DOORDASH for Merchants

Restaurant Online Ordering Trends

Discover how consumer dining habits are changing



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Invigorating the local restaurant community

The restaurant industry has always been dynamic, but the pace and scale of change over the past couple of years has accelerated. We've seen shifts in the economy, in consumer spending and preferences, and in the macro environment. And with each of these shifts, restaurants have had to do what they do best: adapt and innovate.

Despite the economic challenges of rising costs driven by inflation, local restaurants continue to find ways to thrive and nourish their communities. While some consumers are opting for cooking at home, diners' demand for convenience with delivery and takeout remains a preference. Enabled by technology, local restaurants continue to build rich connections with their communities that keep customers coming back. We have high hopes for the years ahead. We believe in the creativity and resilience of local restaurants, and in the potential of technology to continue to level the playing field and enable businesses of all sizes to reach new audiences. This belief is grounded in proof – we see local restaurants like <u>Millburn Deli</u> in New Jersey excelling at building omnichannel relationships across in-store, pickup, delivery, and their own digital storefront, all while making incredible food with their signature warmth and hospitality. If you're ever in New Jersey, try the Godfadda, Cubano, or The Gobbler.

This year's Restaurant Online Ordering Trends Report reveals new information on consumer preferences plus exclusive data from DoorDash – all informed and inspired by what we're learning from how consumers are interacting with restaurants like Millburn Deli. Armed with these insights, we hope this report helps guide your business strategy and inspires you to continue to grow and thrive.

Thanks for being part of the DoorDash community.



Kofi Amoo-Gottfried Chief Marketing Officer at DoorDash



Introduction

Across the country, inflation and the rising cost of living have impacted businesses and consumers. But that hasn't stopped people from enjoying life's special moments. They're still picking up dinner on the way home from work and celebrating a friend's achievement from afar by sending cupcakes for delivery.

Our aim with this report is to help restaurant operators understand how and where people are dining today, and what's motivating them to order meals from restaurants – either in person, on the go, or at home. Are people cutting back on spending? Or becoming more steadfast in their delivery ordering habits?

DoorDash surveyed 1,505 consumers across the US in April 2023, and compiled exclusive data from behavior on DoorDash Marketplace, to learn how food ordering activities and preferences have changed over the past year.



Key Findings

OVERALL DINING ACTIVITIES

Food delivery and takeout are more popular than dining at restaurants.



Food delivery is often a last-minute save.



73%

reported recently using food delivery for an urgent situation where they needed food last-minute.

Gen Z and Millennials

(26%) are more likely to have had a last-minute food delivery need daily or a few times a week over the past month than Gen X (14%) or Baby Boomers (5%).



RESTAURANT ORDERING HABITS

Consumers are solidifying their restaurant ordering habits.

of consumers have increased takeout ordering since 2022.



of consumers are ordering more delivery compared to 2022.

Ordering familiar food for delivery has become a weekly habit for most Americans.



of consumers reported placing repeat orders at least once a week.



of consumers choose restaurants they visit often when ordering food delivery or takeout.

Diners prefer to order from local restaurants.



of respondents actively seek out local restaurants with only one location in their area.

Friday

is the most popular day of the week to order food.

6PM

local time is the most popular time to order food.



TAKEOUT AND DELIVERY PREFERENCES

US consumers continue to opt for delivery and pickup, according to DoorDash data.

18% ↑

18% ↑

growth in same-store orders on DoorDash Marketplace

growth in same-store delivery orders on DoorDash Marketplace

12% ↑

growth in same-store

(FY 2022 vs.FY 2021)

Consumers who order delivery want convenience.

Of those consumers ordering more takeout or delivery from restaurants now, a guarter do so for the convenience factor

Third-party apps are consumers' preferred way to browse for food.



of respondents shared that they go to an app like DoorDash to begin deciding what to order.

Menu selection and pricing are the top two things diners prioritize when looking for new restaurants.

55%

Menu selection



51%

pickup orders on DoorDash Marketplace.

FOOD AND MEAL PREFERENCES

The top five most-ordered foods on DoorDash in 2022 were:



Late night and breakfast are the fastest-growing meals for ordering food.

36% ↑

year-over-year increase in late night DoorDash orders (12-5 am).

30%↑ year-over-year increase

in breakfast DoorDash orders (5-11 am).

Diners are interested in trying new restaurants and dishes.

48%

of customers ordered from a new store in Q12023 on DoorDash Marketplace compared to the stores they ordered from in Q4 2022.

Get in front of more diners in your area



People are ordering food online more than ever – are you set up to capitalize on the growing demand? Here's why thousands of restaurant owners in the US partner with DoorDash to drive revenue.



 \mathbf{V}

- 0% commissions for up to 30 days on orders placed through DoorDash
- Flexible growth solutions choose to generate online orders on DoorDash, through your own website with commission-free online ordering via Storefront, or both



Access to DashPass customers (who spend more per order and order more often on average) for merchants on DoorDash Plus or Premier



Advanced analytics and growth features available in the Merchant Portal

Get started

10%

14%

18%

34%

42%

How dining activities have changed this year

43%

Thinking about now versus a year ago,

Ordering takeout/pickup from a restaurant

Cooking

47%

37%

how have the following activities changed for you?

49%

47%

Do this more now

Overall dining activities

Diners are continuing to support local businesses and opt for delivery and takeout for last-minute meals as well as to ease the burden of hosting at home. Plus, Millennials and Gen Z consumers especially love dining out and ordering in.

When it comes to dining in a restaurant, behaviors are largely split: 27% dine out more often this year, 39% do it about the same as last year, and 34% do it less.

In the past month, which of the following activities did you do?

Cooked a meal



We asked consumers open-ended questions about why they've changed their habits. Here are the most common themes.

Of those who say they're cooking less – why?

being busy.

Of those who order takeout/pickup from restaurants more now - why?

1 24% I don't have enough time/ am too busy with other thing	gs 1 25% It's easier/ more convenient
2 18% I prefer takeout/eating in restaurants	2 10% I don't have time to cook/ I'm busy with work
3 13% I have too much work/studying	3 8% I like the comfort of eating at home/I don't want to go out
Gen Zers and Millennials are more likely than Xers and Baby Boomers to be cooking less d	

Of those who order delivery from restaurants more – why?

- 26% It's more convenient/ easier
- 9% l'm at home/ don't want to eat out
- I don't have the motivation 9% or am too tired/lazy



There's a clear generational shift towards relying on restaurants

When comparing the generations, it's clear that younger people love going out, ordering delivery, and getting takeout. And this year, young people are dining out more than in 2022.

Which generation is dining out, ordering delivery, and getting takeout more than last year?



Dining out more



Getting more delivery



Getting more takeout





Business takeaway

Gen Z and Millennials are more likely to have increased how much they dine in and order in. Prioritize reaching younger audiences with standout social media strategies, enticing food photos, and targeted promotions.

Social media & food photos help restaurants reach new customers – especially Gen Z and Millennials

Restaurant social media has long been an effective marketing channel, and we're seeing it again this year: 25% of Gen Z, 21% of Millennials, 15% of Gen X, and 13% of Baby Boomers use a restaurant's social media pages when choosing a new place to try for delivery or takeout.



1 in 4 Gen Zers

use a restaurant's social media pages when choosing a new place for delivery or takeout.

And younger generations – whose buying power is increasingly important – are also swayed by social media influencers. 24% of Gen Z cited social media influencers as a reason why they try a new restaurant, along with 17% of Millennials.

<u>Food photography</u> was ranked as an important factor by approximately a third of respondents across all age categories, with Gen Z including food photos in their top five reasons to try a new restaurant.



Learn how to use social media to drive restaurant growth.

Get the guide \rightarrow





DoorDash partners: Did you know?

If you don't have high-quality photos, DoorDash will pay for a professional photographer to come to your restaurant and photograph some of your most popular dishes at no charge. Learn more about adding photos to your DoorDash menu.

Busy lifestyles lead to last-minute online orders

How often do you order last-minute delivery meals?



Hosting at home doesn't always mean cooking

Though 79% of respondents shared they tend to cook when hosting a social meal at home in the past month, 40% reported they've ordered delivery for their guests, and another 24% pick up food.



Business takeaway

When customers are ordering for a group, bundled menu options make their experience much faster and less complicated. Whether it's dinner for two, a full family-style meal, or a discount for large orders (like five pizzas for the price of four), bundles make life easier for customers and kitchens. Learn more tips to design a high-performing delivery menu.





Restaurant ordering habits







2 in 5 consumers

reported ordering a repeat restaurant delivery at least once a week.

Supporting local is as important as ever

Particularly since 2020, consumers have become more aware of how much hard work goes into running their favorite establishments. As a result, many are still choosing to support small businesses.



33%

of consumers prefer to order food from local restaurants (defined as those with just one location in their area).

Baby Boomers and Gen X prefer to support local restaurants more than younger consumers

• % of consumers who prefer to dine out at local restaurants





Get inspired by restaurateurs, chefs, and innovators

<u>Secret Menu</u> is a creative magazine from the DoorDash community that celebrates the people of the food and beverage industry with visual articles, business case studies, and ideas for new items on your menus.



Delivery and takeout help bring in loyal customers

When customers get comfortable with ordering out, it becomes part of their lifestyle. More than half (55%) of consumers choose **restaurants they visit often** when ordering food delivery or takeout. And 43% of consumers reported placing repeat orders at least once a week.

"DashPass has helped us to get new and loyal customers – most order 5 out of 7 days a week. DashPass brings me a lot of loyal customers that order regularly."



Michael Lee, Owner, Bon Bon Berry

How often did you place a repeated restaurant delivery order in the past month?



When do people order for pickup or delivery?

Friday, Saturday, and Sunday are the most popular days of the week for DoorDash orders. After a long week of work, consumers love to treat themselves to delicious food from restaurants.

Orders spike around lunch and dinner, but this year we've seen **growth in late night orders (12–5 am)**, with 36% more orders. **Breakfast orders (5–11 am) have also seen a jump** in popularity, growing by 30%.



Business takeaway

In order to capture these off-peak orders, consider keeping your business open beyond just the lunch and dinner rush. Give it a try for a month or two, and track whether the increase in sales justifies the additional staffing costs.



Delivery orders by time of day in FY2022

All Day Baby

Lien Ta originally opened <u>All Day Baby</u> in Los Angeles as a daytime-only restaurant – but she recently launched a pop-up dinner concept four nights a week. By expanding her operating hours, Lien was able to increase revenue, reach new customers, and offer more consistent shifts to help retain staff.

Read the full story \rightarrow



When you make the decision about where to order food for delivery or takeout, how do you typically start the process?

Go to a third party app/website (e.g., DoorDash, Uber Eats, etc.)	• 2023
34% 🔕	2022
24%	
Go to a restaurant's app/website	
22%	
23%	
Do an online search to see options (e.g., Google)	
16% 🛇	
19%	
Think about restaurants near me or near where I'm going	
10%	
Go to a food review site (e.g., Yelp, OpenTable, etc.)	
7%	

8%

Go to preferred restaurant directly



See what inspires me as I'm out and about

3%

3%





What influences you to try a new restaurant for delivery or takeout?



What convinces each generation to try new restaurants?

All age groups ranked **menu selection as the #1 reason why they choose to try a new restaurant**, with recommendations from friends and family, menu pricing, and customer reviews also in the top five across the board. However, Gen Z was the only group to prioritize food photos, while Baby Boomers, Gen X, and Millennials all listed promotions and discounts in their top five reasons.



Pickup and delivery preferences

How are consumers choosing where to order from?

When trying to choose a restaurant to order delivery or takeout, 34% of customers turn to a third-party platform like DoorDash – a 10% increase from last year.



Business takeaway

Meet your customers where they are – online. Listing your business on third-party platforms like DoorDash, keeping your website up to date, and <u>optimizing your</u> <u>Google listing for SEO</u> helps ensure you remain top-of-mind for existing customers while reaching new ones.

22%

of customers go to a restaurant's website or app.

16%

of customers use an online search engine.

11%

of customers think about which restaurants are near them or near where they're going.

app or website - a 43% increase from

last year.

Top reasons consumers use third-party **DELIVERY TRENDS** platforms to order delivery How do consumers ● 2023 ● 2022 prefer to order delivery? Ease of use 38% Top ways consumers prefer to order delivery 33% 2023 Convenience Third party app/website 38% 🛆 53% 32% 37% Familiarity Restaurant website/app 19% 31% 19% 38% Don't want to talk to anyone Phone call 17% 11% 16% 18% Customizing order is easier Search engine/ food review site 17% 4% **19%** 5% Food arrives faster In 2023, more than half of consumers 17% preferred to order delivery via a third-party 16%



What are consumers looking for in food delivery ordering?

When choosing between ordering directly from a restaurant or opting for third-party delivery platforms, consumers are looking for speed, accuracy, and <u>opportunities</u> <u>for customization</u>.



Top reasons consumers order delivery over pickup 2023 2022 More convenient 58% 50% Didn't feel like going out 51% 40% Get the food faster 25% 27% Not near the restaurant 21% 17% Didn't want to see or talk to anyone 18% 16%

PICKUP TRENDS

How do consumers prefer to order takeout?

Top ways consumers prefer to order takeout

• 2023 • 2022

Restaurant website/app



How did you pick up takeout orders from restaurants in the past month?



CHAPTER 06 – PICKUP AND DELIVERY PREFERENCES



How do you prefer to pick up orders from restaurants?

By number of children in your household



39%

Parents with kids under 12 are far more likely to prefer curbside pickup over grabbing food orders on foot or via drive-through. We get it – unbuckling everyone from their car seats and getting the whole crew inside can be a challenge for busy parents!

Business takeaway

Offer curbside pickup to boost orders and improve customer satisfaction – especially if your restaurant caters to families.

Top reasons consumers prefer direct ordering for pickup or delivery

• 2023 • 2022

Convenience



Ease of use

22% 20%

Food is cheaper

	22%
	1 9 %

Fees are lower

22% 21%

Familiar with ordering this way



Customizing is easier



Food arrives faster



Enjoy commissionfree ordering through DoorDash Storefront

Storefront enables restaurants to offer commission-free online ordering for takeout or delivery through their own website. Restaurants pay no monthly fees or commission fees – just a payment card processing fee of 2.9% of the total transaction amount + \$0.30 per order.



Honey's Kettle boosts online orders with DoorDash Storefront

The Honey's Kettle team isn't afraid to try new strategies to increase revenue and make their restaurant run smoothly. They partnered with <u>DoorDash Storefront</u> to create a <u>dedicated online ordering</u> <u>page</u> on their own restaurant website.

Honey's Kettle ramped up online ordering with Storefront, and in just 7 months saw these results:

62.5% increase in online sales 20% increase in overall sales

\$628,533

combined Storefront and DoorDash sales

"The biggest bonanza of Storefront is that it's commission-free. I mean, you can't beat it."



Vincent Williams, Co-Owner, Honey's Kettle

Read the Honey's Kettle success story \rightarrow







Food and meal preferences

Everybody loves fries – but consumers are also looking for balance

In 2022, fries were the top spot in the list of foods people order the most, followed by burgers, tacos, salad, and pizza.



Top 5 Menu Items Ordered on DoorDash in the US in 2022



Consumers try new restaurants and foods on third-party apps and sites

When people order delivery or for pickup, there's a good mix of choosing familiar favorites and new restaurants. Whether consumers are interested in switching things up or trying a new cuisine, they turn to third-party apps and local restaurants to browse the possibilities.

When you order restaurant delivery or takeout, where do you usually order from?

- A restaurant I visit often
- A restaurant I visit occasionally
- A new restaurant I haven't tried before



Business takeaway

In order to encourage customers to try something new, add compelling item descriptions and show off what your most popular (and profitable) dishes look like with great photos.

Why do consumers try new foods?

Get bored ordering the same things

46%					
Like that ordering something new introduces them to different cuisines					
45%					
Want to treat themselves to something more indulgent					
44%					
Said that attractive prices can drive them to try something new					
38%					
Try new things when they're feeling like something healthier					

25%

Millennials (37%) and Gen Zers (29%) were the most likely to report "often" trying new menu items compared to Gen Xers (27%) and Baby Boomers (22%).



Conclusion

Today's economic challenges are impacting dining and lifestyle preferences, but above all, **consumers want convenience**. People are busy and have grown to think of food delivery and takeout as a regular habit, with nearly half of consumers ordering repeat restaurant delivery meals at least once a week. They're also primarily starting their dining journeys on third-party apps and are open to exploring new options in their area.

For today's consumers, ordering delivery from local restaurants can have many meanings – as a last-minute save, a treat, or part of the weekly routine.

Partnering with DoorDash is a great way to reach more customers in your area. DoorDash has flexible solutions to help restaurants of all sizes exceed their business goals and get their delicious meals in front of more folks.

Check out some of the ways that DoorDash can help your restaurant thrive.

Explore our offerings



Reach new customers with DoorDash

Drive incremental revenue through pickup and delivery by listing your business on <u>DoorDash</u>. Restaurants can access marketing promotions to reach new customers and opt into DashPass, DoorDash's membership program that lets you offer \$0 delivery fees and reduced service fees to DoorDash's most active and loyal customers.



Turn website visitors into paying customers with Storefront

Easily set up online ordering for your business and turn your website visitors into customers with <u>Storefront</u>. Delivery orders can be fulfilled by Dashers and pickup orders will be collected in your store by customers. All Storefront orders are commission-free – you are just responsible for a payment processing fee of 2.9% of the total transaction amount + 0.30 per order.



Customize your customer experience with Drive

Drive lets you offer delivery from your own app or website by tapping into a network of Dashers via DoorDash. You pay a flat fee per order and Dashers will deliver directly to your customers. You can automate deliveries through your POS or request Dashers on demand when you need them.

Discover more DoorDash solutions in the 2023 Product Guide for Restaurants

Methodology

This survey was conducted by Dynata on behalf of DoorDash in April 2023. Our respondents spanned a variety of ages, careers, and income levels. Participants were not compensated or incentivized by DoorDash.



In addition to survey data, we analyzed anonymized data from DoorDash to learn how food ordering activities and preferences have changed over the past year, or comparing 2022 to 2021.

Report created in collaboration with CXD Studio. www.cxd.studio • hello@cxd.studio





About DoorDash

DoorDash (NYSE: DASH) is a technology company that connects consumers with their favorite local businesses in more than 25 countries across the globe. Founded in 2013, DoorDash builds products and services to help businesses innovate, grow, and reach more customers. DoorDash is building infrastructure for local commerce, enabling merchants to thrive in the convenience economy, giving consumers access to more of their communities, and providing work that empowers. With DoorDash, there is a neighborhood of good in every order.

