

Everything You Need to Know About Direct Ordering

+ 5 Ways to Increase Profits and Collect Valuable First-Party Data



Not all orders are created equal.

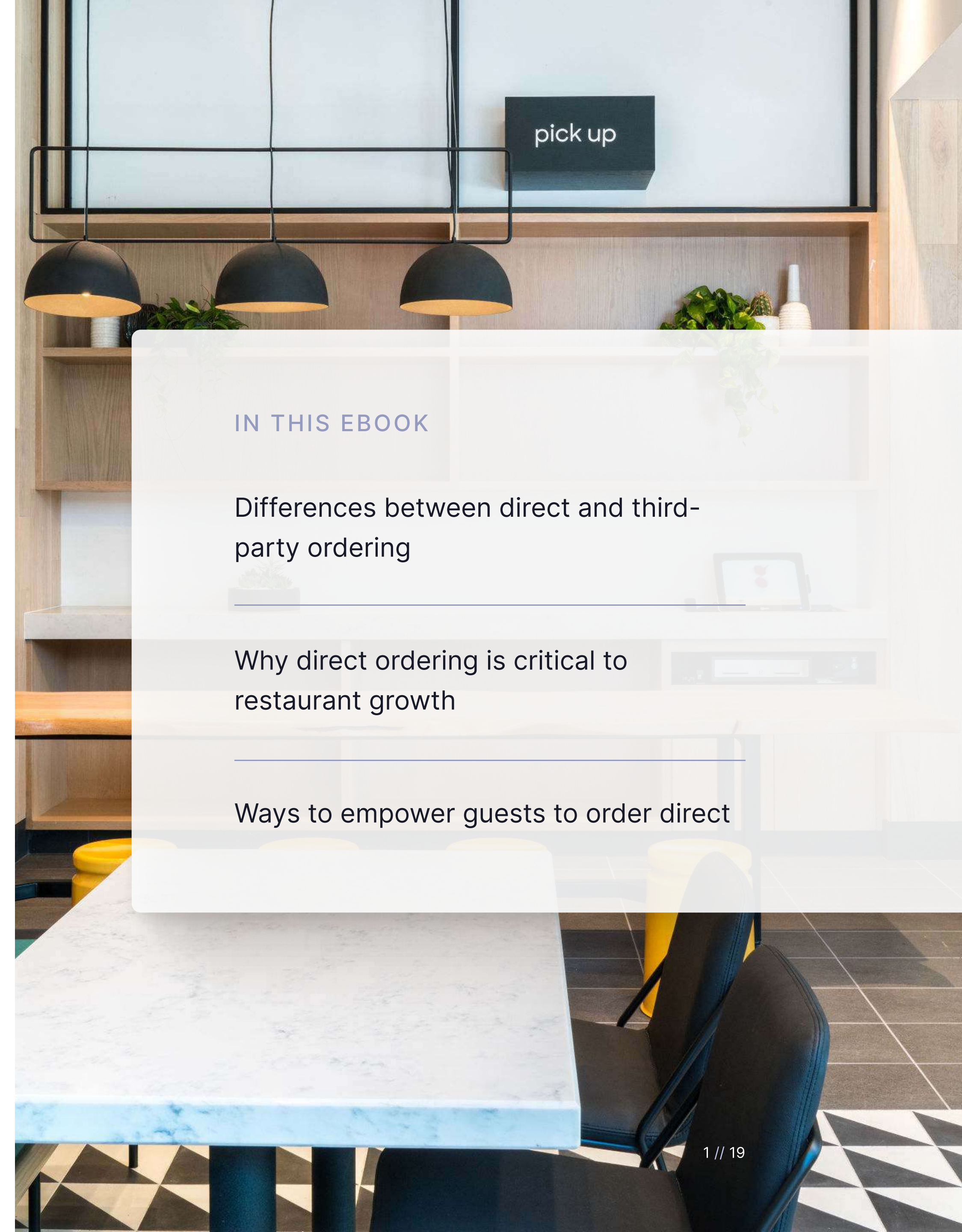
Faced with staffing challenges and razor-thin margins, restaurant brands have to be extremely cautious about where they invest time and resources.

For the last three years, third-party marketplaces have been a no-brainer. They've proven vital for boosting brand awareness and guest acquisition—especially when dining rooms were shut down.

And yet, third-party marketplaces come at a cost:

High fees and a lack of guest data ownership.

Now that the dust has settled from the COVID-19 pandemic, brands must reprioritize their direct ordering channels to maximize profit, unlock essential guest data, and stay competitive.



IN THIS EBOOK

Differences between direct and third-party ordering

Why direct ordering is critical to restaurant growth

Ways to empower guests to order direct

How Direct and Third-Party Ordering Differ

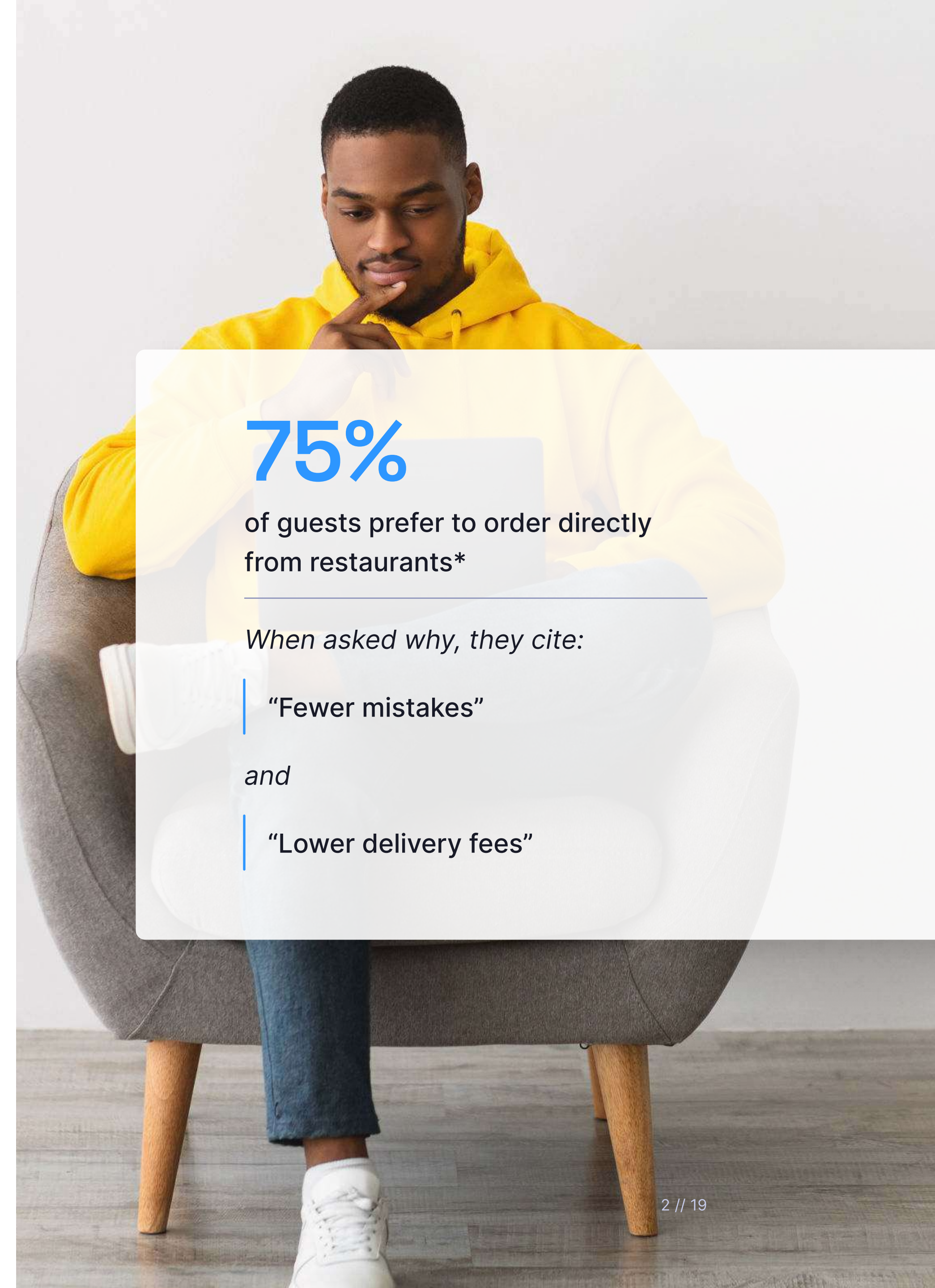
To meet the soaring demand for food delivery, especially at the height of the COVID-19 pandemic, many restaurant brands shifted focus away from strengthening their direct ordering channels to expanding their presence on third-party marketplaces. As a result, marketplaces are capturing the lion's share of restaurant orders.

Third-party marketplaces are undeniably helpful for boosting brand awareness and guest acquisition, but costly fees—for commission, delivery, service, sales tax, and more—eat away at a restaurant's profit margin. As a result, guests see an average [49.6% markup](#) on third-party delivery orders.

The other downside is restaurant brands don't own their guest data when orders are placed via third-party marketplaces. If you don't own the guest relationship, you can't leverage those insights—favorite menu items, basket size, order frequency, and more—to drive retention and inform business decisions.

When guests order directly from a restaurant's website or mobile app, the extra fees all but disappear. What's more, restaurant brands get to keep and leverage all of the guest data associated with direct orders.

Bottom line: [Your brand, your revenue, your data.](#)



75%

of guests prefer to order directly from restaurants*

When asked why, they cite:

“Fewer mistakes”

and

“Lower delivery fees”

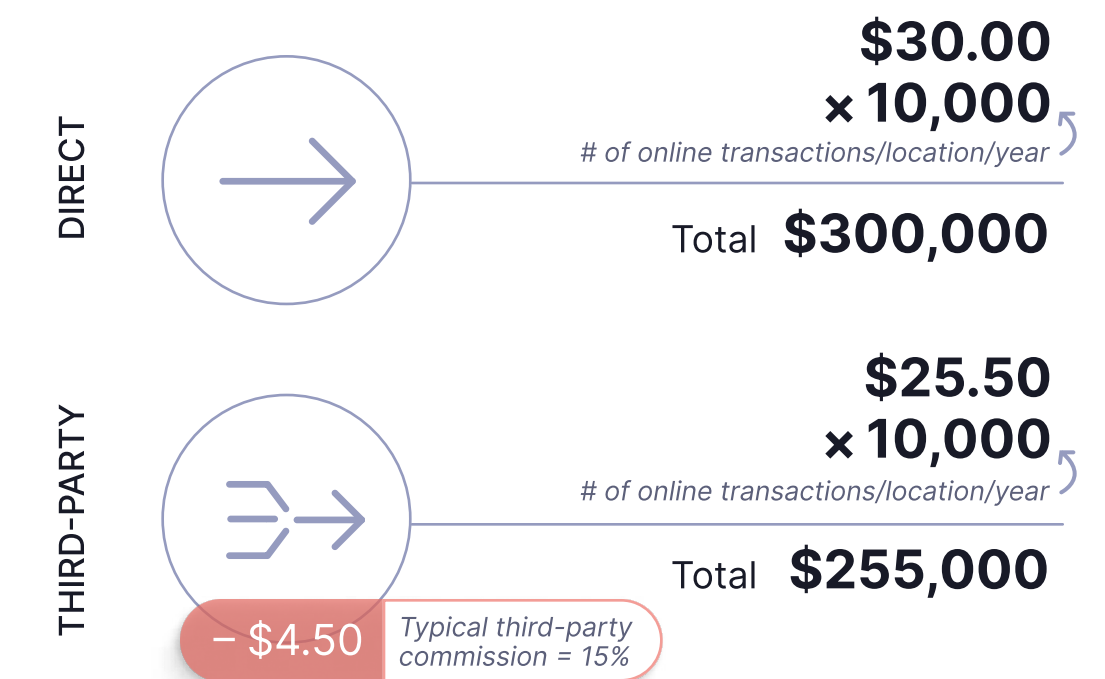
Why Direct Ordering is Critical to Restaurant Growth

To make strategic business decisions and effectively scale, restaurant brands must [future-proof their tech stack](#) with systems that seamlessly share data. [Direct ordering channels](#) are a key piece of the puzzle.

Here are a few reasons why:

More Revenue

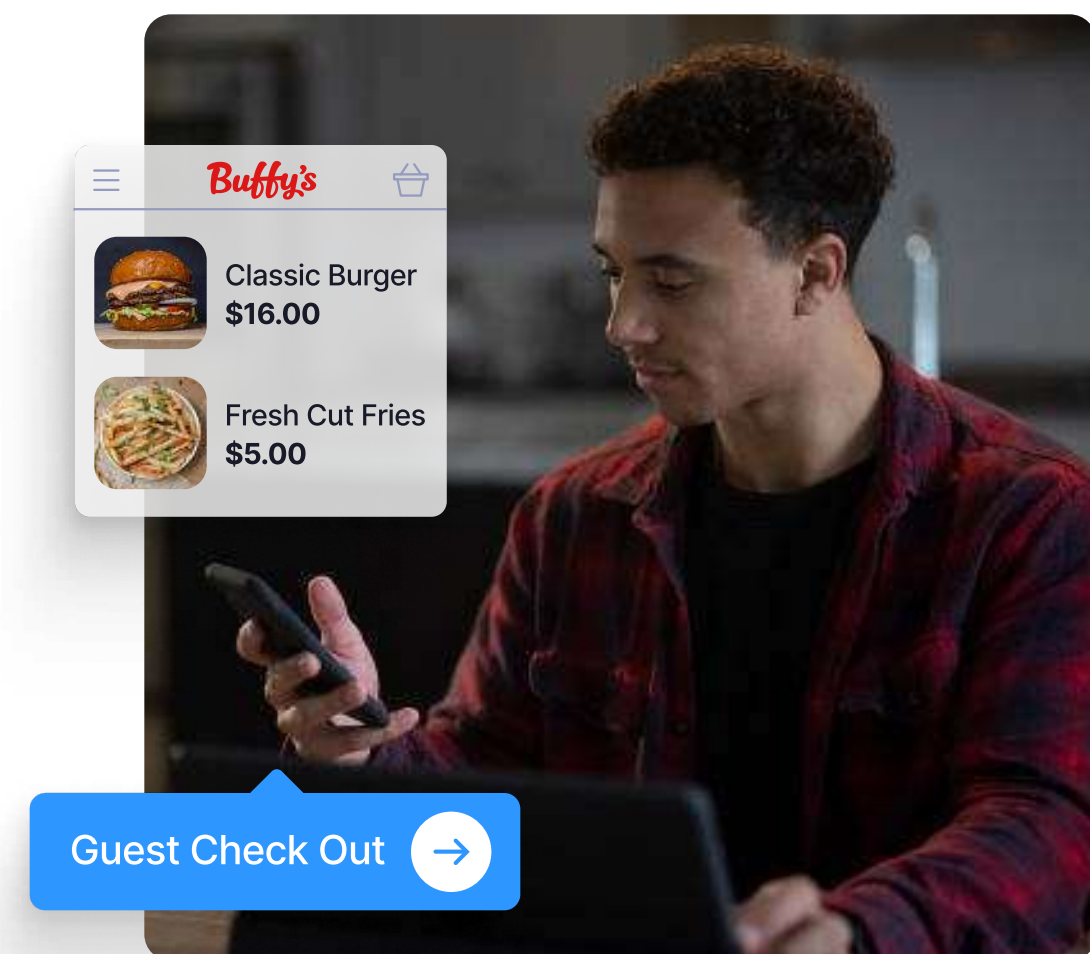
Orders placed on a brand's website or app have a direct impact on revenue because there are no third-party fees. You can see how it works in the example to the right. And don't forget: a single transaction isn't the desired end state of the guest relationship. Brands need to keep guests coming back to maximize profit over time—and owning the guest relationship is critical for retention.



\$45,000 annual difference per location
\$4.5M annual difference per 100 locations

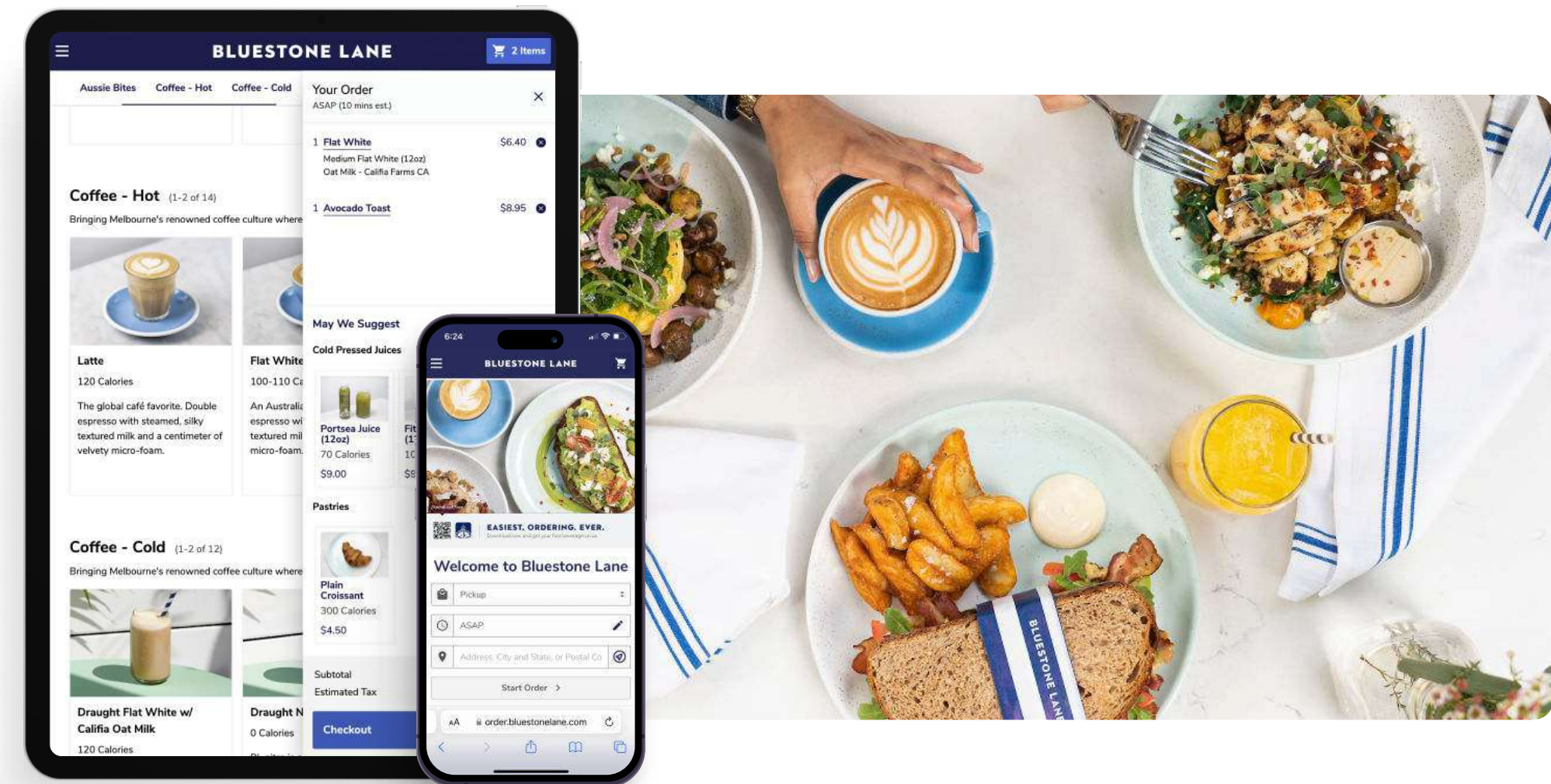
Better Guest Experience

When guests order directly from a restaurant brand, they don't have to download a separate app or make an account with a third-party platform to do it. They can also view the full menu, whereas some marketplaces feature limited options. By removing such barriers, brands can provide the fast, frictionless ordering experience guests crave and drive conversion.



Brand Integrity

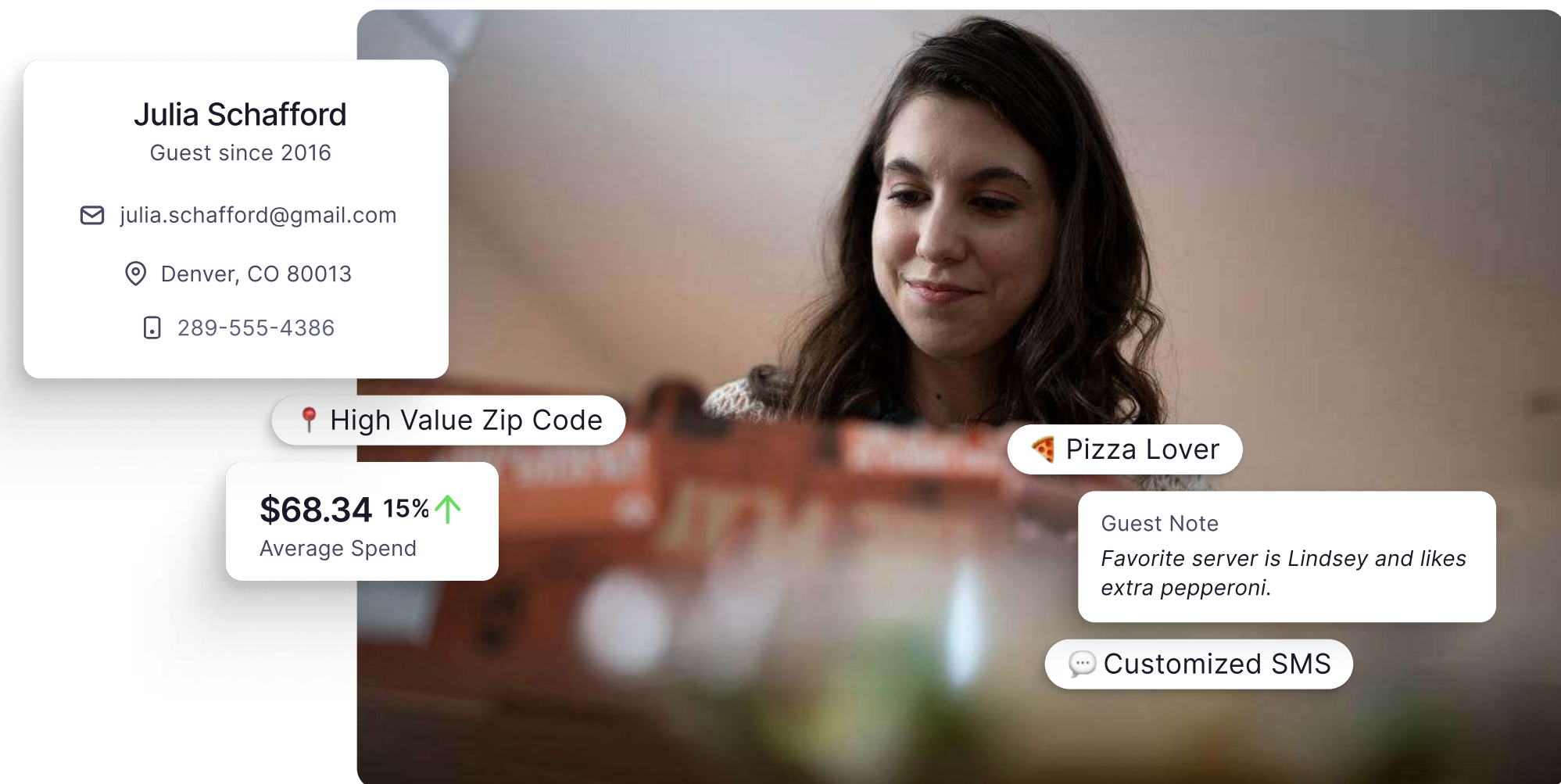
A branded direct ordering channel is an important way to build trust with guests. When your restaurant owns the end-to-end dining experience, you can nurture your guest relationships and control your brand image. Guests, in turn, can rest assured they'll receive a high level of hospitality and their orders will be fulfilled quickly and accurately.



First-Party Data Ownership

With direct ordering, restaurant brands can collect, analyze, and act on first-party guest data. These valuable insights give brands a deeper understanding of who their guests are and how they behave so they can better serve them. Additionally, when direct ordering channels are integrated with other restaurant systems, like a [CRM or CDP](#), brands can make data-driven business decisions across departments.

The first-party data resulting from direct orders also makes it possible for brands to maximize [lifetime value \(LTV\)](#) by tailoring the dining experience to each individual and making every guest feel like a regular.



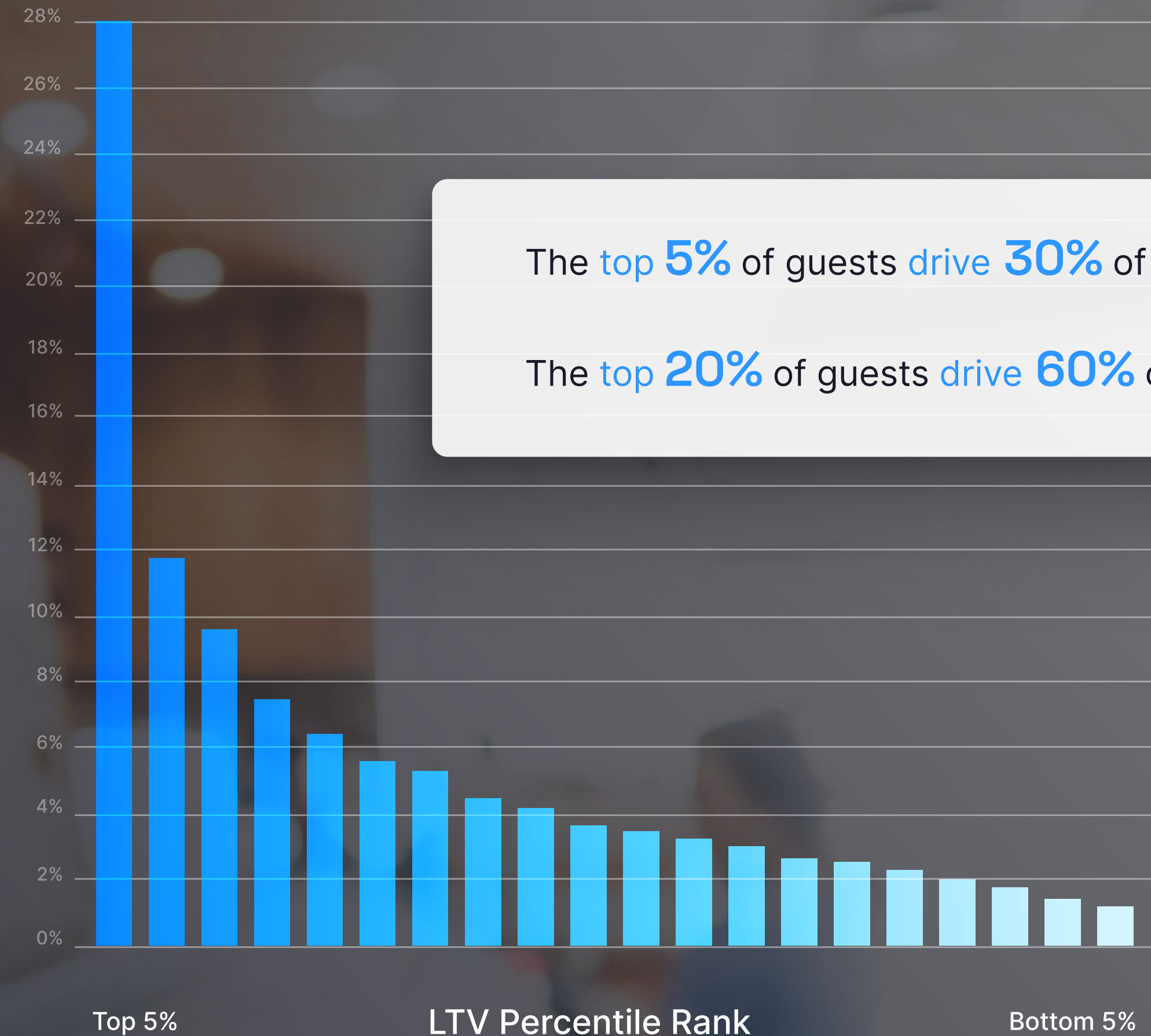
LTV Explained

The estimated profit generated from each guest from the first visit through the last.

In other words, it's how valuable a guest is to your business, not just on a transaction basis, but with regard to their recency, frequency, and monetary spend across the entire relationship.

Given that acquiring a new guest costs far more than retaining an existing one, increasing the value of your existing guests—with the support of comprehensive guest data—is key to driving growth.

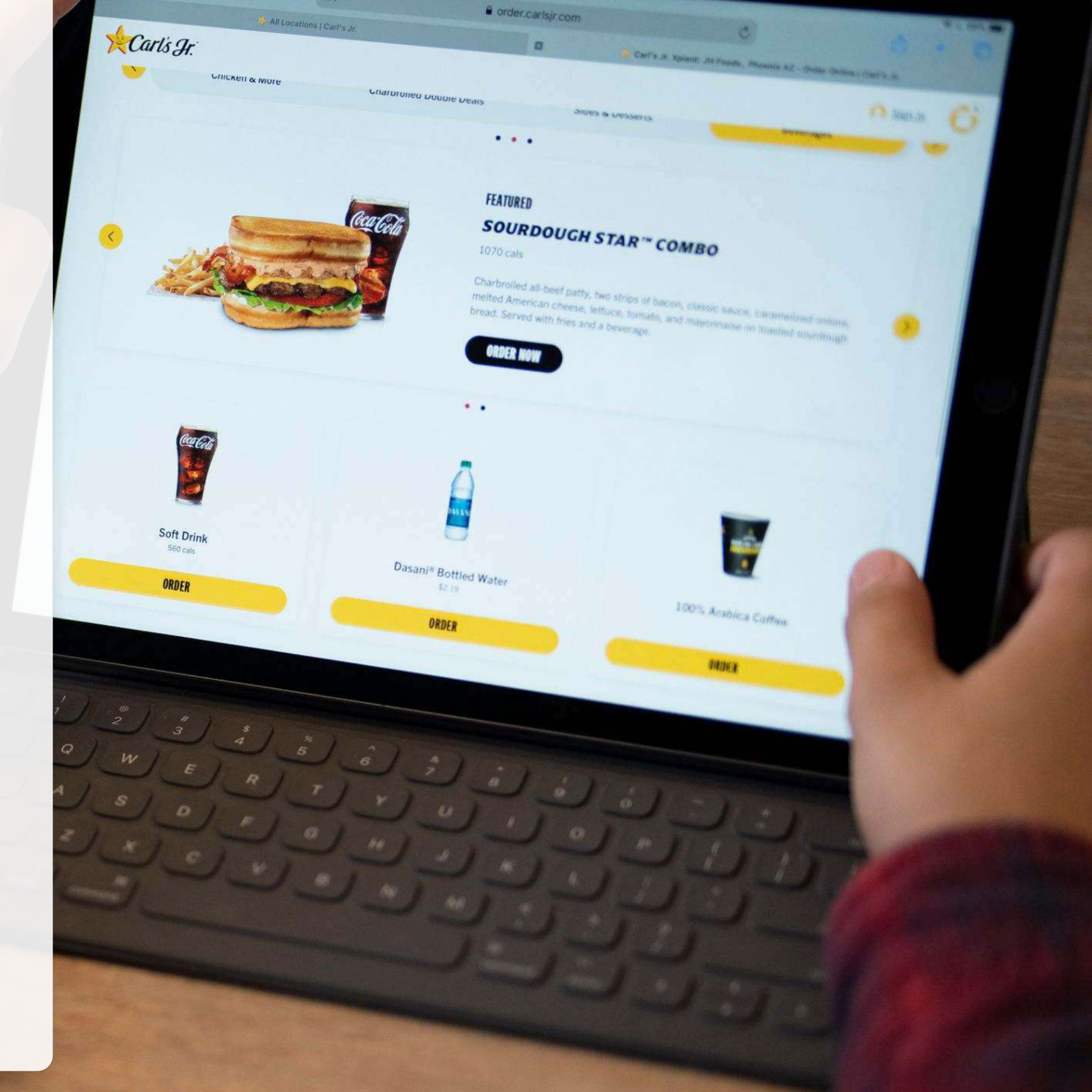
Percentage of Revenue by LTV Percentile

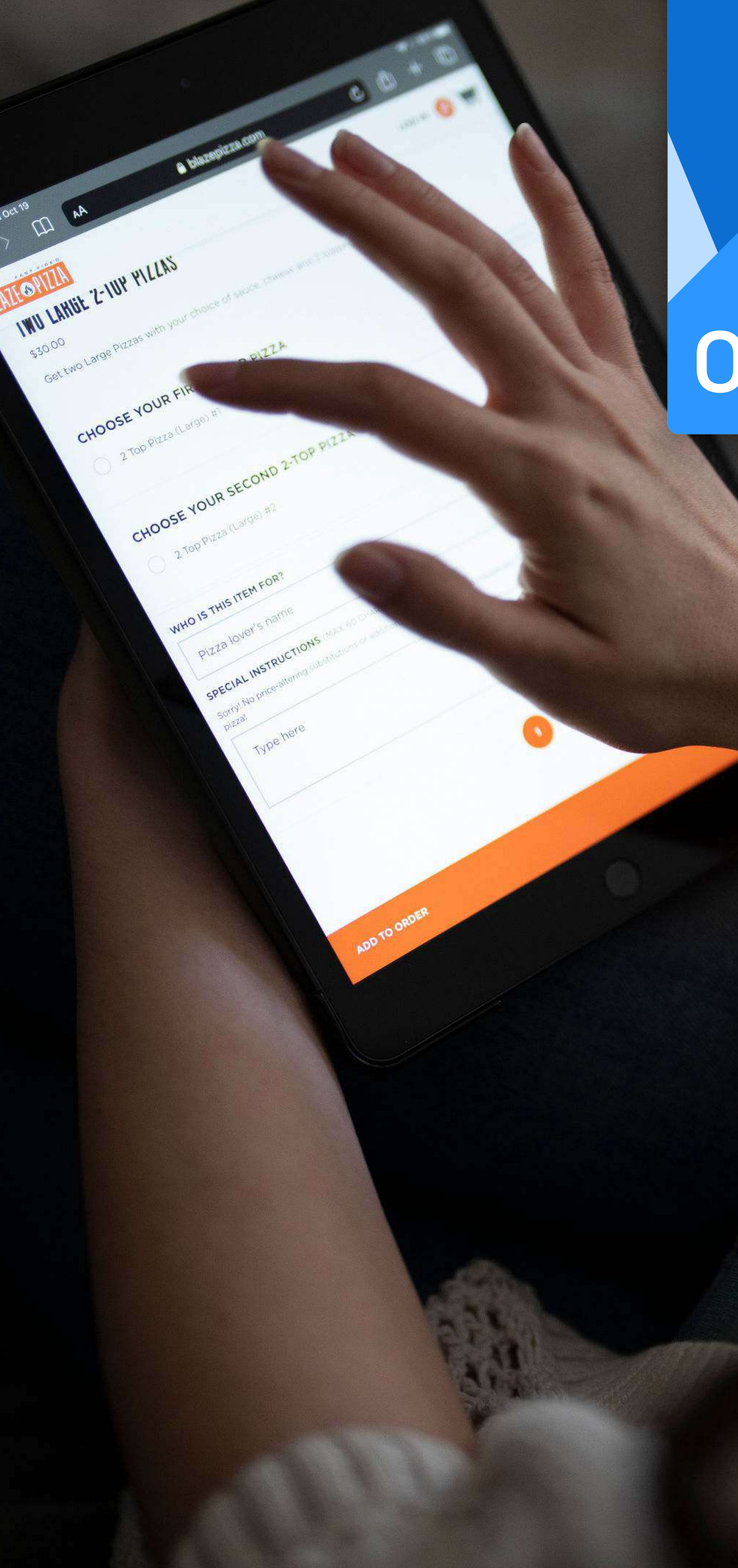


5 Ways to Increase Profits and Collect Valuable First-Party Data

Though there will always be some guests who prefer to order via third-party marketplaces, neglecting your direct ordering channels would be a costly mistake. The positive impact direct digital orders can have on restaurant revenue and guest database growth alone is too immense to ignore.

Start empowering guests to order direct with these strategies.👇





01

Optimize Your Website and Mobile App for Direct Ordering

You'll see higher conversions.

Ensure your restaurant website is mobile-friendly, loads quickly, and enables guests to place an online order from the top of the homepage. There should be a clear “Order Now” call to action throughout the site, including in the navigation bar, header, splash image, footer, etc. Hint: Fewer clicks = higher conversion rate.

If you have a mobile app, it should be prominently featured on the website so guests can easily download it and order however they choose. It may seem obvious, but it's also important to provide a detailed, easy-to-navigate restaurant menu on your website and mobile app, featuring mouthwatering imagery and descriptions.

Simplify and streamline the ordering and checkout flow on your website and mobile app so it's intuitive, convenient, frictionless, and fast. Here are [eight ways to optimize for conversion](#), including offering multiple options for login, handoff mode, and [payment](#). And be sure to give guests the ability to save their favorite orders for quick reordering.

108% average increase in conversion rate after optimizing the ordering experience with Olo Serve

Portillo's Guests Get the High-Speed Service They Crave With Frictionless Direct Ordering

To expedite the ordering process and enhance the guest experience, [Portillo's](#) launched Olo Ordering, Rails, and Switchboard in 2016. Though the brand relied on a custom front-end for several years, Portillo's transitioned to Serve, Olo's white-label ordering interface, in early 2022.

CHALLENGE

Portillo's wanted to provide a more seamless guest experience, better order sequence, and, most importantly, a faster path to checkout.

SOLUTION

- Since Portillo's transitioned to Olo Serve and optimized its menu—including setting default menu item sizes to offer more value to guests—the cart conversion rate has doubled.
- By leveraging Serve's menu management capabilities, Portillo's has made placing an order intuitive and frictionless for guests, increasing the average basket and ticket size.
- Portillo's guests now spend less time ordering with fewer clicks needed to add items to their cart and add a payment method.

“

Launching Olo Serve and optimizing our menu has helped create a frictionless online ordering experience at Portillo's. Our guests want to get in and get out as fast as possible. In that sense, we nailed it.

Dino Northway
Director of Off-Premise Dining, Portillo's

2x

cart conversion rate

20%+

sales are now digital

A smiling woman in a restaurant setting is holding a black sign with the word 'OPEN' in white capital letters. The sign is hanging from a white rope. The background is slightly blurred, showing a restaurant interior.

02

Provide Direct Ordering Links Across Platforms

You'll discover which listings drive the most revenue.

One of the best ways to ensure guests find your restaurant when looking for places to eat nearby is to keep your local business listings up-to-date and optimized for search engines.

And yet, local listings are often consumed by third-party ordering links. By placing direct ordering links in your [online listings](#), you can give guests more ways to discover and order directly from your brand website—leading to more revenue and first-party guest data.

A [local listings management tool](#) can enable your team to update local listings at scale by automatically pushing direct ordering links and other critical restaurant information (hours, phone numbers, menu updates, etc.) to publishers across the web.

75% of people prefer to order delivery directly from a restaurant*

CASE STUDY



Olo Sync Streamlines Listings Management and Drives Direct Orders for Slim Chickens

Since 2017, [Slim Chickens](#) has been enhancing its guest experience with digital solutions—first with Olo Ordering, then Dispatch, Rails, and Switchboard. With plans to rapidly scale, the brand added Sync, Olo’s listings management solution, in 2022.

CHALLENGE

Slim Chickens needed a way to update multiple local listings at once, track listings’ ROI, and drive direct orders from across the web.

SOLUTION

- With Sync, Slim Chickens’ employees no longer have to manually update listings on multiple platforms. Direct ordering links and changes made in the Olo Dashboard to store hours, contact details, 86ed menu items, and more are automatically pushed to Google, Facebook, TripAdvisor, Yelp, and 50+ other sites.
- Accurate, detailed listings have improved the brand’s ranking in search results and restaurant-specific links have reduced the number of clicks required to place an order—saving guests time and boosting conversion.
- Additionally, Sync’s analytics enable Slim Chickens to see which listings drive the most direct orders and where to focus its marketing dollars.

6.2%

increase in direct order volume

11.3%

conversion rate via ordering URLs on Google

03

Leverage Order With Google

You'll find new guests and reclaim some third-party orderers.

Offer a seamless direct ordering experience right from your Google Business Profile. By leveraging [Order with Google](#), you can ensure guests who are using Google Search or Maps to locate similar restaurants or dishes in their area can easily find and order directly from your brand.

When guests use Order with Google, they see the same menu featured on your brand-owned channels and the orders are sent to your restaurant and processed just like website or app orders. By enabling guests to quickly place a direct digital order without having to leave Google, you can eliminate friction in off-premise ordering, increase your online conversion rate, and open the door to new, incremental guests.

Most importantly, unlike third-party marketplaces, Order with Google gives you full ownership of your guest data so you can maximize LTV and put those insights to work across departments.

10% average increase in direct order volume after adding Order with Google through Olo

Order with Google via Olo Enables Uncle Julio's to Reclaim Guest Relationships and Drive Direct Sales

While [Uncle Julio's](#) has offered online ordering and integrated delivery through Olo since 2017, it wasn't until guests began regularly placing orders via third-party marketplaces that direct sales and first-party data became priorities. To make it easier for guests to order direct and drive incremental revenue, the brand launched Order with Google through Olo in late 2021.

CHALLENGE

Third-party orders make up a significant portion of Uncle Julio's off-premise sales, but the brand has found the associated fees, lack of control over the guest experience, inaccessible data, and inability to recover or market to guests problematic.

SOLUTION

- > Since implementing Order with Google through Olo, Uncle Julio's has seen an increase in overall revenue and direct digital sales from new, incremental guests.
- > The brand's conversion rate on Google is approximately 20%, with the vast majority of orders placed by people who have never ordered online directly from the restaurant before. Average check size has also gone up compared to orders that originate on third-party marketplaces.
- > In addition to streamlining the ordering process, the sales channel enables Uncle Julio's to collect first-party data—including who guests are, where they're coming from, and their behavior—to more effectively serve, recover, and market to guests.

2.5%

increase in direct digital sales

8%

increase in avg. check vs. marketplace orders

20%

conversion rate

74.3%

new, incremental guests



04

Offer Direct Delivery

You'll meet guest demand and control the experience.

Empower guests to order from your restaurant website or mobile app by offering direct delivery. A convenient, branded delivery experience builds trust with guests and gives them the peace of mind that they'll receive the best-in-class service they expect.

Brands that don't have the desire or bandwidth to manage their own drivers can use a [direct delivery solution](#) that automatically pairs third-party couriers with direct orders. This provides a consistent guest experience that boosts loyalty and revenue for the restaurant.

Get [tips for increasing your restaurant delivery sales](#).

18% average incremental increase in revenue after adding Olo Dispatch



Bahama Buck's Direct Digital Sales Soar with Optimized Ordering and Delivery Experience

[Bahama Buck's](#) approached Olo in 2018 after its existing online ordering platform could not meet its needs for branding, menu customization, delivery, and tech integrations. Since rolling out Olo Ordering, Dispatch, and Expo systemwide in March of 2021, direct digital sales have skyrocketed and several operational pain points have been eliminated.

CHALLENGE

Before working with Olo, Bahama Buck's tested the waters of online ordering and found that those guests have a higher average ticket. But the ordering flow wasn't branded, the menu appeared overwhelming, and the overall user experience was poor. The brand saw an opportunity to optimize its online ordering experience, prioritize direct sales, and capitalize on the growing demand for delivery with Olo.

SOLUTION

- Since teaming up with Olo, direct digital sales have skyrocketed. The brand has also seen a significant increase in average ticket for off-premise orders and delivery order size.
- Using Olo Serve, Bahama Buck's now has a uniquely branded ordering site that's easy for guests to navigate. With Olo's robust menu management tools, the brand can effectively showcase its 100+ flavors, modifiers, and catering options with vivid imagery.
- Bahama Buck's has the competitive advantage of offering direct delivery through its website while also enabling guests to maximize their digital loyalty through Dispatch. Leveraging Olo's partner integrations, data from online orders and delivery is synced with Bahama Buck's POS and loyalty program, giving the brand a more holistic view of each guest's journey so it can better serve them.

141%

growth in online sales,
year over year

63.8%

increase in average ticket
on Olo vs. on-premise

11.6%

higher delivery order size
vs. pickup orders



05

Implement On-Premise Digital Ordering

You'll see revenue and guest database growth.

While historically dine-in guests have been difficult to identify and learn from, QR code ordering and kiosks enable brands to better understand dine-in guests' preferences and behavior, as well as grow their marketable database, by digitizing every transaction.

With [QR code ordering](#), for example, dine-in guests scan a QR code to access the menu, place an order, and pay for a meal, all from their own mobile devices. Guests benefit from faster service, more control over order accuracy, and the ability to easily add items and pay. [Brands benefit](#) from increases in revenue, data collection, staff satisfaction, and restaurant efficiency.

According to Olo data, when guests order from a digital interface, check averages increase by \$2-4, or roughly 12%, because guests can spend more time perusing the menu, easily add and pay for items, and indulge in add-ons without fear of judgment. Additionally, restaurant brands that leverage QR code ordering can see up to a 5x increase in first-party data collection compared to traditional dining experiences.

12% average increase in check average when guests order digitally

CASE STUDY



QR Code Ordering Transforms On-Premise Operations and Guest Experience at Nando's

In addition to leveraging Olo for off-premise dining—specifically, Ordering, Rails, and Dispatch—in the U.S. and Canada, [Nando's](#) has transformed its on-premise operations and the dine-in guest experience with QR code ordering.

CHALLENGE

Nando's saw an opportunity to optimize its on-premise operations: What if, instead of waiting in line to order, guests could sit at a table, scan a QR code, and order through their mobile device? The brand enlisted Olo's help to develop a dedicated QR code ordering solution to bring its vision to life and help support its growth.

SOLUTION

- > Within one year of launching QR code ordering with Olo, the majority of dine-in orders at Nando's are now being placed at the table—digitally.
- > Guests appreciate the flexibility of choosing where and when to order and the speed of service, which is reflected in a boost in tips, repeat guests, and visit frequency. Staff have reported increased job satisfaction now that they don't have to stress about long lines, and can focus on providing better hospitality.
- > Additionally, QR code ordering has grown Nando's marketable database and given the brand new insight into guest preferences and behavior, including unexpected item combinations, which has informed its menu optimization strategy.

“

QR code ordering has provided many advantages. Guests feel well taken care of, like they're in a full-service restaurant, leave higher tips, and return more often. Staff, in turn, feel appreciated and less stressed.

Kathleen Chugh
Chief Information Technology Officer, Nando's

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56% of dine-in sales are QR code orders

30% growth in marketable database

5% increase in tip vs. orders taken at the register

Tips for Promoting Your Direct Ordering Channels

Educating guests in-person and online about their direct ordering options—and the many benefits—is critical for adoption. Start with these tips: >>



In-Restaurant

Prominent signage, staff T-shirts, door decals, receipts (“Next time, order direct delivery at [URL]!”), to-go bag stuffers, and stickers can help spread the word.



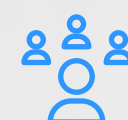
Online

Use your website, social media channels, advertisements, email marketing, push notifications, etc. to boost awareness.



Incentives

Motivate guests to order direct via special promotions or discounts, such as a free delivery campaign or \$5 off their first website or app order.



Team Training

Make sure to train your team members so they can help reinforce the value of direct ordering when they interact with guests.

Keep in mind, it may take time to retrain guests who are accustomed to using third-party marketplaces to order direct. The best way to modify their behavior is to regularly remind them of the benefits such as lower fees and higher quality of service.

Build a Profitable Future With Direct Ordering

At the end of the day, third-party marketplaces still play an important role in driving discovery and incremental revenue for many restaurants. But brands can no longer afford to neglect their direct ordering channels.

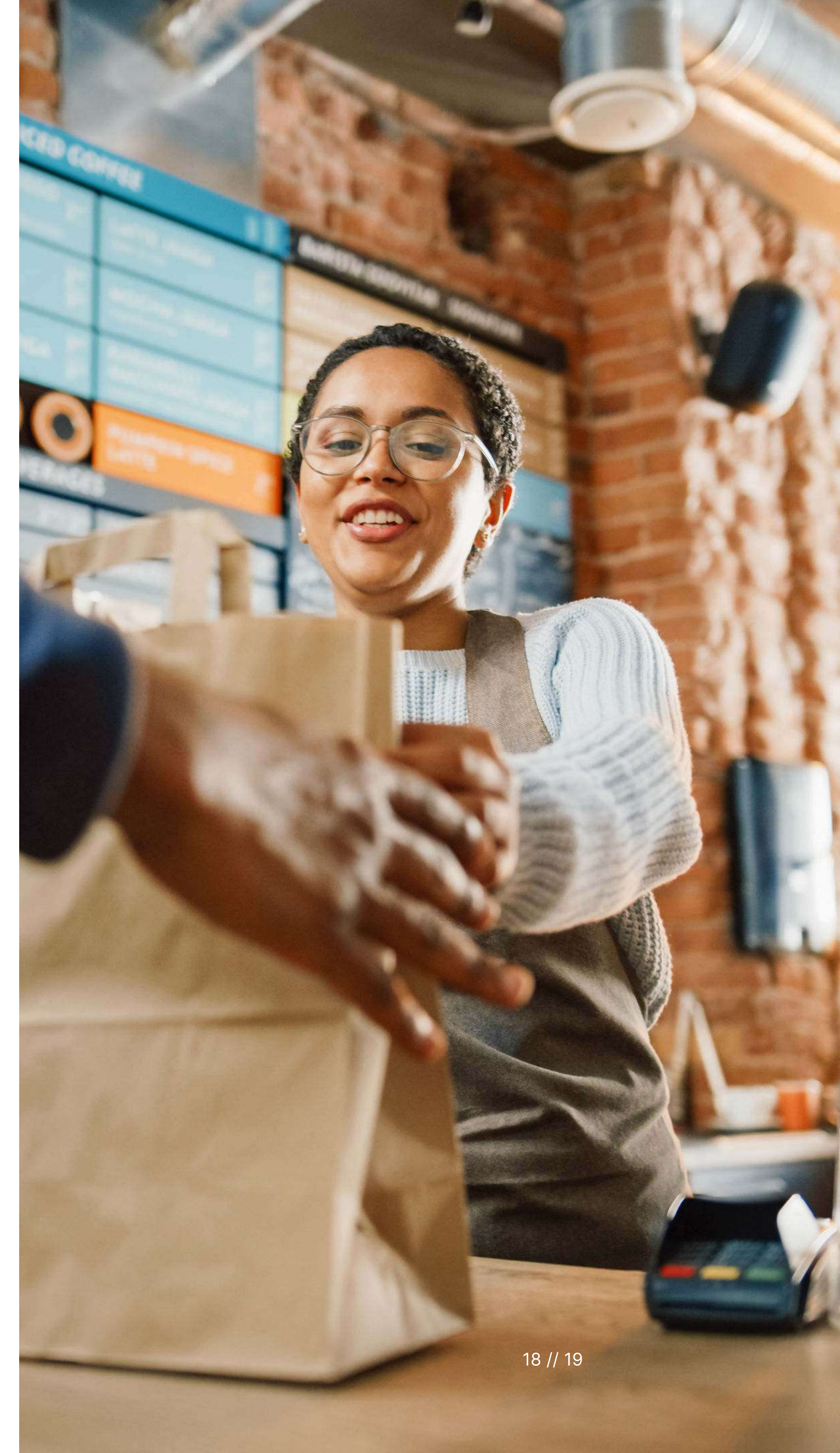
To effectively scale, you need to [own your guest relationships](#).

With the insights gleaned from direct orders, you can better understand guest behavior and make data-driven business decisions that boost revenue, long-term loyalty, and operational efficiency, all while bringing acquisition costs down.

Remember, the restaurant brands that know their guests best—and act on that intel—will come out on top.

Find out how Olo can help your brand drive more direct digital orders.

Get Started





FAST COMPANY



#1 IN DINING

About Olo

Olo (NYSE: OLO) is a leading open SaaS platform for restaurants that enables hospitality at every guest touchpoint. Millions of orders per day run on Olo's on-demand commerce engine, providing restaurants a single source to understand and serve every guest from every channel, whether direct or third-party. With integrations to over 300 technology partners, Olo customers can build personalized guest experiences in and outside of their four walls, utilizing one of the largest and most flexible restaurant tech ecosystems on the market. Over 600 restaurant brands trust Olo to grow their digital sales, do more with less, and make every guest feel like a regular. Learn more at olo.com.

olo.com

Connect with us

