



New studies show restaurant 'do's and don'ts' of online ordering, delivery

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As the restaurant industry continues to bask in the big-dollar benefits of online ordering, two studies shed light on best practices when it comes to online ordering and third-party delivery as well as overall customer experience.

The studies — conducted by research analytics concern, Sense360, and restaurant software and service provider, **OrderTalk** — show third-party delivery adoption is less risky for restaurants than many assumed, while customer experience with online ordering may be less satisfying than was previously realized.

In the Sense360 study, the company used mobile sensor technology to track more than 21 million anonymous QSR and FSR visits before and after customers downloaded third-party delivery apps like UberEats and GrubHub, among others. Key findings include:

- No significant short-term change in customers' restaurant visit frequency after third-party delivery app installation.
- Consumers with mobile phone-installed delivery apps dine out 5 percent less at QSR and fast casual chains than people without such apps.
- Top metro market customers use such apps most often.
- Consumers using such apps tend to make more money and visit fine dining restaurants two and half times more than those without the apps.
- Frequent QSR customers with such apps actually tend to visit newer, higher-priced brands like Chipotle more than QSR staples like McDonald's.

Some business experts and chain leaders have previously questioned whether they might end up cannibalizing their own in-restaurant orders and drain same-store sales if they partner with such apps. This research strongly suggests otherwise, a news release said.

"With delivery among the most watched business opportunities in the restaurant industry today, our findings tell an interesting story of both who delivery app users are and that downloading such apps did not impact their in-restaurant visit behaviors and frequency," Sense360 founder and CEO Eli Portnoy said in the release.

"The data gives a clear and unequivocal view into this industry trend and provides clarity that restaurant operators and owners have been seeking to help them make the most informed and strategic business decisions."

What does drive visits?

The company revealed that it is, in fact, purely extrinsic factors that are most important in pushing visits up or down rather than app usage. For instance, location, personal characteristics and socioeconomic factors have a far greater effect on the number of times a person visits a restaurant than any specific app usage.

"It's important to consider all the factors that come into play," Portnoy said. "If delivery apps caused lower visitation rates, then they could indicate cannibalization of in-store visits. However, if delivery apps merely indicate a different type of user, according to socioeconomic level, demographic or geography, who has a naturally lower rate of visitation, then creating opportunity for them to access the brand on a delivery app could drive incremental purchases."

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Online ordering? We like it ... but it's still too hard

The study by Harris Poll this past April for [orderTalk](#) focused mostly on consumers' overall affinity for online ordering and which factors brands can focus on to improve their use. The verdict was pretty forthright, indicating that American consumers who have ordered online really prefer this way to get their restaurant fix, but they still think brands are making app use way too hard.

Nearly 2,300 American adults were polled for the insights, showing that 94 percent of adults in this country have ordered takeout online, with 65 percent saying they do so at least once monthly, a news release said. Nearly two thirds of Americans order online, with 67 percent saying they prefer this approach over using the phone to place orders.

"Digital ordering has impacted the revenue and operations of most restaurants like no other recent innovation," orderTalk CEO Patrick Eldon said in the release. "It also continues to reshape consumer expectations and demands, which is why we need to keep a watchful eye on what Americans are thinking and doing ... to stay ahead of consumer trends."

Why they order online and what would help them do it more

The survey found that in most cases, Americans like digitally ordering their restaurant meals because it's easier to ensure it's placed correctly, but a significant 63 percent say they've just walked away from the order because of some kind of snafu with the website or app or system in general, underlining the critical importance of getting the tech right and never going live with an app until the kinks are worked out and tests are run to reveal what, if anything, has been neglected in a restaurant's online app.

"Providing underwhelming technology often achieves the opposite (of the desired) result, turning frustrated customers away and directly into the hands of competing restaurant brands," Eldon said. "Now, more than ever, companies must invest in innovative solutions and replace aging technologies."

Lastly, just a few of the cool little details ...

The orderTalk-commissioned survey, like others, also revealed a few random facts about the app-ordering public that are just fun and may be useful to operators trying to build, or rebuild, their systems. For instance, the study revealed that more than half of American adults "expect" discounts when they order online, while almost as many expect pictures of the food, and lots of them.

And while the tech-savvy and time-starved amongst us are the most likely to love and use this form of ordering, that learning curve induced fact is changing as the tech gets easier and the luddites amongst us get "techier," according to the poll.

Aside from that, men are more likely to order online at least once monthly than their female friends, while those with youngsters are more likely to do so than those without kids under 18 around the house. In fact, the study even showed that renters are more likely than homeowners to order online at least once monthly, which could be because the homeowner is out cutting the grass, while the renter is sitting on the couch playing games on their phones.
