoid hazards at the bleeding edge of the third-party delivery industry.

"We're just trying to create a viable franchise delivery proposition, and when you start there, you maybe go a little slow but you get there in a way that really works," said Terri Snyder, CMO and EVP of marketing at Checkers and Rally's.

The company has been making key decisions in delivery and building up the expertise to execute it right for about a year and a half. And it's testing drive-thru delivery, a novel tactic even in QSR. But the first big decision: no tablets.

“If you want to deliver speed of service, you can’t have a tablet in the restaurant. Instead, we said we were going to wait and said we’re going to roll out when we can integrate into our point of sale [POS],” said Snyder. “That was the most important decision we made, the operating metrics are the highest that Postmates and DoorDash have, why? We’re not rekeying the order. So that was a really powerful decision.”

But to make it all work really well, Checkers focused on the relationships with all the vendors that make it happen. There was the POS update from NCR integrating with order aggregator Olo and then the delivery providers themselves. Instead of keeping them all at skeptical distance, Jason Carrigan, head of digital marketing at Checkers, said they embraced them as true partners.

“They are a good partner if you make them a good partner, and if you’re clear about what your goals are and you work together to achieve those goals. I think there’s a lot of hyperbole about what delivery providers are and aren’t, they need restaurants just as much as we need volume of orders and this complex technology,” said Carrigan.

He said like a lot of business, it comes down to just getting aligned on the same goals and define them as part of the business relationship.

“What it comes down to with all these guys is making good relationships. Be prepared, be clear. And outside of meetings, build a relationships, build trust to build win-win scenarios,” said Carrigan. “I think folks may be reacting to an unhealthy relationship because they haven’t defined what a is a healthy relationship.”

By educating the providers on the business and laying out their needs, Checkers has been able to build a delivery program that is “as profitable as our core business,” according to Snyder.

By showing the providers exactly how their restaurants worked, they were able to negotiate for menu flexibility and adjusted menu prices for delivery—something not everyone in the delivery world gets. But by doing it for the entire 900-location system, they had much better negotiating power than any single franchisee. And sitting down with the providers got Checker’s a first for the delivery world. Because of the close relationship with Amazon, the company is the first QSR in the Amazon Restaurants system—they just finished integrating the service into the POS.

Carrigan said by really understanding the needs of both sides of that relationship, some of the big fights in the delivery world, like the question of who owns the data.

“One of the key pieces of data is creating all of this consternation is who owns the customer. That is I think brand-centric way to look at the problem and what’s more important is how does this customer want to be served,” said Carrigan. “So taking a customer-centric approach to answering the customer data question is how I think brand should be looking at it. Some customers may want to be on a third-party site and some may want to be loyal to the brand. And some want to pay in cash.”

He said by looking at it through a customer lens, brands can see that these are very different customers. The person looking for a quick burger on the way home is still

going to go use the drive-thru, and the person who's one leg into their pajamas and craving some fries will use their phone to get them anyway. They might never be a loyal Checkers consumer, so their data may not ever matter. But without Checkers front and center on that app, they certainly won't order.

Carrigan, who joined the company a little over a year ago, said getting his colleagues on board was a bit of a trick too, but money talks.

"The key is move fast, get it right and show results. Sales speak volumes over everything else," said Carrigan. "Healthy relationships is the key to speed and going fast is key to making sales quickly and sales overcome any cultural hurdles."

Checkers aims to have all five providers implemented this year. The bottleneck for full-brand delivery is a POS update, which is currently complete in about 40 percent of the system.