



News

Time to be Online?

by [Jackie Hollenkamp](#) * 28 February 2002

Picture this: Millions of pizza customers placing orders to your store through Palm Pilots, Web-enabled cell phones and personal computers. Your phones never ring, but your P.O.S. screen over the make line blinks silently, notifying you that the Smiths once again want their large, two-topping, Wednesday night special.

Now return to reality: Millions of customers aren't ordering pizza online -- but tens of thousands are.

"It looks like the future," said Freddie Wehbe, who owns four [Domino's Pizza](#) franchisees in Gainesville, Fla., Wehbe gets 200 Web orders a week, which is a bare pittance compared to his thousands of phone orders. But he believes that will change. "Even if you get 10 orders a week, it's worth it."

[Papa John's](#) also is confident online ordering is on the rise. In January, the Louisville, Ky., company went nationwide with its Web order program in all its U.S. domestic stores. The company has crowed correctly that its feat is a pizza business first, but that's all it'll say.

"Since we are not divulging a lot of proprietary information regarding technology, profits, sales, etc., about our online ordering program, there may not be much to talk about," said Karen Sherman, a company spokesperson.

For more than a year, Papa John's used [Food.com](#) as its online ordering platform. But now, said Karen Orton Katz, Food.com's senior vice president of sales and marketing, Papa John's owns a license on Food.com's patented technology. That enabled the pizza company to bring Food.com's technology under its roof.

Was it a wise business move? The statistics say maybe.

According to numbers from Wagstaff Worldwide, Inc., Food.com's P.R. firm, online order volume for restaurants is growing 20 percent per month, and online restaurant spending will grow by more than 1,000 percent to \$120 million by 2003.

"One of the beauties of online ordering is that it's self-paced," Orton Katz said. "You can see the whole menu, which is one of the reasons why the checks are so much larger. People ... take their time and say, 'Oh, I didn't know about that,' and then throw something else in the cart."

Independent Decision

Wehbe has offered online ordering for about five years, becoming one of the first Domino's franchisees to do so. Of the online orders his stores process, the majority come to his store near the University of Florida campus.

Orton Katz said check averages run 15 to 20 percent higher for online orders than phone orders, which Wehbe said is true at his stores.

"The numbers say it does, because the average online order is higher than any of our other mediums of ordering," Wehbe said. "It's higher than our credit card orders. It's higher than our live orders. It's higher than our carryout orders."

Wehbe initially has used [QuickOrder.com](#) since April 2000. Each order comes from QuickOrder.com and is moved directly into the P.O.S. system at the store level. QuickOrder.com has processed 10,000 orders for Wehbe, which

cost him 30 cents apiece.

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Stan McCabe
oneSystem

Glenn Mueller, co-owner of 157 U.S. Domino's franchises, said online orders currently make up less than 5 percent of his total sales, but that number is growing. He said it's not only an easy means of ordering for his customers, but simple for his employees as well. Like Wehbe's set-up, the entire process is driven through his stores' P.O.S. system. Mueller wouldn't talk specifics, but he said he paid some development costs to get the system running. Regardless, he added, it was worth it.

"There's no work on (employees') part," Mueller said. "The customer's entering the order, the order comes up on the screen, and they can start making the pizza and give it to the customer. There's no phone involved."

While Domino's franchisees like Wehbe and Mueller offer online ordering, don't expect the entire chain to follow them or Papa John's just yet.

"While recognizing there's a small segment that prefers to order online, the best way is to call a store and talk to a human," said Domino's spokesperson Holly Ryan.

Stan McCabe, president of [oneSystem](#), a one-number call center company, agrees with Ryan.

"The only people who might use it would be people that are already online," McCabe said. "If they get hungry and decide to place an order, they'll do it. But until it reaches the consumer level to the point where it's easier to do than a phone call, that's the only way you're ever going to get people to do it."

For that to happen, McCabe added, the majority of Internet users will need an always-on Web connection, such as somewhat costly broadband access.

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Be the old way fast and familiar, the combination of phones and humans breeds opportunities for failure, said Orton Katz. Those mix-ups, she added, occur much less with Web orders.

"Consumers like things where they feel like they're in control," Orton Katz said. "They also like things where they can save time. ... The order gets there. It's more accurate. It goes from one electronic form to another electronic form."

Right now, Orton Katz sees Internet professionals -- and even time-starved mothers -- as the primary users of online ordering. The gap between those users and those who aren't ordering online, she added, is one that's narrowing.

Not quickly enough, said, McCabe.

"I think a lot of people are looking at it as a long-term strategy," said McCabe, whose company's system also accepts and dispatches Internet orders. "From a labor perspective, it's an extremely intelligent choice. But (operators are) probably not going to see a return on it for two, three or four years until it really becomes commonplace."

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