

SOLVING THE CHALLENGES OF HOME DELIVERY



**32%
AVERAGE
ORDER
SIZE**

higher average check size, greater profitability, and lower food cost percentage. How? By pairing an app with a self-delivery offering.

An app should be far more than a copy of the menu to view on a cell phone.

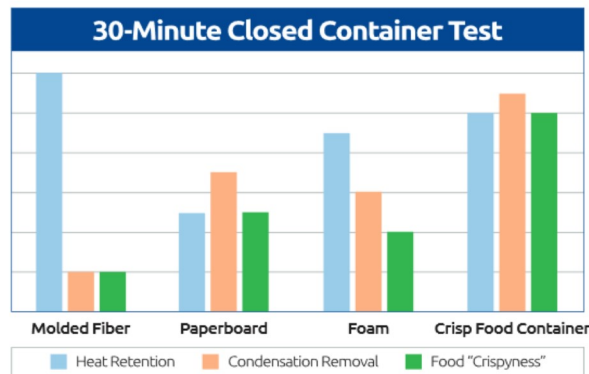
Traditional takeout is passive by nature; the consumer views a menu to decide what to eat, then places the order. Research has shown that Home Delivery customers are far less price-sensitive than dine-in or eat-in customers. With a properly designed app, there is a virtual salesperson who is upselling the most profitable sides, desserts, beverages, and other add-ons to every customer. In a study done by a large, well-known chain, average check size increased by 32% after implementing an app that made pre-programmed suggestions to consumers, based on each item they selected. The suggestions were logical choices for complementary items to enhance the meal, including dessert. The increase

Home Delivery is no longer a question or an experiment, or even a point of difference. The consumer expects delivery just as they expect every business to have a website. Long gone are the days that all meals are prepared and eaten at home. The evolution of our lifestyle to a state of “on demand” and advancements in smartphone technology have enabled that transition. Fueled by a world of “apps,” it’s no longer necessary to travel anywhere to “shop” for anything from toothpaste to designer clothing, as companies like Amazon bring the world to us, often with same-day delivery. Nowhere is that expectation higher than among the Millennial generation.

in average check size, made up primarily of the restaurant’s highest margin items, helped offset the added cost of delivery.

If there is any doubt as to the magnitude, or impact, of the shift in buying behavior, consider the data gathered by one major casual dining chain during a controlled 90-day test. Within the same market area, half the stores contracted with Uber Eats for home delivery, while the other half maintained their standard take-out offering. Same-store sales for the 90 days showed a decline of 7% in the stores offering standard take-out (consistent with chain-wide performance), while the stores offering Uber Eats achieved an increase of 9% for that same period – a 16% swing in results! Other chains have reported same-store increases of more than 22%, confirming that home delivery is here to stay.

One of the most significant challenges facing the foodservice operator wishing to offer Home Delivery is the question of how to maintain food quality for the 20-30 minutes in transit. It is especially critical with French fries, wings, chicken or other fried foods where maintaining texture is essential to the taste profile. The same chain that performed the 90-day test with Uber Eats also performed tests of packaging, to determine which closed package would minimize sog-giness of their fries and maintain original food texture, while still retaining temperature. The chart below summarizes the test results.



The crisp food container in the graph is a patented family of packaging currently in use at over 12,000 locations. This Crisp Food Technologies® line from Anchor Packaging of St. Louis, MO, originally developed to keep fried chicken hot and crisp in supermarket displays for up to 4 hours, has been adapted for the restaurant industry to address the challenges associated with Home Delivery and has expanded to a variety of shapes and sizes. Chains using this product have reported

results that surpass any other packaging alternative.

Several foodservice operators who have experienced the greatest success with Home Delivery have found that the same consumer attitudes and technology that impose additional costs and workload can also drive

According to Technomic’s Consumer Direct study, 44% of consumers blame the restaurant for a negative Home Delivery experience, not the delivery service. To protect your brand and successfully grow in this new market area, thorough testing of food texture, taste, and temperature after a 30-minute delivery is critical.