

# Online ordering by the numbers

Key insights to online ordering  
for restaurants

 Ordermark<sup>®</sup>



Online ordering is growing at a rate of 13.5% annually, compared to 3% for the overall restaurant industry.

The ubiquity of smartphones and changing consumer expectations are driving a seismic shift in how diners interact with brands.

We live in a convenience economy where online ordering services like DoorDash and Uber Eats are aggressively vying for your diners' attention and loyalty.

What follows is a collection of key insights covering:

- Restaurant delivery industry growth
- App penetration
- Millennials and delivery - the driving force
- Delivery order values - how they trend

We hope this information is helpful to you as you consider your organization's strategies for pursuing online ordering.

Our goal at Ordermark is to partner with you to cost-efficiently drive revenue through the online ordering channel.





If you're a franchisor, operator, or manager, below are some helpful things to keep in mind as you map out your online ordering strategy.

- ✓ Understand online ordering trends and economics
- ✓ Assess how online ordering should integrate with existing systems in phases
- ✓ Configure your kitchen and entire operation for online ordering
- ✓ Select online ordering partners, negotiate rates, and budget for promotions
- ✓ Optimize your menu for delivery

# Online ordering is going places

6%

Restaurant orders placed via a smartphone or app now account for **over 6%** of the total orders.

UBS forecasts online ordering sales could rise an annual average of **more than 20%** from \$35 billion to \$365 billion worldwide by 2030.

20%

30%

Online food delivery is expected to account for **30% of total** restaurant industry growth through 2022, according to Morgan Stanley research.



## ProTip #1

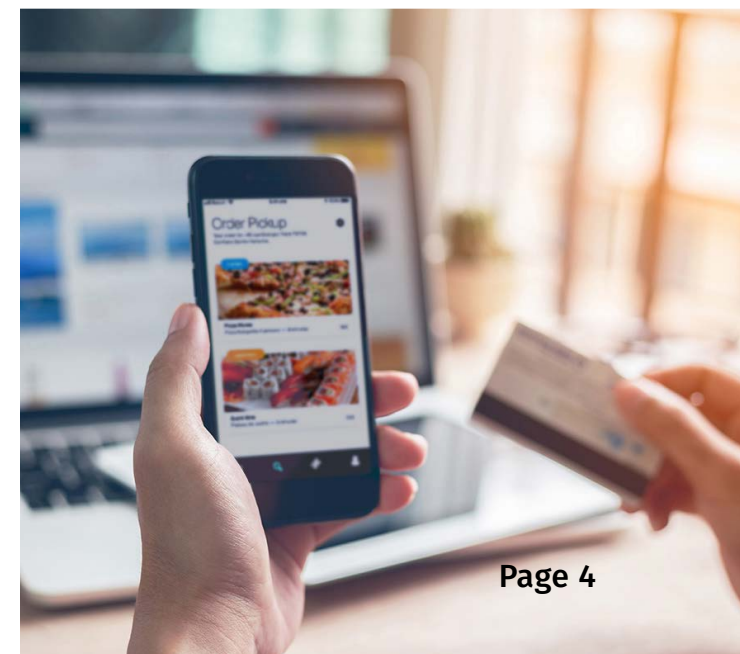
### Find Out which Apps are Locally Available

If you're in a smaller city and want to know which online ordering services are available, Ordermark can supply this information.

## Some Things to Keep in Mind

*Online ordering is the fastest growing segment of the restaurant industry and shows no signs of slowing down. Much of this growth is concentrated in major metropolitan areas but the expansion to rural areas is accelerating.*

*For multi-units, choosing one or two online ordering services isn't necessarily the best strategy to optimize for reach. Instead, consider mapping the availability of online ordering services to your locations and modeling the potential combined reach of multiple services for each location.*



## Millennials are the driving force

42%

When Millennials order from restaurants, they're only dining-in **42% of the time**. Other restaurant visits are made up of takeout (40%) and delivery (19%).

79%

**79% of Millennials** (ages 18-34) have ordered takeout via a website or app, which is 29% more than the older U.S. adult population (ages 45+).

3x

Millennials are **three times** more likely to order food for consumption at home than their parents are.

*(Forbes)*

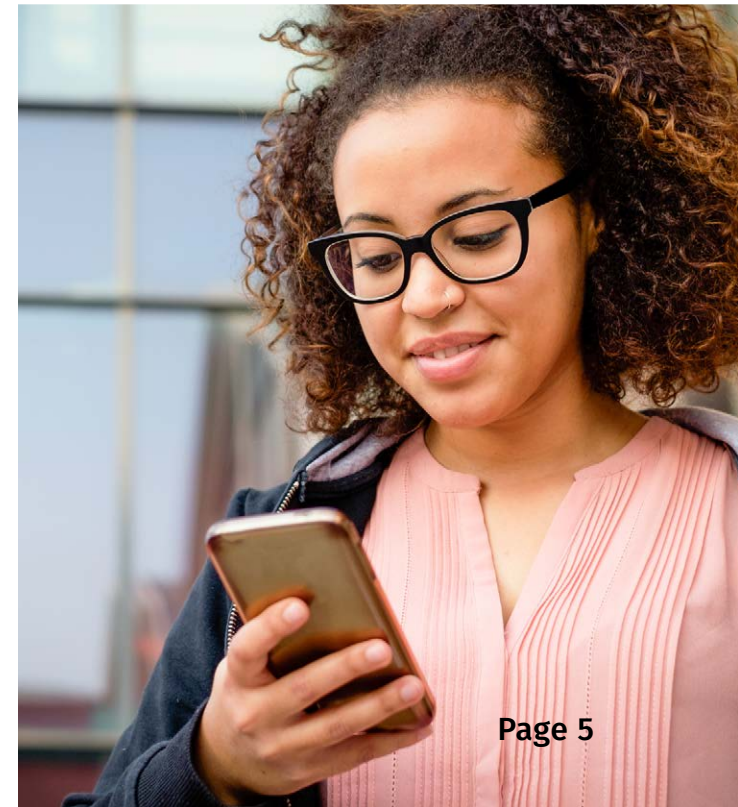
## Some Things to Keep in Mind

*Ahh Millennials: They place a higher value on convenience than any generation before them, and these values extend to their dining experiences. To a millennial, being able to order food online with a few taps on their phone isn't an added-value option; it's a make-or-break necessity.*

### Millennials still love going to restaurants

Looking at these statistics, you may be wondering what effect these trends will have on your dine-in business. If the majority of millennials are staying home and ordering takeout and delivery, will adding online ordering cannibalize your existing dine-in business? Don't fret. Millennials aren't eating out less; they are cooking/preparing their own food less. Because of this shift, restaurants that take advantage of online ordering actually have the chance to capture more of the millennial food dollar than they could five years ago.

Just 11% of restaurants currently using online ordering felt that it impacted dine-in business, and only 7% said that it impacted takeout sales.



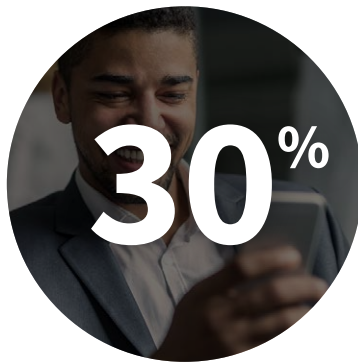
## Restaurants, meet revenue



**34% of diners** say they usually pay up to \$50 per order when ordering food online. The average spend per person in a full-service restaurant averages \$16-\$30.

(7 Shifts)

A recent study commissioned by GrubHub found restaurants using the online-ordering service were able to grow their takeout revenue by an **average of 30%.**



**67% of customers** who have placed an order online will visit the restaurant more frequently versus those who have not.

(PMQ)



## Some Things to Keep In Mind

*Adding online ordering is a sure-fire way to significantly boost your restaurant's sales and reach new customers. In addition, ordering app customers order more often than dine-in customers, and spend more money per order.*

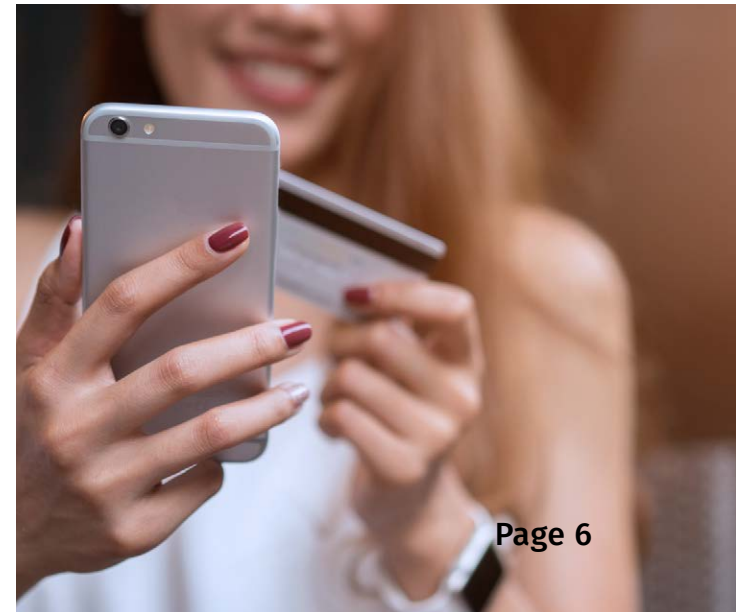
*They also tend to visit your physical location more than a customer who has not placed an order online. So online customers can sometimes become dine-in customers. The more you treat every online order as an opportunity to impress, the bigger influx of dine-in customers you'll receive in return.*



### ProTip #2

#### The Note in the Bag Trick

While ordering apps usually restrict restaurants' access to customer info, there are other ways to interact with, and potentially convert, online orderers into dine-in customers. One of the most effective ways is a simple note in the bag thanking the customer for ordering, along with a coupon for a future in-person visit.



## Ordering apps are sticky

**80%** Once customers sign up for an online-ordering app, 80% never or rarely leave for another platform.

*(McKinsey and Company)*

### Why people use their favorite food delivery app.

Better restaurant options

**20%**

Discounts available

**18%**

Better features

**18%**

Friends/family use the app

**16%**

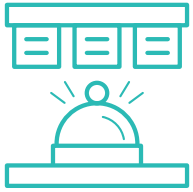
## Some Things to Keep in Mind

*Customers are overwhelmingly loyal to the first ordering app they sign up with. There is fairly little customer overlap between apps. So if your restaurant is only listed on a single app, then you probably aren't reaching as many potential customers as you could be. Your restaurant is visible to that app's users, but for people who are using other apps, you essentially don't exist.*

*Therefore, when you are starting out, you want your restaurant to have a presence on every ordering platform available. Some apps will yield more orders than others, but quality across platforms is generally consistent on the restaurant-facing side, so there's only upside to casting a wide net.*



# It's all about the menu



**59%**

of food ordering app users consider multiple restaurants before selecting one.



A Cornell study found that using descriptive words for menu items increased sales by up to

**27%**



Including photos can increase sales of online menu items by up to

**30%**



## ProTip #3

### Increase Order Profit Margin by Upselling

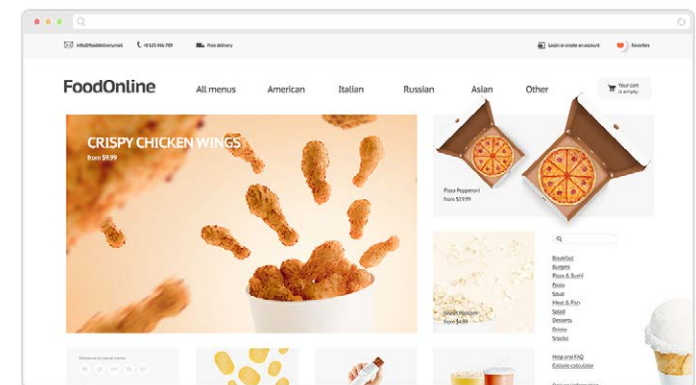
When a customer chooses an item on your menu, most delivery apps allow restaurants to suggest other items to add-on to their order. Take advantage of this tool! Suggesting high margin items such as soft drinks, baked goods, etc. will allow you the opportunity to increase your profit margins on every order.

## Some Things to Keep In Mind

Part of what makes online ordering so convenient for customers is the ease in which they can casually browse hundreds of different dining options. If a customer selects a restaurant, and that restaurant's menu doesn't immediately make a mouth-watering impression, customers can (and usually do) just tap the back button and find another menu that does.

For restaurants, the challenge becomes creating an online menu that not only captures this fickle audience's attention, but compels them to complete their orders.

Want to learn how to supercharge your online menu using great photos, descriptive words, and other tools? Check out [this article](#) by Ordermark founder Alex Canter.



## About Ordermark

Ordermark is an online ordering solution for restaurants that aggregates online ordering services and helps restaurants reach their online ordering potential. We allow you to accept orders from multiple online ordering services, reducing the number of tablets cluttering your space, and sending orders to a dedicated cloud based printer in a standardized format. We also offer personalized account management services and data reporting. If you need help getting started with online ordering, or if you want to simplify the online order management process, get in touch!





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Sources: The Manifest, Grubhub, Quartz, QSR Web, Restaurant Business, Lightspeed, NPD, Morgan Stanley, Forbes, 7 Shifts, PMQ, Mckinsey & Company.

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