VALYANTAI

CASE STUDY:

REVOLUTIONIZING CUSTOMER SERVICE WITH

"HOLLY,"
AN AI-POWERED
DIGITAL EMPLOYEE

As technology advances, artificial intelligence (AI) has found its way into the heart of businesses by enabling machines to perform some of the tasks humans typically do. From self-driving cars to augmenting human employees, an increasing number of companies across industries are looking for ways to advance their operations and increase performance, and as a result, many have turned to AI.

In fact, 83% of businesses say AI is a strategic priority for their businesses today. Whether it's reducing operational costs, increasing efficiency, growing revenue or improving the customer experience, the potential is there for AI to change the way businesses operate — and fast-food enterprises are no exception.

In an attempt to realize the benefits offered by enterprise applications of AI, Good Times Burgers & Frozen Custard deployed Valyant AI's conversational AI platform, also known as "Holly," to take customer breakfast orders in early 2019. One of the world's first commercial deployments of conversational AI for the enterprise, Holly integrates with existing hardware and on-premise or cloud point-of-sale (POS) systems, to provide digital customer service employees to restaurants.

In June, Valyant's platform expanded to lunch and dinner orders at Good Times and introduced advanced functionality that empowers restaurant owners to leverage customer data, in order to increase upsells, which increases a customer's average ticket size.
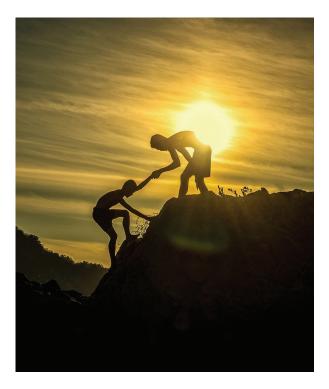

From better customer service to enhanced employee satisfaction, the partnership between Valyant AI and Good Times is revolutionizing customer service in physical retail locations and it has the potential to fundamentally change the restaurant world through technology.

Good Times Restaurants Inc. is a quick-service restaurant (QSR) chain serving a high-quality and unique selection of food made with all-natural ingredients. The company, which owns, operates and franchises restaurants in Colorado and Wyoming opened its first restaurant in 1987 in Boulder, Colorado.

Since 2010, quick-serve restaurant (QSR) employment has grown at nearly twice the rate of employment overall. This has created a gap of nearly 800,000 unfilled positions within the U.S. restaurant industry and created severe hiring challenges for QSRs like Good Times. In addition to addressing the massive labor shortage, Good Times also set out to:

▶ *Further improve their customer experience*

▶ *Reduce operational expenses*

▶ *Increase employee efficiency*

▶ *Generate additional revenue*

Over the last five years, traffic and menu complexity have led to increasing wait times in the drive-thru, and as a result, it generally takes customers more than double the time to receive their food today as it did 15 years ago. Making matters worse, according to the **2019 QSR Drive-Thru Study**, drive-thru chains are only accurate with 84.4% of their orders.

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Most major QSRs attribute up to 75% of their revenue to drive-thru customers, and for Good Times, that number is closer to 90%. In order to continue meeting their speed of service and accuracy goals, Good Times chose to implement conversational artificial intelligence (AI) in the drive-thru at one of their popular Denver locations.

Many people remain hesitant about AI applications entering the workforce, fearing they will take jobs from human employees. However, AI technology has not yet reached that level of sophistication, and Holly only works to augment the work of her human employees, helping to make doing their jobs easier and more efficient. Employee feedback highlighted that they were nervous Holly would get the order wrong, but employees and customers alike were pleasantly surprised at the platform's speed and accuracy. In spite of the nascence of the technology, people are willing to trust it to provide better service and streamline monotonous tasks.

Even better, a recent survey revealed that Holly exceeded the expectations of more than **95% of customers.** Even though the majority of customers knew they were ordering from a digital employee, the platform's **AI technology provided them with a positive customer experience.**

Solution

Valyant's proprietary conversational AI platform *(think Siri or Alexa, but for the enterprise)*, enables restaurants to automate all of the work related to taking customer orders and inserting those orders into POS systems.

In January of 2019, Good Times employed Valyant AI to begin testing their conversational AI platform **"Holly,"** with breakfast customers at the drive-thru. Providing digital customer service representatives for the food service industry, Valyant AI's voice-based digital employees allow businesses to streamline the customer experience, improve employee efficiency and help address labor shortages, especially during peak times. To eliminate AI biases and ensure the highest accuracy possible, Valyant's AI-based voice assistants are built using actual customer recordings. To ensure accuracy, the Valyant AI system employs human-in-the-loop (HITL) on all orders.

This guarantees order accuracy, ensures early detection of any problems and enables the system to continually learn and improve the experience for customers.

The physical implementation of the technology involved installing a small piece of hardware inside the restaurant and integrating it with the headset system used for employee and customer communication. Holly is able to sense when a customer has arrived at the drive-thru. She fires off a welcoming greeting, announcing herself as an AI employee and encouraging the customer to place their order when ready.

Solution

In June of 2019, Valyant AI expanded their platform into both lunch and dinner at the same Denver restaurant. This was made possible by Valyant's experiences taking breakfast orders and learning the intricacies of real-world customer service communication. The AI's ability to learn by gathering more data, as well as the assistance from the human-in-the-loop, enabled the software to start taking significantly more complicated orders at lunch and dinner.

The inclusion of the AI system frees up on-site employees to focus on food preparation, order accuracy and payment processing. These operational efficiencies are then passed on to the customer in the form of reduced drive-thru wait times.

Furthermore, because Holly never gets tired, bored or discouraged, she is always delivering the most appropriate upsell messages at any given time. There is a wealth of data that's used for these recommendations, including weather, time of day, products normally purchased together and trending menu items. Valyant is also in the process of incorporating the customer's sentiment, decisiveness, gender, and age when making recommendations.

As the platform is all digital, the information used for making upsell recommendations, as well as the outcomes, are served up to the restaurant for tracking metrics, understanding the customer population and transferring those learnings to in-store operations. Taken together, it creates a positive feedback loop that delivers unprecedented insights into operations and customer engagement.

By allowing Good Times to streamline customer service order taking, the company was able to successfully utilize Holly to augment their employee's strengths, while minimizing the challenges related to labor shortages. Holly significantly improved employee efficiency, average ticket size, customer service wait times and reduced operational costs:

Valyant's technology is responsible for an average customer wait time reduction of up to 25% on average.

The platform's average attempted upsell rate is 43%, immediately putting it in the top third of the industry upon deployment.

Good Times average rate of successful upsells has climbed from 3.3% to 5.8%, with the one-day high being a 23% successful upsell rate.

More than 80% of customers rated their total experience with Holly 4 out of 5 stars.

Between software accuracy, technological innovations and human-in-the-loop, Valyant AI is able to successfully complete 95% of all customer orders. This truly allows for the automation of tasks related to customer order taking and POS insertion.

Best of all, the feedback from Holly's human co-workers has been very positive. With Holly's help, they're able to spend more time focused on payment processing, order accuracy and customer engagement. Holly has also reduced the pressure on employees to hit upsell metrics and helps to avoid burnout when those recommendations are rejected.

To that end, in just the first few weeks of operation, Good Times witnessed sick employees as well as blizzard conditions that impacted employees' ability to get to work, but Holly truly saved the day. And it isn't just employees realizing the benefits of Valyant AI's enterprise AI technology.

"By freeing employees to spend more time focused on the customer at the window, we're providing better and faster service to our customers and a more enjoyable experience for our employees."

"I like [Holly] because she is going to take the orders all of the time — and she won't call off!"

— Herlinda Arredondo, shift manager at Good Times.

"We are incredibly excited to demonstrate customer service leadership by helping to refine Valyant AI's software to improve order accuracy and decrease wait times for our customers,"

— Scott Lefever, chief operating officer at Good Times.

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