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On the Go and Hungry? Dinner Is an App Away

By **CLAIRE CAIN MILLER**

In today's mobile, real-time world, fast food is not fast enough.

That is the idea behind [Snapfinger](#), a Web and mobile app for ordering takeout from chain restaurants like [California Pizza Kitchen](#), [Outback Steakhouse](#) and [Subway](#). Diners craving a [pizza](#) or burger can pull out their phones on their way home from work and arrive at the restaurant to find their meal waiting for them.

[Kudzu Interactive](#), which owns Snapfinger, will announce Monday that it raised \$7 million from Norwest Venture Partners and early investors, money it will use in part to expand its service beyond chain restaurants, known in the industry as casual dining, to independent ones.

“What they've done at Kudzu is combine three of the hottest areas right now for [venture capital](#) investing — e-commerce, mobile and local,” said [Joshua Goldman](#), a Norwest general partner who will join Kudzu's board.

The next phase of popular — and profitable — cellphone apps will move beyond novelty, like turning a phone into a piano or an imitation lighter, toward mobile commerce and transactions, Mr. Goldman and other analysts say.

Unlike most app makers, Kudzu Interactive, which is based in Atlanta, is profitable, and its revenue grew fivefold last year, said Jim Garrett, its founder and chief executive. The Snapfinger app is free for diners, and Kudzu Interactive charges restaurants 3 percent to 10 percent of each bill. It makes money every time someone uses the app, not when it is first downloaded.

“A lot of people think of mobile companies as [iPhone](#) app developers who make a product and sell it for 99 cents,” Mr. Goldman said. “This is much more than that. It's a new way to conduct a transaction that everyone does multiple times per week.”

Many mobile apps, like [Yelp](#) and [Foursquare](#), offer information about restaurants, but “we

don't see much of a barrier to entry to doing reviews or social stuff related to restaurants," Mr. Garrett said. "The real trick is being able to place an accurate order and picking it up, and it being ready and prepared on time."

Snapfinger presents menus from 28,000 restaurants in 1,600 cities nationwide and in Canada. The service is most popular, the company says, in Orlando, Fla.; Chicago; San Francisco; Portland, Ore.; Houston; and Winnipeg, Manitoba. People can search for restaurants nearby, order and pay from their phones. There are tools for group ordering for an office lunch, ordering favorite items with one click and getting location-based, limited-time coupons.

Snapfinger is linked to each restaurant's computerized cash register, and it reflects what is available at what price that day. This real-time information is helpful because each of the hundreds of restaurants in a chain has different prices, daily specials and store hours, and if one runs out of an item, Snapfinger knows it.

Mr. Garrett's "whole vision is about modernizing the quick-service restaurant industry, much more than it is about an app," said Noah Kravitz, editor in chief of PhoneDog.com, a Web site about the mobile phone industry.

People who order takeout using Snapfinger spend about 25 percent more than when they order from a traditional menu, Mr. Garrett said. That is because Snapfinger prompts people to add items, like grilled onions on a hamburger — the kind of upselling previously done by servers.

On Snapfinger, Boston Market offers a third side dish, like creamed spinach or macaroni and cheese, for 99 cents, and suggests desserts and drinks, which takeout customers often overlook. The amount people spend using Snapfinger is 25 percent more than other takeout customers spend, said F. Lane Cardwell Jr., Boston Market's chief executive, which is significant because 60 percent of the chain's business is takeout.

One chain plans to replace the menus in its restaurants with iPads running Snapfinger's app this summer, Mr. Garrett said, eliminating the need for some servers.

There are 400,000 restaurants in the United States that are part of chains, and their takeout business is \$50 billion a year, Mr. Garrett said. Snapfinger is also adding independent restaurants, first in California and then elsewhere.

Kudzu Interactive was founded in 2004 as a service for restaurants to build their own takeout Web sites and, later, mobile apps. Snapfinger, its consumer app, was introduced last year. The mobile version is available for iPhone, Android and [Palm](#) phones; a BlackBerry app is coming in June.

Kudzu Interactive will use its new capital to increase sales to independent restaurants in addition to chains. It is also working on the iPad app to replace menus at tables, and a new app for fast-food restaurants whereby people order at the counter, to bypass the line.

“Speaking to a person at a restaurant to order over the phone is going to be like calling directory assistance these days,” Mr. Goldman said. “Why would you do that?”