



MANAGING THE THIRD-PARTY DELIVERY GUEST EXPERIENCE
Guide For Restaurant Operators



MAKE THIRD-PARTY DELIVERY WORK FOR YOU

Not the Other Way Around

It's easy to get in the weeds when your employees are running a shift as usual and are bombarded with to-go orders from multiple third-party providers. If this is becoming the norm, consider adding more staff to deal exclusively with third-party orders. Additional staff can spend time at the expo station to make sure all orders are correct and packaged well. The person at the expo has a lot of control over the brand experience. This is the opportunity to add branded utensils, napkins or condiments that will keep your brand top-of-mind for the guest, even though they ordered from somewhere else.

Percentage of companies making staffing changes as a result of 3PD

44%

Full Service

23%

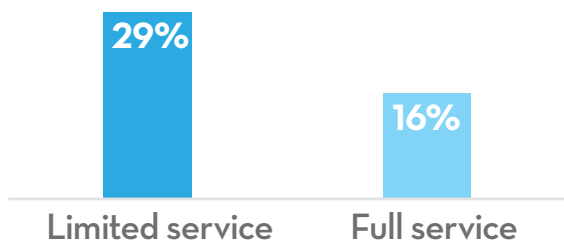
Limited Service

2019 Third Party Delivery Survey by TDn2K



Full service restaurants accommodate third-party delivery (3PD) with staffing changes at nearly twice the level of limited service

Percent of companies considering exclusive 3PD provider



2019 Third Party Delivery Survey by TDn2K

Avoid long term commitments and make sure your provider meets your expectations. Don't be afraid to fire your 3PD provider if they aren't working out. Consider an exclusive partnership. It's important to have a clear understanding of how seamless the experience is for guest via the provider. Do they have enough drivers in their area? What is their policy and how do they alert the customer when they can't complete the order? How long do they wait to do so? How do they handle late orders when the delay happened on their end? Your brand's reputation is on the line. How the guest interacts with the third-party provider will reflect on you, so it's as much your responsibility as theirs the ensure a seamless experience.

Clearly tracking your data as third-party orders versus other types of off-premise is essential to understanding your return on investment. Not only will you be better equipped to analyze ROI, you'll have a clearer understanding of how your customers behave in each channel. Thus you will be better equipped to develop channel-specific communication and menu pricing strategies.

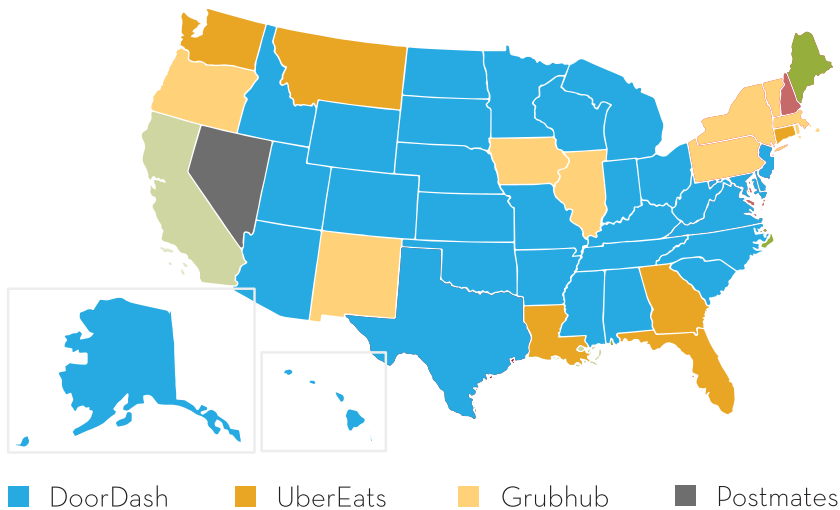


CONVENIENCE FOR CONSUMERS IS THE KEY

Take Your Experience to Your Guests

3PD Company Adoption by State

Provider with Largest Number of Users



TDn2K Consumer Intelligence

DoorDash has the most users in 34 states while Grubhub is second with 9 states

TOTAL 3PD SPEND DURING THE LAST 12 MONTHS INCREASED 46.3% YOY

The 3PD insight possibilities are endless with TDn2K's Consumer Intelligence tool.

Subscribers have access to geographic location data, demographic breakdowns including income, age and marital status, 3PD share of consumer wallet, market share of providers (or your own) and SO MUCH MORE.

Learn more at tdn2k.com/products/consumer-intelligence

According to research from Gallup, 81 percent of consumers browse through restaurant selections, and then 70 percent check the estimated time to deliver. People rarely go through 3PD to find a specific brand, they go to find food. This is an opportunity to showcase your brand through the experience and work together with the 3PD provider to drive them toward ordering more from that platform or dining in.

WHAT GUESTS ARE SAYING ABOUT THIRD-PARTY DELIVERY PROVIDERS

We got ours through DoorDash and it was very disappointing. We have gotten wings through DoorDash before and they were great. The stuff we got tonight was like it came from a different restaurant. The wings were so dried out they were almost like jerky and they barely had any seasoning on them. That's not a DoorDash mistake. The fries were over cooked as well; they were hard to eat. Such a waste of money!

Stuff was missing from my to-go order that I requested. There was a hair in my food. Apparently since I ordered through UberEats it wasn't the restaurant's issue. I had to go through Uber to request a refund because if they'd refund me one of the managers said, "we'd be losing money, not making any." I've loved going to this location in the past, won't order takeout or delivery again.

It was bad weather, lots of ice on the roads, and I called to check if DoorDash was actually doing orders before I placed mine. Holly answered the phone and was so helpful and cheery despite obviously working through the storm. Great customer service. Great attitude. Definitely put a smile on my face. I haven't been here in a while, but if the food is good I'll definitely be ordering again because of her!

White Box Intelligence subscribers can track third-party sentiment in real-time relating to their own brand with custom classifications. Learn more at tdn2k.com/products/white-box-social



3PD IS SHAKING UP THE RESTAURANT INDUSTRY

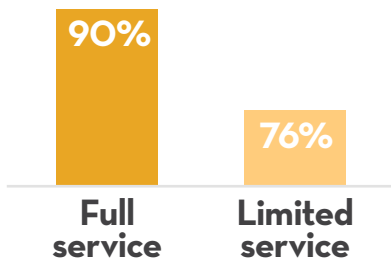
But there is Hope for Operators

23% OF OPERATORS PLAN TO IMPLEMENT OFF-PREMISE ONLY LOCATIONS, SUCH AS A GHOST KITCHEN, IN THE NEXT 12 MONTHS

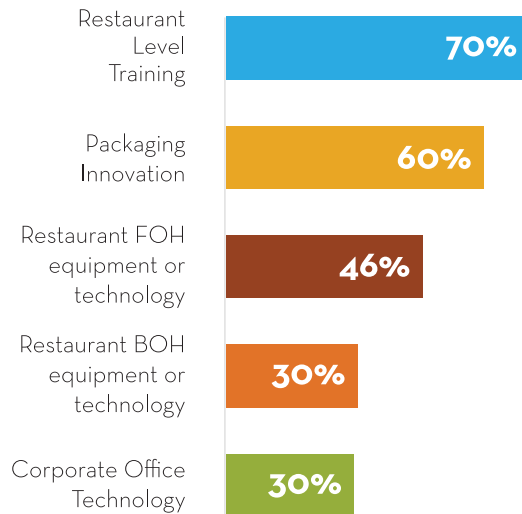
If third-party delivery is too disruptive to your dine-in service or your restaurants aren't set up to handle it efficiently, ghost kitchens are an option. Leasing space at a commercial kitchen is a viable option for operators looking to keep up with the increased demand for delivery while also dealing with rising labor costs and staffing challenges. Operators are considering this option to minimize strain on employees working dine-in locations.

3PD adoption growing:

86% of respondents currently utilize 3PD (up from 82% last year), while 81% of those not utilizing 3PD plan to implement in the next 12 months



Top 3PD investments are training, packaging and technology



Percentage of companies who think 3PD sales are incremental



**-30%
CHANGE**

Perception of 3PD sales incrementality declines

THIRD-PARTY DELIVERY IS HERE TO STAY

There is no question that 3PD is proving to be a challenge for many operators. But, it's clearly of interest to consumers. As a percentage of total sales, 3PD has increased across all segments. According to TDn2K's Consumer Intelligence, quick service has experienced a 6.6% increase since 2016 and fast casual has increased 7.0%. It's not yet clear that using third-party providers is a sustainable model for operators; however, it's clear they can't be ignored. Adoption rates continue to grow across all age groups, and especially with younger consumers. The scary truth is that consumers are not necessarily going to third-party apps to find your brand, they are going to find food. In that case, it is up to you to make sure your brand has a known presence. Manage your third-party providers as diligently as you manage all of your other efforts. Even more importantly, you must maintain consistency to deliver on your brand promise.



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FEATURED BREAKOUT SESSION

The hottest topic in restaurants; who is NOT inside the building? The Guests. 3PD (3rd party delivery), Amazon/Whole Foods Grocery Delivery, Grab & Go and Ghost Kitchens. We are at a crossroads of shifting consumer demands, a battle for traffic and the challenges of working with 3PD providers. This session will cover new research from Gallup and TDn2K on the latest trends and predictions for this explosive disruptor of traditional restaurant experiences.

AUDIENCE:

250+
Restaurant
Industry
Executives

**HR, FINANCE,
OPERATIONS
& MARKETING**

60%
VP level
or Above

CONFERENCE CHAIRS:



AVERY BLOCK
Manager, Digital
Customer Care
Taco Bell



JAMES FRIPP
Chief Diversity
& Inclusion Officer
Yum! Brands

CONFIRMED SPEAKERS:

CHAD HOUSER | Executive Director, Chef | Cafe Momentum
JAMES POGUE | National Keynote Speaker | Jamespogue.com
JOHN IZZO | Author, Co-Founder | The Men's Initiative
ALLISON SCHULDER | CFO | True Food Kitchen
ANDY HOOPER | President & COO | &Pizza
JOHN MILLER | CEO | Denny's
SARAH LOCKYER | Group Publisher | Informa
JOHN CYWINSKI | President | Applebee's
GREG CREED | Immediate Past CEO | Yum! Brands