

<http://hospitalitytechnology.edgl.com/news/online-ordering-makes-the-move-to-mobile98286?referraltype=newsletter>

## Online Ordering Makes the Move to Mobile



By Tammy Mastroberte, Contributing Editor

The growth of online ordering in the restaurant industry is gaining traction as operators add the capability to remain competitive and meet customer expectations. Nearly one in four restaurants offer online ordering, according to HT's 2014 Restaurant Technology Study. Their next horizon will be to take online ordering to a mobile platform via apps and websites.

“The consumer trend is headed toward mobile devices, and it can't be ignored,” says Corey Wendland, CFO at PGHC Holding Inc., ([www.papaginos.com](http://www.papaginos.com)), parent company of Papa Gino's and D'Angelo's brands. “People have more mobile devices today than PCs. When we made our website mobile responsive, I was surprised at how many people actually used a mobile device to order. We get 40 percent of our orders from cell phones, 10 percent from tablets and 50 percent from a PC.”

Currently, about 35 percent of restaurants have a mobile app, according to HT's 2014 Customer Engagement Technology Study. Restaurants haven't been adept at monetizing those apps, however, with less than half offering ordering capabilities. Those restaurants may have rushed to get a mobile app to the market, and are now going back and either adding ordering capabilities, or are looking at mobile-friendly websites built with responsive design and full ordering functionality.

“There are so many options out there now, but each company needs to understand its business and the best fit for it and its customers,” says Arthur Mullen, manager at XOCO ([www.rickbayless.com/restaurants/xoco](http://www.rickbayless.com/restaurants/xoco)), a fast casual restaurant with two locations in Chicago. “I realized the only way to grow our business was to push out ordering to people’s mobile phones.”

### **Apps Give Way To Responsive Design**

Instead of going the app route, some companies are redesigning websites to accommodate mobile users across all devices and platforms. This is the case for PGHC Holdings, which found the website redesign to be more cost effective and a better fit for its company compared to creating an app, according to Wendland.

“We decided to go with a mobile responsive website, so from a technology standpoint we are only using one platform that works across all devices, and people can still order from their computers as well,” he says. “We did the cost benefit analysis of it versus an app, and this was the way to go for the size of our organization.”

PGHC Holdings Inc. has been working with orderTalk ([www.ordertalk.com](http://www.ordertalk.com)) for the past year. The online ordering software provider created a responsive website for its Papa Gino’s and D’Angelo’s brands, complete with online and mobile ordering. The platform is integrated with PGHC’s existing POS provider, Speedline ([www.speedlinesolutions.com](http://www.speedlinesolutions.com)), and its loyalty vendor, Paytronix ([www.paytronix.com](http://www.paytronix.com)).

“With pizza, people typically order the same thing, so from either online or mobile, it’s as easy as four clicks to get a pizza ordered before driving home from work,” says Wendland. “They can choose to store payment information on the website, and can pay with a gift card, credit card or rewards points. We saw an almost 35 percent increase in online ordering when we added mobile to it. It has been very eye opening.”

At The Habit Burger Grill, ([www.habitburger.com](http://www.habitburger.com)) based in Irvine, Calif., operating more than 110 locations in California, Arizona, Utah and New Jersey, the company also chose to create a responsive website, and selected Restaurant Revolution Technologies (RRT; [www.rrtusa.com](http://www.rrtusa.com)) as its partner. RRT also manages the chain’s phone orders through a centralized call center. When a guest orders online, via a mobile device or by phone, RRT takes the orders and answers the calls, says Mike Repetti, vice president of IT at the The Habit Burger. RRT

also integrates with the restaurant's point-of-sale and kitchen delivery systems, both from Micros ([www.micros.com](http://www.micros.com)).

“We were concerned with convincing people to put another app on their phone,” he explains. “Operators have to decide if it's worth the investment in an app and how many people they think will download it. For us, it made more sense to go with a mobile friendly online ordering process.”

Another option is offering both an app and a mobile website, which is what XOCO decided to do for its two locations. Using ChowNow ([www.chownow.com](http://www.chownow.com)), the company launched a mobile compatible ordering page and an app, but can also receive orders directly from its Facebook and Yelp page, Mullen says. When ordering directly on the Facebook site, a secure pop-up screen allows customers to place an order. Once it's complete, they can close the screen and return to Facebook. One-fifth of XOCO's orders now come from Facebook.

“With ChowNow, we can run reports and analysis to see what customers are ordering and how. Right now, mobile ordering is the top way people are placing orders,” he says. “I've done the financial analysis; it shows us close to doubling our sales through the web, with most of that coming via our app.”

### **Outsourcing the Order with a Third Party**

For single location restaurants or small chains, rather than spending a large amount of money on creating a custom app or new website, there are companies such as Eat24 ([www.eat24.com](http://www.eat24.com)) and GrubHub ([www.grubhub.com](http://www.grubhub.com)) where an owner can add a location to a roundup of other restaurants and provide a mobile ordering component and an app experience for less money.

“We were offering online ordering to our customers through GrubHub for eight or nine years and then they added mobile ordering in the last year and a half,” says Justin Hermann Pait, general manger at Chicago-based Irazu ([www.irazuchicago.com](http://www.irazuchicago.com)). The number of orders coming through with the mobile component increased overall since it was added, and the restaurant gets the orders on an Amazon Kindle in real time, where someone can confirm, cancel or change them if necessary. Customers can order online from GrubHub's website or through its app. “We are not a very high-tech company, so we were able to have GrubHub step in and have a solution already done for us,” he admits.

With 12 pizza locations in Miami, Fla., Mario the Baker Restaurant ([www.mariothebakerpizza.com](http://www.mariothebakerpizza.com)) also chose to outsource its online and mobile

ordering using Eat24. The company designed the restaurant's website, which allows customers to place orders online. The orders are processed by Eat24, which takes a percentage of each sale, and the operator is paid via direct deposit or check for any orders processed, according to Stefano Siragusa, director at Mario the Baker. There is also a mobile app available where customers can place an order with one of the Mario the Baker locations and the order is faxed to the location to prepare.

“We started with their online ordering in 2009, and then they added the mobile piece to it,” says Siragusa explains. “People have commented that they like being able to order on the mobile phone, and it definitely grew our business. Over the years we have gone from one delivery driver to five or six.”

### **Mobile Payment Advancements Impact Online Ordering**

Repeat customers, whether ordering online or via an app, often have the ability to save their payment information for future use, speeding up the checkout process the next time they place an order. But with ApplePay ([www.apple.com](http://www.apple.com)) and other mobile wallet applications being introduced, paying with an app is getting even easier.

“With this technology, it's possible to pay by touching a single button, which makes the process faster, and it's a trend I've been seeing,” Mullen explains. While those who created individual accounts with restaurants and other online retailers are already taking advantage of quicker payment, ApplePay and others will allow customers to enter their information into one system and then use it on multiple websites, says Repetti.

“The easier it is for people to place an order, the more times they will order and the more sales a restaurant will get,” says Mullen. “With one-button pay like Amazon, we will see a lot more transactions coming through that way in the future.”