

MOBILE APPS NOW REPRESENT THE BULK OF RESTAURANT DIGITAL ORDERS

By Anna Wolfe, Senior Editor, Hospitality Technology - 02/05/2019

Restaurant digital orders have grown at an average annual rate of 23% since 2013 and will triple in volume by the end of 2020, and the majority of digital orders, 6 out of 10, are by mobile apps, reports The NPD Group.

“Digital orders will remain an outsized source of growth for the restaurant industry over the next few years, and operators who desire to grow need to embrace a digital strategy,” says David Portalatin, NPD food industry advisor and author of *Eating Patterns in America*. “There are clear leaders in the digital ordering space, brands, and third-party providers who have achieved critical mass the fastest. To make the best decisions about digital strategies and potential partnerships, operators need to understand the key features that differentiate these companies from one another.”

Restaurant digital orders have grown at an average annual rate of 23 percent since 2013 and will triple in volume by the end of 2020, and the majority of digital orders, 6 out of 10, are by mobile apps, reports The NPD Group. A restaurant’s app or website represents 70 percent of digital orders and the remaining orders are through third-party apps or other types of apps or websites, according to the findings of NPD’s recently released “Delivering Digital Convenience” report.

Loyalty Pays Off

Among the reasons why restaurant branded apps are accessed the most is that customers of some of these brands are more drawn to rewards and savings, while other restaurant brands appeal to consumers who want to customize their order or take time and friction out of the ordering process. Frequency of use varies by brand, though deals and discounts contribute to greater use, finds the NPD study.

Although not as popular as restaurant-branded apps, third-party apps, like DoorDash, Grubhub/Seamless, and UberEATS, account for more than their fair share (40%) of the 20 most-used apps. The primary reasons for using a third-party app versus a restaurant branded app, according to the consumers surveyed, are looking up items, paying for meals, and checking prices. For the smaller and independent operators, third-party apps level the playing field and give them a piece of the growing digital ordering sector without having to make expensive investments in their IT infrastructure.