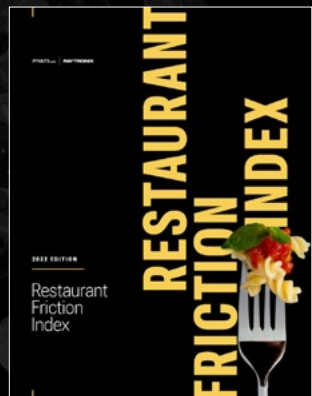


The Digital Divide Report Series, a PYMNTS and Paytronix collaboration, examines restaurant customers' spending habits. For this edition, we surveyed 2,496 U.S. adults who regularly purchase food from restaurants — including purchases for dine-in, delivery and pickup — between April 6 and April 12 about 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.



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FEBRUARY 2022



Digital Divide Report

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Digital Divide

Technology, The Metaverse
And The **Future Of Dining Out**

Digital Divide

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And The **Future Of Dining Out**

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Digital Divide: Technology, The Metaverse And The Future Of Dining Out 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

Technology is moving at a dizzying pace, rapidly redefining consumers' concept of "normal." For example, as recently as a decade ago, a majority of Americans didn't own cell phones, compared to the 85% of Americans who do today.¹ Though menus were laminated, printed paper for decades, restaurant technologies such as QR codes or ordering kiosks allow customers to view digital menus that are accurate to the second and, in some cases, even eliminate the need for servers to enter orders into restaurants' systems. These advances, unthinkable even a decade ago, are becoming mainstream.

PYMNTS' research shows that the metaverse — an advanced, social, virtual reality platform — may develop into another way in which restaurant custom-

ers interact with their favorite brands, hang out with other fans of their favorite eateries and maybe even buy their favorite foods. Already, 18% of consumers have participated in a metaverse environment.

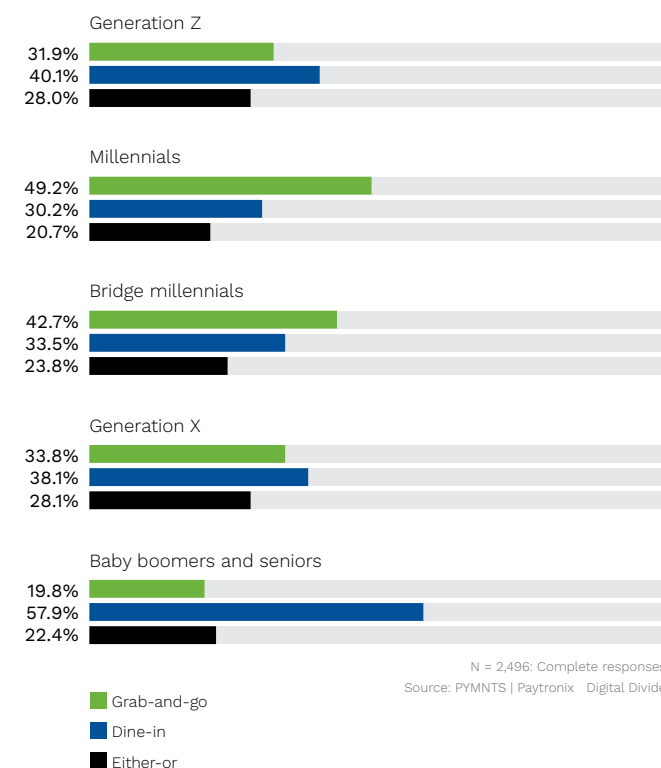
Before restaurants become well-versed with the metaverse, however, they must focus on their current customers, and a majority say that friendly waitstaff and staff continuity at their favorite eateries are some of the most important factors that keep bringing them back. Over one-third of consumers say that friendliness is the most important thing a restaurant can provide, and almost three-quarters say that seeing the same staff every time they visit a restaurant positively influences their experience.

The Digital Divide: Technology, The Metaverse And The Future Of Dining Out,

FIGURE 1:

Dining preference demographics

Share of consumers who represent each dining persona, by generation



a PYMNTS and Paytronix collaboration, examines consumers' relationships with restaurant technologies, exploring their views and attitudes on digital food ordering trends and virtual reality in the restaurant context. We surveyed 2,496 consumers to learn more about how they feel about technological integrations within the restaurant industry and their future role in dining out.

This is what we learned.

TECH-DIVIDE PERSONA GROUPS

This report delves into consumers' experiences with technology at restaurants when they are in a hurry as well as instances when they have time to sit and enjoy their meals. We divided consumers into three groups:

- **“GRAB-AND-GO” CLIENTS** have little time to spend eating in restaurants. These consumers made up 33% of our respondent sample. Millennials are the generational cohort most likely to be grab-and-go consumers, with 49% of them falling into this category.
- **“DINE-IN” CLIENTS** exist on the opposite end of the spectrum. These consumers constituted 43% of respondents, and baby boomers and seniors are highly likely to belong to this group.
- **“EITHER-OR” CLIENTS** have not developed a habit either way and make up 24% of respondents.

¹ Author unknown. Mobile Fact Sheet. Pew Research Center. April 2021. <https://www.pewresearch.org/internet/fact-sheet/mobile/>. Accessed June 2022.

■ PART I: TECHNOLOGY IN RESTAURANTS

Grab-and-go consumers are most likely to believe technology is a core positive element of the customer experience. Fifty-eight percent of grab-and-go consumers think more technology inside restaurants — even to the point where it might eliminate waitstaff — means better customer service, whereas just 29% of dine-in consumers think the same.

These tech-savvy, efficiency-focused consumers tend to skew young. Generation Z consumers are the most likely to feel positively about QR code technology in restaurants eliminating the need for physical menus, as 55% say they are encouraged by it. Following generational order, millennials are the second-most likely to believe QR code technology positively impacts their satisfaction, bridge millennials are third, and baby boomers and seniors are least likely. This pattern generally holds throughout the other technological factors we studied, although members of Gen Z are slightly less likely than millennials or bridge millennials to state that kiosk ordering and compulsory order-ahead improve their satisfaction with a restaurant.

FIGURE 2A:

How restaurant customers feel about technology
Share of consumers who believe select factors have a positive impact on satisfaction, by persona

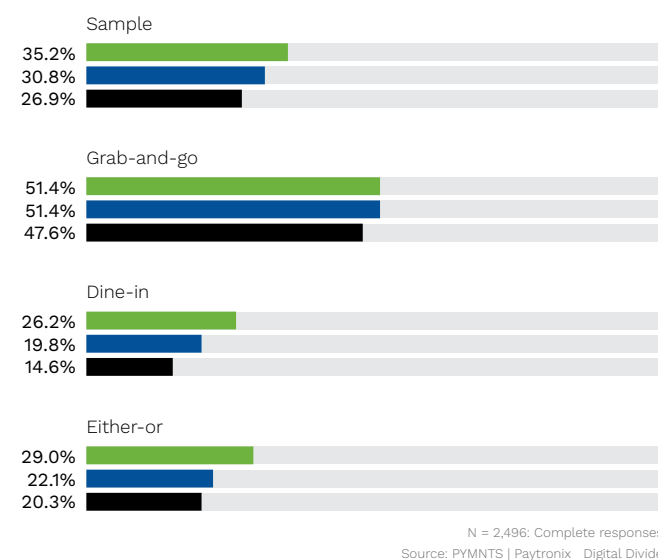
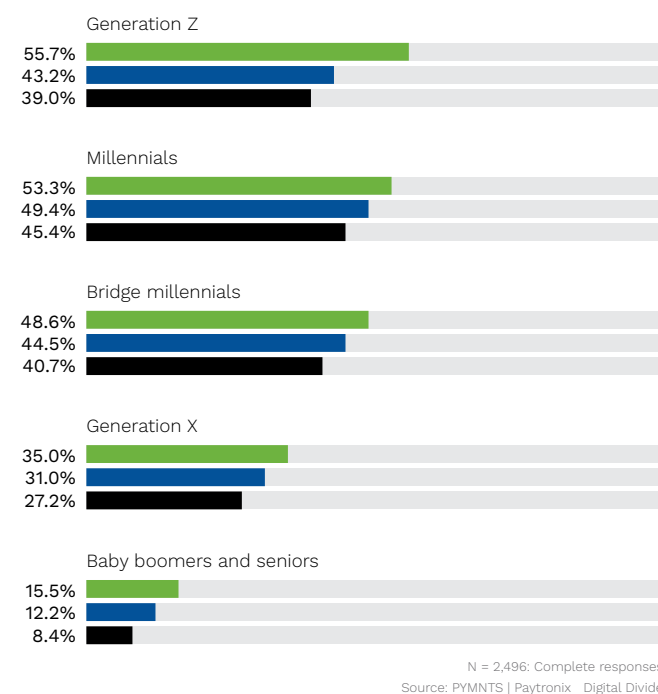


FIGURE 2B:

How restaurant customers feel about technology
Share of consumers who believe select factors have a positive impact on satisfaction, by generation



Dine-in consumers are less bullish about technology. Though 51% of grab-and-go consumers feel that using QR code menus has a positive impact on restaurant experience and 51% think the same about kiosk ordering, just 26% and 20% of dine-in consumers agree, respectively. These conflicting figures may suggest that there is a bit of tug of war going on: grab-and-go customers want technology to modernize and shorten their dining experiences, whereas dine-in customers value human interaction and generally believe replacing human staffers does not increase satisfaction.

Grab-and-go consumers use available high-tech features more often than dine-in consumers. Our data finds that the most popular technologies grab-and-go consumers used in restaurants include digital wallets, used by 65% of this group; special pickup points, used by 59%; and self-service kiosks, also used by 59%.

FACTORS

- Viewing a menu with a QR code
- Ordering through a self-service kiosk
- Restaurant requires order-ahead

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■ PART II: STAFFING AND SATISFACTION

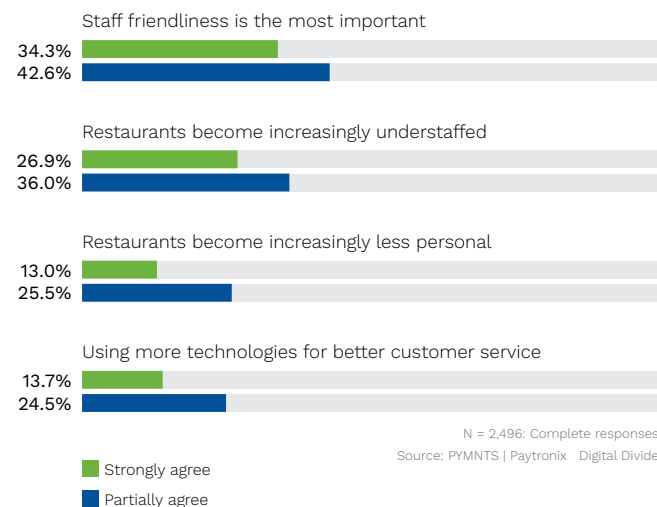
Though restaurants have generally become more digital, little touches of customer service — such as staff continuity and friendliness — still matter to consumers.

Almost three-quarters of consumers say they value waitstaff continuity, and just over one in three considers staff friendliness to be the most important feature a restaurant needs to provide.

Restaurant technology can streamline ordering processes and improve overall efficiency, but its benefits have limits. Service issues such as understaffing and a lack of friendly waitstaff have become a problem for a substantial number of consumers who frequent restaurants. Thirty-six percent of consumers at least partially agree that the restaurants they visit have become understaffed, and an additional 27% strongly agree. Solutions to understaffing involve bringing in new workers, which can potentially be its own problem: 26% of consumers partially agree that service at the restaurants they visit has become less personal, and an additional 13% strongly agree.

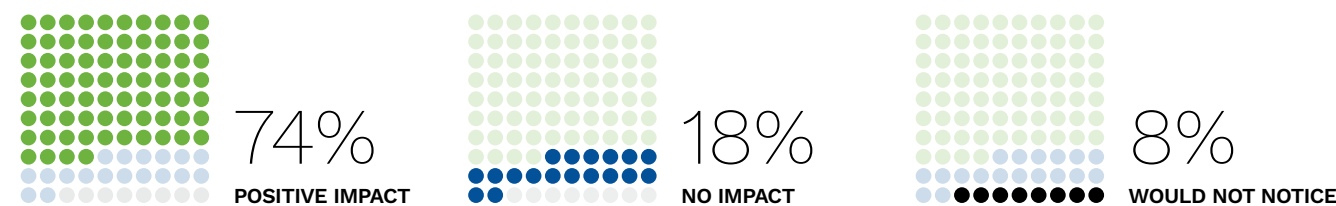
It should come as no surprise, then, that 74% of consumers say that they value waitstaff continuity. This number holds across demographics, demonstrating that all patrons want to see the same team members serving them each time they return to the restaurant. Though some may assume this matters less the grab-and-go contingent, the data shows the opposite: 79% of these consumers cited continuity as a positive, and millennials make up the generation most likely to value staff continuity. The either-or group is most ambivalent about waitstaff continuity, but even so, 71% say they care about waitstaff continuity.

FIGURE 3A:
Staffing's impact on customer satisfaction
Share of restaurant consumers who hold select views regarding customer satisfaction



Though the difference is slight, patrons with higher incomes tend to care more about waitstaff continuity: 76% of consumers earning more than \$100,000 annually say this is a concern to them, while only 70% of consumers who earn less than \$50,000 annually say the same.

FIGURE 3B:
Staffing's impact on customer satisfaction
Share of consumers who say being served by the same waitstaff every time they visit a restaurant impacts their satisfaction



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■ PART III: THE METAVERSE AND MORE

Twenty percent of restaurant consumers are familiar with the metaverse and 18% have participated in these cutting-edge environments.

Grab-and-go customers lead other personas in metaverse familiarity, interest and participation.

The concept of a metaverse has gained recognition in recent years. Although the general public is not yet very familiar with it, some groups are tracking the space. Our data finds that 33% of grab-and-go customers are “very” or “extremely” familiar with the metaverse — more than double the share of either dine-in or either-or customers, at approximately 13% each.

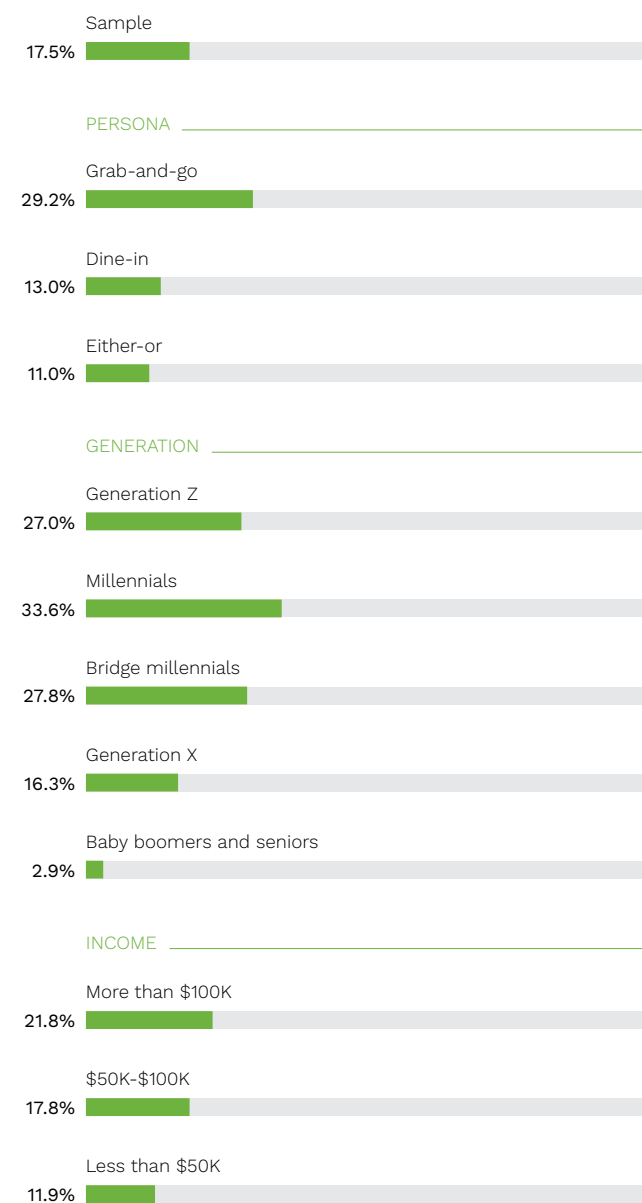
Forty percent of Gen Z respondents said they are very familiar with the metaverse, although they do not lead all generations in actual metaverse participation. Millennials are most likely to have participated in a metaverse environment, as 34% have done so. This may have to do with the generation’s superior spending power, as consumers who earn over \$100,000 annually are more likely than those of other income brackets to have participated in a metaverse environment: Our data shows that 22% have done so.

Individuals are still forming their opinions of the space. Twelve percent of consumers who earn high incomes believe the metaverse is interesting, as do 13% of either-or consumers. Nine percent of dine-in consumers call the metaverse a “new” experience and 7% call it “different.”

FIGURE 4:

Metaverse participation

Share of consumers who have participated in a metaverse environment, by persona, generation and income



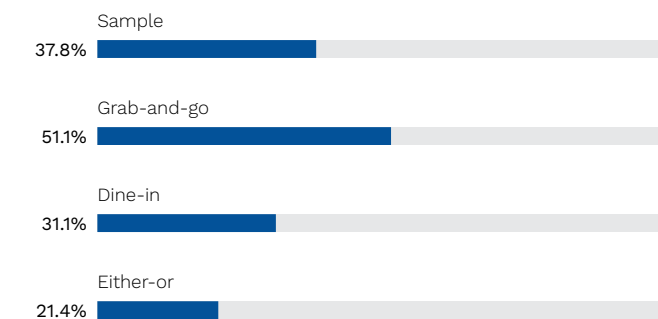
N = 2,496: Complete responses
Source: PYMNTS | Paytronix | Digital Divide

A combined 21% of consumers who say they are not interested in buying food in the metaverse are not interested because they are either unfamiliar with it or believe the metaverse is complicated. Those who understand the metaverse’s potential are willing to see where food will fit in, however. Of the consumers that already participate in the metaverse or are interested in it, 38% would be willing to integrate restaurant purchases into this environment, including a majority of grab-and-go customers (51%).

FIGURE 5:

Interest in integrating restaurant purchases and the metaverse

Share of consumers “very” or “extremely” interested in integrating restaurant purchases into the metaverse, by persona



N = 925: Respondents who have participated or are at least “somewhat” interested in participating in a metaverse environment
Source: PYMNTS | Paytronix | Digital Divide

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Conclusion

Technology has been gaining more and more influence over many aspects of our lives, impacting how we socialize, work, pay bills and dine. In restaurants it can augment — or sometimes even replace — waitstaff, improve efficiency or even facilitate a virtual world where restaurant enthusiasts can dine with friends and virtual acquaintances online. Though consumers have splintered into factions that may prioritize convenience at all costs or instead seek leisurely paced dining experiences, the data shows that some of the foundational elements of a good restaurant remain critical. At the end of the day, good, high-quality service with employees who regular consumers recognize and enjoy interacting with are a key investment, and one that should not be overlooked as eateries get ready for the restaurant technologies of the future, such as the metaverse. Restaurant owners who can leverage technological strengths to win over grab-and-go consumers while continuing to foster a friendly and reliable human element for dine-in patrons will be in the driver's seat as innovations continue.

Methodology

The Digital Divide: Technology, The Metaverse And The Future Of Dining Out, a PYMNTS and Paytronix collaboration, examines consumers' relationships with restaurant technologies and their views and attitudes toward digital food ordering trends and virtual reality in the restaurant context. We surveyed 2,496 consumers in the U.S. between April 6 and April 12 about their experiences. Our respondents' average age was 48, 52% were female and 36% earned more than \$100,000 annually.



ABOUT

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