



# Elevating Off-Premise

How Restaurants can Drive Growth by Delivering Convenience—and Alcohol

Unless otherwise noted, data referenced in this report come from two surveys conducted by Technomic:

- Survey of 200 limited-service and 200 full-service restaurants that offer third-party delivery, fielded Jan. 29-Feb. 7, 2024
- Survey of 500 consumers (nationally representative sample) who order third-party delivery, fielded Jan. 29-Feb. 5, 2024

## Introduction

Off-premise foodservice has undeniably expanded over the past several years. Consumers have consistently gravitated toward the convenience associated with delivery, drive-thru, and carryout solutions. In turn, foodservice operators have dedicated greater resources to these different means of getting orders to customers. Today, as consumer demand continues to grow,

**operators are shifting their focus from off-premise adoption to off-premise optimization.**

## Strong Industry Outlook for Off-Premise Solutions

According to Technomic's long-term foodservice outlook, off-premise will rise from 54% of restaurant sales in 2023 to 61% of restaurant sales in 2030.\* This outlook is supported by optimism among foodservice operators, specifically about the future of restaurant delivery. Four in five operators expect their delivery businesses to grow over the next 12 months, and 75% of operators anticipate increased reliance on *third-party* delivery in the coming years. Advancements in areas such as convenience and alcohol delivery will increase the likelihood of a pronounced off-premise sales shift in foodservice over the next six years.

**80%** of restaurants surveyed **expect their delivery businesses to grow** over the next 12 months

**75%** of operators **anticipate increased reliance on third-party delivery** in the coming years

\*Source: Technomic June 2023 Long-Term Forecast





## Opportunity for Expanding Interest in Alcohol Orders

Many restaurant operators maintain a belief that alcohol delivery via third-party platforms presents an opportunity for responsible growth. In fact, **nearly four in five operators view this as a great way to drive revenue.**

With alcoholic beverages being one of the most profitable categories in foodservice (given their traditionally high margins and long shelf life), these items can present a direct path to increasing profitability on third-party platforms.

Consumer interest in alcohol delivery is also high, as nearly two in five say they'd be likely to purchase alcohol from restaurants if available on third-party platforms. Including alcohol items on delivery menus can also help restaurants stand out from competitors. **More than one-third of consumers report that the availability of alcohol would actually make them more likely to order from a particular restaurant.**

**79%** of restaurants surveyed view **alcohol delivery** as a great way to drive revenue

**39%** of consumers surveyed say they'd be **likely to purchase alcohol** from restaurants if available on third-party platforms

**35%** of consumers surveyed agree that the **availability of alcohol would make them more likely to order** from a particular restaurant

## The Role of Convenience

Interest in alcohol delivery has grown so much due to the convenience it offers consumers, who no longer need to venture from their homes to purchase these beverages.

When consumers are ordering delivery on third-party platforms, convenience is the second-most important factor in their decision (behind only food quality). In fact, delivery orders are very often a last-minute decision, which suggests that consumers want the ordering process to be simple and easy so orders arrive quickly and efficiently.

### Consumers' most important aspect about ordering third-party delivery



### Consumers' most common reason for ordering delivery

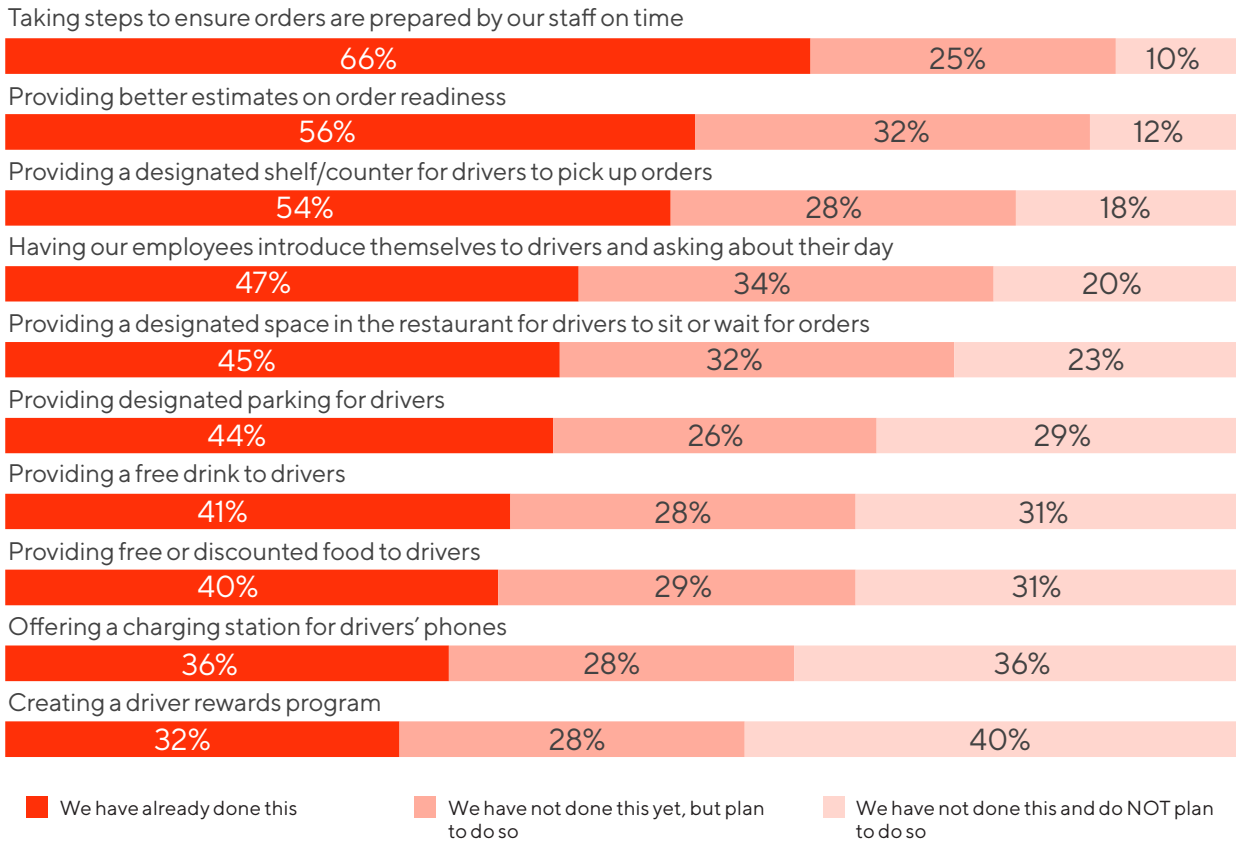


## Improving Driver Relationships

On the restaurant side, many operators are looking to improve their relationships with drivers to ensure efficiency and get orders to customers faster.

Employing tactics like ensuring food is ready by the driver’s scheduled pickup time, providing designated shelves for drivers to pick up orders, and offering designated seating or parking as drivers wait for orders are considered means of strengthening driver relations. Some restaurants have taken to offering drivers complimentary food and beverages during wait times. In the instance of operator concerns with specific drivers, restaurants have the ability to block them from picking up future third-party orders. Actions like these promote efficiency and often translate to a smoother, more positive experience for the customer.

### Restaurants’ current and future strategies to improve relationships with third-party drivers



## Important Safety Considerations

A majority (68%) of operators agree that **third-party delivery companies make it easy to offer and safely deliver alcoholic beverages to customers.** And 73% of DoorDash consumers agree that getting alcohol delivered through a delivery app is as safe as buying alcohol elsewhere (e.g., at bars, liquor stores, etc.)\*. Importantly, third-party delivery companies take alcohol delivery safety very seriously. DoorDash continues to take steps to make this process safer and easier, implementing features like robust ID verification (where Dashers scan customers' IDs to ensure they are of legal age), blocking deliveries to college campuses and other high-risk areas, requiring that Dashers complete alcohol compliance modules, and streamlining the process for Dashers to return alcoholic beverages that couldn't be delivered (i.e., if the customer is underage).

## Final Thoughts

The future of third-party delivery is bright, but keeping up with consumers' ever-increasing expectations for convenience will be critical to restaurants' success. Both restaurants and third-party delivery platforms will remain focused on **continuing to increase off-premise profitability, streamline the ordering and delivery processes, and ensure convenient and safe delivery of alcohol to forge even stronger relationships with customers.**

\*Source: Quadrant Strategies survey of 2,993 DoorDash consumers, fielded from March 2nd to March 10th, 2023.

