

Americans Are Gobbling Up Takeout Food. Restaurants Bet That Won't Change.

America's biggest chains test digital-only restaurants and more drive-throughs, gambling that heightened consumer demand for food to go will last well beyond the pandemic



RYAN JOHNSON

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By [Heather Haddon](#)

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[McDonald's](#) Corp. [MCD -0.82%decrease](#); red down pointing triangle has a new restaurant outside Fort Worth, Texas, with no tables or seats for customers and a conveyor belt that routes food to drivers who

order ahead. [Chipotle Mexican Grill](#) Inc. [CMG 0.47%increase; green up pointing triangle](#) also offers no place for customers to sit inside an Ohio restaurant that only takes digital orders. Taco Bell is evaluating a new design that features four drive-through lanes, double the typical two.

America's biggest restaurant companies made a bet during the pandemic that you would rather eat the food cooked on their premises someplace else. Now they are gambling you will want to do so for years to come.

The strategy from these giant chains is to orient their operations around drive-throughs and online ordering while testing new restaurant concepts that only serve food to go. They say these designs will make them more profitable and efficient since restaurants that bring fewer customers inside cost less to build, maintain and staff.

The challenge these companies face is to make such changes without sacrificing hospitality. Their risk is that consumer behavior accelerated by the pandemic becomes fleeting, as happened with exercise bikes, streaming of movies and shopping from home.

Demand for takeout is still strong even after dropping from peaks reached during the first year of the pandemic. Of all orders placed at U.S. fast-food restaurants in 2022, 85% were taken to go, according to market research firm the NPD Group. That is down from a high of 90% during 2020 but up from roughly 76% in the years leading up to the pandemic. Among full-service restaurants, 33% of orders were to go in 2022—nearly double prepandemic rates.

Even casual sit-down establishments and places known for their cafe culture predict they will have fewer seats going forward. [Starbucks](#) Corp., which long described itself as a “third

place” for customers to gather after home and work, plans to add nearly 400 U.S. stores with only delivery or pickup service in the next three years. In its quarter ending Oct. 2, 72% of its U.S. sales were taken to go.

“That is a complete turnaround for where it once was, which was the majority of the business was in our store,” Starbucks interim Chief Executive Howard Schultz said in an interview.



A customer exits a Starbucks coffee shop in Manhattan last year. The company plans to add nearly 400 U.S. stores with only delivery or pickup service in the next three years. PHOTO: GABBY JONES FOR THE WALL STREET JOURNAL

The concept of taking your food and beverages to go took root in the years after World War II, as everyday Americans embraced automobile culture and became more mobile. One of the first to

allow drivers to take their meals with them was an In-N-Out Burger that opened in 1948. The California restaurant let customers order from their cars using a two-way speaker box, and it had no seating inside.

Another chain that made a name for itself with drive-through service was [Jack in the Box](#) Inc., which launched in 1951 from San Diego. It also had a two-way intercom, and a clown mascot projecting from the roof.

It wasn't until the 1970s that some of the biggest names in the industry fully embraced the to-go idea. [Wendy's](#) Co. introduced its "pick-up" window in 1970, and the first McDonald's drive-through happened in 1975, in Sierra Vista, Ariz. The restaurant added a sliding window so it could serve soldiers at a nearby Army base who weren't allowed to leave their vehicles while wearing their uniforms. The fast food drive-through soon became ubiquitous in many cities and suburbs across the country.

McDonald's, like many other fast-food chains, weathered the early days of the pandemic [better than many sit-down restaurants due to its large number of drive-through lanes](#). Nearly 95% of its 13,435 U.S. locations have them.

Drive-through service accounted for as much as 90% of the company's U.S. business in 2020, up from roughly two-thirds before the pandemic, and in 2021 McDonald's launched a loyalty program to entice U.S. customers to order online.

Chief Executive Chris Kempczinski said in an interview this month that new store formats, including ones without dining rooms, will play a role as the company seeks to add new restaurants in coming years. "That's certainly going to be another opportunity for us," he said.

One such experiment is a location in suburban Fort Worth that opened last month. Its most distinctive feature is an automated delivery system for customers who order ahead on the McDonald's app. When you pull up to the window in the "order ahead" lane, a conveyor delivers your food or beverage with help from a robotic arm that pushes the bag out to the waiting car. There is another drive-through lane for customers who want to order the traditional way.



At a new McDonald's outside Fort Worth, Texas, to-go orders arrive via a conveyor belt to customers who ordered ahead online. PHOTO: MCDONALD'S

Inside the boxy Texas restaurant, which is smaller than a conventional McDonald's, there is also a pick-up room for delivery drivers as well as kiosks where customers can place their orders to go before retrieving them from a pick-up shelf. But there is no seating for customers, nor any playrooms for children.

Luis Silva, a healthcare worker from Arlington, Texas, said he thought the design of the new suburban Fort Worth McDonald's was intriguing when he checked it out last month. But he said he hopes the brand doesn't go too far with the concept.

"It is like one huge vending machine," Mr. Silva said. "I love the ambience and the people serving us. I hate to see McDonald's lose that."



At the new McDonald's outside Fort Worth, Texas, there are no seats and tables inside for customer. But there is a pick-up room for delivery drivers as well as kiosks where customers can place their orders to go before retrieving them from a shelf. PHOTO: MCDONALD'S

McDonald's said: "We value the space and community our traditional restaurants create, so restaurants with dine-in service

are and will continue to be an important way we serve our communities.”

McDonald’s is also exploring new ways of selling its food outside of traditional restaurants. Its CEO said he is interested in expanding on some of the chain’s experiments of selling just its desserts in kiosks in Latin America, or stand-alone McCafe units that have operated in Australia and Canada.

“We always have this tension where the customer is willing to buy more from us but our kitchens can’t do more stuff because it adds more complexity,” Mr. Kempczinski said.

Starbucks was another big chain that helped offset the dining disruption caused by the pandemic with to-go orders. It had for years allowed customers to order ahead and pay via its app.

The to-go transition was still challenging for a company that long touted its cafes as meeting spaces for civic engagement, [with bathrooms open to the general public since 2018](#). Mr. Schultz, [who built the company into a global brand and returned as interim CEO last April](#), has acknowledged Starbucks cafes now are often clogged with pick-up, drive-through, delivery and cafe orders all at once. The result: long lines and frustrated customers.

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Do you take food or drinks to-go more often than you sit? Why or why not? Join the conversation below.

Workers are so crushed by to-go orders that they have turned off app ordering at times, reducing the chain’s sales and frustrating customers, some store managers have said. Delivery orders can also overwhelm stores, they said.

“Starbucks would benefit from a pickup system with big stickers on cups, because yelling out drink names on busy locations does not help,” said Gerry Pedraza, a 47-year-old instructional designer from Texas who said he’s recently had his coffee orders go missing given a frenzy of people picking up drinks at once.

Starbucks said it hopes an overhaul of its cafes and investments in new equipment will make employees more efficient and speed up orders. [It plans to spend hundreds of millions of dollars to update its stores.](#)

It also plans to build a lot of new stores, and new locations are being designed for more specific purposes as a way of alleviating the current congestion. One location might churn out delivery orders with no other means of ordering, while another might allow customers to pick up mobile orders only. The goal is 700 more U.S. stores in the next three years with drive-throughs as the primary means of sales. Traditional cafes are set to decline to 54% of the company’s 18,000 overall U.S. stores by 2025, from 61% today.

“We don’t have to have all stores doing all things for all people,” said Katie Young, senior vice president of global growth and development.

To-go-focused restaurants stand to vastly expand the reach of other chains such as Taco Bell and KFC. Their parent company, Yum Brands Inc., told investors last month that it believes it can over time add 100,000 global restaurants to its approximately 54,000 brand locations, and that its Taco Bell division could someday rival McDonald’s in the U.S. with roughly 13,000 locations. The designs discussed include a Taco Bell with four drive-through lanes and a KFC that is just a kitchen, with no public bathrooms or seats.



Taco Bell is testing a four-lane drive through in Brooklyn Park, Minn. PHOTO: YUM BRANDS

“We’re probably entering a phase in the industry where there’ll be more innovation around the formats that are deployed to meet today’s consumer needs,” said Yum Chief Executive David Gibbs in an interview.

Chipotle is another restaurant operator that relied on to-go orders for survival during the pandemic and views them as a way to expand. It has said it plans to open between 255 and 285 restaurants in 2023, and that at least 80% of them will have online-only order lanes the company calls “Chipotlanes.”

It is also testing restaurants that only serve food to go. Its first was in Highland Falls, N.Y., chosen for its proximity to thousands of digitally savvy cadets housed at the U.S. Military Academy at West

Point, according to Chipotle Chief Development Officer Tabassum Zalotrawala. Then in 2021, it converted a former bank branch with a drive-through to an online-order-only restaurant in Cuyahoga Falls, Ohio. The bank's 1,200-square-foot interior could fit a kitchen but not a dining room. Its name for the concept is the "Chipotlane Digital Kitchen."

The Akron suburb already has three other Chipotles within a 5-mile radius of the new site, but those restaurants were already busy and none had the pickup windows or online order drive-throughs that deliver some of the chain's best returns, Ms. Zalotrawala said. More to-go test locations will soon open in Maryland and Southern California, she said.

What Ms. Zalotrawala said she has learned is that to-go-only restaurants can cut costs. "You're not having to allocate labor to clean restrooms, to clean dining rooms and to maintain the soda station," she said.

They also work best, she said, in established markets where a brand doesn't have to cultivate new customers, and can instead help respond to existing demand.

Some people, she said, still want to eat together and be social. "You've got to be very thoughtful and mindful about where we put these types of small or alternate formats because it's not for everyone," she said.

Write to Heather Haddon at heather.haddon@wsj.com