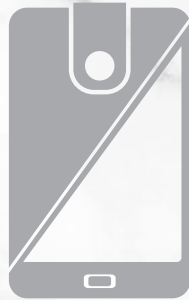


RESTAURANT READINESS INDEX™



38.7 OUT OF 100

average Restaurant Readiness Index score in Q4 2017



15%

of QSRs accept digital wallets



35%

accept in-store contactless payments



41%

have implemented in-store kiosks

76%

offer in-store promotions



61%

use cloud-based POS systems



RESTAURANT READINESS INDEX™

ACKNOWLEDGMENT

The Restaurant Readiness Index™ was done in collaboration with Bypass and we are grateful for their support and insights. [PYMNTS.com](https://pymnts.com) retains full editorial control over the findings presented as well as the methodology and data analysis.



RESTAURANT READINESS INDEX™ 2018



QSRs with 26 to 50 locations
performed best.

Scoring 44 out of 100 in Q4 2017

FEATURES QSRS ADDED OR DROPPED THIS QUARTER

IN-APP PAYMENTS



**8.8%
INCREASE**
Credit card
acceptance



**7.4%
INCREASE**
In-app
loyalty programs



**6.0%
DECREASE**
Save preferred
payment method

ONLINE



**9.0%
INCREASE**
Stored value



**5.2%
INCREASE**
Third-party
aggregator



**8.0%
DECREASE**
Loyalty programs

IN-STORE



**4.0%
INCREASE**
Kiosks

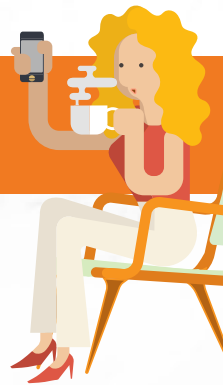


**2.2%
INCREASE**
EMV adoption



**4.3%
DECREASE**
Static inventory display

KEY FINDINGS



WHAT MAKES AN INNOVATOR AN INNOVATOR

Features implemented by top performing QSRs

- In-store events **97%**
- In-store inventory updates **83%**
- Accepts QR codes **43%**
- Accepts contactless **57%**

BY INDUSTRY



SOUP, SALAD AND BOWLS
is the top performing category.



FROZEN DESSERT
is the worst performing category.



92%



27%

CLOUD-BASED FEATURES



88%



10%

PICK UP IN STORE VIA MOBILE APP



50%



20%

IN-STORE ORDER AUTHENTICATION

EXECUTIVE SUMMARY

Starbucks is serving up caffeine with a healthy dollop of digital, pioneering two pillars of a digital strategy — a mobile loyalty program and mobile ordering — that have so far paid dividends. It had 13.3 million members enrolled in its rewards program as of June 2017, and mobile payments and mobile order and pay accounted for 30 percent and 9 percent of its total transactions, respectively.¹

Starbucks isn't done with digital, though. Its strategy officer recently announced that several changes are ahead, including spending-based rewards programs, personalized offers and more convenient ordering options.² Digital strategy has clearly paid off in the past, but how are other food and beverage restaurant companies doing with their own? Such chains can't just concentrate on serving good food these days, but must also figure out how to improve customer experience through online and mobile channels.

The PYMNTS Restaurant Readiness Index™, powered by Bypass, analyzes the performance of quick service restaurants (QSRs) by measuring their implementation of digital features. We collected data on 178 QSRs ranging in size from eight to 2,630 locations and spanning 10 segments from Asian to specialty — excluding pizza. We examined more than 100 features available in the restaurants, online or through mobile apps, then created an



Index to measure how well restaurants are doing on a scale of zero to 100. For better comparisons, we included a control group composed of very large QSRs with 3,000 to 8,000 locations.

Readers of our previous Index will see a slight difference in our scores for last quarter. We have made some adjustments to our sample to give us an apples-to-apples comparison between this quarter and last. For more details, please read our Methodology section.

¹ Dignan, Larry. Starbucks to step up rollout of 'digital flywheel' strategy. ZDNet. 2017. <http://www.zdnet.com/article/starbucks-to-step-up-rollout-of-digital-flywheel-strategy/>. Accessed March 2018.

² Dignan, Larry. Starbucks to step up rollout of 'digital flywheel' strategy. ZDNet. 2017. <http://www.zdnet.com/article/starbucks-to-step-up-rollout-of-digital-flywheel-strategy/>. Accessed March 2018.

Last quarter, we called QSRs out for failing at digital innovation — and we're still calling them out this quarter. The average Index score was 38.7 points, just 0.7 points higher than last quarter. The edition's top performer scored 71.9, while the worst scored 0.7 points.

In our last report, we found consumers only care about approximately 30 of the 102 features we studied. QSRs still haven't gotten the memo, however. They're doing a decent job of implementing traditional in-store features, but very poorly when it comes to innovative technologies. Digital wallets increased by 3 percent, but beacon technology stayed at a minuscule 2 percent and curbside pick-up dropped to 0 percent.

There was a stark difference between Top Performers and Bottom Performers, too, with Top 20 Performers averaging 58.1 points and Bottom Performers at 17 points, an 80 percent gap.

Soups, salads and bowls remains the highest performing industry, sandwich QSRs are catching up and frozen desserts are still in last place. Soups, salads and bowls distinguishes itself by

implementing cloud-based features, accepting credit cards online and app ordering with in-store pickup.

Size still has little impact on innovation and, like last quarter, QSRs with 26 to 50 locations did the best. By comparison, those with fewer than 26 locations registered the worst performance.

Most in-store features remained stable overall, with kiosks seeing the most improvement. Online features focused on customization and stored value cards. With apps, attention was put toward promotions and making order-ahead easier by accepting credit cards, and credit card acceptance showing the most improvement.

Finally, when it comes to future features like digital wallets, the cloud and beacon technology, the cloud is winning. In-store adoption of digital wallets is at 14.6 percent, while beacon adoption remains at about 2 percent. Cloud's rate jumped from 53.6 percent to 60.7 percent this quarter, and QSRs with more than 1,000 locations have now 80 percent cloud adoption levels.

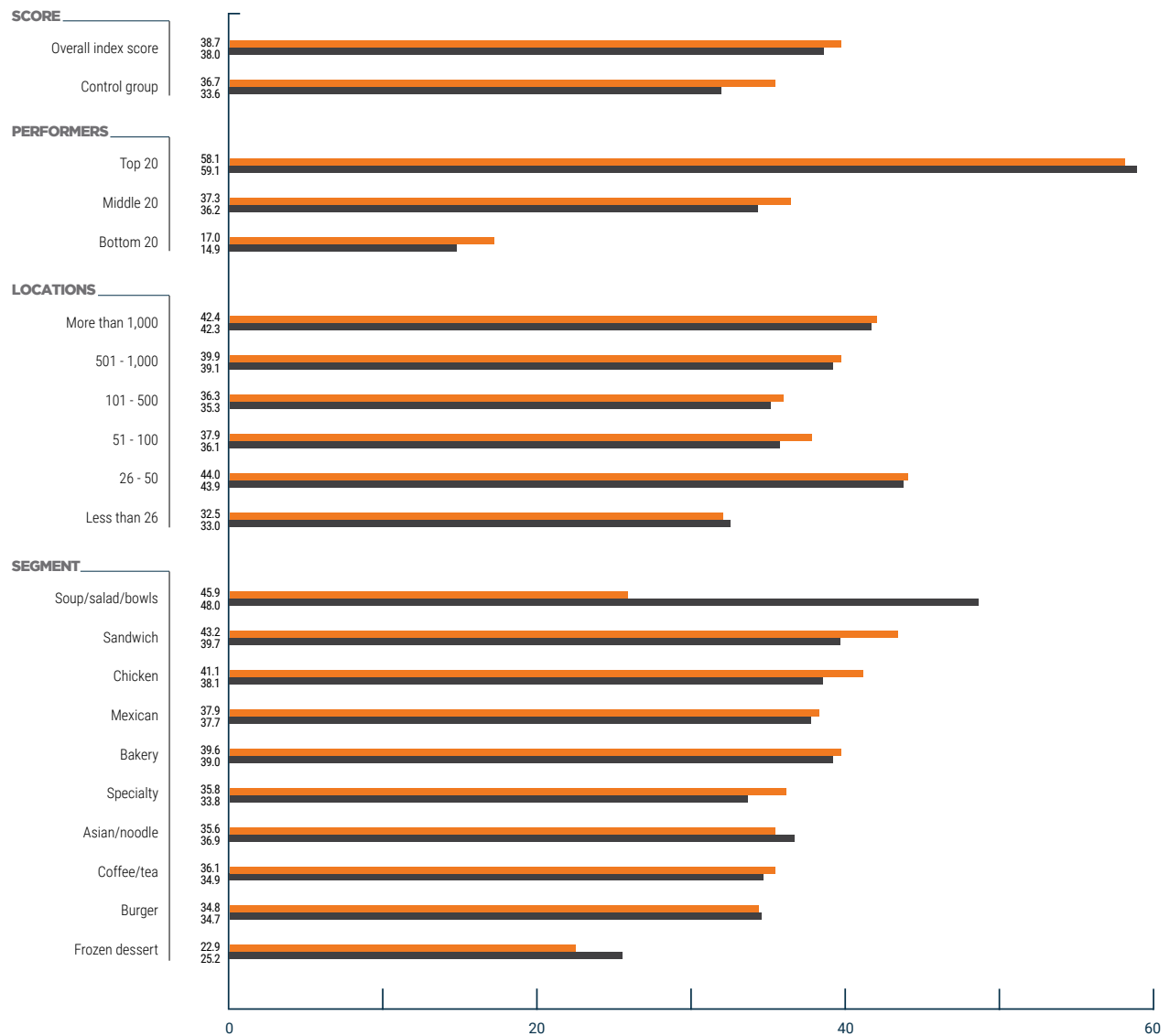
Size still has **LITTLE IMPACT**
on innovation, The same as
last quarter, QSRs with 26 to 50
locations did the best.

THE BIG PICTURE

We broke the hard news last quarter: QSRs were failing at digital innovation. This quarter, though we saw a slight rise in score from 38.0 to 38.7 out of 100, we feel that QSRs are still struggling to bring powerful digital strategies to their customers.

Figure 1: Index score by data cut

Q4 2017 Q3 2017





WHERE ARE QSRS GOING WRONG?

It's pretty simple. Most of them aren't implementing a few key features. We measured 102 features and found customers only care about 30 of them, making those 30 most important for the Index score. Furthermore, just 15 of these features account for approximately 80 percent of the value.

QSRs are doing a decent job providing in-store features and showing a slight increase in implementation. Seventy-six percent made in-store offers and promotions this quarter, up from last quarter's 74 percent, and there was a 1 percent increase in in-store events. They saw a sharp decrease for in-store inventory, however.

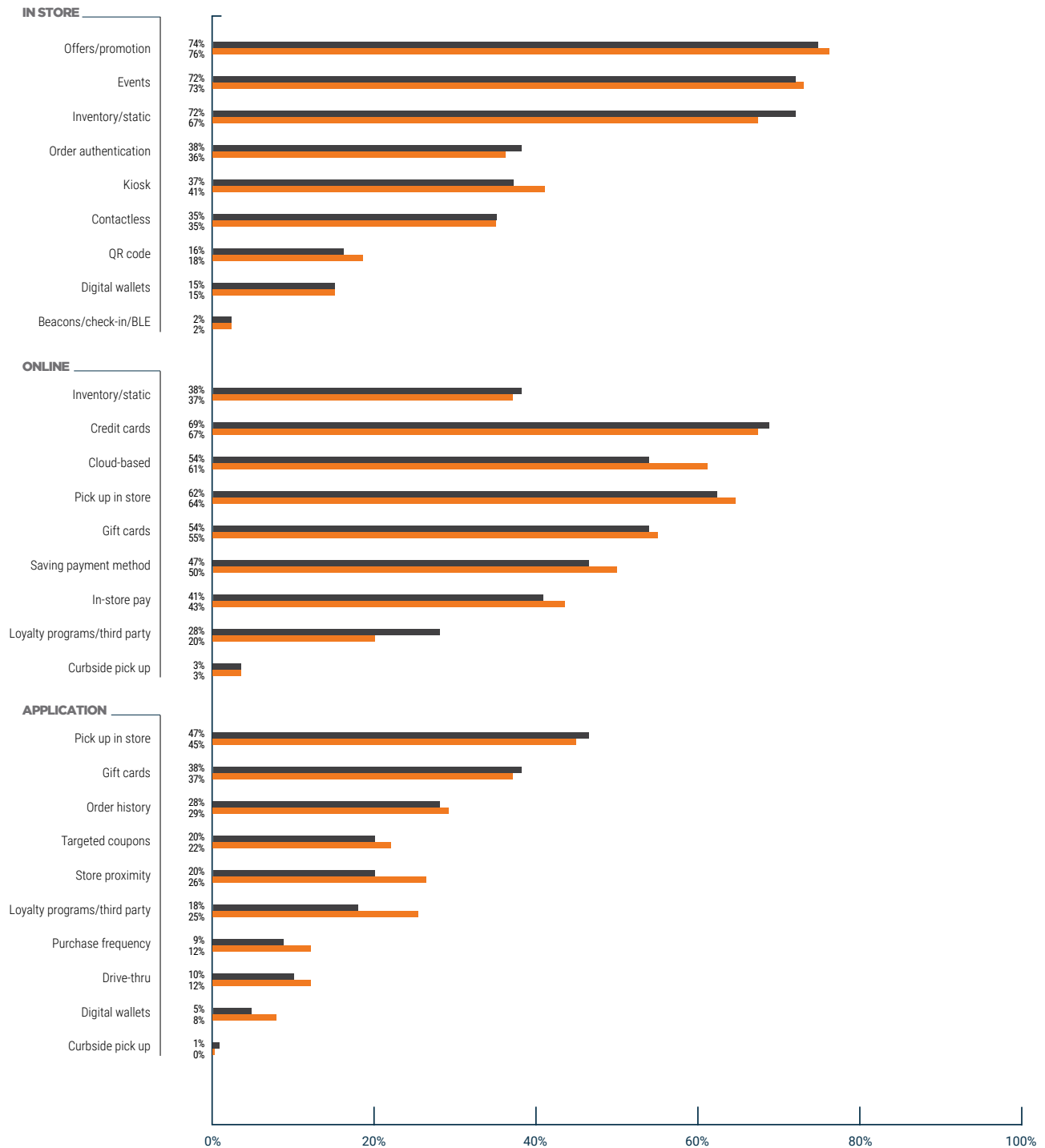
QSRs also did fairly poorly when it came to implementing innovative technologies. App-based digital wallets increased from 5 percent to 8 percent and beacon technology stayed steady at a miniscule 2 percent, but app-based curbside pickup nose-dived from 1 percent to 0.

76 PERCENT
made in-store
offers and
promotions
this quarter.

Figure 2: Percentage of restaurants providing the feature

■ Q3 2017

■ Q4 2017



THE CREAM OF THE CROP

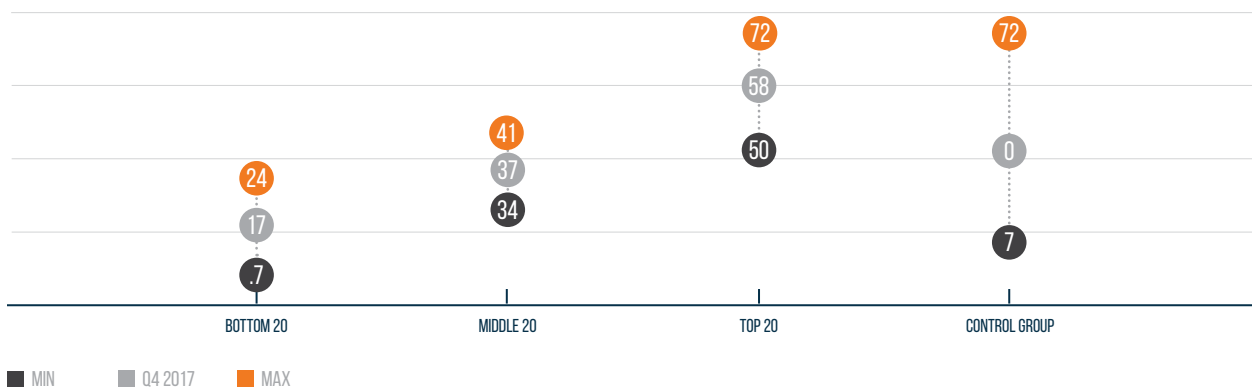
AND THE BOTTOM OF THE BARREL

**ONLY
39 PERCENT**
of QSRs offer
a mobile app.

There was a stark difference between Top and Bottom Performers last quarter, and this quarter was no different. The Top 20 Performers averaged 58.1 points while Bottom Performers averaged 17 points. Top saw its performance decline by one point compared to last quarter, however, while Bottom saw scores improve by two points. Most QSRs scored between 25 to 50 points and, interestingly, the Top 20 was the only group that saw its Index score decline.



Figure 3: Index score by Top Performers

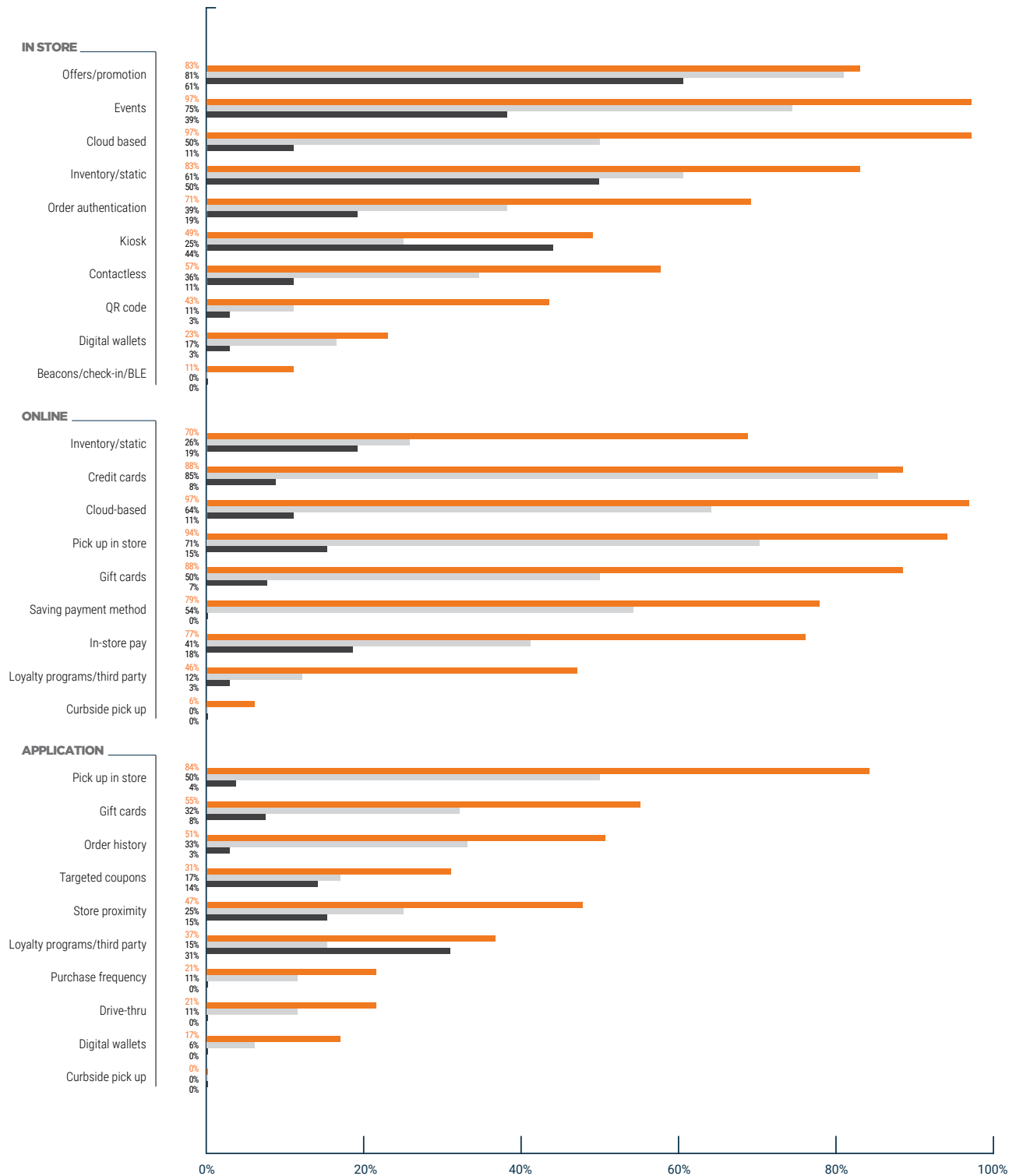


There's an 80 percent gap between Top and Bottom Performers when it comes to adopting features. Bottom Performers even struggled to implement classic features that other groups nailed, like online credit cards and in-store offers/promotions.

THE CREAM OF THE CROP AND THE BOTTOM OF THE BARREL

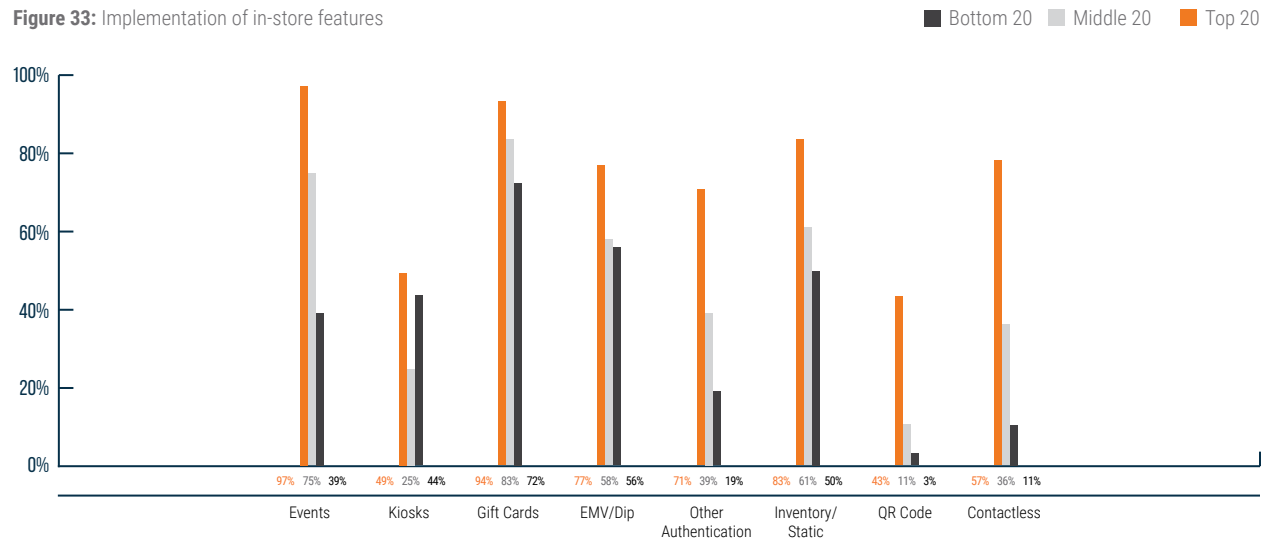
Figure 4: Percentage of restaurants providing features, by performance group

Bottom 20 Middle 20 Top 20



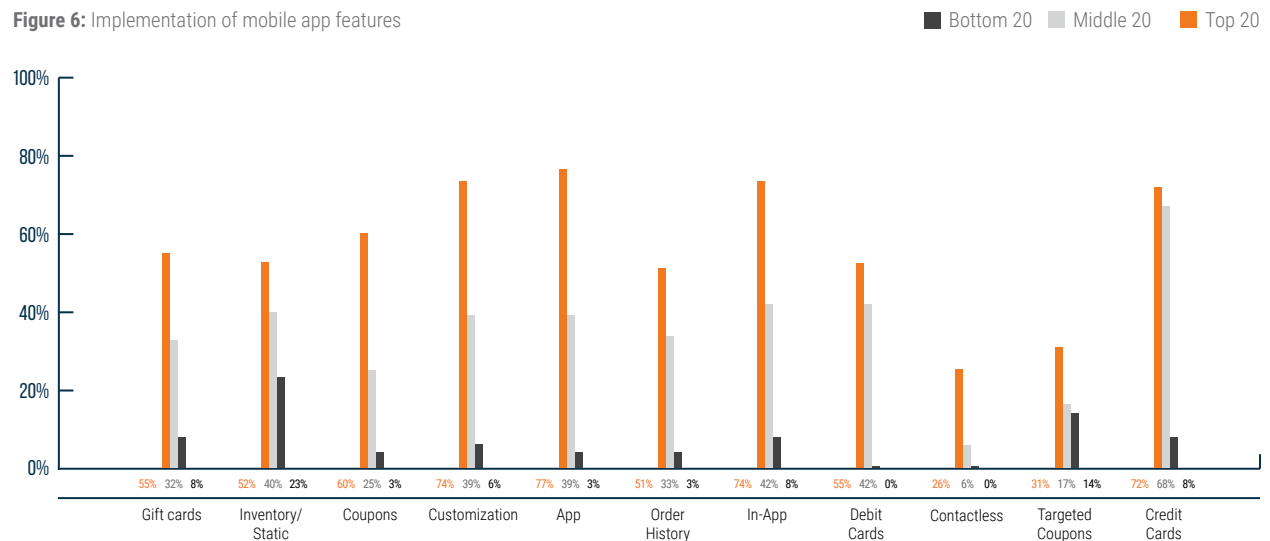
Bottom Performers really took a score hit in terms of providing innovative in-store features and implementing those for mobile apps. Top Performers pulled away from the crowd because of their excellent in-store features implementation, which was usually above 50 percent, except for QR codes.

Figure 33: Implementation of in-store features



Meanwhile, Bottom Performers did a miserable job implementing mobile app features, including below 10 percent adoption of basic options like accepting credit and debit cards. They could possibly be forgiven for this, however, as only 39 percent of QSRs offer a mobile app at all and even Middle Performers are struggling to implement mobile app features.

Figure 6: Implementation of mobile app features

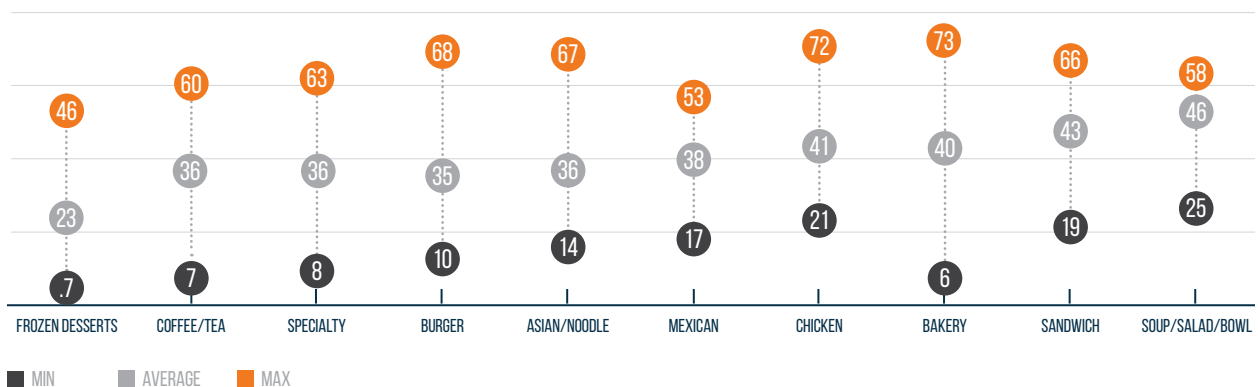


BY INDUSTRY

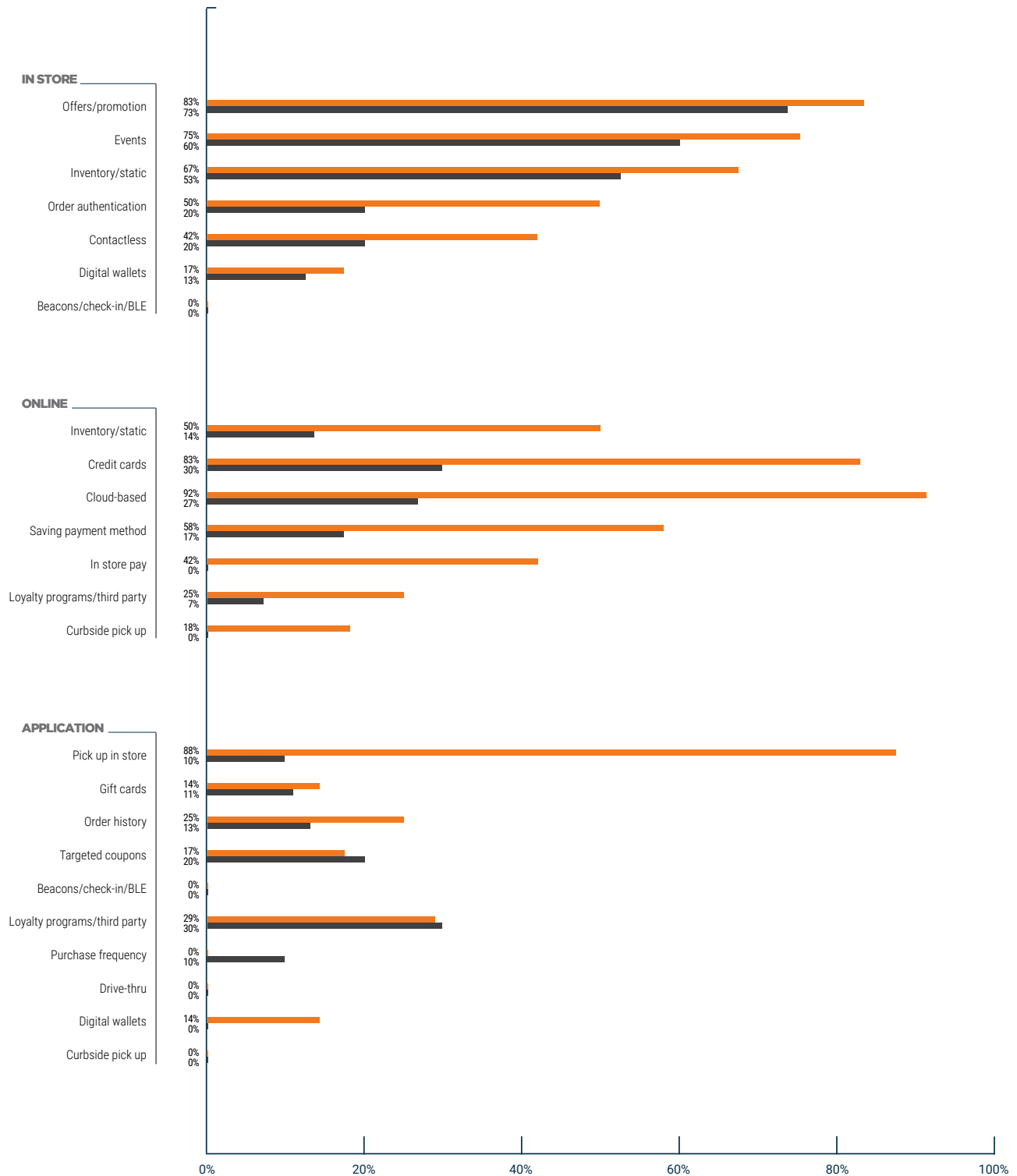


Last quarter, soup, salad and bowls QSRs took the innovativeness crown, and they're keeping it this quarter — though sandwich QSRs aren't too far behind. On the other end of the spectrum, frozen desserts and burgers lag in the race to innovate and, despite Starbucks as its star, coffee/tea is right in the middle. Interestingly, Mexican QSRs tend to have the most consistent performance, as the gap between their Top and Bottom Performers is the narrowest of any segment.

Figure 7: Index score by industry



Soup, salad and bowls distinguished itself through its high implementation of online cloud-based features, online acceptance of credit cards and app ordering with in-store pick up — adopted at more than twice the rate of frozen dessert QSRs. Frozen desserts actually beat out soup, salad and bowls when it comes to offering app loyalty programs, app-targeted coupons and app purchase frequency — a fascinating development given that Bottom Performers are behind on mobile app offerings.

Figure 8: Percentage of restaurants offering features, by best and worst segment
■ Soup/salad/bowls
■ Frozen desserts


BY SIZE

Size had no impact on QSR Index scores last quarter, and that trend continued this quarter. We were not able to discern a clear relationship between Index score and the number of QSR locations, but those with 26 to 50 locations had the best performance — like last quarter — and those with fewer than 26 locations had the worst. This may be because QSRs with fewer than 26 locations might not have the funds to pay for new and innovative features, but those with more than 1,000 locations are doing worse than QSRs with 26 to 50 locations.

Interestingly QSRs with 26 to 50 locations had the least change in their Index scores, while those with between 51 and 100 locations were the standouts for improvement. Even so, they still lagged behind QSRs with 26 to 50 locations in terms of overall score.

Size did have an impact on the types of features implemented by QSRs. Larger QSRs tended to gravitate toward online, cloud-based, in-store promotions and app order history. Small QSRs implemented features like gift cards and in-store kiosks.

Figure 9: Index score by size

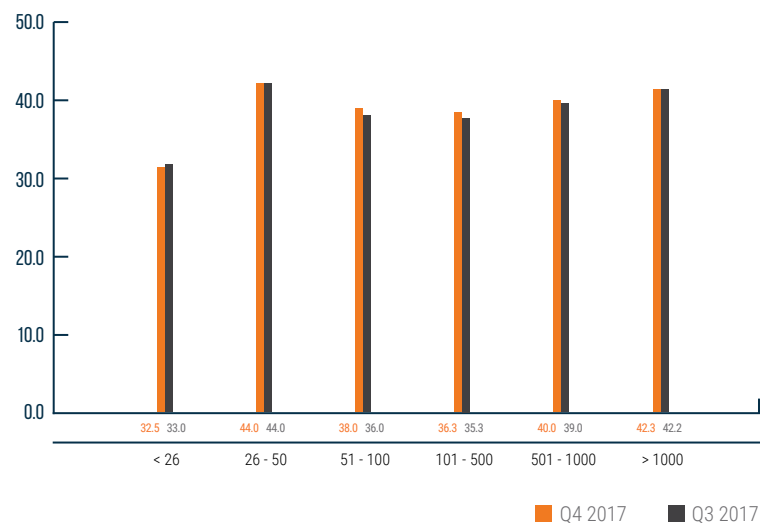
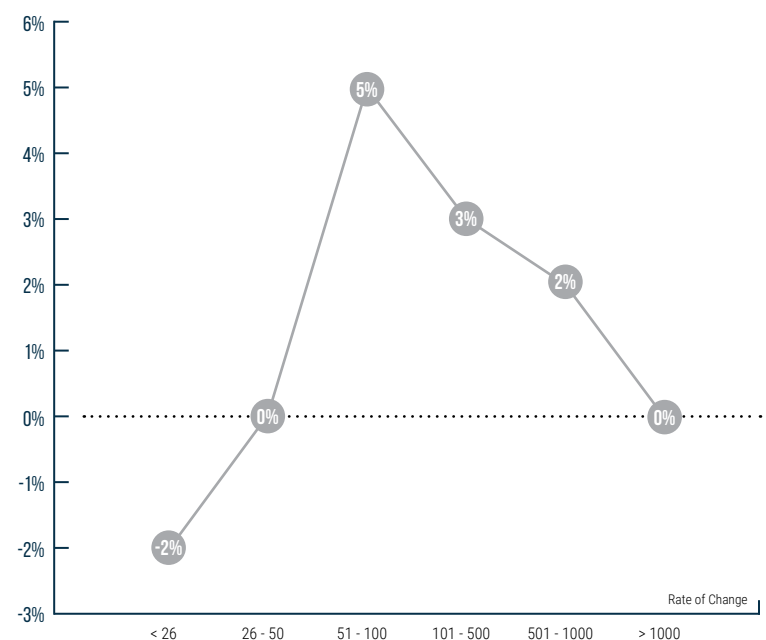
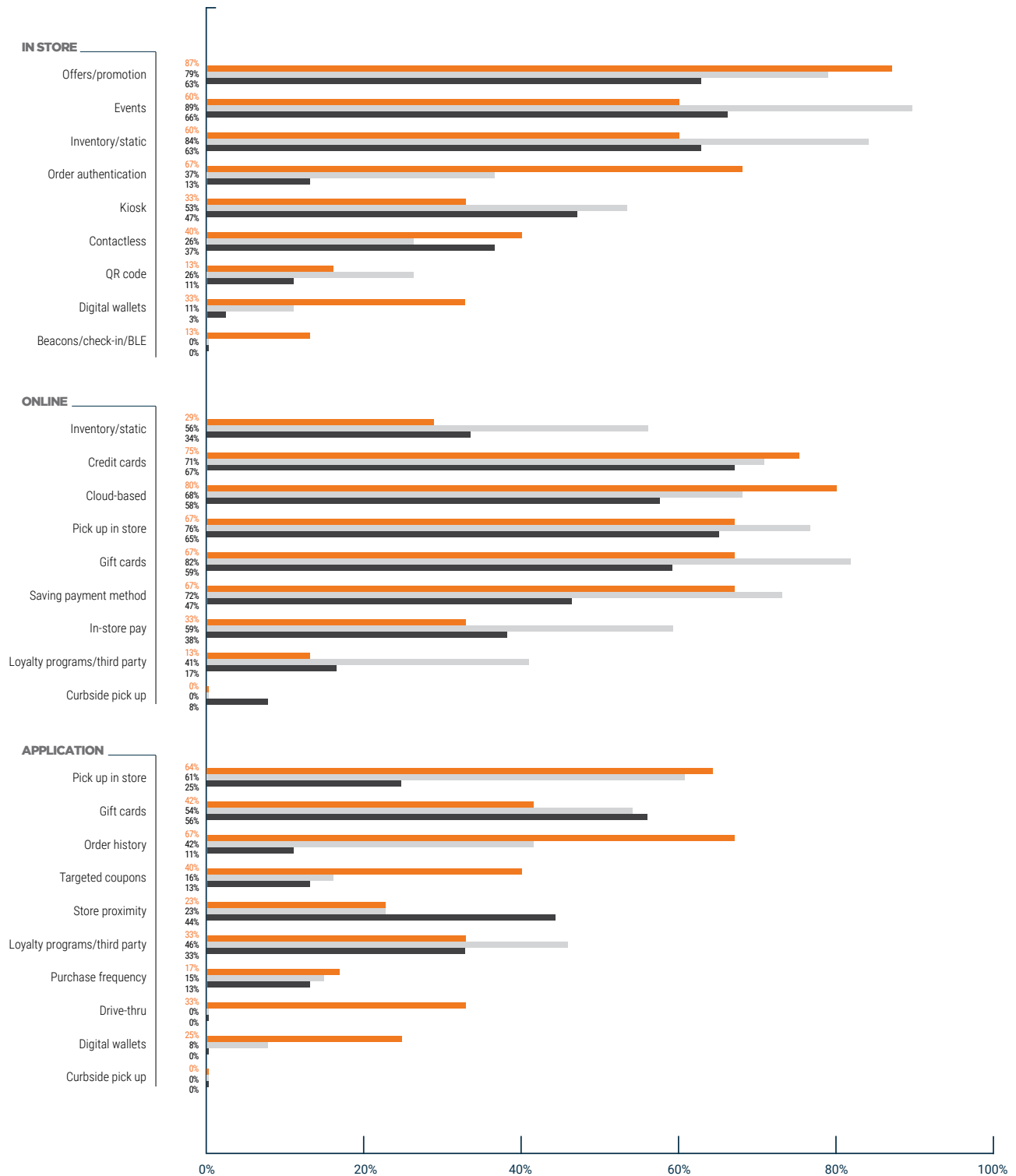


Figure 10: Change in index score, by size



BY SIZE

Figure 11: Percentage of restaurants offering features, by size

■ More than 1,000 ■ 26-50 ■ Less than 26


A top-down view of various fruits and green leaves arranged in a circular pattern around a central white circle. The fruits include slices of orange, grapefruit, kiwi, lime, peach, strawberry, cherry, banana, and a coconut half. The leaves are small, green, and scattered throughout the arrangement.

FEATURES

SPOTLIGHT

FEATURE SPOTLIGHT

In this section, we'll discuss digital wallets and take a closer look at feature adaption, zeroing in on those of particular interest for in-store, website and mobile app. Most in-store features remained stable overall. Kiosks saw the most growth at 4 percent, followed by EMV/Dip and website customization. Meanwhile, inventory and order authentication had the lowest growth.

Figure 12: In-store features implementation, in-store features with highest and lowest growth

Q4 2017 Q3 2017

IN-STORE FEATURE IMPLEMENTATION

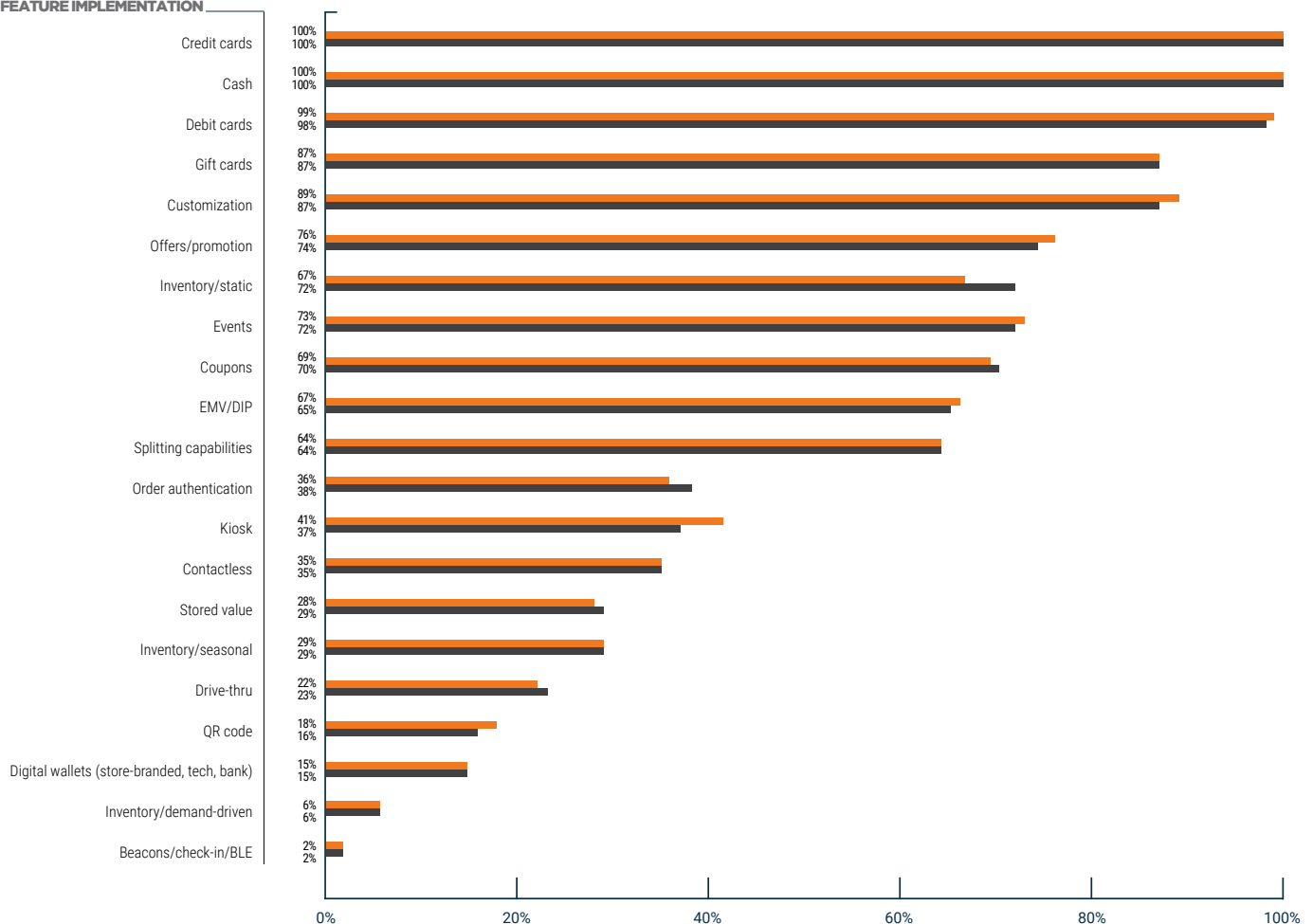
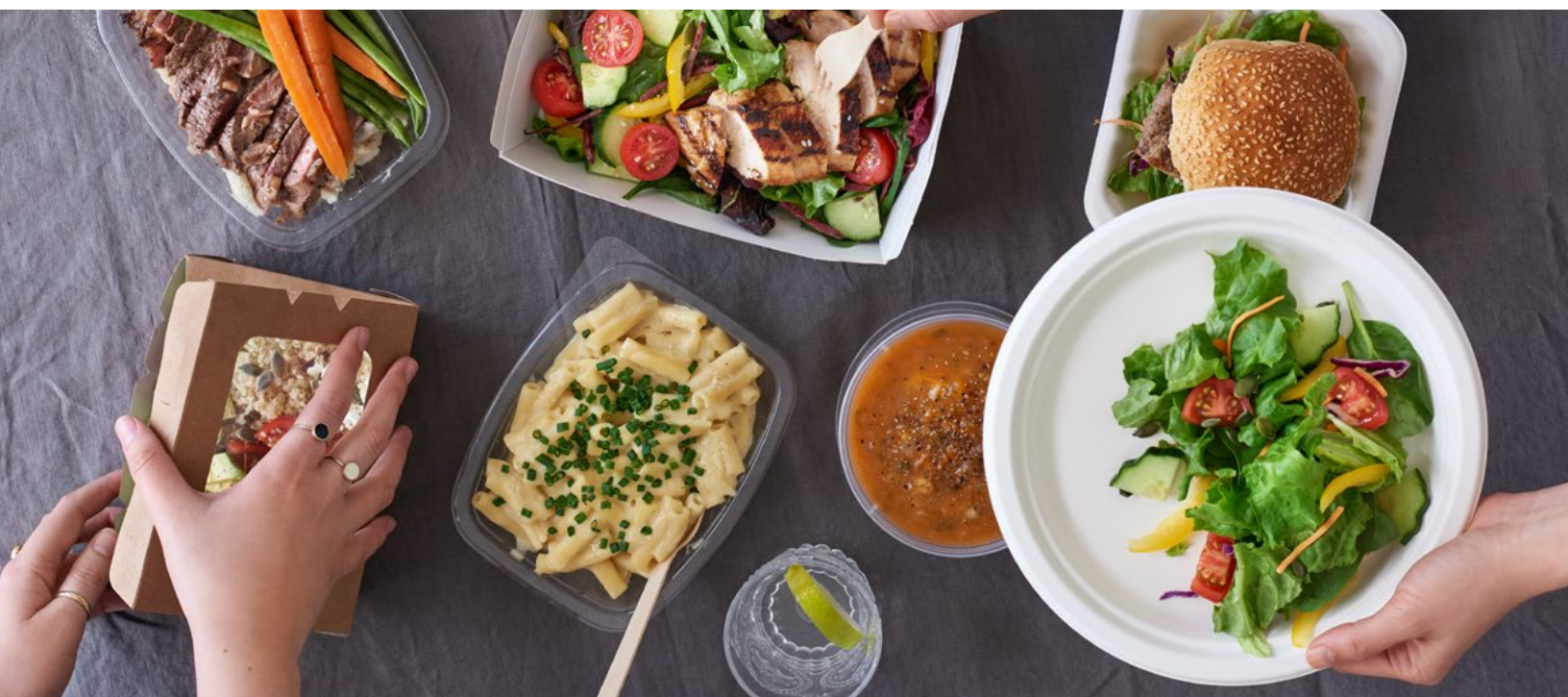
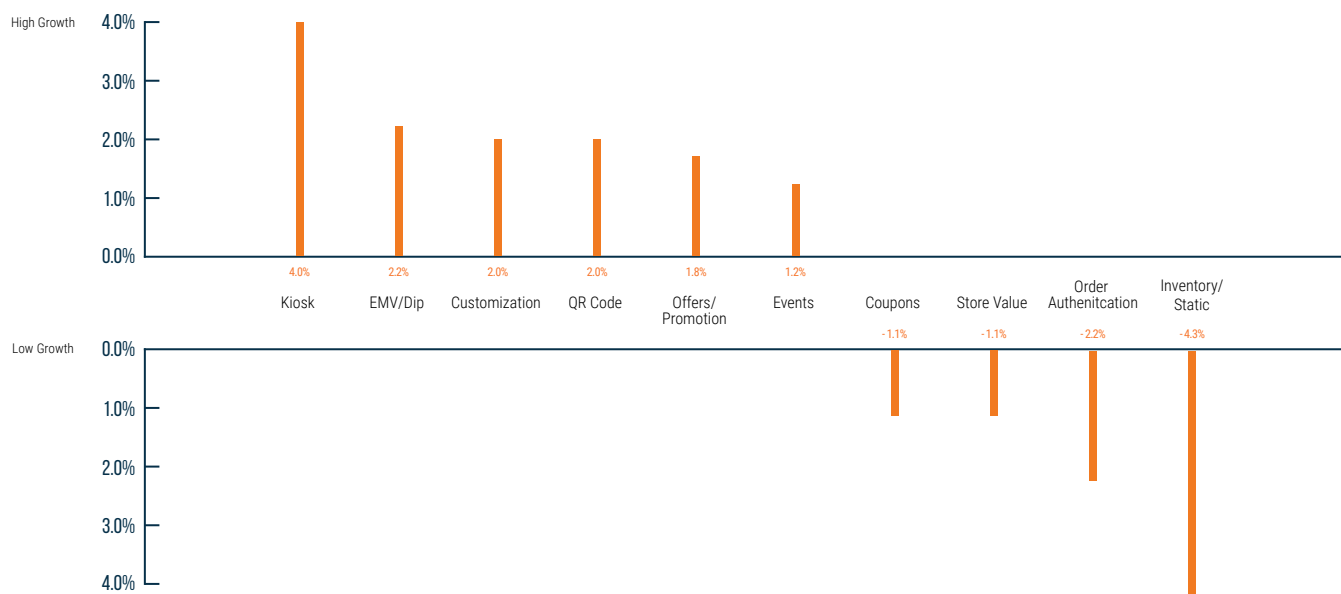


Figure 13: Features exhibiting highest and lowest growth



For websites, the trend is customization. More QSRs are offering features that help consumers customize orders, including a 9 percent growth in stored value payments and a 5 percent growth in third-party aggregator apps.

Figure 14: Most important reason you prefer your merchant, by generation

■ Q4 2017

■ Q3 2017

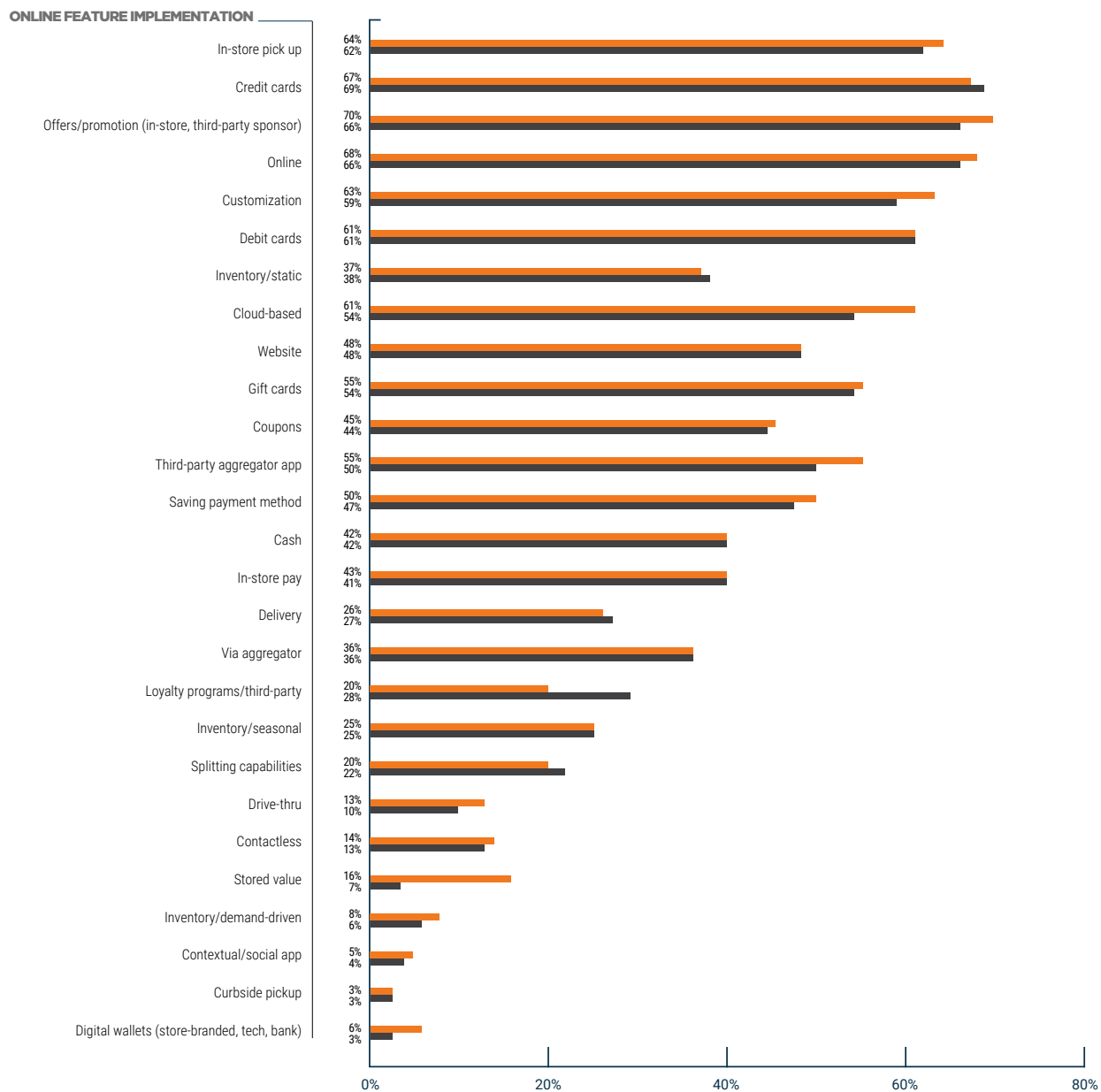
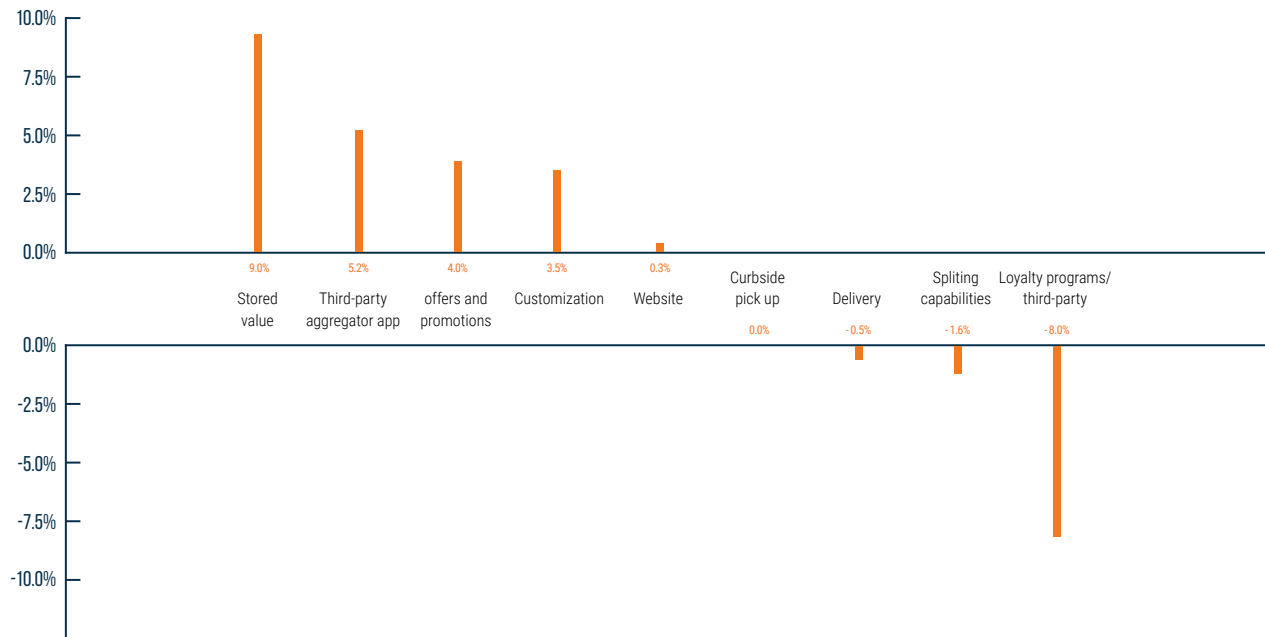


Figure 15: Online features with positive and negative evaluation

Credit card acceptance
grew by nearly **9 PERCENT**

and loyalty programs
grew about **7 PERCENT.**

Meanwhile, in the world of mobile apps, QSRs are focusing on promotions and accepting card payments to make order-ahead easier. Credit card acceptance grew by nearly 9 percent and loyalty programs grew about 7 percent, but some useful features — including saving a payment method and customization — decreased in prevalence.

This makes sense however, given that QSRs aren't doing a great job with mobile apps. They tend toward an overall focus on online and in-store features.



Figure 16: Most important reason you prefer your merchant, by generation

■ Q4 2017 ■ Q3 2017

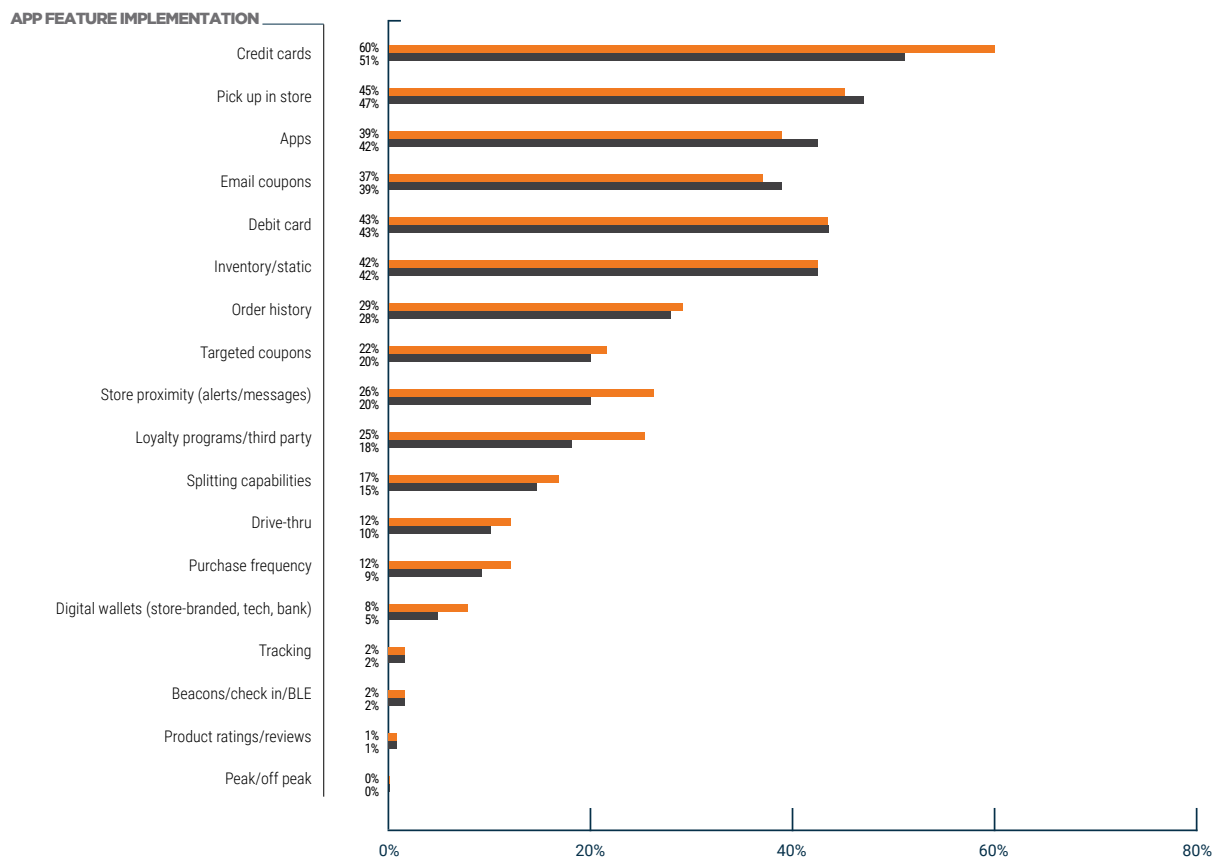
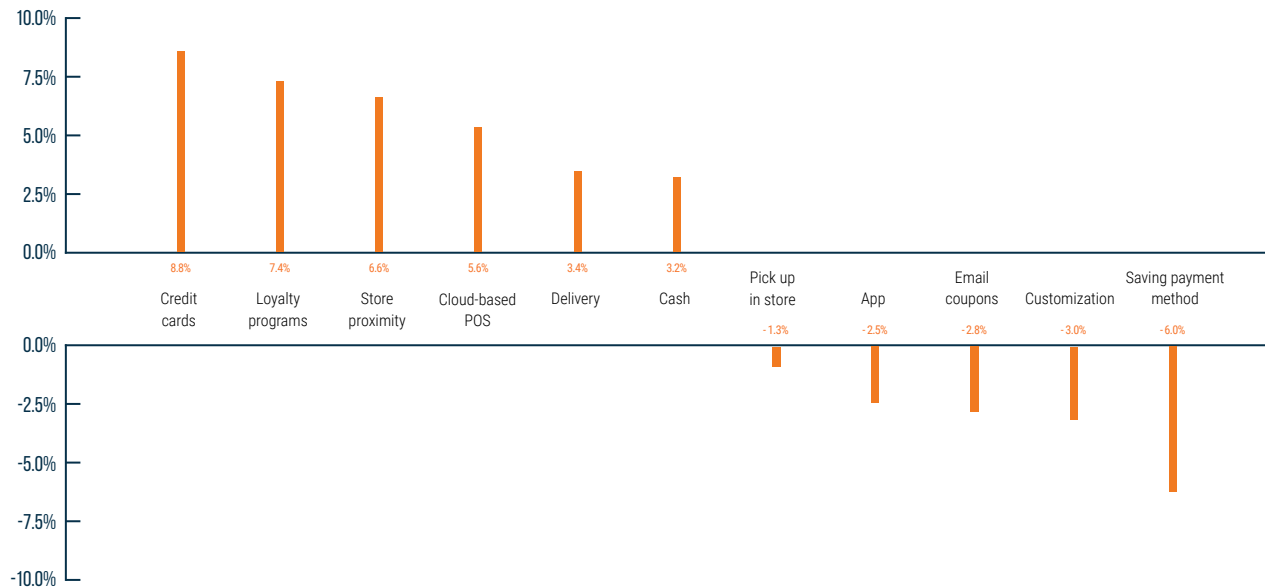
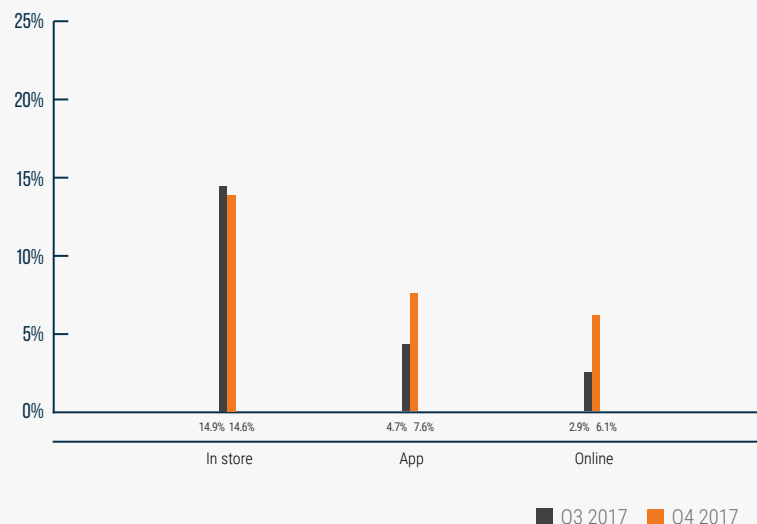


Figure 17: Most important reason you prefer your merchant, by generation

FEATURES

OF THE FUTURE

Finally, we examined the features of the future: digital wallets, beacon technology and the cloud. Digital wallets continue to be more popular in stores and are being implemented at a rate of approximately 14 to 15 percent, but QSRs are enabling them at lower rates online and in mobile apps.

Figure 18: Digital wallet implementation, by channel

Beacon technology has low implementation rates across both in-store and mobile app channels, however, a trend that doesn't look to be changing. If anything, implementation decreased slightly from 2.3 percent in apps to 2.2 percent this quarter.

Finally, while cloud-based features are gaining popularity, their implementation has seen declines among small and medium-large QSRs. Implemented at a rate of 53.6 percent last quarter, that figure has risen to 60.7 percent this quarter. For QSRs with more than 500 locations, this jumped from 88 percent to 100 percent. Smaller chains showed less growth, though, and cloud-based feature implementation actually decreased for those in the 26 to 50 range.

Figure 19: Beacon technology implementation, by channel

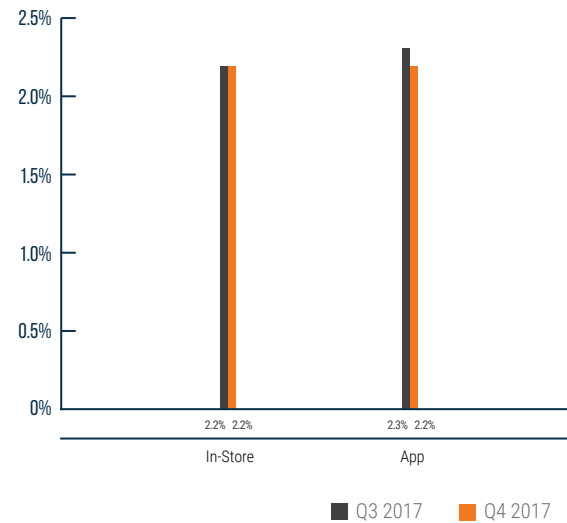
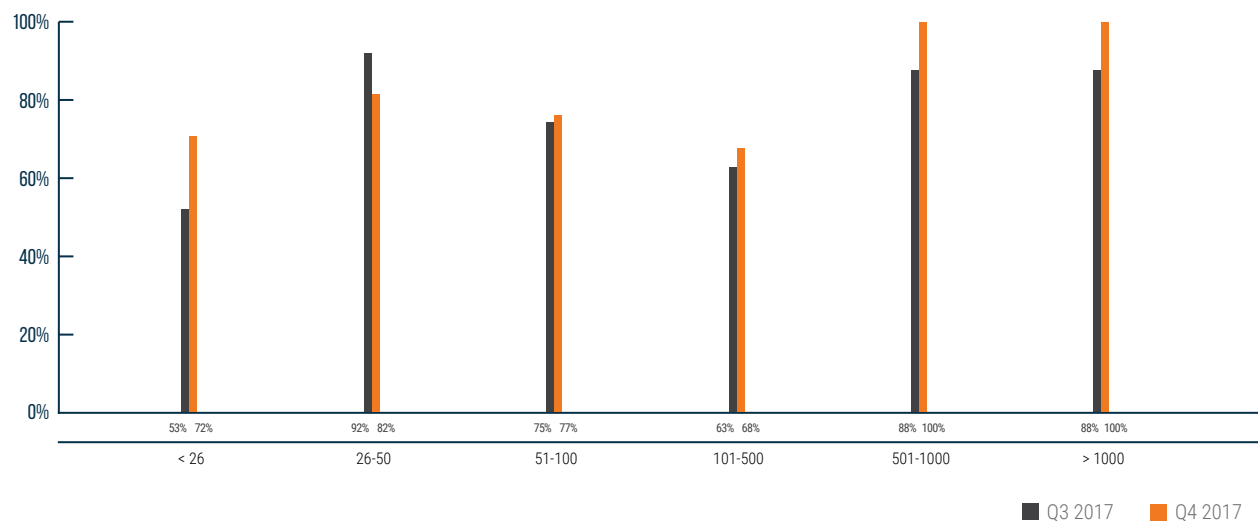


Figure 20: Implementation of cloud-based features, by size



FEATURE STORY





TURNS TO MOBILE TECHNOLOGY TO KEEP UP WITH THE DIGITAL JONESES



When it comes to keeping restaurant customers happy, convenience is king. Modern diners want what they want, right when they want it — and if they can't find it from one restaurant, they have no problem walking into another that offers a speedier or more convenient experience.

Recent research indicates diners cite convenience as one of the most important features offered by their go-to restaurants.³ Restaurant customers placed more orders digitally and ate more meals away from restaurants in 2017 than in any other year on record, and projections say those figures will continue to grow in the months and years to come.

These rising expectations have even previously resistant restaurants investing in mobile ordering and other technologies — including pancake chain **IHOP**. In a recent interview with PYMNTS, executive

director and head of IT Michael Chachula discussed the Amazon and Uber effect on the QSR industry, and how it challenged IHOP to debut its first mobile app in late 2017.

“The reality is that this all came about from customer demand,” Chachula explained. “The Amazonization and Uberization of our society has really removed friction, made convenience a top priority and put it on the top-of-mind for most customers, whether it be retail, restaurants or really any type of purchase. That’s really what drove us down the path of creating an IHOP mobile app and investing in other technology.”

BUILDING FROM THE GROUND UP

After watching competitors like Waffle House and Denny’s add mobile purchasing capabilities, IHOP decided in early 2017 that it was time to add some of its own.⁴

³ Glazier, Fern. Convenience and value will prevail in 2018. Nation’s Restaurant News. 2017. <http://www.nrn.com/consumer-trends/convenience-and-value-will-prevail-2018>. Accessed April 2018.

⁴ Author unknown. Denny’s boosts service with its new on-demand ordering. PYMNTS.com. 2017. <https://www.pymnts.com/news/2017/dennys-boosts-service-with-its-new-on-demand-ordering/>. Accessed April 2018.

Rolling out its first mobile offering meant deciding which features would make digital ordering suit the needs and preferences of IHOP's customer base, including many who had been patrons for more than 50 years. Delivering on that took a "herculean effort" that spanned nine months, according to Chachula.

Enabling a seamless ordering experience means customers can place and pay for orders on the app. They can search nearby locations and choose one from which to shop, then look over that location's options before ordering directly from the menu. Customers can then make in-app payments using American Express, Discover, Mastercard or Visa credit or debit cards.

"When we were building the app, we really tried to just make the ordering process as seamless as possible for folks to get it into their cart and pay," Chachula said. "It was also about making sure the app was reliable and consistent, so that customers could know they could have confidence in purchases they were making there and know what to expect."

IHOP wants to make it even easier for customers to place an order, working with Internet of Things (IoT) technology providers to add new ordering streams in the future. It recently partnered with Google to allow for mobile orders placed via the Google Assistant or Google Home, and with IBM and General Motors (GM) to add one-touch ordering and payment to 2017 and 2018 GM automobiles.

"When you think about this digital evolution, it really all comes back to the idea of removing friction," Chachula said. "It's about making things more convenient, and using mobile technology, the Internet of Things or whatever comes next to provide a fully immersive experience for guests."

CHANGING TECHNOLOGY, CHANGING CUSTOMERS

But making the ordering process more convenient isn't much help if those items aren't ready when customers arrive because they've been skipped or forgotten — issues that often arise when rolling out mobile order-ahead offerings. To combat this, IHOP programmed its service to feed digital orders directly into the kitchen's display system, ensuring mobile and online orders are integrated into its kitchens without interruption.

Larger behavioral changes have come on the customer side of the equation, Chachula explained. Like other restaurants with such offerings, IHOP has seen an uptick in the total size and price of orders. Chachula believes those changes are motivated by the change in value proposition for restaurant customers.

"When you're sitting at the table and grab the menu, you can just ask your server to bring you something extra," he said. "But if you're at home and then remember that [something extra], you're not going to take off your pajamas to pick up more food. So, what people tend to do is say, 'I know I might want this,' or 'I think I might want this,' and they place a larger order, even if they end up saving food for leftovers the next day."

Convenience factor also plays into the larger ordering size, as customers who are planning to order will often see if whomever is around them — friends, coworkers or family members, for example — also want to order, thus leading to bigger checks.

STICKING AROUND FOR THE LONG TERM

While the company is focused on making it as easy as possible for customers to order and pay, simply offering the ability to place an order isn't enough for

modern customers with higher digital and mobile expectations. IHOP's internal research has found customers will often place an order via a mobile app, then delete the app after the transaction is completed to save space on their phones.

The company wanted to provide an app that would stay on a customers' phone long after a purchase was completed, Chachula said, giving IHOP a chance to continue to connect and interact with its customers.

"We really wanted to make this app sticky so it would stay on customers' phones, and you can't just do that with useful or cool features," he explained. "It has to be done through marketing and appealing directly to customers through the mobile app. If they are mobile users, email or some other kind of marketing might not be the best way to connect with them."

IHOP has so far used push notifications to present promotional offers and information to customers and encourage them to keep the app installed. In the future, Chachula said the company plans to use other mobile means to connect on a more personalized level.

It is also working to widen the number of accepted payment methods to meet rising customer expectations, including use of mobile wallets and even cryptocurrency down the road.

After all, when it comes to keeping restaurant customers happy, offering convenience is still the key to staying on top.



METHODOLOGY

The Restaurant Readiness Index (RRI) measures the level of innovation that quick service restaurants (QSRs) implement to make their ordering processes easier and more appealing for customers. The user experience has become increasingly important in the competitive QSR market. As such, QSRs must implement new technologies and offer customers a wide variety of features to stay ahead. The Index was created to measure and identify the key innovative features users value when purchasing goods from QSRs.

We analyzed 178 QSRs and tracked the presence or absence of key features. In addition, we evaluated other metrics related to performance such as the time, clicks and number of pages required to complete a transaction. As part of the process, analysts applied perspective on both how the features were incorporated in the overall

consumption process and how positive the user found the experience. Finally, we used multivariate statistical techniques to determine which factors contributed most to the innovation and overall experience of the consumer.

The Index was constructed based on the data collected from the research, with a value of 0 when the QSR provided no innovative features and/or a poor consumer experience and 100 for very innovative QSRs. This Index is actually comprised of three different Indexes, each one measuring the innovation level of the QSR in a specific channel (In-Store, Mobile App and Online Web). Finally, the three Indexes were averaged using weights based on the percentage of QSRs serving each channel. This tally created the Restaurant Readiness Index.

$$RRI = 0.556 * In\ Store\ Index + 0.184 * App\ Index + 0.26 * Online\ Index$$

Table 1. Weight of each channel and category of the RRI











CHANNEL	WEIGHT	CATEGORY ⁵	WEIGHT
In-Store	55.6%	Order	18.0%
Mobile App	18.4%	Order Fulfillment	16.3%
Online Web	26.0%	Knowledge	14.7%
		Rewards	8.0%
		How Can I Pay	43.1%

⁵ Note: The category definitions are presented at the end of the methodology section.

SITE SELECTION

As part of the analysis on technology implementation, 172 of the QSRs selected have between eight and 2,630 locations, allowing us to observe a good mix of consumer ordering experiences at QSRs. The other six make up the control group of larger QSRs, a group boasting between 3,000 and 7,000 locations.

Table 2. Distribution Of QSRs

TYPE OF QSR	< 26	26 - 50	51 - 100	101 - 500	501 - 1,000	1,001 +	TOTAL
 ASIAN/NOODLE	6	2	2	3	0	1	14
 BAKERY/CAFE	3	0	3	9	1	3	19
 BURGER	5	1	2	10	4	3	26
 CHICKEN	2	3	4	3	2	1	16*
 COFFEE/TEA	1	3	0	5	1	0	11*
 FROZEN DESSERT	2	1	3	5	2	2	15
 MEXICAN	1	1	4	6	1	2	16*
 SANDWICHES	5	3	3	10	2	2	26*
 SPECIALTY (BBQ, JUICE, ETC.)	8	2	2	5	5	1	23
 SOUPS, SALADS & BOWLS	5	3	3	1	0	0	12
TOTAL	38	19	26	57	18	15	178*

*Includes uncategorized QSRs

RESEARCH APPROACH

To evaluate and quantify the impact on analyst ranking, we shopped each QSR ourselves — from landing page to checkout — and collected 102 variables for each of the 174 merchants included in our study.

Each factor's presence was gauged by measuring its implementation across QSRs. The evaluation was accomplished based on data that was used to construct, on average, more than 30 categorical variables for each channel.

SCORING

The calculation of the final RRI was based upon the prevalence of features or technology implementation when ordering at a QSR in each of the available channels. Each factor was part of a broader category, including Order, Rewards, Knowledge, Order Fulfillment or How Can I Pay. We used statistical regression techniques to determine which factors were the largest drivers of analyst ranking and appreciation in each channel, and used the result to calculate their corresponding weights in the Index. The RRI score results from the weighted average of the three Indexes using the previously defined weights.

SECTION	CHANNEL	VARIABLE	DESCRIPTION
ORDER	In-store	Kiosk	The restaurant has a kiosk to place order
	In-store	Events	The restaurant provides services for events or special services for businesses
	In-store	Inventory/static	The restaurant shows a dynamic inventory of their regular menus
	Online	Inventory/static	The restaurant shows a dynamic inventory of their regular menus
HOW I PAY	Application	Digital wallets (store branded, tech, bank)	The restaurant accepts digital wallets
	Application	Gift cards	The restaurant accepts gift cards
	In-store	Digital wallets (store branded, tech, bank)	The restaurant accepts digital wallets
	In-store	Contactless	The restaurant has contactless payment options
	In-store	Beacons/check in/BLE	The restaurant accepts beacons for paying
	In-store	QR code	The restaurant accepts payments through QR code on mobile phone
	In-store	Payment options	Number of payment options the restaurant has
	Online	In-store	The restaurant accepts ordering online and paying in-store
	Online	Credit cards	The restaurant accepts online payments using credit cards
	Online	Gift cards	The restaurant accepts online payments using gift cards

SECTION	CHANNEL	VARIABLE	DESCRIPTION
KNOWLEDGE	Application	Order history	The restaurant saves all orders I have made in the application
	Application	Predictive ordering	The restaurant knows the frequency of my purchase and makes recommendations based on my history
	Application	Store proximity (alerts, messages)	The restaurant sends notifications when I'm close to the store
	In-store	Cloud based POS	The restaurant has a cloud based POS
	Online	Cloud based POS	The restaurant has a cloud based POS
	Online	Saving payment method	The restaurant allows me to save payment methods on my profile in the application
ORDER FULFILLMENT	Application	In-store	I can order through the app and pick up my order in-store
	Application	Curbside pickup	I can drive to the restaurant and the staff will bring my order to me
	Application	Drive-thru	I can pick up my order through a drive through window
	In-store	Order Authentication	The restaurant authenticates the person picking up the order
	Online	In-store	I can order online and pick up my order in-store
	Online	Curbside pickup	I can drive to the restaurant and someone will bring my order to me
REWARDS	Application	Loyalty programs/ third party	The restaurant has a loyalty program created by third parties
	Application	Targeted coupons	The restaurant notifies me on application with targeted coupons according to previous purchases
	In-store	Offers/promotions	The restaurant use offers or promotions
	Online	Loyalty programs/ third party	The restaurant notifies me with targeted coupons according to previous purchases

CATEGORY DEFINITION

ORDER	Measures ways of making an order and features that enable users to change or cancel existing orders
REWARDS	Measures site features that provide loyalty rewards and promotions to users
KNOWLEDGE	Measures the existence of features that register user characteristics, allowing QSRs to know more about consumers and facilitate future orders
ORDER FULFILLMENT	Measures site and app features that provide different ways to fulfill an order after it is submitted
HOW CAN I PAY	Measures ease of using a desired payment, such as payments accepted, transaction amount, currencies, payment methods and whether the transactions were one-time or recurring

ABOUT

The PYMNTS.com Restaurant Readiness Index™, in a collaboration with Bypass, analyzes how QSRs are doing when it comes to innovation. Namely, are they being innovative and are their features adding to customers' experiences? We studied 178 QSRs, including six large restaurant chains in 10 different segments and two groups of restaurants. The bulk of the sample includes 172 restaurants that range from eight to 2,630 locations.

We are interested in your feedback on this report. Please send us your thoughts, comments, suggestions or questions to rri@pymnts.com.

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[PYMNTS.com](https://pymnts.com) is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

BYPASS

Bypass is the leading innovator in enterprise POS systems, robust back office management tools, and rich insights engines for the multi-site food & beverage industry. Its approach helps over 160 professional & collegiate sports venues and national restaurant chains accelerate profit, efficiency, and guest experience beyond levels achieved with legacy solutions. This happens with tablet POS terminals and a cloud-enabled open API platform broad enough to serve the full spectrum today's needs and agile enough to rapidly support future requirements. The company has deployed 10,000+ devices at a cost, pace, and ease of integration never before possible.

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