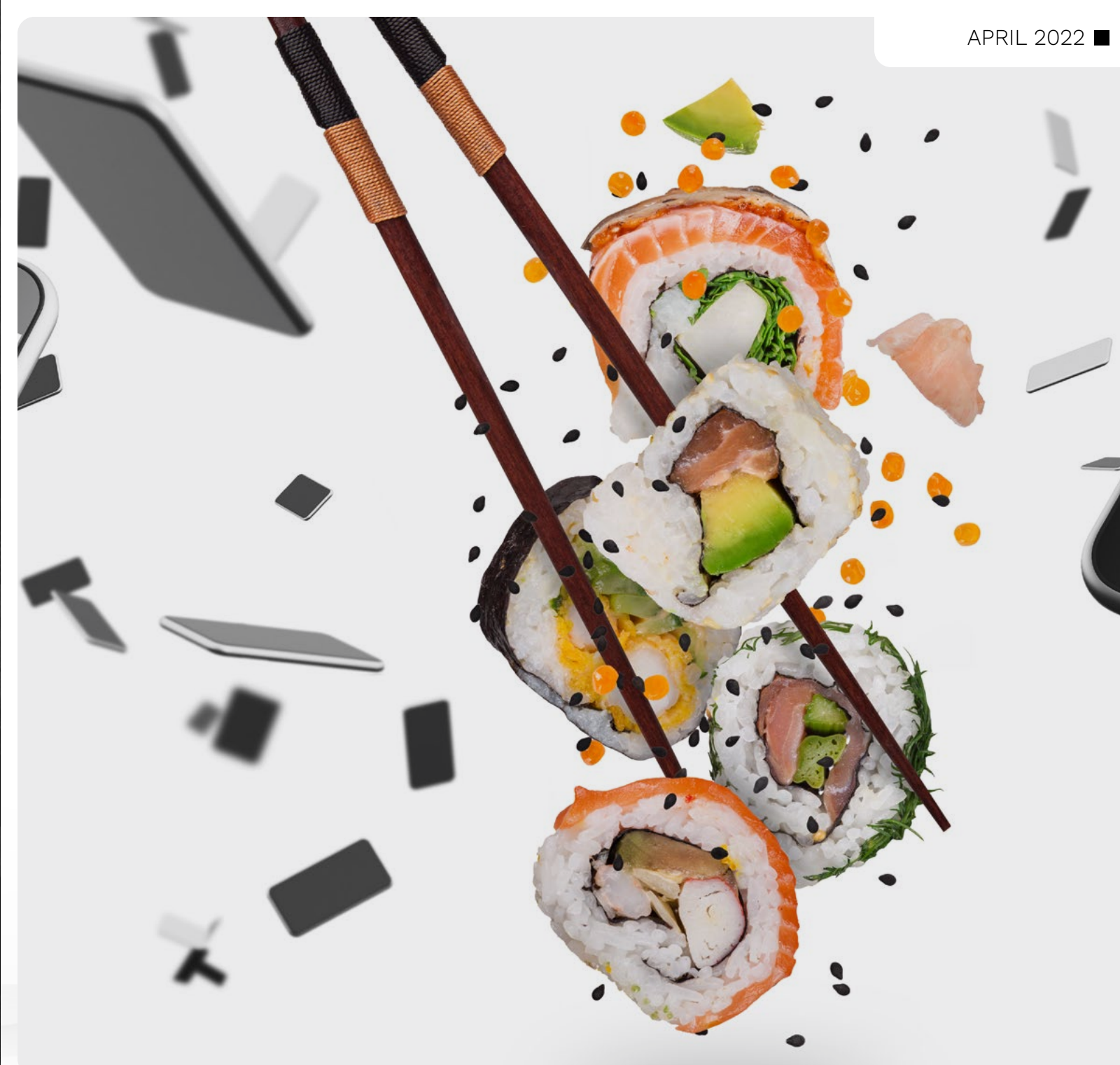
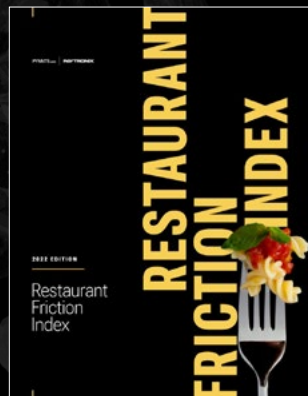


The Digital Divide Report Series, a PYMNTS and Paytronix collaboration, examines restaurant customers' spending habits. For this edition, we surveyed 2,664 U.S. adults who regularly purchase food from restaurants — including purchases for dine-in, delivery and pickup — between Feb. 28 and March 9 about how they place orders and how much they spend. The report reveals loyalty programs' impacts on customer engagement levels and analyzes how restaurants and food brands can use these programs to build and retain audiences.

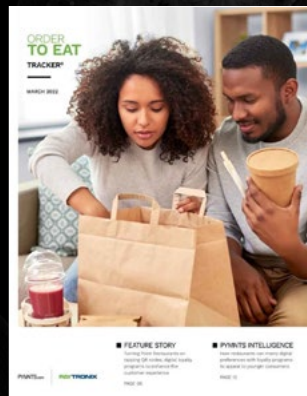


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Digital Divide Report

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Digital Divide

The Key Factors That Drive
Restaurant Choice

Digital Divide

The Key Factors That Drive
Restaurant Choice

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Digital Divide: The Key Factors That Drive Restaurant Choice 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 American consumers select a restaurant to order from or visit, they consider many things. For years consumers have prioritized food taste, convenience, and price, yet more recently, the kind of experience the consumer seeks to have is coming to the fore. Consumers know that cutting-edge restaurants can streamline the eating experience using technology that ensures that consumers' favorite meal will be waiting for them error-free when they arrive.



PYMNTS data shows that consumers use different metrics for making certain choices based on the meal they seek to have: Consumers dining at a restaurant with loved ones will make different choices than those simply seeking a quick meal, for example. If the consumer wants to order ahead and pick up their meal, they may make yet another decision, and if COVID-19 concerns are paramount, their choices may diverge for yet another reason. All of these and other factors meaningfully impact consumers' choices, and we asked consumers how they made them.



Awareness of these factors can help ensure consumers have a smooth experience that they will feel good about later. Understanding how consumers value them can help restaurants make optimal business decisions such as integrating digital tools, providing delivery options or even deciding to offer loyalty programs.

The Digital Divide: The Key Factors That Drive Restaurant Choice, a PYMNTS and Paytronix collaboration, examines consumers' views and attitudes toward restaurant ordering options, loyalty programs and subscriptions. We surveyed 2,664 consumers in the United States to learn more about how they make the key decisions that govern which restaurant to visit or order from.

This is what we learned.

■ PART I: THE REAL DECISION DRIVERS

Seventy-five percent of purchases that involved discounts were driven primarily by reasons other than price.

Even when consumers apply discounts to their purchases, factors other than price are almost always more important to their decision-making process. Sixty-six percent of respondents identified food taste as a major reason to choose a restaurant, making it the most cited reason. Twenty-nine percent of consumers who used discounts and 37% of those who paid full price for their meals cited taste as a driving element of their purchases, suggesting that while discounts are welcome encouragement, restaurant selection is most often about taste or fulfilling a craving rather than about low costs.

Convenience is also a major factor — the second-most cited, in fact — in restaurant choice. It influences 47% of purchases, and 19% of restaurant customers say convenience is the most important driver of restaurant choice. Generation Z consumers are the most likely generation to cite convenience as a motivator: 24% say it is the most important factor when choosing a restaurant.

A relatively low 15% of consumers who were given a discount cited the overall price of the meal as a factor in choosing a restaurant, and discounts influenced restaurant choice for just 10% of consumers who used discounts to purchase their meals.



FIGURE 1A:

Factors influencing how consumers choose an eatery
Share of consumers who cited factors as important and most important influencing their restaurant choice

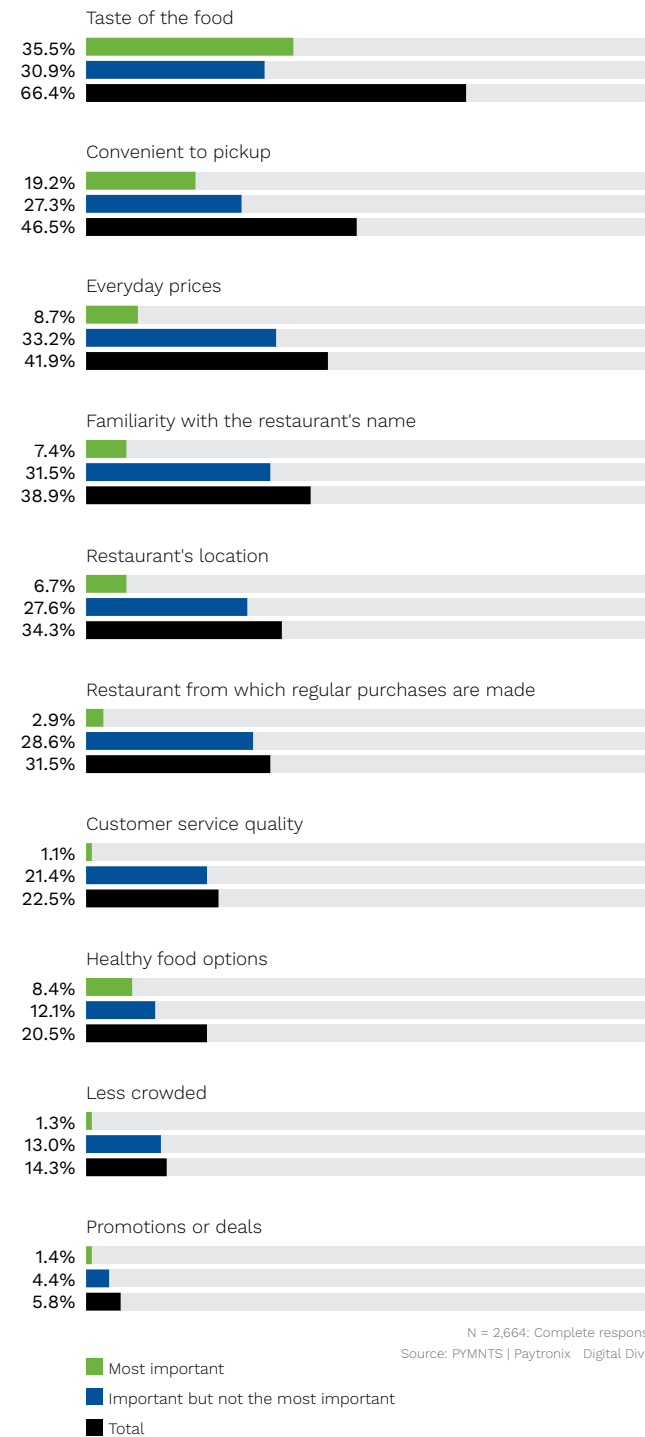
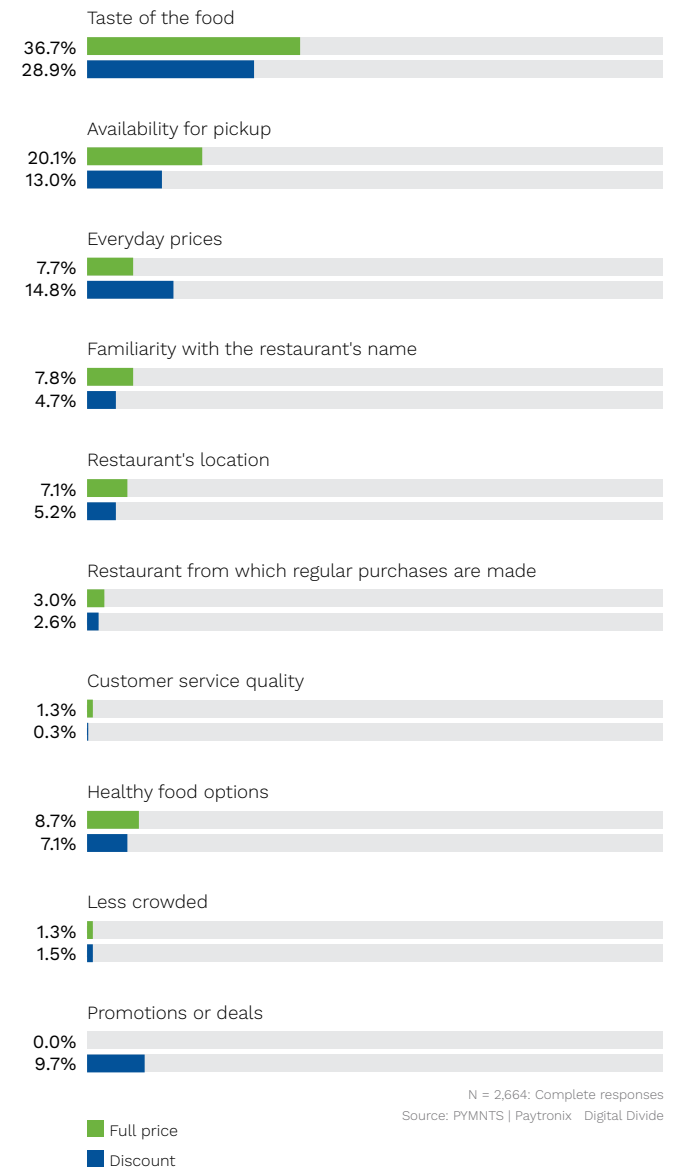


FIGURE 1B:

Factors influencing how consumers choose an eatery
Share of consumers who cite influences on their restaurant choice, by whether the meal was discounted



■ PART I: THE REAL DECISION DRIVERS

Though consumers' priorities shift somewhat depending upon whether consumers seek a table-service restaurant or quick-service restaurant (QSR) experience, considerations remain more similar than some might expect.

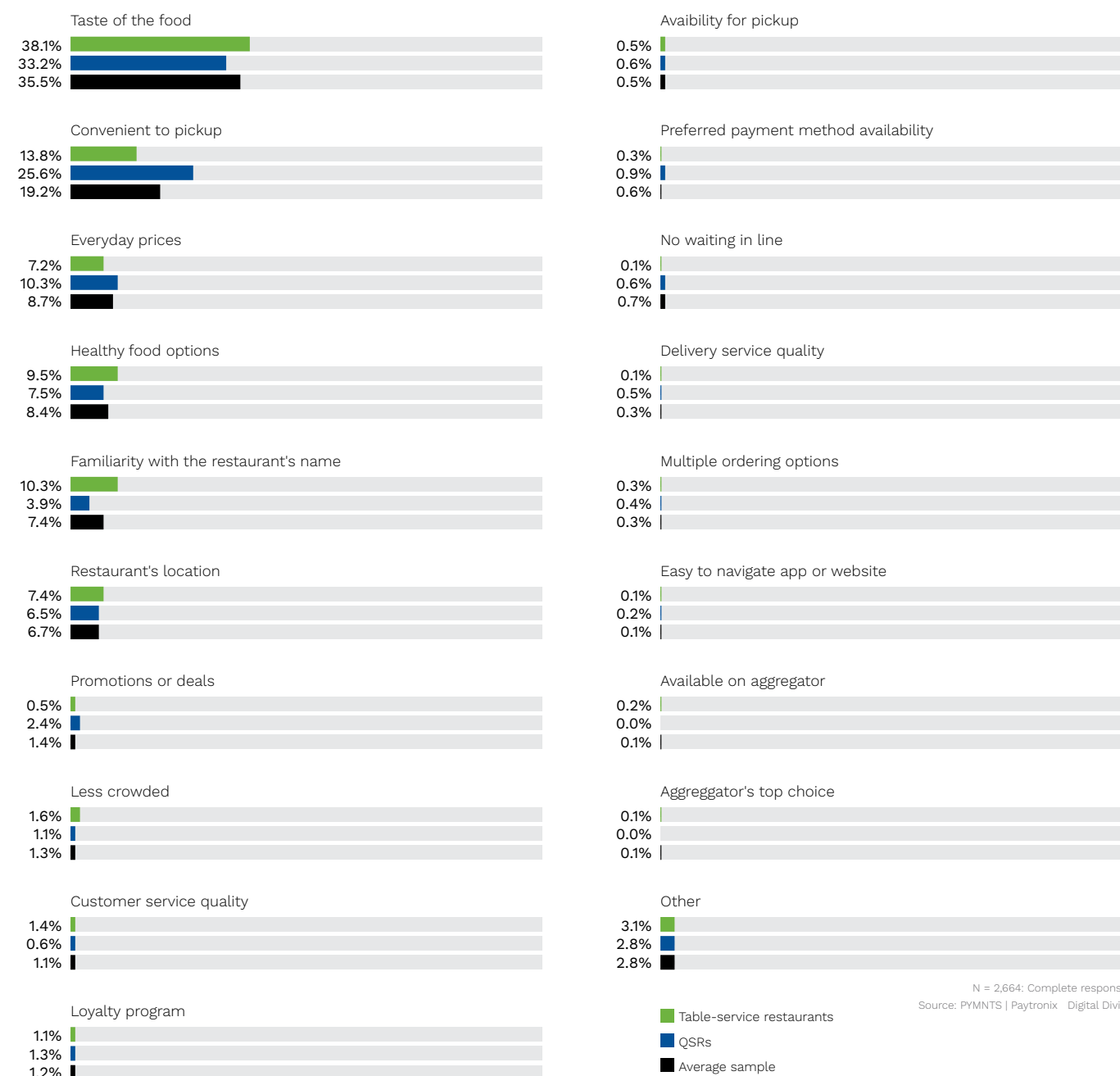
The most important factors for all consumers are the taste of the food they plan to consume, cited as a major factor by 38% of table-service restaurant customers and 33% of QSR customers, and general convenience, cited by 14% of table-service restaurant customers and 26% of QSR customers.

After the two above-mentioned factors, consumers looking forward to a sit-down experience with their friends and family are most concerned with selecting a restaurant they are already familiar with (10%) and offers healthy options (9%). They are also concerned with the restaurant's physical location (7%). When consumers are ordering from a QSR and are mainly looking for a quick meal rather than something fancy, however, they are more concerned about price (10%), though the runner-up factors remain how healthy the food is (7%) and then the restaurant's physical location (6%). We can deduce that familiarity is a key driver for dining in-house because it is a greater investment in terms of time and money, and familiarity helps give the consumer a sense of security that the experience, often shared with loved ones, will be pleasant.

FIGURE 2:

Greatest factors currently influencing restaurant choice

Share of consumers who cited their primary influence in choosing a restaurant the last time they purchased food, by restaurant type



N = 2,664: Complete responses
Source: PYMNTS | Paytronix | Digital Divide

■ PART II: NEW CONSIDERATIONS FOR RESTAURANTS

Technology drives the modern restaurant, attracting consumers who increasingly prefer seamless experiences.

Sometimes, the feeling that technology will help ensure consumers' orders will be just right or make getting their meal more convenient helps them make restaurant choices. Of the restaurant-goers surveyed, 23% said they were more likely to choose a restaurant if they could order food to pick up ahead of time, and they knew the meal would be waiting for them upon their arrival. Twenty-one percent of respondents cited ordering features as the most important motivator, and 17% cited features that made payment easy as most crucial.

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Share of consumers who are most encouraged to order by pickup features

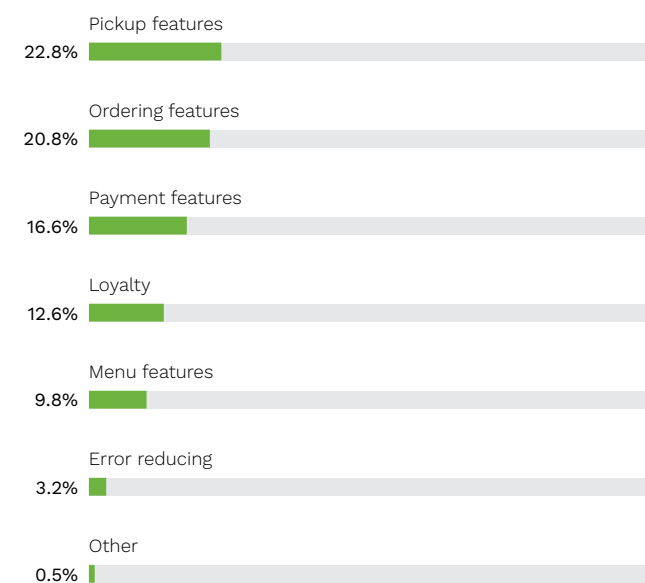


Share of consumers who are most encouraged to order by various ordering features

FIGURE 3:

Technologies that drive consumers to order from a specific restaurant

Share of consumers who say select technologies are most important in encouraging orders from a specific restaurant



N = 2,664; Complete responses
Source: PYMNTS | Paytronix | Digital Divide

Other key motivating features included loyalty programs, which 13% of respondents cited as the most important, menu features that make it easy to view the menu from anywhere, which 10% of respondents cited as critical and error-reduction technologies that make it easier for restaurants to get consumers' orders right every time, which 3% cited as most crucial. A key commonality between loyalty features and the other top features is consistency: Once a restaurant provides these features at a high-enough quality to satisfy customers, they can reliably serve as a foundation that keeps customers returning and boost lifetime value.

■ PART II: NEW CONSIDERATIONS FOR RESTAURANTS

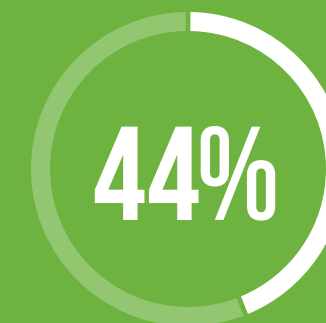
COVID-19 still looms large for some consumers, with 34% saying they dine in restaurants less than they did before the pandemic. This number increases to 45% among those that say they're either "very" or "extremely" concerned about the virus.

Even among frequent buyers, 30% say they now eat in restaurants less.

The pandemic has severely impacted consumers' decision making across the pillars of daily living, and this is true regarding how consumers dine. Many consumers who thought nothing of going out for a bite to eat pre-pandemic would now rather order in, while others have made adjustments such as requesting outdoor seating.

Consumers use technology to interact with restaurants and order their food like never before. Mobile tools are leading the way, with 36% of our respondents saying they order ahead on mobile more often now. Of those that are either "very" or "extremely" concerned about the virus — the "pandemic-concerned," as we will call them — 44% say they have used mobile order-ahead to order food. We also found that 39% of all frequent buyers do this as well. Thirty-two percent of our respondents — including 43% of those that are pandemic-concerned — say they buy food using a restaurant's online site more now than they used to, and 31% of respondents — including 43% of the pandemic-concerned — also say that they call in more orders for pickup via their telephones. Twenty-eight percent of our respondents also said they now order food using aggregators more often as well.

Our data shows that consumers who select to go to restaurants to dine are also more likely to request outdoor seating now than in the past, with 32% of pandemic-concerned respondents, 31% of frequent buyers and 24% of the general sample saying they now do this more often than they did before the pandemic began.



Share of pandemic-concerned consumers who have used order-ahead features to order food

Thirty-two percent of our respondents say they order

using a restaurant's online site

more now than they used to.

Digital Divide

TABLE 1:
How the pandemic has impacted consumers' behaviors
 Share of consumers that are doing certain activities more or less due to fear of exposure to COVID-19

	SAMPLE	PANDEMIC IMPACT		TYPE OF CUSTOMERS	
		Pandemic-concerned	Not as concerned	Frequent customers	Occasional customers
ENGAGE MORE					
• Dining inside	14.7%	21.6%	9.5%	19.2%	10.9%
• Dining outside	24.3%	32.5%	18.2%	31.2%	18.5%
• Delivery ordering via aggregators	28.3%	37.3%	21.7%	33.3%	24.1%
• Pickup ordering via phone call	31.5%	43.4%	22.5%	36.0%	27.6%
• Ordering via restaurant's site	32.0%	42.8%	23.9%	38.4%	26.5%
• Ordering via mobile order-ahead	35.6%	43.8%	29.4%	38.5%	33.0%
ENGAGE LESS					
• Dining inside	34.2%	44.5%	26.5%	30.2%	37.6%
• Dining outside	13.7%	18.0%	10.5%	11.3%	15.8%
• Delivery ordering via aggregators	8.5%	10.5%	7.0%	8.9%	8.2%
• Pickup ordering via phone call	9.1%	10.1%	8.3%	8.7%	9.4%
• Ordering via restaurant's site	8.6%	10.1%	7.4%	8.5%	8.6%
• Ordering via mobile order-ahead	7.1%	9.0%	5.6%	6.4%	7.7%

N = 2,664: Complete responses
 Source: PYMNTS | Paytronix | Digital Divide

Consumers that choose to dine in are more likely to request outdoor seating:

24% of the general sample say they now do this more often.



Digital Divide

The Key Factors That Drive
Restaurant Choice

Conclusion

Many factors influence consumers' restaurant decisions, including the kind of experience the consumer wants to have, the kinds of technologies a restaurant allows its guests to use or the opportunity to use a discount. COVID-19 precautions also play a role in consumers' choices now. It is important for savvy restaurateurs to consider these factors — and their specific impacts on consumers at large — when tailoring their offerings to the public's wants and needs. Restaurant owners that understand these preferences can position themselves best to succeed in today's competitive restaurant industry.

Methodology

The Digital Divide: The Key Factors That Drive Restaurant Choice, a PYMNTS and Paytronix collaboration, examines consumers' relationships, views and attitudes toward digital food ordering trends, loyalty programs and subscriptions. We surveyed 2,664 consumers in the U.S. between Feb. 28 and March 9 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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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>.

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