

Delivery on Demand: Third-Party Delivery Services and the People Who Love Them

For years, restaurants have been exploring ways to leverage the digital space, from investing in social media to connect with diners to ramping up their digital ordering capabilities. Today, many restaurants are turning to partnerships with third-party delivery services as the key to driving growth.

Read on for insights on where delivery is growing the fastest and what loyal delivery customers value most.

- How did third-party delivery services perform in 2017?
- Which U.S. markets are growing the fastest?
- What are the profiles of the most loyal delivery users?

Methodology

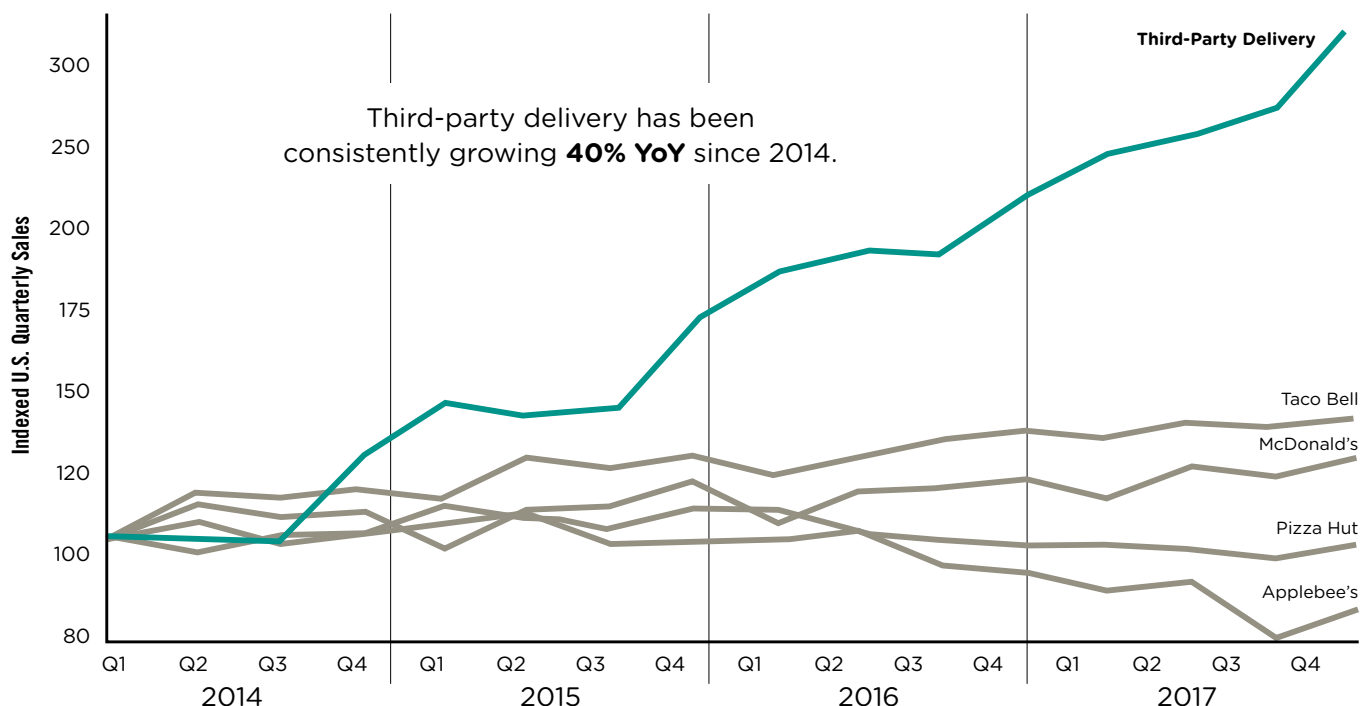
Earnest analyses are based on the credit and debit card transactions of millions of anonymous US consumers.

Delivery services included in this report:

Grubhub*	UberEats	Amazon Restaurants
DoorDash	Caviar	Bite Squad
Postmates	Delivery.com	

*Includes all Grubhub brands

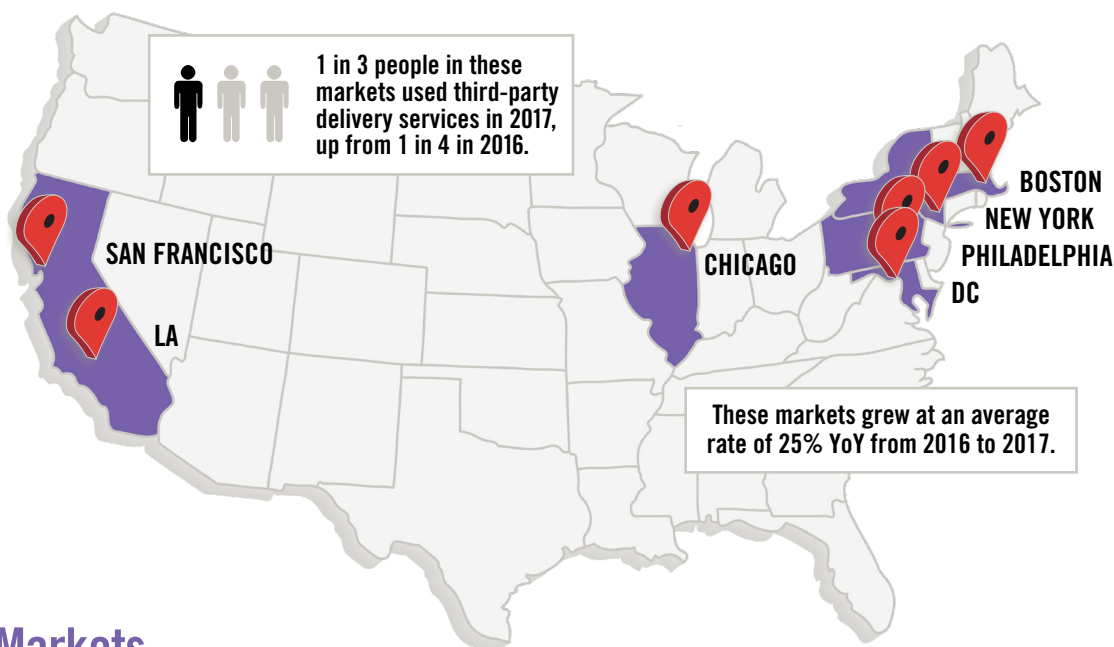
U.S. Quarterly Sales*



*Each series is indexed to itself in Q1 2014 (=100)

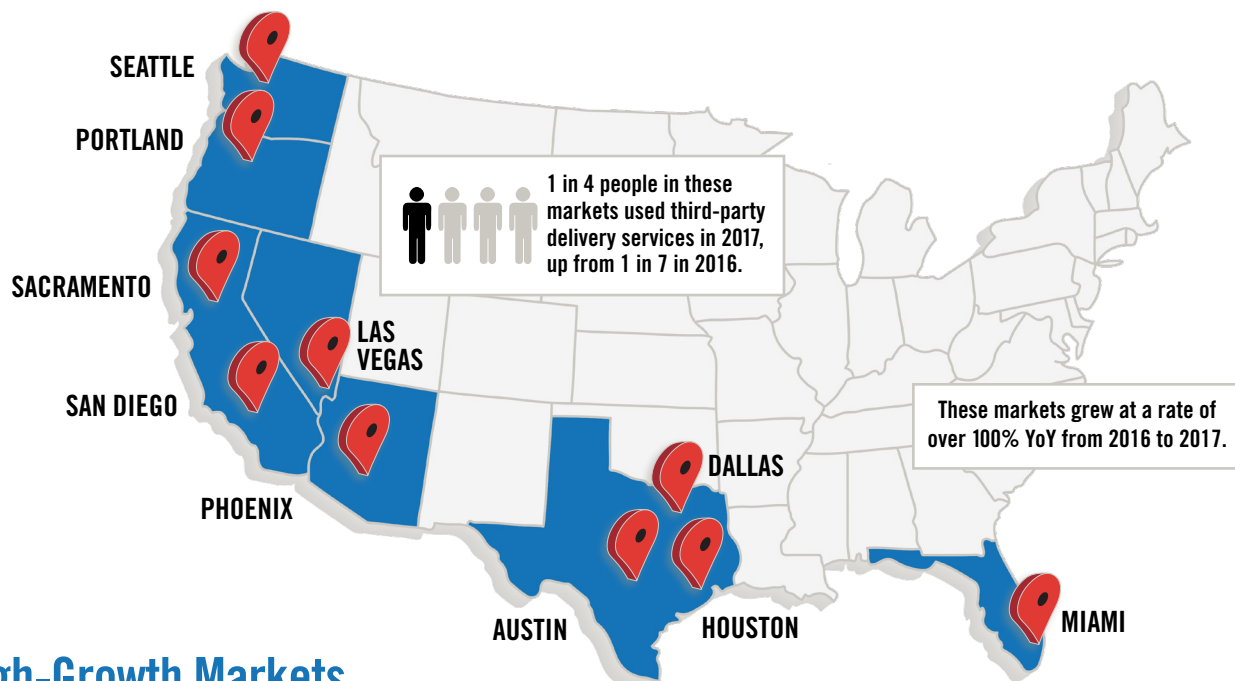
Different Markets, Different Stages of Growth

Which U.S. markets are growing the fastest?



Mature Markets

- Third-party delivery services first launched in large urban markets like New York, San Francisco and DC.
- These mature delivery markets have relatively high saturation rates. While these markets are still growing, they tend to grow at a slower pace due to their large, existing footprint.

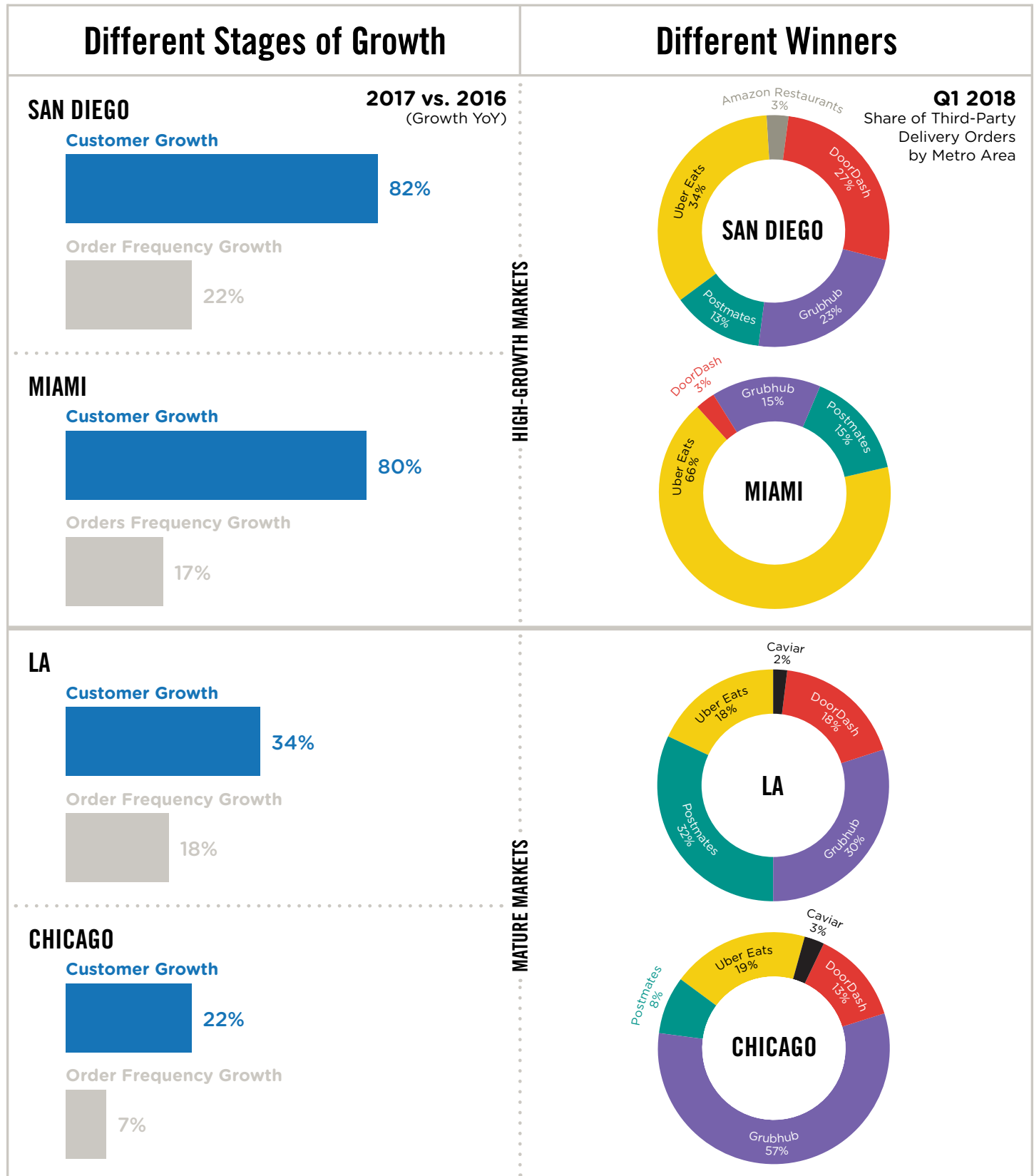


High-Growth Markets

- While delivery services in these markets are less established, growth rates are higher, driven by new customers and increased loyalty.

Third-Party Delivery Winners by Market

Regional dynamics greatly impact delivery service performance and affect how delivery providers and restaurants think about market launches, restaurant partnerships and customer acquisition. While Grubhub has the largest share nationally, we see different delivery trends play out by market. Below, a selection of delivery trends by market and growth stage.*



*Earnest markets are grouped by Metropolitan Statistical Areas (MSAs) as defined on page 2.

Profiles of Loyal Third-Party Delivery Customers

We compared the purchasing preferences of loyal third-party delivery customers (people who ordered from a delivery service more than 12x/year) to those who do not use third-party delivery. Here's what we saw.

They're an Affluent Bunch

They earn 30% more than those who do not use third-party delivery.

They Like to Eat Out

On average, they *spend \$2,000 more* on restaurants each year.

And visit fast casual restaurants 50% more frequently.



They spend
75% more
on average at
Starbucks.



Prefer Whole Foods and Trader Joe's.

They Value On-Demand Services and Higher-End Brands

Heavy users of Amazon and Uber services — spending \$500 more/year with Uber and over \$1,600 more/year with Amazon.

UBER
amazon

+ \$500

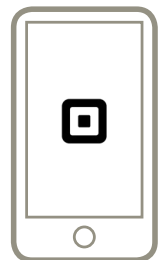
+ \$1,600

Shop at Nordstrom, Zappos, Lululemon, and Sephora.



NORDSTROM

lululemon  **athletica**



More likely to use mobile
payment platforms like
Venmo and Square.

About Us

Earnest Research is a venture-backed data insights platform, working with eCommerce, restaurants, retail and leading fundamental and quantitative buy-side firms. Using transaction data across millions of anonymous U.S. consumers, we derive near real-time insights on consumer and competitor behavior across thousands of consumer-facing companies.

We are a growing team of 80+ based out of NYC.

OUR PRODUCT CAPABILITIES

Performance Benchmarking: Track competitor performance and market share shifts in near real-time. Highlight individual winners and losers in your category, in addition to broader market expansion or contraction trends. KPIs tracked include sales, orders, unique customers, new unique customers, average order size, spend per customer and orders per customer.

Delivery sales met budget this month, but did we gain or lose market share?

Retention and Lifetime Value: Monitor and benchmark customer loyalty relative to competitors. Follow customers through time to signal changes in repeat purchasing behavior.

Who is acquiring customers the fastest? Who has the most loyal customers?

Customer Migration: Highlight the movement of customer dollars across competitors. Understand sources of growth and loss of volume, as well as opportunities to increase share of wallet. Segmentation analysis: Cohorts can be defined by you, e.g. loyalty groups, churned customers, and newly acquired customers.

How much are our customers spending with us vs. third-party delivery? How is our share of wallet changing over time?

Brand Affinities: Unique view of where your customers choose to spend their dollars. Identify opportunities to optimize audience targeting and establish brand partnerships.

What is the spend profile of a Grubhub vs. Uber Eats customer? How is this different from our core customer base?

Interested in understanding
the impact of third-party
delivery on your business?

[SCHEDULE A DEMO](#)

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