Olo's new payment solution helps restaurants optimize digital ordering

Article

The news: US-based **Olo**, a software as a service (SaaS) restaurant commerce provider, launched Olo Pay, a solution that helps streamline online payments for restaurant customers, per a press release.

Here's how it works: Olo consolidates orders originating from several digital channels directly into restaurants' point-of-sale (POS) systems so they can view and manage orders in

one place. The integration also lets restaurants update things like menu items and pricing across all digital ordering platforms from their POS system.

With Olo Pay, customers ordering from restaurants' proprietary digital platforms (web and mobile) can pay using cards and mobile wallets and can save their payment details for faster future checkouts. Later this year, the feature will expand to offer customers one-click ordering at any restaurant in the Olo Pay network.

Why it's worth watching: Online food ordering has become table stakes for restaurants as they look to boost sales.

- The pandemic led to an uptake in online food ordering that will likely stick: In the early days of the pandemic, third-party food delivery apps like **Uber Eats** and **GrubHub** helped restaurants maintain sales despite temporary closures—but the fees they charged were a sore spot for cash-strapped restaurants.

- Restaurants don't have to rely as much on third-party food ordering apps now that most are fully open—but they'll likely still want to offer digital ordering as consumers' pandemic trends stick. To keep costs low, some eateries might enable direct online ordering from their websites, and if they do, it's important that they offer a frictionless payment experience.

What this means: Solutions like Olo Pay can make it easier for restaurants to offer more streamlined in-house digital ordering, which could encourage customers to use third-party apps less, saving restaurants on fees. Direct ordering might also let restaurants capture customer information they can use for promotions and other marketing activities—helping bolster customer loyalty and repeat sales.
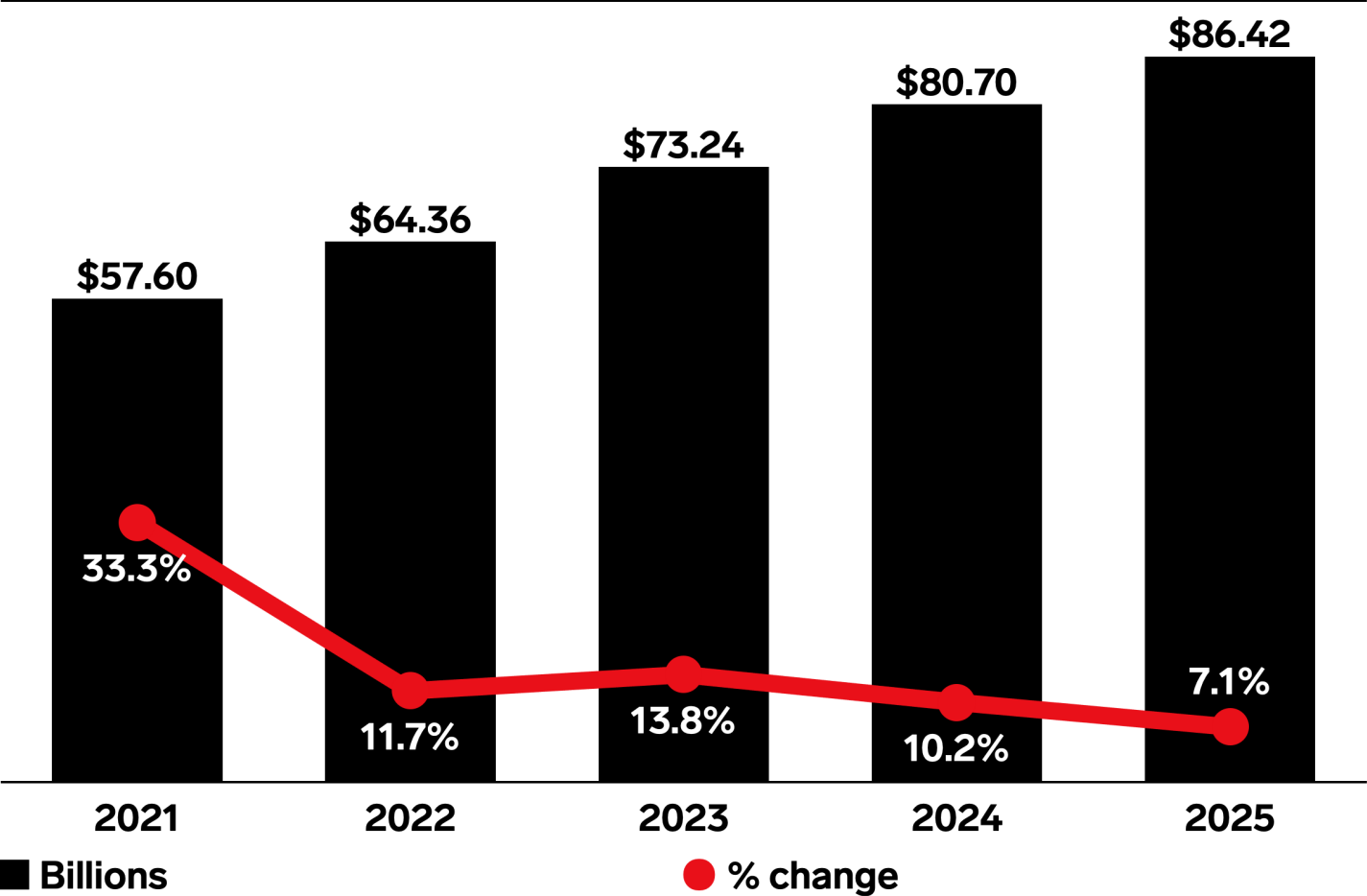
And the solution helps Olo attract more restaurant clients, which could boost its revenues and bring the provider closer to being a one-stop shop for eateries. Offering enhanced payment capabilities can also help Olo differentiate itself and tighten relationships with clients as the digital food and beverage industry expands.

Related content: Check out our coverage of restaurant food ordering and delivery solutions:

- *Square taps Incentivio to expand restaurant solutions*
- *Clover improves delivery functionality to capitalize on growing to-go space*

Restaurant Delivery Intermediary Sales
US, 2021-2025

$57.60

$64.36

$73.24

$80.70

$86.42

33.3%

11.7%

13.8%

10.2%

7.1%

2021 2022 2023 2024 2025

■ **Billions**   ● **% change**

Note: sales of food and beverages from restaurants ordered via digital services like DoorDash, Uber Eats, and Grubhub; excludes taxes and tips; excludes sales from restaurant-specific delivery services; excludes grocery and nonrestaurant sales; includes consumer fees.
Source: eMarketer, August 2021
Methodology: Estimates are based on the analysis of survey and traffic data from other research firms, historical consumer adoption trends, company data, internet and mobile adoption trends and demographic adoption trends.

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