

The Digital Divide Report, a PYMNTS and Paytronix collaboration, examines the spending habits of restaurant customers. We surveyed 2,213 U.S. adults who regularly purchase food from restaurants — including dine-in, delivery and pickup — between September 2 and 9 about how they place orders and how much they spend. This report focuses on food delivery aggregators, an ordering method that some consumers find convenient but others avoid due to perceived high costs.

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Delivering On Restaurant Rewards

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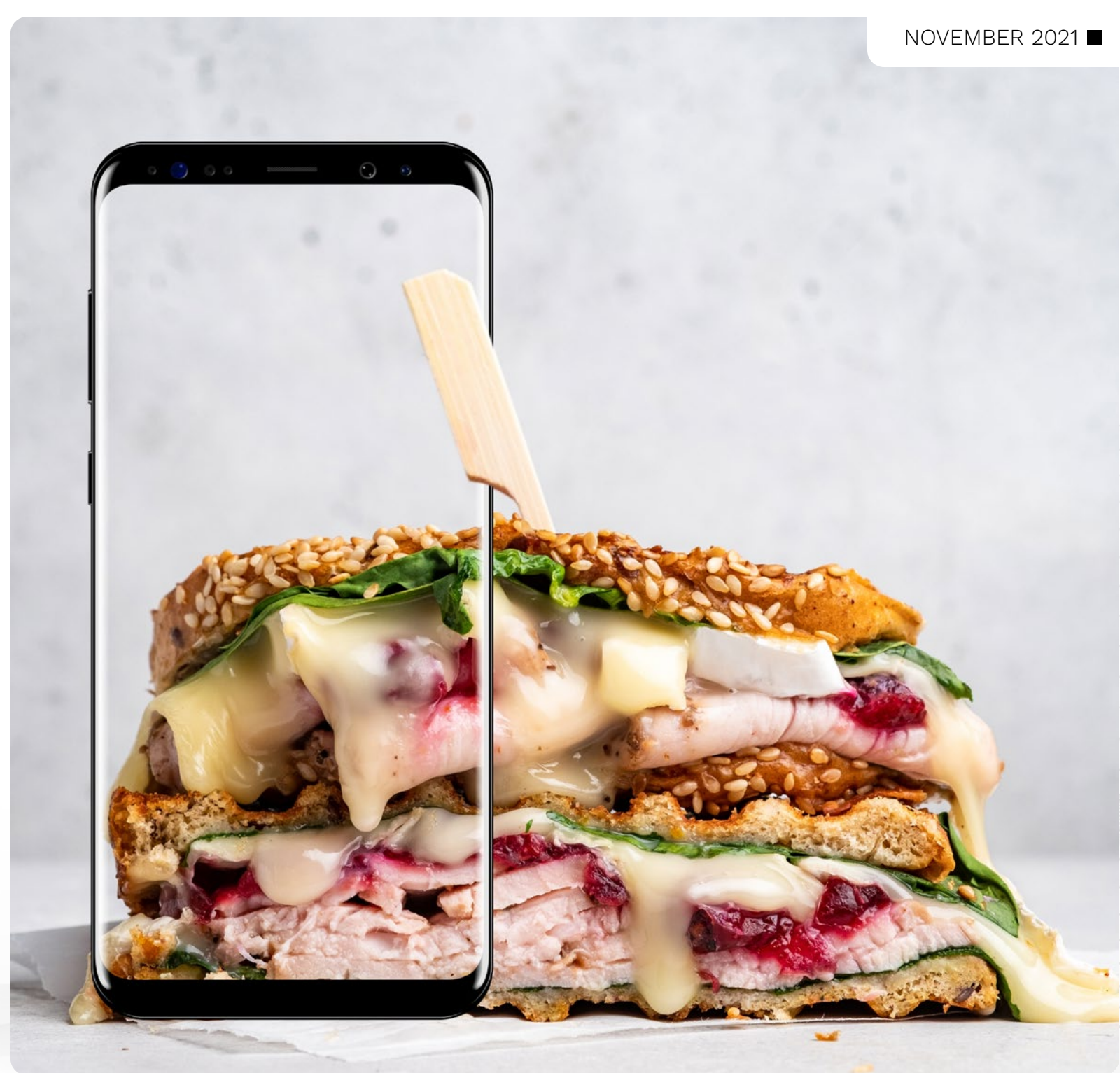
Delivering On Restaurant Rewards

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Digital Divide

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Digital Divide

Aggregators and High-Value Restaurant Customers



Digital Divide

Aggregators and High-Value
Restaurant Customers

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The Digital Divide Report was produced 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



The customer is always right, as the saying goes. When it comes to a restaurant's bottom line, however, some customers are more right than others — or at least more valuable.

High-spending, high-frequency customers represent the restaurant sector's most important customer segment. They are much more likely than others to use food delivery aggregator platforms such as DoorDash and Uber Eats, new PYMNTS research shows. These patrons account for 44% of restaurant customers who used an aggregator to order delivery from a table service restaurant in the last three months, and they account for 36% when it comes to quick-service restaurants (QSRs).



Our latest research finds that one-quarter of all restaurant patrons fall into the high-spending, high-frequency category, which we define as those who purchase food from restaurants at least once a week and spend more than \$40 per purchase on average. These customers have a unique set of spending preferences and characteristics. They tend to be young, earn high incomes and focus more than other customers on getting deals and discounts when they order delivery.

Aggregators and High-Value Restaurant Customers, the November edition of Digital Divide, a PYMNTS and Paytronix collaboration, examines the spending habits of United States restaurant customers, focusing specifically on the critical high-spending, high-frequency customer segment. We surveyed 2,146 U.S. restaurant customers — defined as those who purchase food from restaurants at least once a month — between Sept. 29 and Oct. 2 about their spending and ordering preferences.

This is what we learned.

■ PART I: THE HIGH-VALUE SEGMENT

High-spending, high-frequency customers account for one-quarter of restaurant patrons.

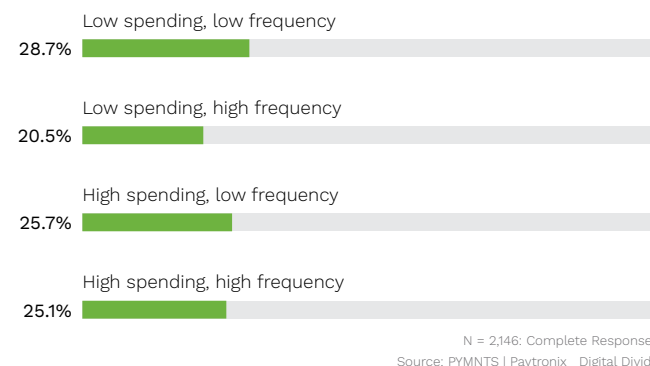
Consumers in this high-value segment account for an outsized share of food aggregator users.

The lucrative high-spending, high-frequency restaurant customer segment represents 25% of all U.S. restaurant customers, according to PYMNTS' research. The remainder fall into three other categories based on their average spending and purchasing frequency. High-spending customers spend an average of more than \$40 per purchase, while low spenders average less. High-frequency customers buy food from restaurants — including dine-in, delivery and pickup — at least once a week, while low-frequency customers do so less often.

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FIGURE 1:

Restaurant customer types
Restaurant customers, by spending type



BRIDGE MILLENNIALS

Members of this group experienced the internet at a young age and are old enough to be in their prime earning and spending years.

Restaurant customers in younger age brackets are more likely to be high-spending and high-frequency, our research shows. Of Generation Z consumers, 42% fall into the highest-value segment, followed by 35% of millennials and bridge millennials. Just 24% of Generation X consumers and 12% of baby boomers and seniors are high-spending, high-frequency customers.

TABLE 1:

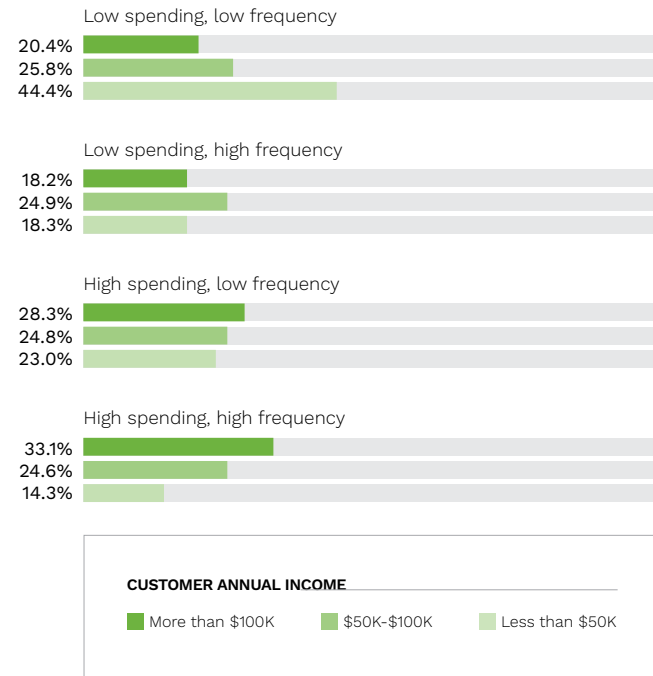
Restaurant customers' generational characteristics

Restaurant customers' spending and purchasing frequency, by type and generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors
• Low spending, low frequency	9.6%	16.5%	22.1%	27.3%	45.7%
• Low spending, high frequency	13.5%	18.3%	14.4%	20.4%	24.5%
• High spending, low frequency	34.8%	29.9%	28.9%	28.1%	17.4%
• High spending, high frequency	42.0%	35.3%	34.6%	24.2%	12.4%

N = 2,146: Complete Responses
Source: PYMNTS | Paytronix | Digital Divide

FIGURE 2:
Restaurant customers' income characteristics
Restaurant customers, by type and income bracket



N = 2,146: Complete Responses
Source: PYMNTS | Paytronix | Digital Divide

High-spending, high-frequency restaurant customers also tend to earn higher incomes. One-third of respondents who earn more than \$100,000 per year fall into the high-spending, high-frequency category, as do 25% of the middle-income respondents earning \$50,000 to \$100,000 annually. Just 14% of respondents in the lowest income bracket, earning less than \$50,000 per year, are high-spending, high-frequency restaurant customers.

It may come as little surprise that customers in the high-spending, high-frequency category account for outsized shares of the respondents who make purchases via each restaurant channel covered in our survey: dine-in, delivery and pickup for both table-service and QSR establishments. High-spending, high-frequency customers have an especially high propensity to use restaurant aggregators to order delivery, however. These customers account for 44% of respondents who ordered delivery from a table-service restaurant via an aggregator in the past three months and 36% of those ordering from QSRs via an aggregator during that time frame.

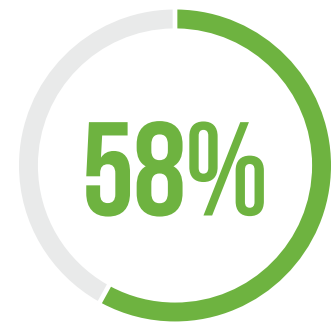
High-spending, high-frequency customers have an especially high propensity to use restaurant aggregators to order delivery.

TABLE 2:
Customers' usage of restaurant purchasing channels by customer type
Share of restaurant customers who purchased using select channels in the past three months, by customer type

	TOTAL	FREQUENCY			
		Low spending, low frequency	Low spending, high frequency	High spending, low frequency	High spending, high frequency
QSRs					
• Dine-in	51.2%	14.4%	12.4%	10.8%	13.6%
• Phone call	42.7%	12.7%	9.2%	8.3%	12.5%
• Order online with restaurant	44.5%	10.0%	10.2%	9.1%	15.2%
• Order online via aggregator	22.7%	5.1%	4.4%	5.0%	8.2%
TABLE-SERVICE RESTAURANTS					
• Dine-in	74.4%	19.3%	15.3%	18.9%	20.9%
• Phone call	39.0%	9.4%	6.4%	10.3%	13.0%
• Order online with restaurant	38.9%	6.7%	6.2%	11.2%	14.7%
• Order online via aggregator	17.4%	3.0%	2.9%	3.8%	7.7%

N = 1,686 Respondents who eat from restaurants with table service
N = 1,367: Respondents who eat from QSRs
Source: PYMNTS | Paytronix | Digital Divide

High-spending, high-frequency restaurant customers have similar preferences for using aggregator platforms as other customer types, but there are a few notable differences. Of this group, 58% of customers used DoorDash, the most-used platform overall, in the past 15 months, nearly the same rate as seen across the sample as a whole (57%). However, they were considerably more likely than other customers to have used the two other leading platforms, Uber Eats and Grubhub, as well as smaller platforms such as Seamless and Postmates.



Share of high-spending, high-frequency customers who use DoorDash

TABLE 3:
Customers' usage of aggregator platforms
Share of restaurant customers who used an aggregator in the past 15 months, by platform

	AVERAGE SAMPLE	FREQUENCY			
		Low spending, low frequency	Low spending, high frequency	High spending, low frequency	High spending, high frequency
• Doordash	57.2%	60.7%	52.1%	56.8%	58.3%
• Uber Eats	50.2%	30.8%	56.6%	44.7%	58.9%
• Grubhub	48.1%	41.6%	43.3%	45.6%	54.6%
• Postmates	25.3%	4.8%	15.2%	20.6%	41.1%
• Seamless	17.9%	4.8%	19.6%	14.3%	24.9%
• ChowNow	17.0%	0.5%	15.2%	21.9%	20.8%
• Caviar	15.2%	2.0%	9.0%	12.4%	25.1%

N = 668: Respondents who used an aggregator to place order from a restaurant in the past 15 months
Source: PYMNTS | Paytronix | Digital Divide



■ PART II: DEAL SEEKERS

High-spending, high-frequency aggregator users focus more on deals and discounts than other consumers.

More than one-third say ordering via aggregators is cheaper than using other channels.

Most restaurant customers who order via aggregators identify convenience as the main reason for using the platforms. Convenience is the most commonly cited reason among high-spending, high-frequency restaurant customers who have used an aggregator in the past 15 months (60%) and those in the other three spending-frequency categories (58% to 76%) who say the same.

High-spending, high-frequency restaurant customers are much more likely to identify cost-related factors as reasons for using aggregators; 35% say they believe it is cheaper to order via an aggregator than through other channels, more than twice the rate observed in the other three groups (12% to 17%). Similarly, 41% of high-spending, high-frequency aggregator users cite the ability to use discounts and special offers as a key reason for ordering via aggregators, a much higher share than observed for the rest of the sample.

TABLE 4:

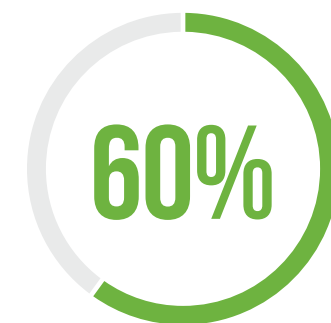
Customers' reasons for using food aggregators

Share of restaurant customers who cite important reasons for using food aggregators, by select reasons

	FREQUENCY			
	Low spending, low frequency	Low spending, high frequency	High spending, low frequency	High spending, high frequency
• Ease and convenience	71.4%	76.1%	57.6%	60.0%
• Only method available	37.1%	35.4%	31.3%	46.2%
• Faster delivery	24.1%	44.3%	38.2%	44.1%
• Discounts and offers	15.1%	32.1%	25.8%	41.2%
• Ordering and payment experiences	15.4%	45.3%	31.6%	42.9%
• Lower prices	11.5%	16.8%	16.3%	35.4%

N = 668: Respondents who used an aggregator to place order from a restaurant in the past 15 months
Source: PYMNTS | Paytronix | Digital Divide

These are notable findings since many restaurant customers who do not use aggregators cite cost-related factors as the top reason they avoid the platforms. This suggests that savvy aggregator users bargain shop and seek out special deals — and that this changes their perception of the relative cost advantages of aggregators.



Share of high-spending, high-frequency customers who cite ease and convenience as a key reason for ordering via aggregators

TABLE 5:
Customers' reasons to order directly from a restaurant
 Share of restaurant customers citing reasons to order from restaurants directly, by select reasons

	FREQUENCY			
	Low spending, low frequency	Low spending, high frequency	High spending, low frequency	High spending, high frequency
• Free delivery	57.6%	57.4%	50.2%	47.1%
• Time saving	50.2%	58.4%	48.2%	58.0%
• Lower prices	44.4%	38.1%	32.7%	34.4%
• Discounts and offers	38.3%	41.6%	34.2%	46.6%
• Loyalty programs	27.5%	37.3%	20.8%	41.6%
• Special items	16.0%	21.3%	29.1%	35.5%

N = 2,146; Complete Responses
 Source: PYMNTS | Paytronix | Digital Divide

Our findings support the conclusion that high-spending, high-frequency restaurant customers are more focused on obtaining special deals than customers in other spending-frequency groups. We asked all respondents what would encourage them to order directly from restaurants. Those in the high-spending, high-frequency category were much more likely than other respondents to identify special offers and discounts (47%) and access to the restaurant's loyalty program (42%) as reasons.

High-spending, high-frequency restaurant customers are more

focused on receiving special deals than others



■ PART III: THE AGGREGATOR AVOIDERS

Faster ordering is the number one reason high-spending, high-frequency customers who do not use aggregators would consider doing so (30%).

High-spending, high-frequency restaurant customers account for an outsized share of food aggregator users, but most in this high-value segment do not use these platforms.

PYMNTS examined the reasons behind this group's unwillingness to use aggregators and what might convince them to start. We found that delivery and service fees are the leading reason restaurant customers do not use aggregators across the four spending-frequency groups we surveyed. A much smaller share of high-spending, high-frequency spending customers (27%) cite this reason than those in other groups (between 37% and 49%). One other key difference is that 22% of high-spending, high-frequency customers who do not use aggregators cite past experiences with incorrect orders, more than twice the shares observed in the other three customer groups.

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TABLE 6:

Restaurant customers' reasons for not using aggregators

Share of restaurant customers who did not use an aggregator in the past 15 months, by select reasons

	AVERAGE SAMPLE	FREQUENCY			
		Low spending, low frequency	Low spending, high frequency	High spending, low frequency	High spending, high frequency
• Additional charges	40.9%	45.3%	48.7%	36.7%	26.8%
• Prefer direct ordering	33.5%	35.5%	37.4%	32.8%	24.6%
• More expensive	25.8%	23.6%	30.1%	27.4%	22.5%
• Do not trust	28.4%	27.0%	31.2%	32.3%	22.0%
• Negative web experience	13.1%	11.6%	16.4%	14.1%	10.6%
• Negative app experience	12.9%	12.8%	11.5%	14.8%	12.3%
• Received wrong order before	9.4%	5.1%	5.2%	10.7%	22.3%
• Loyalty programs is unavailable	5.6%	3.3%	6.6%	8.4%	5.0%
• Preferred payments method is unavailable	4.3%	3.5%	3.5%	4.4%	6.8%

N = 1,478: Respondents who have not used an aggregator to place order from a restaurant in the past 15 months
Source: PYMNTS | Paytronix | Digital Divide



Delivery and service fees

are the leading reason restaurant customers do not use aggregators

Most restaurant customers who currently do not use aggregators are open to doing so, however. Approximately one in five high-spending customers — both high frequency (22%) and low frequency (20%) — say they would not consider ordering via an aggregator, versus 41% of those in the two low-spending groups. High-spending,

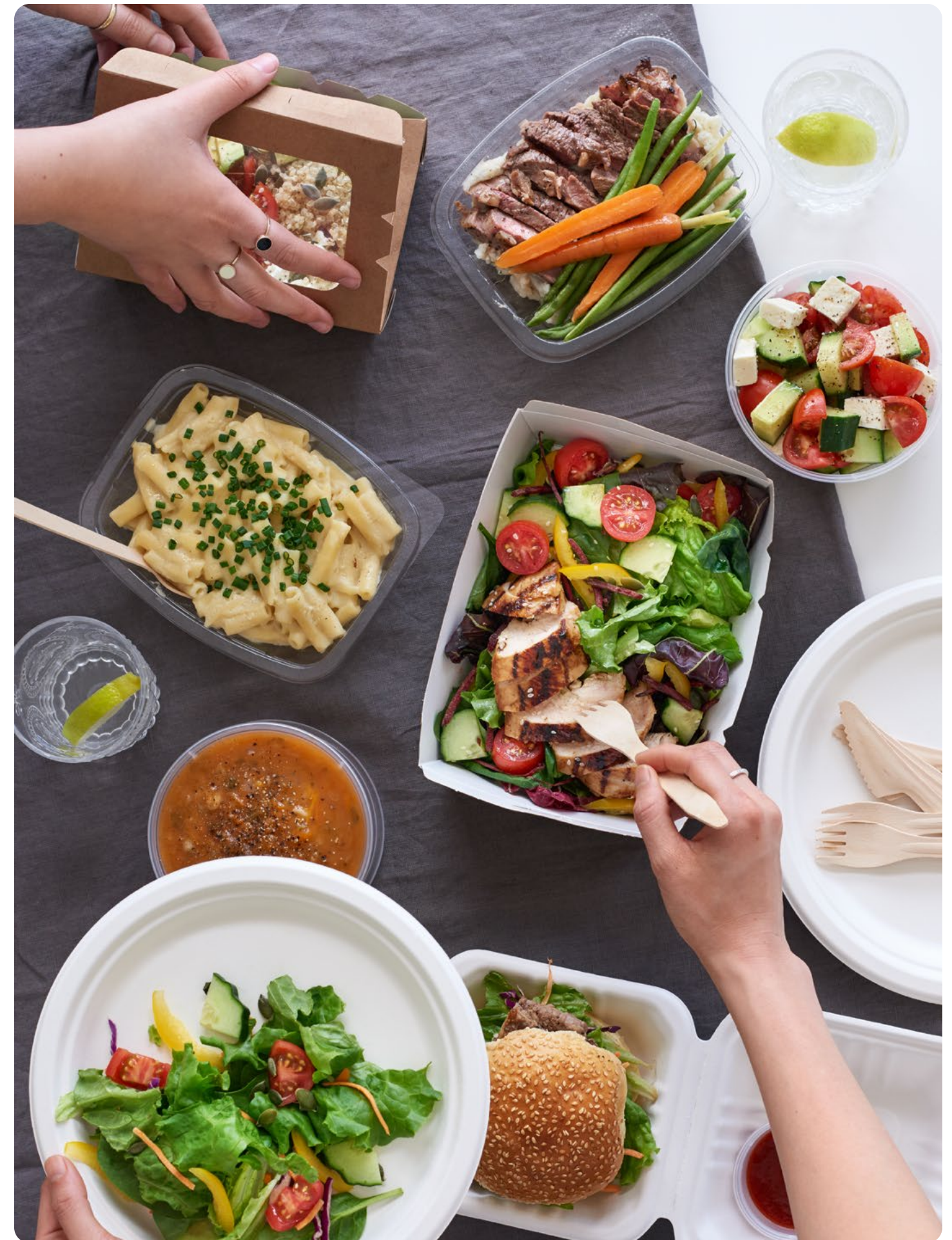
high-frequency customers who are not aggregator users most often cited a faster ordering experience (30%) as a reason they would be open to trying one, a much higher share than observed for the other groups. Lower delivery and service fees was their second most-cited factor (24%) and the top reason cited by respondents overall.

TABLE 7:
Factors that could prompt customers to consider using aggregators in the future

Share of restaurant customers who did not use an aggregator in the past 15 months who would consider using one in the future, by select reasons

	AVERAGE SAMPLE	FREQUENCY			
		Low spending, low frequency	Low spending, high frequency	High spending, low frequency	High spending, high frequency
• Lower delivery and service fees	29.6%	32.1%	30.5%	28.8%	24.0%
• Faster delivery experience	19.5%	17.0%	18.9%	23.1%	20.8%
• Faster ordering experience	19.1%	14.5%	13.3%	23.9%	30.1%
• Preferred payments is accepted	14.4%	13.3%	11.0%	18.7%	15.4%
• Signup bonus offering	16.0%	14.7%	16.0%	20.4%	12.5%
• Preferred restaurant ordering	12.7%	11.3%	9.4%	16.7%	14.3%
• None	32.5%	40.5%	40.8%	19.9%	21.9%

N = 1,478: Respondents who have not used an aggregator to place order from a restaurant in the past 15 months
 Source: PYMNTS | Paytronix | Digital Divide



Conclusion

Retaining the patronage of high-spending, high-frequency customers is essential for restaurant owners, and understanding this valuable customer segment's preferences can mean the difference between success and failure. PYMNTS' research shows that patrons in this segment are much more likely than other customer types to use food aggregators to place delivery orders. Many high-spending, high-frequency aggregator users find ordering via the platforms cheaper than ordering via other channels — an opinion other restaurant customers are much less likely to have. Larger shares of high-spending, high-frequency customers care about accessing deals, discounts and loyalty programs when ordering delivery than those in other groups, whether via an aggregator or directly from a restaurant. This finding underscores the importance of deals and special offers to win and retain the business and loyalty of the highest-value restaurant customer segment.

Methodology

The Digital Divide, Aggregators and High-Value Restaurant Customers, a PYMNTS and Paytronix collaboration, is based on census-balanced surveys of 2,146 U.S. consumers conducted between September 29 and October 2, as well as an analysis of other economic data. The sample was constructed to match the U.S. adult population in key demographic characteristics. Respondents averaged 48 years of age, 52% are female, and 32% hold college degrees. Sampling also covered different income brackets: 36% of respondents earn more than \$100,000 a year, while 31% earn \$50,000 to \$100,000 and 33% earn less than \$50,000.



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