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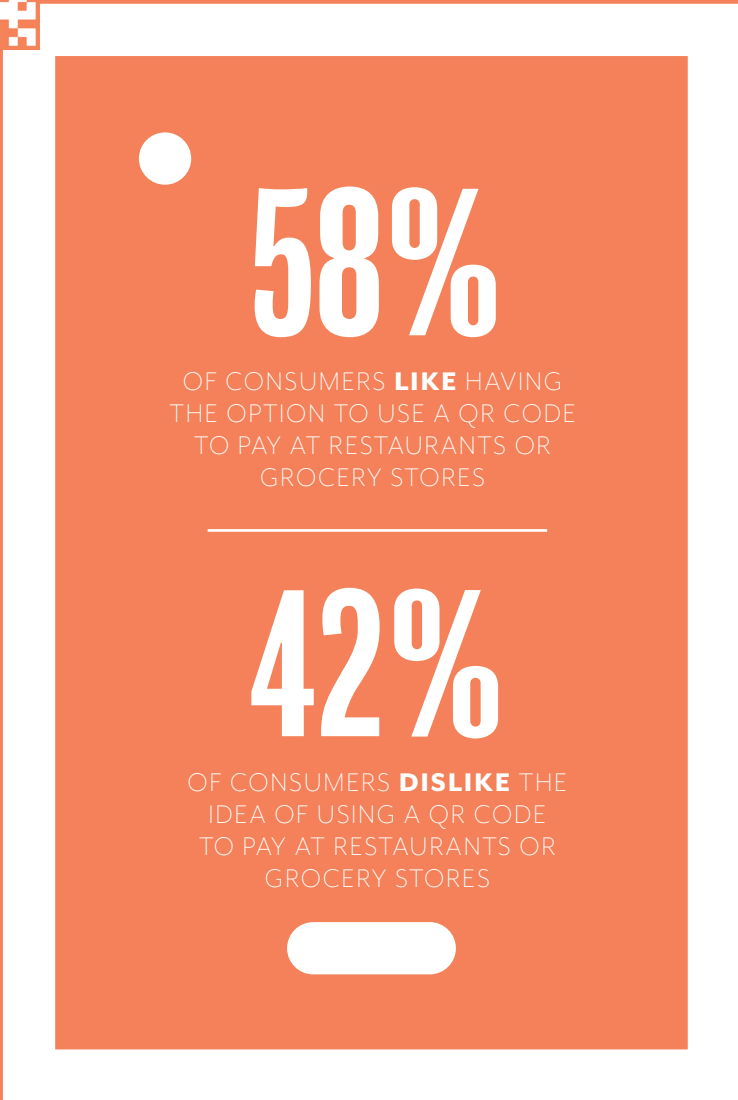
FOODBYTES

YOUR FREE DATASSENTIAL
TREND REPORT

DO CONSUMERS HATE QR CODES?



Discover how many consumers overall were satisfied with their last encounter with QR code menus in our *Restaurant of the Future Keynote Report* (scan the QR code above to go directly to the report in Report Pro; if you don't have access, but would like to, reach out to us at hello@datassential.com).



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A surprising thing I learned

I was surprised to learn that 78% of Boomers haven't used a QR code before to pull up a menu or pay for groceries (their dislike of this technology I wasn't as surprised by). To learn more about what the different generations think of QR code menus and forms of payment, go to pg. 12.

My experience with QR code menus

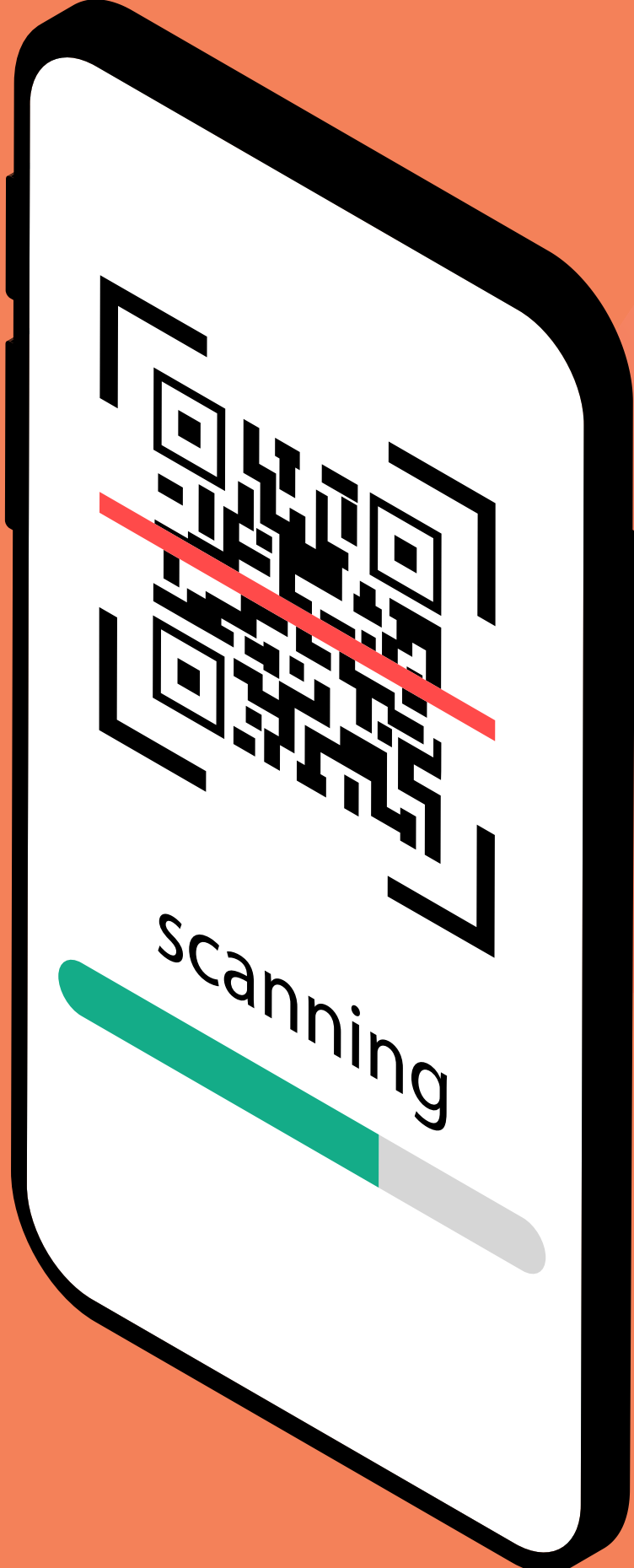
I love having the option to pay for food using a QR code — in fact, that's how I pay for my groceries every week at the store. When it comes to payment at a restaurant, often by the time I'm finished with my meal, I'm just ready to head out, so waiting for waitstaff to bring checks and run cards can be a hassle, particularly if I'm in a rush to get somewhere after the meal. Having the option to tip and pay using a QR code could help operators turn tables faster, as well as allow customers to pay and walk out whenever they need to.

In just the past year, we've gone from a quarter of consumers having encountered QR codes when ordering food at a restaurant to nearly 50% saying they've used QR codes to pull up menus or pay for food at restaurants and grocery stores. That's a huge jump in just a year, showing just how fast QR codes have been adopted — in fact, there probably hasn't been a quicker adoption of anything in recent history aside from masks. However, there continues to be a notable gap in QR code usage if you zoom in on specific generations — Gen Z and Millennials are more familiar with the technology and have used it more often, while in the past year, it's only gone from 19% of Boomers encountering or using QR codes to 22%. This shows that older generations are a bit more resistant to adopting QR code technology, so if your target market is Boomers, QR code menus and forms of payment probably aren't the route to take. If your target market is Gen X, Millennials, or Gen Z, though, it could be worth considering how QR codes could be incorporated into your business to help it run smoother. Think about how it could speed up payment at a restaurant or grocery store checkout, as well as decrease waste (no need to reprint a menu every time there are menu updates, which are occurring more frequently due to ingredient shortages). To accommodate older generations and increase accessibility, consider still offering paper menus to consumers upon request (vision problems can make it particularly difficult for guests to read menus on cell phones, a pain point that was brought up repeatedly by consumers in a survey Datassential ran for this issue of *FoodBytes*).

In the pages ahead, we dive deep into what each generation thinks of QR codes being used as menus and forms of payment at restaurants and grocery stores, as well as explore what the future looks like for QR codes and some of the pros and cons associated with them, as presented by guest copyeditor Samantha Des Jardins. Also read key quotes straight from consumers on some of the challenges they've experienced with QR codes at restaurants, as well as some of the positive experiences they've had.

Jaelyn Marks
Jaelyn Marks,
Publications Manager

ARE QR CODES THE FUTURE OF MENUS & PAYMENT?





Get insight not only on the consumer perspective when it comes to QR codes, but also operator insights in our Restaurant of the Future Keynote Report. Scan the QR code here or click it to view it in Report Pro (Not a subscriber? Reach out to us at hello@datassential.com to learn how you can become one.)



Want to know what consumers think of QR code menus and forms of payment?

In short: it's complicated.

Here's the (slightly) longer explanation: many younger consumers have tried QR codes, and in general, like them. Older consumers, on the other hand, largely haven't tried QR codes to bring up menus or pay, and the majority say they don't want to.

Both restaurants and retailers see the benefits of these little pixelated squares that customers can scan with their phones. Some of the benefits include: potential to uphold sanitary practices by removing the need for consumers to share menus, the staffing advantage of not needing a host or waitstaff to give menus to incoming customers, and the potential for easy menu changes, up-sells, and gathering customer data to better serve them in the future.

Today, consumers' experience with QR codes is almost evenly split: 49% of consumers say they've used a QR code to pull up a menu at a restaurant or grocery store, while 51% say they haven't. When you break out the stats by generation, however, the experience with QR codes varies greatly. According to our data,

68% of Gen Z consumers have used a QR code compared to 62% of Millennials, 51% of Gen X, and only 22% of Boomers.

Looking at the data reveals how consumers overall feel about QR codes, too, and it shows consumers are actually far more optimistic about them than prevailing media headlines would suggest. According to our data, 58% of consumers overall say they'd like to have the option of using a QR code to pay at a restaurant or grocery store. And when it comes to using codes to pull up menus, the positive response is even more widespread across all generational groups. Among consumers who have used QR codes to bring up menus or pay before, 70% say they like them, with the highest positive response coming from Millennials who have used them before (78%). Even a surprising 56% of Boomers who have used QR codes say they like using them to bring up menus at restaurants — an unexpected result that contradicts many of the anecdotal reports on social media.

HOW QUICK RESPONSE WAS BORN

Many news outlets heralded the QR code as a savior when the pandemic began, back when it was thought that the virus could potentially be transmitted on surfaces. Laminated menus quickly became a thing of the past in favor of paper options that could be thrown away or scannable QR codes.

Although the QR code gained greater popularity during the pandemic and garnered much more notice in the U.S., it technically wasn't a pandemic invention. QR — or quick-response — codes were originally invented by a Japanese engineer in 1994 to keep track of car parts. They only entered the mainstream as smartphones proliferated, and then the

pandemic made them, like virtual brands and ghost kitchens, essentially ubiquitous.

If you follow some of the loudest voices on social media, QR codes have once again been deemed unnecessary and complicated. But anyone watching this year's Super Bowl could see that QR codes are far from extinct. Coinbase, a cryptocurrency exchange platform, made its first Super Bowl ad simply a QR code that bounced around on a black screen for a full minute (the editor of this *FoodBytes* issue thought there was something wrong with the TV when the QR code bouncing on the black screen came up, and she doesn't think she was the only one). The strangely word-free commercial was so popular, though, that it temporarily crashed the Coinbase app as millions scanned the mysterious code on their TVs to figure out what it led to (never doubt the power of human curiosity).

THE OPPORTUNITY

If restaurants and retailers can balance on this new technology tightrope, where some consumers want it and others prefer old-fashioned face-time and a menu handed to them, there is an opportunity potentially to drive customer acceptance on a larger scale by making sure digital menus are easy to use. Are the QR codes at tables highly visible, or are they worn out or stained, making them difficult to scan with a phone? Are there outlets near tables to charge phones? Is the digital menu that comes up easy to read, or is the font potentially too small? While these are just some of the challenges around QR codes and digital menus, there are benefits to implementing them, which may make facing the challenges worth it.

In addition to being able to keep restaurant staff free to do other tasks, like taking drink orders or bringing a basket of bread, virtual menus can also allow operators to instantly remove sold-out or unavailable dishes (which could help alleviate confusion and frustration when consumers have their heart set on an item that actually isn't available anymore), adapt quickly to supply shortages, and update prices. Restaurants who use reservation platforms already have access to helpful information from consumers before they even sit down, such as whether they're dining in for a special

58% OF CONSUMERS WERE SATISFIED WITH THEIR LAST ENCOUNTER WITH QR CODE MENUS

- *Restaurant of the Future Keynote Report*

occasion or if there are dietary restrictions to be aware of, but what about operators who don't take reservations? QR codes can bridge that gap, as operators who use them can collect similar types of consumer information that can help inform their decisions, such as what to menu.

THE NEXT HURDLE

From an operator perspective, the new challenge will likely be showing consumers the benefits of QR codes, the possibilities of which are far more than just another way to view a menu. The good news is that consumers already have more exposure than they may realize, between the growth in QR codes over the last several years and those that exist without consumers thinking twice about them like Starbucks' Order and Pay platform and similar technology from other QSRs and grocery stores that allows customers to pay using a QR code in their app.

Many operators across segments who have adopted QR codes say that the pros have far outweighed the cons. For example, Snooze, a breakfast chain in eight states, has added QR code menus and pay-at-the-table technology, while Jungsik, a two-Michelin-starred New York City-based restaurant known for its innovative spins on Korean cuisine, uses QR

codes for its ever-changing wine list, but keeps the option of traditional payment for dinner. This mixed method may be one way forward, as it solves some operator pain points while still giving customers who want to opt out the opportunity to do so. The key for an operator considering adopting QR codes will be getting consumers to believe that their version is worth the effort.

IN BLACK AND WHITE

At the end of the day, though, even with all the hype the QR code commercial received, are QR codes worth leveraging in the foodservice space? The answer: absolutely, if done right, meaning both tech-savvy and tech-averse customers need to be kept in mind, as well as those who struggle with vision impairment and other disabilities that may prevent them from using a QR code or reading a digital menu.

In practice, perhaps this is what implementing QR codes could look like for an operator: consumers are greeted by a host asking if they'd prefer a paper menu while there's a QR code on the table awaiting those who are ready to get down to business. Then waitstaff would also be nearby, ready to answer questions or help customers through the ordering process, if they need it. Another scenario might be to allow customers to pay using a QR code,

particularly if they're in a rush to get out the door to go on to other activities (The editor of this *FoodBytes*, for example, often gets dinner before going to theatre shows in Chicago, and waiting for the check can make the difference in whether or not she gets to the show on time.). A digital experience doesn't mean hospitality can or should disappear, though. Patience will be key when it comes to QR codes. Don't throw the baby out with the bathwater if it doesn't seem to catch on right away. Or, in other words, don't scrap the QR code idea entirely if some consumers initially balk at the idea (remember when people initially thought avocado toast was just an expensive fad?).

If you're concerned that the process of using a QR code to order and pay removes the customer interaction you pride yourself on, consider using the "face-time on the way in, tech on the way out" method: greet customers when they arrive, give them a traditional paper menu, and allow them to pay via a QR code on the table or receipt. This method provides all the usual opportunities to interact with guests while alleviating the frequent customer pain point of trying to hunt down a server to get the bill and pay.

Technology is certainly an intimidating beast for customers and operators alike. But, for the QR code technology that swelled in popularity

during the pandemic, there's a way to extend its life into the post-pandemic future: the trick is finding out what works and tossing out the rest. The rewards could be immense for those that can see it through.

GUEST EDITOR
COPYEDITOR
SAMANTHA DES JARDINS



Learn more about digital-only menus in our *Five in Focus: Digital-Only Menus & LTOs*, available in *Report Pro* (scan this QR code to bring it up instantly if you're a *Report Pro* subscriber).



INSIGHT FROM THE CMO OF DIGITAL ORDERING COMPANY TILLSTER ON WHAT THEY SEE WORKING WHEN IT COMES TO QR CODES



Datassential TrendSpotting virtually sat down with Hope Neiman, CMO of Tillster, and asked what she thought a successful use of QR codes might look like at a restaurant.

"**Tillster** has seen QR codes become a major trend when it comes to on-premise dining as restaurants optimize operations to improve efficiency and experience. QR codes help customers feel a little safer in today's world. And they're easy to launch and manage, giving brands a straight-forward way to begin digital transformation efforts on-premise.

What Tillster has seen as the most successful is the following: You walk into a restaurant and take a picture of a QR code at the end of your table. That code pulls up a menu, which you and the other guests at your table can access via your own devices. Servers can still come over to talk and answer questions, but orders can be processed online, with a line item inserted for order name or table number. When ordering online, guests can also process payment online, reducing hand-to-hand interaction between guests and staff."

A LOOK AT QR CODE PERCEPTIONS ACROSS GENERATIONS

Depending on the generation, consumers can feel very differently (and strongly) when it comes to QR code menus and forms of payment. Here we break the stats out by generation, and reveal how each generation perceives QR codes menus and forms of payment and what that could mean for your operation, depending on your target market.

Gen Z's openness to QR code menus and forms of payment may be due to the fact that they're the most familiar with the technology: 68% of Gen Z consumers say they've used QR codes to pull up menus at restaurants or to pay for food, compared to just 49% of the overall population.

Boomers are the most averse to QR code menus and forms of payment, but even still, 56% of Boomers who have used QR codes say they like using them to pull up menus on their phones.

Gen X is much more familiar with QR code forms of payment and menus compared to Boomers, but less than younger generations. Overall, 51% of Gen X has used QR codes to pull up menus or pay at restaurants or grocery stores.

Millennials love QR codes more than any other generation: among those who have used QR codes, 78% like using them to bring up menus.



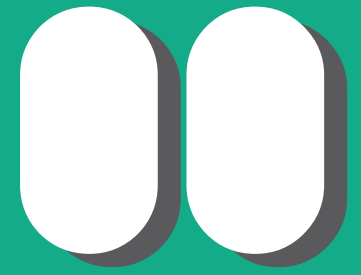
WE ASKED CONSUMERS **WHAT HAS YOUR EXPERIENCE BEEN LIKE USING QR CODES TO PAY AT RESTAURANTS OR GROCERY STORES AND BRING UP MENUS? WHAT DO YOU LIKE OR DISLIKE ABOUT THESE APPLICATIONS FOR QR CODES?**

FEMALE | BOOMER



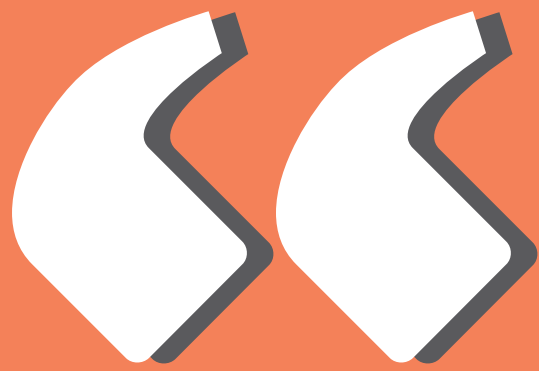
They're easy to refer to later in the meal when considering whether or not to order dessert or more dishes.

FEMALE | MILLENNIAL



I have had a good experience overall. I like that everything is on my phone. I don't like when there is no other option for when my phone is dying. I also had an experience where the menu was difficult to navigate online, and another where the online menu was outdated.

MALE | GEN X



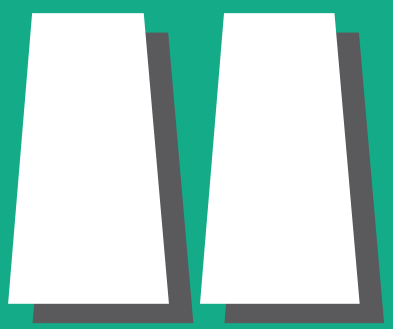
I like using a QR code for menus for a few reasons. First of all, I don't have to worry about germs that might be on the menu. Second, using a QR code for payment allows me to conduct transactions in a safer, contactless manner.

FEMALE | MILLENNIAL



It saves on paper menus and also less contact with something that has been touched a lot, but sometimes using a QR code menu when your phone battery is low isn't great.

FEMALE | GEN X



I very much DISLIKE using QR codes at restaurants. I believe this is because I have a toddler, and I do not want to teach him screen time at meal time is appropriate behavior. In fact, the QR code menu is so obnoxious I tend to lean towards cooking at home more and eating out less.

FEMALE | GEN X



QR code payment is OK. I have 50% blindness, though, so looking at a tiny menu is terrible.

MALE | GEN X

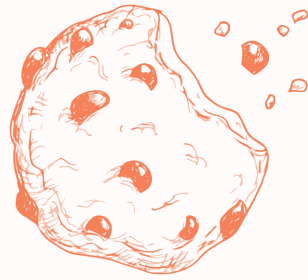


I appreciate the QR codes because you don't have to touch some mangy menu. You never know where the hands of the prior patron have been. I don't care for the reader board-style menu because when you stand at the counter you feel like you're under pressure to hurry and order. QR code menus are nice because it's right there on your phone in front of you, so you have more time to make a better decision.

MALE | GEN Z



Bringing up menus on phones is an inconvenience, since menus are a thing you typically expect to be ready when dining out. Additionally, if there's poor internet or WiFi, it may take a while to load the menu.



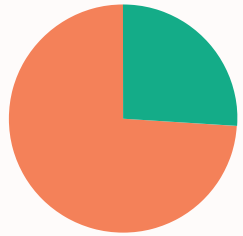
A FEW FINAL TREND BITES

QR codes aren't just a pandemic pivot anymore—they're a permanent part of the restaurant experience, and continuing to be adopted by more operators, showing that this is a long-term trend. Before we close out this issue, we leave you with just a few final thoughts on how you can take action on the QR code trend, as well as offer a sneak peek at what's coming up next month in *FoodBytes*.

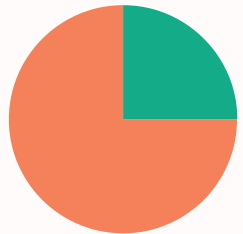
3 WAYS TO TAKE ACTION ON TRENDING QR CODES

- **Implement the option to pay using a QR code at the table or on a receipt, but also have waitstaff check in to see if a paper check is preferred.** Offering different avenues for payment empowers the consumer to make the best decision for their personal circumstances, whether they're in a rush to get somewhere else at the end of the meal, or if they're wary of digital forms of payment, then the option still exists to run their credit card the traditional way or pay with cash.
- **Consider offering QR code menus (which could appeal to consumers who are more tech-savvy), but keep accessibility in mind.** Not everyone has perfect vision, and not everyone has a charged cell phone or data or WiFi access that can handle bringing up a digital menu. Additionally, some parents try to keep phones from becoming a distraction during family meals, and in those situations, paper menus may still be preferred.
- **Experiment to figure out what balance of QR code usage is right for your operation.** It's not one size fits all. Consider who your target market is, and from there, decide if it's worth investing in and experimenting with QR code menus or forms of payment.

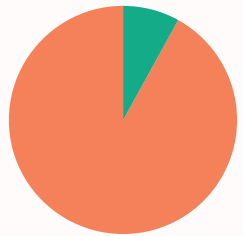
KEY(NOTE) OPERATOR DATA



26%
OF OPERATORS ARE USING QR CODES TO VIEW MENUS



25%
OF OPERATORS ARE INTERESTED IN ADDING QR CODE MENUS TO THEIR OPERATIONS



8%
OF OPERATORS USE QR CODES FOR PAYMENT

KEY QUOTE

'Businesses don't want to give up the benefits that QR codes have brought to their bottom line,' Sharat Potharaju, the chief executive of the digital marketing company MobStac, told *The New York Times*. Deals and special offers can be bundled with QR code systems and are easy to get in front of people when they look at their phones. Businesses also can gather data on consumer spending patterns through QR codes. 'With traditional media, like a billboard or TV, you can estimate how many people may have seen it, but you don't know how people actually interacted with it,' Sarah Cucchiara, a senior vice president at BrandMuscle, a marketing firm that introduced a QR code menu product last year, told *The New York Times*. 'With QR codes, we can get reporting on those scans.'

WHAT'S COMING UP NEXT MONTH?

Our next issue of *FoodBytes* isn't one you'll want to miss, as it's applicable to nearly any operator or manufacturer. As we pass the two-year mark since the pandemic started, we check in on how the industry has changed and showcase some of the top learnings and innovations that have come out of all the pandemonium.



HUNGRY FOR MORE TRENDS? Check out last month's Report Pro releases!



Five in Focus: Virtual Brands
Get a quick snapshot of virtual brands in our latest [Virtual Brands Five in Focus report](#).

Virtual brands are a growing trend in foodservice. Since the start of the pandemic, restaurant brands have gone fully virtual to economize or experiment with novel concepts. Discover the top 5 things you need to know about virtual brands in this *Five in Focus* report.



DA: Midwestern Trends 2022
Uncover the latest Midwestern U.S. trends in this edition of [Dine Around](#).

In this issue, discover 423 sandwiches, burgers, and more. OK, we made that number up, but there ARE a ton to jump-start menu innovation. Also explore a variety of globally-inspired operators offering everything from Hmong "happy meals" to East African eats to Croatian cuisine.




TW: On Fire Trends
Explore trends that are on fire in our [FLAVOR database](#) in this issue of [Trend Watch](#).

Discover what it means for an item to be "on fire" in [FLAVOR](#), and see what concepts have earned that label. Explore how plant-based, non-dairy yogurt; Indian paneer cheese; versatile brioche; and more are heating up menus and product lines.




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