



Analysing on-the-go ordering with Dunkin' Donuts

preoday

Dunkin' On-the-Go Mobile Ordering Analysis

Though not the first to launch a mobile ordering service, Dunkin' (known as Dunkin' Donuts until its 2018 trial rebrand) was clearly at the head of the app payments and order ahead curve. First launching its Dunkin' Donuts app, tied to its Dunkin' Donuts DD Perks® Rewards Program, in 2012 it went on to launch On-the-Go Mobile Ordering in 2016 - a year after Starbucks but far in advance of other mobile-ordering leaders like McDonald's.

At the time, then CEO, Nigel Travis, commented: "Dunkin' Donuts is committed to developing and delivering technology that supports our growth and distinguishes our brand for offering the very best guest experience."

"Today's launch...is a clear example of our determination to invest in technologies that help us exceed our guests' expectations and enable our franchisees to run their restaurants as efficiently and effectively as possible."

Looking to the future, [the company has big plans](#) including, by 2020, the addition of approximately 1,000 net new Dunkin' Donuts locations in the United States. At that point it expects 75 percent of traditional restaurants to be drive-thru locations and intends to be opening approximately 1,000 NextGen restaurants per year, inclusive of new and remodeled stores.

The first of these concept 'NextGen' stores opened in early 2018 and was designed with technologies such as On-the-Go Mobile Ordering in mind; it included the company's first drive-thru exclusively for mobile ordering.

What you need to know about Dunkin' and its mobile order and pay platform

It's big on loyalty

Loyalty is the primary focus of the app; its mobile ordering function is available exclusively to members of the company's rewards and loyalty scheme. Customers can earn points at restaurants participating in the DD Perks Program and exchange these for free drinks and snacks as they place their order.

Customers can order through Alexa and Google Assistant

Amongst its latest features, users of the app can now order their Dunkin' drink or tasty snack via their Alexa and Google Assistant-enabled devices, benefitting again from the opportunity to skip the in-store line for pickup.

The company wants to embrace all payment types

In the future Dunkin' wants to let customers earn points using 'all forms of tender, including their DD card, credit, debit or cash.' Testing for this is beginning now; the company expects the move will allow it to better connect and serve a wider audience of loyal guests.

It hopes to extend its service to delivery and catering

It was reported earlier this year that Dunkin' would be testing a digital catering platform in several key markets during 2018, the ultimate goal appears to be the creation of a combined catering/delivery platform.



Getting to grips with On-the-Go Mobile Ordering

Anyone that has previously used a branded pre-ordering app will find the Dunkin' app offering a familiar customer journey.

Its benefits include remembering recent transactions, including the location pickup, so users don't have to scroll through a list of stores or search a local map each time. Naturally, it integrates seamlessly with the loyalty programme, also accessed via the platform.

As for drawbacks, because the app runs off a national menu, local items will not appear on the menu. However, core and standard ones will and they can all be personalised to the same extent as in-store; perfect if a person wants a coffee with ten shots, almond milk, caramel flavouring and extra sweetener.

Diverging from many other brands' offerings, the Dunkin' app allows users to place orders up to 24 hours in advance of collection - without stating a specific collection time. When the customer is ready to collect they open the app and click to notify the selected store, telling them if they're walking in, or 'driving thru' before heading over.



Customer uptake and future plans

For now, Dunkin's mobile ordering app remains exclusive to members of the company's loyalty programme. That makes it accessible by eight and a half million or so consumers - an increase of six million over 2017.

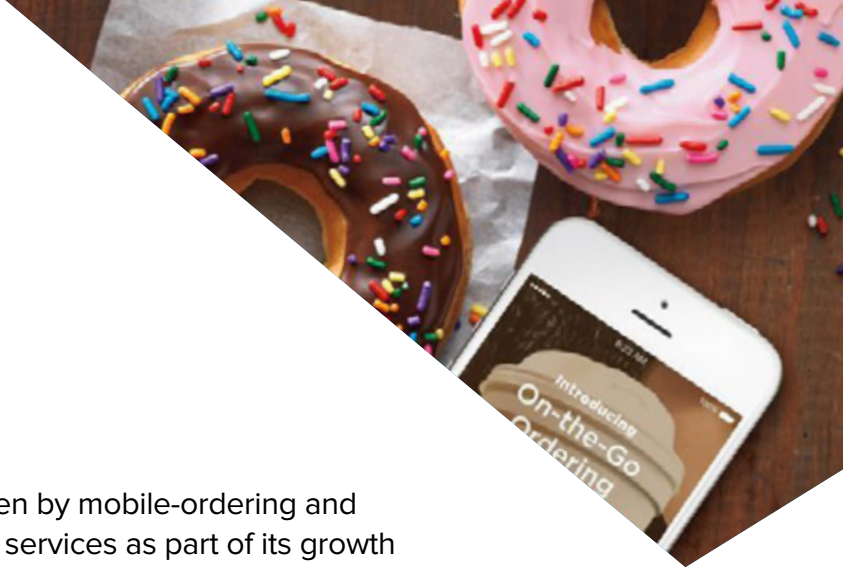
The company doesn't share many user figures but has confirmed that 80 percent of those that have tried the On-the-Go Mobile Ordering have used it at least once more. It also says that mobile orders accounted for 3 percent of Dunkin' Donuts' total transactions at the end of 2017, but hasn't given more detailed figures.

A year ago Nigel Travis [said](#): "Delivery will be the next wave" and: "It's going to be like a revolution, and I believe it will happen faster than anyone thinks." While Travis has now moved on from his CEO role, the company's belief isn't wavering. Dunkin' and the wider industry knows that customers want to engage with them via their phones and going digital is less and less of an option and more and more of a necessity.

A rebrand of Dunkin' is underway and plans are in place for change; convenience, both digital and operational, lie at the heart of this. As mentioned, and in a similar way to its arch-rival, Starbucks, a 'NextGen' concept store, with drive thru, is being tested and [reviewed](#). Its success will doubtless guide future in-store and curbside strategy.

It's estimated that, industry wide, between [60 and 70 percent of consumers use drive-thrus](#) so it is understandable that this is where the company sees its sweet spot. Time will tell if it is correct.





Preoday's verdict

Dunkin' has a way to go before it reaches the dizzy heights of success seen by mobile-ordering and loyalty rival, Starbucks - but it's on its way and its commitment to its digital services as part of its growth strategy is evident - as are the benefits.

Dunkin has previously estimated that [30 percent of crew member time is spent taking orders](#); On-the-Go Mobile Ordering cuts this by improving order accuracy as well as speed-of-service, freeing up staff time to focus on customer service and the optimisation of operations.

While some might be concerned that digital ordering numbers amount to just 3 percent, it should be noted that those figures were announced before the company's partnerships with Google Assistant (which has 400 million users) and Alexa (50 million Alexa-enabled devices have been sold by Amazon - this doesn't include all alexa-enabled android phones/tablets). Such partnerships widen the potential for pre-ordering dramatically.

Opening mobile ordering up to customers that are not currently loyalty members, as Starbucks has done, would naturally push the service out further. Dunkin' might have concerns about the impact this would have on loyalty subscribers, but given that digital orders at Starbucks now float around 20 percent of revenue each month, it's a risk we would urge them to take.