

Restaurants offering food to go, virtually

Online ordering services brought in to meet consumer demand for Internet takeout options. Some meals can be scheduled months in advance.

By NANCY LUNA

The Orange County Register

When it comes to eating takeout, Mark Holman is a creature of habit.

At the end of most workdays, the Anaheim chief executive dials the Pasta Bravo near his home to order his usual meal: spaghetti with chicken, mushroom and tomato.

But the busy businessman said the speedy allure of phoning in takeout is ruined when restaurants put him on hold for a long time. Then, several weeks ago, Holman discovered LiveontheGo.com, a free service that allows consumers to order and pay for takeout online.

Holman, 39, has used it about 50 times. "I can make my order within six clicks."

He's not alone. Roughly 25 percent of diners in 2007 made an online order from a restaurant. That's up 9 percent from two years ago, according to Technomic, a Chicago-based restaurant consulting firm.

That demand has led to a rising crop of Orange County companies launching cyberspace takeout programs. Some include Live on the Go, GimmeGrub, Takeout Technologies, Restaurants on the Run and Gourmet Shuttle.

Each company is driven by one simple principle: food convenience.

"It's just like having a Disneyland FastPass," Live on the Go co-founder Darren Testa said.

Ordering ahead

Like all good ideas, Live on the Go was conceived from a personal experience.

Testa's friend, Bryan Gadol, needed a cup of coffee in a bad way before heading into an early morning meeting. Gadol stopped at his local Starbucks in Laguna Niguel, but was immediately turned off by the café's long line.

"Wouldn't it be great if I could order my coffee ahead of time?" Gadol told Testa two years ago.

At the time, Testa had just left a firm that created a Web site for viewing medical records. The portal gave lawyers instant access to records needed for legal cases, while saving law firms thousands of dollars on document scanning fees.

After talking to Gadol, the two hatched a plan to replicate that business model for restaurants. That led to the summer launch of Live on the Go, which offers menus from 140 restaurants in Orange County.

The free service, which works with Web-enabled cell phones, allows you to punch in your ZIP code to find restaurants in your area. It also provides several customization features, including a comment section for special requests (Think, "Hold the mayo.") and a calendar for scheduling orders. The latter can be done hours to months in advance.

The site also offers an Evite-style tool that allows a person to create a bulk order where "invitees" can submit entrée orders from an eatery as long as the selection meets a pre-determined price range.

For example, one person can order a Veggie sandwich from Quizno's while someone else can get a Smoked Turkey sub minus mustard.

"This way, people get what they want," Testa said.

Holman, a self-described picky eater, likes controlling his orders online because "there's no disputing the order," he said.

Online services crop up

While Holman relies mostly on Live on the Go, he's given other online services a shot including GimmeGrub.com.

Like Live on the Go, GimmeGrub separates restaurants by ZIP code, giving consumers a variety of takeout options in their neighborhood. Since launching in May 2006, GimmeGrub has seen online transactions increase 46 percent month over month, said co-founder Jason Kiefer.

Mission Viejo-based Restaurants on the Run has also seen demand for its online delivery service.

In 1993, Restaurants on the Run began offering food delivery in Orange County. But seven years ago, the company began focusing on corporate catering via online ordering. Restaurants on the Run follows transactions from start to finish, sending online orders to a restaurant, and then collecting the food for delivery.

Fees average \$9.99 per order. Chief executive Michael Caito said 90 percent of his business stems from corporate orders. Much of those are made online, although the company maintains a call center for phone orders. The company works with 850 restaurants including Marie Callender's, California Pizza Kitchen, Tommy Stuffer, Togo's and Pat & Oscar's.

Convenience pays off

Industry experts say more restaurant chains should consider investigating online options to better serve diners, especially busy working professionals, said Heather Miller, an analyst at Technomic.

"A lot of business people prefer to use Internet ordering because they can get their order in days or weeks in advance," Miller said.

Going online can also boost takeout revenues - a huge advantage at a time when families have scaled back on overall household spending, she added.

"There's a sense that eating out is splurging, but some families can rationalize it by (ordering online) and taking it home," said Brian Horne, marketing director at the San Diego-based Pat & Oscar's.

When the 19-unit chain turned on its online order system last year, sales exceeded their projections in the first month by more than 150 percent, he said.

"It blew us away," Horne said.

Check averages for online orders are "consistently higher with Internet orders vs. phone orders," Miller added.

Chris Simms, founder of the Lazy Dog Café in Orange and Westminster, said the "to go business is the best opportunity for casual dining right now."

Lazy Dog Cafe uses GimmeGrub's software for online orders and Gourmet Shuttle's service for consumers who want delivery orders. Huntington Beach-based Gourmet Shuttle is similar to Restaurants on the Run.

Simms said his takeout sales have increased 20 percent since offering consumers these new takeout options.

Denver-based Chipotle, which started online ordering in 2005, logged 350,000 online transactions in the first six months of this year. That's up from 250,000 in the first half of last year, the company said.

Orange County users, especially teens, are among the chain's most frequent online customers, said Keith Esterling, Chipotle's Orange County operations manager.

"The more convenient you make it for your customers, the better off you'll be," he said.

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