



## APP ADDICTION

### CONSUMER INSIGHT INTO MOBILE ORDER LOYALISTS

2017 is the year mobile ordering transitioned from a nicety to a must-have for quick-service restaurants. Early adopters like Starbucks, Dominos, and Taco Bell continue to be the gold standard, setting the bar for what QSR brands need to jump on the mobile order movement. The trend has recently extended past traditional QSR chains, as fast casual brands like [Chipotle](#) have entered the space.

The MO (mobile order) business is growing exponentially, and rightfully so. Mobile is a legitimate commerce channel for QSR – projected to be a [\\$38 billion industry by 2020](#). It's proved higher sales, greater customer loyalty, and increased foot traffic for leading retailers and restaurants nationwide. But perhaps most important: by publishing an app, you're putting yourself in the hands of thousands, if not millions. Whether the consumer is aware or not, they're viewing your app icon multiple times a day. Like a little digital billboard on the home screen, it's building brand equity

and influencing future behavior when there's intent to act.

Establishing an efficient, streamlined mobile ordering experience is not for the ill-equipped. It's why many large brands like McDonalds have [slowly rolled out](#) their ordering experience before deploying further. Startup costs are high and the learning process is never-ending.

However when implemented correctly, it's proven to be well worth the investment. Starbucks, often viewed as the trendsetter in mobile ordering, established their service in 2015 and has [consistently worked to improve](#) the user experience and efficiency of their application. The rapid growth of their mobile service created an overload in orders, particularly during peak hours. While lines for in-store orders decreased, the crowd for mobile pickups became increasingly large.



Starbucks found their solve by introducing a tablet-based system for baristas to use exclusively for mobile orders, in addition to hiring extra staff during busy periods. Today, [mobile ordering accounts for 7% of Starbucks' overall sales](#), and a whopping 25% during peak hours.

Starbucks' experience proves that MO is more than merely an added service for consumers; it has the potential to improve efficiency in business process. Time is a commodity for both consumers and quick-serve brands. By allowing consumers to order on-the-go, you're taking physical customers out of your line and expediting the wait time for all. Loyalty in both new and existing customers is heightened by the mobile experience.

Mobile ordering has seen such steady growth that third-party companies have developed a complete industry out of the service. On-demand aggregators like [Postmates](#), [Grubhub](#), and Yelp's [Eat24](#) make practically any local eatery mobile order and delivery friendly. White-label app developers have jumped at the opportunity, offering smaller restaurateurs the convenience of mobile ordering without the heavy startup costs.

Despite these benefits – for both the brand and consumer – the biggest asset remains largely untapped: the consumer data that becomes available from the addictive nature of MO. Taco Bell saw a [30% higher](#)

[average order value](#) on mobile compared to in-store after introducing their app. And when consumers are not engaging your application, they're surfing the web or interacting with one of the other dozens of applications on their device. Seamlessly, a wealth of data is available.

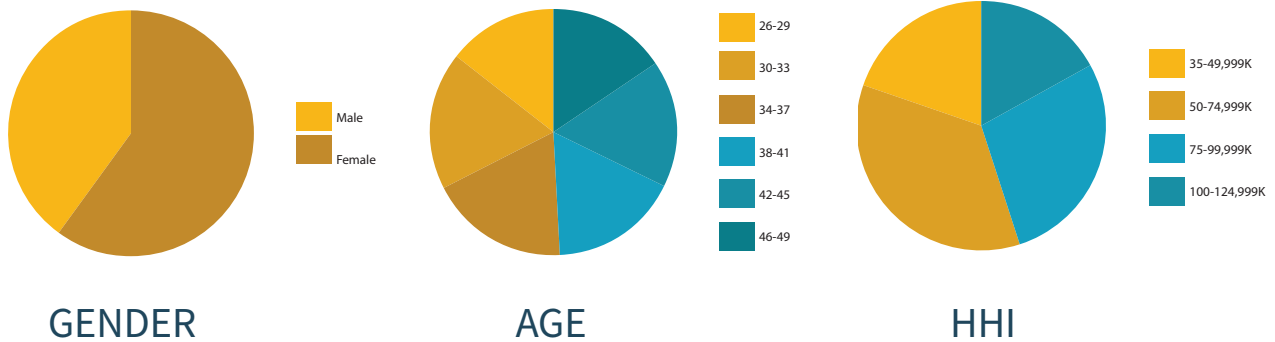
By creating self-produced repeat business via mobile, consumers build a historical record, revealing patterns and habits that provide a glimpse into the mindset of a brand's most loyal customers. Suddenly, customizable offers are available, tailored to specific user's interests and behaviors. Location-specific messaging is a breeze thanks to improved app and location data. Surface-level CRM data is only the tip of the iceberg.

By studying the persistent app usage, mobile web behavior, and location of a brand's best customers, it's possible to identify what's top of mind for distinct audiences. Because of the proliferation and persistency of mobile, brands can track the evolution of mindsets – by interest, region, timeframe or demographic. It can also help brands identify new audiences, markets, and means of introducing their products to potential customers.

## DISCOVERING MINDSETS OF MOBILE ORDER LOYALISTS

Utilizing insights derived from our carrier-level data, we performed a mobile deep dive on the customer base of a leading coffee brand that utilizes mobile ordering. Analyzing over 200,000 unique users, we gained a better perspective on the trends, mindsets, and behaviors of their best customers.

# DEMOGRAPHIC BREAKDOWN OF A LEADING MOBILE ORDER QSR BRAND



The demographic profile solidifies many known assumptions of mobile order devotees. They skew slightly female, with the majority of consumers falling within the 30-37 age window. They're heavily concentrated within the 50-100K income bracket, which speaks to the allure of mobile order applications: ample disposable income.

The audience's need for a morning pick-me-up appears to be a common behavioral trait, reaching past brand affinities. Coffee Bean, My Coffee Card, and even a secret menu application all appear within the top 100 indexing apps. But beyond coffee, keeping a consistent routine is an overarching trait. They're fitness fanatics – tracking their daily movements and managing memberships through a variety of health & wellness applications.

## FITNESS FANATICS



The passion for mobile ordering and fitness provides a glimpse into the mindset traits of these consumers. A geolocation study of the audience reveals they're equally populated across most of the United States. This is no surprise, as the company is a nationwide chain with strong brand equity. However, what is surprising is how much they move. An expanded view of mobile web and app usage reveals a wide variety of travel behavior (booking.com, Virgin America, Disneyland, Costco Travel, US Airways, Alaska Air). And it's not limited to domestic travel. The presence of translation applications (Travel Phrasebook, for example) indicates international travel is a commonality.

## ON-THE-GO



**Booking.com**

They're not only an on-the-go audience, they're in-the-know. News applications and websites had the highest concentration of any category. This includes national news content (USA Today, CNN, New York Times), but the majority of news came from local sources (applications, mobile sites, radio). This displays a "think globally, act locally" community attitude. While interested in national concerns, staying in-tune with local news is a top priority for these consumers.

By studying common behavioral traits, an audience profile begins to form. Mobile ordering is just one facet of their on-the-go mentality. They're commuters, travelers, fitness junkies, and community enthusiasts. They appreciate content in micro-moments, seeking services that work on their time. Many of these consumers are young parents, juggling responsibilities, interests, and habits

## IN-THE-KNOW



amidst their daily routine. Mobile ordering provides efficiency in a world where time management is essential.

It's this on-the-go, in-the-know mindset that makes mobile order experts difficult to understand. An in-depth analysis of how consumers think, behave, and move becomes essential to making key top-of-mind connections. The native behavioral attributes of mobile allow brands to understand and predict the daily habits of consumers, from their morning commute to the afternoon pick-me-up. With properly applied data, MO companies can leverage genuine consumer insights to connect with consumers when it matters most.



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