

The state of the delivery experience

7 trends for the new era of food delivery

Convenience was already top of mind for most consumers. But a global pandemic has only heightened the focus on convenient choices—and restaurants are meeting that demand with expanded in-house delivery options and delivery partnerships like DoorDash Drive.

Yet third-party delivery on its own remains prevalent, and restaurants continue to question how third-party delivery services complicate their ability to meet customer expectations while protecting their business.

In this latest installment in the longest-running study of food delivery research, we analyze consumer behavior and feedback to reveal 7 food delivery trends restaurants can use to improve the delivery experience and drive business outcomes.

Here's what we learned. >>

METHODOLOGY

Longitudinal study

- WAVE 1**
Oct 2017
- WAVE 2**
Feb 2019
- WAVE 3**
Nov 2019
- WAVE 4**
May 2021

Third-party delivery apps included



Input

500,000+ data points encompassing consumer feedback + behavioral data

Panelists

20,000 consumers + non-purchasers in the US + UK

FOR THE C-SUITE

The 2 questions every restaurant leader is asking about third-party delivery—

Q: WILL A BAD EXPERIENCE COST ME?

A: Yes, though in this case it's not as severe as you might expect. 55% of customers will re-order from a restaurant after they experience a problem—even if they blame the restaurant. Only 17% say they won't order from that restaurant again, and 18% say they won't use the same third-party provider again. For now, it appears consumers are apt to forgive—but that won't last forever. It's worth it for restaurants and third-party providers to work together to make improvements—particularly when it comes to accuracy.

Q: IS THIRD-PARTY DELIVERY CANNIBALIZING MY BUSINESS?

A: In most cases, no. 58% of consumers state third-party delivery allows them to order from restaurants more often than they otherwise would. Of course that means the flip side is 42% of consumers are ordering less or the same. The specifics vary by brand, so restaurants must be able to isolate their channels to understand the exact impact.

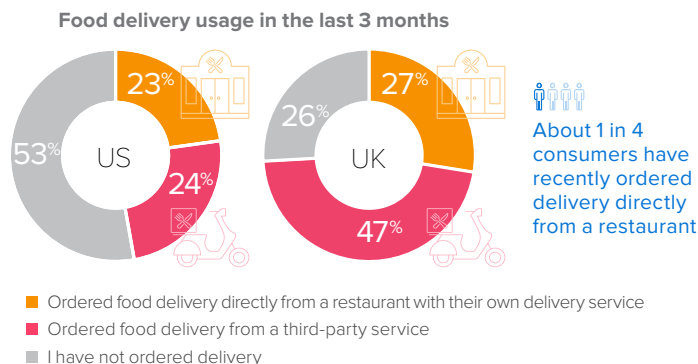
There's room for restaurant brands and third-party delivery providers to prosper—but it means understanding the delivery experience from start to finish across all available channels, and not being afraid to establish collaborative partnerships with providers.



TREND #1

Consumers have more food delivery options—and all types are seeing significant use.

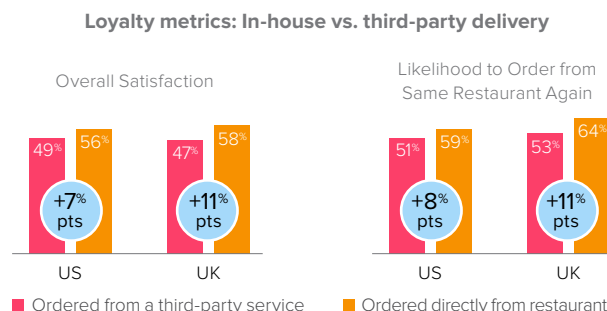
The pandemic has pushed restaurants to launch their own food delivery services at a rapid rate, but third-party delivery continues to have a major presence: US consumers are evenly splitting orders between third-party and in-house delivery, while UK consumers are relying more heavily on third-party delivery providers.



TREND #2

Loyalty is higher when consumers choose in-house vs. third-party delivery.

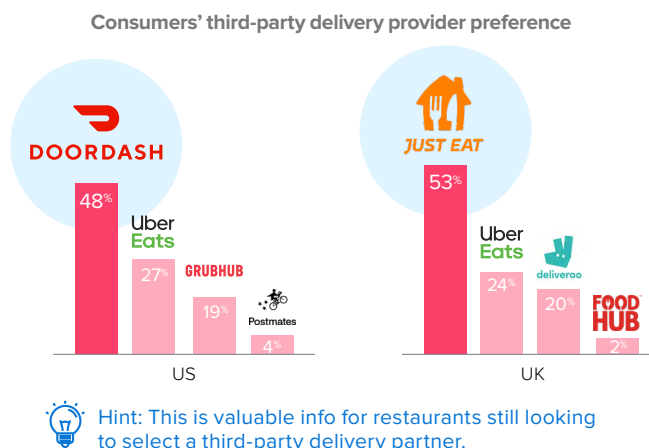
Consumers who order their food directly from the restaurant vs. going through a third party are decidedly more satisfied overall and more likely to order from that restaurant again—which shows there's benefit to restaurants developing in-house ordering and delivery options.



TREND #3

Consumers choose DoorDash in the US and Just Eat in the UK as their favorite third-party delivery providers.

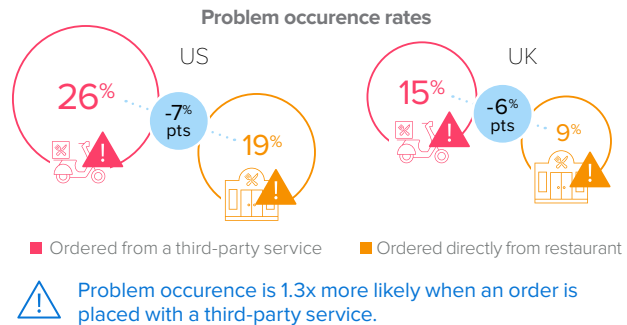
Though satisfaction is ultimately comparable across all third-party providers, US consumers show preference for DoorDash because of its responsiveness, accuracy, speed, and trustworthiness. In the UK, consumers love Just Eat because it's consistent, trustworthy, and meets their expectations—it also has far greater coverage than any other provider.



TREND #4

Problem occurrence is higher when consumers use third-party vs. in-house delivery.

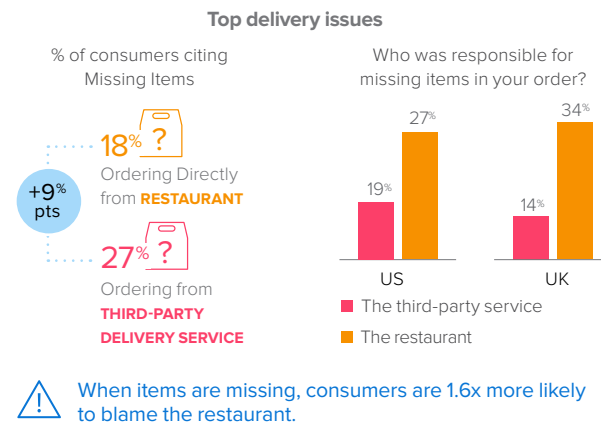
Third-party problem occurrence is on the decline (down 16%-pts from our [2019 study](#)), but it remains shockingly high: in the US, 1 in 4 consumers experience a problem when using third-party delivery. Problem occurrence rates for the US + UK regions improve when consumers order directly from the restaurant.



TREND #5

Order accuracy is the top complaint from consumers using third-party delivery—and the biggest opportunity for restaurants.

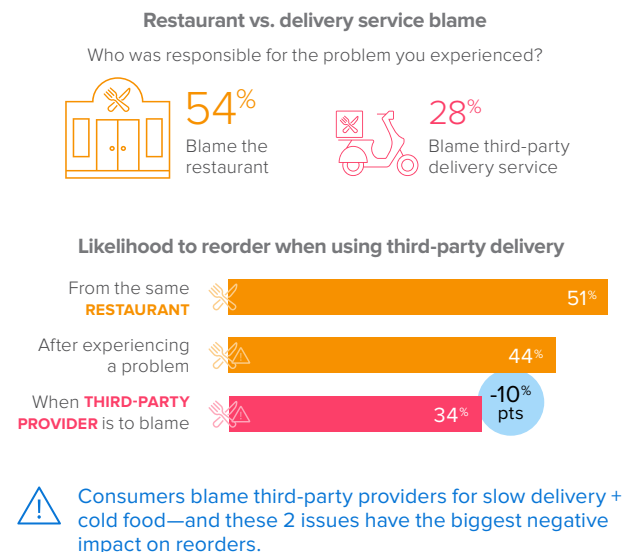
There's a 9%-pts increase in missing items when consumers use third-party delivery vs. ordering directly from the restaurant—and restaurants are far more likely to shoulder the blame for inaccurate orders (especially in the UK). To counteract this, restaurants can heighten focus on accurate preparation, equipping teams with air-tight processes that ensure accurate orders before they go out the door.



TREND #6

Overall, consumers are more likely to blame the restaurant when issues occur (by a factor of nearly 2x)—but they're open to second chances.

When consumers experience a service failure and believe the restaurant is at fault, they're likely to remain loyal to both parties—with over half saying they'd order again from the restaurant and use the same third-party delivery service. Yet even when consumers think the third-party provider is at fault, the restaurant is impacted: the likelihood consumers will reorder from the restaurant is 10%-pts lower. In the end, loyalty is on the line for both groups, which means it has to be a shared effort to decrease problem occurrence throughout the process.



TREND #7

When consumers have more channels to use for ordering, they order more.

For the restaurant industry as a whole, third-party delivery cannibalization is a myth. Instead, it increases business—58% of consumers say third-party delivery services allow them to order food from restaurants more often than they otherwise would. In fact, more than half of US consumers order 4 or more times per month from both the restaurant directly and third-party services.

Though these numbers are positive for the industry, cannibalization rates may vary for individual brands. Restaurants must ensure they are able to measure the success of each channel.

Consumers who say third-party delivery services allow them to increase their business with restaurants

24% of consumers who visit **RESTAURANTS 1 OR 2** times a month and order **THIRD-PARTY DELIVERY 1 OR 2** times a month



20% of consumers who visit **RESTAURANTS 4 OR MORE** times a month and order **THIRD-PARTY DELIVERY 1 OR 2** times a month



50% of consumers who visit **RESTAURANTS 1 OR 2** times a month and order **THIRD-PARTY DELIVERY 4 OR MORE** times a month



58% of consumers who visit **RESTAURANTS 4 OR MORE** times a month and order **THIRD-PARTY DELIVERY 4 OR MORE** times a month



55% of consumers are in this group

Though the food delivery scene is evolving to include more channels, third-party delivery certainly isn't going anywhere. Brands have to understand the delivery experience from start to finish across all available channels. Decide how these 7 trends impact your delivery strategy, so you can be sure it's benefiting your customer experience—rather than detracting from it.

This brief is just part of our ongoing research. Throughout 2021, we'll continue to analyze consumer behavior and expectations for both in-house and third-party delivery channels. To gain early access to future installments, [subscribe](#) to SMG content.

If you'd like to know more about how SMG's unique software with a service (SaaS) model helps brands surface experience management (XM) insights that improve business outcomes, **visit smg.com/contact-us.**



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