

Online Ordering Report 2024

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Key Trends and Actionable Takeaways to Transform
Your Business

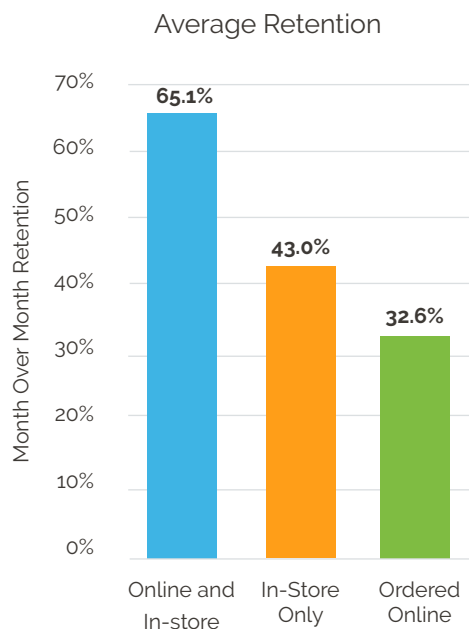
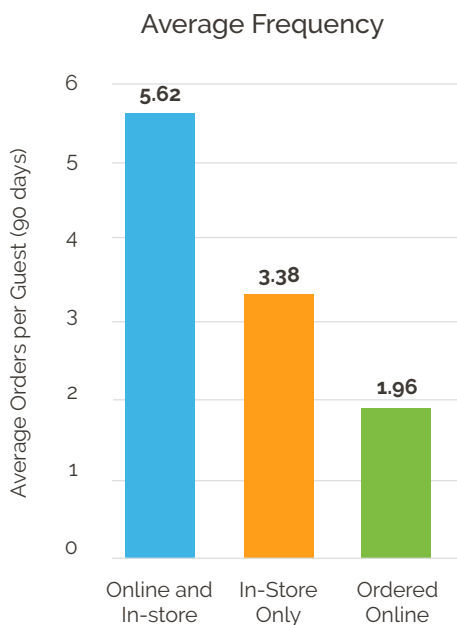
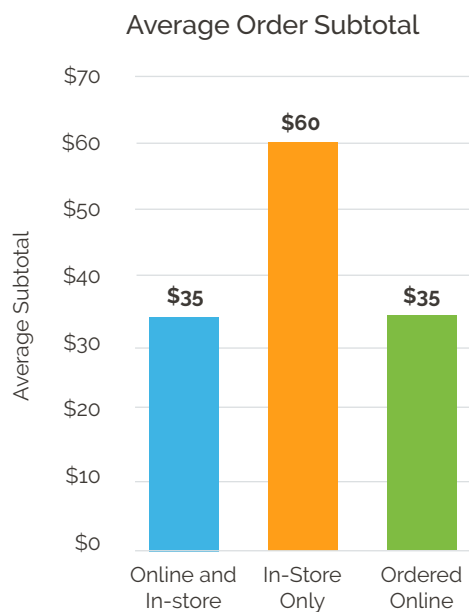
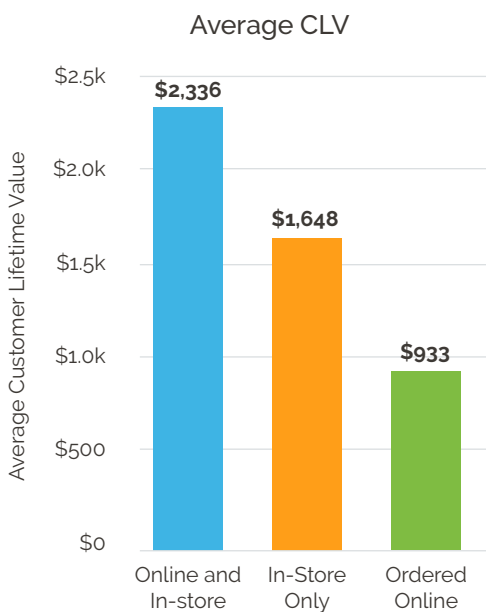
paytronix

Introduction

Online ordering is a high-value channel for restaurants and convenience stores. It represented 27% of all orders in 2023, as measured by Paytronix. While that's a great benchmark, operators in the top 25% of online ordering volume saw online orders jump to 62% of all orders.

Online ordering represents a critical piece of a strong omnichannel guest experience: Guests who order both in-store and online have the highest order frequency, the best retention, and 35% more lifetime value than customers who only order in-store.

OMNICHANNEL GUEST VALUE BY CLV, SPEND, FREQUENCY, AND RETENTION



Source: Paytronix internal analysis

Driving Online Ordering Success

The Paytronix Online Ordering Report 2024 provides trends and actionable insights from online ordering experts across our organization. It's designed so restaurant and convenience store marketers, as well as operations and technology leaders, can benchmark online ordering tools and strategies and devise improvements to deliver breakthrough performance.

As you seek to make the most of online ordering in 2024, you'll need to optimize the unique features of digital ordering to achieve your sales growth goals and maximize customer lifetime value (CLV). Throughout this report, we'll focus on four key performance indicators (KPIs) that businesses like yours rely on to measure improvement and success, including customer acquisition rate, average spend per check, visit frequency, and customer retention.

We'll also highlight the keys to online ordering success, which include:

- Capturing more online ordering market share for your brand
- Personalizing the ordering experience
- Streamlining technology
- Leveraging artificial intelligence (AI)
- Optimizing guest engagement

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Convert Guests from Third-Party Marketplaces to First-Party Ordering

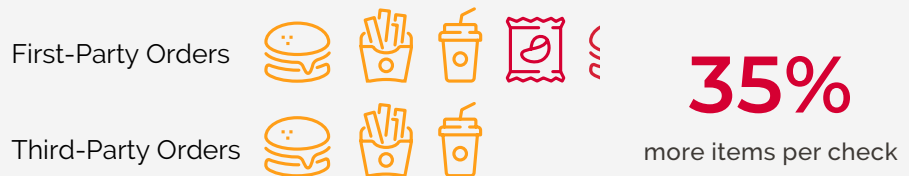
Online food ordering and delivery is expected to grow 10% annually through 2032.¹ To capture this growth opportunity, it's worth determining how to leverage the strengths of first-party online ordering platforms and third-party marketplaces.

It's a long-term financial imperative for operators to serve guests through direct online ordering. Guests who place orders directly with brands using first-party ordering solutions are more valuable because they spend more per check and add more items to each order. Third-party marketplaces (such as UberEats and DoorDash), on the other hand, can take nearly a third of the profits from every online order due to costly commissions.² Not only do marketplace orders eat into profits, they're typically smaller than direct delivery orders.



Market Insight: First-party online ordering delivers top performance

Compared to guests who order via third-party marketplaces, guests transacting directly with your business order 35% more items per check.



Source: Paytronix internal analysis

In addition to being bigger spenders, guests who order directly from your website or mobile app give you valuable, actionable data, such as who they are, where they're located, their dining and ordering preferences, and more. With this valuable information—and greater control over the guest experience—you have a clear runway to create a comprehensive guest engagement strategy that grows your revenue and the lifetime value of each customer.

Align Online Ordering to Meet Guest Expectations

One of the many reasons restaurants and convenience stores must shift to first-party ordering platforms is guests prefer to order food that way. In 2023, according to Deloitte, 40% of consumers opted to order directly from the restaurant website, versus 13% who expressed a preference for third-party apps or websites.³



Market Insight: Marketplaces can be valuable for capturing impulse buyers and late-night cravings

Diners using first-party ordering platforms primarily order during lunch and dinner and spend nearly 30% more per transaction, on average. By comparison, diners using marketplaces are nearly one-third more likely to order after 8:00 p.m. and are more amenable to paying delivery fees on smaller orders.

An optimal strategy harnesses the strengths of both channels: Using first-party ordering for daytime and dinner orders and cultivating brand affinity, while leveraging marketplaces to capture spontaneous and late-night orders.



1/3

of diners are more likely to use marketplaces for orders after 8:00 p.m.

Source: Paytronix internal analysis

Third-party online ordering and delivery services have their place in your omnichannel ordering strategy. In addition to capturing impulse buys, they can help you reach traveling guests and those who might be new to your neighborhood. The real opportunity for high-value delivery orders, however, lies in first-party online ordering. Why give up this lucrative audience to a third party when you can capture larger subtotals, more frequent visits, and greater lifetime value for yourself?



Market Insight: Don't give up lucrative delivery diners to third-party marketplaces

Some brands take online orders directly for takeout but push delivery orders to a third party, giving up higher value guests. This leaves money on the table, because delivery guests spend 20% more per transaction compared to takeout.

The great news is that you can offer direct delivery without being responsible for hiring and managing drivers or a fleet of vehicles. A simple integration with your first-party online ordering platform gives you the best of both worlds. Paytronix has a strong partnership with DoorDash, for example, and integrates with UberEats and Postmates so you can get all the benefits of delivery without cutting into your profits.



Delivery guests spend

20%

more per transaction
compared to takeout

Source: Paytronix internal analysis

Tips for Converting Guests from Third-Party Marketplaces to Your First-Party Ordering Platform

Once you have a first-party online ordering platform in place, you can start moving guests away from third-party marketplaces. Here are some tips for driving traffic to your first-party channels:

- **Create awareness:** Use in-store signage, email campaigns, retargeting ads, and social media posts to promote your online ordering channel.
- **Leverage loyalty program:** Create a loyalty app integration with exclusive offers for online takeout and delivery orders. Guests who use first-party ordering options are more likely to be part of a loyalty program than those who order from third-party marketplaces.
- **Packaging:** Help your third-party guest conversion efforts by redesigning takeout and delivery bags to encourage guests to use your website or mobile app for their next order.
- **Differentiate first-party ordering menus:** Curate the number of items you sell in third-party marketplaces to a basic selection or increase prices in third-party marketplaces to cover the cost of their commission. Use your Bio section to let guests know they can order directly from your website or app.



Doing it Right: Strategic online ordering by design

The Filling Company, a gas station and convenience store in Virginia with freshly prepared food and handcrafted espresso drinks, uses Paytronix's first-party online ordering platform to fulfill 1,800 orders per week across its three locations. The company still uses third-party marketplaces for center-store items, but made-to-order items are only available directly.

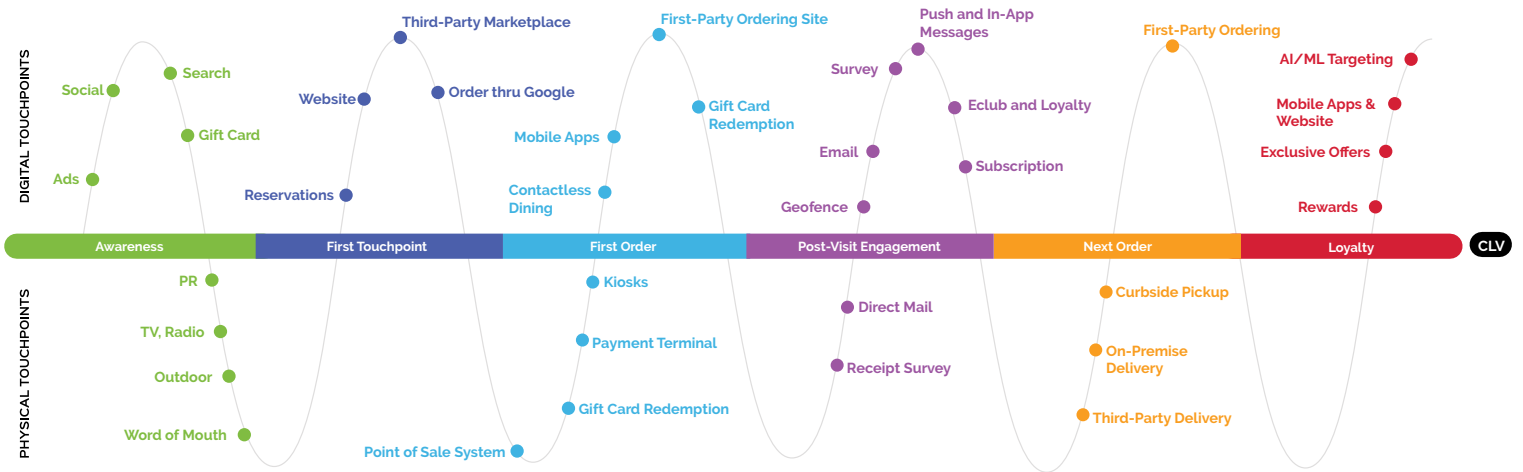
Consolidate Technology for Efficiency and Guest Engagement

As inflation pushes businesses everywhere to tighten budgets and double down on areas of success, restaurant and convenience store operators are reviewing the technologies they use with an eye toward streamlining and saving costs. Consolidating multiple tools or software into an all-in-one platform is a great way to accomplish both these goals.⁴ Benefits include greater operational efficiency, better data collection and analysis, improved online ordering experiences, and enhanced training and support processes.

Evaluate Your Guest Engagement Tech Stack

Technology impacts every touchpoint of the guest experience—from guest-facing solutions that include online ordering to back-of-house accounting, campaign design, and operational tools. Even though

all-in-one platforms can service your needs effectively and efficiently, many operators have cobbled together solutions from different vendors over the years, creating overly complex and expensive operations.



Inventorying your current systems will help you determine what you don't use anymore, as well as the gaps you need to fill to reduce your organization's "tech debt," the costs required to manage your technology

over time. The ideal guest engagement tech stack should support loyalty, guest marketing, and online ordering while streamlining operational management.

IDEAL TECH STACK



Loyalty Software

- Email and SMS marketing
- Loyalty and rewards program



Selling and Order Fulfillment

- Payment processor
- POS
- Kitchen display system
- First-party online ordering on your website
- Third-party ordering



Restaurant Economy

- Food costing and menu planning
- Inventory management

Benefits of Tech Stack Consolidation

Streamlining your tech stack can pay dividends for everyone who interacts with the technology, from your staff and guests to your internal operations and marketing teams.⁵ If you choose a single-vendor platform that's powered by intelligent customer insights and sophisticated marketing automation, you'll enjoy many benefits that drive efficiency and growth.

- **Reduced cost of ownership:** Eliminate redundant systems and reduce the overall costs associated with maintaining and managing multiple platforms.
- **Simplified technology management:** Reduce the complexity and time-consuming nature of managing and using multiple tools and vendors for IT and end users.
- **Improved guest experiences:** Deliver smoother transactions, faster service, and personalized guest experiences more seamlessly and efficiently with all your systems working together.
- **Better connections to other platforms:** Tight integrations allow for seamless data sharing between systems, enabling improved operational efficiency and decision-making.
- **Centralized insights and reporting:** Access real-time insights and analytics from all your systems, providing a comprehensive view of your business performance.
- **Increased innovation:** Eliminate barriers and streamline processes to respond quickly to market opportunities and guest demands.

Advantages of Integrated Digital Guest Engagement Platforms

Many operators are simplifying their tech stacks by choosing guest engagement platforms that integrate different services with online ordering:

- **Data integrations give you insights into payments, preferences, and other guest behavior**

With more complete analytics at your fingertips you can make better decisions about menu items, offers, and other strategies to best serve high-value guests and meet customer demands.

- **Mobile integrations meet guests where they are**

A branded mobile app puts your store in the palm of your guests' hands, providing more opportunities to personalize the online ordering experience, support loyalty programs, and create new ways to engage guests.



Market Insight: Mobile apps are where it's at

Mobile apps generate 34% of digital orders, and mobile app users have a 45% higher CLV than web users.



34%

of digital orders are from
mobile apps



45%

higher CLV for mobile
app users

Source: Paytronix internal analysis

- **Loyalty integrations turn guests into brand advocates**

Loyalty programs integrated with first-party online ordering platforms create a virtuous cycle of growth. People who order online often sign up for loyalty programs. And loyalty program members order more frequently, order more items each time, and respond better to promotions than non-loyalty members.

- **POS integrations streamline operations and reduce errors**

With a custom menu builder and centralized menu management, operators can make changes once and give all guests the most accurate prices and item availability in real time.

- **Delivery integrations provide on-demand access to local drivers**

Operators with first-party online ordering platforms can easily integrate delivery services that provide on-demand access to local drivers, delivery zone customization, and the ability to absorb fees or pass them on to guests depending on order size and loyalty status.

- **Survey integrations makes you more responsive to guests**

Adding a feedback tool to your purchasing process is one of the most important technology integrations you can implement. These solutions have been shown to repair strained guest relationships, even increasing visit frequency of those initially dissatisfied with their experience.

Bringing these related services together cuts costs, deepens guest relationships, and generates insights operators can use to make better decisions around menus, personalized offers, and guest segmentation.



Doing it Right:

Uno Pizzeria & Grill Tech Stack Consolidation Delivers

Uno's streamlined its tech stack in just 18 months with the full Paytronix Guest Engagement Platform, including Online Ordering, Loyalty, CRM, and Data Insights. Almost immediately, the operator saw increased online order totals, loyalty program growth, greater operational awareness, and reduced food and labor costs.

Put It All Together With Your First-Party Online Ordering Platform

In today's dynamic and competitive landscape, restaurants and convenience stores can no longer afford to maintain and support disparate legacy systems, manage multiple vendor relationships, and make sense of siloed customer data. A first-party guest engagement platform gives you complete control over ordering and guest engagement processes, empowering you to optimize operations while gaining valuable insights for future growth and innovation. And with reduced complexity in your tech stack, you can deliver the experiences guests want while creating valuable efficiencies for your team.

Use Artificial Intelligence to Increase Guest Engagement

Convenience, speed, and quality are the keys to driving repeat business. Many of today's restaurant and convenience store operators rely on artificial intelligence to deliver on these fronts. From personalized item recommendations to automated responses to guest reviews and feedback, AI has proven to be a game-changer for tech-savvy operators, and this trend will accelerate in 2024.

Consumers Expect Technology-Enabled Experiences

As inflation and labor shortages persist, automation technologies can help streamline operations and aid in guest retention efforts. Consumers are accepting automation tools and expressing a growing willingness to return to establishments that use technologies like recommendation engines, menu clustering, and automated offers based on previous behavior.

Four Areas Where AI Tools Enhance Online Ordering and Guest Engagement

1

Greater guest personalization

With a first-party online ordering system collecting data from guests, operators can leverage AI to suggest menu up-sell and cross-sell items based on past orders, complementary flavor profiles, and popularity.

A technology called AI-driven menu clustering is an effective personalization method that helps guests find what they're looking for.⁶ By identifying item relationships and recommending complementary dishes to guests, operators are more likely to increase sales and satisfaction.

2

Effective customer feedback response

The quality of an experience can determine a guest's likelihood to return to a restaurant or convenience store. But it's the response to customer feedback that matters more than any one meal. And too often, managers simply lack the time to respond quickly and adequately to customer feedback.

With AI assistants in place, restaurant staff can more quickly and efficiently address and resolve customer feedback through prompt acknowledgement and appropriate responses. We've found, for example, that AI-generated, automated responses (with or without an offer) to poor customer ratings lead to more frequent visits and better future reviews from the same guests.

3

Faster, more accurate orders

Calling in to-go orders is still a popular guest behavior, and AI-enabled voice bots are making the process less labor intensive. Guests who call in can now get connected to automated systems that use large language models to guide guests through their orders with ease, eliminating hold times and reducing human error. These AI assistants are also being implemented in drive-thrus, providing a seamless and efficient conversational interface that keeps the line moving.

Kitchen flow automation is another category of artificial intelligence that's keeping things moving, whether orders come in on-site, by phone, or online. By optimizing order preparation, operators can prioritize orders based on cooking time, order volume, and other factors and route them to the appropriate kitchen stations. The result is faster, more accurate order processing—and happier customers.

Driver dispatch automation is another AI-powered capability that operators use to ensure prompt and efficient delivery. With predictive analytics, AI algorithms can optimize delivery routes and reduce wait times for guests. Tracking systems add an extra layer of transparency by providing real-time updates on driver progress.

4

More consistent guest experiences

The best thing about AI technologies is that they keep learning and improving as they continue to analyze data, such as guest preferences and trends. By leveraging insights from AI, restaurants and convenience stores can respond to guest needs more quickly, create effective marketing campaigns, and drive long-term growth.

Making decisions based on accurate and up-to-date information is essential for success, so it's critical for operators to have a steady stream of data to fuel their AI tools. Operators who implement first-party guest engagement platforms that combine online ordering, loyalty, and other programs own the most data, which can be used to optimize the capabilities of AI-enabled tools.

From personalized recommendations to streamlined ordering processes, AI is making food ordering more efficient and enjoyable for operators and guests alike. As AI technology continues to advance, we can expect even more innovative solutions that cater to guest preferences and ensure seamless and delightful experiences for years to come.

The Power of Personalization

One major challenge restaurants and convenience stores still face in 2024 is providing personalized and memorable experiences for off-premises guests. Fortunately, advanced personalization tools that collect data from first-party ordering platforms make it easier than ever to make off-premises experiences feel as engaging as in-person ones.

Data-Driven Guest Insights Drive Personalization

Personalization begins and ends with data. It's about understanding your guests through data-driven insights and transforming the online ordering experience to resonate on a personal level. Improving online ordering performance falls into two categories of personalization: Drive order frequency through guest engagement programs and increase average check size through intelligent up-selling.

Improve Online Order Frequency With Smarter Guest Engagement

Segmentation enables personalization by grouping guests according to actionable factors, such as visit frequency, average spend, mobile app usage, loyalty membership, and commonly ordered items. This approach enables operators to increase order frequency through personalized campaigns based on order history or visit patterns.



Doing it Right: Smashburger delivers personalized offers to boost order frequency

Smashburger, a Denver-based burger chain with more than 227 stores across the US, personalized its loyalty program by "micro-segmenting" its customer base. Offers are tied to core behavior so guests get what they love while receiving tailored communication. With its data-driven and AI-powered campaigns designed to boost order frequency, Smashburger developed a far more profitable campaign structure, while providing rewards that are statistically likely to resonate with guests.



Market Insight: Loyalty enhances online ordering value

Brands that prioritize loyalty programs reap greater rewards from online ordering. Quick-Service Restaurant (QSR) loyalty members place 38.4% of their orders online, while their Full-Service Restaurant (FSR) counterparts order online 30.2% of the time. Loyalty program members also shine when it comes to frequency, visiting their favorite establishments over 40% more often than non-members.



QSR

38.4%

of QSR loyalty members place their orders online



FSR

30.2%

of FSR loyalty members place their orders online



40%

more visits for loyalty members than non-members

Source: Paytronix internal analysis

Increase Average Check With Personalized Item Upselling

Seeing recommendations for additional items when guests are shopping online is commonplace. They expect the same treatment when deciding what to eat. To personalize the online ordering experience, operators can leverage data about guests' ordering behavior to display previous orders and previously ordered items, along with additional items that complement their regular choices. Insight into the aggregate purchasing patterns of all guests can also be integrated into a recommendation engine. Using these insights for menu clustering turns every order into an opportunity to increase revenue through personalized upselling.

Menu clustering identifies items that are commonly bought together, such as fuel and coffee at a convenience store or rice bowls and lettuce wraps at a Chinese restaurant. The online ordering platform uses this insight to showcase recommendations for additional items for a customer to consider before checking out.

Segmenting guests based on what menu items they typically order together allows marketers to act strategically. They can choose an item or category they'd like to grow and pair it with a guest's favorite item to sweeten the deal.



Doing it Right: A burger brand leverages menu clustering to personalize campaigns

A regional burger brand used menu clustering to market a new, limited-time burger to guests based on their behavior around four key food segments—meals, fries, shakes, and vegetable-based items. The marketing team launched four unique campaigns and provided guests with uniquely relevant offers. The operator achieved a 61x ROI with this approach and avoided missteps that might have alienated guests, such as offering a discount on a beef burger to a vegetarian.

Put the Power of Personalization to Work for You

Personalized online ordering is becoming increasingly important for restaurants and convenience stores in 2024, but most operators aren't using data as wisely as they could be. In fact, 7 out of 10 operators question whether they're best optimizing their guest data.⁷

By leveraging advanced tools that collect information and create personalized marketing campaigns, rewards, and menu options, operators can boost order frequency, anticipate future needs, and increase customer lifetime value.



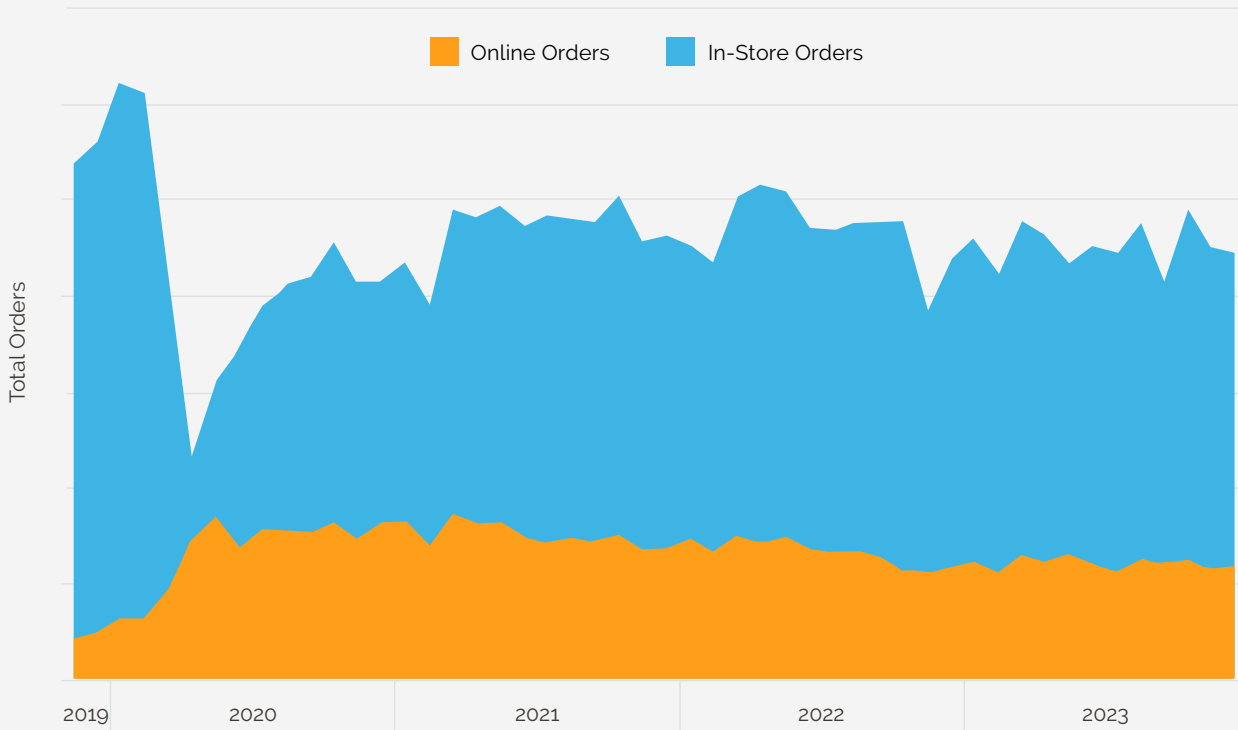
7 out of 10

operators question whether they're best optimizing their guest data⁷

Online Ordering Performance Optimization

It's clear that online ordering should be a priority for any restaurant or convenience store. Online ordering has grown from a pre-pandemic level of around 10% to 27% throughout 2023, totaling about \$300 billion in annual revenue.⁸

ONLINE ORDERING GROWTH 2019-2023



Source: Paytronix internal analysis

Capture More Online Ordering Opportunity

Optimizing your online ordering setup is more important than ever, as the economy fluctuates with inflation, high interest rates, growing minimum-wage requirements, and corporate layoffs. Operators are spending more, while guests are looking for deals. Nearly half of consumers are taking a wait-and see approach when it comes to spending. Consequently, operators who offer a good value proposition are positioned to get consumers off the sidelines.⁹

KEY ONLINE ORDERING BENCHMARKS AND BEST-IN-CLASS RESULTS

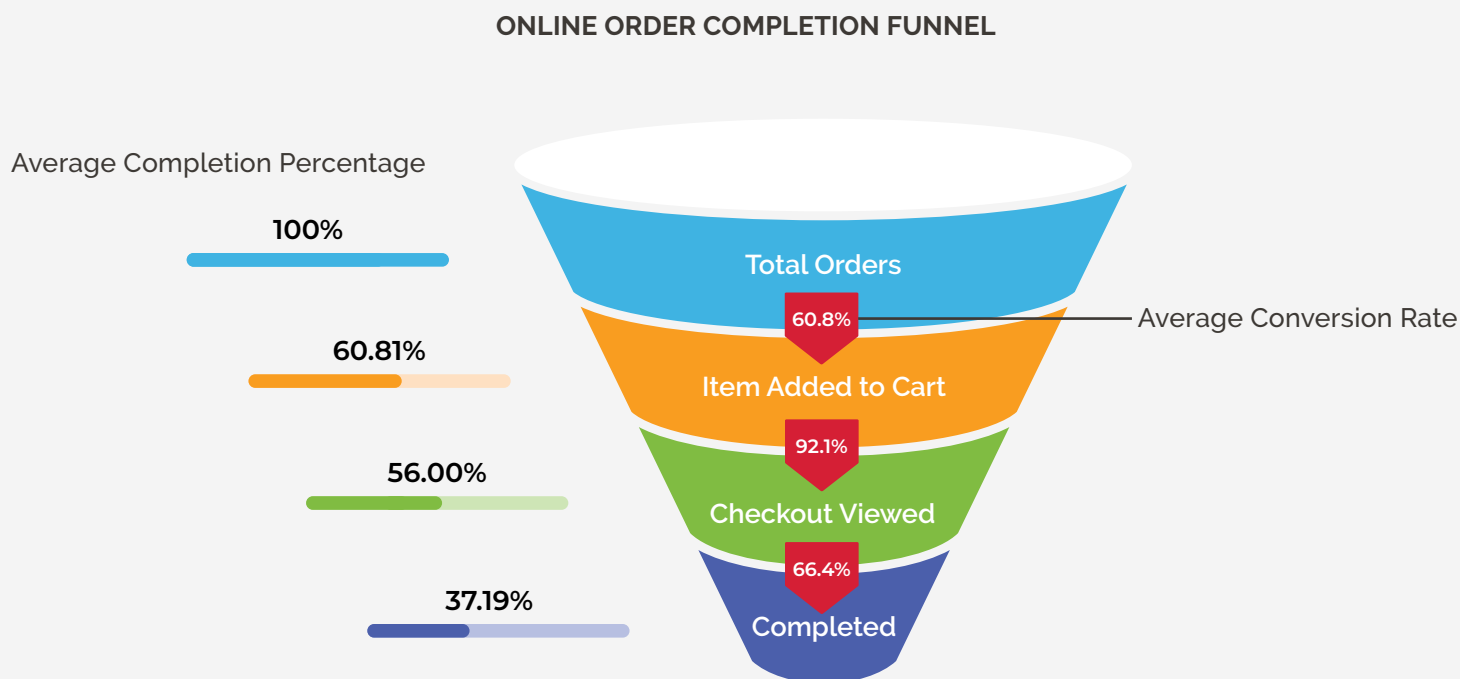
	Median	75th Percentile	90th Percentile
Online Orders Per Store Per Month	200	380	700
Month-Over-Month Retention	53%	64%	75%
Frequency (orders per user in last 90 days)	2.5%	3.5%	5.9%
Guest Acquisition Rate (new customers per store per month)	65	130	210
Average Feedback Rating	4.3	4.5	4.8
Order Completion Rate	39%	50%	62%

Source: Paytronix internal analysis

With economic conditions top of mind, forward-thinking operators are making the online ordering process as efficient and valuable as possible for guests—and as profitable as possible for themselves. The key to online ordering success is a robust first-party ordering platform that you can scale. With that in place, you can identify your business goals and set realistic priorities for improving the areas that drive the greatest ROI, like order conversion, marketing effectiveness, and operational efficiency.

Stop the Leaks In Your Online Order Completion Funnel

For many operators, 2024 will be about optimizing the online ordering experience. To start measuring your online ordering performance, look at your online ordering completion funnel: the number of completed orders as a percentage of the number of people who look at your menu or add something to their cart.



Source: Paytronix internal analysis

A perfectly functioning funnel would take everyone who looks at your menu all the way through order completion. But we know that a lot of folks look at menus without making a purchase. The better starting metric is the number of people who add an item to their cart. Then, by analyzing conversion rates and completion volumes, you can understand where you're losing guests in the process.

- **Mobile:** Is a poor mobile ordering experience turning guests away?
- **Menu:** Would menu engineering encourage the sale of more profitable items?

- **Recommendations:** Would a recommendation engine based on past ordering behavior encourage larger orders?
- **Loyalty:** Would integrating a loyalty program into your first-party ordering platform create more guest stickiness? Research shows you can get a lift between 18% and 30%.
- **Guest sentiment:** Would feedback surveys give you greater insights into problems at the store level—and more chances to win guests back?
- **Accessibility:** Are you missing opportunities in broader communities by not offering multilingual ordering capabilities?

These are just some of the questions you'll want to ask yourself as you evaluate the effectiveness of your online ordering completion funnel. Once you have a list of questions you want to answer, you can decide which issues are most important and start addressing them through your first-party online ordering platform.

Get More People Ordering Online With Smart Marketing

If your online ordering completion funnel is converting well, you may need to do more marketing to get more people using your online ordering channel. Here are some proven marketing techniques you can try.

- **Loyalty:** Integrate loyalty programs to encourage repeat business and collect valuable data on your best guests; studies show that if you can get a guest to order from you four times, you've got a customer for life.
- **Mobile:** Make ordering from a mobile device as easy as possible; an optimized website is a starting point but a dedicated app is even better.
- **Marketing:** Create campaigns (in-store, email, direct mail, social media, online advertising) that promote special offers for ordering online.
- **Reviews:** Respond to positive reviews with thank-you offers and respond to negative reviews with apology offers.

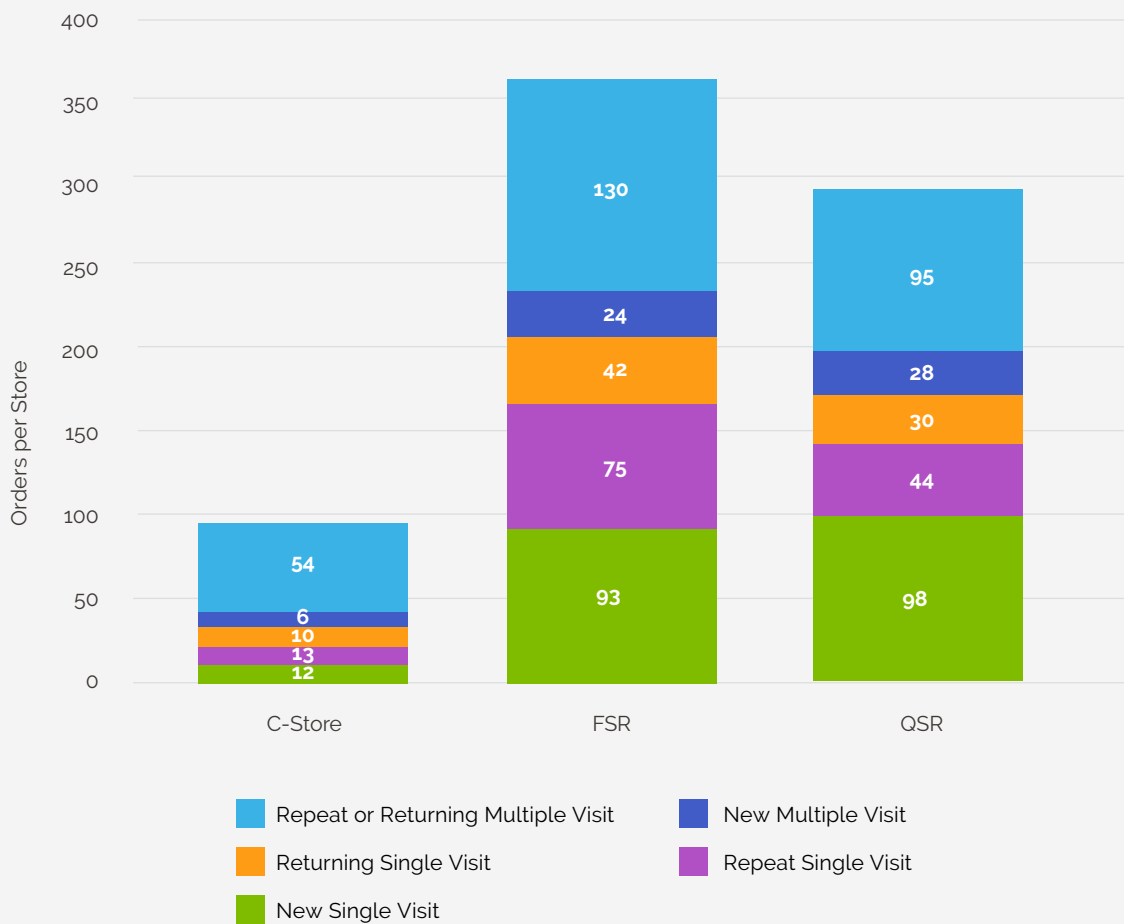
Again, it's important to weigh your marketing options for driving online orders and implement the initiatives that give you the biggest bang for your buck. Just remember that your first-party online ordering platform can be integrated with your marketing efforts to provide a positive experience for your guests.



Market Insight: Create awareness and lower barriers to entry with appropriate offers

One proven strategy for acquiring online-ordering guests is to offer a loyalty reward for first-time online orders. If you have a good understanding of the average lifetime value of different types of guests, you can determine appropriate incentives for new guests (New Single Visit segment) and turn them into loyal guests (Repeat or Returning Multiple Visit segment). Use your messaging to speak to the value of online ordering from your brand, and lower the barrier to entry with valuable promotions.

AVERAGE ORDERS PER STORE BY NEW OR RETURNING COST



Source: Paytronix internal analysis

Streamline Operations Through Your First-Party Online Ordering Platform

First-party online ordering systems can be powerful platforms for improving your operational efficiency. Operators can use integrated online ordering platforms to cut costs and increase guest satisfaction in many exciting ways.

- **Point-of-sale integration** can streamline the payment process.
- **Inventory system integrations** help prevent waste and ensure the items your guests want are always available.
- **Delivery service integrations** expand your reach and attract a broader customer base while eliminating the need to have drivers on staff.
- **Default tip settings** at checkout may improve employee morale and performance.

Start Checking Your Performance Priorities

2024 is shaping up to be a year for fine-tuning the online ordering process and building for the future. No matter how you decide to improve, it's important to identify your challenges and opportunities strategically and address the process, marketing, and operational issues that will improve the performance of your online ordering platform.

Real-Life Success Stories

Leading restaurants and convenience stores across the country are achieving success in online ordering using some of the trends we've been talking about.

Online Sales Growth and Loyalty Programs Go Hand-in-Hand

Operators magnify their success when they integrate loyalty into the online ordering experience. Loyalty is critical for building guest relationships in an environment sanitized by technology and plagued by inflationary pressures.¹⁰

- **Mr. Pickles**, for example, doubled its online sales with a branded mobile app that's creating an army of loyal guests hungry for sandwiches—and Pickle Points Rewards. The program attracts more than 2,500 new members every month and, for the first time in the California-based shop's history, first-party online orders have grown to more than 42% of sales.
- **Toastique** used a loyalty/online-ordering combo to turbocharge its growth, becoming one of the hottest QSR brands in the country. Within four months of connecting online ordering to the brand experience and integrating loyalty, the Washington, D.C.-based toast and juice bar grew its loyalty membership by 87.5%.
- **Twice Daily**, a Tri Star Energy convenience store brand, which features customizable hot and fresh breakfast, lunch, dinner, snacks, and bakery offerings, launched a branded mobile app with online ordering to compete with QSR brands. And when the brand added loyalty to the mix, more first-time customers became repeat guests, overall sales grew by 225%, and the size of monthly orders increased by 55%.
- **Pump N Pantry**, a Pennsylvania based convenience store, achieved similar results by using rewards to drive more customers inside when they stop to fill their gas tank. Helped by a points-based loyalty program with digital order-ahead capabilities, they deployed a mobile app for a faster, hassle-free customer experience. After about a year, the program had more than 6,000 members and is still growing today. Online orders quickly jumped to 20% of overall sales, and the brand added flexibility by offering drive-thru and curbside pick-up options.
- **Rutter's**, another Pennsylvania based convenience store, built a true digital guest engagement program by combining online ordering with Rutter's Rewards, a VIP club. Providing online ordering as an exclusive benefit to VIP members, Rutter's added a new level of convenience to its best guests.

The additional sales channel is also helping the brand reach new guests, driving penetration rates to historic highs: Today, 37% of all online ordering checks are attributable to loyalty, and Rewards members' average checks have grown 10%.

Guest-Experience Tweaks Improve Performance

With an advanced first-party online ordering system in place, operators have greater flexibility when it comes to making performance improvements across every guest touchpoint.

Some of the features operators are using to get the most value out of their online ordering platforms include.

- **Menu Customization**

A sandwich concept specializing in roast beef found that letting guests customize their sandwich orders with configurable menu modifiers was the performance enhancement they needed. "We pride ourselves on our customizable items, and Paytronix has enabled us to deliver that same level of personalization through online ordering and the mobile app at unprecedented configuration speeds," the chain's Brand Manager said. The brand has seen a 110% increase in online ordering.

- **Menu Simplification**

While giving more choices to guests can help a brand stand out and appeal to a wider audience, giving fewer choices to mobile guests was the right move for National Coney Island. The operator increased mobile orders by highlighting the most popular items and adding a \$5 coupon. The new menu was the clear winner in randomized testing, and the chain saw an ROI of 27x the cost of the reward.

- **Order Ahead**

Another performance enhancer is the ability to let guests order ahead and set their preferred pick-up time. For Rutter's, this feature alone has generated a 25% increase in visits among loyalty members.

- **AI-Enabled Personalization**

For Uno Pizzeria & Grill, a full-service restaurant specializing in Chicago-style deep dish and craft beers, embracing AI tools was the ticket for taking

online ordering to the next level. With intelligent upsell, for example, the operator uses guest behavior data to create personalized campaigns that resonate: Guests are two times more likely to accept the AI recommendations, and Uno's lifted average monthly orders by \$125.

- **AI-Empowered Automated Guest Survey Response**

With automated guest surveys, Uno's uses a Large Language Model to analyze customer feedback after an online order and issues a personalized response with an appropriate coupon to rectify any poor experiences. These automatic responses are driving orders up by 29%, proving that guests can be forgiving when operators make things right.

Mr. Pickle's, which was named among the fastest-growing emerging restaurants in the United States by Nation's Restaurant News, has been using Paytronix guest surveys to increase orders by 23% and automated apology/offer combinations to improve ratings by 22%.

Automated guest surveys have also been helping The Filling Company follow up with dissatisfied customers in a matter of seconds. The auto-write tool equips store managers with appropriate responses and offers to win customers back. According to CEO John Rubino, "Customers are responding to [these] emails, thanking us for addressing any mishaps."

Advanced, Focused Technology Has Internal Benefits, Too

Scalable, simplified technology is great for guests, but its ability to streamline workflows is also beneficial for operators and staff.

- **Time and Cost Savings**

A growing sandwich brand replaced a fragmented tech stack to create a unified digital experience for guests and allow for future growth. It was surprised to find it could save significant time and money, as well. Now the brand can launch personalized campaigns, update its mobile app, configure online ordering, and optimize performance on a single platform.

- **Menu Management**

Toastique is saving three hours on every adjustment to its mobile app's menu, aesthetics, and functions. By centralizing menu management across locations through a single online ordering platform, each change syncs everywhere.

- **Marketplace Management**

The Filling Company, which sells freshly prepared food and handcrafted espresso drinks at three locations in Virginia, is also benefitting from streamlined menu management across first- and third-party channels.

An exhaustive menu was complicating operations. Staff had to manually copy every third-party order into the POS. Changing prices or item availability required going to each vendor's backend. And different third-party receipts were confusing some staff members.

The Filling Company now operates more efficiently, with receipts the same across all third parties and orders flowing seamlessly into the POS. Menu syncing enables the brand to mark up prices to offset third-party fees and instantly change inventory to reflect out-of-stocks.

Conclusion

Make First-Party Online Ordering a Top Priority for 2024

The value of online ordering as a key driver of growth and guest loyalty is clear. Optimizing the systems, operations and integrated guest experience of a first-party online ordering platform should be at the top of the list for operators in 2024.

Many operators, especially regional chains, have small marketing teams with ambitious goals. The Paytronix Digital Guest Engagement Platform helps these teams achieve their goals by offering features guests love—including powerful online ordering tools with integrated mobile experiences and by delivering instant insights from thousands of data points that can be used to strengthen guest relationships.

Achieve Online Ordering Success with Paytronix

With over 500 integrations, the Paytronix platform expands your ability to surprise and delight your guests. For more information about Paytronix Online Ordering, visit www.paytronix.com/platform/online-ordering or call **617-649-3300, ext. 5**.

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Analysis Methodology

All data in the report is from 2023 and aggregated from a subset of Paytronix Online Ordering customers. For a store to be included, it must have been open throughout the whole of 2023. All data is rolled up to the merchant level before aggregation to avoid weighting large chains more heavily. For each chart, a unique population of stores is chosen to normalize comparisons.

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