

Digital Divide: Restaurant Subscribers And Loyalty Programs, a PYMNTS and Paytronix collaboration, examines restaurant customers' spending habits. We surveyed 2,054 U.S. adults who regularly purchase food from restaurants — including purchases for dine-in, delivery and pickup — between Dec. 22, 2021, and Dec. 26, 2021, 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

Restaurant Subscribers And Loyalty Programs

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And Loyalty Programs

Table of Contents

Introduction	04
PART I: The New Drivers Of Loyalty	06
PART II: Restaurant Subscription Services And Customer Loyalty.....	10
PART III: The Restaurant Loyalists: Subscription Service Users	12
Conclusion	14
Methodology.....	15

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Introduction

During the pandemic's early months, the introduction of restaurant subscriptions represented a viable bid for economic recovery by restaurateurs — a needed bright spot for the industry in a moment defined by revenue uncertainty. Subscriptions quickly evolved from a little-used consumer engagement tool to a scalable strategy for optimizing customer lifetime value, allowing restaurant marketers to gather valuable data to personalize consumer journeys and make them more intuitive and seamless. The positive effects on the industry have had staying power, and savvy restaurateurs have become more digital, adopting new ordering and payment features, such as contactless pickups, which remove friction from consumers' dining experiences.



Subscriptions made it easier for remote workers and other consumers to acquire the convenient meals they needed when in-store dining or pickup was impossible or restricted by mandate. These crucial tools provided consumers with the “set it and forget it” ease of knowing that their food needs could be met automatically. It also offered restaurant brands an upfront, ongoing revenue stream — a valuable buffer against inconsistent sales as the pandemic continued into a second year.



PYMNTS' research finds another reason for restaurants to promote the use of subscriptions: Restaurant subscribers are loyalty program superfans who participate in the initiatives at more than double the average rate. While 58% of consumers are just slightly interested or not interested at all in participating in a restaurant subscription service, a significant opportunity exists for restaurants to reach the untapped audience between those two extremes. The share of consumers currently not subscribed who are “very” or “extremely” interested in being provided a restaurant subscription service is significant (17%), as is the percentage of consumers who identify as “neutral” to the concept (25%).

To reach those consumers, restaurateurs will need to understand what drives loyalty among restaurant subscription users and translate that appeal to consumers at large.

Digital Divide: Restaurant Subscribers And Loyalty Programs, a PYMNTS and Paytronix collaboration, details findings from a survey of 2,054 United States consumers carried out between Dec. 22, 2021, and Dec. 29, 2021. Respondents were asked about their food-purchasing preferences and their understanding and expression of loyalty to restaurant brands.

This is what we learned.

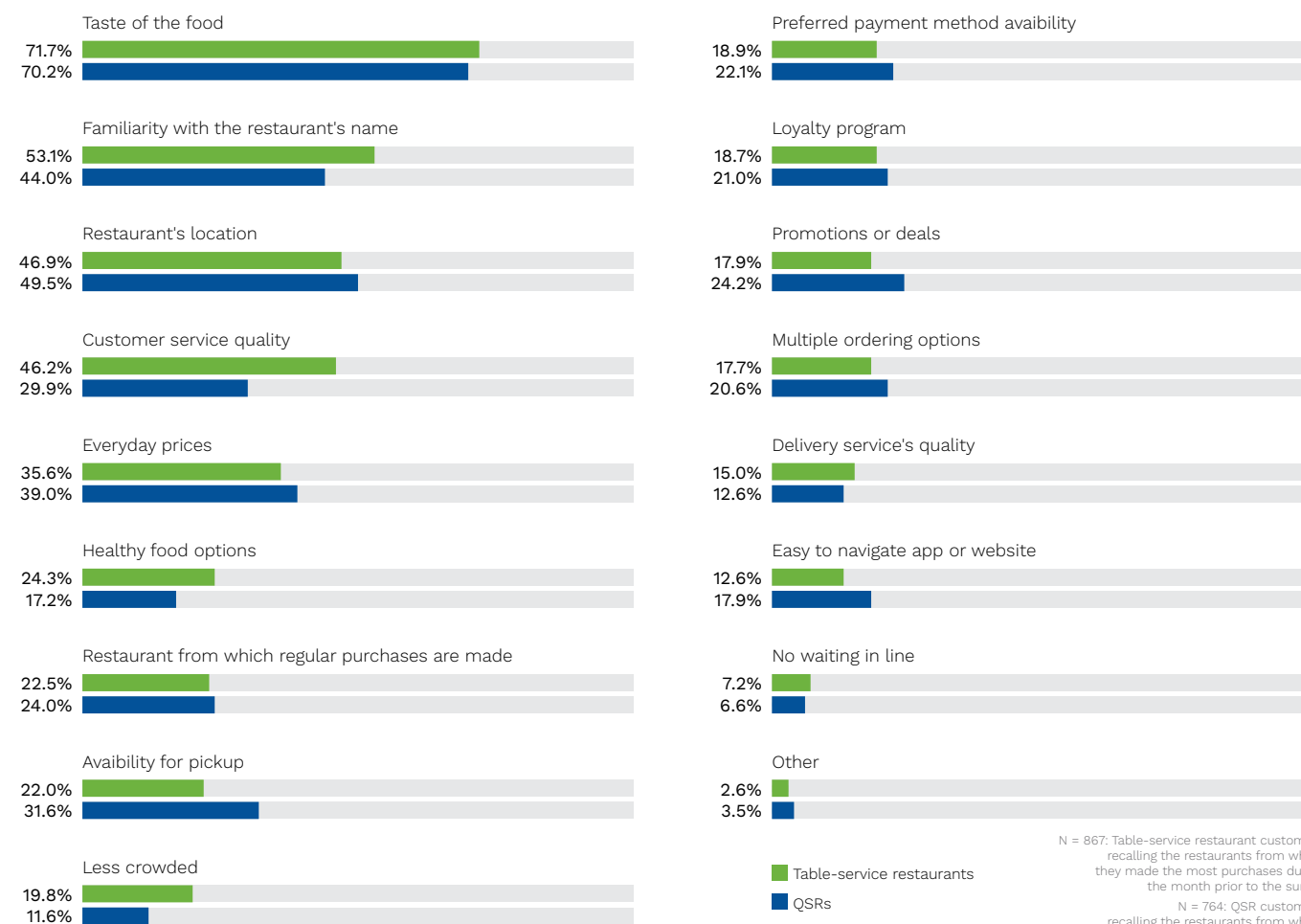
■ PART I: THE NEW DRIVERS OF LOYALTY

More than half of consumers consider themselves to be loyal patrons at their favorite restaurants, but their loyalty is not solely based on good food and depends on factors involving familiarity and comfort.

It is no surprise that food taste is a very important factor driving consumer restaurant loyalty — our data finds that it motivates restaurant choice for 70% of quick-service restaurant (QSR) patrons and 71.7% of patrons at table-service restaurants. However, consumers tend to buy more from a restaurant not only because the meals are satisfying but also because they value familiarity, convenience and customer service. Everyday prices are important factors for many consumers (39% of QSR customers and 36% of table-service restaurant customers), but aspects more frequently considered important include familiarity with the restaurant (cited by 44% of QSR customers and 53% of table-service restaurant patrons) and the restaurant’s physical location (cited by 50% of QSR patrons and 47% of table-service restaurant customers).

Subscribers appreciate several of these factors — their nature as subscribers means they likely have more familiarity with the restaurants to which they subscribe than the average consumer, for example, and it would not be surprising if they received superior customer service and better pricing as part of their subscriptions, incentivizing future patronage. These advantages are not few and far between, either. Restaurant subscription users showed much greater diversity in the factors that contributed to their loyalty to their favorite restaurants than the average consumer.

FIGURE 1:
Key factors of restaurant choice
Share of consumers who cite select factors that encourage them to patronize a specific restaurant



N = 867: Table-service restaurant customers recalling the restaurants from which they made the most purchases during the month prior to the survey
N = 764: QSR customers recalling the restaurants from which they made the most purchases during the month prior to the survey
Source: PYMNTS | Paytronix | Digital Divide

■ PART I: THE NEW DRIVERS OF LOYALTY

Restaurant subscribers are more likely than other groups to consider factors other than food taste and familiarity as important when selecting a restaurant.

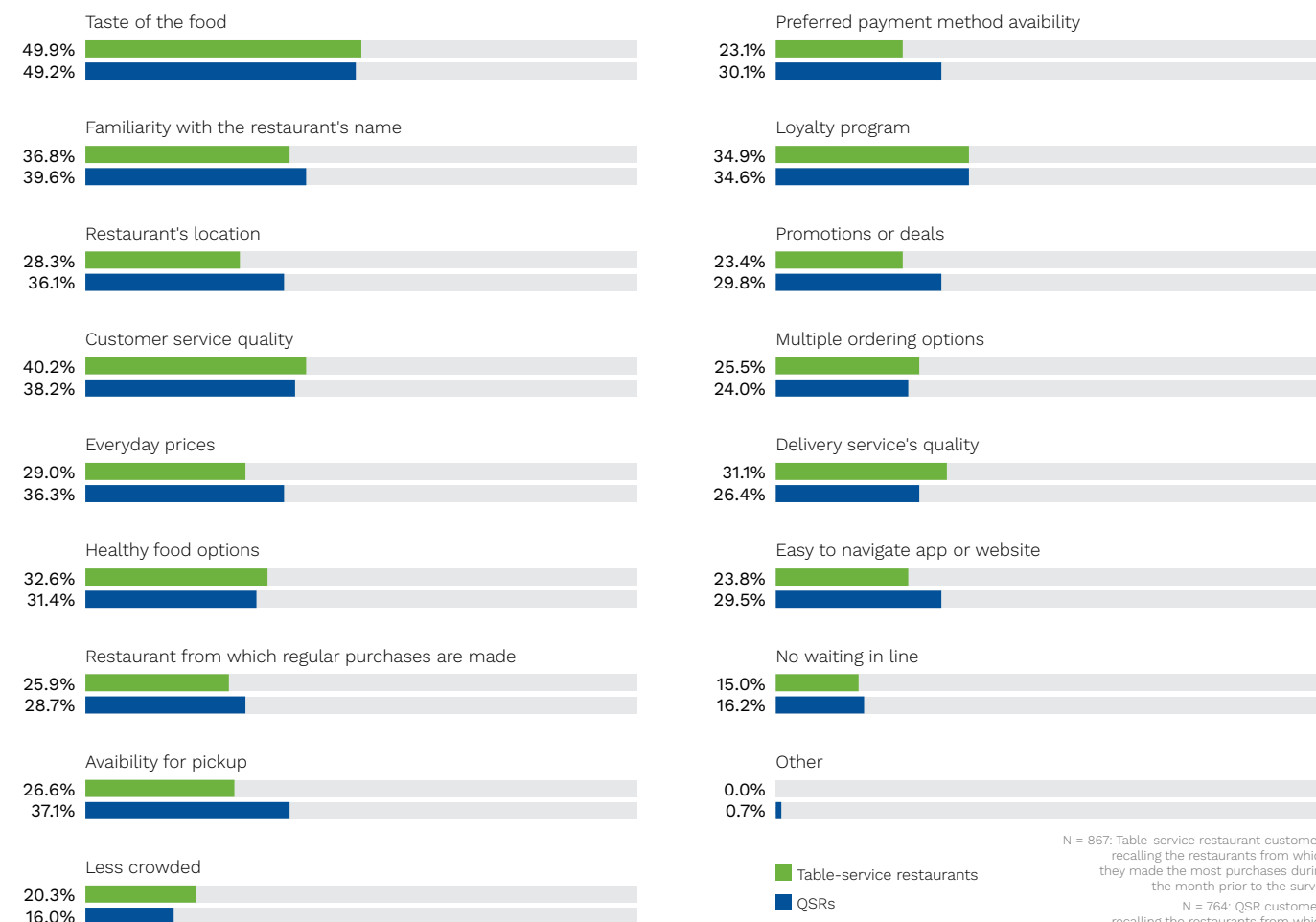
Subscribers frequently consider convenience and value-focused customer experience elements, such as the availability of preferred payment and pickup methods as well as healthy food, as important to their restaurant choices more often than other consumers. Surprisingly, subscribers also ranked food taste as much less important to their restaurant dining experiences than other customers. Subscribers cited food taste as important in notable shares — 49% for QSR subscribers and 50% for table-service restaurant subscribers — that are nonetheless far smaller than the 70% of QSR patrons and 72% of table-service restaurant customers who are not subscribers who feel the same.

Large shares of subscribers also listed elements such as healthy food (31%), an easy-to-navigate website (30%) and the ability to use a preferred payment method (30%) as important in their choice of a QSR. These were only bested by food taste (49%) and the availability of a loyalty program (35%).

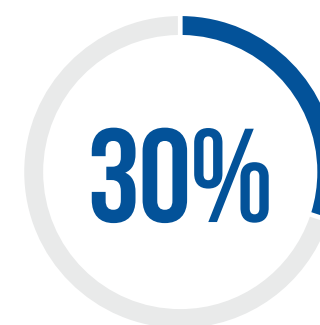
FIGURE 2:

Key factors of restaurant choice for subscribers

Share of subscribers who cite select factors that encourage them to patronize a specific restaurant



N = 867: Table-service restaurant customers recalling the restaurants from which they made the most purchases during the month prior to the survey
 N = 764: QSR customers recalling the restaurants from which they made the most purchases during the month prior to the survey
 Source: PYMNTS | Paytronix | Digital Divide



Share of restaurant subscribers who say an easy-to-navigate website is important to their choice of QSR



Share of restaurant subscribers who state that the availability of a loyalty program is important to their restaurant choice

■ PART II: RESTAURANT SUBSCRIPTION SERVICES AND CUSTOMER LOYALTY

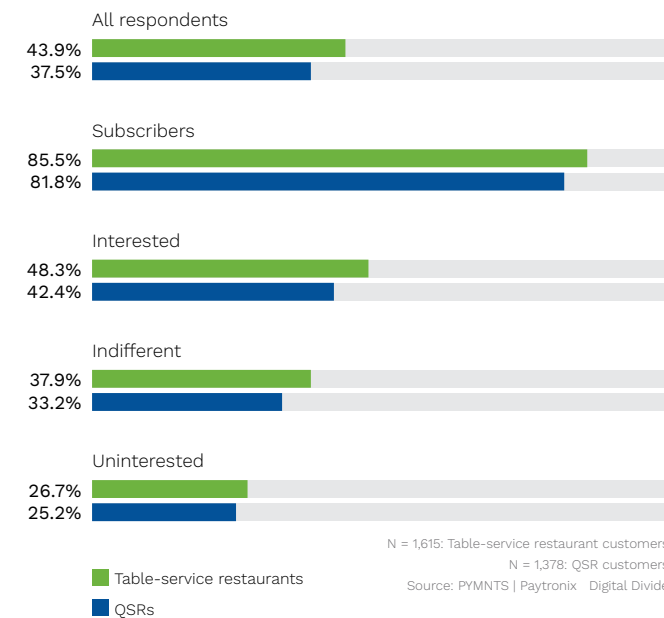
Restaurant subscribers are superusers of loyalty programs: 80% use them, and nearly 60% see the availability of a loyalty program as “very” or “extremely” important when choosing a restaurant.

Restaurant subscribers value loyalty programs far more than nonsubscribers. PYMNTS’ data finds that, on average, just 21% of QSR customers and 24% of table-service restaurant patrons say loyalty programs are “very” or “extremely” important when choosing a restaurant. The programs are appealing to greater shares of millennials and bridge millennials (approximately 39% for those considering table-service restaurants and approximately 30% for those considering QSRs), though these shares are far smaller than those representing subscribers. In comparison, 58% of subscribers cite loyalty programs as “very” or “extremely” important factors influencing restaurant choice for both QSRs and table-service restaurants.

FIGURE 3:

Loyalty program use

Share of consumers who use loyalty programs, by type of restaurant and persona¹



Just one-quarter of those not interested in subscriptions use loyalty programs, and just 10% consider them important to restaurant choice. Subscribers may be so highly motivated to use loyalty programs because they already engage with convenience-focused digital tools and are active curators of their dining experiences using restaurant subscriptions. Loyalty programs enhance the value subscribers gain by rewarding them for staying engaged online or in-store — an easier leap for patrons already highly loyal to the restaurants they frequent.

TABLE 1:

Loyalty programs’ impact on restaurant choice

Share of consumers who cite loyalty programs as having select levels of importance on their choice of restaurant, by persona

	Table-service restaurants			QSRs		
	Very or extremely important	Somewhat important	Slightly or not at all important	Very or extremely important	Somewhat important	Slightly or not at all important
• Subscribers	58.2%	23.5%	18.3%	58.3%	24.1%	17.6%
• Interested	31.8%	31.1%	37.1%	29.0%	29.2%	41.9%
• Indifferent	16.5%	27.3%	56.2%	15.3%	26.6%	58.1%
• Uninterested	10.2%	14.6%	75.2%	10.8%	13.8%	75.4%

N = 1,615: Table-service restaurant customers
N = 1,378: QSR customers
Source: PYMNTS | Paytronix | Digital Divide

¹ We created personas to group consumers by their interest in restaurant subscriptions. “Interested” respondents were “very” or “extremely” interested in restaurant subscription services, “indifferent” respondents were only “somewhat” interested and “uninterested” respondents were “slightly” or “not at all” interested in such services.

■ PART III: THE RESTAURANT LOYALISTS:
SUBSCRIPTION SERVICE USERS

Restaurant subscribers are the most loyal clients:

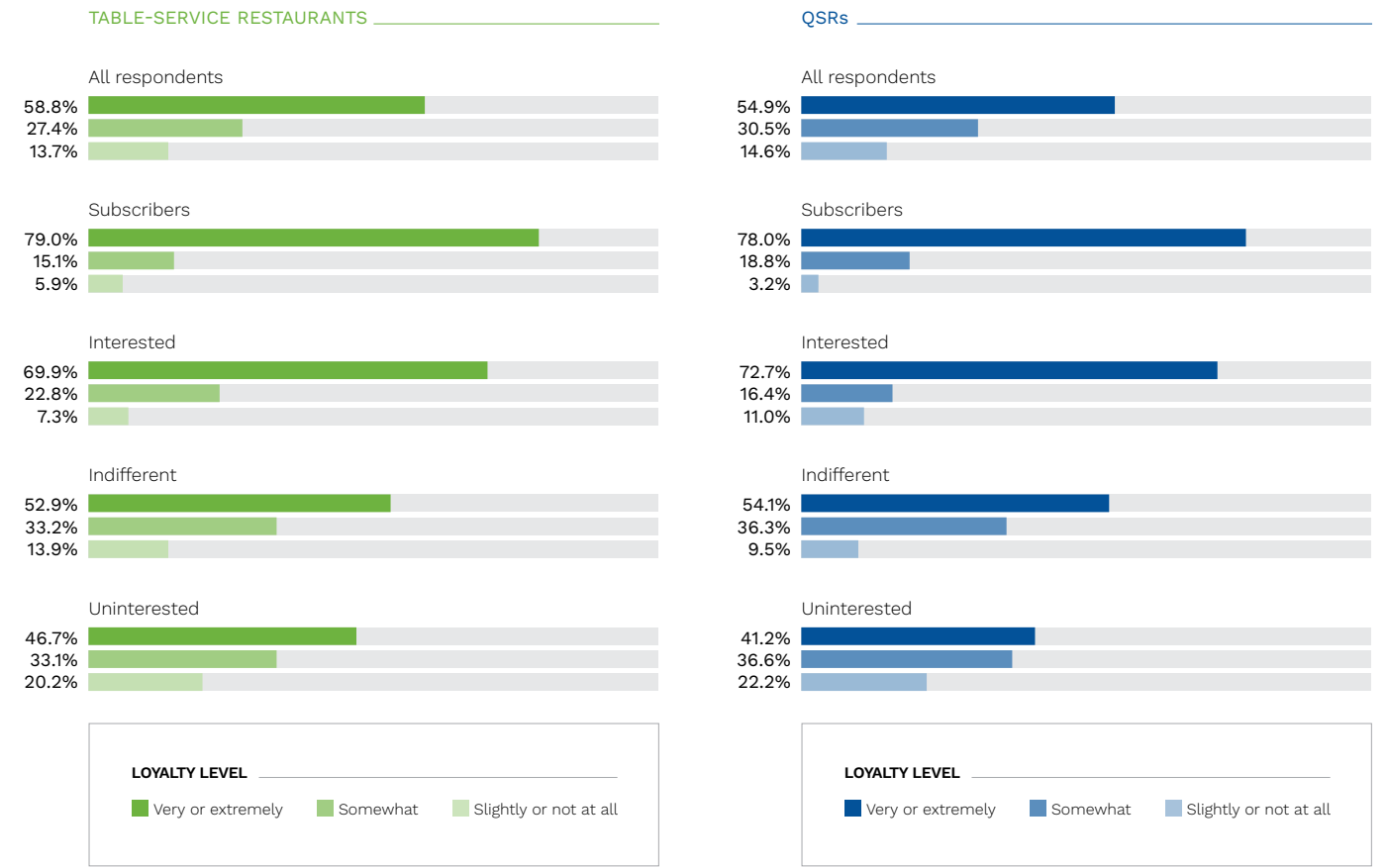
Nearly 80% state that they are “very” or “extremely” loyal to their favorite QSRs and table-service restaurants.

Restaurateurs may find subscribers to be among their most valuable consumers. They are willing to pay for simplified access to their favorite restaurants, and they feel a particular sense of loyalty to their chosen restaurant brands. PYMNTS’ data finds that nearly 80% describe that brand affinity as intense and identify as “very” or “extremely” loyal. Restaurant subscribers also tend to represent key demographics: They are more likely to be millennials (39%) or bridge millennials (31%), have a college degree (24%) or earn more than \$100,000 per year (21%). The average consumer identified as loyal to QSRs and table-service restaurants at a significantly lower rate than the average subscriber. We find that 79% of subscribers are loyal to their favorite table-service restaurant and 78% are loyal to their preferred QSRs, whereas just 55% and 59% of all consumers share this level of loyalty with their favorite table-service restaurant and QSR, respectively.

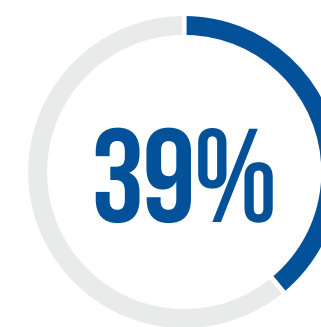
FIGURE 4:

Consumers’ reported loyalty

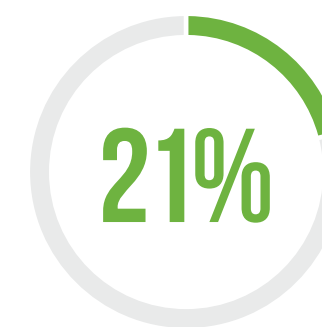
Share of consumers who exhibit select levels of loyalty toward their preferred restaurants, by restaurant type and persona



N = 1,273: Table-service restaurant customers on their preferred restaurants
N = 858: QSR customers on their preferred restaurants
Source: PYMNTS | Paytronix | Digital Divide



Share of restaurant subscribers who are millennials



Share of restaurant subscribers who earn more than \$100,000 per year

Conclusion

Restaurant subscribers are among the industry's most engaged, loyal customers: They visit their favorite restaurants more often and spend more at them than the average consumer. The good news for restaurateurs is that the reasons underpinning subscribers' loyalty are far from niche. Their attraction to restaurant subscription offers stems from the universals of good customer experience: convenience, simplicity and value. These consumers value not just loyalty points that lead to discounts but also their time and comfort. While some consumers show little or no interest in purchasing a restaurant subscription, many still want the features that subscribers enjoy, like easier payments, streamlined ordering and deals. As the industry faces more uncertainty due to the ongoing health crisis, improving customer experiences while engaging existing restaurant subscribers remains a promising avenue for restaurateurs seeking to maintain fiscal resilience.

Digital Divide

Restaurant Subscribers And Loyalty Programs

Methodology

Digital Divide: Restaurant Subscribers And Loyalty Programs, a PYMNTS and Paytronix collaboration, is based on a U.S. census-balanced survey of 2,054 responses collected from Dec. 22, 2021, to Dec. 29, 2021. Respondents answered questions on their past and projected dining preferences and behaviors as well as how technology influences their purchasing choices.



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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