

**Delivering On Restaurant**

**Rewards**, a PYMNTS and Paytronix collaboration, draws from a survey of a census-balanced panel of 2,149 U.S. consumers about the types of restaurants from which they order, whether they use those restaurants' loyalty and rewards programs and the types of rewards they would like to receive to understand how restaurants can customize their rewards offerings to enhance their businesses.

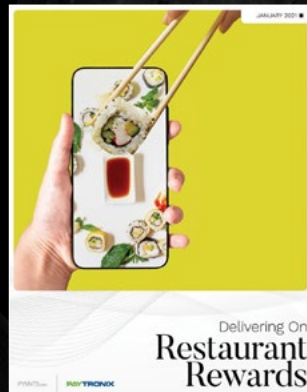


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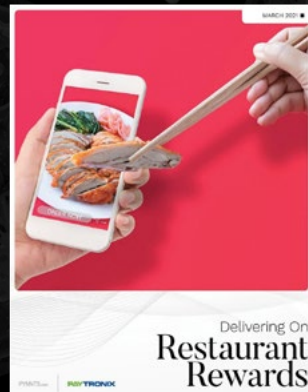
Delivering On Restaurant Rewards

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# Delivering On Restaurant Rewards



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Delivering On Restaurant Rewards was done in collaboration with Paytronix, and PYMNTS is grateful for the company's support and insight. **PYMNTS.com** retains full editorial control over the following findings, methodology and data analysis.

# Introduction

Restaurants across the United States are scrambling to boost their sales as pandemic shutdowns drag on, but one industry segment has managed to weather the financial storm better than the rest: pizza restaurants. Pizza has become a staple for consumers stuck at home, as many see it as a quick and convenient comfort food that is easy to order and deliver. It is perhaps not surprising that the combined revenues of major pizza chains Domino's and Papa John's increased 12 percent during the first nine months of the pandemic, and even frozen pizza sales increased almost 21 percent in that time frame.<sup>1</sup>



Consumer demand is not the only factor that has helped boost pizza sales, however. Pizza restaurants have also been uniquely positioned to handle the resulting surge in demand. Many have offered digital ordering and home delivery options for years, allowing them to transition seamlessly to a takeout-centric business model and deliver the at-home dining

<sup>1</sup> Creswell, J. Pizza was the restaurant hero of 2020. *The New York Times*. 2021. <https://www.nytimes.com/2021/02/12/business/pizza-delivery-covid.html>. Accessed March 2021.

experiences that have surged in demand during the pandemic. This has given pizza restaurants a leg up on competitors that had to pivot to implement new digital ordering channels after shutdowns began. Their success goes to show that it is not enough for restaurants to offer food their customers want to purchase — they must also provide ordering features that suit their customers' unique needs. Who are the consumers placing the most restaurant orders, and how do their ordering and payment preferences vary?

The sixth edition of Delivering On Restaurant Rewards, a PYMNTS and Paytronix collaboration, explores how different types of U.S. households place restaurant orders. We surveyed a census-balanced panel of 2,149 U.S. consumers to learn how the composition of their households determines how much they spend on food orders, whether they use restaurant loyalty and rewards programs and which ordering features food sellers must adopt to drive their restaurant spend.

**This is what we learned.**

**It is not enough for restaurants to offer food their customers want to purchase —**

**they must also provide ordering features that suit their customers' unique needs.**

## The digital food ordering shift is strongest among households with children.

Parents are continuing to order from restaurants to save time and ease the stress of cooking for their families, and they are choosing digital channels to do so.

Consumers have been cooped up at home for the better part of the last year, and for most, this has meant having to cook meals they might once have eaten out.

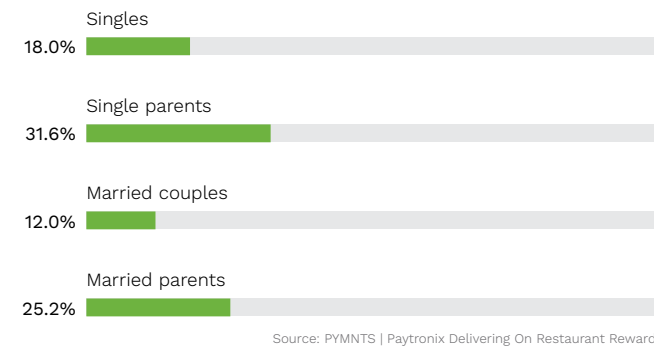
Many consumers have stopped ordering from restaurants altogether since the pandemic began, but their likelihood of doing so varies by household. Households headed by married parents are the most likely to have continued ordering from restaurants, with 98 percent saying they have never stopped placing restaurant orders since the pandemic's onset. Single parents come in second, at 95 percent, followed by married couples without children and finally singles, at 89 percent and 88 percent, respectively.

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FIGURE 1:

### Measuring the digital food ordering shift among different types of households

Share that have switched to ordering food online, by household type



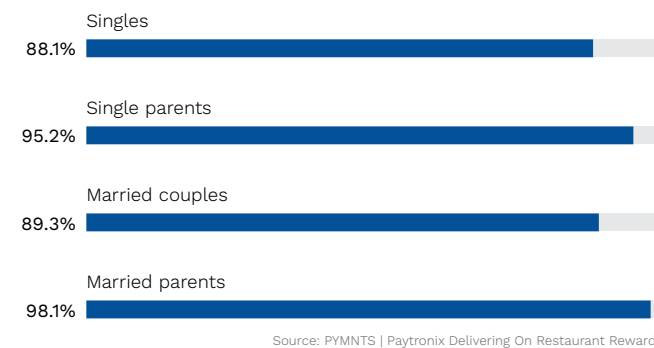
### PARENTS

Consumers with children are more likely than those without children to be ordering as regularly from restaurants as they did before the pandemic began.

FIGURE 2:

### How many households place regular restaurant orders

Share that ordered from restaurants prior to the pandemic who continue to do so, by household type



Parents are also twice as likely as married couples without children to have shifted to ordering their food online since the pandemic began. Twenty-five percent of couples with children say they are ordering food less on-site and more online since the pandemic's onset, in fact. Only 12 percent of married couples without children and 18 percent of singles say the same. Single parents, in fact, are the most likely of all to have made this switch, with 32 percent saying they have shifted to ordering restaurant food online in the past year.

## U.S. households spent \$4,520 on food ordered online since the pandemic began, on average. Households headed by married parents spent \$7,792.

U.S. consumers generally order their food using one of three purchasing channels: online, over the phone or in person. The largest share of those orders are placed online. The average U.S. household spent \$4,520 on digital food orders last year since shutdowns began, 42 percent of the \$10,832 it spent on all food orders. This compares to average household spending of \$3,034 on food orders placed over the phone and \$3,278 on food orders placed in person.

Household food order spending varied by the type of families that placed food orders, however. Married couples with children spent more on food orders than any other type of household in 2020, having placed an average of 96 QSR orders and 86 sit-down restaurant orders using a variety of digital channels and spending an annual total of \$7,792 online.

Married couples without children spent less on online food orders in the last year than any other household type, spending just \$2,204. Single consumers spent an average of \$3,122 on online food orders in the year since shutdowns began, by comparison.

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### ORDERING ONLINE

Married parents spent almost twice as much as any other type of household on online food orders last year.



TABLE 1:

#### How much U.S. households spent on restaurant orders in 2020

Average amount spent on restaurant orders since the pandemic began, by household type

	HOUSEHOLD TYPE			
	Singles	Single parents	Married couples	Married parents
PHONE CALL				
• QSR	\$1,264	\$1,714	\$1,151	\$4,240
• Table-service restaurant	\$1,280	\$1,684	\$1,161	\$3,364
ONLINE				
• QSR	\$1,849	<b>\$2,682</b>	\$1,431	<b>\$5,688</b>
• Table-service restaurant	<b>\$2,257</b>	\$2,466	\$1,379	\$4,841
DINE IN				
• QSR	\$1,350	\$1,583	\$1,382	\$4,257
• Table-service restaurant	\$1,501	\$1,532	<b>\$1,503</b>	\$3,598

Source: PYMNTS | Paytronix Delivering On Restaurant Rewards

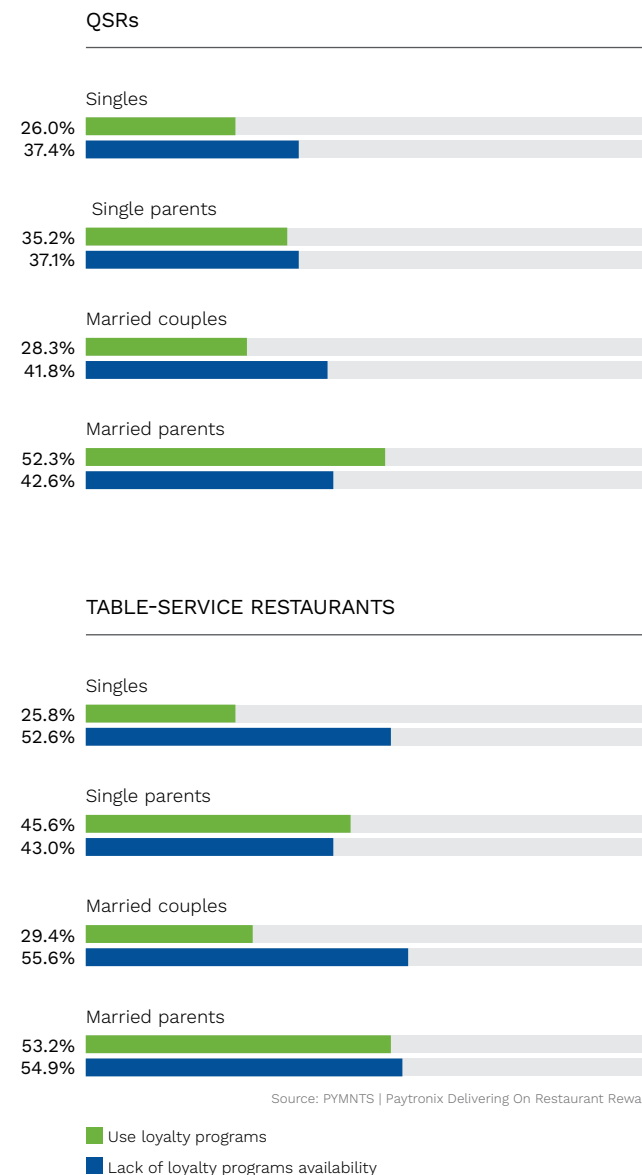
More than half of all married parents are using restaurant loyalty programs to get more for the money they spend on food orders. **The majority of households would spend more on food orders if restaurant loyalty programs were available.**

Ordering food from restaurants can save consumers time and hassle, but the cost of doing so can quickly add up. Loyalty and rewards programs are a common way that restaurant customers look to reduce these costs, but many either lack access to such programs or are unaware that they are available. More than half of all table-service restaurant customers say they do not use loyalty programs simply because they do not believe they are available, in fact.

Married couples with or without children are the most likely to cite a lack of availability as their reason for not using loyalty programs. Fifty-six percent of married couples and 55 percent of married parents do not use table-service restaurant loyalty programs because they do not believe that they are available. Fifty-three percent of single consumers say they do not use table-service restaurant loyalty programs for this reason.

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**FIGURE 3:**  
**Why some households use or do not use loyalty and rewards programs**  
Share that use and do not use loyalty programs due to lack of availability, by household and restaurant type



Fifty-six percent of married couples who order from table-service restaurants do not use loyalty programs simply because they do not believe they are available.

Single parents use loyalty programs more than single consumers who do not have children. It appears that they either specifically order from restaurants that offer such programs or that they are more aware of how to locate and use the loyalty programs that are available to them. Only 43 percent of single parents cite a lack of availability as their reason for not using table-service restaurant loyalty programs, for example, compared to 53 percent of single consumers without children who cite this as a reason.

## Restaurant loyalty programs would encourage 40 percent of parents to spend more on food orders.

Restaurant customers are on the lookout for more restaurant loyalty and rewards programs to help them get more value for their money. Many — especially parents — would be willing to spend more to earn rewards. Our research shows that 39 percent of married parents and 40 percent of single parents say that loyalty and rewards programs would encourage them to spend more on their food orders. We also found that 36 percent of married couples and 33 percent of single individuals would spend more on food orders if their restaurants offered loyalty and rewards programs.

Loyalty programs are not the only feature that could help boost restaurant spend, however. Consumers are also seeking digital features that they can use to order remotely or save time. Married parents are the most likely group to say they would be willing to spend more on food orders if they could pay online, order online or order via mobile app, for example, while single parents are more likely to say they would spend more if they could pick up their orders curbside.

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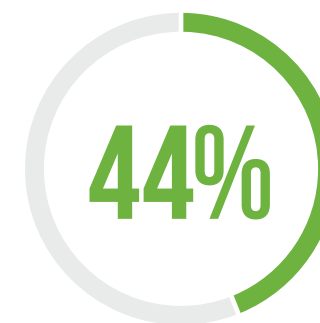
TABLE 2:

**What would encourage different types of households to boost their restaurant spend**

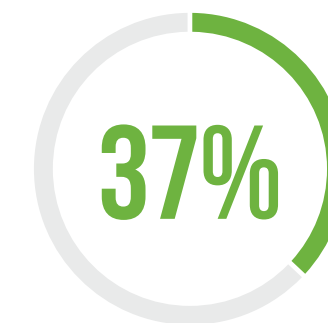
Share who say select features would encourage them to spend more on food orders by household type

	HOUSEHOLD TYPE			
	Singles	Single parents	Married couples	Married parents
• Loyalty and rewards program	33.2%	39.5%	<b>36.4%</b>	38.7%
• Online payment ability	<b>38.7%</b>	<b>40.2%</b>	34.3%	<b>43.8%</b>
• Online ordering ability	<b>38.7%</b>	40.0%	34.7%	43.0%
• Fast lane in-store pickup	36.6%	34.2%	35.6%	35.7%
• Drive-thru pickup	35.1%	32.5%	35.7%	33.6%
• Curbside pickup	32.9%	38.1%	33.2%	34.4%
• Mobile app ordering ability	29.2%	36.8%	24.1%	38.3%
• Order from website on mobile	23.7%	27.0%	20.5%	32.8%
• Pay with card on file	23.3%	26.9%	18.9%	25.6%
• Pay with contactless card in store	20.4%	28.6%	18.3%	22.1%

Source: PYMNTS | Paytronix Delivering On Restaurant Rewards



Forty-four percent of married parents would spend more on food orders if they could pay for them online.



Thirty-seven percent of single parents would spend more on food orders if they could place them via app.

# Conclusion

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Consumers are ordering out to help make their lives at home simpler and more manageable. Not all families are getting the value that they could from their restaurant ordering experiences, however. Many do not have access to the digital purchasing channels or loyalty and rewards programs that they want to use, while others are unaware that such offerings are even available. Restaurants must take an active role in both providing and promoting these features to boost their sales and ensure they are delivering the ordering experiences that can keep them ahead of the competition.

## Methodology

Delivering On Restaurant Rewards, a PYMNTS and Paytronix collaboration, draws from a survey of a census-balanced panel of 2,149 U.S. consumers to gain insights into the types of rewards programs they use and would like to use when placing food orders. Respondents were 48 years old on average, 33 percent had college degrees and 35 percent earned more than \$100,000 annually.





# ABOUT

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