



Ordering technology can improve revenues

by Patrick Eldon, CEO of OrderTalk, Inc.

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According to a recent study by Cornell University, 60% of all pizza chains and 61% of sandwich chains in the US accept online orders. Online ordering allows restaurant customers to search for a favourite restaurant online or on their mobile phone, browse interactive menus and choose from available items.

Customers can create accounts online, save favourite items, select order processing times and choose their method of payment, adding significantly to customer convenience. Online ordering is also offered via apps and social media sites such as Facebook.

Set-up costs provide little or no barrier to entry, with a one-off set-up fee generally being charged to create the website and a monthly hosting fee for the facility charged as a percentage of the total order value received. ROI has been positively reported and 95% of restaurant owners in the Cornell study reported that ROI has either met or exceeded their expectations.

Set-up costs are largely offset by an increase in overall revenue, which can be attributed to a number of factors:

Increases in average bill size of between 30% and 40%, primarily due to the up-selling afforded by online ordering and the additional time customers have to remain online and browse menus and offers. At the 2011 FS Tech Show in Long Beach, California, restaurant owners said that orders placed online ran between 30% to 40% higher than their standard bill average.

Increased order volume and frequency, particularly increases in group orders and catering orders, due to the ease of placing larger orders online.

Customer convenience and order accuracy as customers are allowed greater control over the order-taking process, including the ability to edit orders and save favourites. Orders are also processed with greater speed and accuracy, further enhancing customer satisfaction.

Marketing and customer relations. Restaurants are able to offer online promotions and coupons targeted at specific customers or during specific time periods, using valuable customer data obtained through the online ordering process.

Lower labour costs. Online ordering replaces the need to have back-office staff spending large amounts of time taking telephone orders. In addition to these increased revenue streams, restaurants that do not offer online ordering risk losing out to competitors. Customers visiting a restaurant's website and expecting the convenience of online ordering to be available to them will often choose to take their business elsewhere upon finding that it is not.

One potential issue of concern to restaurants contemplating offering online ordering is the possibility that additional order volumes could overload the kitchen. This concern can be easily addressed through capacity management, a functionality that limits the number of orders that can be placed during any given time period.

Online ordering was traditionally viewed as suitable for restaurant concepts that offered delivery, such as pizza. Over time the concept has evolved and online ordering is now offered by establishments across the board, from casual dining to fine dining, whether or not delivery is offered.

Examples would include US chains such as Chili's, which offers a curbside-to-go programme, as well as UK concepts such as Gondola's PizzaExpress, Prezzo and YO! Sushi.

The click-and-collect option has shown huge increases in customer demand and assists operators in increasing revenue in a controlled and scalable manner.

Customers are increasingly looking for the convenience of online ordering and, while delivery operators will always form the mainstay of the takeaway market, there is an increasing trend among consumers towards ordering online from brands previously viewed as dine-in.

The convenience of placing a click-and-collect order is an attractive prospect to such customers versus the somewhat unpredictable experience of a phone-in order. From an operator's perspective, the benefits relating to average order increase and frequency, together with the valuable data that is collected from customers ordering online, proves it to be a win-win situation.

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About orderTalk

Since 1999, [orderTalk, Inc.](#) has provided the restaurant industry with online ordering solutions including remote ordering, mobile applications and social media applications. As the leading provider of on-demand software and solutions, orderTalk provides exceptional service designed to decrease overhead, maintain customer loyalty and increase order frequency and check average.