

<http://www.bloomberg.com/news/articles/2015-02-04/how-taco-bell-s-ordering-app-turns-extra-onions-into-real-money>

How Taco Bell's Ordering App Turns Extra Onions Into Real Money

The average bill fulfilled via Taco Bell's new app is 20 percent higher than regular orders

Don't Miss Out —

Follow us on:

by Venessa Wong

7:24 AM PST

February 4, 2015



The most popular add-ons for the nearly two million people using the app—onions, sour cream, nacho cheese, and creamy jalapeño sauce—cost from \$0.30 and \$0.70, depending on location.

Customers ordering Beefy Fritos Burritos, Fiery Doritos Locos Tacos, and other items from Taco Bell can be a highly suggestible bunch—never more so than when they are using the company's five-month-old app. The average digital order is 20 percent higher than traditional orders made with a human cashier, Taco Bell disclosed at a recent investor conference, and a good part of the padded total comes from orders for additional ingredients. The most popular add-ons for the nearly two million people using the app—onions, sour cream, nacho cheese, and creamy jalapeño sauce—cost from \$0.30 and \$0.70, depending on location.

The app's biggest advantage is that it unlocks the entire menu, says Tressie Lieberman, senior director of digital experience and social engagement at Taco Bell. The app interface displays not only add-ons but lesser-known items and sides that may get lost on crowded restaurant menu boards. The typical Taco Bell menu display doesn't even list many available add-on options, giving rise to a subculture of menu hacking in which clever customers share tips on the best cobbled-together entrees. Taco Bell's new app, by contrast, fuels the well-known consumer tendency for impulse purchases with a last-minute prompt suggesting chips, cheese, or perhaps some Cheesy Fiesta Potatoes during the checkout process.

Digital ordering has created heftier tabs at other fast-food restaurants, particularly such pizza chains as Domino's and Pizza Hut that were early to embrace the technology. Full-service restaurants Chili's and Applebee's now use tabletop tablets and have also found that customers are prone to making larger orders, are highly susceptible to impulsive selections of appetizers and desserts, and are likely to leave bigger tips (thanks in part to the default rate suggested by the device). The tabletop tablets also increase the speed of the meal, which translates to higher table turnover during busy times.

A number of subliminal forces come into play with mobile ordering. Rajat Suri, chief executive of E la Carte, the company providing tablets to Applebee's, points out that tablets are happy to flog additional items 100 percent of the time—something most human waiters or cashier are unwilling to do, if merely out of a sense of courtesy. "You can't feel angry at a tablet for showing you some options," he says. "But you might feel suspicious that your server is trying to push the most expensive item."

Tablets and ordering apps give us the illusion of unfettered free will, while human servers put us on guard against manipulation. "Guests felt more comfortable buying more stuff on tablets because they didn't feel there wasn't someone pushing them to do it," Suri found after reviewing user feedback. "They felt it was a free choice." At fast-food restaurants where people are accustomed to ordering hastily to keep the line moving, an app also gives customers a feeling of unlimited time to browse and fully consider the intricacies of a menu.

A further key component: photography. "People eat with their eyes," Suri says. Domino's Chief Executive Officer Patrick Doyle said on an earnings call in October that his company has seen the "highest ticket of all of our digital ordering channels" from its new iPad app. Pepperoni looks that much more tempting on a fancy retina display.