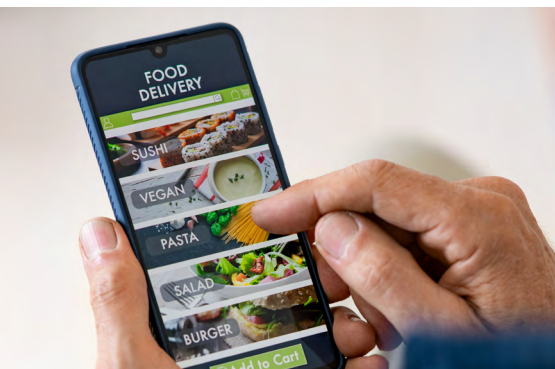




FROM RESTAURANTS TO DOORSTEPS:

Emerging data-driven trends in restaurant delivery

4 food delivery trends in a post-COVID marketplace

Now that customers have the option to go out, the COVID-driven, high-priority demand for food delivery services has declined. In its place, a degree of economic uncertainty has rolled in and the underlying demand for delivery services and frequency of use is changing.

While some customers have bought into using third-party delivery, it is still a purchase channel that sees low customer satisfaction and runs the risk of being a liability for brands that often have limited control over third-party delivery services.

In this installment of the longest-running study of food delivery usage feedback, we've broken down the data behind four restaurant delivery trends brands can use to assess how to engage with third-party and restaurant-native delivery services.

Here's what we learned. >>



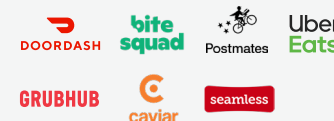
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METHODOLOGY

Longitudinal study

- WAVE 1 | OCT 2017
- WAVE 2 | FEB 2019
- WAVE 3 | NOV 2019
- WAVE 4 | MAY 2021
- WAVE 5 | APR 2023

Delivery apps included



Panelists

20,000+
in a sample across the US

The number of delivery customers is down, but order frequency is up for third-party delivery.

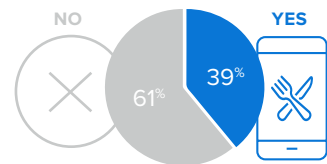
At 39% delivery usage, the percentage of people who ordered any restaurant delivery in the three months surveyed was down slightly from the 47% we saw in 2021. DoorDash is by far the most popular third-party service, with more than double the downloads or visits than the next-highest competitor.

However, among those who have used delivery, the frequency of use among third-party delivery customers is increasing while native delivery customers are using that service less often.

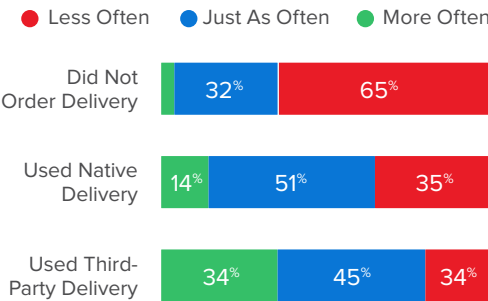
TAKEAWAY

Although use of delivery is declining overall, third-party delivery users are using it at a higher rate, while native delivery is seeing more infrequent use.

Have you ordered any sort of restaurant delivery in the past 3 months?



Compared to last year, how has your use of restaurant delivery changed?



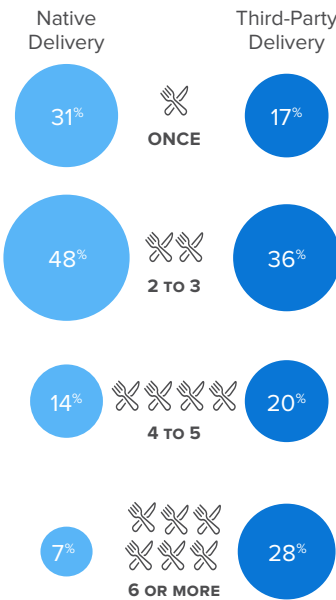
Consumers choose their delivery provider based on the specific restaurant they want to order from, followed by a search for deals.

When it comes to why customers decide on a particular delivery service, looking for specific restaurants and looking for coupons + promotions were essentially tied for the top spot. If you drill down, you find that more frequent users—those who have gotten delivery four to five times in the last three months—are looking for the lowest menu prices, while the largest category of delivery customers—those who used it two to three times in the same period—go looking for a specific type of food.

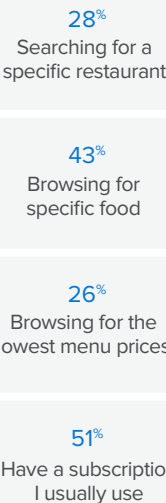
TAKEAWAY

With rising costs, frequent customers continue to look around for more coupons, deals, and promotions before choosing a service, while infrequent users simply order what they want.

About how many times have you ordered food for delivery in the past 3 months?



Top reason for choosing delivery service:

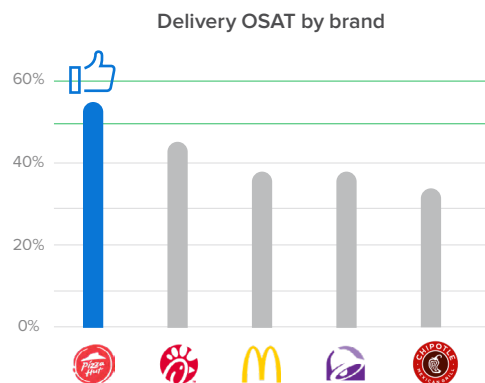


Satisfaction is low, and delivery fees are the biggest reason.

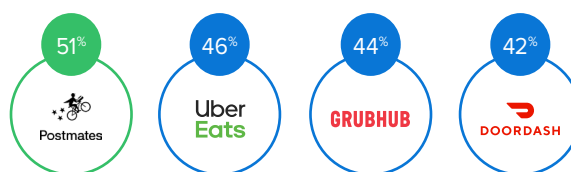
Among five major QSR restaurants, only one had a positive OSAT score from customers for their most recent delivery. Only one of the three most-used third-party delivery options achieved higher than a 50% OSAT score.

TAKEAWAY

With a generally low level of satisfaction among third-party delivery customers, brands are starting to risk an erosion of loyalty as value perception drops.



How satisfied were you with your most recent delivery experience?



Concern for delivery cost keeps delivery customers away.

When asked why they hadn't ordered from a restaurant delivery service in the past three months, 45% of customers responded that the delivery fees tended to be too high and 26% said items are cheaper when ordering directly from the restaurant.

TAKEAWAY

Customers want to get food from their favorite brands and they want convenience, but fewer customers are seeing the value in paying the premium for delivery.

Why have you not ordered from a restaurant delivery service in the past 3 months?



Finding the solution—brands must balance the value equation

Among the major third-party delivery providers, the additional cost of delivery is cited most often as the key area for improvement, with other components of value perception—quality and convenience—rounding out the top three.

Data from our previous research cycle indicated that the restaurant, not the delivery provider, usually takes the blame for order issues, so it's on the brand to be sure key elements like communication on delivery time and food being delivered fresh are being met.

With increased usage among those who do use third-party delivery, brands need to employ a proactive strategy to monitor and manage the brand-specific delivery experience. Not doing so risks making third-party delivery adoption more of a liability than anything else. Improve your value perception by working in-store to promote quality and convenience in these channels and build brand loyalty.



Make the right tech decisions for your brand

Ensuring you create customer experiences that drive loyalty and improve your bottom line is about getting the right data and finding a partner who can point you in the right direction. Learn more about how SMG's unique software with a service (SwaS) model can help you improve business outcomes.

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