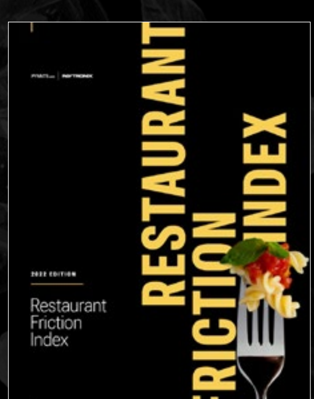
The Digital Divide Report Series, a PYMNTS and Paytronix collaboration, examines restaurant customers' spending habits. For this edition, we surveyed 2,391 U.S. adults who regularly purchase food from restaurants — including purchases for dine in, delivery and pickup — between April 25 and April 28 about how they place orders and how much they spend. The report reveals impacts on customer engagement levels and analyzes how restaurants and food brands can use technologies and customer engagement to build and retain audiences.

Read more on restaurant payments insights:



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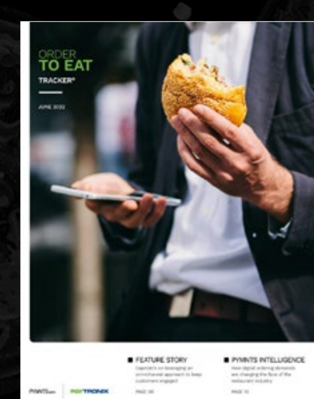

Order To Eat Tracker®

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Digital Divide

Technology, Customer Service And **Innovation In The Restaurant Industry**

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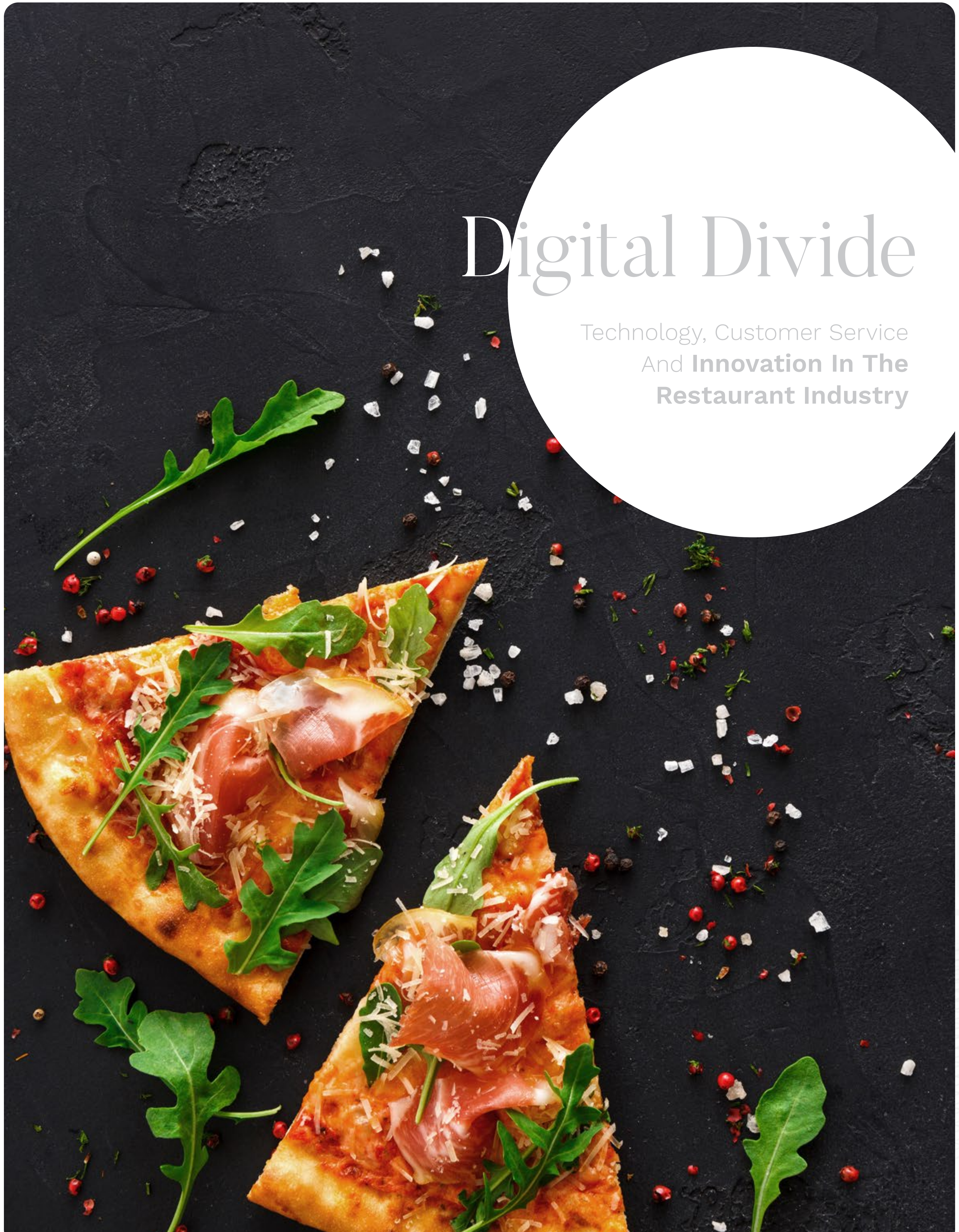

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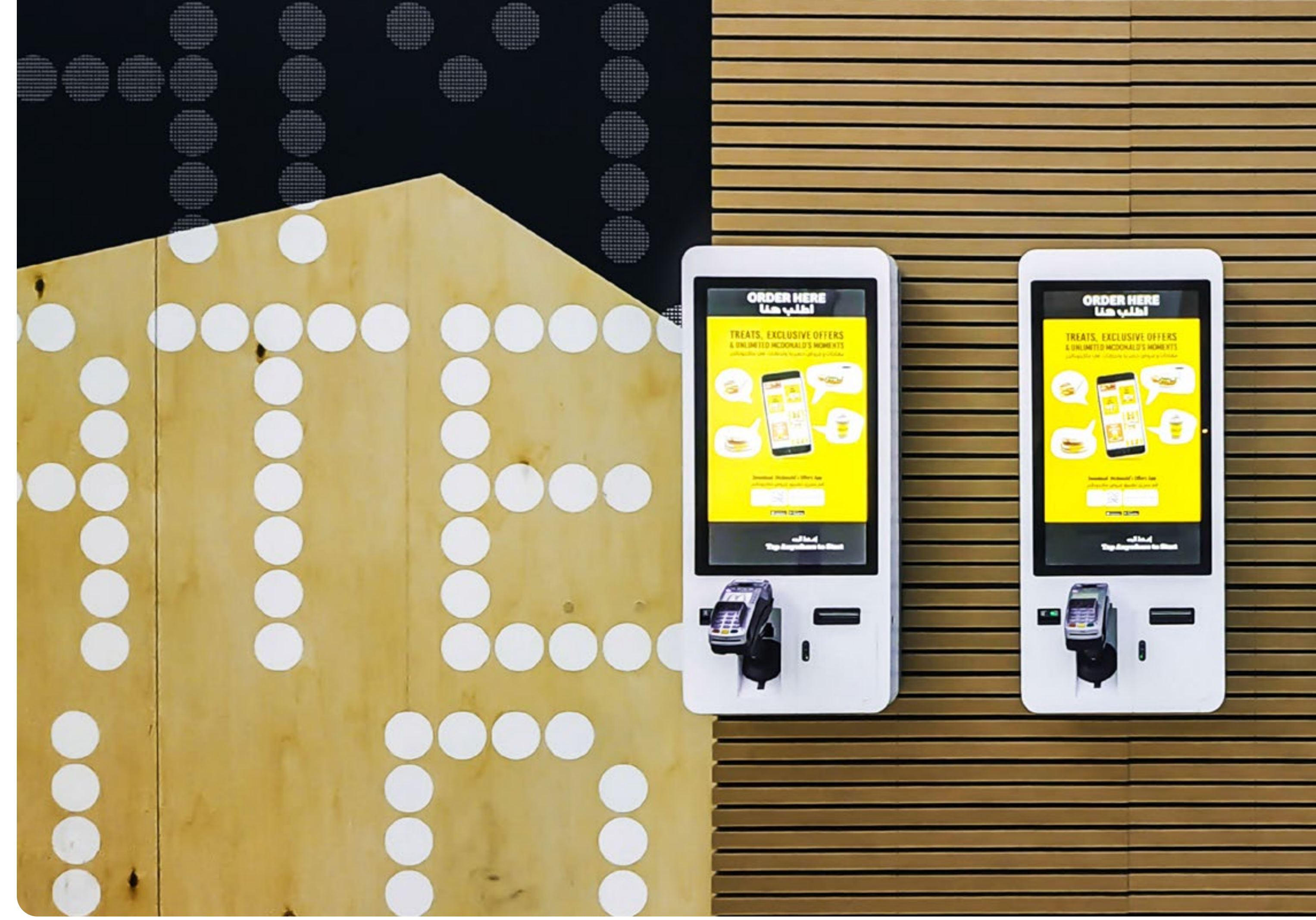
Digital Divide: Technology, Customer Service And Innovation In The Restaurant Industry was produced in collaboration with Paytronix, and PYMNTS is grateful for the company's support and insight. PYMNTS.com retains full editorial control over the following findings, methodology and data analysis.

Introduction

When ordering from a restaurant, each patron values certain aspects of the experience, thanks to a combination of their habits, budget and personal preferences. Some consumers may select chain restaurant under the very circumstances that others would opt for independent locations. But other factors specific to the eatery, such as atmosphere or convenience, can heavily inform a consumer's choice, too.

PYMNTS' research uncovered patterns concerning these factors. For example, consumers looking for a more convenient experience are more likely to opt to visit a local chain franchise, whereas consumers typically choose independent restaurants either due to their taste preferences or familiarity. Three in five independent-restaurant consumers say taste is what differentiates their restaurant of choice from other eateries.



Customer service is also a deciding factor for many: more than two-thirds of consumers that visit both chain and independent restaurants say that they value the continuity of waitstaff, an opinion held more frequently by consumers who dine exclusively in independent restaurants, those who dine exclusively at chain restaurants, millennials and high-income earners. Chain restaurants are leaning into technology-driven efficiencies, however, and some are beginning to consider the metaverse, which stands on the precipice of restaurant culture.

The Digital Divide: Technology, Customer Service And Innovation In The Restaurant Industry, a PYMNTS and Paytronix collaboration, examines consumers' relationships with restaurants. We surveyed 2,391 consumers between April 25 and April 28 to learn more about how they choose restaurants and their feelings about technology in that context.

This is what we learned.

PART I: **CHAINS LEAD ON EFFICIENCY**

Efficiency is always important in the restaurant industry but it is especially vital for chains, which face far more customer traffic than independent locations. Three out of five restaurant consumers have visited only chain restaurants in the last 30 days — four times the share that dined exclusively at independent restaurants.

Our data finds that 60% of consumers visited only chains when purchasing restaurant food in the 30 days prior to being surveyed, vastly exceeding the 25% that purchased food at both chain and independent restaurants and the 14% that visited only independent eateries in that period.

Low-income consumers are the most likely to have visited only chain restaurants recently, at 63%, while baby boomers and seniors are the most likely generation to have visited independent restaurants exclusively, at 20%.

Chain restaurants are more likely to generate significant shares of sales through multiple channels, whereas independent eateries mostly earn revenue from on-site dining. Similar shares of chain-restaurant enthusiasts take food to go or dine in, 44% and 47%, respectively, and a large share of independent eatery enthusiasts dine in, 73%, which is nearly four times the 19% that eat their food off-site.

Regular diners — consumers purchasing from restaurants three or more times a week — make up 15% of the restaurant client base overall. While 18% of chain-restaurant-exclusive consumers fall in this category, just 11% of independent-restaurant-exclusive consumers are regulars.

TABLE 1:

Consumer choice
Share of consumers who visit restaurants with certain frequencies and cite select dining preferences

	SAMPLE	Chain restaurant	Independent restaurant	Both
FREQUENCY				
• Three times a week or more	**15.1%**	18.1%	10.5%	13.9%
• Once or twice a week	**37.6%**	**38.2%**	32.9%	**45.0%**
• A couple times a month	**31.8%**	29.9%	**36.6%**	33.2%
• Once a month or less	**15.5%**	13.9%	20.0%	7.8%
PREFERENCE				
• Dining inside or outdoor seating	**53.9%**	**47.7%**	**73.3%**	**57.4%**
• Picking up from restaurant	**38.3%**	44.1%	18.7%	35.6%
• Having order delivered	**6.9%**	7.1%	7.1%	6.4%
• Other	**0.9%**	1.0%	0.8%	0.6%

N = 2,391: Complete responses
Source: PYMNTS | Paytronix Digital Divide

■ PART II: **INDEPENDENT RESTAURANTS RULE THE HEART**

Consumers often choose chain restaurants for the convenience, which correlates with the many digital features they offer. In contrast, most independent-restaurant enthusiasts choose a location mainly for taste and familiarity: 60% of these individuals cite the taste of food as their main motivator.

Our data finds that 38% of chain-restaurant-exclusive consumers value convenience when choosing where to eat, and 10% said they are chiefly motivated by convenience. These figures drop significantly for independent-restaurant-exclusive consumers: 20% value convenience and just 1% of these consumers say it is their primary motivation. These differences represent the widest gaps between what chain enthusiasts and independent-restaurant-only patrons value.

Digital Divide

TABLE 2:

Why consumers choose restaurants
Share of consumers who consider select factors important in selecting a restaurant over others

	SAMPLE	Chain restaurant	Independent restaurant	Both
• Taste of the food	**59.7%**	**57.1%**	**60.4%**	**65.3%**
• Familiarity with the restaurant's name	**48.6%**	46.0%	51.0%	53.2%
• Restaurant's location	**43.2%**	41.3%	46.9%	45.6%
• Everyday prices	**33.1%**	35.9%	22.5%	32.5%
• Convenience	**34.2%**	38.2%	21.5%	31.8%
• Customer service quality	**27.8%**	27.0%	29.6%	28.7%
• Healthy food options	**14.0%**	13.4%	17.8%	13.5%
• Less crowded	**13.5%**	12.7%	12.6%	15.9%
• Preferred payment method availability	**13.8%**	15.0%	7.7%	14.4%
• Loyalty program	**25.2%**	29.2%	16.9%	17.6%
• Promotions or deals	**9.5%**	11.1%	5.5%	8.0%
• Availability for pickup	**23.6%**	22.7%	43.7%	20.5%
• Multiple ordering options	**6.9%**	7.5%	4.4%	6.7%
• No waiting in line	**4.6%**	4.7%	3.9%	4.9%
• Easy to navigate app or website	**26.3%**	28.7%	27.0%	18.1%
• Delivery service's quality	**25.7%**	27.0%	16.7%	27.8%
• Available on aggregator platform	**13.6%**	13.5%	12.0%	14.4%
• Top suggestion on aggregator platform	**6.6%**	8.6%	0.0%	3.3%

N = 2,391: Complete responses
Source: PYMNTS | Paytronix Digital Divide

Price is also a key differentiator for chain-restaurant patrons, as 36% say they consider price as important when choosing when to eat, exceeding the 23% of independent-restaurant consumers who say the same. These key factors — price and convenience — may help explain why chain restaurants are more likely to offer digital features, such as curbside pickup, mobile order-ahead and contactless card support, than independent restaurants.

The most popular features restaurants offer are curbside pickup, implemented by 55% of all restaurants; mobile order-ahead, implemented by 50%; and contactless card support, implemented by 44%. Chain locations consistently lead in rolling out features: 63% of chain restaurant managers have implemented curbside pickup, while just 40% of independent restaurant managers have, and 44% of chain restaurants offer loyalty programs, while just 20% of independent venues do the same.

TABLE 3:

Technologies and digital features in restaurants
Share of restaurants offering select technologies or digital features in their eateries

	SAMPLE	Chain restaurant	Independent restaurant	Both
• Curbside pickup	**54.9%**	**62.7%**	**39.8%**	**47.7%**
• Mobile order-ahead	**49.5%**	56.4%	30.5%	46.5%
• Contactless cards	**44.0%**	49.3%	31.5%	40.6%
• Drive-thru	**42.3%**	54.4%	18.5%	31.2%
• Loyalty programs	**36.0%**	43.9%	19.7%	29.1%
• Special pickup point	**35.3%**	40.5%	24.1%	31.2%
• QR codes to visualize the menu	**28.9%**	31.5%	20.5%	28.4%
• Digital wallets	**28.5%**	32.2%	19.8%	25.9%
• Card on file	**26.1%**	31.0%	17.6%	21.1%
• Order using self-service kiosks	**23.5%**	28.7%	11.4%	19.9%

N = 2,391: Complete responses
Source: PYMNTS | Paytronix Digital Divide

PART III: IT'S THE LITTLE THINGS

Staff service is key, regardless of a consumer's convenience-seeking or a restaurant's technological savviness. Regardless of the type of restaurant, 76% of restaurant patrons consider being served by the same wait staff to be a positive aspect of dining.

Three-quarters of consumers that exclusively visit independent eateries, as well as the same share of chain-exclusive diners, agree that staff continuity positively impacts the restaurant experience. Some groups report this as important at even higher rates, particularly millennials, at 81%, and high-income consumers, at 80%.

Diners who frequent independent restaurants are the least likely to think positively of technologies that replace waitstaff. QR menus are viewed positively by just 23% of independent-restaurant patrons, as opposed to 34% of all respondents. Order-ahead technologies are viewed positively by 15% of independent restaurant customers, while 25% of all consumers viewed them positively. Self-service kiosks taking the place of restaurant staff are viewed positively by 16% of independent restaurant customers versus 31% of all consumers.

TABLE 4:

Consumers, customer service and technology
Share of respondents who agreed the concepts were positive, by generation and annual income level

	Served by the same wait staff	Viewing menu with a QR code	Ordering through a self-service kiosk	Restaurant requires order-ahead
SAMPLE	**76.2%**	**33.9%**	**30.8%**	**25.3%**
• Chain restaurant	75.5%	**37.9%**	**36.9%**	**30.4%**
• Independent restaurant	74.6%	23.1%	15.8%	15.1%
• Both	**78.0%**	30.6%	24.9%	18.8%
GENERATION				
• Generation Z	77.5%	44.4%	44.4%	28.0%
• Millennials	**80.9%**	**51.1%**	**47.7%**	**42.1%**
• Bridge millennials	80.5%	46.7%	42.9%	38.8%
• Generation X	76.5%	34.8%	31.1%	25.6%
• Baby boomers and seniors	71.5%	16.4%	13.3%	10.5%
INCOME LEVEL				
• More than $100K	**80.3%**	**39.2%**	**36.2%**	**29.3%**
• $50K-$100K	75.7%	33.9%	29.2%	23.3%
• Less than $50K	70.8%	27.5%	26.1%	22.6%

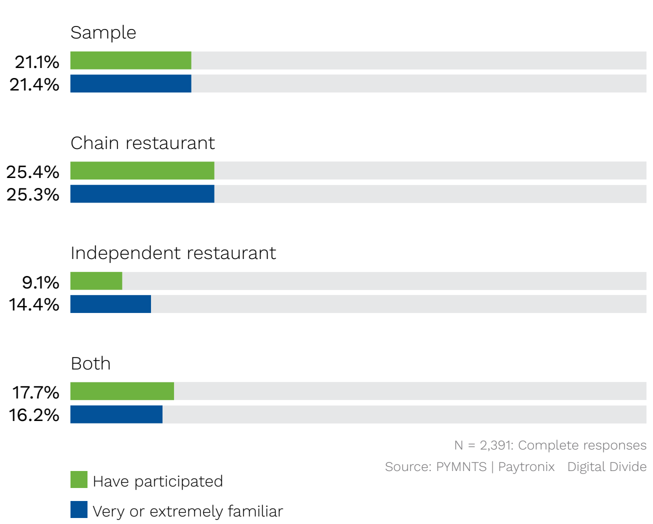
N = 2,391: Complete responses
Source: PYMNTS | Paytronix Digital Divide

PART IV: **THE NEXT FRONTIER**

Patrons of chain restaurants are most likely to be drawn to metaverse environments.

FIGURE 3A:

Consumer interest in the metaverse
Share of respondents who have participated in or are highly familiar with the metaverse, by segment



Though the space is nascent, our data shows that 25% of chain-restaurant consumers have participated in a metaverse environment, while just 9% of independent-restaurant consumers have done the same. Among clients who have participated in a metaverse environment or are interested in doing so, 40% would be "very" or "extremely" interested in integrating restaurant purchases into these environments.

Chain-restaurant enthusiasts who have exhibited metaverse experience or interest are most interested in bringing restaurant shopping into the metaverse. Forty-two percent are "very" or "extremely" interested in metaverse shopping, whereas just 35% of independent-restaurant-exclusive patrons share that interest.

FIGURE 3B:

Consumer interest in the metaverse
Share of respondents who have not participated in the metaverse but are very interested in doing so, by consumer segment

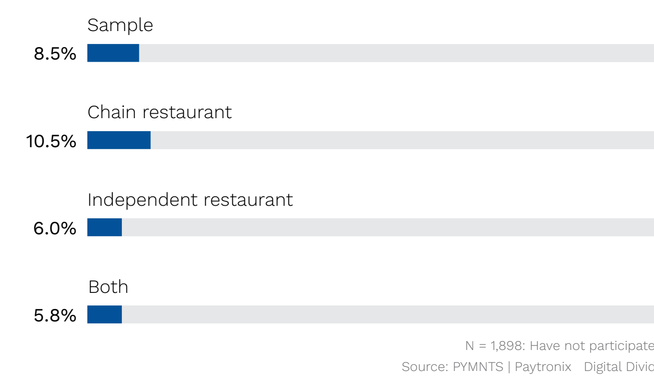
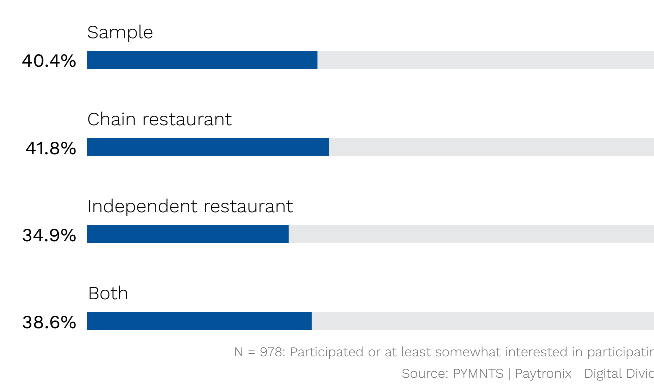


FIGURE 3C:

Consumer interest in the metaverse
Share of respondents who have participated in the metaverse or shown interest in doing so who are very or extremely interested in incorporating restaurant shopping in the metaverse



21%

Share of consumers who have participated in the metaverse

40%

Share of consumers who are interested in incorporating restaurant purchases into their metaverse experience

Conclusion

As technologies continue to seamlessly fold into more and more aspects of our lives, savvy restaurant owners and managers will find themselves asking many questions about the role modern innovations will play in their industry. Some will find that technologies fit perfectly with their business model — and their consumers' cravings for low prices and high convenience —while others will decide that a personal touch is most needed. Restaurant owners that can make calculated decisions and leverage their specific strengths to maintain and expand their customer base will maintain a strong position in their local markets.

Methodology

The Digital Divide: Technology, Customer Service And Innovation In The Restaurant Industry, a PYMNTS and Paytronix collaboration, examines consumers' relationships with restaurant technologies and their views on digital food ordering trends and virtual reality in the restaurant context. We surveyed 2,391 consumers in the U.S. between April 25 and April 28 about their experiences. The average age of our respondents was 48, 52% were female and 36% earned more than $100,000 annually.

ABOUT

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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.

PAYTRONIX

Paytronix provides software-as-a-service (SaaS) customer experience management (CXM) services for restaurants. Its portfolio includes loyalty, gift and email solutions for fast-casual, fast food and quick-service restaurants. Once implemented, these can be used to help establishments elevate their brand profiles. Its offerings also can be used to generate data insights to help restaurants pinpoint opportunities to improve their operations and customer engagements. The company's platform can integrate with many widely used restaurant POS systems. For more information, visit **https://www.paytronix.com**.

We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at **feedback@pymnts.com**.

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