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# New Data Reveals Mobile Ordering Is Sending BILLIONS of People Into America's Restaurants

**Lindsay Rittenhouse**

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Having a slick mobile ordering app should no longer be an afterthought for restaurants.

The use of mobile apps, text messages and the Internet to order food spiked 18% in 2016 and now accounts for 1.9 billion foodservice visits, NPD Group said in a report on Tuesday.

"While currently more orders are placed using websites, orders placed with a mobile app are growing more strongly," NPD Group said, with dinner being the meal most often ordered digitally, making up 50% of all online ordering, and families being the most active users.

The report also showed that 35% of digital ordering was generated from parties with kids, people under the age of 35 and those with a higher household income. These groups were "above-average" users and deals and promotions - such as scoring a coupon through Groupon - resulted in higher online sales. Consumers who order digitally are twice as likely to order if they get a deal.

"Digital ordering is now really all about the mobile app," said Bonnie Riggs, NPD Group restaurant industry analyst. "Consumers are becoming increasingly comfortable using mobile apps, if restaurants or foodservice operators don't have a mobile app, consumers may very well choose a restaurant that does."

Last week, **McDonald's (MCD)** finally hopped on the digital wave, **after announcing** that it would be launching its mobile order and pay capabilities on its app for smartphone users in the fourth quarter of this year. Micky D's expects the option to be available in roughly 20,000 restaurants worldwide.

But, the move is a long time coming, and likely the delayed mobile launch - which some **experts predict** will be very difficult to nail - is responsible for McDonald's weak same-store sales performance. Comparable store sales fell 1.3% in the U.S. in the fourth quarter.

Other fast food chains, who understood way before McDonald's that digital ordering is crucial, have been rewarded with strong same-store sales including **Starbucks (SBUX)** , **Domino's Pizza (DPZ)** , **Panera Bread (PNRA)** , **Yum! Brands' (YUM)** Taco Bell, **Papa John's (PZZA)** , **Dunkin Brands' (DNKN)** Dunkin Donuts and even **Chick-Fil-A**.

Domino's, in particular, had a **killer fourth quarter**, with domestic same-store sales climbing 12.2% due to its advanced digital offerings including ordering pizza via **Twitter (TWTR)** . The pizza chain operator has largely led the fast food pack with 60% of its total U.S. sales having been generated in 2016 from mobile devices.

Domino's said on its recent earnings call that it partnered with tech leaders **Apple (AAPL)** , **Amazon (AMZN)** , **Alphabet's Google (GOOGL)** and **Facebook (FB)** to expand its digital presence.

"Mobile ordering is becoming not a good-to-have but a must-have," said Russ Zack, senior VP of products and solutions at marketing platform HelloWorld, in an interview with *TheStreet*.

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