Harnessing Technology to Drive Off-Premise Sales

Hudson Riehle, National Restaurant Association

Melissa Wilson, Technomic, Inc.
58% of restaurant occasions are now off-premise
Consumers Using All Channels More Than a Year Ago

39% Drive-thru

34% Delivery

29% Takeout

44% 18- to 34-year-olds
What’s Behind This Shift?

<table>
<thead>
<tr>
<th>Reason</th>
<th>18-34</th>
<th>35+</th>
</tr>
</thead>
<tbody>
<tr>
<td>It’s more convenient</td>
<td>54%</td>
<td>61%</td>
</tr>
<tr>
<td>Prefer not to leave the house</td>
<td>45%</td>
<td>57%</td>
</tr>
<tr>
<td>The weather was bad</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>Don’t have time to go to the restaurant</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>Faster than takeout</td>
<td>23%</td>
<td>19%</td>
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Impact of Increased Off-Premise Use

- 42% order from foodservice more often
- 40% order from a wider variety of restaurants
- 36% trying new restaurants more often
Younger Consumers Using Delivery Across All Dayparts

Consumers Ordering Once a Month+

- Breakfast/brunch: 50%
- Midmorning snack: 47%
- Lunch: 72%
- Midafternoon snack: 53%
- Dinner: 81%
- Late-night meal/snack: 56%
Important to Understand Path to Purchase

Type of cuisine → Specific restaurant → Delivery fee → Time until ready

→ Total cost → Location
The Technology Connection
Consumers Embrace Technology for Orders

Ordering Methods Used in Past Year

- Restaurant's own/first-party website: 56%
- Phone call: 56%
- Third-party app: 41%
- Restaurant's own/first-party app: 43%
- Third-party website: 37%
- Voice assistant: 21%
- Via text: 13%
Technology = Convenience

35% agree that it is easier to customize their order on a restaurant’s own site or app.

35% say that ordering on a third-party site/app is faster than the alternatives.

33% say that many of the restaurants I order from do not have their own sites.
37% use restaurant apps because they like the loyalty program

26% use third-party apps because they like the loyalty program
High Interest in Loyalty Programs

Percent of Consumers Belonging to Loyalty Programs

- **Overall**: 42%
- **18-34**: 50%

- 85% Want more restaurants to offer loyalty programs
- 24% Of operators currently offer a loyalty program
Operators Say Off-Premise Orders Have...

- Generated additional sales: 92%
- Brought new customers to their business: 87%
- Increased profitability: 81%
- Increased average check: 68%
- Impacted operations: 68%

78% say off-premise is a strategic priority.
66% of restaurant operators offer third-party delivery

57% say this is more important than it was two years ago
Third-Party Technology Impact

Method of receiving third-party orders

- Use a tablet to enter into POS system: 40%
- Integrated with POS system: 55%
- Other: 4%

79% of operators working with third-party services report having two or more tablets to handle orders.
Companies Are Investing in Off-Premise

74% say the company is investing in off-premise programs

Delivery Investments

- Partnering with a third-party delivery service: 69%
- Adding/updating technology for internal use (POS): 40%
- Investing in higher-quality packaging for foods: 31%
- Investing in higher-quality packaging for beverages: 29%
- Adding more staff other than delivery drivers: 28%
Operators’ Takeout Investments

- Remodeled to add off-premise services: 52%
- Added/updated technology for internal use (POS): 50%
- Investing in higher-quality food packaging: 44%

27% added/updated customer-facing order/payment amenities
24% of restaurant operators offer curbside pickup

67% say this is more important than it was two years ago
Technology Disconnect
29% of operators admit they are lagging the industry in technology.
Operators Not Keeping Up With Consumer Demand

- **56%** of consumers place delivery orders via restaurant websites
- **43%** of delivery users place orders via restaurant app
- **31%** of consumers receptive to ordering via virtual assistant if available (e.g., Amazon Alexa)

- **45%** of operators offer this option
- **18%** of operators offer mobile ordering via their own app
- **12%** of operators offer this option
Reasons for Not Investing in Technology

- Not a priority
- High costs
- Would have to adjust operations
- Not enough buy-in from customers
Technology Challenges

14% of operators have experienced challenges

“Teaching employees how to use it.”

“Getting familiar with the technology and training staff in its use.”

“Cost and getting staff and customers to buy in.”
Planned Investments Focus on Fundamentals

Percent of operators who plan to offer:

- **38%** Own mobile app for ordering/payment
- **37%** Inventory management software linked to POS
- **34%** Business analytics software
- **34%** Own website for off-premise orders
Large Gaps Between Impactful Technology and Availability

Percent of operators who offer __ say it has a large positive impact on their business

50% Location intelligence tech

45% Geofencing tech

44% Voice ordering through a virtual assistant

Percent of operators who currently offer

16% Location intelligence tech

20% Geofencing tech

12% Voice ordering through a virtual assistant
Consumers’ Technology Priorities
Consumers Seek More Advanced App/Website Features...

- Alerts when food leaves the restaurant: 62%
- Alerts when food is near my home: 60%
- Track my order: 59%
- Track delivery driver: 58%
- Order ahead of time: 55%
...And Are Interested in Using Emerging Ordering Options

Percent Interested in Ordering Via Text Message

18-34: 51%
Overall: 42%

18-34: 41%
Overall: 27%
Consumers Want More Drive-Thru Technology

- A screen that shows your order to check for accuracy: 70%
- Ability to order/pay ahead: 49%
- Accept mobile payment options: 43%
- Geolocation technology: 43%
- Touch-screen ordering: 41%
- LED menu boards: 38%
Consumers Receptive to Emerging Delivery Approaches

Likelihood of Consumers Using if Available

- 69% Vehicles with built-in heating trays to keep food warm
- 41% Autonomous delivery
- 36% Food cooked while en route
Key Takeaways
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1. Off-premise now accounts for a majority of restaurant occasions - and will continue to grow.

2. New technology is a critical enabler of growing off-premise sales.

3. Operators must adapt to meet consumer demand.
Questions?

Hudson Riehle  
Senior VP, National Restaurant Association  
HRiehle@restaurant.org

Melissa Wilson  
Principal, Technomic  
mwilson@technomic.com