

# CHEF'SSTORE INDUSTRY REPORT:

## The Future of Takeout & Delivery

As technology improves, people's taste changes, and consumer needs grow, so do the ways in which restaurants serve their customers. One of the most dramatic changes in the past few years has been the increase in the number of takeout and delivery orders made by Americans, and this trend shows no sign of slowing.

## The Growth Of Food Delivery

A booming demand for takeout and delivery is changing the food industry landscape:

- Food delivery in the United States has increased **204 percent<sup>1</sup>** in the past five years.
- Delivery counts for roughly **40 percent<sup>2</sup>** of total revenue for most restaurants.
- An estimated **13 percent<sup>3</sup>** of the entire U.S. restaurant food industry is online ordering.
- Delivery drivers are bringing food to people even further away, increasing mileage by **43 percent<sup>4</sup>**.
- By 2025, the online ordering share of the restaurant industry is expected to grow to **21 percent<sup>5</sup>**.



Restaurants who accommodate delivery and takeout orders see greater profits:

- There has been a **200 percent<sup>6</sup>** increase in restaurant capacity for online orders and deliveries.
- In 2020, restaurants that didn't offer delivery were expected to lose **70 percent<sup>7</sup>** of their customers.
- **53 percent<sup>8</sup>** of customers say takeout and delivery is essential to their lifestyle.



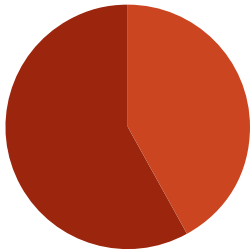
# Restaurants Embrace Takeout & Delivery in Different Forms

65 percent<sup>9</sup> of Americans reported they would rather give up social media than never be able to order delivery again.

Throughout 2020, restaurants adopted new strategies to serve customers. As restaurants adopted delivery they also had to navigate the various services and find the platform that best reaches their customers.

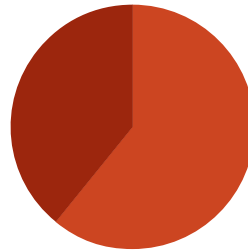
## Third-Party Delivery Services Skyrocket

Many restaurants turn to third-party delivery services to serve their customers:



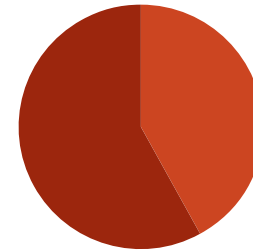
31%<sup>10</sup>

of consumers report ordering from a third-party delivery service twice per week. Orders placed by mobile app became a **\$38 billion industry**<sup>11</sup> in 2020.



63%<sup>12</sup>

of customers say getting delivery or takeout is more convenient than eating in a restaurant.

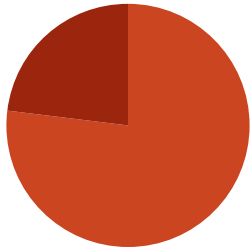


30%<sup>13</sup>

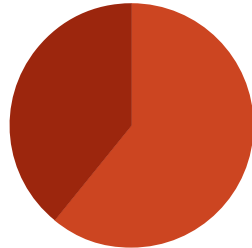
of consumers will pay more money for their food if the delivery is fast.

# Restaurants Create In-House Ordering Options

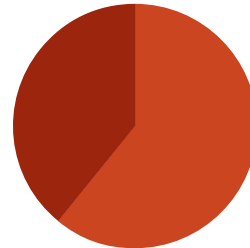
Instead of relying solely on third-party delivery services, many restaurants are taking matters into their own hands:



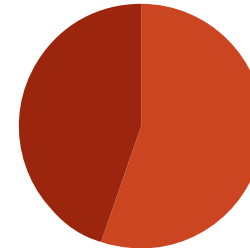
**71%<sup>14</sup>**  
of those living in rural and suburban communities prefer ordering directly from restaurants.



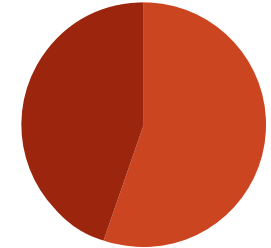
**64%<sup>15</sup>**  
of adults prefer to order directly from restaurants.



**65%<sup>16</sup>**  
of Gen X customers prefer to order directly from restaurants.



**57%<sup>17</sup>**  
of Millennial customers prefer to order directly from restaurants.



**58%<sup>18</sup>**  
of Gen Z customers prefer to order directly from restaurants.

## Increase In Delivery and Takeout As An Industry

Delivery and takeout sales are poised to take over a large portion of total restaurant sales across the globe:

- 2017-18 saw a **50 percent<sup>19</sup>** increase in guests paying by mobile app in U.S. restaurants.
- Mobile orders make up an estimated **11 percent<sup>20</sup>** of quick-serve restaurant sales.
- Delivery sales are slated to rise more than **20 percent<sup>21</sup>** worldwide by 2030, increasing it from a \$35 billion industry to a \$365 billion industry.



# Innovative Ideas for Encouraging Takeout and Delivery

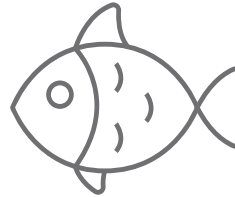
A focus on delivery and takeout means restaurants can more easily serve people at greater distances. But, getting food to people isn't the only thing restaurants need to think about. Finding new customers and creating delivery practices that customers want are equally as important.

## Sustainability in Takeout and Delivery

Aligning with actions taken to slow climate change, restaurants are encouraged to stop using plastic for their takeout and delivery. Adopting these practices not only reduces harmful waste, but they also align with what consumers want.



90 countries<sup>22</sup> have put plastic bans on delivery and takeout into place.



17 billion pounds<sup>23</sup> of plastic leaks into marine ecosystems every year.



More than 2,000 groups<sup>24</sup> function to decrease the amount of plastic used in takeout.

## Finding New Customers

Targeting different communities or generations will increase a restaurant's profit margins.

- 60 percent<sup>25</sup> of customers order delivery or takeout at least once per week.
- 64 percent<sup>26</sup> of Millennials say ordering takeout is essential to their lifestyle.
- 47 percent<sup>27</sup> of takeout eaters are most excited about 24/7 service.
- Restaurants<sup>28</sup> are reaching more people through social media, free gifts, and promotional deals to increase sales.
- 26 percent<sup>29</sup> of customers say first-time user coupons would encourage them to try a new restaurant.
- 45 percent<sup>30</sup> of customers say a loyalty program would encourage them to dine at a restaurant more often.



# Technology's Role in Delivery

Technology is at the heart of ordering delivery and takeout, so much so that **51 percent<sup>31</sup>** of customers say technology improves their overall dining experience. How restaurants and consumers use technology changes daily. Ensuring that customers have quality user experiences while viewing digital menus and ordering, for instance, provide a new challenge that restaurants continue to perfect.

## Mobile Technology When Ordering Food

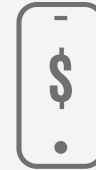
The vast majority of customers order food through a restaurant's website or mobile app:



**57 percent<sup>32</sup>** of consumers use technology to view a menu online.



**30 percent<sup>33</sup>** of restaurant-goers view reviews online before deciding where to order from.



**44 percent<sup>34</sup>** of customers use technology to place an order.



**52 percent<sup>35</sup>** of consumers say technology makes ordering and paying for food easier.

## The Prominence of Apps When Ordering Online

- The U.S. food delivery revenue was **\$26.5 billion<sup>36</sup>** in 2020 with the growth of apps like DoorDash.
- The market for food delivery apps has increased **204 percent<sup>37</sup>** over the last five years.
- 2020 boasted **111 million<sup>38</sup>** food delivery app users, up from 95 million in 2019.



# TOWARD THE FUTURE: Restaurant Focus on Delivery and Takeout

Restaurants of all styles are actively changing their modes of marketing and delivery fueled a booming new industry that restaurants can see tremendous profits from. The delivery industry can offer huge profits to restaurants if they capitalize on meeting consumers where they are and with what they want.

Restaurants should continue to put funds and efforts behind delivery and takeout. Getting creative with how they are marketing these services can prove useful in reaching a wider customer base and increasing revenue.



www.chefstore.com

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