

# The necessary evil of delivery: a story of eroding restaurant margins.

Eating out used to be a regular occurrence but as people's lives have grown increasingly busy with multiple competing demands on their time, consumers are ordering food via delivery in droves. While this is convenient for the consumer, it takes a direct hit to the restaurant's margin and bottom line. This infographic contains hard-hitting

facts you need to know about what some restaurants call the "necessary evil" of delivery.



## The good

The number one benefit of online ordering is convenience. Customers easily view menu items, order their food, and provide payment. In an era where user-friendliness is key, a simple, streamlined ordering process is favorable for consumers.



of consumers1 are using third-party delivery services at least monthly.



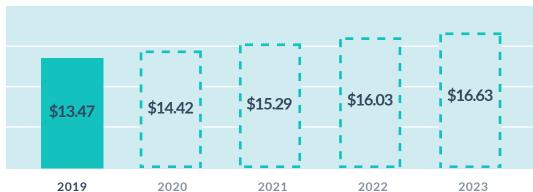
AVG DELIVERY-DRIVEN **REVENUE PER USER<sup>2</sup>** 

This is expected to rise in line with online restaurant-to-consumer ordering revenue.

\$13.47<sub>B</sub>

Online restaurant-toconsumer food ordering revenue is over \$13.47 billion dollars in 2019 and expected to grow to over \$16 billion by 2023.

## Projected food ordering revenue (BILLIONS)





## The evil

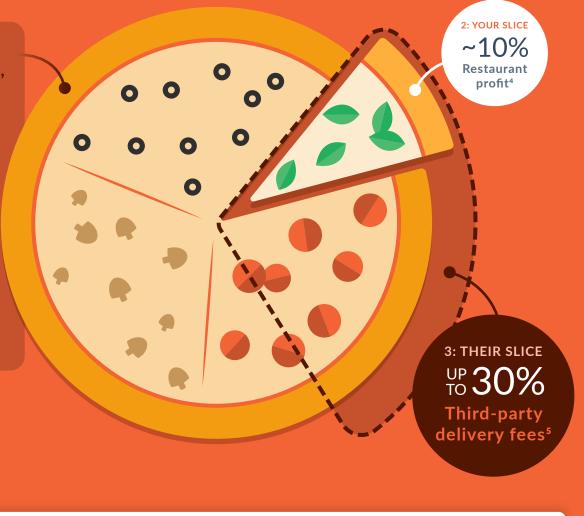
necessary evil. Necessary, because consumers have come to expect it. Evil, because although third-party delivery can margin that restaurants can't afford to give away.

When you "hand-off" customers to third-party delivery you give away any relationship you've formed, you give away the data associated with that relationship, and you give away the ability to directly communicate with a customer which keeps the relationship alive and well.

# The true cost of third-party delivery

1: YOUR COSTS Restaurant costs. non-delivery:

- 25-28% Food costs
- 30% Labor costs
- 30% **Fixed costs**



Once orders are handed off to third-party delivery providers, restaurants lose control over customer data, service fees, and brand reputation.

### To get back in the driver's seat, restaurants need to own their customer data, experience,

The solution

and margins. To do this, restaurants must take back their customers from third-party delivery platforms who have taken ownership and therefore, control. Restaurants have the power to own the customer acquire and retain your most loyal customers and

experience, data, revenues, and margins by giving customers a reason to order directly from them, and not from a third-party provider. By using a native online ordering app that's intuitive, captures data and is integrated with a customer loyalty program you create a treasure trove of opportunity to

keep them coming back again and again. When you do this you have the opportunity to turn that data into profitable changes in consumer behavior. That's the way to thrive in today's delivery-driven environment.

native online ordering and customer loyalty. Learn how your restaurant can deliver memorable customer experiences with Thanx.

The world's leading restaurants partner with Thanx to power best-in-class

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**SOURCES** 

4: https://www.post-gazette.com/life/dining/2019/03/11/food-delivery-pittsburgh-grubhub-uber-eats-doordash/stories/201903040106 5: https://www.newyorker.com/culture/annals-of-gastronomy/are-delivery-apps-killing-restaurants

