When drive-thrus first became a thing in the 1950s, they brought together

two of American's favorite things: cars and fast food.

Drive-thrus were essentially developed to make fast food even faster.

Experts estimate that about 60-70 percent of a restaurant's sales come

from the drive-thru, if they have one.

That means nailing customers' experience there is essential.

We're doing a number of things to make sure that not only is it fast, not

only is the food delicious, but also to make sure we get your order right.

Drive-thrus have been undergoing transformations as restaurants turned to

technological solutions to boost sales.

Companies are pouring money into innovations like digital menu boards,

dual-lane drive-thrus and even artificial intelligence to get diners to

spend more. And it's working.

Drive-thrus represent a huge chunk of restaurant sales and more people

than ever are using them.

In 201 9, 39% percent of consumers reported they use the drive-thru more

often than they did the year prior.

Despite the surge in popularity, just 20 percent of American restaurants

currently have a drive-thru.

In a segment with razor thin margins like fast food, providing solid

drive-thru service can be make or break.

In the 1920s, the number of people who owned cars in the U.S.

exploded. In these pre-depression years, people were making more money,

and everyday-consumers could afford to buy a car.

Over the next few decades, drive-in restaurants and drive-in movies took

off. At drive-in restaurants, customers would drive into a restaurant's

parking lot, park their car and order from a waiter or waitress called a

car hop. Car hops delivered food to people sitting in their cars.

Those restaurants where the predecessor to drive-thrus.

Then banks started rolling out drive -thrus in the 1930s, so that

customers carrying big sums of cash didn't have to wait on the street.

It didn't take long for fast-food restaurants to catch on.

Drive -thru dining first became a thing in the 1950s in California.

But it didn't go mainstream until the 70s, when major fast-food

restaurants across the country began adding drive -thru windows to their

restaurants. With more single parent households after school activities

for kids, and women working outside the home in the 70s, convenient fast

food became more and more attractive, according to the National Museum of

American History. In-N-Out has long been a drive -thru trendsetter.

At the California burger chain, customers were given butcher paper to

shield their laps from spills while eating in the car.

In-N-out has what's considered one of the best drive-thru experiences

today. In-N-Out drive -thrus also developed now commonplace elements of

the drive thru experience.

The company says it invented the two-way speaker system for drive-thru

ordering. Some of the most popular fast-food chains have drive-thrus to

thank for strong growth.

For instance, Wendy's started adding drive-thru windows in 1971, and

restaurant experts credit them as one factor behind Wendy's fast expansion

in the years that followed.

Drive -thrus saved Wendy's space in its parking lots and indoor seating

areas because the drive-thru customers usually left and eat somewhere

else. McDonald's built its first drive -thru in 1975.

Most national fast-food chain had drive-thrus by the mid 70s.

Fast-food restaurants also started developing more products that could be

eaten easily in a car.

According to one fast-food historian, Chicken McNuggets were developed

with driving in mind.

And it wasn't just the fast-food chains that were adapting the sales

experience to be as convenient to customers as possible.

As eating in the car grew in popularity, automakers also took notice.

By the 1960s, glovebox doors opened flat to support drinks.

And in the 80s, built-in cup holders were standard issue.

The number of cup holders in a car has even become a selling point for

manufacturers. Subaru's Ascent SUV made headlines for sporting 19 cup

holders. Drive-thrus have even started to catch on with restaurants that

have long avoided the format.

Fast casual chains like Panera and Cava resisted the drive-thru model for

years, but QSR magazine says that's changing.

Some of the biggest names in fast casual are adopting the model and

showing that the drive -thru can be compatible with food that takes a

little longer to prepare.

There's no question that the drive-thru is uniquely American.

There's even a national drive-thru day celebrated every July 24th in the

U.S. The drive-thru has spread to other countries, too.

But experts note they're most popular in places that share some

similarities with the U.S.—low

population density and a car centric culture.

Think places like Saudi Arabia, the United Arab Emirates and Australia.

McDonald's Ireland claims to have brought the very first drive -thru to

Europe when it opened in a Dublin shopping center in 1985.

It was soon rebranded as McDrive.

All around the world, McDonald's drivers have different names.

In Spain, they're called McAuto.

And in Chile and Paraguay, you'd visit Auto-Mac.

There's even a McSki in Sweden where customers can pick up Big Macs and

McFlurries after a day on the slopes.

The drive-thru isn't particularly popular in Asia, which has less driving

culture and cities with high population density.

In jam-packed cities, fewer people have cars and real estate for a big

drive -thru is expensive.

In South Korea, Singapore and Japan in particular, take out from quick

service restaurants is common, but a small portion of those orders take

place in the drive -thru, according to Technomic.

There are some countries that are hardly showing us much of anything at

all, such as Japan, for example, where we have only about a fifth of those

takeout orders that are drive through.

What do we have in Japan? We have a very concentrated population, right?

As the drive -thru has become an essential revenue stream for fast-food

chains, it's continued to dictate what products they develop and where

they build restaurants. Here's how restaurants are bringing drive-thrus

into the 2020s.

There are a lot of factors that go into a customer's experience at the

drive-thru. Order accuracy, customer-service and cleanliness all determine

a consumer's experience at the drive-thru.

It's not all about speed.

In fact, the amount of time customers spent in the drive-thru actually got

longer in 2019 when compared to the year prior.

But customers didn't seem to care all that much.

Take Chick-Fil-A. It has the longest service speed, but it comes out on

top in accuracy and customer service.

Despite the drive-thru service, Chick-Fil-A actually has incredibly loyal

customers, and their customers don't think that their wait time is long ,

which is an interesting aside to that.

So while they have the longest time, people are going to go there anyway.

Fast-food chains see a big opportunity in improving how customers order.

Menu boards are more complicated than you might expect.

There are certain ways to arrange products and highlight promotions that

will encourage customers to spend more.

Fast food-restaurants are designed to be quick, but sometimes that speed

of service in line or at the drive-thru can end up being stressful for the

consumer. And stressed customers may order less.

So fast-food operators think pairing technology with menus can help solve

the problem. There's a science behind it, but it's also a bit of an art.

So designing the menu board in the right way can really help leverage

investment and drive returns more than, more than some people may realize.

There's an industry shift to using digital menu boards which can be

updated faster than printed menus.

Digital signs can help restaurants rotate menus for breakfast, lunch and

dinner and remove products that are sold out.

Restaurants that had digital menu boards made service speedier and

customers do care about their menus.

In a 2019 survey, 74 percent of customers said an easy to read menu board

is a top priority.

But digital menu boards were president at less than 20 percent of

drive-thrus. In the survey, McDonald's had the most digital menu boards in

place by far, with 60.6

percent. McDonald's is making huge commitments to improving menu boards.

In March 2019, it bought a tech company called Dynamic Yield, which uses

artificial intelligence to personalize digital menu boards based on

factors like the weather and restaurant traffic.

Let's say it's a sunny day, menu boards enhanced with AI might show you an

ice-cream cone or iced-coffee at the center of the board.

For some customers, that makes choosing easier.

It's also helped McDonald's too.

Former CEO Steve Easterbrook said on a call with analysts, that adding

Dynamic Yeild's technology to outdoor digital menu boards is increasing

how much customers spent.

Some chains are also experimenting with license plate recognition to speed

up drive-thru times and sell more to customers.

Here's how it works: A camera reads the license plate on a car in the

drive-thru, compares it to information in a restaurant's database, and

finds that customers ordering history and credit card details.

That allows the restaurant to target menu items to the customer and use

saved payment methods.

That technology isn't being used on a national scale, but it suggests what

could be ahead in drive -thru innovation.

Before you even get to the point of ordering your food, fast-food

restaurants have to convince customers to choose them.

Restaurant experts say sometimes a crowded drive -thru is enough to turn

customers away. To fix congestion in the drive -thru, the physical format

of fast-food restaurants is changing too.

More restaurants are building dual-lane systems.

Sometimes it's just two typical drive, order and pay lines.

At other restaurants, there's one traditional lane and then a second

special lane for customers who already placed and paid for their order

online, and are just coming to pick up their food.

Dunkin', Chick-Fil-A, McDonald's and others are testing this kind of dual

drive -thru system. But while restaurants intend to make the drive-thru

more efficient, research has shown dual drive -thrus don't necessarily

speed up service. That was a bit surprising to us when we sliced the data

last year, and we found that it didn't necessarily speed up an individual

customer's time in line, but it may increase the overall throughput for a

restaurant. So that's not to say that it's not a good investment, because

it might be, but it doesn't always speed up, again, an individual

customer's experience there.

Restaurant experts say that while dual drive -thrus may not speed up the

process... Hi there, got a mobile order?

Mobile ordering on its own can succeed in reducing a customer's ordering

stress and increasing efficiency.

Ordering through an app can also improve speed.

At Chipotle, service times are as low as 11 seconds at its version of the

drive-thru called Chipotlanes.

There's two parts of the of the process when you go through a traditional

drive -thru, that you don't have to do at Chipotlane.

And there 're really two of the slowest parts of the experience.

One is ordering, so not only do you not have to order at Chipotle, you

order ahead on your phone. So the ordering process has already been taken

care of and the payment process as well.

Those are the two things in a drive-thru that tend to cause the drive-thru

to stack up. And that's what c auses the wait times.

The app also tries to reduce slow service times during busier periods.

At Chipotlanes, if a restaurant has a lot of orders coming in at once,

Chipotle will suggest another time for pickup, so customers don't have to

wait as long. For instance, the app might suggest you pick up a lunch

order for 12:30 at 12:45 instead.

By the end of 2019, Chipotle had 66 Chipotlanes around the country, and

plans to add more. Chipotle had a strong fourth quarter of 2019 with

digital sales-growth of 78.3

percent and same-store sales-growth of 13.4

percent. And some restaurants are literally going all in on the

drive-thru. KFC opened a drive-thru only restaurant in Australia in 2019,

the first of its kind.

Customers order on the KFC app and enter a four-digit code onto a

touchscreen receiver, which transmits their order to the kitchen.

The drive-thru has five lanes, three of which are for online pickup.

I wouldn't be surprised to see more smartphone technology and more

ordering capabilities go into the car.

Domino's is starting to play with this, as a matter of fact.

The drive-thru used to be the most convenient way customers could get

their fast food. Third-party delivery apps, like GrubHub and Uber Eats,

have disrupted that in the 2010s.

Now food from popular chains like McDonald's and Tripoli can come straight

to your door. Some restaurant experts say that's a threat to the

drive-thru. The rise in third-party delivery apps is one of the biggest

disruptions in fast-food this decade.

In 2018 alone, consumers ordered $10.2

billion dollars worth of food from third party delivery services.

That size would make the third-party delivery market the fifth largest

U.S. restaurant chain.

But as consumers embrace the ease of ordering through apps like GrubHub

and Uber Eats, restaurants are grappling with how delivery services impact

their bottom line. On one hand, third-party delivery apps may boost the

number of customers chains like McDonald's and Chipotle reach.

On the other hand, restaurants have to share some of the profits from

orders with third-party delivery services.

Delivery providers charge restaurants a fee of 15-30 percent for

fulfilling orders, eating into restaurant's profits.

Given over the last three years or so, the advent of the third-party

delivery companies, and being able to order your food on your own and walk

inside and pick it up, all of the other channels available to people to

get their food, the drive -thru has seen an incredible amount of

competition. In some cities, Drive-thrus are just fighting to stay open.

Cities across the U.S.

are banning the construction of new drive-thrus.

Places in Missouri, California, New Jersey and Minnesota have implemented

bans restricting drive-thrus.

These policies aim to improve safety and walkability in cities and reduce

pollution and trash.

They also want to encourage healthier eating.

Some research has pointed to the possibility that legislation curbing

drive-thrus promotes healthier eating.

A study of 27 Canadian cities with fast-food bans found that fast-food

drive-thru service bans may play a role in promoting healthier food

environments. Though it was short lived, in 2008, South Los Angeles was

one of the first places in the U.S.

to ban construction of new fast-food restaurants, including drive-thrus.

The city stopped the construction of new fast-food restaurants to address

higher than average obesity rates.

A few years later, in 2015, the Rand Corporation did a study on the impact

of the 2008 ban and found that obesity actually increased in the area.

Although the number of soft drinks consumed per person fell.

The study concluded that residents had other places to find unhealthy

food, like convenience stores, and that focusing on reducing portion sizes

might have been more effective.

Experts say, bans like this won't kill the drive-thru.

Third-party delivery apps aren't likely to either.

I would say that the drive-thru has a very bright future, whereas

deliveries future is at this point seems somewhat questionable when we

talk about third-party, and that really has to do with the economics

behind it. Nearly 40 percent of consumers reported they're using the drive

-thru more often. This spike is part of a bigger shift, eating off

premise, away from a restaurant.

Customers want to take their food and go.

To stay competitive, chains have to make eating outside the restaurant

easy and fast.

And that's where the drive-thru really delivers.