

The Digital Divide Report, a PYMNTS and Paytronix collaboration, examines restaurant customers' spending habits. We surveyed 2,403 U.S. adults who regularly purchase food from restaurants — including purchases for dine-in, delivery and pickup — between Dec. 1 and Dec. 6, 2021, about how they place orders and how much they spend. The report reveals loyalty programs' impact on customer engagement levels and analyzes how restaurants and food brands can use these programs to build and retain audiences.

Read more from the Digital Divide series:



Aggregators: The Cost Of Convenience

OCTOBER 2021



Aggregators And High-Value Restaurant Customers

NOVEMBER 2021



Delivery Service Aggregators And The Digital Shift

DECEMBER 2021



Minding The Loyalty Gap

JANUARY 2022



Digital Divide

Technology As **A Catalyst** For Restaurant Purchases

Digital Divide

Technology As **A Catalyst**
For Restaurant Purchases



Table of Contents

Introduction	04
PART I: How Digital Features Impact Customer Loyalty	06
PART II: Technology Adoption Personas	08
PART III: Technology Enthusiasts' Purchasing Behavior	12
PART IV: An Opportunity for Engagement	16
Conclusion	18
Methodology	19

PYMNTS.com

PAYTRONIX

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

Widespread digital shifts in consumer behavior ushered in during 2020 reconfigured customers' dining preferences in 2021. Innovative technology powered new consumer–restaurant brand relationships, and previously unheralded or nonexistent features such as QR code menus and contactless delivery became critical markers to inspire individuals' ongoing loyalty. By the end of 2021, consumers were much more likely to order from their favorite restaurants online or via mobile devices — and using contactless ordering and payment options — than they had been before the pandemic.¹

As newly ubiquitous restaurant delivery aggregators modified local restaurants' relationships with the world, digital technology's impact on consumer experience and loyalty became more evident than ever before.² A recent PYMNTS survey

¹ Restaurants Must Sharpen Digital Tools to Match Convenience of Delivery Aggregators. PYMNTS.com. 2021. <https://www.pymnts.com/aggregators/2021/restaurants-must-sharpen-digital-tools-match-convenience-delivery-aggregators/>. Accessed January 2022.

² To Survive and Grow in 2021, Restaurants Put Tech Innovation and Culture on the Menu. PYMNTS.com. 2021. <https://www.pymnts.com/restaurant-innovation/2021/restaurants-tech-innovation-culture-menu/>. Accessed January 2022.



revealed that 41% of consumers now see the availability of digital ordering and payment features as a reason to purchase more often from a particular restaurant.

Prices for diners rose the most at quick-service restaurants (QSRs), where menu prices were 7% higher in October 2021 than in October 2020.³ Restaurants now are confronting high levels of pandemic-era business risk, and knowing which technologies to leverage can make the difference between thriving and struggling.⁴

The Digital Divide Report: Technology As A Catalyst For Restaurant Purchases examines QSRs' implementation of digital features and details how these features can support restaurant industry resilience — even if pandemic-related, in-person dining restrictions return and prices rise. The report is based on a United States census-balanced survey of 2,403 responses collected from Dec. 1 to Dec. 6, 2021. Respondents answered questions about their past and future dining preferences and behaviors, as well as how technology influences their purchasing choices.

This is what we learned.

³ Author unknown. Consumer Price Index Summary. The U.S. Bureau of Labor Statistics. 2021. <https://www.bls.gov/news.release/cpi.nr0.htm>. Accessed January 2022.

⁴ Restaurants Leverage Learnings From Previous Outbreaks to Take on Omicron. PYMNTS.com. 2021. <https://www.pymnts.com/restaurant-innovation/2021/restaurants-leverage-learnings-from-previous-outbreaks-to-take-on-omicron/>. Accessed January 2022.



■ PART I: HOW DIGITAL FEATURES IMPACT CUSTOMER LOYALTY

Two out of five restaurant customers believe online ordering or payment features could incentivize them to make more purchases from a restaurant.

Restaurateurs who hesitate to modernize ordering and payment processes — and instead overlook consumers' interest in convenience-focused digital features — may miss an opportunity to boost sales among 40% of their customers. When presented a list of nearly 20 features that could influence their purchasing at restaurants, respondents selected an average of five offerings that would boost their purchasing. Millennials and bridge millennials are swayed most often by technological features, as respondents in these demographics chose more than six features on average.

Our researchers found that the ability to order online is the most popular feature among respondents who selected any technologies at all: 41% indicate it would encourage them to make a purchase. Loyalty programs are the second-most popular, at 39%. The slightness of this difference is significant, as it highlights the nearly identical popularity of money-saving options (such as loyalty programs) and convenience tools (such as online ordering).

FIGURE 1:

Technologies that encourage purchasing

Share of respondents who indicate select features would encourage them to make purchases

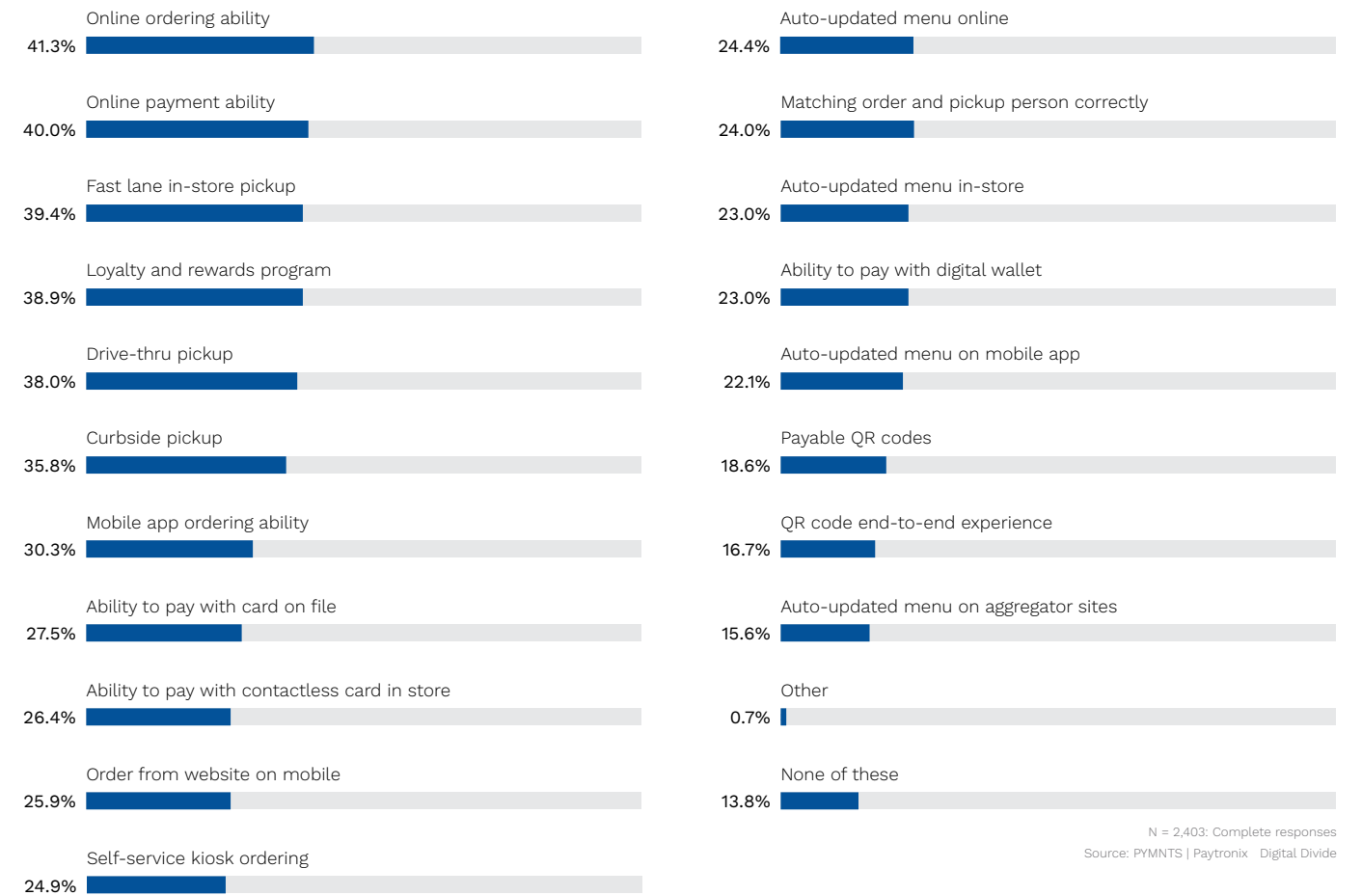


FIGURE 2:

Technologies' sway on different generations

Average number of purchase-encouraging technologies selected, by generation



Digital Divide

■ PART II: TECHNOLOGY ADOPTION PERSONAS

Approximately one-fifth of restaurant consumers are technology enthusiasts who would be encouraged to increase their spending by nine or more technologies.

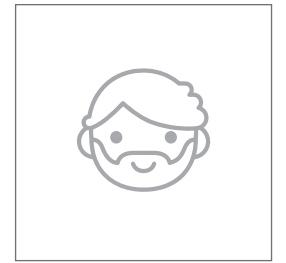
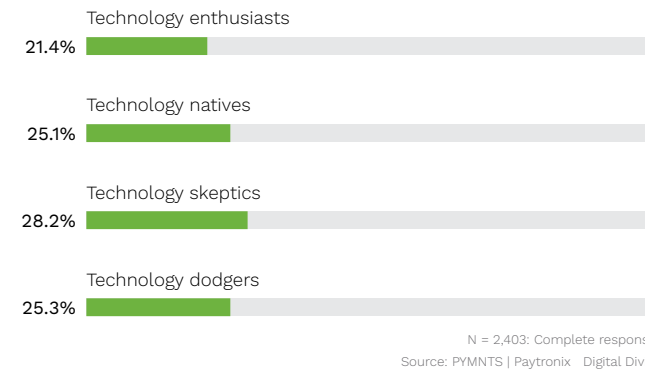
Features matter: Just 14% of all consumers report that technology would not incentivize them to purchase. Technology enthusiasts, however, are the opposite of this small group, and various technologies motivate them to make purchases at restaurants. We found that 30% of bridge millennials and 27% of millennials are technology enthusiasts, notably exceeding corresponding shares from other generations. Just 15% of baby boomers and seniors, for example, are part of this persona.

Technology enthusiasts are hardly the only group we studied: Our researchers defined respondents who selected five to eight technologies as technology natives, those who selected two to four technologies as technology skeptics, and those who selected one or none as technology dodgers. These personas help reveal key trends in our data.

Digital Divide

FIGURE 3:

Persona distribution
Share of respondents citing select numbers of technologies as purchase-encouraging



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.

Numbers of technology uses by each persona



TABLE 1:

Persona distribution
Share of respondents citing select numbers of technologies as purchase-encouraging, by generation

	Generation Z	Millennials	Bridge millennials	Generation X	Baby boomers and seniors
• Technology enthusiasts	23.2%	27.4%	29.8%	23.7%	13.7%
• Technology natives	21.2%	25.5%	26.5%	25.8%	25.4%
• Technology skeptics	30.1%	32.5%	26.1%	25.7%	26.0%
• Technology dodgers	25.5%	14.6%	17.5%	24.7%	34.9%

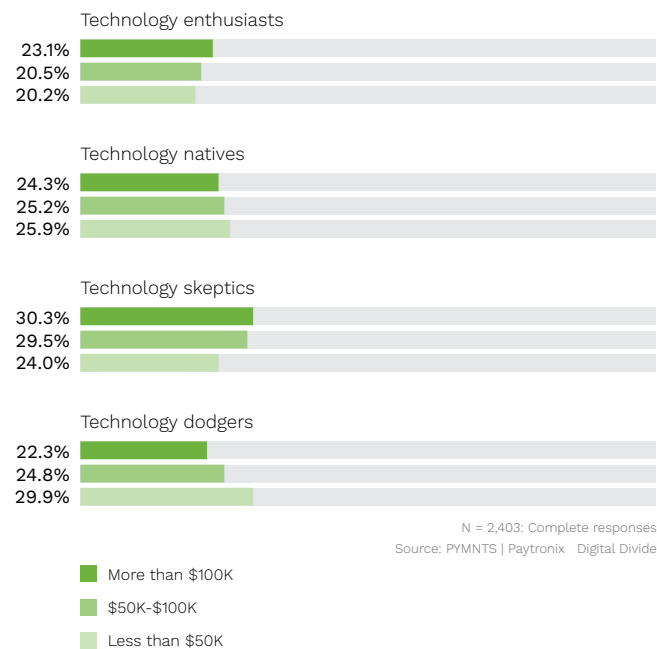
N = 2,403: Complete responses
Source: PYMNTS | Paytronix | Digital Divide



Share of technology enthusiasts who earn more than \$100K annually

Consider income: it may not be surprising to discover that 23% of technology enthusiasts earn more than \$100,000 per year, exceeding any other income bracket we measured. These consumers also represent the smallest percentage of those not motivated by technology to increase purchasing, behind those earning between \$50,000 and \$100,000 (25%) and those earning less than \$50,000 (30%). Consumers who say they are very encouraged by technology to make a food purchase also report that they are the most likely to have shifted to digital food purchasing during the last year (22%). This may indicate that digital shifters who embraced digital technologies in the early days of the pandemic continue to see their conveniences as important to their overall consumer experience and, by extension, their loyalty.

FIGURE 4:
Respondents citing technologies as purchase-encouraging
 Persona distribution, by annual income



■ PART III: TECHNOLOGY ENTHUSIASTS' PURCHASING BEHAVIOR

Technology-incentivized consumers purchase from restaurants more than other customers.

These frequent diners are restaurants' most engaged audience and may be their best prospects for maintaining stable sales if pandemic-related commercial restrictions once again curtail in-person dining. We found that technology enthusiasts are the most likely to dine multiple times per week: 16% of these patrons order food from a restaurant three times a week or more. Technology enthusiasts are more likely to purchase at restaurants with strong digital offerings, including the ability to pay or order on mobile devices or use QR codes for menus.

Digital ordering and payment capabilities appear to play a meaningful role at the restaurants frequented by both those motivated by modern technological features and those who are not. Restaurants that do not offer many digital features appear to see fewer technology enthusiast patrons. Technology dodgers are the least likely to have seen offerings such as QR codes, not surprisingly: Among consumers patronizing table-service restaurants, 30% of technology dodgers report that their restaurants offer QR code ordering, while 70% of technology enthusiasts notice this technology where they dine. Our researchers found that 26% of technology-motivated consumers use loyalty programs at all or nearly all the QSRs they visit. Regardless of consumers' level of savviness, they report that free or reduced-price food is loyalty programs' central appeal.

TABLE 2:

Dining frequency

Share of respondents who report select frequencies of eating food from restaurants, by persona

	PERSONA GROUP			
	Technology enthusiasts	Technology natives	Technology skeptics	Technology dodgers
• Three time a week or more	16.1%	12.9%	12.9%	7.5%
• Once or twice a week	35.6%	30.9%	33.0%	28.1%
• Couple times a month	27.6%	37.5%	35.5%	32.6%
• Once a month or less	20.7%	18.7%	18.6%	31.8%

N = 2,403: Complete responses
Source: PYMNTS | Paytronix | Digital Divide

Digital Divide

Our researchers found that technology enthusiasts' affinity for digital ordering and payments features is reflected in the options provided by the QSRs and table-service restaurants they frequent. Technology enthusiasts report that the restaurants they choose to dine at or purchase food from tend to offer customers access to a range of modern digital features, perhaps suggesting that these most-engaged diners deliberately frequent eateries that offer the technologies they are seeking. The most noticed — and potentially most impactful — features involved mobile devices: QR code-based menus, the ability to pay at the table with a device provided by the restaurant, the ability to pay at the table via mobile device and the ability to order via mobile device and pick up at the restaurant.



TABLE 3:
Technology visibility
Share of respondents who eat from table-service restaurants, by persona group

TABLE-SERVICE RESTAURANTS	SAMPLE	PERSONA GROUP			
		Technology enthusiasts	Technology natives	Technology skeptics	Technology dodgers
• QR code menu	43.4%	69.8%	45.2%	35.4%	29.8%
• Restaurant-provided devices	48.5%	72.4%	52.6%	38.6%	36.5%
• Mobile device payments	39.7%	63.6%	44.3%	33.2%	24.0%
• Mobile device orders	33.7%	60.2%	37.0%	23.6%	20.6%
• Self-service kiosks	30.6%	49.1%	30.6%	32.1%	14.6%
• Automatic orders	17.4%	29.9%	16.8%	17.6%	8.3%
• Other	7.4%	2.3%	5.7%	4.7%	15.6%

N = 1,911: Table-service restaurant customers
Source: PYMNTS | Paytronix | Digital Divide

TABLE 4:
Technology visibility
Share of respondents who eat from QSR restaurants, by persona group

QSRs	SAMPLE	PERSONA GROUP			
		Technology enthusiasts	Technology natives	Technology skeptics	Technology dodgers
• QR code menu	32.2%	54.4%	28.9%	22.9%	20.7%
• Restaurant-provided devices	29.1%	47.5%	27.9%	22.0%	16.9%
• Mobile device payments	44.6%	71.2%	44.3%	37.6%	21.4%
• Mobile device orders	42.8%	67.6%	48.9%	24.4%	27.5%
• Self-service kiosks	38.2%	54.8%	41.5%	26.2%	28.7%
• Automatic orders	19.0%	30.3%	17.4%	16.2%	11.0%
• Other	8.6%	2.1%	7.2%	8.3%	18.2%

N = 1,592: QSR customers
Source: PYMNTS | Paytronix | Digital Divide

■ PART IV: AN OPPORTUNITY FOR ENGAGEMENT

QSRs have a unique opportunity to drive loyalty, as QSR mobile app usage is common even among diners who are less likely to be encouraged to make purchases with technology.

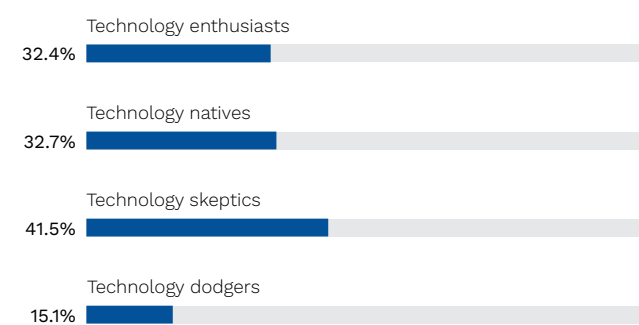
Mobile app experience can be a make-or-break attribute for restaurateurs. Our researchers found that 30% of QSR patrons have at least one restaurant-specific app on their phones. QSR app adoption even among technology skeptics still exceeds 40%. McDonald's remains the most popular QSR app, according to our survey, as more than 20% of QSR customers have the industry giant's app on their mobile devices.



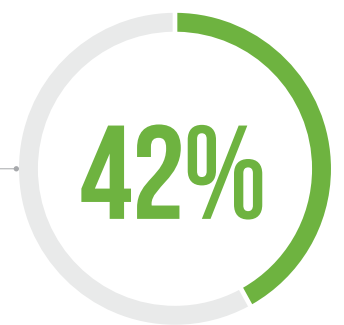
FIGURE 5:

QSR app adoption

Share of consumers with at least one restaurant-specific app, by persona



N = 1,592: QSR customers
Source: PYMNTS | Paytronix | Digital Divide



Share of technology skeptics who have at least one QSR-specific restaurant app on their mobile device

Digital Divide

Conclusion

Restaurants can improve consumer engagement with loyalty programs and user-friendly digital ordering and payment technologies, a crucial move as market conditions continue to impact menu prices and patrons' priorities. The proliferation of digital-focused tools, such as QR code-based menus and contactless ordering and pickup, has redefined positive customer experiences. Consumers now have more choices as to how they order and pay for their meals, and this has given rise to a new subsection of consumers who are highly motivated to patronize their favorite restaurants based on the ease, convenience and technical features they offer. These technology enthusiasts are frequent diners — with 16% dining out three times per week or more — and are most likely to be high earners. Although these diners represent the vanguard, large shares of other consumers — even technology skeptics — reported that several digital features motivate them to make restaurant purchases. As economic uncertainty continues to define the near future, restaurateurs will do well to consider the influence of technology enthusiasts on their bottom line and offer those technologies that motivate them to make more purchases.

Digital Divide

Technology As **A Catalyst**
For Restaurant Purchases

Methodology

The Digital Divide: Technology As A Catalyst For Restaurant Purchases, a PYMNTS and Paytronix collaboration, is based on census-balanced surveys of 2,403 U.S. consumers conducted between Dec. 1 and Dec. 6, 2021, 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 annually, 31% earn \$50,000 to \$100,000 and 33% earn less than \$50,000.



ABOUT

DISCLAIMER ■

PYMNTS.com **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>.

The Digital Divide Report may be updated periodically. While reasonable efforts are made to keep the content accurate and up to date, PYMNTS.COM: MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED “AS IS” AND ON AN “AS AVAILABLE” BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS.COM SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS.COM RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS.COM SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS.COM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS.COM AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.

Components of the content original to and the compilation produced by PYMNTS.COM is the property of PYMNTS.COM and cannot be reproduced without its prior written permission.

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.