INTOUCH INSIGHT

Third-Party Delivery 2024

# The Path to Third-Party Delivery Excellence

2024 ANNUAL

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# *About* the Study

The Intouch Insight Third-Party Delivery Study aims to help **restaurant and convenience store operators and leaders** understand the third-party delivery landscape. Using Mystery Shopping to collect both quantitative and qualitative data from third-party delivery orders, this report will provide you with insights into how three of the top delivery service partners perform, comparing the performance across the restaurant and convenience store segments.

In addition, the findings from this study shed light on areas for restaurant and convenience store brands to focus on to improve their performance when delivering food to customers through a third party.

# *Brands* Evaluated

Uber Eats is an online food ordering and delivery platform launched in 2014. The meals are delivered by couriers using various methods, including cars, scooters, bikes, or on foot.

DoorDash is an American company that launched in 2013 and offers online food ordering and delivery. With a 56% market share,[1] It is the largest food delivery platform in the United States and has a 60% market share in the convenience delivery category.

Grubhub Inc. is an American online and mobile prepared food ordering and delivery platform founded in 2004.

1 https://www.upturn.io/stocks/DASH

# Methodology

- Mystery Shoppers, referred to in this study as 'Shoppers', were instructed to place an order for delivery using one of three designated third-party delivery services.
- 600 shops were performed between April 2024 and June 2024 between the hours of 5:00 am - 11:00 pm EST.
- Shops were geographically spread across the United States.
- Each delivery service had 200 shops each: 100 shops from a convenience store and 100 shops from a quick-serve or fast-casual restaurant.
- Mystery Shoppers were not allowed to use a paid tiered account or pay for priority delivery.
- For convenience store orders, the shoppers were asked not only to purchase a made-to-order food item but also a pre-packed snack or drink picked up by the driver inside the store.

For access to full data set, or for any questions, please contact us at  letschat@intouchinsight.com.

# *Introduction:* Empowering Your Delivery Choices

Today, consumers expect a convenient, fast, and personalized food experience. However, they don't just rely on restaurants for this. According to our recent Convenience Store Trends report, 56% of consumers now consider convenience stores viable options for made-to-order food over fast food restaurants. The evidence suggests that there is an increasingly blurred line between consumer options, with third-party delivery services providing nearly unlimited access to any participating restaurant or convenience store.

Our data, as presented in this report, indicates that while convenience stores still have some ground to cover in catching up to restaurants, convenience store operators can take cues from restaurants to capture a larger share of this busy market.

Another key trend impacting this segment is the increasing shift to digital experiences being expected by younger generations. Restaurant and convenience store operators should pay special attention to their digital ordering processes and technology as it is expected that the number of users in the US online meal delivery industry will reach 193 million users by 2029.[2] This study provides critical insights into current consumer preferences and market trends, helping you optimize your approach to meet the evolving demands of both restaurant and convenience store customers.

[2] https://www.statista.com/outlook/emo/online-food-delivery/united-states

# *Key Takeaways*

**Overall Performance of Third-Party Delivery Services**
- Overall, DoorDash performed best, leading in overall satisfaction, delivery speed, and accuracy.
- Uber Eats followed, ensuring food arrived at the correct temperature.
- Grubhub, while in third place, stood out for consistently delivering faster than both the estimated and promoted times.

**Performance Comparison Between Restaurants and Convenience Stores**
- Restaurants performed better than convenience stores in the evaluated metrics.
- Independent restaurant brands outperformed chains in third-party delivery service.
- For convenience store orders, third-party delivery services often failed to specify if meal items, such as sandwiches, were pre-packed or made-to-order.

**Factors Influencing Customer Satisfaction**
- One of the biggest factors impacting multiple essential metrics was the practice of order batching, or delivering multiple orders, before reaching the target destination.
- The lowest satisfaction and order accuracy occurred during the afternoon daypart (1:31 pm—4:00 pm).

# Consumer Preferences

Our recent survey data collected from over 1,400 North American consumers into QSR technology preferences reveals key insights into third-party food delivery service app usage. When comparing the frequency of ordering through a third-party service, consumers under the age of 45 report a higher ordering frequency than those 45 and older.

| Under 45 | | 45 and Older | |
|---|---|---|---|
| Frequently | 26% | Frequently | 6% |
| Occasionally | 51% | Occasionally | 34% |
| Never | 23% | Never | 60% |

When asked whether consumers have a tendency to stick with one app versus switching between providers, we found that overall:

- 31% stay loyal to one app,
- 50% usually use the same app,
- 19% switch between platforms

However, when looking at the younger consumers surveyed, those aged 18-34, are less inclined to change apps, **with 44% of those aged 18-44 sticking to their preferred delivery app**. The top reasons for app loyalty include restaurant availability, cheaper delivery fees, and attractive promotions.

This data reinforces the importance of paying attention to the digital shift and understanding how to leverage third-party channels to reach consumers.

# 1

# Speed of Service

## Delivery Time By Service

**Average: 33 minutes and 3 seconds**

### 1. DoorDash
**28 minutes and 9 seconds**

### 2. Grubhub
**35 minutes and 19 seconds**

### 3. Uber Eats
**35 minutes and 46 seconds**

# ① Speed of Service

Two of the most important aspects of third-party food delivery are **speed and convenience**. Based on data from our previous Quick Service Restaurant and Convenience Store reports, it is safe to say that modern consumers expect fast and convenient service that provides good value. Slow service is often linked to lower satisfaction and other negative metrics.

To measure the various aspects of the speed of service, we captured:

- The promoted delivery time displayed in the app next to the restaurant's name before placing an order.
- The exact time they placed their order.
- The exact estimated delivery time given after placing the order is placed.
- The exact time their order was delivered.

With these timings, we are able to calculate and compare delivery time across the various segments and service providers, and how it differed from the promoted delivery time and estimated delivery times.

## Delivery Time By Establishment

**Restaurant Average: 33 minutes and 24 seconds**

1. DoorDash: 26 minutes and 24 seconds
2. Grubhub: 35 minutes and 49 seconds
3. Uber Eats: 38 minutes and 4 seconds

**Convenience Store Average: 32 minutes and 41 seconds**

1. DoorDash: 29 minutes and 51 seconds
2. Uber Eats: 33 minutes and 32 seconds
3. Grubhub: 34 minutes and 49 seconds

## Adherence to Promoted and Estimated Times

To understand how closely the services met their advertised time commitments, we captured both the promoted and estimated delivery times; promoted times are shown before placing the order, and estimated times are given once the order is placed.

In both cases, the majority of orders arrived in advance of both promoted and estimated delivery times, arriving on average over eight minutes ahead of the estimated schedule, with **Grubhub standing out for having the fewest late orders.**

Another element we investigated was how the promoted delivery times were used across the three services. Comparing the average promoted times, we found that **DoorDash showed customers a quicker promoted delivery time of 31 minutes and 51 seconds**, followed by Grubhub and Uber Eats.

## Percent of Orders Delivered According to Promoted Delivery Time
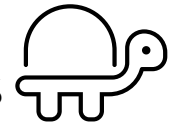
**Early: 72%**
1. Grubhub: 75%
2. Uber Eats: 72%
3. DoorDash: 69%

**On Time: 2%**
1. DoorDash: 3%
2. Uber Eats: 1%
3. Grubhub: 1%

**Late: 26%**
1. DoorDash: 28%
2. Uber Eats: 27%
3. Grubhub: 24%

**Average Time Early: 12 minutes and 30 seconds**

**Average Time Late: 12 minutes and 40 seconds**

## Percent of Orders Delivered According to Estimated Delivery Time
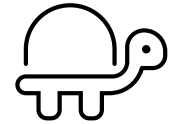
**Early: 54%**
1. Grubhub: 63%
2. DoorDash: 54%
3. Uber Eats: 47%

**On Time: 4%**
1. Uber Eats: 5%
2. DoorDash: 4%
3. Grubhub: 2%

**Late: 42%**
1. Uber Eats: 48%
2. DoorDash: 42%
3. Grubhub: 35%

**Average Time Early: 8 minutes and 14 seconds**

**Average Time Late: 9 minutes and 45 seconds**

## Impact of order batching

The practice of order batching, where multiple orders are bundled into one trip is commonplace in the industry. However, the data shows that **orders delivered directly to the shopper arrived 13 minutes and 34 seconds faster** than orders where the driver completed other deliveries first. When shoppers received their food more quickly and without delays caused by additional stops, their satisfaction with the speed of service increased.

| Average Delivery Times | Driver delivered straight to customer: 28 minutes and 58 seconds | Driver completed other deliveries first: 42 minutes and 32 seconds |
| --- | --- | --- |

## Time vs Temperature

Shoppers reported that **food delivered at the correct temperature arrived, on average, 9 minutes and 52 seconds faster** than food delivered at the incorrect temperature. This indicates that faster delivery times are associated with better temperature control, which is crucial in maintaining food quality.

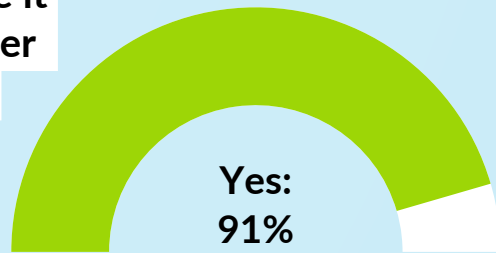| Average Delivery Times | Food at correct temperature: 32 minutes and 7 seconds | Food at incorrect temperature: 41 minutes and 59 seconds |
| --- | --- | --- |

## Satisfaction with the Speed of Service

**Were you satisfied with the time it took to deliver your order?**

Yes: 91%

### Service

| | |
|---|---|
| DoorDash | 94% |
| Uber Eats | 92% |
| Grubhub | 87% |

### Establishment Type

**Restaurant: 94%** — **Convenience Store: 88%**

1. DoorDash: 97%
2. Uber Eats: 93%
3. Grubhub: 91%

1. DoorDash: 91%
2. UberEats: 90%
3. Grubhub: 84%
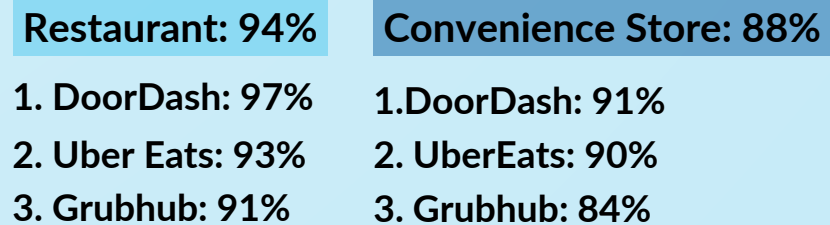
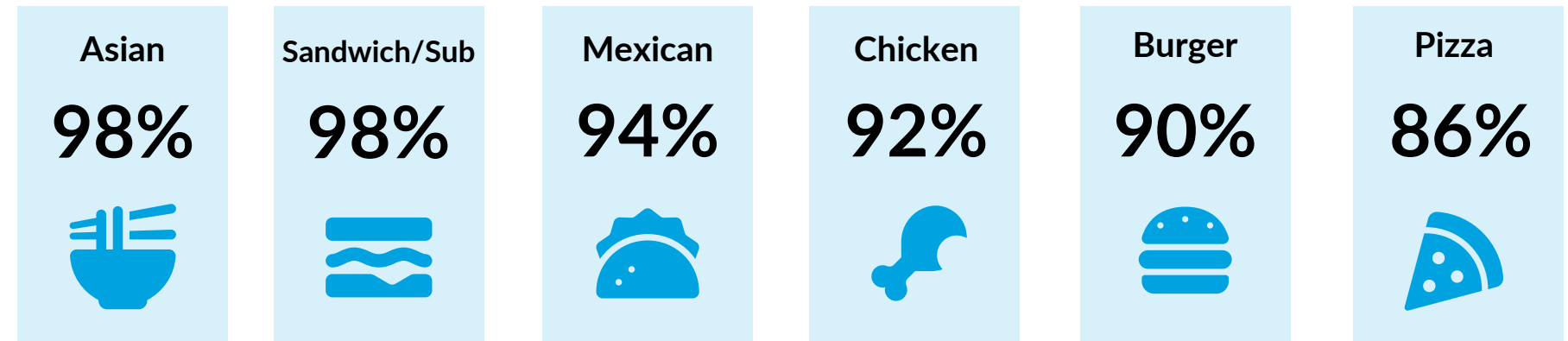## Restaurant Insights: Satisfaction with the Speed of Service

Consumers have different perceptions of how *fast* food should be. To understand how this differs across food categories, we examined the segment of restaurant results in more detail.

Our findings show that food in the Asian and Sub/Sandwich categories delivered through third-party delivery services generated the highest satisfaction with the speed of service at 98%, closely followed by Mexican at 94%. On the other hand, shoppers were least satisfied with the burger segment, which received a satisfaction rating of 90%, and pizza, where only 86% of shoppers reported they were satisfied with the speed of service.

| Asian | Sandwich/Sub | Mexican | Chicken | Burger | Pizza |
|---|---|---|---|---|---|
| **98%** | **98%** | **94%** | **92%** | **90%** | **86%** |

## Perceptions of Speed: Restaurant vs Convenience Store

When considering the difference in **satisfaction with the speed of service** between orders placed for food from a restaurant (94%) versus a convenience store (88%), it is important to remember that orders arrived on average **43 seconds** <u>faster</u> **for the convenience store segment** compared to the restaurant segment. From these findings, we can hypothesize that consumers may have higher expectations for speed when it comes to convenience stores.
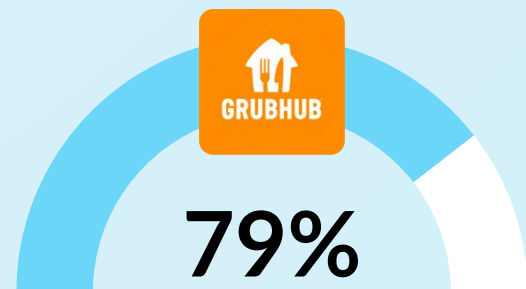
**2**

# Accuracy

## Order Accuracy By Service

**Average Score: 84%**

**90%**

**83%**

**79%**

## 2 Accuracy

In a recent survey of 1,483 North American consumers, **order accuracy was the top-rated factor** when asked what was most important when choosing a fast-food restaurant. As a result, we have kept this as a key metric even though **some elements of accuracy are outside of the control of the delivery partner**. To measure order accuracy, we asked the shoppers if their order was filled correctly, including any customizations or special requests. Overall findings show that **the results for convenience stores were lower than for restaurants**.

As highlighted, order accuracy in the context of third-party delivery is mostly the responsibility of the establishment preparing the food since all the driver is doing is picking up. However, for convenience store orders, in addition to a made-to-order food item, all orders included one pre-packaged item, such as a snack or beverage that drivers were required to pick up. With this in mind, the results indicate that 53% of inaccuracies with convenience store orders were made-to-order items, which are outside the driver's control.

### Restaurant Insights

**90%**

1. DoorDash: 98%   2. Uber Eats: 88%   3. Grubhub: 85%

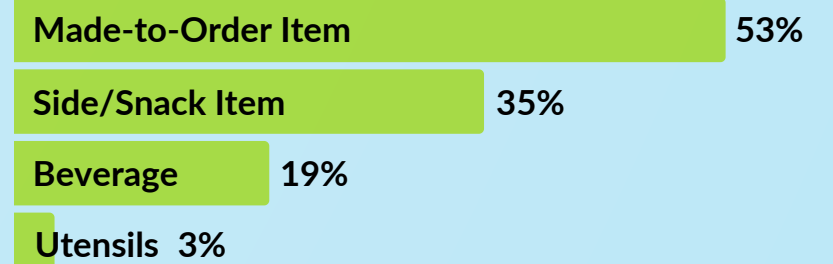For restaurants, independent brands performed better than chains from an accuracy perspective.

**89%**
Independent

**83%**
Chain

### VS.
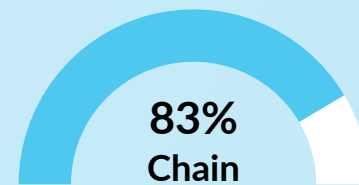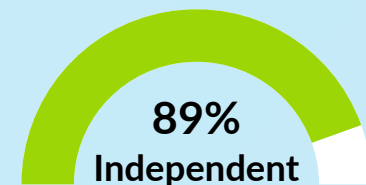
### Convenience Store Insights

**77%**

1. DoorDash: 82%   2. Uber Eats: 77%   3. Grubhub: 72%

**Convenience Store Orders Incorrect Items:**

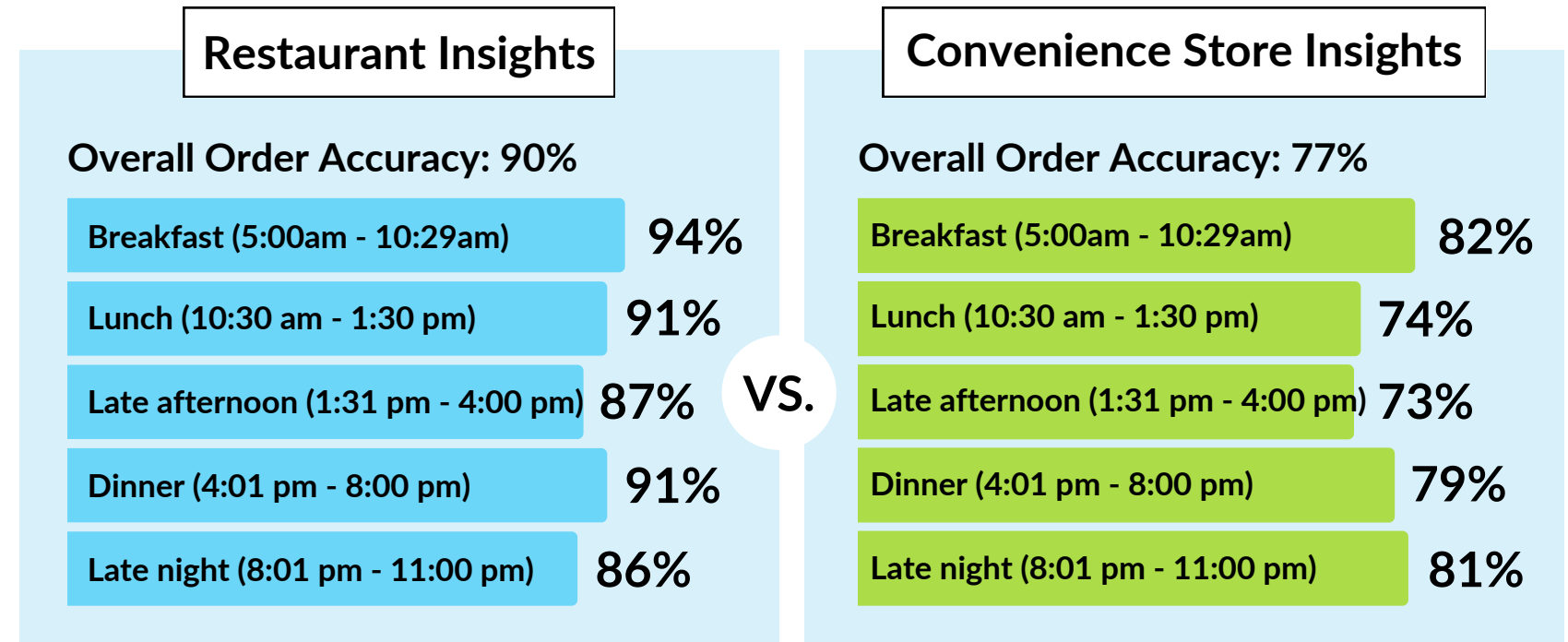| Item | Percentage |
|---|---|
| Made-to-Order Item | 53% |
| Side/Snack Item | 35% |
| Beverage | 19% |
| Utensils | 3% |

## Restaurant Insights:
## Order Accuracy by Food Category

Across the 300 orders placed for third-party delivery with a restaurant, we also saw variability in the accuracy of orders across the different food segments.

| Asian | Sandwich/Sub | Pizza |
|-------|--------------|-------|
| **100%** | **90%** | **86%** |

| Burger | Mexican | Chicken |
|--------|---------|---------|
| **86%** | **84%** | **79%** |
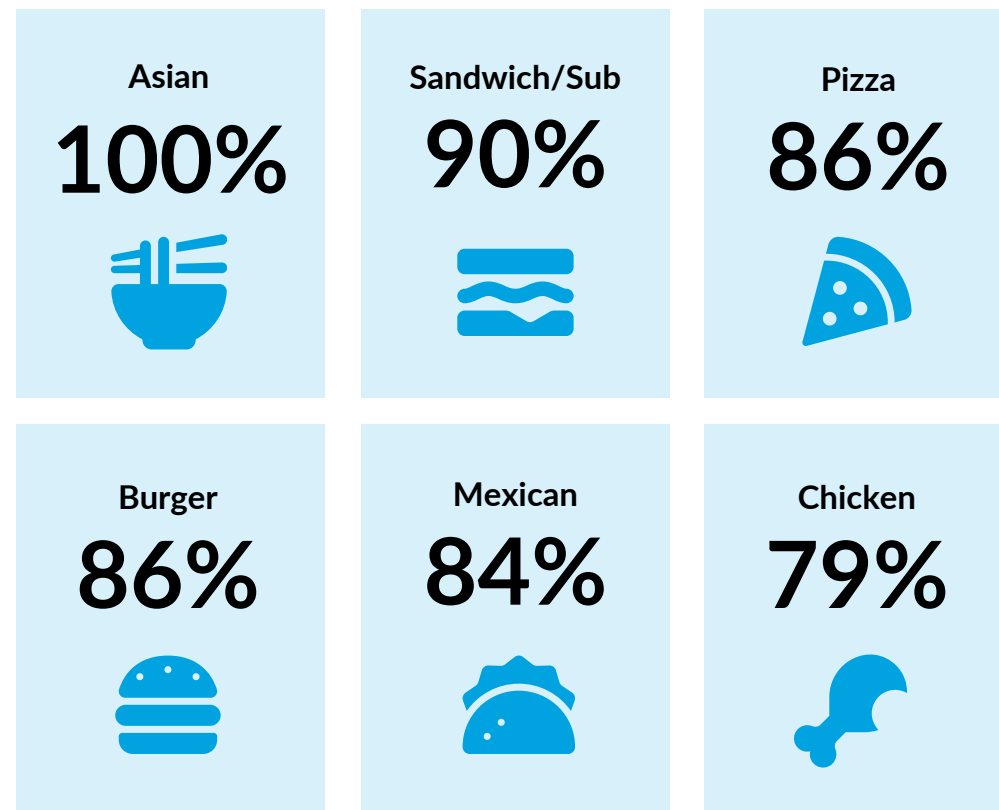
## Order Accuracy by Time of Day

The data show that accuracy varies depending on the time of day. Both restaurant and convenience store deliveries were most accurate in the morning, while the least accurate orders were delivered late at night for restaurants and late afternoon for convenience stores.

### Restaurant Insights

**Overall Order Accuracy: 90%**

| | |
|---|---|
| Breakfast (5:00am - 10:29am) | 94% |
| Lunch (10:30 am - 1:30 pm) | 91% |
| Late afternoon (1:31 pm - 4:00 pm) | 87% |
| Dinner (4:01 pm - 8:00 pm) | 91% |
| Late night (8:01 pm - 11:00 pm) | 86% |

**VS.**

### Convenience Store Insights

**Overall Order Accuracy: 77%**

| | |
|---|---|
| Breakfast (5:00am - 10:29am) | 82% |
| Lunch (10:30 am - 1:30 pm) | 74% |
| Late afternoon (1:31 pm - 4:00 pm) | 73% |
| Dinner (4:01 pm - 8:00 pm) | 79% |
| Late night (8:01 pm - 11:00 pm) | 81% |

## Delivered to the Correct Location
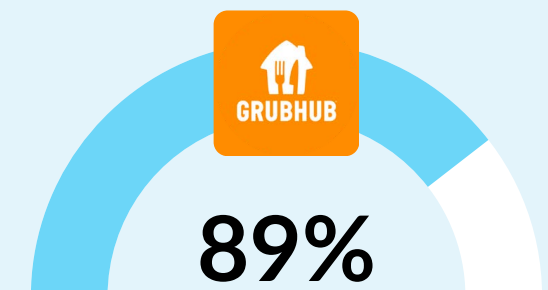
1. DoorDash
**99%**

2. Uber Eats
**98%**

3. Grubhub
**95%**

## Food Temperature

When it comes to the temperature of food, this metric **is mostly within the driver's control**. We asked shoppers if their food arrived at an acceptable temperature, recognizing that maintaining the correct temperature is crucial for customer satisfaction.

| Uber Eats | DoorDash | Grubhub |
|-----------|----------|---------|
| **92%** | **90%** | **89%** |

Looking closely at deliveries for independent restaurant brands compared to larger chains, we see a noticeable difference:

| Independent | **96%** |
|-------------|---------|
| Chain | **89%** |

Similarly, orders delivered from restaurants were more likely to arrive at the correct temperature (94%) compared to those from convenience stores (87%). Packaging could also play a role in this result.

**Food temperature accuracy drops to 77% when drivers have multiple deliveries, compared to 95% with no additional deliveries.**

# 3

# Fees

# 3 Fees

The most common factor influencing delivery fees on third-party apps is the distance between the restaurant and the delivery location, but fees may also change based on demand during peak hours or on the order value and size. When reviewing the data, we see similar fees being charged by DoorDash and Grubhub, with Uber Eats having the highest service fee and overall total fees.

| Brand | Average Delivery Fee | Average Service Fee | Total Fees |
|---|---|---|---|
| Uber Eats | $1.87 | $4.51 | $6.38 |
| DoorDash | $2.22 | $3.63 | $5.85 |
| Grubhub | $2.46 | $3.21 | $5.67 |

When comparing to a similar third-party delivery study we conducted in 2022 focused solely on restaurants, we observed a decrease in fees since that time. The average fees charged in 2022 totaled **$6.87, while this year, they have dropped to $5.96.**

## Restaurant Segment Breakdown

| Brand | Average Delivery Fee | Average Service Fee | Total Fees |
|---|---|---|---|
| DoorDash | $0.45 | $3.63 | **$4.08** |
| Uber Eats | $1.34 | $4.91 | **$6.25** |
| Grubhub | $2.20 | $3.54 | $5.74 |

## Convenience Store Segment Breakdown

| Brand | Average Delivery Fee | Average Service Fee | Total Fees |
|---|---|---|---|
| DoorDash | $3.96 | $3.62 | $7.58 |
| Uber Eats | $2.40 | $4.11 | **$6.51** |
| Grubhub | $2.73 | $2.88 | **$5.61** |

## Restaurant Insights:
## Price Markup on Third-Party Delivery Apps

We compared the prices of the main items ordered between the restaurant's website and the third-party delivery app.

**Service**

| 1. Uber Eats | 2. DoorDash | 3. Grubhub |
|:---:|:---:|:---:|
| +$1.77 | +$1.71 | +$1.66 |

The data revealed that restaurants, especially large chains, often increase their prices on third-party delivery services.

| Chain | | Independent |
|:---:|:---:|:---:|
| +$1.90 | VS. | +$1.25 |

## Price Markup on Third-Party Delivery Apps by Category

Price markup on third-party delivery apps refers to the premiums that restaurants add to their menu items when offered through third-party delivery services. As part of the study, our shoppers were asked to compare the prices of the main items ordered between the restaurant's website and the third-party delivery app. This approach ensures that any difference in price due to geography is eliminated because the same person, from the same location, is providing that information.

| Asian | Pizza | Burger | Sandwich/Sub | Mexican | Chicken |
|:---:|:---:|:---:|:---:|:---:|:---:|
| $1.49 | $1.59 | $1.69 | $1.94 | $1.97 | $2.25 |

**4**
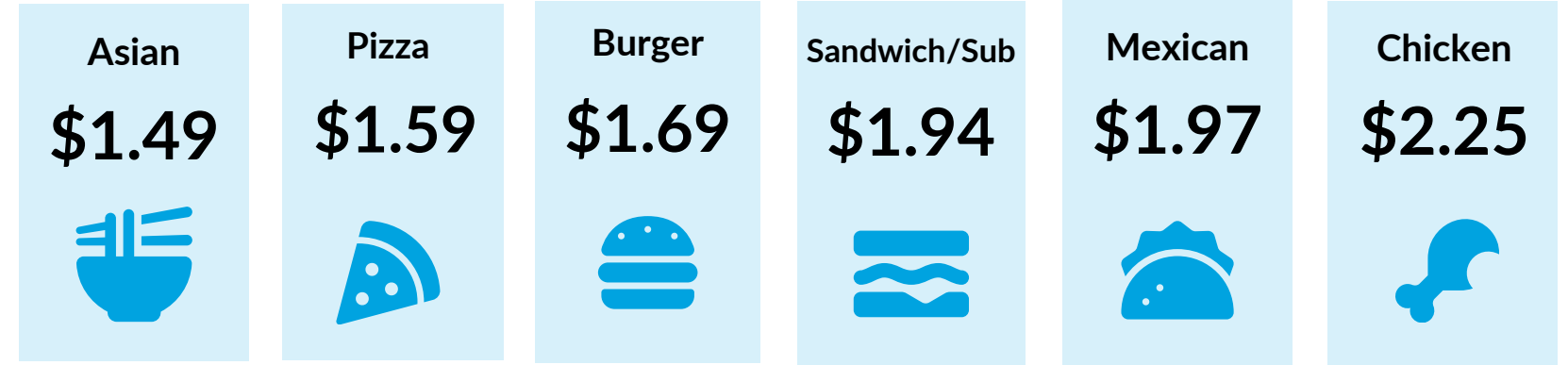
# Overall Experience

## Overall, how satisfied were you with your experience?

**1. DoorDash**
**90%**

Restaurant: 96%

Convenience Store: 84%

**2. Uber Eats**
**87%**

Restaurant: 91%

Convenience Store: 82%

**3. Grubhub**
**79%**

Restaurant: 85%

Convenience Store: 73%

# 4 Overall Experience

When it comes to **satisfaction with the overall experience, 85% of shoppers reported they were satisfied with the experience**, with DoorDash leading in satisfaction across both restaurant and convenience store orders.

Overall satisfaction with **orders from restaurants was 11% higher, at 91%, than satisfaction with orders from convenience stores**. And, when comparing orders from independent restaurant brands to larger restaurant chains, independent restaurant brands performed 7% higher in overall satisfaction, **scoring 91% for overall satisfaction**.

In a 2022 study on third-party delivery for restaurants, overall satisfaction was recorded at 87%. This year, we observed a notable improvement, with overall satisfaction for restaurant orders rising to 91%.

When considering why shoppers were satisfied, we found that **orders arriving at the correct temperature resulted in 49% higher satisfaction** compared to orders with the incorrect temperature. Likewise, accurate deliveries led to 93% satisfaction, while inaccurate deliveries only resulted in 45% satisfaction. Other key factors included delivery time, delivery fee and service fee.

There was a noticeable correlation between additional deliveries and customer satisfaction. **Overall satisfaction was 10% higher when the driver did not complete additional deliveries compared to when they did.**

### Delivery Time:

Orders where the customer was **satisfied arrived 10 minutes and 12 seconds faster** than those who were not satisfied.

Satisfied: 31 minutes and 34 seconds

Not Satisfied: 41 minutes and 46 seconds

### Delivery Fee:

Orders where the customer was **satisfied spent $4.04 less on their delivery fee** than those who were not satisfied.

1. Satisfied: $1.59

2. Not Satisfied: $5.63

### Service Fee:

There was almost no difference in service fees for those who were satisfied versus those who were not.

1. Satisfied: $3.79

2. Not Satisfied: $3.77

# Overall Satisfaction by Time of Day

When examining overall satisfaction by time of day, we observed notable differences between restaurants and convenience stores. For **restaurants, the highest overall satisfaction was achieved during the breakfast daypart** (5:00 am - 10:29 am) at 94%, followed closely by dinner (4:01 pm - 8:00 pm) at 93%.

In comparison, **convenience stores saw their highest satisfaction during dinner** (4:01 pm—8:00 pm) at 87%, with breakfast (5:00 am—10:29 am) at 85%.

## Restaurant Insights

Satisfaction: 91%

| | |
|---|---|
| ⭐ Breakfast (5:00am - 10:29am) | 94% |
| Lunch (10:30 am - 1:30 pm) | 91% |
| Late afternoon (1:31 pm - 4:00 pm) | 83% |
| Dinner (4:01 pm - 8:00 pm) | 93% |
| Late night (8:01 pm - 11:00 pm) | 83% |

**VS.**

## Convenience Store Insights

Satisfaction: 80%

| | |
|---|---|
| Breakfast (5:00am - 10:29am) | 85% |
| Lunch (10:30 am - 1:30 pm) | 81% |
| Late afternoon (1:31 pm - 4:00 pm) | 77% |
| ⭐ Dinner (4:01 pm - 8:00 pm) | 87% |
| Late night (8:01 pm - 11:00 pm) | 76% |

# Ability to Customize Order

We asked shoppers whether they had the ability to customize their orders when using restaurants via third-party delivery providers. **Overall, all three providers—DoorDash, Uber Eats, and Grubhub—scored within 1% of each other in the ability to customize.** However, there was a big difference between the restaurant and convenience store segments. In addition, when we examined different food categories, differences also emerged. The Burger category excelled in this area, with 100% of shoppers reporting the ability to customize their orders, whereas the Asian category scored lower at 89%.

**Did you have the ability to customize your order?**

Yes:
69%

Restaurant: 93%

C- Store: 45%

**Was it easy to customize your order?**

*For orders with the ability to customize.*

Yes:
97%
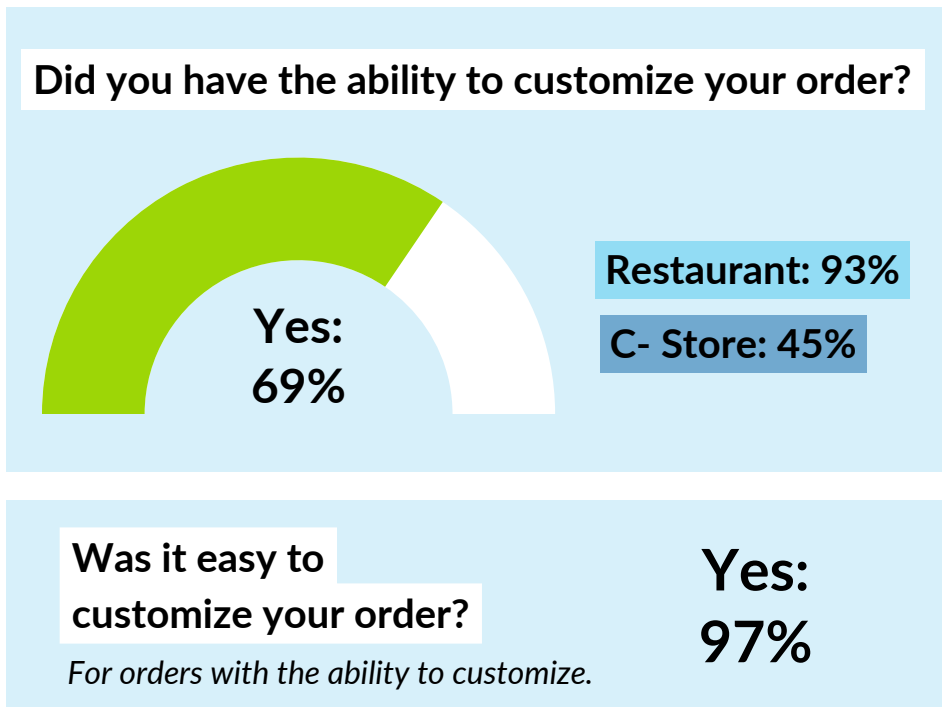
**Ability to customize your order by food category (Restaurant orders only)**

| Food category | Percentage |
|---|---|
| Burger | 100% |
| Chicken | 96% |
| Mexican | 95% |
| Sandwich/Sub | 93% |
| Pizza | 91% |
| Asian | 89% |

**Was placing your order easy?**

Yes:
96%

| 1. DoorDash | 2. Uber Eats | 3. Grubhub |
|---|---|---|
| 99% | 96% | 93% |

Order accuracy was 5% higher, and overall satisfaction was 8% higher when the customer found it easy to customize their order.
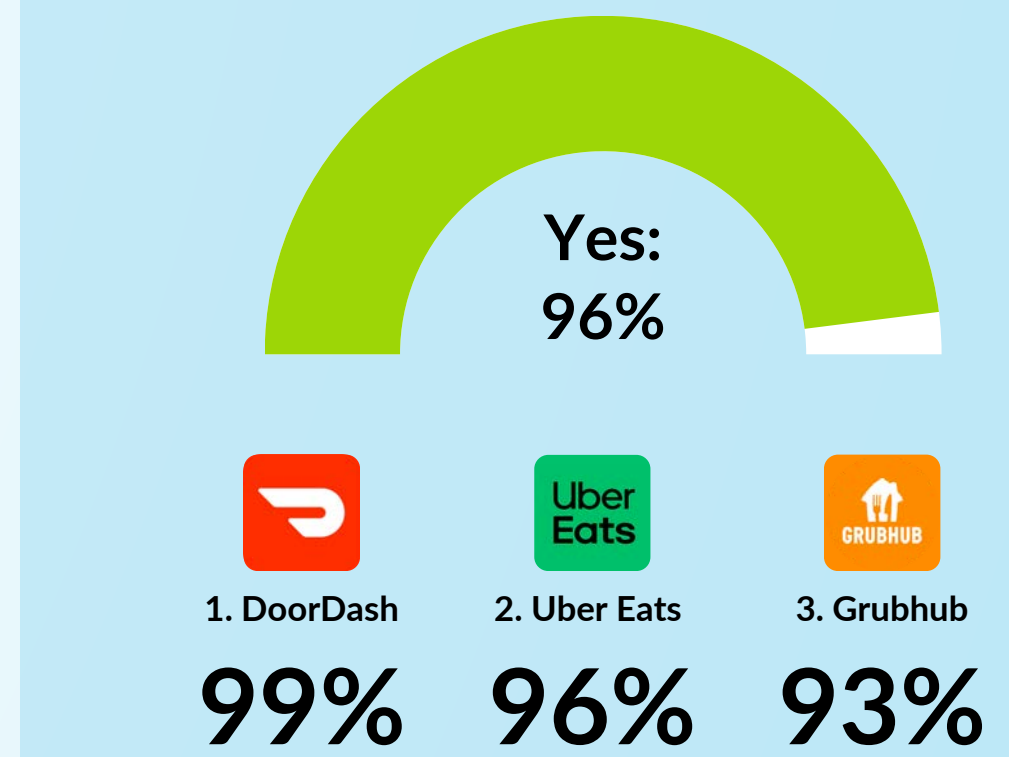
Overall satisfaction was 28% higher when the customer found the app easy to place their order.

# *Conclusion*

Our report offers key insights and data to help restaurant and convenience store operators make informed decisions about partnering with third-party services. Our findings show that restaurants generally outperformed convenience stores in overall satisfaction and delivery accuracy. Independent restaurant brands showed better performance compared to large chains, highlighting the importance of maintaining high standards and personalized service in any size.

For convenience stores, the lack of clarity on whether meal items were pre-packed or made-to-order severely impacted customer satisfaction.

Among the third-party delivery providers evaluated, DoorDash emerged as the top performer, excelling in various metrics, including delivery speed and overall satisfaction.

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# About *Intouch Insight*

At Intouch Insight, we specialize in helping multi-location brands achieve operational excellence, exceed customer expectations, and build long-term customer loyalty, and we are proud to deliver growth solutions to over 300 of the world's most beloved brands.

Our solutions are designed to streamline operations, maintain brand standards, and provide actionable insights to help our clients enhance their CX. With over 40 years of CX expertise, we excel in providing our clients with top-notch CX, customer surveys, mobile forms, mystery shopping, as well as operational and compliance audit solutions.

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