

# Romulus Restaurant Group, One of the Largest IHOP Franchisees, Reduces Food Waste and Boosts Sustainability with Flybuy

*IHOP's Romulus Restaurant Group reaches 99% operational accuracy and shrinks food waste by 90%, while cutting refunds, remakes, errors, and carbon emissions by 50%*

# THE SUMMARY

**CLIENT** Romulus Restaurant Group, IHOP

**INDUSTRY** Restaurant

## CHALLENGE

Leading up to the pandemic, Romulus Restaurant Group, which operates 104 IHOP restaurants, saw their off-premise orders (curbside, pickup, delivery) expand from less than 10% of their business to up to 30%. The franchisee was looking to more effectively manage its communications and handle chargebacks and refunds as their off-premise business continued to grow.

## SOLUTION

With Flybuy, The Romulus Group was able to gain full insight into the guest's journey to the restaurant, preparing staff for a perfect and timely handoff with little to no order error. This had a tremendous ripple effect on decreases in food waste, chargebacks, and refunds.

## RESULTS

**90%** decrease in food waste

**50%** decrease in chargebacks/refunds

**50%** decrease in remakes and order errors

**99%** operational accuracy

**\$125,000**

annual savings from 14.3% reduction in refunds for missing items

**\$75,000**

annual savings from 50% reduction in remakes

# THE CHALLENGE

Romulus Restaurant Group operates and develops IHOP restaurants, with 104 locations in 11 states and over 5,000 employees. As a Top 75 Franchise Times Restaurant 200 group, they've been named Franchisee of the Year by IHOP Corporate and regularly find themselves on the Restaurant Finance Monitors' Franchisee Top 100 list.

Leading up to and into the pandemic, Romulus saw their off-premise orders (curbside, pickup, delivery) expand from less than 10% of their business to up to 30%. "It was overwhelming as it continued to grow," says Christopher Pew, Director of Strategic Operations at Romulus Restaurant Group, "Obviously the sales were great, but we couldn't figure out how to get organized with the surge in customers and minimal staff. We tried to be as strategic as possible, but we could not find one overarching solution."

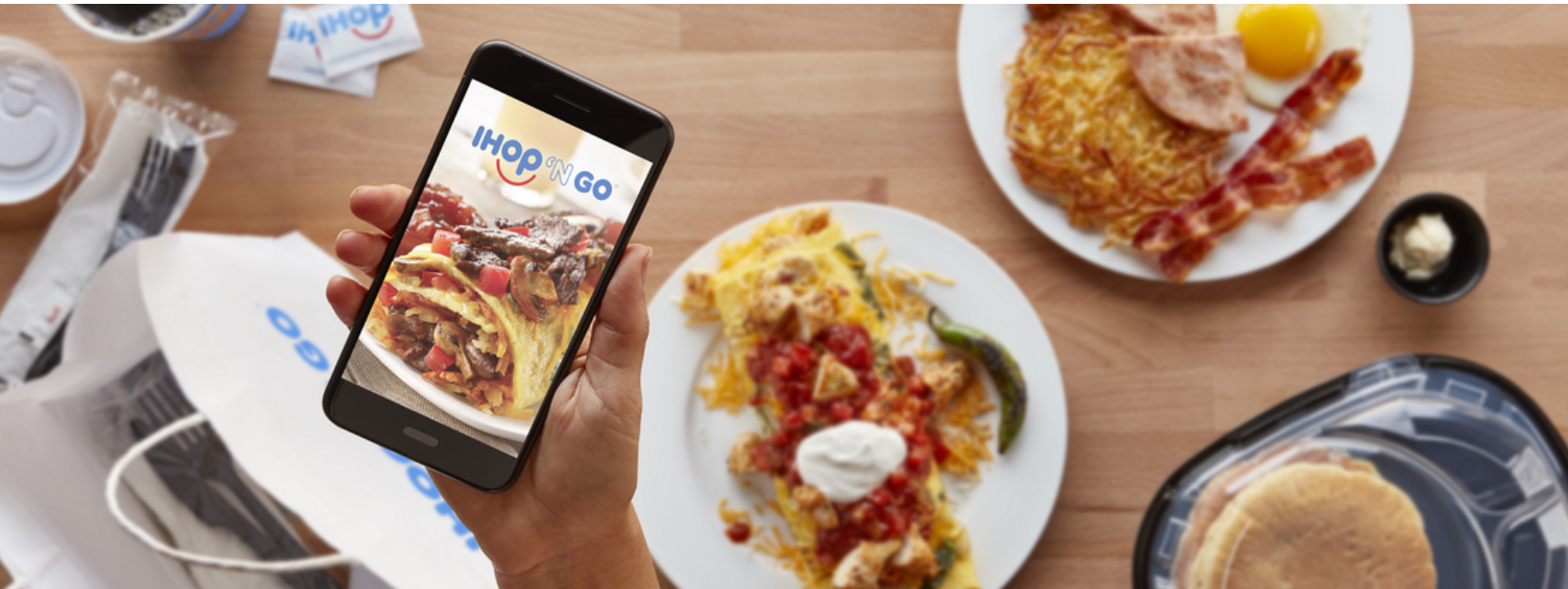
The restaurant group was looking for operational solutions to ensure their off-premise business would run more effectively as they navigated the order growth surge. Chargebacks, refunds, remakes, and throwaways all continued to cut into Romulus Restaurant Group's margins while carbon emissions from long idle times, single-use packaging, and food waste made them fall short of eco-friendly goals.

And, IHOP's Romulus Restaurant Group was on the verge of spending more money on tools that wouldn't meet their needs until they worked with Flybuy. "We had spent anywhere from \$10,000 to \$15,000 within a short timeframe for curbside before we were introduced to Flybuy," says Pew, "That was an extremely exponential cost for a short timeframe, and if we didn't have Flybuy, we probably would've spent a lot more."



But switching to a tech-forward, sustainable platform meant it had to answer Pew's critical questions:

- How will your platform help us better time food production, avoid missing items in orders, reduce food waste, and become more sustainable?
- How accurate is the mobile location data for when customers are on their way, close to, then arrived at the restaurant's parking lot?
- Can your tech clearly show where customers are during their physical journey to the restaurant?
- How do you handle privacy concerns when using a customer's location to track their journey to the restaurant?



## KNOWING THE PRECISE CUSTOMER JOURNEY MADE FLYBUY AN EASY DECISION

"Unfortunately, before Flybuy, we wouldn't know exactly when an off-premise customer was coming for their order because our current technology entailed printing checks immediately after they placed their order, as we assumed the customer was on their way," explains Pew, "There were unfortunate circumstances where food sat too long, got cold, and we had to remake it. Other times we weren't prepared to deliver their order when they arrived, or they got home and rightfully complained their order was cold so we refunded their money."

Due to their off-premise growth, Romulus Restaurant Group introduced Flybuy to be more aware of incoming orders and to help streamline organizational communication procedures. "Now with Flybuy, we know exactly when the customer leaves, when they're close, and when they've arrived at a parking space to pick up their order," Pew says, "I immediately saw the value in Flybuy and it was an easy decision to move forward to deploying in all of our restaurants throughout the country."

***We were scrambling to adapt and Flybuy's great solution helped us navigate our off-premise order surge. Flybuy's an ideal solution across the board.***

# 90% REDUCTION IN FOOD WASTE THANKS TO EXCEPTIONAL COMMUNICATION

Before switching to Flybuy, Romulus' IHOP restaurants threw away 2% of daily orders, which added up to about \$408 per day or \$150,000 annually, all because of communication issues between the kitchen and when guests arrived to pick up their food. Because their rule is to toss any food that's been in the window beyond 10 minutes, and the kitchen created orders the minute the ticket printed, when customers arrived 30 minutes to an hour later, not only had IHOP thrown away the first order, but now had to remake a fresh second order.

However, after implementing Flybuy, Romulus' IHOP restaurants now only remakes less than 1% of daily orders, which cut losses by about 50% to \$75,000 annually, while lowering their food waste by 90%. And together with Flybuy, IHOP is continually working to get as close to 0% remakes as possible. "Flybuy's platform helped cut in half the mistakes we were previously making so I'd confidently say we've seen our off-premise remakes go down by at least half," explains Pew, "Their product was able to provide us exactly where customers were at in their physical journey to the restaurant, which helped us time orders better and be more prepared."

With the First Arrived, First Out (FAFO®) system implemented, the kitchen preps orders based on which customer arrives first, thanks to Flybuy's customer journey tracking. They've removed inaccurate customer arrival times as well as reduced remakes, throwaways, and order errors to help them become a more sustainable, less wasteful business.



Annual savings of

**\$75K**

from a 50% reduction  
in remakes

# ORDER ERRORS DROP 50% DUE TO TAGS

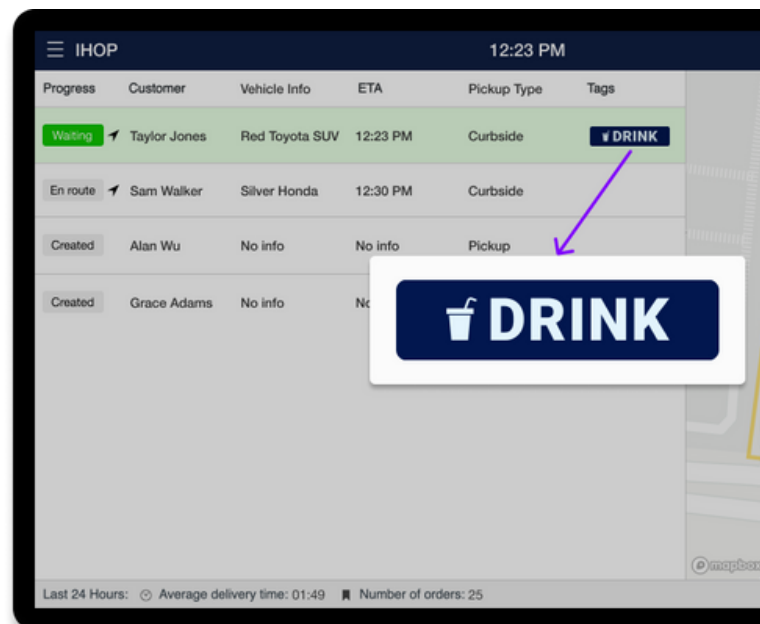
Flybuy's tag feature enables restaurants to label orders with certain time-sensitive items or items that need special preparations. "We saw our previous order error rate was around 4% and we've seen it drop to 1.5% to 2% so that's been cut in half, too," Pew says. When they added Flybuy's tag feature to their restaurant mix, IHOP was able to avoid creating wrong orders, missing items, prepping orders at the wrong time, and delivering an order to the wrong customer. By slicing their order errors in half, they also chopped their quantities of food waste, remakes, and throwaways.

Of Romulus' previous 4% order error rates, 90% were tied to forgetting a beverage. "Many times, employees would grab a bag, run it to a driver or customer without checking for a beverage," explains Pew. "But tags make it front of mind where we can get beverages ready right before guests come in. Putting those tag visuals as a priority has been massive for us."

Both hot and cold dishes from IHOP's 170-item-strong menu also benefited from tags while reducing order errors and waste. "By tagging a milkshake within an order, it prompts the staff not to forget an item. It also reminds them that there is specific prep time needed to ensure the milkshake doesn't melt, which you would then throw it away and issue a refund...plus the added waste and cost factors of remaking it," says Pew.

After implementing tags, they reduced order errors by

# 50%



And with piping hot items like fries, Flybuy's tags and tracking customer arrival times provide IHOP the exact timing to drop for super crispy results. "Our fries have a three-minute cook time so if we know the customer's five minutes away, we know the fries are going to be hot because we drop them at the right time and have two minutes to bag them up and get them to the front for pickup," explains Pew, "It's been real easy with all the images, lights, dings, and flash notifications. When the Flybuy tablet turns yellow, drop the fries."

***Flybuy makes it foolproof. If you're missing a notification or alert, you're almost trying hard not to pay attention. We now know when customers are there and you're not going to miss a beat.***



## AROUND 50% CUT IN REFUNDS/ CHARGEBACKS VIA TIMELY TEXTS

When IHOP customers received cold, melted, or incorrect food, had missing order items, or thought their order was forgotten, that meant piles of refunds, chargebacks, and food waste. And a single chargeback for one order could mean that an entire family's worth of meals on that ticket get tossed in the trash.

On top of that, if IHOP's kitchen had to remake food in addition to refunding, "that's almost double the cost," says Pew, "And the cost alone of remaking food is pretty significant, so our off-premise dining saw around 3% of sales refunded or charged back before Flybuy. Since we implemented Flybuy, that's reduced to less than 2%, which means we're now operating at almost 99% accuracy, which is phenomenal."

***Before, if the customer waited too long, they'd leave and ask for a refund or do a chargeback, but with text alerts, we're able to produce food correctly that's fresh and not impacting our margins***

Annual savings of

# \$125K

from 14.3% reduction in  
refunds for missing items

Flybuy's one-to-one customer communication and location tracking allows Romulus Restaurant Group to send quick messages about order delays and readiness so customers know their food is coming. Because customers only wait three minutes from promised delivery time before the order delay message triggers automatically, chargebacks and refunds have slowed. IHOP's Romulus Restaurant Group has seen a 14.3% decrease in refunds for missing items, which saves them \$125,000 annually, and helps further cut down on food loss.

"We slashed chargebacks by 50% which can be directly correlated to Flybuy because their platform helped us prevent issues. Flybuy helped with the reduction of refunds and chargebacks because the kitchen now knows the customer's exact ETA. If they don't arrive for 45 minutes or an hour or at all, we now can make food or cancel orders accordingly," Pew explains.

# 99%

Operational accuracy

# CARBON EMISSIONS REDUCED BY SLASHING IDLE TIME



Customers and delivery drivers used to sit in the parking lot for about 9 minutes waiting for their orders, only adding to the wealth of greenhouse gasses and pollution from automobiles. Yet today with Flybuy on their team, the average wait time is only 3 to 4 minutes, chopping car idle time and carbon emissions by half. With the customer arrival notification on their Flybuy tablets, IHOP's Romulus Restaurant Group streamlined their prep, stage, and execution processes to help deliver orders quicker, build a more sustainable brand, and shorten wait times to reduce remakes and throwaways.

Car idling time and carbon emissions decreased by

# 50%

after implementing Flybuy





# SIGNIFICANT SLOWING IN SINGLE-USE PACKAGING AND PAPER WASTE TO LANDFILLS



Because IHOP's Romulus Group sharply reduced their order errors, remakes, and throwaways, that means less single-use takeout containers and paper products are finding their way to landfills. "Those containers are single use so the waste is just as much as the food



we throw away and you've got additional costs of that packaging and paper," explains Pew, "It's a considerably large number and Flybuy has helped not just with food costs, but paper costs as well."

***Flybuy exceeded expectations from the start and they've continued to do so. Their ability to give us more information and communication tools, like tags, has been hugely beneficial to our operations.***

# UPTICK IN PRODUCTION SPEED AND CUSTOMER SATISFACTION

Having tools like Flybuy, and understanding this aspect of the business better, enables us to focus our time and energy on our customers. It's alleviated longer wait times and helped streamline our operations, which in turn, has improved service inside of our restaurants," Pew says. The improved service also comes from employees' enhanced efficiency, which allows them to spend additional time ensuring a high-quality customer experience.

Customers have even told IHOP how "super easy to use" Flybuy is and how relieved they are not to wait up to 15 minutes idling in the parking lot with zero communication. "Now they've had the experience where food's coming out hot," explains Pew, "Or if we're running behind, they're getting communication right off the bat so those customers who had unpleasant experiences before are now having pleasant experiences utilizing our Flybuy system."

***It's been a really easy-to-use, turnkey solution and Flybuy handled the training and launch without any tech issues and it wasn't labor intensive for IHOP. If a support issue does arise, they handle it quickly and professionally.***

# GROWING INTO A FLYBUY FUTURE

"The data Flybuy provides on a daily and weekly basis is what's helping us remain relevant and top of mind," says Pew, "There are lots of brands and operators out there that are still unsure how to communicate with customers or how to be more efficient with curbside or delivery. We're now ahead of a lot of our competitors in the family dining segment. Flybuy helped us increase traffic and sales for all day parts of our business, too, and that's what's going to set IHOP apart."

***We grew our relationship very, very quickly over the last year, and it was at a high level almost from the start. Their ability to scale like that was very impressive, and there are some things on the horizon in our partnership we are very excited about and we will grow together.***

***Since digital ordering and off-premise dining are here to stay, that means embracing technology partners like Flybuy to grow your restaurant business.***

Since digital ordering and off-premise dining are here to stay, that means embracing technology partners like Flybuy to grow your restaurant business. As Pew says, think of Flybuy "as an excellent employee who's focused and dedicated to your curbside business. So instead of another task to manage, it's managing tasks for you at a very, very efficient rate."

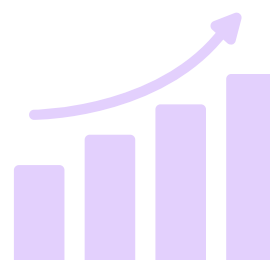
"I'd definitely recommend taking a look at Flybuy and seeing how personally they take the success of your restaurant along with their business. It's a real partnership and that's been hugely beneficial, and that's what I'd tell anybody looking for a tech solution and why I'd suggest Flybuy," Pew adds.



**Wait Time**



**Repeat Visits**



**Sales**



by Radius Networks



## ABOUT IHOP'S ROMULUS RESTAURANT GROUP

Romulus Restaurant Group is a "short-stack" of companies that operate and develop IHOP restaurants, and is one of the largest franchisees and developers of IHOP restaurants. With headquarters in Phoenix, AZ, Romulus Restaurant Group operates IHOP restaurants in Arizona, Idaho, Pennsylvania, Oklahoma, Kansas, Texas, New Mexico, Indiana, Illinois, Tennessee, and Ohio. Founded and led by primary owner/CEO Chris Milisci, Romulus has consistently ranked in the "Franchisee Top 100" by the Restaurant Finance Monitor and received numerous awards from IHOP corporate including Franchisee of the Year.

## ABOUT FLYBUY | RADIUS NETWORKS

Radius Networks is a location technology company that helps companies save time for customers and staff by streamlining operations and the user experience. The Flybuy operations platform which includes Pickup, Drive-Thru, Pay, and Tableside, is leveraged by restaurants, retailers, and grocers around the world in over 50 countries, including DINE Brands, Five Guys, Ahold Delhaize USA Brands, Domino's, Harris Teeter, JOANN Fabrics, Vineyard Vines, and many more.

With over 40 global patents, an in-house team of location engineers, and proprietary machine-learning technology, Radius Networks is the recognized technical leader in the industry. Flybuy provides a high-value, innovative solution for a frictionless customer and staff experience.

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