

# MOBILE ORDER-AHEAD

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Tracker®

## How Caribou Coffee Took Mobile Order-Ahead By The Reins

FEATURE STORY (p. 7)

DECEMBER 2019

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PYMNTS.com

# MOBILE ORDER-AHEAD Tracker®

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## ACKNOWLEDGMENT

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Mobile order-ahead continues to grow more popular, with consumers' preference for digital ordering impacting how physical restaurants are designed and renovated. Nowhere is this change more pronounced than the coffee industry, with giants like Starbucks [building](#) pickup-only locations — the apparent successor to the drive-thru. Smaller chains like Minnesota-based Caribou Coffee are following close behind, renovating locations with dedicated pickup windows and parking spaces for mobile customers making quick stops.

New York City-based Bandit is among the startups building its stores from the ground up to cater to

mobile ordering, with its single location [consisting](#) of little more than a pickup counter and some seating. Bandit's co-founder and CEO, Max Crowley, cut his teeth at Uber, underlining the growing intersection between mobile order-ahead and the larger on-demand digital economy.

Fraudsters continue to haunt the mobile order-ahead industry, however, with friendly fraud becoming a particularly well-documented menace. Customers can take advantage of restaurants by requesting chargebacks from their banks or credit card companies with the hope of scoring a free meal. Compounding this issue is the vast quantity

of customers who are ordering chargebacks in good faith due to restaurant error — a situation in which requesting a refund would be more appropriate. These customers might not have ill will toward the quick-service restaurant (QSR) from which they ordered, but the end result mirrors that of friendly fraud: lost sales, irrecoverable inventory and potentially ruinous fines from credit card companies. Both types of chargebacks damage businesses but require vastly different tactics to fight.

The mobile order-ahead market may be strong now, but fraud and excessive chargebacks could harm it immensely without intervention.

### **Mobile order-ahead developments around the world**

Consumers are accessing a wide range of cuisines via mobile order-ahead, but certain meals are more popular than others. DoorDash's end-of-year report [revealed](#) that the most popular item delivered in 2019 was burrito bowls. The most expensive food order cost \$3,000 and consisted of macaroni and cheese, crab fried rice and curry cornbread, and the most valuable order overall was a \$5,000 delivery of cognac.

Third-party apps are facing some oversight difficulties, however. DoorDash's competitor, Grubhub, is [taking heat](#) from the New York City Council, which

is asking it to pay back restaurants for fees charged for phone calls that did not result in sales. The council alleges that Grubhub's order-detection algorithm is falsely charging restaurants, mistakenly saying that orders took place. This is the latest scuffle in an ongoing conflict between Grubhub and New York City that stretches back months.

Third-party delivery services Grubhub and DoorDash are driving restaurant innovation despite these legal struggles. QSRs such as Chick-fil-A and Wendy's are [opening](#) "phantom kitchens," locations without dining rooms that conduct business entirely through mobile ordering, pickup and delivery. Other companies are also fueling these developments, including Uber co-founder Travis Kalanick's CloudKitchens. The company recently secured \$400 million in funding from Saudi Arabia's sovereign wealth fund.

For more on these stories and other mobile order-ahead developments, check out the Tracker's News and Trends section (p. 11).

### **Caribou Coffee's rewards system changes with the times**

Coffee QSRs such as Starbucks and Dunkin' were among the first to embrace mobile order-ahead, and smaller chains like [Caribou Coffee](#) are following their developments closely, observing whether



they work and adjusting offerings based on customer feedback. For this month's Feature Story, (p. 7) PYMNTS spoke with Caribou Coffee's senior director of marketing, Caroline Larson, about how the chain's rewards system changed from a surprise-and-delight model to a points-based loyalty program, and what it learned from industry giants about in-store pickup.

### **Deep Dive: Chargebacks take a bite out of QSRs**

Chargebacks are a well-known annoyance among retail stores and other merchants, but only with the rise of mobile order-ahead are restaurants beginning to see them in earnest. They pose a unique threat to the industry, not only because of QSRs' inexperience in fighting them but also because of the non-returnable nature of their products. This month's Deep Dive (p. 16) explores why chargebacks are a relatively recent phenomenon among restaurants and how customer trust may be the best tool against them.

## Executive INSIGHT

***The rise of mobile ordering in recent years has led to a surge in restaurant chargebacks. What steps can restaurants take to tackle this problem?***

"To remain competitive in the dynamic restaurant market, brick-and-mortar restaurants are transforming their business models by implementing mobile ordering. Fast, convenient, and gaining in popularity among customers, this digital transformation seems like the logical next innovation for many restaurants. Yet mobile also introduces new fraud risks that many restaurants aren't prepared to handle. On the one hand, expanding into new digital channels means new customers and new revenue, and on the other hand, it also leaves businesses vulnerable to complex fraud.

Restaurants that are new to this mobile channel often lack the technical preparation and resources to protect themselves and their customers from fraud [such as] stolen credit card numbers, since their previous experience is with face-to-face interactions with customers. In addition to chargebacks and loyalty program exploitation, a digital customer experience introduces new types of fraud ... A comprehensive digital fraud prevention solution can help restaurants prevent financial losses from chargebacks and the fees associated with them. In addition, businesses can protect themselves from different types of mobile fraud without risking a streamlined order and checkout customer experience."

**RICH STUPPY**

chief customer experience officer at [Kount](#)

# FIVE FAST FACTS

**\$5,000**

Value of the most expensive order placed on DoorDash in 2019

**\$75,000**

Maximum monthly fine from Visa for excessive chargebacks

**70%**

Share of consumers who expect restaurants to have digital ordering apps

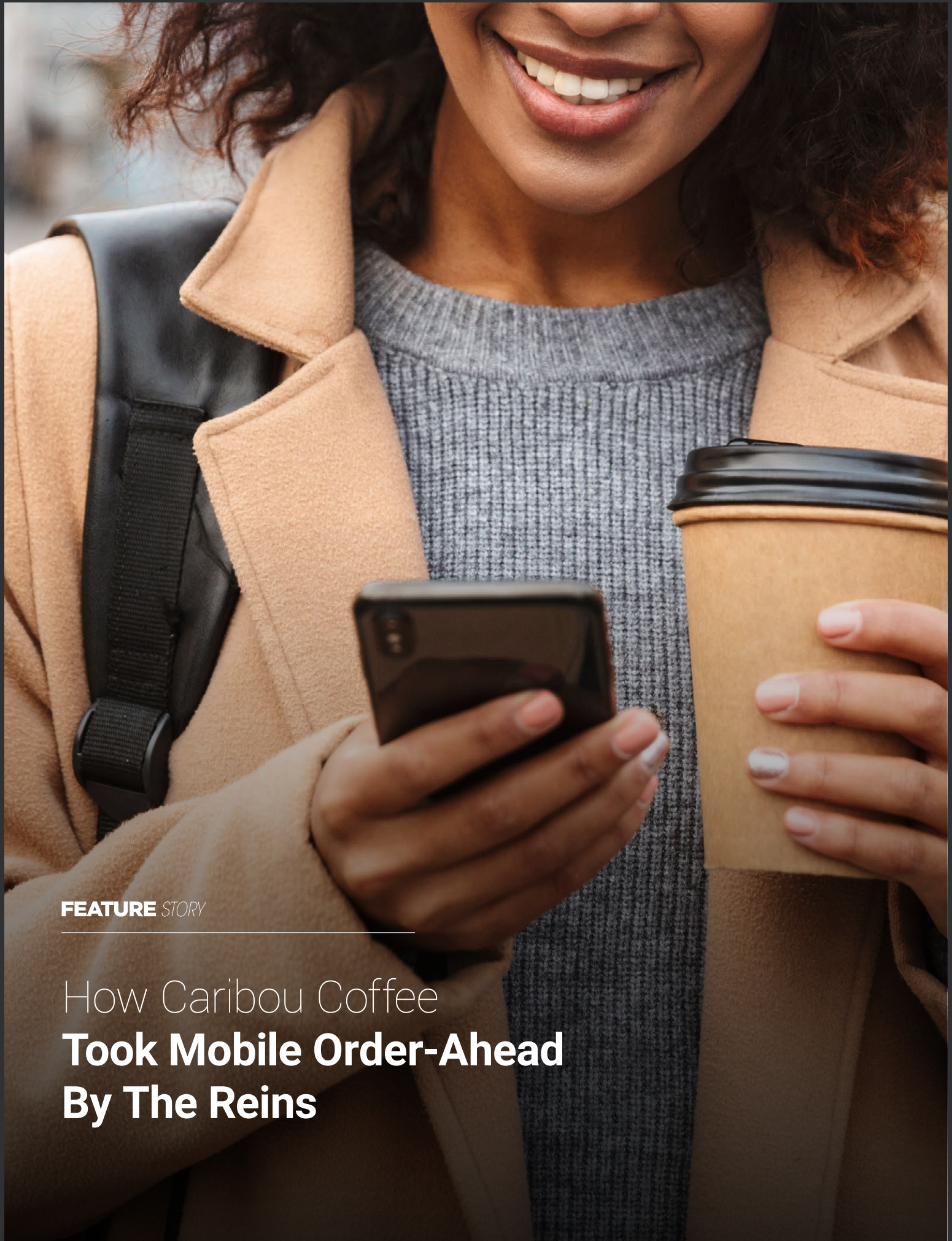
**10%**

Portion of restaurants that have chargeback rates of more than 1 percent

**35%**

Portion of car owners who use connected devices to order food while driving





**FEATURE** *STORY*

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How Caribou Coffee  
**Took Mobile Order-Ahead  
By The Reins**

Major coffee industry players like Starbucks and Dunkin' were some of the first to take mobile order-ahead mainstream, allowing customers to order their coffee on the go and duck into store-fronts for mere seconds to pick up their freshly poured drinks. Minnesota-based [Caribou Coffee](#) and other smaller chains are following suit by not only developing mobile order-ahead apps but also instituting rewards and loyalty programs, encouraging customers to return to their stores. The coffee company, which has over 600 company-owned and licensed locations throughout the United States, recently retooled its rewards system, Caribou Perks, to compete against industry heavyweights.

PYMNTS recently spoke with Caroline Larson, Caribou Coffee's senior director of marketing, about how the chain shifted Caribou Perks from a surprise-and-delight model to a points-based system as well as how it keeps its mobile app secure.

## **How Caribou modernized its rewards system**

Caribou's current rewards system is quite different from what was offered when it debuted in 2014, Larson said. The app featured a surprise-and-delight approach at launch, granting customers rewards at semi-regular intervals based on their purchasing patterns. Customers' preferences shifted over time to favor transparent points-based systems, in which point values correlate to rewards that customers

can work toward. Caribou took this feedback into account and leveraged a Paytronix platform to revamp the Perks program in 2018. Customers now earn two points for every dollar spent — a straightforward system similar to that of Chipotle, Dunkin', Starbucks and other QSR giants.

The other key request was enabling customers to choose when and how to redeem their points, rather than pigeonholing them into specific rewards.

"We had seen a lot of other programs that had made changes and gotten really negative effects," she said. "[Customers were] saying, 'Hey, you've changed the point values and now I can't get what I want. I just want a brewed coffee — I don't want a full-blown handcrafted one.'"

Another loyalty innovation Caribou implemented post-release was targeted recommendations via email. The company tracks customers' orders to determine their favorite items and then leverages that data to make suggestions.

"For example, if you're ordering a latte and, in the past, you had almond milk," Larson explained, "we're able to intercept that order and [say], 'We know that you enjoyed almond milk in the past. Good news, we have oat milk now. Would you be interested in adding that?'"

There is a fine balance between helpful suggestions and unwanted creepiness, she noted, adding



that it was important for the app to not be overbearing or incorrect with its suggestions.

“I’m not one of those people who uses any kind of milk or cream or anything in my coffee,” she said. “So that message wouldn’t come up to me because the system would know who I am and that I’m not a milk drinker.”

Customer feedback drove the technical development of the ordering app as well. Caribou Perks did not originally allow customers to schedule pickup times. All orders were instead made as soon as possible, which did not serve consumers who need to get their coffees at certain times, such as during their morning commute. Caribou fixed this issue by adding a scheduling functionality.

### **Bringing in-store operations up to date**

Developing the app was only half of the mobile order-ahead equation — the other involved preparing branch locations for the new system. Caribou Coffee observed its competitors’ mobile order fulfillment practices, particularly regarding smooth pickups, before altering its storefronts.

“I think we were able to implement a higher level of order-ahead by waiting a little bit longer and not having all the hiccups that other companies had,” Larson said. “We particularly wanted to give the guests a clear way to know where to pick it up. We

saw a lot of that from other companies — that there would be nobody in line to actually order a drink, but a huge line for mobile pickup.”

Caribou streamlined its in-store pickup capabilities in two different ways. The company first made sure that its pickup counter was near the entrance, was immediately identifiable and that each order was clearly labeled. This may seem like an obvious step, but Larson explained the effort is not necessarily industry standard.

“We made sure that the labels are not only big enough that people can actually see their names at a distance but also customer-friendly in terms of what the beverage name is,” she said. “For example, internally we say COD for coffee of the day. If somebody saw that on their actual beverage, they might [say], ‘I don’t get what that is.’ So instead we use ‘brewed coffee.’”

The second step to speeding the pickup process took place outside the store. Caribou converted several of its high-volume locations’ parking lots to include short-term parking spaces, allowing customers to run in and out quickly.

### **Keeping the cup secure**

A secure ordering experience is a top priority for any app that handles customer information, and Caribou is no stranger to fraud risks. The company,

as well as its sibling QSR Bruegger's Bagels, fell victim to a [data breach](#) in its point-of-sale (POS) system one year ago that compromised payment information collected at 265 of its store locations. The breach came from its POS system rather than its mobile app, but it still taught the company valuable lessons about best security practices.

"Obviously it's something that no company wants to deal with. We were able to quickly confirm that payments made through Caribou Perks accounts were not affected," she said. "Since then, we've worked diligently with external partners and our own teams to make sure that we do everything we can to make our payments and our customer information secure."

The company's mobile app has yet to fall victim to fraud, but it is still important that Caribou remains vigilant. Fraudsters are always digging for vulnerabilities, and QSRs should always be looking for superior protection.

## Under The HOOD

### *How does the Caribou Perks app differ from other coffee shop mobile order-ahead apps?*

"One of the ... things that people like about Caribou is the trivia question. When they walk into a Caribou store, there's a daily trivia question, and if they answer right then they get a small discount off of the beverage that they're about to order. We actually made it so that when they load up the app on a daily basis, they have the ability to answer a trivia question, and that discount can also be applied for order-ahead.

The other cool thing we've done is a pay-it-forward system. People in the drive-thru always like to say, 'Hey, I want to pay for the person behind me.' It's something fun, an act of goodwill, especially this time of year.

We really wanted ... to have a way that people could do something similar from a loyalty program. So, ... we created a perk-share program as part of the app where people — if they have enough points for, for example, a free beverage — can actually redeem the points and send that free beverage to a friend. It's a way to play off the whole coffee shop culture."

**CAROLINE LARSON**

senior director, [Caribou Coffee](#)



## **THIRD-PARTY DELIVERY SERVICE HITS AND MISSES**

### **Burrito bowls are the most popular DoorDash order, new report finds**

Third-party food delivery service DoorDash [released](#) its end-of-year trend report in November, offering insights regarding its customers' orders throughout 2019. Burrito bowls were the most popular item, followed by chicken tacos, cheeseburgers and pizza. The most ordered foods varied by location, however, with sushi taking the top spot in Los Angeles and chicken wings reigning supreme in Miami. The report also revealed DoorDash's most expensive food order in 2019: \$3,000 worth of macaroni and cheese, crab fried rice and curry cornbread. A \$5,000 cognac delivery marked its most expensive beverage order. The report was released not long after DoorDash announced it is working to secure \$100 million

in new funding and bring its valuation to approximately \$13 billion.

### **DoorDash faces lawsuit over former tipping policy**

DoorDash may be hoping to bring in more funding, but it has probably not hoped for the court cases its former tipping policy brought in. Washington, D.C.'s attorney general, Karl Racine, [filed](#) a lawsuit against the company in November, alleging that DoorDash misled customers into believing that tips were going to delivery drivers when they were instead going directly to the company. Racine argued that the company owes restitution to its consumers and workers, and he aims to recover all tips paid to the company since 2017.

DoorDash's former payment model paid delivery drivers a flat rate, meaning that the more a



customer tipped a driver, the less DoorDash would pay, effectively sending the tip to DoorDash rather than the driver. The policy has been in place since 2017 but made [headlines](#) earlier this year, sparking widespread controversy and pushing DoorDash to [update](#) its payments model in August.

### **New York City Council asks Grubhub to pay back restaurants for phone call fees**

Rival third-party delivery platform Grubhub is also facing heat from municipal governments. More than 30 members of the New York City Council [penned](#) a letter to Grubhub, asking it to reimburse restaurants for fees on phone calls that did not result in sales. Grubhub uses an algorithm to determine if calls placed through the app result in orders and charges restaurants commission on those orders, but the City Council alleges that the algorithm mistakenly determined that orders took place and charged restaurants for nonexistent sales.

The letter is the latest in a series of conflicts between Grubhub and the New York City Council, which [accused](#) the company of charging exorbitant fees in October and threatened legislation if they were not lowered. Grubhub defended itself by arguing that the app brings restaurants customers that would not otherwise order.

### **Shake Shack begins nationwide delivery with Grubhub**

Grubhub is adding new services despite these potential legal issues, recently entering a [partnership](#) with Shake Shack. The pair began offering delivery in November, allowing customers to order from any of the chain's 140 U.S. locations. Shake Shack previously explored delivery but rejected the concept, fearing reduced food quality. Grubhub's Just in Time system eases those concerns by preventing the order from submission until the driver is close to the restaurant, reducing the time between cooking and pickup. Shake Shack plans to roll out additional Grubhub services at its locations over the coming months, including a data-sharing partnership that will grant customers rewards and promotions.

### **Deliveroo adds pickup option for mobile ordering**

Overseas delivery apps are also adding new services, with United Kingdom-based food delivery app Deliveroo recently [launching](#) an option that enables customers to forgo fees by picking up their own orders. Restaurants will also pay reduced commissions for pickup orders, incentivizing more eateries to partner with the app. The service is live at more than 700 restaurants in 13 U.K. cities, and Deliveroo plans to expand the offering next year to 10,000 locations across Australia, Belgium, the Netherlands, Spain and the U.K.

The pickup option is Deliveroo's most recent appeal to businesses. It previously offered food procurement and data service to support restaurant expansions and savings on costs like energy. The company plans to [add](#) 10,000 additional restaurant partners within the next six months, bringing its total to 30,000 around the world.

### **MOBILE ORDERING TRENDS**

#### **Restaurant chains increasingly eschewing dining rooms due to mobile order-ahead**

Mobile order-ahead's popularity has resulted in many restaurants [opening](#) locations without dine-in options, instead conducting business entirely through mobile ordering, pickup and delivery. Chick-fil-A is experimenting with this concept, opening two pickup-only locations in Nashville, Tennessee, and Louisville, Kentucky, and three delivery-only kitchens in the San Francisco Bay Area as well as the cities of Chicago, Illinois and Los Angeles, California. Wendy's is also planning to open a pair of "dark kitchens" by the end of the year.

Several companies have also emerged to offer delivery-only kitchens. CloudKitchens, which rents kitchens to delivery-only restaurants, was founded by Uber co-founder Travis Kalanick in 2016 and recently received \$400 million in funding from Saudi Arabia's sovereign wealth fund.

#### **Study finds 76 percent of consumers expect restaurants to have mobile ordering apps**

Customers are beginning to expect mobile ordering from even traditional sit-down restaurants. A joint study from digital ordering solution provider Tillster and research firm SSI recently [found](#) that 76 percent of customers expect restaurants to offer digital ordering apps and that 70 percent expect the same capabilities online. This underlines digital ordering's importance in the modern restaurant landscape, as more than half of respondents considered mobile



apps a key factor when choosing restaurants from which to order.

Such offerings benefit restaurants because the majority of customers who order online do so for more than one person, resulting in higher check sizes. The orders are further inflated by customers who purchase more items than originally intended, and they spend an average of \$5 on these extra items.

## **MOBILE ORDER-AHEAD EXPANDS TO NEW AREAS**

### **BMW tests in-car mobile ordering in partnership with Olo**

German automaker BMW is [collaborating](#) with online ordering provider Olo on an in-car digital ordering system that will allow drivers to order food via the iDrive dashboard. The system is currently compatible with just two chains — Nekter Juice Bar and Portillo's — but Olo works with more than 70,000 restaurants, including Applebee's and Shake Shack, which will likely be added in the full system rollout. The feature does not currently work with voice commands, but BMW is developing a virtual assistant that will be compatible with Apple's Siri and Amazon's Alexa.

The ordering system will be particularly useful for drivers in countries and states that ban in-car cell-phone operation. PYMNTS' [Digital Drive Report](#) found that 35 percent of drivers with car-connected

mobile devices used them to order food, while 33 percent used them to order coffee.

### **Mobile order-ahead comes to UCLA's North Campus**

The University of California, Los Angeles is following in the footsteps of several other higher learning institutions around the country with the [introduction](#) of its digital food ordering app, Transact Mobile Ordering. The app allows students and staff to order food from the school's North Campus Student Center, where it will be available for pickup at a designated counter. The app launched on iOS and Android last month and users received discounts on their first three orders.

### **Wingstop partners with Twitch for live streaming food ordering**

Chicken wing QSR Wingstop recently [announced](#) a collaboration with livestream platform Twitch, allowing viewers and streamers to place orders directly through the latter's website. The system is available as a plugin for the website and features a Wing Calculator that asks customers questions to determine the appropriate order size. Users then interact with a livestream that offers suggestions based on the questionnaire, and customers are redirected to Wingstop's website for order confirmation and payment.



The collaboration aims to boost Wingstop's popularity among young males, Twitch's core audience. The gamification of the ordering process is a natural fit for the Twitch community, who use the platform to watch streamers play video games.

## **TECHNOLOGY PROVIDERS LAUNCH NEW MOBILE ORDERING SOLUTIONS**

### **PoppinPay introduces new online ordering solution for restaurants**

Restaurant technology provider PoppinPay recently [rolled out](#) an online ordering tool that integrates Square for processing payments. The omnichannel offering allows restaurants to modify the ordering experience to their liking and add multiple locations, enabling customers to select the one closest to them. The solution will provide restaurants with an alternative to third-party platforms and their associated problems: excessive commission charges, missed orders and outsourced customer service.

The product's launch follows last year's debut of PoppinPay's white-label mobile app, which also integrates with Square for payments processing and is available for Android and iOS.

### **Kount launches tool to protect restaurants and businesses from friendly fraud**

Keeping online ordering tools safe from fraud is a tall order, but plenty of companies are working on solutions, including digital fraud prevention provider Kount, which recently [introduced](#) a product aimed at fighting friendly fraud. The Friendly Fraud Prevention Solution uses artificial intelligence (AI) to mimic a fraud analyst by differentiating between criminal fraud, friendly fraud and valid disputes. The solution draws upon billions of recorded transactions from the past dozen years for comparison with real-time transactions to spot potential fraud.

Friendly fraud is different from other types of fraud in that it is perpetuated by legitimate customers rather than outside bad actors. The most common form of friendly fraud occurs when customers request chargebacks from their banks, claiming that their transactions were fraudulent or that orders never arrived. The banks overturn the sales, refund the customers and recoup payments from restaurants, which are left to cope with the lost revenue.

## How QSRs Can Curb Chargeback Woes

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Bank and credit card chargebacks are valuable tools that consumers use to protect themselves from credit card thieves, hackers and unscrupulous merchants. The [Truth in Lending Act](#), signed into law in 1968, grants U.S. consumers the universal right to credit card charge reversals, while the [Electronic Fund Transfer Act](#) of 1978 affords the same rights to debit card holders. Few would argue the necessity of these laws in protecting American consumers from being swindled.

These rights are sometimes abused by legitimate customers and fraudsters intent on scoring free merchandise, however. Chargebacks are a new obstacle for the restaurant industry that is gaining prevalence thanks to the advent of mobile ordering. The space faces specific challenges that can be mitigated with several emerging tools.

### **Why do chargebacks occur?**

Restaurant chargebacks largely fall into one of two categories: legitimate requests and friendly fraud. The first occurs when customers do not receive items they ordered and file chargeback requests with their banks or credit card companies rather than contacting the restaurants and requesting replacements or refunds. The latter involves similar processes but is conducted entirely in bad faith. Customers falsely claim that their orders were incorrect or the result of fraud and file chargeback requests to receive money. The financial institutions (FIs) refund the customers and recoup these funds from restaurants, leaving them with lost sales and irrecoverable inventory.

A joint [study](#) conducted by Chargebacks911 and Kount last year found that 28 percent of food and beverage industry respondents had chargeback rates between 0.5 percent and 1 percent of transactions, while an additional 10 percent reported chargeback rates of more than 1 percent. This may seem like a small amount, but it is a significant increase from five years ago, when restaurants reported no chargebacks at all.

This increase in chargebacks is largely the result of increased mobile ordering. Most food orders used to be placed and completed in restaurant spaces, resulting in chargebacks being rare to nonexistent. Problems could be immediately remedied if customers received incorrect items, and suspected fraudulent orders could be quickly verified with the restaurant's POS system.

Mobile order-ahead options have resulted in less face-to-face interaction with restaurant staff, meaning that legitimate and fraudulent chargebacks have become much more common. Ordering via mobile app and only interacting with a delivery person who had nothing to do with the food's preparation leads to far less customer oversight, providing ample reason for legitimate chargeback claims and plausible deniability for fraudsters.

### **Why are chargebacks harmful?**

Chargebacks are harmful to restaurants for a variety of reasons, and the first and most apparent is the waste of employee time and energy devoted to preparing food that does not bring in revenue. Chargebacks are more damaging for restaurants than other retailers because they have no way to recoup what was purchased. A clothing shop can have customers return items and then place them back out on the floor. Restaurants cannot resell items that were the subject of a chargeback and are forced to write off the entire transaction as a loss.

Further exacerbating damages are the fines FIs give restaurants. Visa's [Chargeback Monitoring Program](#) oversees chargebacks to individual merchants, fining those that earn too many over a given period. Merchants in the program are subject to a \$100 fee for each individual chargeback and face additional fines if they fail to keep their chargeback levels below an acceptable threshold. Restaurants could see penalties of up to \$75,000 each month, depending on how long they have been monitored, and establishments can even be barred from accepting Visa payments if their chargeback numbers do not decline, cutting off a massive revenue stream and alienating Visa card users.



### What can be done to curb chargebacks?

The keys to stopping excessive chargebacks vary depending on the type, as fraudulent and legitimate ones require different tactics. The best approach for mitigating legitimate chargebacks is prevention. Trust goes a long way toward encouraging customers to settle disputes directly with restaurants rather than go to their FIs. Eateries can institute a number of policies to encourage trust: Customer satisfaction issues should be addressed and resolved immediately, even if they result in refunds, as a refund is greatly preferable to a chargeback.

Restaurants should also maintain direct lines of customer communication to encourage consumers to come to them before going to their FIs. That dialogue could be started by providing feedback forms after an order, exposing chargeback-provoking issues before they occur and demonstrating that the restaurant is willing to listen.

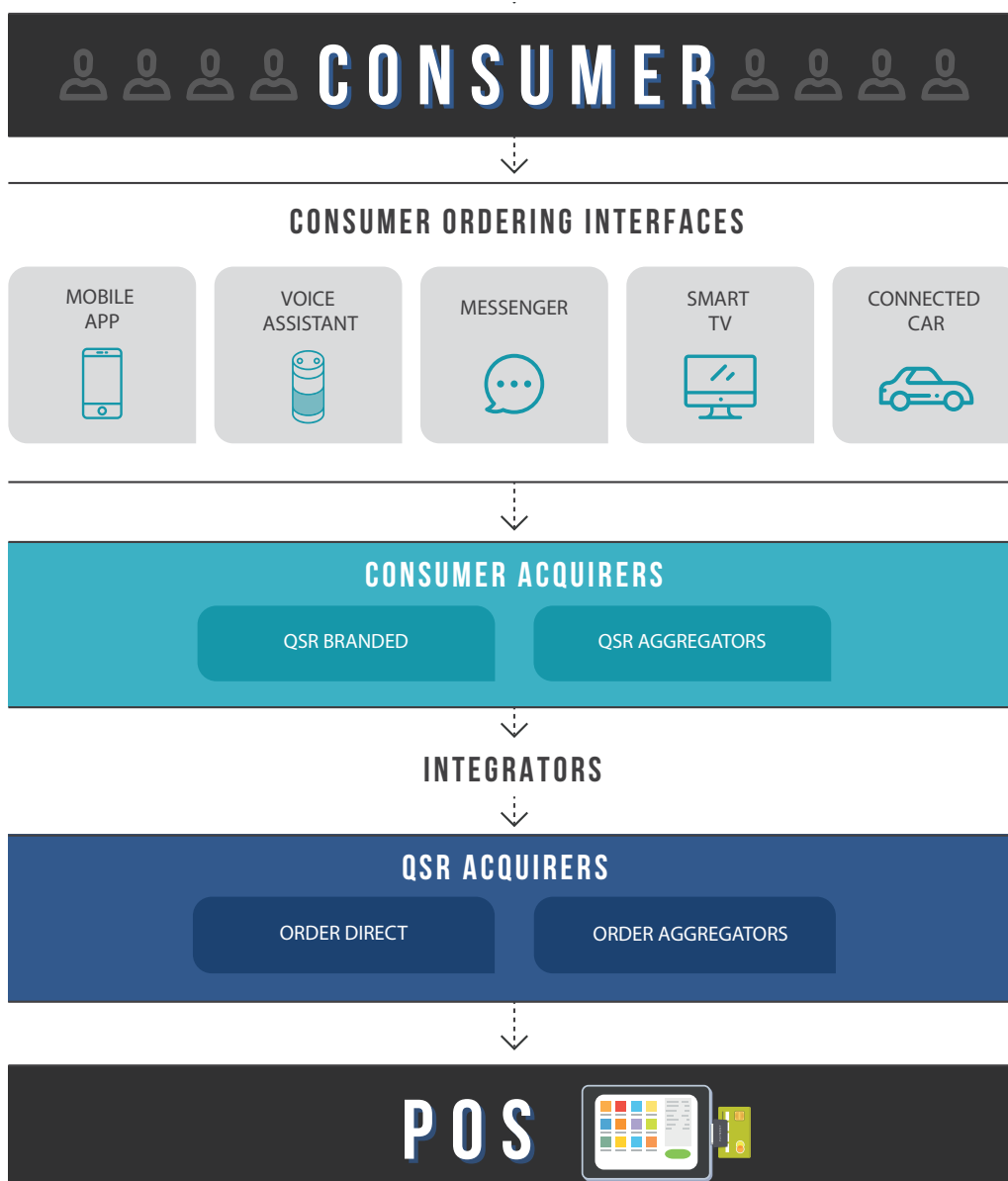
Friendly fraud requires different tactics, such as requiring customers to enter card verification value (CVV) codes, which are printed on the back of most major credit cards and certify that a customer is willfully placing an order. These codes cannot be stored on restaurants' systems and are therefore less likely to fall into fraudsters' hands. CVV codes can make chargeback disputes significantly easier for restaurants to win, as they can prove that the transaction was authorized.

It does not seem like chargebacks are slowing down, yet with the right customer attention and security strategies, restaurants can limit their damage.



# MOBILE ORDER-AHEAD ECOSYSTEM

The PYMNTS Mobile Order-Ahead Tracker® gives an overview of the trends and activities across the mobile order-ahead space, as well as the companies that offer relevant solutions and services. Each month, the Tracker's News and Trends section provides a comprehensive update of the latest goings-on of the major industry players, technologies and solutions fueling the consumer-driven ecosystem. This visual representation of the mobile order-ahead ecosystem explains how we organize our News and Trends.



## MOBILE ORDER-AHEAD SCORING METHODOLOGY

Companies included in the Tracker Scorecard are the top restaurants providing mobile order-ahead as an integrated offering within their operations. Providers have been scored and ranked based on three primary mobile order-ahead criteria:



### ORDERING CHANNELS

How orders can be placed via the app, including whether they can be made through a branded app, third-party aggregator, messenger app or voice-activated app



### LOYALTY INTEGRATIONS

How customers can access their loyalty or rewards program accounts via a business' mobile app



### APP USAGE

How many people interact with the app, including usage penetration rates, the number of active monthly users and the average session duration in seconds

# PROVIDER DIRECTORY

## Third-Party Aggregator Apps:



## SDKs Enabling Branded Order-Ahead Apps:



## Middleware Examples (Connecting Ordering Channels to POS):



## Demand Side: QSR Branded Order-Ahead Apps

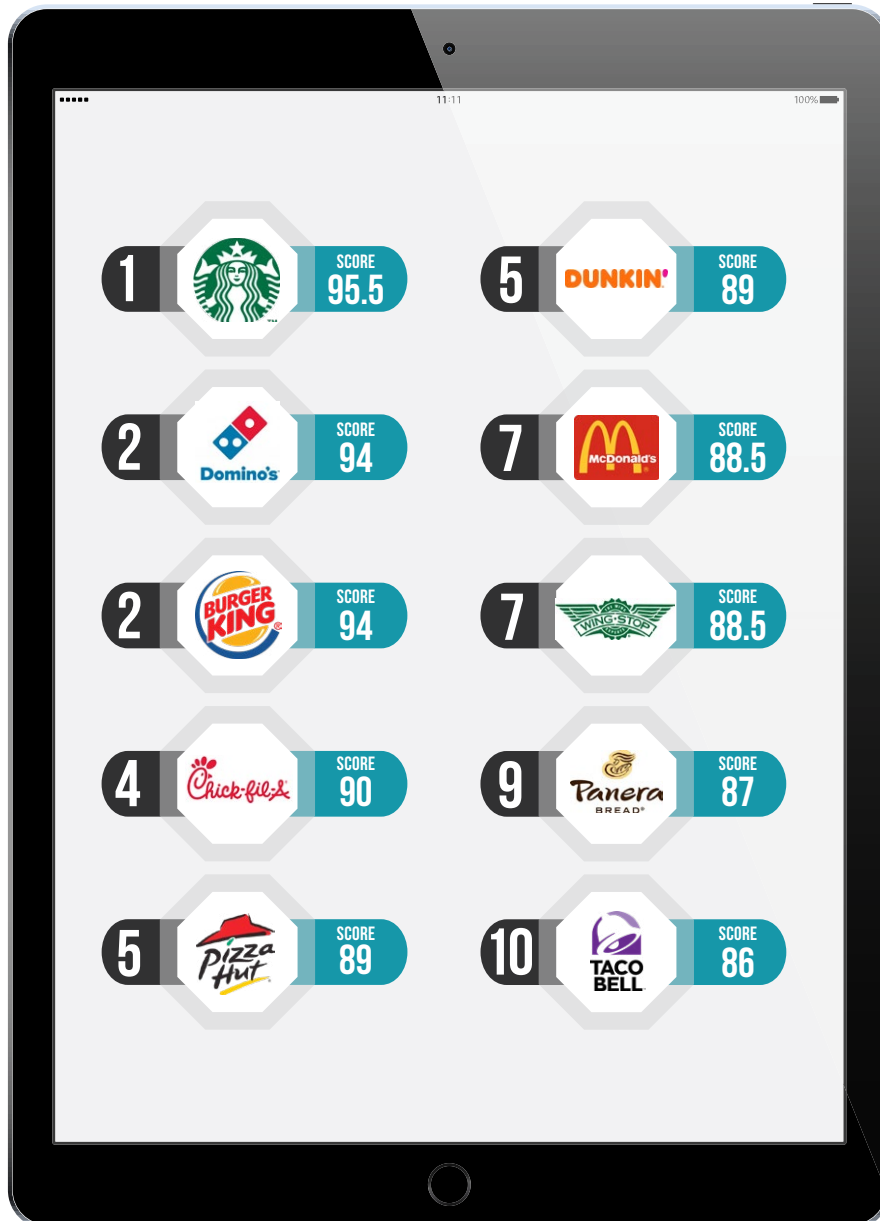


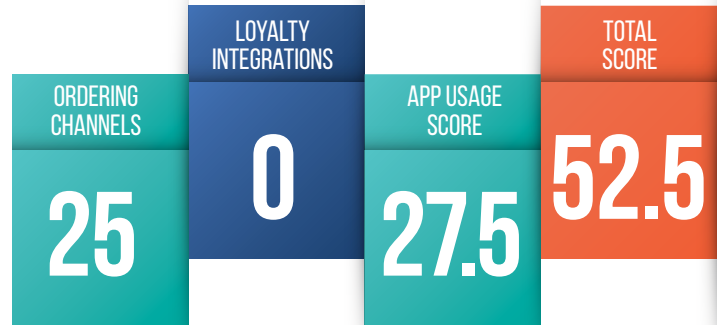


# TOP TEN MOBILE ORDER-AHEAD PROVIDERS

This month's provider directory assesses 77 leading players in the space and scores them based on their mobile ordering apps' features and adoption levels.

Scoring factors in loyalty and rewards program integrations, the number of active users each month and the average time users spend on the app. Ordering channel options, including whether customers can order by voice and whether orders are placed through a branded app or a third-party aggregator, are also important.

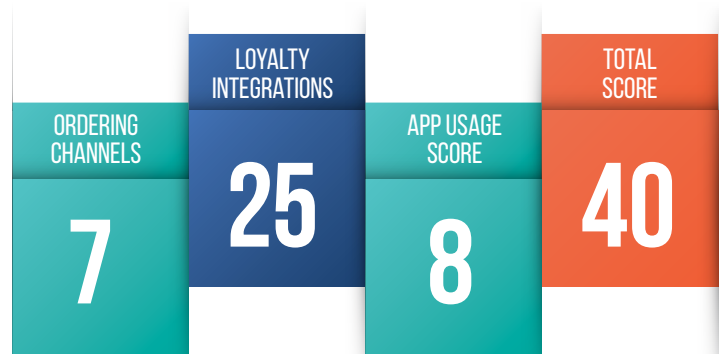




**APPLEBEE'S**

Launch of mobile order service date: *April 2016*

The Applebee's app allows customers to order and pay ahead. They can also create accounts to save favorite orders and earn loyalty points.



**ARGO TEA**

Launch of mobile order service date: *November 2014*

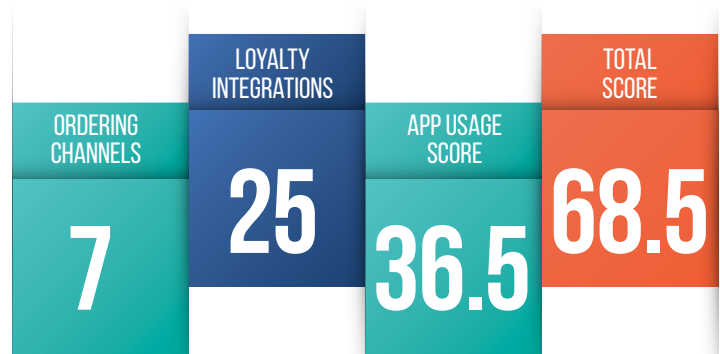
Argo Tea's app enables customers to preorder and prepay for purchases. It allows customers to scan mobile devices to pay at the counter when picking up their orders, and offers rewards and loyalty features including perks for every 10 visits and credit for downloading the app.



**BJ'S RESTAURANT & BREWHOUSE**

Launch of mobile order service date: *June 2014*

The BJ's mobile app allows customers to order ahead for takeout or dine-in, and offers split-the-bill features for group orders.



**BLAZE PIZZA**

Launch of mobile order service date: *March 2016*

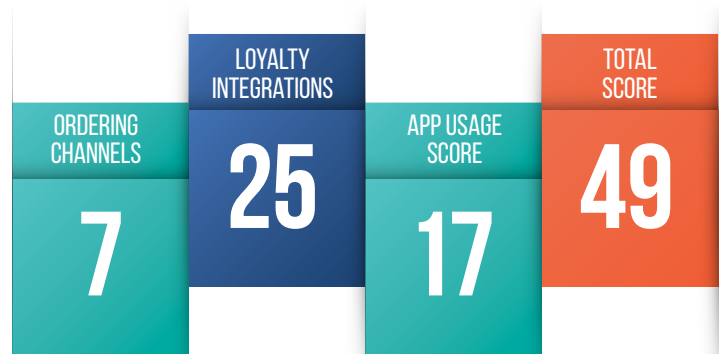
The Blaze Pizza app enables guests to order and pay from smartphones and earn rewards including free meals. The app also provides online order histories, reordering capabilities and a nutrition calculator.



**BURGER KING**

Launch of mobile order service date: *May 2016*

The Burger King app is piloting an order-ahead tool via Facebook’s Messenger chatbot. The service would allow customers to place meal orders, select pickup locations and pay for purchases.



**CALIFORNIA PIZZA KITCHEN**

Launch of mobile order service date: *February 2017*

The CPK Rewards app allows guests to order and pay from their phones, and earn rewards they can spend at participating locations.





**CAPRIOTTI'S**

Launch of mobile order service date: *June 2015*

Capriotti's app enables customers to place and pay for orders. It is integrated with the company's CAPAddicts Rewards Program and features a store locator.



**CAVA GRILL**

Launch of mobile order service date: *November 2013*

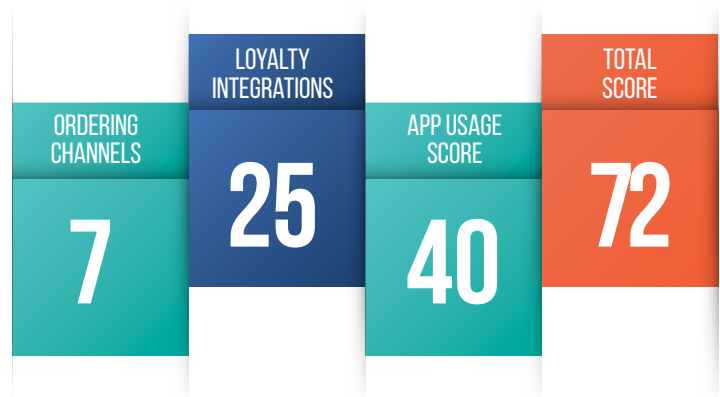
The CAVA app enables customers to view the restaurant's full menu, customize dishes, pay in-app and order in advance.



**CHICK-FIL-A**

Launch of mobile order service date: *June 2016*

The Chick-fil-A app allows guests to customize their orders, pay in advance and skip lines when picking up their meal. It also offers a new rewards program and allows customers to save and reorder favorite items.



**CHILI'S**

Launch of mobile order service date: *September 2011*

The Chili's app enables customers to find the nearest restaurant, put their names on seating wait lists and order meals to-go. It also saves previous orders and integrates with the My Chili's Rewards program.



**CHIPOTLE MEXICAN GRILL**

Launch of mobile order service date: *January 2009*

The Chipotle app allows iOS and Android users to place orders and pay for them. It also enables users to find nearby restaurants, see menu and nutrition information and access recent orders.



**CHOP'T**

Launch of mobile order service date: *November 2016*

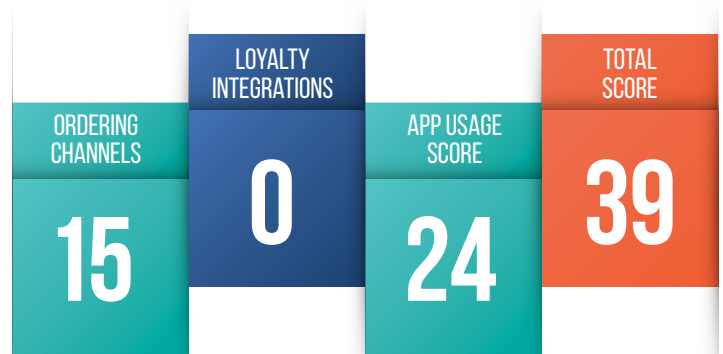
The Chop't app allows customers to place orders in advance to be picked up in-store, earning rewards. It shows the nearest restaurant and displays nutritional and allergen information about menu items.



**COSTA VIDA**

Launch of mobile order service date: *November 2015*

The Costa Vida app features order-ahead and rewards capabilities, displays special offers and encourages users to purchase gift cards for friends.



**DENNY'S**

Launch of mobile order service date: *May 2017*

The Denny's app allows customers to place orders for takeout or delivery, and they can be tracked and are saved together with payment information. The solution also displays nutritional information.

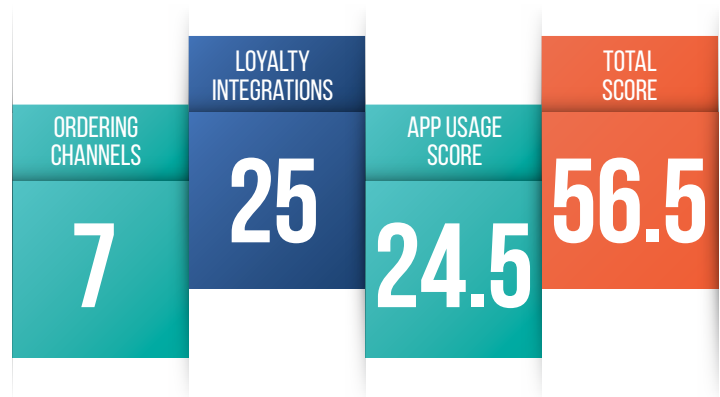




**DOMINO'S PIZZA**

Launch of mobile order service date: February 2012

The Domino's Pizza app enables customers to order and pay in English and Spanish, and earn rewards for purchasing. It connects with Ford Sync to track orders, and customers can place them on the go with Apple Watch or Pebble smart-watch. iPhone users can also access a voice-ordering assistant.



**DONATOS PIZZA**

Launch of mobile order service date: January 2017

The Donatos Pizza app allows customers to place orders and retrieve past order information.



**DUNKIN'**

Launch of mobile order service date: *August 2012*

The Dunkin' app enables order-ahead, gives users free beverages on special occasions and integrates with the DD Card, the Dunkin' prepaid card.



**EL POLLO LOCO**

Launch of mobile order service date: *December 2016*

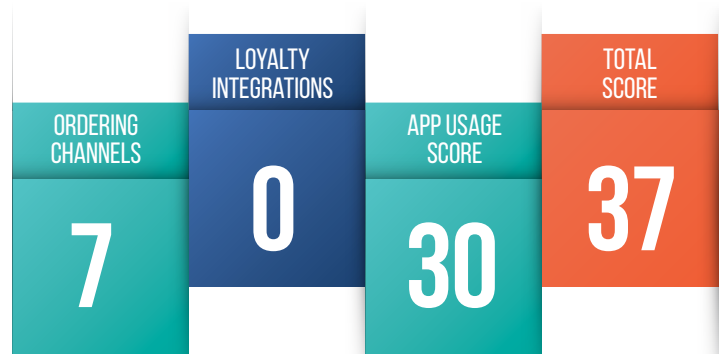
The El Pollo Loco app allows customers to place and customize orders, choose whether to pick up or receive orders via delivery and pay in advance. Customers can also earn reward points and save their order histories.



**FIREHOUSE SUBS**

Launch of mobile order service date: August 2015

The Firehouse Subs App allows customers to order online, find locations and earn rewards. Firehouse Rewards, the restaurant’s digital loyalty program, is available at nearly all U.S. locations.



**FIVE GUYS**

Launch of mobile order service date: August 2011

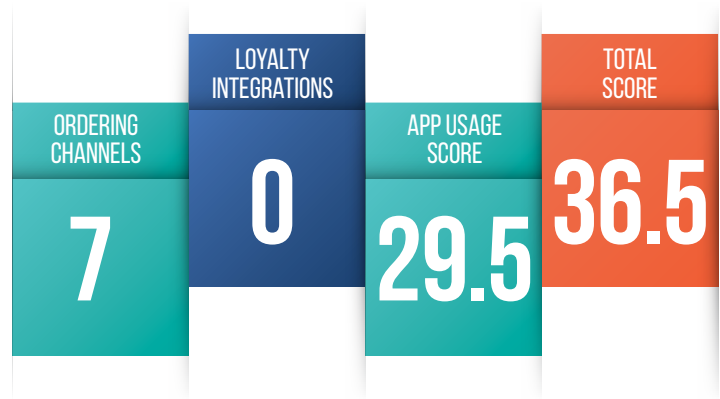
The Five Guys Burgers & Fries app was developed by food ordering platform Olo, and it allows mobile ordering and order history capabilities, among other features.



**FREEBIRDS**

Launch of mobile order service date: *June 2016*

The Freebirds Restaurant app enables customers to place orders and pay via digital gift cards. They can also scan receipts to earn rewards.



**HUNGRY HOWIE'S PIZZA**

Launch of mobile order service date: *January 2015*

The Hungry Howie's Pizza app allows customers to place and pay for orders and save payment methods for future use. Users can also create profiles, save orders and reorder past purchases.

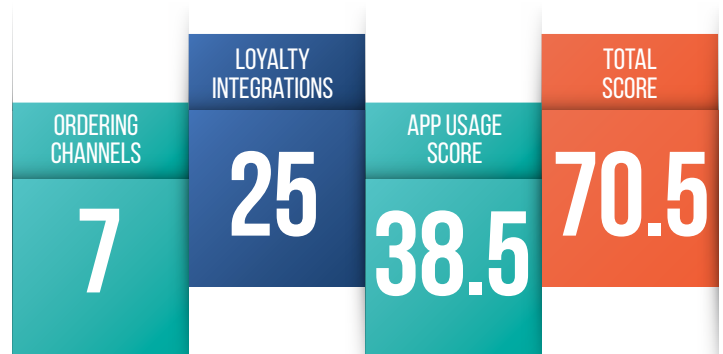




**JAMBA JUICE**

Launch of mobile order service date: *August 2015*

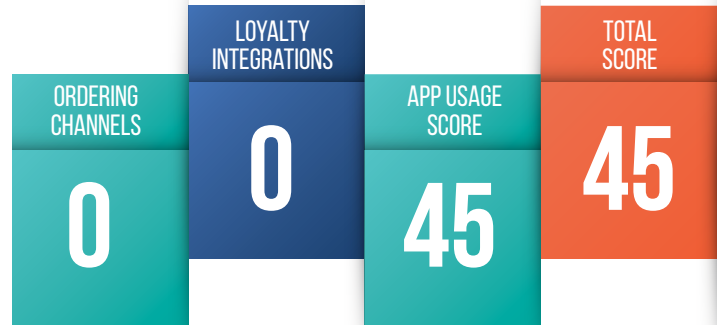
The Jamba Juice app helps guests skip lines by enabling them to order and pay in advance. Users can save their preferred stores, earn reward points on their purchases and reorder from stored recent orders.



**JERSEY MIKE'S**

Launch of mobile order service date: *April 2014*

The Jersey Mike's app, created in partnership with Splick.it and available via both Android and iOS, allows customers to locate Jersey Mike's restaurants, choose orders from the full menu, pay ahead and store favorite items for easy return ordering.



**JIMMY JOHN'S**

Launch of mobile order service date: *December 2014*

The Jimmy John's Sandwiches app allows patrons to order food and pick it up from the closest Jimmy John's location. Customers who sign in with the app can save their order information for future purchases.



**LA MADELEINE**

Launch of mobile order service date: *February 2016*

The la Madeleine app allows customers to make orders, pay for them and earn rewards. It also enables customers to find the closest restaurant location and view the restaurant's menu.



**LE PAIN QUOTIDIEN**

Launch of mobile order service date: *June 2015*

The LPQ app allows diners to order and pay for food from their phones. It also enables them to pay their bills by scanning bar codes, as well as earn rewards points for purchases and discounts for referring friends.



**MCALISTER'S DELI**

Launch of mobile order service date: *May 2017*

The McAlister's Deli app allows customers to place customized orders, shows nearby locations and displays special offers.



**MCDONALD'S**

Launch of mobile order service date: *August 2015*

The McDonald's app allows customers to place and pay for mobile food orders. Users can save purchases for reordering, access exclusive discounts and find locations.



**MOE'S SOUTHWEST GRILL**

Launch of mobile order service date: *April 2012*

The Moe's Rockin' Rewards app allows customers to place and pay for orders as well as earn rewards points. It also enables customers to find the nearest restaurant location.



**MOOYAH**

Launch of mobile order service date: *May 2014*

The MOOYAH Rewards app allows customers to place and pay for orders in advance. It also integrates with the MOOYAH Rewards program, a loyalty offering based on points obtained by scanning receipts.



**PANERA BREAD**

Launch of mobile order service date: *April 2014*

The Panera Bread app is designed to reduce wait times and speed service. It encompasses digital ordering, payments, operations and a revamped guest experience, whether customers are eating in or ordering to go. It also allows for customized menus and use of the MyPanera loyalty program.

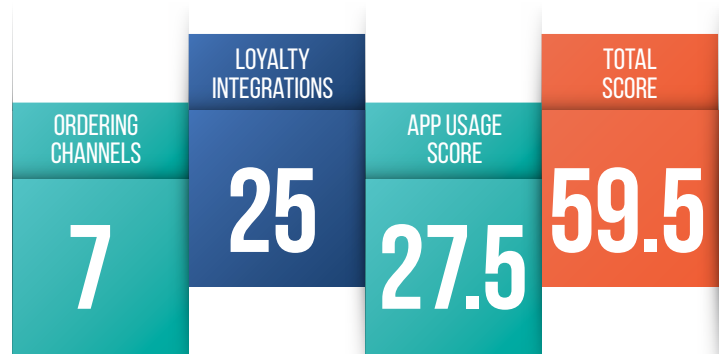




**PAPA JOHN'S PIZZA**

Launch of mobile order service date: *December 2010*

The Papa John's Pizza app allows customers to choose between delivery and carryout and features special offers. Users can also create accounts to save orders and earn reward points, and the app also provides information on nearby locations.



**PEI WEI**

Launch of mobile order service date: *September 2016*

The Pei Wei Rewards app lets customers order and pay for meals in advance, saves order history, allows access to Pei Wei's rewards program and displays special offers.



**PIZZA HUT**

Launch of mobile order service date: *August 2009*

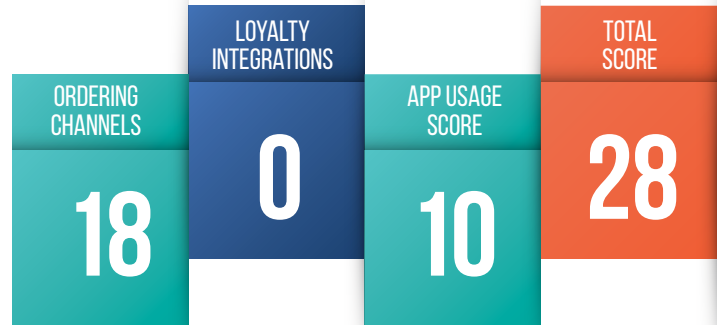
The Pizza Hut app allows orders from a full and customizable menu, helping customers find local deals and the closest stores. It also allows them to pay directly from the app and accepts voice orders.



**PIZZAREV**

Launch of mobile order service date: *November 2016*

The PizzaRev app enables customers to place orders online while earning points for both spending and referring friends. Patrons can also use it to find the closest PizzaRev location and redeem rewards.



**PORTILLO'S**

Launch of mobile order service date: *August 2016*

The Portillo's app enables patrons to place their drive-through or in-store pickup orders.



**POTBELLY SANDWICH SHOP**

Launch of mobile order service date: *March 2017*

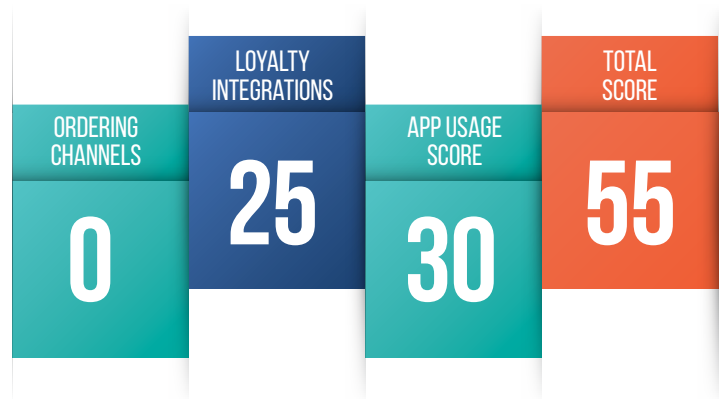
The Potbelly Sandwich Shop app lets patrons place orders for pickup or delivery. It also includes Potbelly Perks loyalty program, through which customers earn "smiles" that are later exchanged for meals.



**QDOBA MEXICAN EATS**

Launch of mobile order service date: *December 2016*

The QDOBA Rewards app allows users to order and pay in advance, accumulate points in their reward accounts and find the nearest restaurant locations.



**QUIKTRIP**

Launch of mobile order service date: *October 2015*

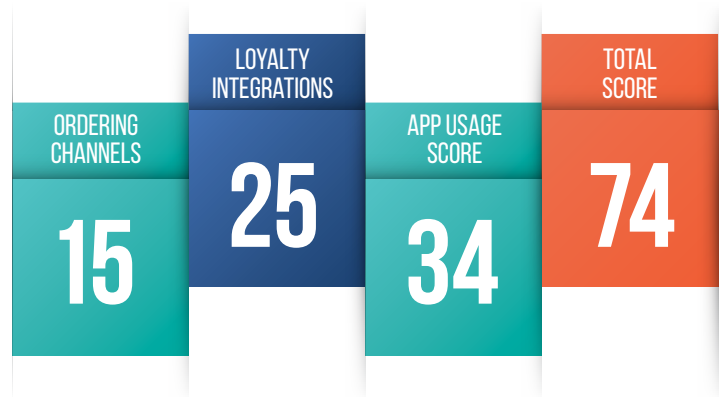
The QT app allows ordering for immediate or scheduled pickups.. It also provides exclusive deals and offers and in-app payments and customers can log in to save orders and preferences. The app also locates nearby branches for customers.



**QUIZNOS**

Launch of mobile order service date: *June 2017*

The Quiznos app enables customers to place and pay for orders, as well as earn loyalty points for each purchase. It also includes a customer feedback feature and promotional offers.



**SHAKE SHACK**

Launch of mobile order service date: *October 2016*

The Shake Shack app enables customers to place orders in advance, create custom profiles and find restaurants based on their GPS locations.



## SCORECARD

Companies are organized in alphabetical order.



### SHEETZ

Launch of mobile order service date: *August 2017*

The Sheetz app allows customers to order, earn loyalty points, pay with saved gift cards and view nutritional information.



### SNAP KITCHEN

Launch of mobile order service date: *December 2016*

Snap Kitchen's app enables users to earn order-ahead prepared meals for pickup. Customers also can schedule meal deliveries for up to a week in advance.



**SONIC**

Launch of mobile order service date: *May 2014*

The Sonic Drive-In app allows users to place and pay for orders in advance, earn rewards and send and receive digital gift cards.



**Specialty's**



**SPECIALTY'S CAFÉ & BAKERY**

Launch of mobile order service date: *January 2016*

The Specialty's Café & Bakery mobile app enables patrons to make orders and save payment methods and preferences. It also helps customers find the closest locations and look up nutritional information for menu items.

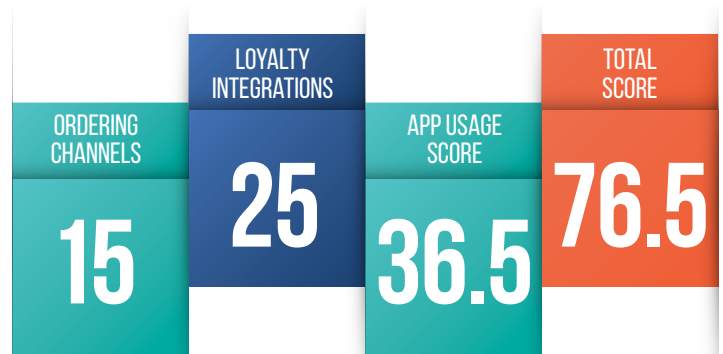


**Top Mobile Order-Ahead Provider**

**STARBUCKS**

Launch of mobile order service date: *September 2015*

The Starbucks app allows users to order drinks and food in advance and pay for them via the app. Customers can also find nearby locations, customize orders and view an estimated time frame for order pickup.



**SUBWAY**

Launch of mobile order service date: *July 2015*

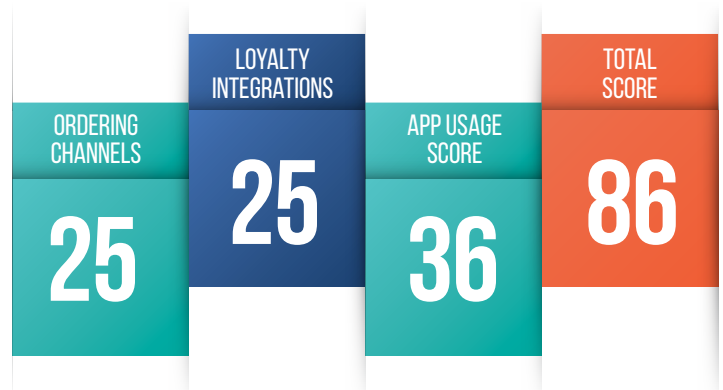
The Subway app enables customers to place orders 15 minutes in advance. Users can save their purchase histories and earn rewards at participating locations.



**SWEETGREEN**

Launch of mobile order service date: February 2013

The sweetgreen app allows users to order from a full menu and access a rewards program.



**TACO BELL**

Launch of mobile order service date: October 2014

The Taco Bell app allows users to order and pay via the app, set pickup times and use gift cards. They can also opt to receive real-time order status updates.



**TEXAS ROADHOUSE**

Launch of mobile order service date: *November 2016*

The Texas Roadhouse app enables customers to reserve spots in the table queue before arriving. Users can also pay from the table and earn rewards.



**TGI FRIDAYS**

Launch of mobile order service date: *July 2016*

The Fridays app allows patrons to order food and beverages for pickup, pay directly from the table, find nearby locations, view the menu and add, check and claim points through the chain's rewards program.





**TROPICAL SMOOTHIE CAFE**

Launch of mobile order service date: *March 2016*

The Tropical Smoothie Cafe app enables customers to order food and link credit or debit cardsto make on-the-go payments when ordering ahead. It also offers an automatic reward credit earning feature.



**VEGGIE GRILL**

Launch of mobile order service date: *December 2013*

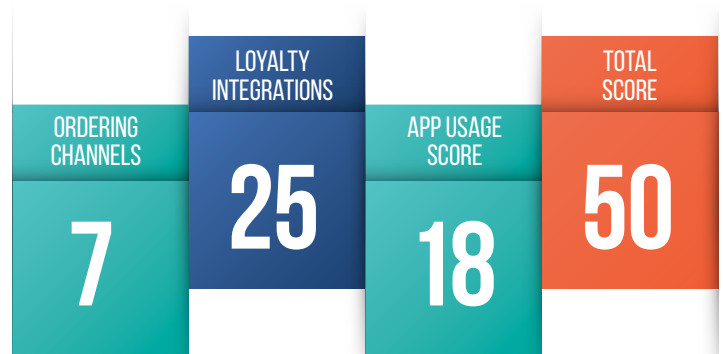
The Veggie Grill Rewards app allows users to order and pay for meals, and saves payment methods for easy future purchasing. It helps patrons locate the nearest restaurants and tracks both purchases and rewards, including a \$9 reward for every \$99 spent.



**WAWA**

Launch of mobile order service date: *February 2017*

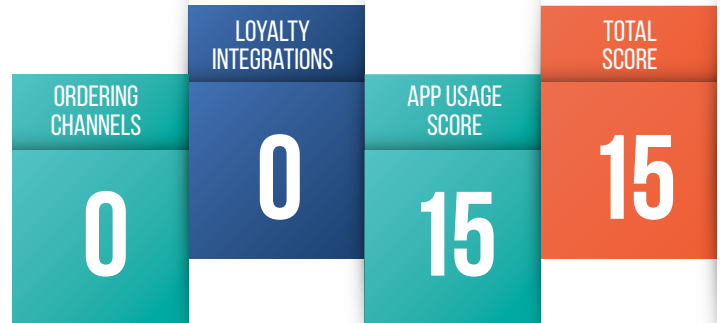
The Wawa app allows Wawa Rewards members to place and pay for orders via their smartphones. It also enables customers to pay in-store with gift cards, check their balances, earn rewards and find nutritional information.



**WHICH WICH**

Launch of mobile order service date: *June 2015*

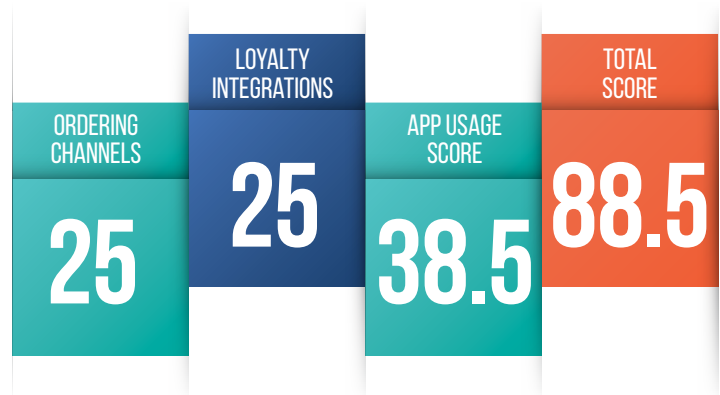
The Which Wich app enables customers to order and pay through the platform, and is also connected to Vibe Club Rewards, the restaurant's loyalty program.



**WHITE CASTLE**

Launch of mobile order service date: *May 2012*

The White Castle app allows customers to order and pay for meals on the go, and to save their favorites for repeat purchasing.



**WINGSTOP**

Launch of mobile order service date: *August 2011*

The Wingstop app allows customers to order up to a week in advance, customize their orders and find their nearest stores. They also can place them with the Wingbot virtual ordering assistant through text messages, Facebook Messenger, Twitter direct messages or Alexa voice orders.



**ZOËS KITCHEN**

Launch of mobile order service date: *September 2017*

The Zoës Kitchen app enables customers to place orders via their mobile devices. Other features include user profiles, order histories, rewards and a store locator.

## About The Tracker

The PYMNTS.com Mobile Order-Ahead Tracker is designed to give an overview of the trends and activities across the mobile order-ahead space and the companies that offer solutions and services.

## Questions? Comments? Brilliant ideas?

We hope you like the Tracker and we welcome your feedback. Drop us a line at [mobileorderahead@pymnts.com](mailto:mobileorderahead@pymnts.com).

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