

yoello

# THE FUTURE OF FOODSERVICE IS NOW



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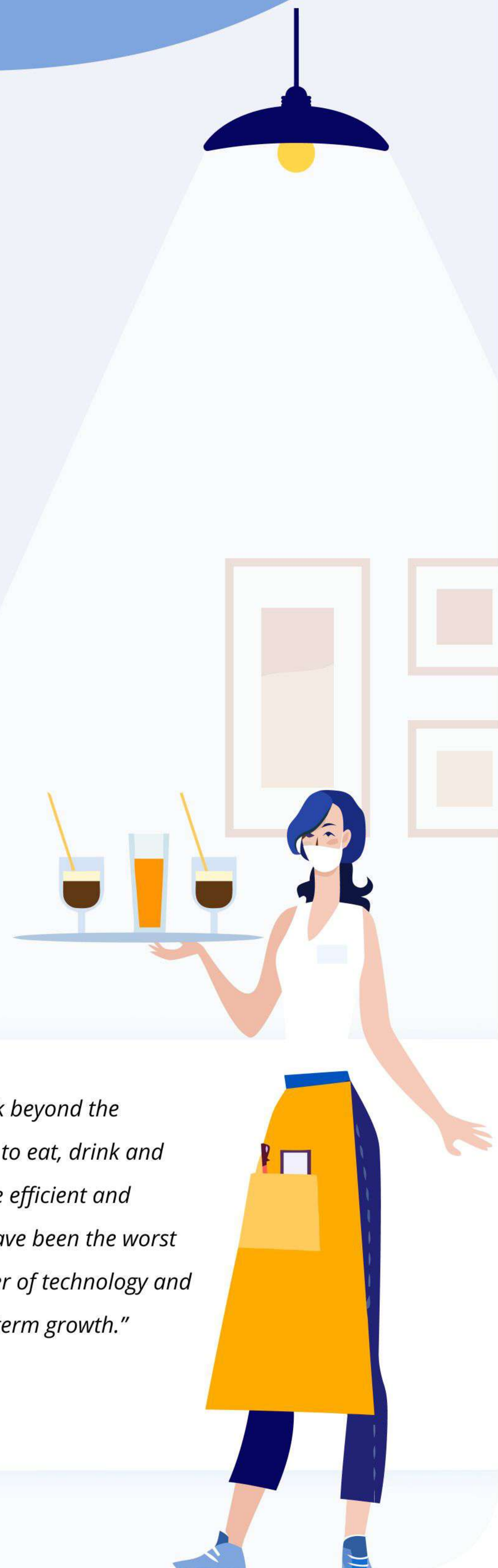
Faced with an urgent need to innovate, the sector has been forced to adapt. But many of the changes that come with this new normal – both operational and cultural – will be here to stay. And when it comes to moving to a cashless society, that should come as welcome news to operators.

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*"Moving into the future, those that think big will save big. Let's think beyond the immediate opening needs, and harness the consumers' willingness to eat, drink and think differently to make a change now that will drive a much more efficient and profitable future. While there's no doubt these last three months have been the worst the industry's faced, savvy operators should be pulling on the power of technology and looking at innovations like open banking to secure profitable long-term growth."*


**Scott Waddington, former CEO of Welsh brewer Brains,  
Director of Yoello**





# A MOUNTAIN TO CLIMB

While government interventions like the furlough scheme and reductions in VAT have been most welcome, the sector still has a mountain to climb. Financial modelling has shown that – despite decreasing headcount, reducing costs, and maintaining margin levels – a restaurant operating on 50% of normal sales will still see significant losses, which leaves a lot of businesses vulnerable. <sup>1</sup>



*“Restaurants have a mountain to climb” –*  
**Peter Backman, foodservice strategy consultant**

***- only 59% of operators intend to re-open all sites <sup>2</sup>***

***- avg. pre-lockdown turnover most businesses expect is 42% <sup>3</sup>***

***- forecast drop of £23bn in half-year revenues <sup>4</sup>***

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<sup>1, 4</sup> Source: Warm Welcome magazine quoting Simon Stenning | The immediate future for foodservice & hospitality | June 2020

<sup>2</sup> Source: Business Confidence Survey, CGA & Fourth

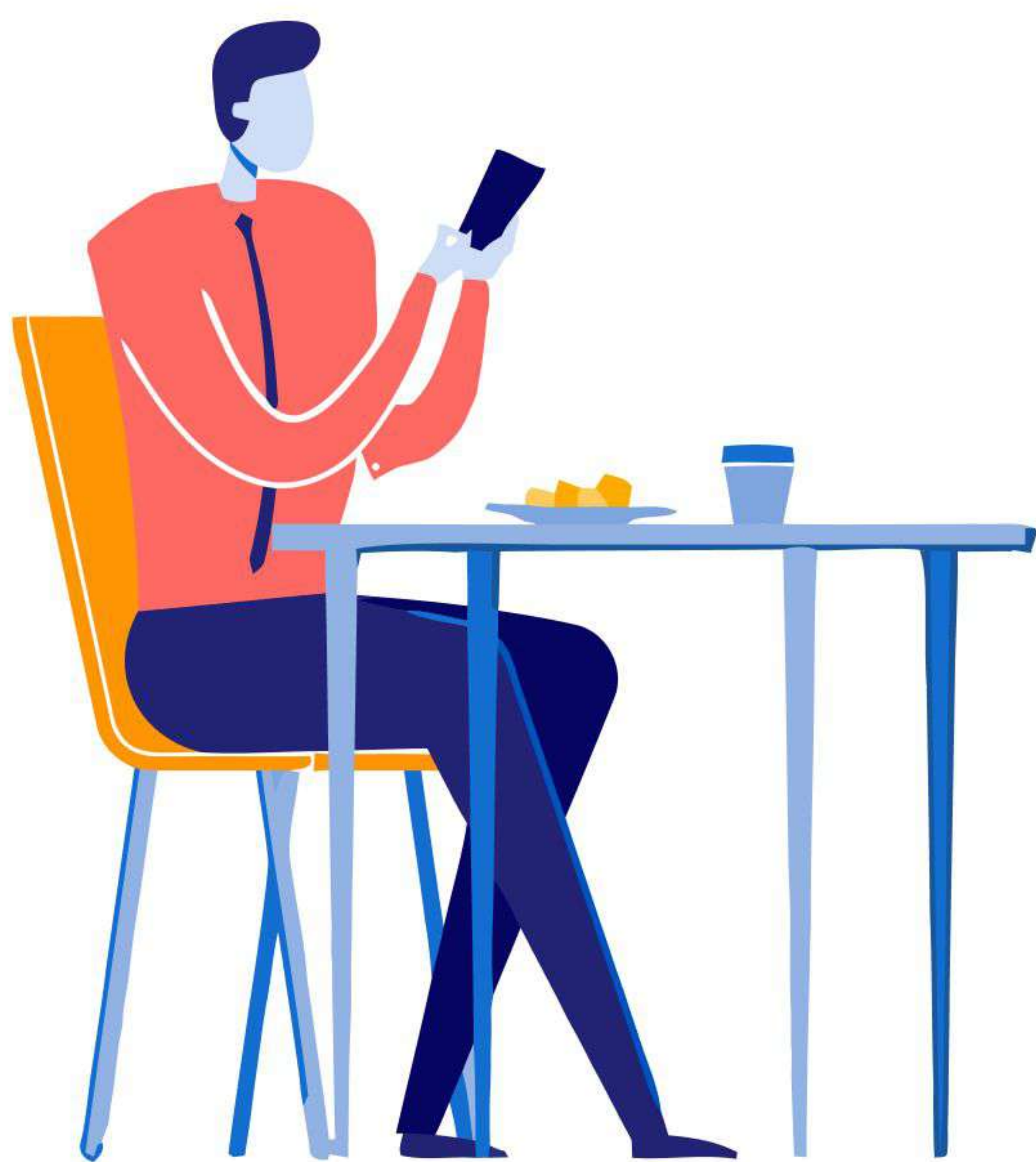
<sup>3</sup> The Caterer | Come out fighting | July 2020





## ACCELERATED INNOVATION

Faced with an 'adapt or die' situation – food and drink businesses have been forced to evolve, accelerating changes that have been in the pipeline long before Covid. Primarily, increased delivery and more widespread adoption of mobile ordering & payment solutions.



*“The future of foodservice is now. We’ve been forced to stop and re-think how hospitality operates. Let’s use this to harness the power of tech. To create a new normal which elevates the customer experience and opens up more profit potential for operators.” –*  
**Sina Yamani, CEO, Yoello**

### **App ordering and mobile technology are a vital investment for operators looking to succeed now and well into the new normal.**

As government guidance tips hospitality from a hugely people-led industry to a more tech-led operation, it’s those that use it to enhance the customer experience who will succeed. This can be done in many ways: from the more obvious, like speeding up the ordering and payment process, instilling a sense of safety by taking away the necessity to touch menus and card readers, right through to freeing up time to get your staff back on the floor and engaging with customers.

Two thirds of consumers say they’re open to trying new contactless methods<sup>[1]</sup>, so now is the time to get it right.

[1] Source: Consumer survey by chef Marcus Wareing, June 2020



## industry voices



## word on the street

*"We made the switch to mobile ordering and payment due to Covid, and it's been easy. It's actually increased our throughput too. If table service remains popular, we'll keep doing it."* – **Brian Fleetwood, Saison Bar**

*"Like many operators, when our doors closed Tredwells pivoted to focus on delivery. This trend has seen some amazing and affordable platforms spring up – helping break the duopoly on delivery."* – **Chantelle Nicholson, Tredwells**

*"Technology has a huge role to play in the future of our industry – not just in its safe re-opening, but in instilling long-term confidence in hospitality employees and customers."* – **Mark Hall, Elixir UK**

*"Customer feedback has been excellent. A lot of customers have praised us for using Yoello [our table service web app] and asked that it be kept when we do return back to normality. They appreciate that it's more difficult for us to manage a larger area of tables but also appreciate it has been done to keep them safe."* – **Adam Swingler, The Greyhound Inn**

*"I'm all for whatever system places find most efficient – as long as it works, I'm not bothered."* – **Victoria, Maida Vale**

*"I'd be happy to keep ordering to the table even after all this is all over. You get served quicker, it makes it easier to manage rounds, and you don't have to get up!"* – **Toby, Durham**

*"App ordering has a lot of plusses – you can see what you order and there are no mistakes. But then WIFI can fail, I get miffed because I can't download an app, then leave and just go hungry."* – **Amy, Kent**

*"Used a digital menu thing on opening weekend and it was seamless. Scanned a QR code off the table and ordered. Didn't change the experience that much at all really. In fact, was nice not to have to get up."* – **Dan, Brighton**

*"I think technology is the future and can greatly benefit businesses. Misinterpretation and human error should be reduced if customers order by app. Anything that can help the industry's recovery is worth trying but we cannot lose our human touch."* – **Andrew, restaurant manager, multi-site chain**



# NEW NORMAL, FAMILIAR CHALLENGES

But while pivoting to delivery and opening venues with social distancing in place is helping operators to survive in the short term, there are significant challenges that go along with the new normal – some of which are all too familiar.

01

While third-party apps like Deliveroo and UberEats are good at delivering volume, the commission puts additional pressure on margins.

02

If not managed well, table service can mean extra staffing and lower throughput.

03

Consumer confidence has taken a knock – with many intending to eat out less often, and to spend less when they do.

## industry voices

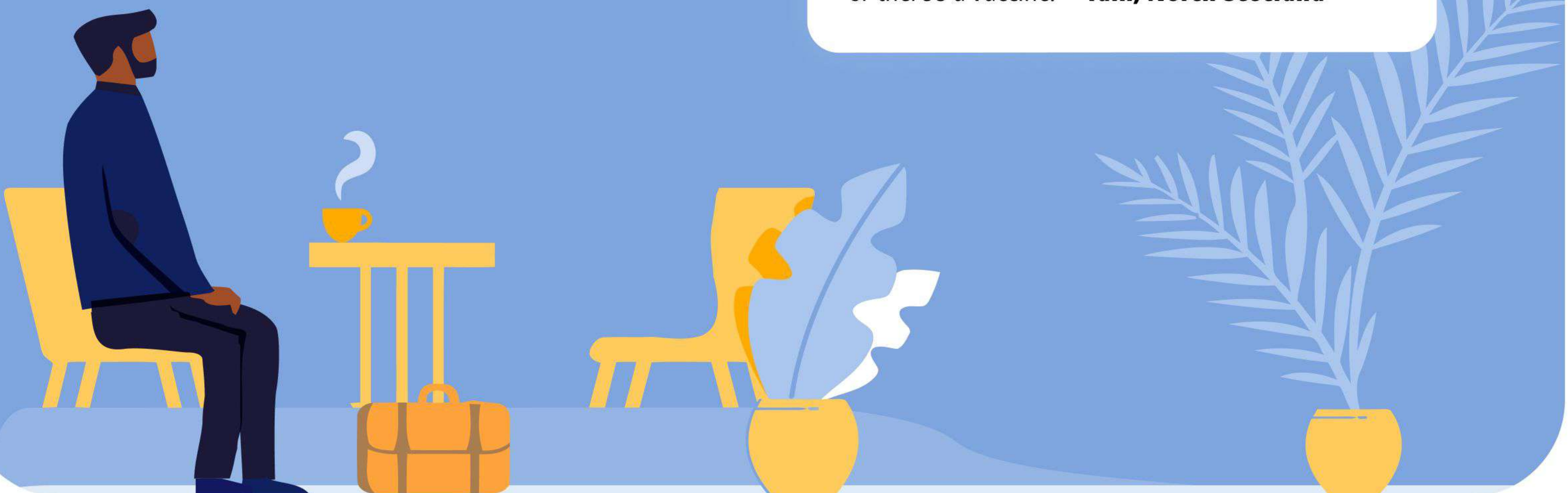


*"Food needs to be simple, quickly prepared, tasty, and affordable. Customer confidence is a massive priority for us"* – **Simon Hulstone, The Elephant Restaurant, Torquay**

## word on the street

*"I'm more cautious when eating out now, and more aware of my spending too."* – **Sange, Croydon**

*"I'm avoiding eating out - even takeaway - until the Coronavirus is shown to be completely suppressed, or there's a vaccine."* – **Iain, North Scotland**





## what do consumers want?

10%

*of consumers intend to live as they did pre-Covid <sup>5</sup>*

21%

*of consumers plan to eat and drink out less frequently than before <sup>6</sup>*

75%

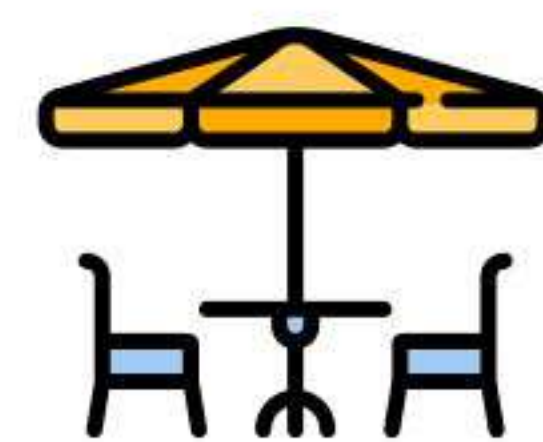
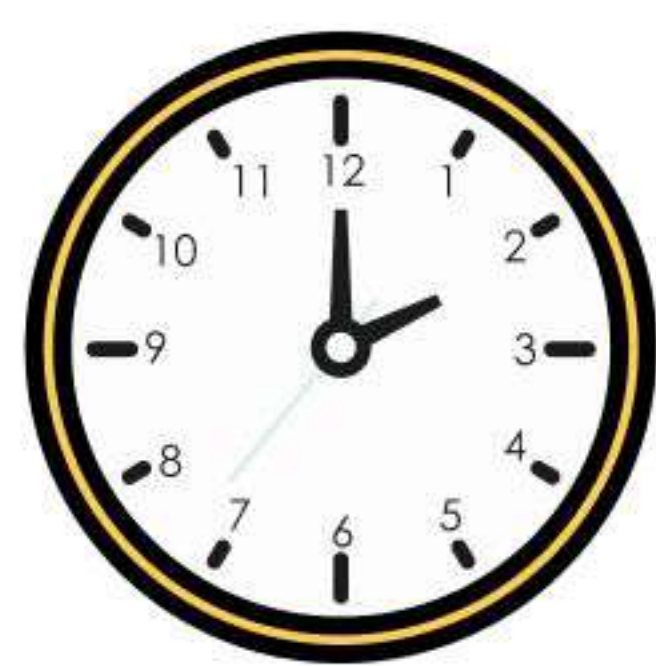
*say they will make choices based on how safe they feel*

**34%** *intend to spend less when visiting restaurants <sup>7</sup>*

**55%** *want social (physical) distancing continued for some time <sup>8</sup>*

**34%**

*will try to visit outside of peak times*



**26%** *want tables spaced apart, and 24% want tables outside*



**Over 60%** *prefer to avoid touching card reader pads when making a purchase <sup>9</sup>*

**2/3** *of consumers are open to trying new contactless methods of ordering and payment <sup>10</sup>*

<sup>5</sup> Source: YouGov research June 2020

<sup>6</sup> Warm Welcome magazine quoting Simon Stenning | The immediate future for foodservice & hospitality | June 2020

<sup>7</sup> Marcus Wareing Survey | June 2020

<sup>8</sup> Guest perspectives The consumer view on returning to the hospitality sector UK Hospitality survey by CGA

<sup>9</sup> Source: Ipsos for PayPal, June 2020

<sup>10</sup> Source: Consumer survey by chef Marcus Wareing, June 2020





# A COMPLETE SOLUTION FOR OPERATORS

Yoello offers operators a complete solution – helping them manage delivery, click & collect, and table service orders and payments directly, in a way that keeps customers feeling safe, and avoids £ billions of unnecessary costs.

## **1. Scale up delivery without the £% commission**

Yoello gives operators a seamless and complete solution for delivery – which means they can diversify their revenue streams while avoiding hefty % commissions.

## **2. Offer table service without added cost or complexity**

Customers just scan a QR code, click to order, and click to pay – keeping staff costs down and throughput high. Customers are unwilling to download apps, which is why Yoello is mobile web based - no need to download a thing.

## **3. Win back customer confidence**

No physical menus, no card machines, and definitely no cash. By making the whole process totally contactless, Yoello makes it easy to keep customers and staff safe. And it keeps orders, covers, and payments moving fast too.

## **4. Save £ in unnecessary payment charges**

Yoello is the only solution on the market that connects to banks to make payments instant and direct – boosting operator cashflow and saving £ billions of unnecessary fees and chargebacks every year.

*“Operators give up an average 2% of every transaction they make when they use traditional payment gateways to handle card payments. And that’s before you consider the additional costs of any chargebacks. At a time where operators are under so much pressure, cash burning practices like that simply have to go. And Yoello is the only solution on the market that can help them do that.” –*  
**Sina Yamani, CEO of Yoello**





# A CASHLESS CARDLESS FUTURE IS NOW

The urgent need to innovate through digital solutions has seen the hospitality industry take great leaps forward in a matter of weeks. But if operators are to take full advantage of this momentum – it's essential they go all the way and make use of open banking solutions that can save them billions in lost revenue every single year.

## *what is open banking?*

Open banking is a new system which allows FCA regulated third parties (like us) to connect consumers and merchants' banks directly – cutting out clunky and expensive payment gateways altogether. This makes payments instant and about 75% cheaper.

## *word on the street*

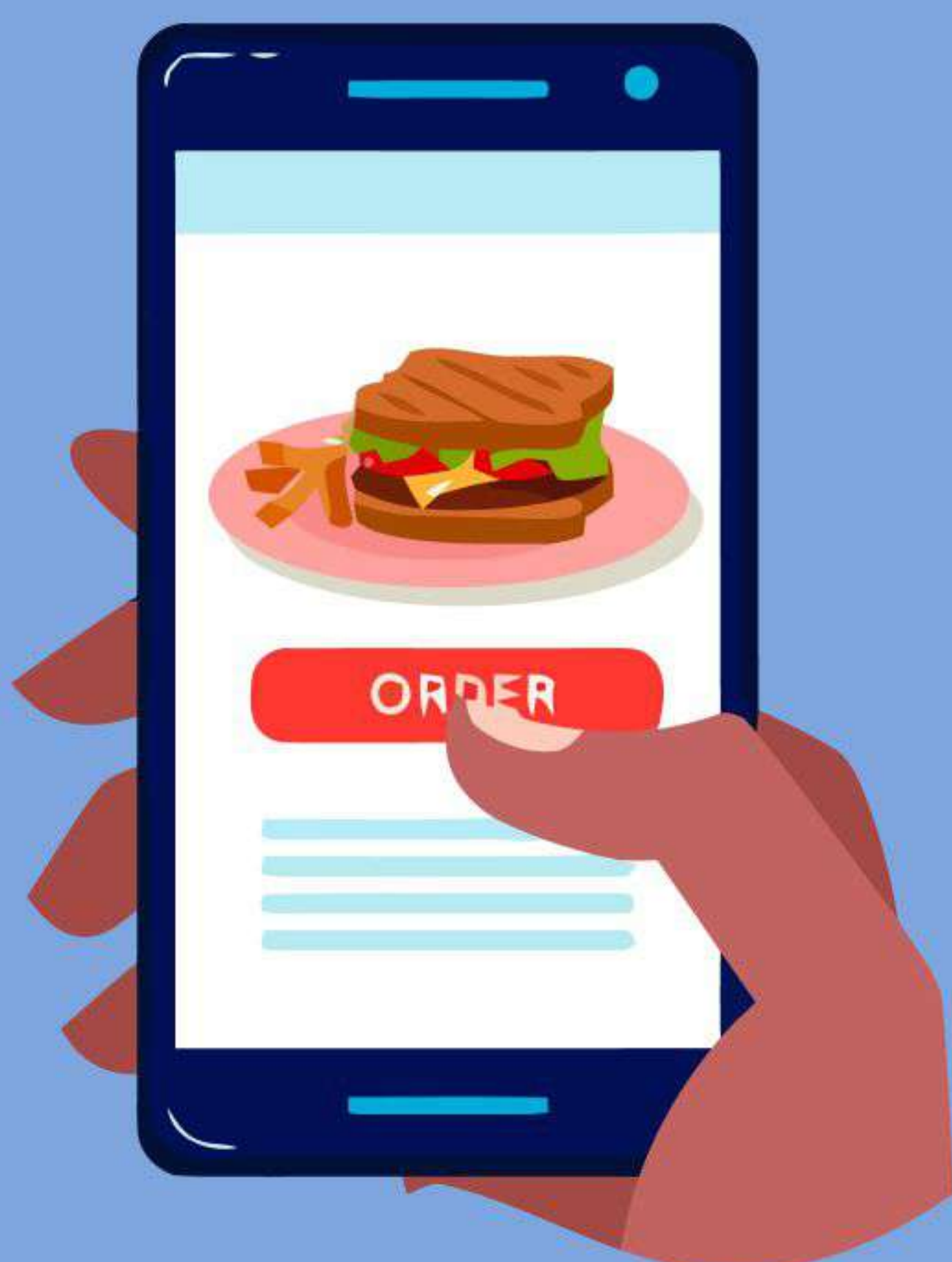


*"Is cash dead? I hope so! There's no need for it anymore, it's far easier for record keeping if it's all logged digitally and will stop people tax dodging e.g. cash only barbers." - **Martin, London***

*"I think we are seeing the death of cash. I was like the Queen anyway and rarely carry cash, but I do fear for the older generations who still like to use money." - **Rich, Midlands***

*"I still like a bit of cash, especially after my card got cloned recently. Also, cards often charge a fee, and they're not always great for tipping." - **Amy, Kent***

*"The use of cash will continue to reduce, but not completely disappear. People need choice." - **Mairi, Cheltenham***



## *more reasons to go cashless*

- increase spend per head by 10-30%
- cut speed of serve by up to 2/3
- win back your customers with rich data





## **industry voices**

*“Going cashless has cut our average serve time from 9 to 3 minutes” – **Angela Harrison, Tossed***

*“Society as a whole is going cashless which isn't a bad thing: less touching dirty cash, no hour-long cash ups, easier to reconcile takings. Although when technology fails (which it does) what is the back up? A cashless society needs government investment in nation-wide fast secure and steady connection.” – **Andrew, restaurant manager, multi-site chain***

*“The UK is fast becoming a cashless society with a disruptive new wave of banking and payments innovation from fintech new-comers, launching initiatives that will save UK SME's billions every year. Yoello has a great proposition, being one of the first to receive regulatory permissions to undertake the new payments facilitation schemes available to the UK.” -*

**David Hopton, former CEO Santander,  
Chairman of Yoello**

### **cashless stats:** <sup>[1]</sup>

- £7.2bn revenue opportunity to be created by Open Banking by 2022
- 71% of SMEs expected to adopt it by 2022
- 64% of adults expected to be adopters by 2022
- 48% of retail banking customers & 54% of SMEs state security is their biggest concern with Open Banking data sharing



# PREDICTIONS FOR THE FUTURE

Long-term growth forecasts for the industry suggest it should recover to 2019 levels by 2025.<sup>[1]</sup> While the death of cash and an increased role of delivery across the whole eating out market seem almost certain – we wonder, how else might the industry have changed by 2025?

## **1. open banking to be the new norm**

with 71% of SMEs & 64% of adults expected to adopt it by 2022 – we expect open banking solutions like Yoello to become the norm within the next few years.

## **2. meal occasions to become more flexible**

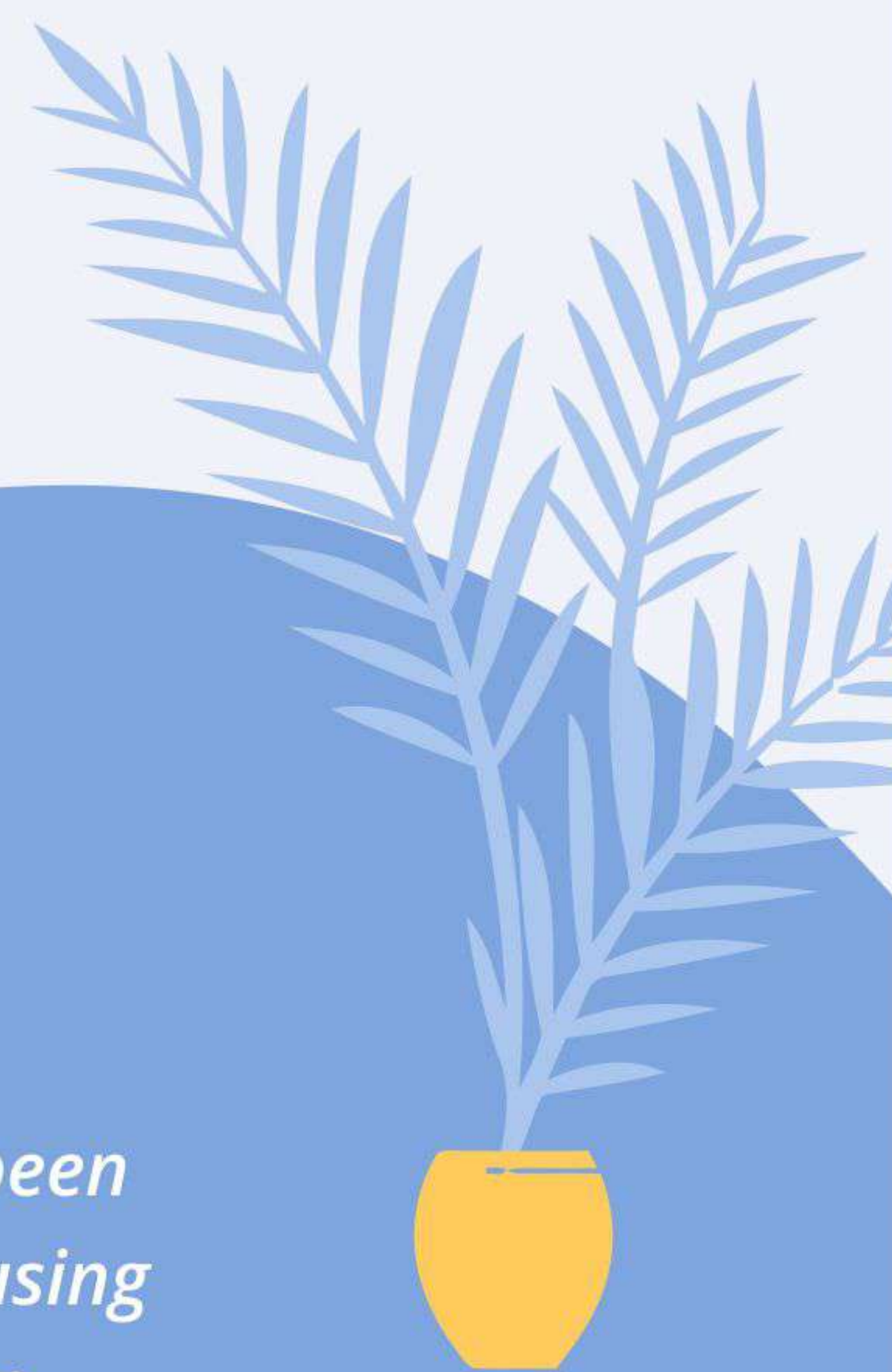
with 65% of people expecting to WFH more often than pre-Covid<sup>[2]</sup> and 35% trying to visit outside of peak times<sup>[3]</sup>

## **3. UK to have a more European style eating out culture**

with 55% wanting social distancing in restaurants continued for some time and 24% wanting tables outside – we may see a more European café culture develop, with more outdoor seating and less vertical drinking.

*“As part of the casual dining boom, the trend over the past few years has been to remove table service in order to save on space and staff costs while focusing on volume. But as businesses have been forced to adopt table service again, there’s been an interesting realisation: with the right tech in place, it can actually increase throughput. Indeed, Wetherspoons – one of the few operators of such size who were able to open all their sites on 4 July – have had their own system for years. So it will be very interesting to see which parts of the new normal operators drop, and which parts are here to stay.” –*

**Scott Waddington, former CEO of Welsh brewer Brains, Director of Yoello**



[1] Source: Warm Welcome magazine quoting Simon Stenning | The immediate future for foodservice & hospitality | June 2020

[2] Guest perspectives The consumer view on returning to the hospitality sector UK Hospitality survey by CGA

[3] Datassential survey, QSR magazine June 2019



# ABOUT YOELLO

Yoello is a Fintech start-up born in Cardiff.

At heart, we're a payments provider disrupting the traditional payments system. We want to make transactions more efficient, safer and cheaper for everybody.

In order to do this, we're innovating the hospitality tech space by using open-banking in a way that people can trust. It's not just consumers who trust us with their transactions - the FCA does too. In fact, we are one of the first companies to be FCA authorised for open-banking in the UK.

We've always been developing a mobile ordering solution that improves operational efficiency and enables table ordering, click and collect and delivery services through one simple and affordable platform, because we thought it was a great idea.

However, overnight this great idea has gone from being a nice-to-have technology, to an essential requirement for businesses looking to re-open safely and in a covid secure manner after lockdown.

In recent months, we've been helping hospitality businesses stay afloat, whilst preparing them for the reopening of venues in a safe manner. Through Yoello's web-app platform, we've helped local hospitality businesses sell their products and services during lockdown and prepare for safe serving thereafter.

Our platform helps to keep your business compliant whilst boosting consumer trust, which will be essential as we move into and beyond the new normal.

**To find out how we can help take your business profitably into the new normal contact:**

**hello@yoello.com**

*yoello.com*

