Should Restaurants Charge More for To-Go Pick-Up Orders?

A Consultant's Perspective on Pricing, Profitability & Guest Perception

By Eric Faber, Founder & CEO of US Restaurant Consultants *November 2024*

As off-premise dining continues to dominate the restaurant landscape, operators are re-evaluating the true cost of to-go orders—especially pick-ups. While delivery carries obvious surcharges and commissions, many restaurants overlook the hidden labor, packaging, and operational burdens that come with a simple "pickup" order. The central question becomes: **Should restaurants charge more for to-go pick-ups?** The answer is more nuanced than a simple yes or no.

1. The Hidden Costs Behind Every To-Go Order

Even when guests pick up their food themselves, restaurants incur costs that are simply not present with traditional dine-in service.

Packaging & Materials

To-go packaging often costs 8–20x more than dine-in disposables.
• Rigid containers
• Lids
• Bags
• Napkins & cutlery
• Labels and tamper-proof seals

These costs, while small per order, add up significantly across thousands of annual transactions.

Added Labor

To-go orders require:
• Order-entry management
• Assembly and staging
• Accuracy checks
• Running orders to the pickup shelf or counter
• Maintaining pickup-zone organization

It's a service channel layered on top of existing operations—not a substitute for dine-in labor.

Operational Strain

Peak hour to-go order volume can congest the kitchen, disrupt expo flow, and slow service for dine-in guests. This directly impacts table-turns and overall revenue.

2. The Consumer Expectation Paradox

Guests say pickup should cost “the same as dine-in,” but behavioral economics tells a different story.

When surveyed, consumers expect consistency, but:
- They value convenience tremendously.
- They willingly pay for speed, accuracy, and predictability.
- They rarely understand the real costs behind the service.

Retail, airlines, delivery apps, and convenience stores all charge for convenience. Restaurants have simply been slower to adopt this model.

3. The Case FOR Charging More

There are several legitimate business reasons to price pickup at a modest premium.

A. Margin Preservation

As food costs and labor inflate, pickup orders offer no beverage sales, no add-on desserts, and no dine-in upsells.

A 3–8% surcharge stabilizes margins without shocking the guest.

B. Packaging Recovery

The average full-service restaurant spends **$0.60–$1.80 per to-go order** in packaging. A small fee offsets this legitimately.

C. Operational Fairness

Dine-in guests shouldn’t subsidize the cost of a service that another customer receives for convenience.

D. Industry Normalization

Delivery apps conditioned the public to expect higher pricing off-premise. Pickup surcharges are simply a gentler version of something guests already tolerate.

4. The Case AGAINST Charging More

While the business reasons are strong, there are several risks to weigh carefully.

A. Optics & Guest Perception

Guests may feel nickel-and-dimed if the fee isn't positioned correctly. Transparency is crucial.

B. Competitive Pressure

In markets with many similar concepts, a pickup fee could drive guests to competitors—even if that competitor quietly bakes costs into menu prices.

C. The Social Media Factor

A poorly worded fee can go viral. Restaurants should prepare:
- FAQ
- Signage
- Staff scripting

D. Tech Platform Limitations

Some POS systems don't elegantly separate dine-in vs. pickup pricing without messy workarounds.

5. Best Practices If You Decide to Charge More

If the business case makes sense, execution is everything.

1. Make It a "Packaging & Convenience Fee"

This is clearer, easier to justify, and more accurate.

2. Build It Into Menu Prices

Quietly raising prices for off-premise only avoids fee fatigue.

3. Offer Loyalty Offsets

Use your rewards program to say:
"Members receive free pickup—another reason to join."

4. Keep It Modest

A small 2–5% uplift maintains margin without sparking frustration.

5. Communicate the WHY

People accept what they understand.
Examples:
- "This helps cover packaging and order accuracy staffing."
- "This keeps our prices stable for dine-in customers."

6. Consultant's Recommendation

After 35+ years consulting in restaurants, packaging, and foodservice, my stance is strategic:

Yes—restaurants *should* charge more for pickup orders, but only if they can do so transparently, modestly, and with an operational rationale behind it.

Pickup is a convenience service with real costs. Pricing should reflect that.

However, the rollout must be intentional, guest-friendly, and aligned with market realities. The wrong message can hurt your brand; the right approach strengthens your business model.