

The Impact of DoorDash on Economic Activity and Restaurant Resilience

Technomic, the leading independent research and consulting firm in the foodservice industry, developed this whitepaper for DoorDash to better quantify the true value of the economic activity that its platform and Dasher income have on the U.S. economy, and also to explore the positive impact that DoorDash has had on the restaurant industry since the COVID-19 pandemic started. The data and insights presented here are based on research conducted with restaurant operators and consumers, as well as industry and economic modeling.

Executive Summary

To assess DoorDash's impact on the U.S. economy in 2019, Technomic evaluated revenue generated by third-party delivery platforms overall and DoorDash merchant revenue specifically, DoorDash driver (Dasher) incomes and the incrementality of third-party revenue to the restaurant industry.

Economic Impact in 2019*

Restaurant revenues and Dasher income generated through the DoorDash platform accounted for \$13.2B in direct, indirect and induced economic activity in 2019

The DoorDash platform added \$6.9 billion to the U.S. economy that otherwise would not have existed

Every \$1 of incremental spend on food on DoorDash stimulated an additional \$2.37 in the economy**

*\$13.2 billion includes the impact of restaurant revenue through the DoorDash platform and Dasher income in 2019. Of that, \$6.9B is the incremental economic impact that would not have existed if not for DoorDash activities.

**Consumer spend on restaurant food on DoorDash Marketplace and DoorDash Drive

Impact During COVID-19

RESTAURANT OPERATOR INSIGHTS

Technomic surveyed restaurant operators to understand the role third-party delivery and DoorDash played during the COVID-19 crisis.

Restaurant operators have positive perceptions of DoorDash, indicating that DoorDash enabled them to grow revenues, reach new customers they would not have otherwise been able to reach and stay in business during COVID-19.

75% of operators agree DoorDash enables them to reach new customers.

67% of operators say DoorDash was crucial to their business during COVID-19.

65% say they were able to increase profits during COVID-19 because of DoorDash.

Increased revenues and customer access, COVID-19 relief programs, customer service and an easy-to-use platform all likely weighed into the positive perceptions of DoorDash by operators.

DASHER INSIGHTS

On behalf of DoorDash, The Mellman Group conducted a survey of Dashers in September 2020. Dashers have positive perceptions of DoorDash both on a personal level, allowing them to earn additional income to support their families, and more broadly as an important service during COVID-19.

GENERATING ECONOMIC OUTPUT METRICS

When conducting economic impact modeling, there is often a mistaken notion that the revenue associated with an activity accounts for all of the economic activity. However, the modeling process recognizes that one economic activity has a ripple effect in which other sectors and industries benefit from this initial spending. The economic activities are linked to other industries in the state and national economies.

Economic modeling involves taking the understanding of the value chain and identifying how much value is created at each level. Beyond the "value," the economic output includes the number of employees (not only restaurant but among suppliers and other vendors), wages paid and taxes generated by businesses throughout the entire chain. Importantly, there are three different levels of activity that are accounted for by economic modeling, which are described in detail on page 4:

Direct output reflects the economic output directly generated by DoorDash activities.

Indirect output measures the effects of this direct spending and output on other suppliers and employees throughout the supply chain.

Induced impact measures the output generated by respending by both industry and suppliers (and their employees).

86% of Dashers indicate some form of financial hardship brought on by COVID-19.

57% of Dashers say their driver income has become more important during COVID-19.

76% say Dashing has had a positive impact on the ability to provide for themselves and their family.

CONSUMER INSIGHTS

Technomic also surveyed consumers to understand their views and usage of third-party delivery platforms and DoorDash during COVID-19. Consumers surveyed have a positive perception of third-party delivery platforms and DoorDash and indicate they have relied on DoorDash during the pandemic.

86% of consumers who have used DoorDash indicate DoorDash played an important role in helping them, their family or others access food during the COVID-19 pandemic.

88% of DoorDash consumers believe DoorDash helped restaurants during COVID-19.

77% of consumers increased their use of third-party delivery.

Incremental Impact of DoorDash on the Economy

To properly assess DoorDash's impact on economic activity within the U.S., Technomic evaluated the revenue and profitability of the restaurant industry overall as well as metrics associated with third-party delivery and specifically with the DoorDash platform. Technomic also evaluated the economic impact generated by the income paid to Dashers in 2019 to understand the contribution that these activities make to the broader economy.

The study model developed by Technomic incorporates DoorDash data together with restaurant industry and third-party delivery platform metrics and then quantifies the economic impact using the IMPLAN economic modeling software. The general approach is described in the sidebar on the previous page.

Restaurant and DoorDash Metrics Included

Technomic's evaluation of DoorDash's platform used metrics about the total size of third-party delivery, the amount generated specifically by DoorDash, the incrementality of

each order, and the incremental revenues and costs that then drive economic activity.

2019 Dasher Metrics

The second piece of evaluating DoorDash's impact was to understand how the \$2 billion in earnings paid to Dashers in 2019 further worked its way through the economy.

Taken together, these two separate pieces of analysis provide the economic output metric for DoorDash.

Understanding DoorDash's Incremental Economic Impact in 2019

As noted, Technomic's analysis looked at the direct, indirect and induced incremental impact of DoorDash's activity at the restaurant and within the payments made to Dashers to determine the total incremental impact of the platform on the U.S. economy. In 2019, the impact of the DoorDash platform amounted to an additional \$6.9 billion in the U.S. economy that would have otherwise not existed if not for the DoorDash platform. This total is comprised of the

incremental value generated at restaurants and the additional value generated by Dasher income. This total economic impact number does not include the economic impact of the DoorDash corporation or platform revenue generated outside of restaurants (grocery, convenience store, e-commerce, etc.)

The impact can be broken out into the three following categories:

Direct Impact

The activities required to produce, sell and deliver a meal or menu item that otherwise would not have been ordered at a restaurant all count toward the “direct impact” of DoorDash’s activities. For DoorDash, the direct activity includes any incremental spending by the restaurant that directly generates a positive

economic spend. This could be for the restaurant itself that generates incremental profit; it could be the additional food, paper goods and other supplies used; or the services of other suppliers where the fees are paid by the incremental delivery activity.

For Dashers, the direct impact is the income they receive that is then in turn used for additional economic activity such as purchasing gas, insurance payments, etc.

The direct effect of the DoorDash platform is \$3.1 billion.

Indirect Impact

The indirect economic impact of DoorDash’s activities within the restaurant industry comes from the suppliers that are receiving incremental value. Indirect benefits are typically defined as “business-to-business” impacts and occur when those activities require purchases of goods and services. This might be marketing services, building out a delivery area for incremental delivery orders, additional products ordered from distribution, legal services or myriad other goods and services that are purchased in support of DoorDash orders. These are typically bought

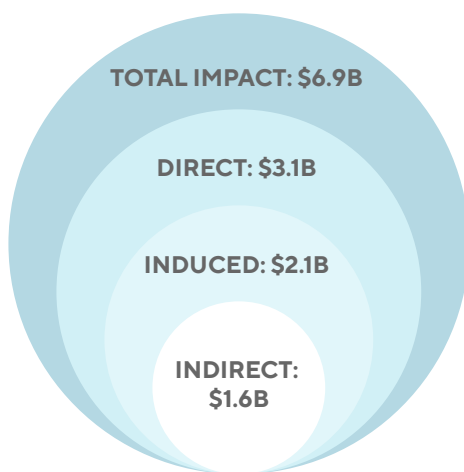
from local or regional suppliers and this impact is cumulatively defined as the indirect impact generated by DoorDash.

Similarly for Dashers, this indirect impact is additional spend on which Dashers use their income. It may include groceries, leisure activities, rent/mortgage or a host of other activities.

The indirect impact of the DoorDash platform was \$1.6 billion in 2019.

Induced Impact

An economic analysis of DoorDash’s impact also takes into consideration additional linkages. While it is inappropriate to claim that firms only tangentially related to third-party delivery should be part of the analysis, the spending by employees of the restaurant, the Dashers, and the supplier firms whose jobs are directly dependent on the incremental value of DoorDash’s revenue within the restaurant industry should clearly be included. This spending on everything from housing to food to educational services makes up what is traditionally called the “induced impact” or multiplier effect. In other words, this spending and the jobs it creates is induced by



the production, distribution and sale of incremental orders.

This is often the most controversial part of any economic analysis as it can include a very “long tail” of induced effects. Technomic’s model is very conservative in the approach to including this impact and amounted to \$2.1 billion in 2019.

Restaurant Operator Insights

Restaurant operators rely on DoorDash to grow revenue, reach new customers and convert delivery customers to more frequent diners.

In general, restaurant operators view third-party delivery platforms favorably, with 73% agreeing that the services are “good for the restaurant industry,” while only 4% disagree with this statement.

DoorDash, in particular, is helping boost restaurant business by expanding customer reach, which is translating into increased revenue. When asked what the top benefits of partnering with DoorDash were, the two most popular answers were “expand customer reach” and “increase

revenue,” demonstrating that operators recognize DoorDash as an effective tool for boosting their success.

Restaurant operators also believe that DoorDash may be converting delivery customers into more frequent diners, which will be particularly important when dining rooms reopen to full capacity. Sixty-nine percent (69%) of operators state that they believe they have acquired new dine-in customers who were first introduced to their operation by DoorDash, suggesting that third-party delivery platforms may lead to in-house incremental sales.

Looking at these findings collectively, it appears that

OPERATOR PERCEPTIONS

73%

agree that third-party delivery platforms are **good for the restaurant industry**

75%

agree that DoorDash allows them to **reach new customers**

65%

agree that **profits have increased** during COVID-19 because of DoorDash

“I believe one of the main benefits is increasing sales and reaching people who have never heard of us or have never been in the restaurant.”

- Casual-dining operator

“We have seen a lot of new customers order from DoorDash. They are doing the right marketing getting new customers who never used these delivery apps before.”

- Fast-casual operator

“The early response to DoorDash to slash their percentage costs of restaurants left us feeling very positive about the company. We also appreciate that they, early on, cut delivery costs for customers as well.”

- Fast-casual operator

“Doordash was one of, if not, the first major delivery partners to slash restaurant fees. This left a hugely positive impression on us as the restaurant owners. We really needed the help at the time.”

- Fast-casual operator

“DoorDash drove most of our sales during the beginning of the pandemic since we were allowed to do to-go only. Now that we are open to 50% capacity, DoorDash still drives a significant percentage of sales from all our customers that don’t want to go out to eat, but that still want to enjoy our food. And from all the customers that are finding out about us thanks to the reach DoorDash has.”

- Casual-dining operator

DoorDash can help restaurants achieve greater levels of success both off-premise and in the dining room.

DoorDash Has Been a Lifeline to Restaurants During COVID-19 Crisis

DoorDash has become an even more important source of revenue for restaurants during COVID-19. Prior to COVID-19, only one out of 20 operators saw more than 20% of sales originate from third-party delivery platforms. During COVID-19, however, over a quarter of operators saw greater than 20% of overall sales originate from third-party delivery platforms. Although the majority of revenues are coming from a combination of other ordering methods, operators indicate that a third (32%) of sales were coming from third-party delivery platforms, further showing that these services have become an important sales channel in the COVID-19 economy.

Operators also recognize just how important and beneficial their relationship with third-party delivery platforms, specifically DoorDash, has become. For instance, about two out of three restaurant operators on DoorDash agree that profits increased

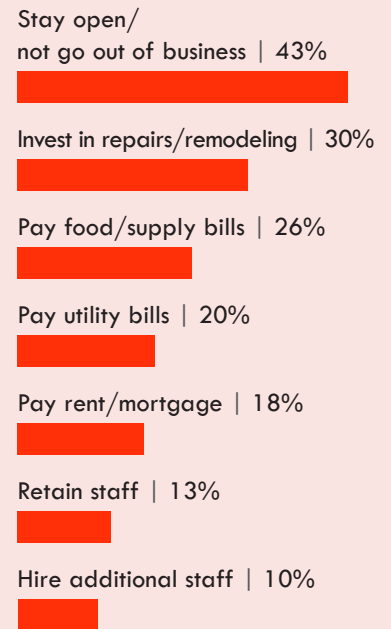
because of DoorDash and that DoorDash has been crucial to their business during COVID-19. In fact, a majority of operators felt that their business may not have survived the current crisis were it not for DoorDash. Based on this, it seems that operators are crediting DoorDash with helping lessen the economic damage caused by COVID-19.

DoorDash's COVID-19 Relief Programs Valuable to Restaurants During Crisis

Of the DoorDash operators surveyed, nearly all leveraged at least one relief program (such as eliminated/reduced commissions or marketing support costs) in some capacity. Among those who did use them, satisfaction was high, with 99% of operators who accessed the programs indicating that at least one of the programs was of some value.

The importance of these relief programs is further emphasized when operators were asked what they did with the cash freed up by these programs. More than 40% of operators stated that the money that DoorDash saved them was used to "stay open/not go out of business." Beyond staying open, other operators stated that they used the savings to

WHAT DID YOU DO WITH THE MONEY YOU SAVED FROM THE RELIEF OR MARKETING PROGRAMS OFFERED BY DOORDASH? "I USED THE MONEY I SAVED TO..."



invest in repairs/remodel, pay for food/supplies, pay bills and retain or hire staff.

99% found COVID-19 relief programs valuable

Because of the demonstrated value of DoorDash, particularly during the pandemic, two out of three restaurant operators agree that DoorDash will be the key to their success in a post-pandemic economy.

What restaurant operators are saying about DoorDash



Segment: **Quick Service**
Cuisine Type: **Sandwich**
Number of Units: **67**
First Year with DoorDash: **2018**

On if DoorDash is driving incremental sales

"DoorDash does drive incremental sales because the ability to deliver from open to close had a huge impact on the individual system and the system as a whole. We had 15% growth in incremental sales, which was a significant impact."

On how critical DoorDash was during COVID-19

"It was a big piece of the puzzle that kept us alive. No store closed due to COVID-19 because we had the system set up and had the ability to continue delivery."

Being able to continue to deliver and rolling out curbside kept our heads above the water. Had DoorDash not been

in place, we would have been in a world of pain. It would have been devastating.

Many franchisees were simply paying bills with the money saved by DoorDash. Some franchisees got help with their rent from landlords. The help was keeping them in business."



Segment: **Traditional CDR**
Cuisine Type: **Sports Bar**
Number of Units: **29**
First Year with DoorDash: **2019**

On what would have happened if third-party delivery platforms/ DoorDash didn't exist

"We probably would have started self-delivery and started offering it on our website. I think we probably would have had to shutter a bunch of our stores, if not all of them. Some of our restaurants are seasonal, and they were out of season at the time. It would have been a disaster for a lot of restaurants. We would have had to let a lot of employees go. Delivery has definitely cut down on that loss for us. Thankfully, we applied and got

PPP money. I honestly think we would have closed for a while, and slowly reopened, but we would have lost millions and millions of dollars. Maybe even a bankruptcy for the company and some of our other brands."

On what DoorDash has done to help them stay successful during COVID-19

"They ran some local restaurant weekends where you could order from brands that weren't super corporate. And we didn't have to pay commissions at that time. They started something called Main Street Strong, which offered some benefits. They recently offered something that allows you to link to DoorDash directly on your website. They were really looking out for their brands. They did a lot for their smaller brands."



Segment: **Midscale**
Cuisine Type: **Family Style**
Number of Units: **444**
First Year with DoorDash: **2017**

On if DoorDash is driving incremental sales

"DoorDash is driving incremental sales. We've done

the analysis. They've done a great job getting us greater delivery coverage everywhere."

On where would they be if DoorDash did not exist

"We would have had to review whether or not to temporarily close another layer of restaurants. We already temporarily closed some restaurants that didn't have an off-premise business and more restaurants may have fit into that grouping. Third party and DoorDash allowed us to keep the vast majority of our fleet operational while dine-in was closed."

Dasher Insights

According to a survey conducted by the Mellman Group for DoorDash in September 2020, COVID-19 has taken an economic toll on Dashers and their families, which has made Dashing even more important.

Eighty-six percent (86%) of Dashers faced some level of financial hardship during COVID-19, including the nearly half that say someone in their household has lost a job or had their wages reduced. This has likely led many Dashers to supplement their income by

DASHER PERCEPTIONS OF DOORDASH

76%

indicate that Dashing has had a positive impact on **ability to provide for themselves and family**

84%

believe DoorDash has tried to **keep drivers safe** during the pandemic

90%

view DoorDash as increasingly **important during the pandemic**

87%

Value **free PPE** provided by DoorDash

increasing their driving hours. Since the pandemic began, 53% of Dashers indicate they've been driving more hours, and 57% say that their Dasher income has become more important during the pandemic.

Additionally, three out of four Dashers indicate that Dashing has had a positive impact on their ability to provide for themselves and their families.

Dashers indicate that DoorDash is trustworthy (77%), committed

to helping Dashers (81%) and is trying to keep them safe during the pandemic (84%). The feeling of safety and trust is likely driven by the DoorDash response to COVID-19 as 87% value the free personal safety equipment provided by DoorDash, and 68% valued the discounted telehealth provided by DoorDash.

DASHER SURVEY METHODOLOGY

In September 2020, The Mellman Group conducted an anonymous online quantitative survey of 808 Dashers. The random sample included a representative mix of Dashers based on factors such as hours worked, tenure, and geography.

Consumer Insights

Third-Party Delivery Has Driven Incremental Sales During COVID-19 Pandemic

Seventy-seven percent (77%) of consumers increased their usage of third-party delivery during the pandemic, and over one-third (34%) of consumers indicate that if third-party delivery were not available, they would have prepared a meal or snack at home instead. This highlights the important

role that third-party delivery plays in creating additional orders and incremental sales for restaurants.

In addition to increased third-party usage, some consumers are increasing their spend per order. More than a third of consumers (37%) say they spent more on their most recent third-party delivery order than they typically did prior to the pandemic, with nearly half of those consumers (47%) attributing the increase in spending to buying more items.

Chief among consumers' reasons for choosing third-party delivery are the convenience and speed that it offers—34% of consumers indicated that they chose third-party delivery for their most recent order because it was more convenient than other forms of delivery, and 32% indicated that they chose it because it was faster. Food safety was also top of mind for consumers when choosing delivery. About three out of every ten consumers (31%) indicated that the desire to avoid visiting a restaurant in person was an important reason for choosing delivery during COVID-19.

Additionally, most consumers indicate that they have used third-party delivery platforms to try restaurants (66%) or a dish, snack or beverage (64%) that

CONSUMERS TRY SOMETHING NEW

66%

used third-party delivery to try a restaurant they would not otherwise have tried

64%

used third-party delivery to try a dish, snack or beverage they would not otherwise have tried

they would not have otherwise tried. Thus, in addition to simply creating additional orders, third-party delivery helps to bring in new customers at restaurants or encourage customers to try new items. These new customers represent potential repeat dine-in, takeout and delivery customers. This points to the fact that the incrementality of third-party delivery platforms is derived not only from the individual orders from new customers, but also from the future orders from those that become repeat customers for both delivery and dine-in services.

Consumers Have Positive Perceptions of DoorDash and its Role During Pandemic

Eight-six percent (86%) of DoorDash consumers indicate that DoorDash has played an essential role in helping them, their family or others access food during the COVID-19 pandemic. This points to the important role played by DoorDash in providing food for those who were not able to leave their house for dine-in service, takeout/pickup or even grocery shopping because they were sick, were immunocompromised, were among another high-risk group for COVID-19 or were caring for somebody who could not leave the house.


In addition to the personal importance of DoorDash, consumers appear to be aware of the vital role that third-party delivery platforms and DoorDash in particular play in driving incremental sales and supporting restaurants during

TECHNOMIC CONSUMER AND OPERATOR SURVEY METHODOLOGY


In July and August 2020, Technomic conducted online quantitative surveys of 1,500 consumers and 750 operators. The consumer sample included 1,000 DoorDash users, 100 Caviar users and 400 consumers who used other third-party delivery platforms. The operator sample included a mix of limited- and full-service chain and independent DoorDash and Caviar users. Additionally, Technomic conducted online bulletin boards with nine DoorDash operators.

COVID-19 STATEMENT AGREEMENT (% WHO AGREE/STRONGLY AGREE)


DoorDash has helped restaurants during the COVID-19 pandemic | 88%



DoorDash has helped me or my family access food during the COVID-19 pandemic | 86%




DoorDash has helped the economy during the COVID-19 pandemic | 83%




DoorDash helps me to be more productive by giving me more time for other activities | 78%



Many restaurants would have gone out of business if it was not for DoorDash | 73%



Without DoorDash I would not have felt as safe accessing food during the COVID-19 pandemic | 68%



the COVID-19 pandemic. A notable majority of consumers (88%) believe that DoorDash has helped restaurants during the COVID-19 pandemic.

Key Takeaways

Economic Activity

A key metric in determining the true economic impact of the DoorDash platform is to understand incremental sales and economic activity that would not have taken place if DoorDash did not exist. Combining the incremental impact generated from restaurants with the impact of the income paid to Dashers, of the total economic impact of \$13.2B, the total incremental

economic activity generated from DoorDash in 2019 can conservatively be estimated at \$6.9 billion in direct, indirect and induced impact that would not have otherwise existed in the economy. This means for every \$1 of incremental spend, \$2.37 was generated in the economy.

Support of the Restaurant Industry

Beyond the economic value generated by DoorDash, a large majority of restaurant operators noted the critical role that DoorDash has played as the pandemic disrupted the restaurant industry. Operators are positive about the revenue generated, the relief and programs offered by DoorDash and the new customers that DoorDash has brought in.

While it is impossible to quantify that impact in 2020 even as the pandemic rolls on, feedback from DoorDash restaurant operators points to its critical role in keeping them running and in business.

Dasher income is important during the pandemic

Dashers value the supplemental income they are able to earn on DoorDash, which has become increasingly important for the many Dashers facing financial hardship due to COVID-19. Dashers feel positive about their ability to provide for themselves and their families through DoorDash. Dashers also find DoorDash to be trustworthy and concerned with driver safety. They believe

DoorDash is providing a good service to consumers and an increasingly important service during the pandemic.

Consumers Value DoorDash

Based on the consumer insights generated, it's clear that third-party delivery platforms in general and DoorDash specifically were critical in connecting consumers with the restaurant industry and a key component to allowing them to order restaurant meals for at-home consumption during the pandemic. Consumers found new restaurants, new dishes, and new ways to support the industry, and most acknowledge that this economic activity was extremely helpful for the restaurants they wanted to support.



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