toast Restaurant Management Blog

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What Your Online Ordering Tool Really Costs You

Online ordering services such as Eat24, GrubHub, and Foodler come at a steep price to restaurant owners who end up sacrificing a significant chunk of their revenue. Here's how these third-party tools can hurt your bottom line - and why you might want to consider integrating online ordering within your restaurant POS system.

1. You pay an average of 13.5% commission on every order

Here's what the big players in online ordering vendors charge:

- ChowNow - $499 upfront, a $99 monthly fee, and $199 for each additional location
- Eat24 - 12.5% of restaurant's net online sales
- Food Fetch - $60 per month plus a $150 setup fee
- Foodler & GrubHub - charge per order, then higher rates as more orders are placed

2. You lose access to valuable customer data

According to a Forbes report, GrubHub collects data on the behaviors of users placing more than 150,000 orders each day from nearly 29,000 restaurants - but they don't share that data with clients.

3. You waste time

With a third-party vendor, the online ordering menu is hosted separately from the rest of the restaurant's assets, meaning you will have to update multiple menus.

4. You sacrifice your brand

With third-party online ordering vendors, restaurant operators are essentially giving up control over their brand. Most vendors state in their terms of service that they have full license to market and position their clients as they see fit.

By hosting online ordering within their POS, restaurant operators are more likely to have control over the experience - the look and feel of the process, as well as the data that accompanies it.

"I'm a huge advocate for Toast because it's an innovative company that's really become part of our local community. I love that I'm able to access my Toast system, make menu changes, and see sales reports from wherever I am."

- Brian Morrison, Co-Founder, Noodle Lab