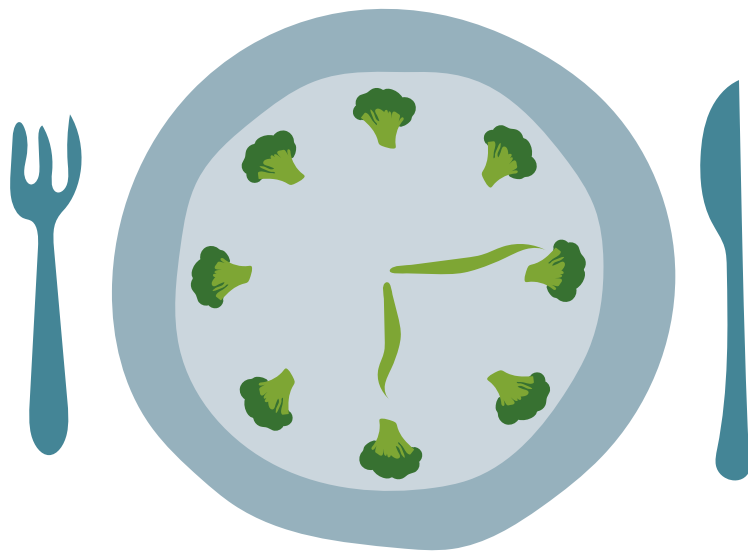


Customer loyalty and queuing: was it worth the wait?

By **Jelle De Vries and Debjit Roy**

The deferment of gratification can be an admirable trait in those of a religious disposition. It is probably not, however, what most of us want to practise when going out for dinner on a Saturday evening with friends and family. But how does waiting time affect customers, and can restaurant owners turn queuing to their advantage?



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Waiting time has come in for a degree of academic and other study down the decades, but probably deserves further in-depth investigation. The research to date focuses mostly on two very clear perspectives. One, that of the service provider. Two, that of the consumer.

From the provider’s point of view, the emphasis is usually on the quantitative. How many tables does the restaurant have? How might they be configured? For one diner? For two? Three, four, five, six, seven, eight or even more?

How many customers are waiting? How many staff are on duty to meet their needs? What will happen if the equation is changed so that there are more staff and/or fewer customers?

From the customer’s point of view, the emphasis is usually on the qualitative. People see waiting as a core element of the experience, which, if handled correctly by the service provider, can even enhance the experience. A classic example almost inevitably arises in conversation with people who have visited one of the globally known Disney resorts as part of a holiday of a lifetime.

They will almost always say they had to queue for hours, only managed to experience a few of the rides they had hoped to and spent a fortune. But they almost always say they had a great time. For the consumer, the length of the wait and the overall enjoyment are all part of the experience, suggesting that, as the traditional proverb puts it, it can be better to travel than to arrive.

Waiting can be profitable

For the provider of the service, the ability to generate additional revenue from the people waiting shows there can be a positive in making them wait, if only to persuade them to part with additional cash premium for the fairground equivalent of speedy boarding. And recent research of queuing to buy cupcakes indicates that the longer people queued, the more cupcakes they eventually went on to buy. It seems that people want to justify to themselves that they waited, and will consume more in response.

It might be ill advised, however, to even attempt to replicate the experience

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with a call centre queue, where the people joining the queue will most likely be angry and/or upset at the time of joining. By the time they speak to a human being, the most likely result of their lengthy wait will be a loss of temper and a bout of angry shouting, rather than an outbreak of high fives and laughter.

Few restaurants might be able to match the Disney organisation in delivering that quality of enjoyment, but those who make the slightest effort and offer quick delivery of a drink or two to those waiting for a table, or offer a free basket of bread and chilli oil to those sitting at a table waiting to have their order taken and prepared, will deliver a degree of satisfaction that goes beyond the financial cost. This can transform waiting from a chore that must be

endured into an enjoyable part of the overall experience.

A working knowledge of Einstein's theory of relativity might come in useful here, enabling an informed opinion on the differences between experienced time in the queue and actual lapsed time.

The propensity to queue

Sticking with restaurants, and the propensity to queue, anecdotal evidence points to the existence of what we all probably think of as "empty restaurant syndrome". This inclines us to look for a restaurant with customers already at table, as we instinctively follow our herd mentality.

However, a diner who knows about the quality of a restaurant will probably not mind entering it when it is empty.

A diner who does not know about the quality, might use the queue as a signal of quality. In other words, a diner might assume that there are "informed" customers in the queue who are waiting because the restaurant offers good quality.

Even if a proposed alternative restaurant is full, if one or two members of a group have eaten there previously, they are in a position to recommend to their companions that it is "worth the wait" – especially if they can have a drink or a nibble or two while waiting.

This opens up a whole new area for discussion, on whether queuing customers should be encouraged to pre-order to reduce the eventual time spent at table. This could, however, test the kitchen staff to capacity as it leads to even higher peaks in kitchen work-

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load, as the demand for kitchen output is no longer capped by the number of seats.

Diners-in-waiting might not even realise that watching the serving of tasty dishes while waiting for a table can function as an appetiser, and wallet opener, triggering the ordering of and paying for more food than planned when eventually seated.

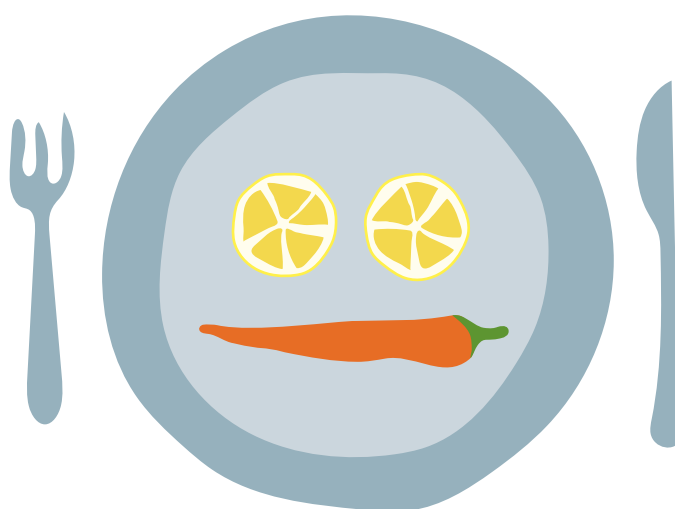
Restaurateurs must beware, though, that we all have different trigger points. Some people might wait an hour or two at a favourite restaurant, reassuring themselves that it will be "worth the wait". Some might leave within five minutes, even at a favourite restaurant, if they sense that something is amiss with service. Some might go and find a different restaurant altogether.

The evolution of dining

It could be argued that the evolution of dining for the masses from the simple consumption of necessary fuel is one of the defining characteristics of the modern era.

Dining as a leisure activity has long been a staple of life for the wealthy. Dinner for the rich has seldom, if ever, been simply a starting point for the evening, but the evening itself.

As such self-indulgent behaviour has trickled down the socio-economic ladder, so it has become more important not only to serve palatable food, but also to make diners feel more comfortable (but not too comfortable, as rapid turnover of tables is a key element of the business model in the fast-food and casual dining restaurant segments).



"Restaurateurs must beware, though, that we all have different trigger points."

In today's competitive environment, a restaurant might get away with serving poor food but not with providing a poor experience.

Research and data

Returning from the digression and the anecdotal, and looking to the lessons learnt from traditional studies, research undertaken in 1992 and replicated in 2008 demonstrated the impact that background noise can have on consumer behaviour. Raising the volume of music by a few decibels, for instance, encourages men to buy more beer; possibly it is then much easier to drink than to hold a conversation.

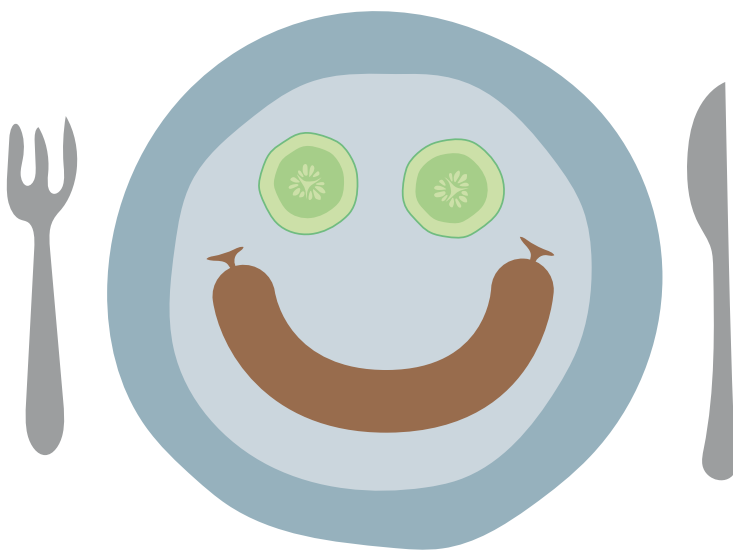
The issue of data is a key detail in the successful telling of this queuing story. While call centres routinely collect masses of data in the course of their daily routine, there have until now been few data-based studies of the restaurant sector.

The general view is that people come, wait or don't wait, and go. In our study, based on a targeted restaurant in Bangalore in India, we used a special app, a sophisticated digital restaurant reservation and table-management platform, which required customers to log in in order to join its queue, and tracked exactly when customers were assigned to a table, and when they left the restaurant. ▶

This enabled the collection of a year's worth of real-life customer data relating to 95,000 groups of two or three customers on average, which we then used to estimate several statistical models. The outcomes of these models served as input for a comprehensive simulation model, which was used to run a series of "What if?" scenarios.

Lessons to learn

What lessons did we learn that others might benefit from? Based on the data, rather than relying on gut instinct, we can point to a number of key immediate findings. A long wait relates to: one, a shorter dinner; two, a higher level of customer abandonment; three, a longer period of time elapsing until a disappointed customer returns.



"Our what-if scenarios suggest that the restaurant in the experiment could boost revenue by 14.5 per cent if waiting times were completely eliminated."

Looking to the longer term, for restaurants it is not so clear what the net effect of their queues is, and consequently, whether they should strive for longer or shorter queues. Depending on the specific context and type of restaurant, managers will have to determine which consequence is the most influential in their situation. For example, do they just care about high table turnover, or do they prefer more loyal customers who return often?

This can have implications for current and future revenue. Our what-if scenarios suggest that the restaurant in the experiment could boost revenue by 14.5 per cent if waiting times were completely eliminated. Only its management can decide whether the trade-offs involved are worth that additional income. ■

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