The Delivery Game
Kathryn Fenner
Game-Change

August 2014
Launches UberFRESH in Los Angeles

July 2016
Operating in 10 DMAs

May 2017
Begins nationwide expansion of Uber Eats

May 2018
Expands in-house delivery nationwide

May 2018
Launches delivery through DoorDash
$9.8B 2018 Sales by Largest Third-Party Delivery Providers

55% YOY Growth 2018

Source: Technomic Transaction Insights
52% Of operators say delivery sales have increased in past year

20% Average increase in delivery sales

Source: Technomic 2018 Next-Level Off-Premise Multi Client Study
Reasons for Choosing Off-Premise vs. Dining In

More comfortable to eat at home: 54%

Want to watch TV at home while eating: 51%

Don’t feel like dining in at a restaurant: 42%

Source: Technomic 2018 Takeout Consumer Trend Report
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Foodservice Habits are Shifting

I am Using Third-Party Delivery More Than 2 Years Ago

- Overall: 22%
- 18-34: 37%

I am Ordering a Wider Variety of Foods for Delivery Than 2 Years Ago

- Overall: 35%
- 18-34: 45%

Source: Technomic 2018 Next-Level Off-Premise
“I am increasingly replacing carryout with delivery”

– Top Two Box = somewhat and completely agree

21% Overall

30% Consumers ages 18-34

High Frequency and Average Size

Average Monthly Consumer Transactions

<table>
<thead>
<tr>
<th>Company</th>
<th>Avg. Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAVIAR</td>
<td>2.62</td>
</tr>
<tr>
<td>DOORDASH</td>
<td>2.46</td>
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<td>GRUBHUB</td>
<td>2.50</td>
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<td>POSTMATES</td>
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<tr>
<td>UBER EATS</td>
<td>3.08</td>
</tr>
<tr>
<td>OTHER THIRD-PARTY DELIVERY</td>
<td>2.37</td>
</tr>
</tbody>
</table>

TOTAL AVG.: 2.54

$33.68 Check Average

Source: Technomic Transaction Insights
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So What Does This Mean for You?
Increasing Off-Premise Usage Impacts Everything

- Segment usage
- Menu mix
- Beverage incidence
- Labor
- Packaging
- Product Quality/Food safety
- Restaurant design and distribution
- Marketing
- Customer engagement/loyalty
Operator Considerations and Approaches
Choosing a Delivery Partner

- Geographic Coverage
- POS Integration
- Driver Requirements and Training
- Problem Resolution
- Sharing Data

Commissions/Fees
Leading Menu Items Create Some Challenges...

Top 5 Menu Items Ordered Through Third-Party Delivery

- **Pizza**: 76%
- **Sandwich**: 60%
- **Burger**: 53%
- **Meat Entree**: 37%
- **Fried Chicken**: 44%

Source: Technomic 2018 Next-Level Off-Premise Multi Client Study
Adapting the menu to delivery

Limit Items Offered

Evaluate Product Adaptations

Include combos and LTOs

Consider Family Meals
Operational Execution

More Sales = More Employees

Dedicated 3 employees to delivery

Dedicates one crew member to prepping orders
Dedicating kitchens to delivery fulfillment
Impact of Packaging on Return Visits

64% If I had a great experience with a restaurant’s packaging, I’m more likely to repeat order

43% If I had a bad experience with a restaurant’s packaging, I’m unlikely to repeat order

Source: Technomic Off-Premise Packaging Study
Container Usage

“When I purchase food for _____, I usually eat it directly from the container”

61% Drive-thru

54% Delivery

54% Takeout

Source: Technomic Off-Premise Packaging Study
© 2018 Technomic Inc.
33%

I’d like to see labels that indicate time my food was prepared

Source: Technomic Off-Premise Packaging Study
Maintaining the Customer Connection
Take Care of the Drivers, Too
Final Thoughts
Consumer Needstates Have Evolved
Marketing and Operations MUST Work Together
New Approaches Needed as Off-Premise Continues to Evolve
Questions?

KATHRYN FENNER
Principal
KFenner@technomic.com

MELISSA WILSON
Principal
MWilson@technomic.com