

GO ABOVE
AND BEYOND

THE FUTURE DELIVERED





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FROM KITCHEN TO THE FRONT DOOR

Britons now spend £4.2 billion a year having meals delivered to their homes; up by 73% in the past 10 years and with current trends this figure looks set to keep on rising.

In recent years we've witnessed significant changes when it comes to convenience food and delivery; particularly as an increasing number of people are choosing to stay home and order in. A quick and easy dinner once involved a microwaveable ready meal, but times have moved on and in most cities around the UK we're spoilt for choice with endless options of high-quality food delivered straight to our doorstep.

Fuelled by digital delivery giants such as JustEat, UberEATS and Deliveroo, 'takeaway' has never been easier: with just a click of a button. With further online delivery platforms emerging, the growth in this sector is huge and this boom is looking set to continue with consumers ever more demanding when it comes to price, quality, taste and convenience.

With this ever evolving and diverse market both the food establishments and delivery operators are acutely aware that a single bad experience of 'takeaway' can determine whether a customer, loyal or new, returns to them or tries somewhere else!

One of the most complained about items for delivery is 'fries' as they go cold and limp very quickly but with unrivalled research and development McCain are determined to make 'Soggy Fries' a thing of the past.

As leaders in fry technology and campaigners for 'ultimate food enjoyment', we are looking at the growing demand for restaurant-quality food and what this means to the 'takeaway' food industry.

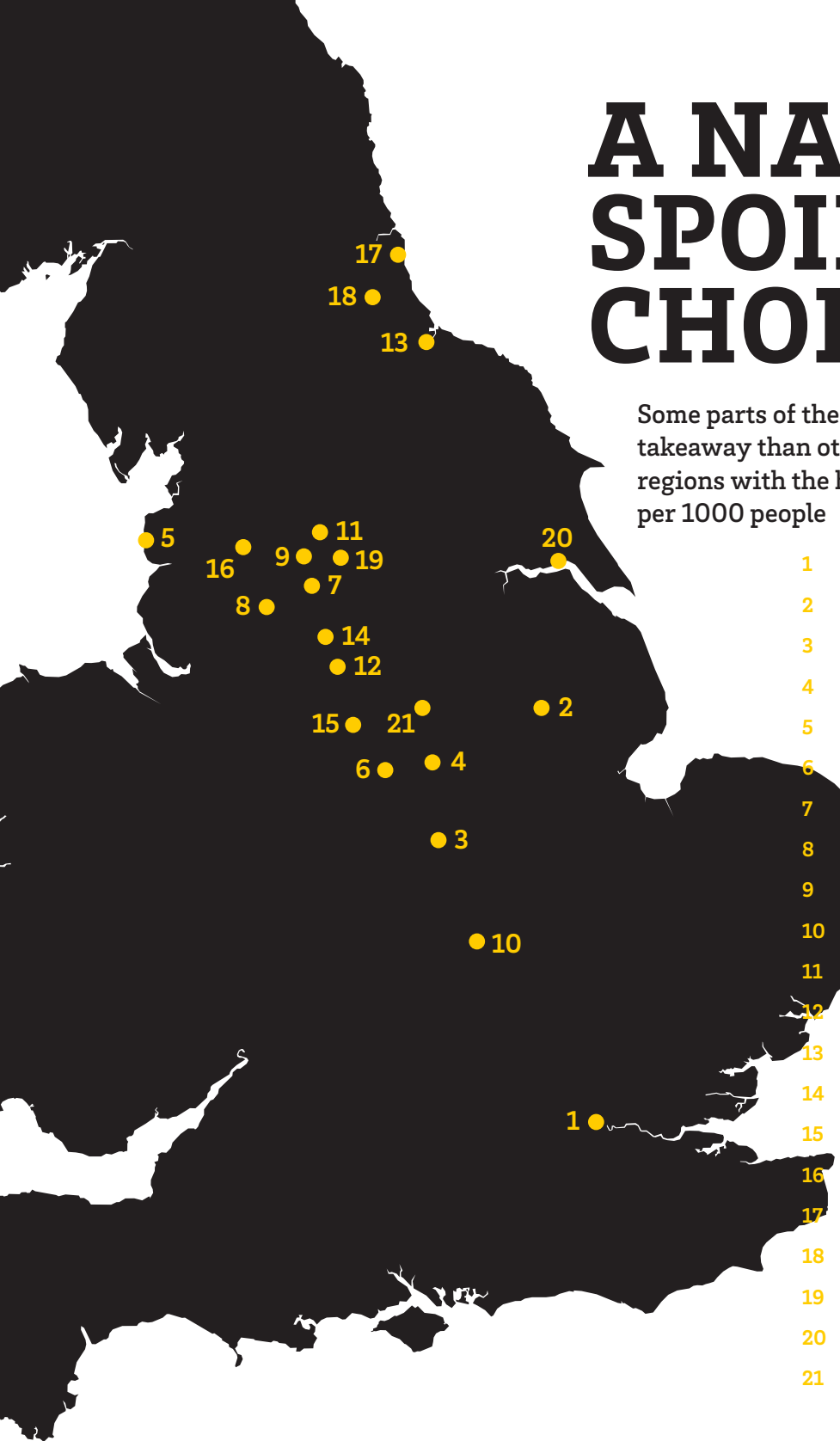
For the purpose of this paper, 'takeaway' is defined as food that is eaten off premises from restaurants, fast food outlets and other catering establishments that offer either hot or cold food that can be delivered or collected. It explores the latest food delivery trends and technology, along with how businesses can look to make the most of the upcoming opportunities.



Source: <https://www.express.co.uk/life-style/food/949093/britain-takeaway-boom-food-delivery-home-pizza-curry-chinese-deliveroo>

A NATION SPOILT FOR CHOICE

Some parts of the UK are more keen on a cheeky takeaway than others. Presenting the top 20 regions with the highest number of takeaways per 1000 people



1	4.61	EAST CENTRAL LONDON
2	1.32	LINCOLN
3	1.31	LEICESTER
4	1.24	NOTTINGHAM
5	1.11	BLACKPOOL
6	1.10	DERBY
7	1.09	HUDDERSFIELD
8	1.05	BOLTON
9	1.03	BLACKBURN
10	1.01	NORTHAMPTON
11	1.00	BRADFORD
12	0.99	STOCKPORT
13	0.96	CLEVELAND
14	0.96	OLDHAM
15	0.96	SHEFFIELD
16	0.96	HALIFAX
17	0.94	SUNDERLAND
18	0.93	DURHAM
19	0.92	WAKEFIELD
20	0.89	HULL
21	0.89	DONCASTER



London has a diverse range of eateries offering a range of different choices from the slightly unusual to the reassuringly familiar. But what is the nation's favourite 'ordered in' food? According to Deliveroo, the top food choice in London is gourmet burgers. With the popularity of MEATLiquor, Patty and Bun and Honest Burger, we're clearly a nation of burger lovers with 28 of 60 cities choosing burgers as their top dish. But when it comes to the rest of the UK, what are the differences across the cities when it comes to food choices?

TAKEAWAY BRITAIN

BRITAIN'S TOP TAKEAWAYS REVEALED



@SCSSOFAS
#TAKEAWAYBRITAIN



DID YOU KNOW?

CHIPS ARE THE MOST FREQUENTLY ORDERED SIDE DISH

and incidence of fries has increased by 12.3% YoY*

Out of the 14 cities shown on the "Take Away" map will feature or serve fries as an option. It's evident that the demand for a quality product is there.

*Source: NPD Crest **Source: Consumer Survey N1004

When it comes to mealtimes, consumers aren't just dining in the evening but throughout the whole day. According to Just Eat, the fastest growing takeaway food choices since 2014 are breakfast, desserts and sandwiches; showing a shift from the traditional Chinese or Indian cuisine. With 39% of consumers claiming a takeaway is their biggest 'weekly treat' – more so than shopping, nights out and trips to the cinema.

44% of deliveries are for family occasions so kids options are important along with a growing number of +35 year olds ordering.



The takeaway online ordering peaks are shown to be 7pm and, surprisingly, 2am (thought to be due to people returning home from a night out, or due to the 'foraging behaviour' primeval hunting instinct. Friday nights are well known to be the prime takeaway time across the UK, however 4 out of 10 consumers also enjoy a takeaway on Saturday nights and 7% claim to order mid-week.

Currently, 65% of all these deliveries are for dinner, with breakfast currently accounting for just 5% of deliveries and lunch at 11%. This suggests a clear market opportunity for delivery operators looking to expand within these occasions.

Off-premise is deemed to be a great opportunity to communicate and connect with a new customer segment, with options like third-party delivery and online ordering, giving businesses the scope to tap into new potential guests and build loyalty.

Phillip Richardson, Director of Barclays Corporate Banking, summed it up when he said 'The consumer has become increasingly discerning in a fiercely competitive market, but those operators with a differentiated, authentic, value-for-money experience will continue to win out.



Sources: https://jeweb-11431-s3.s3.eu-west-2.amazonaws.com/application/files/2215/0045/3682/TAKEAWAY_ECONOMY_REPORT_2017.pdf • www.vouchercloud.com/resources/uk-takeaway-capital • [foodscene.deliveroo.co.uk/food-trends/london-most-ordered-deliveroo-dishes.html](https://www.foodscene.deliveroo.co.uk/food-trends/london-most-ordered-deliveroo-dishes.html) • www.independent.co.uk/life-style/food-and-drink/deliveroo-takeaway-food-most-popular-a7573141.html • www.businessinsider.com/the-most-ordered-dishes-on-deliveroo-2016-12?r=UK#cheltenham-cod-from-simpsons-of-cheltenham-9-12 • www.mirror.co.uk/lifestyle/health/heres-time-week-youre-most-7756195 <https://www.shortlist.com/news/busiest-times-ordering-takeaway-pizza-aberdeen> • media.grubhub.com/media/press-releases/press-release-details/2018/Grubhub-Releases-Annual-Year-In-Food-Report-Detailing-Most-Popular-Dining-Trends-Of-2018/default.aspx • www.restaurantdive.com/news/delivery-mobile-app-market-to-hit-166b-in-2023-report-says/548741/ • www.casualdiningmagazine.co.uk/news/2018-11-01-impact-of-restaurant-delivery-revealed • insights.uk.barclays/static/taste-for-change.5790124e.pdf • www.npdgroup.co.uk/wps/portal/npd/uk/news/press-releases/home-delivery-in-britain-growing-10-times-faster-than-eating-out-market/

LONDON:

THE 'TAKEAWAY' CAPITAL OF THE UK



With £1.4billion being spent on 'fast' food every year in the capital with 4 outlets per 1000 residents, it comes as no surprise that London was named as the UK's 'takeaway' capital; with 38% of Londoners claiming to order a takeaway at least twice a week either with their partner, family, friends or on their own.

The sector is rightly proud of its economic impact in London, but its contribution to a healthier and more diverse food environment is equally important. There are now more than 100 cuisines available to order, with many takeaways offering healthier menu items and providing more nutritional information to their customers.

80 of the top 100 UK takeaways were profitable last year, compared to just 65 of the top 100 restaurant groups, as consumers opt for convenience and affordability. London is fast becoming like New York where people treat their ovens more like a piece of forgotten furniture, with the Sunday night 'good intentions' for the week ahead switching to the 'let's order in tonight' mentality following the exhaustion of the working week. Consumers cite the top five reasons for ordering food delivery as:



DIDN'T FEEL LIKE COOKING	43%
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TO SATISFY A CRAVING	30%
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TO SAVE TIME FROM COOKING	28%
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STAYING IN FOR MOVIE/GAME NIGHT	25%
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FAMILY NIGHT DINNER	24%
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For many working professionals the time, money and skill involved in cooking at home is often not worth it, what they crave is convenience. Another reason for opting for ordering in is the sense of togetherness it can promote. Family or friend night dinners are important for consumers and eating together can encourage connection moments and bolster our sense of belonging.

According to a recent study, people who always eat alone score 7.9 points lower in terms of happiness than the national average. The more that people eat with others, the more likely they are to feel better about themselves and have wider social and emotional support networks to deal with stress and concerns.

The younger generation are the most frequent consumers of food prepared outside the home with almost 3 in 10 under 30s ordering food delivery compared to just 6% of people aged over 60. When ordering, consumers use various methods to get their food delivered:

Ordering Method	18-29	30-59	60 years +
Food Delivery App	58%	31%	4%
Online Food Delivery Service Site	55%	33%	12%
Call Restaurant direct	42%	52%	37%
Order online direct restaurants website	40%	31%	12%
Don't use kinds of services	5%	12%	46%
Other	1%	1%	0%

The majority of Gen Z choose to order their food on delivery apps, whereas the older generation of 60 years and over prefer to call the restaurant direct or go in and collect it themselves.

In many ways, the younger generations like Gen Z, ordering preference plays into some of the commonly held stereotypes. As they have grown up with technology, they're always connected with the click of a button – whether it be food, a taxi or clothing. The younger generation are causing a shift in the restaurant industry with convenience being a major factor where they don't mind paying a little extra for that benefit.

Sources: <https://blog.scs.co.uk/what-is-the-most-popular-takeaway-in-your-hometown/> • www.thesun.co.uk/news/7049163/brits-spend-tons-on-takeaways/ • www.london.gov.uk/sites/default/files/British%20Takeaway%20Campaign%20%281008%29.pdf • londonlovesbusiness.com/takeaway-sector-booming-despite-restaurant-troubles/ • media.grubhub.com/media/press-releases/press-release-details/2018/Grubhub-Releases-Annual-Year-In-Food-Report-Detailing-Most-Popular-Dining-Trends-Of-2018/default.aspx • www.oxfordeconomics.com/publication/download/299117 • caterlyst.com/caterlyst3/insight/insight.aspx?n=22587 • www.statista.com/statistics/685974/food-delivery-services-ordering-methods-used-by-age-united-kingdom-uk/

The latest food delivery tech

In the '24/7' world we live in, technology is regularly relied on to make our day-to-day lives easier; allowing us to work smarter and have more time for the things that really matter. Technology is advancing at a faster pace than we could ever anticipate, charging forward with the help of human innovation, and in order to be successful restaurants need to embrace the changes and consider how food delivery could work for them.



Millennials are the ideal target audience for 'takeaway' food as they're constantly on the lookout for convenience and they are much more likely to have a disposable income to fund this. Understanding the generational eating habits and how they affect a business is key to being able to adapt accordingly. It's not possible to be all things to all people, so considering the target audience and their requirements is needed when thinking about implementing new technology to be most effective.

As food for thought, 4 of the driving food delivery trends are summarised below:

1

Meals on wheels

Mini robots in Milton Keynes created by Starship Technologies.



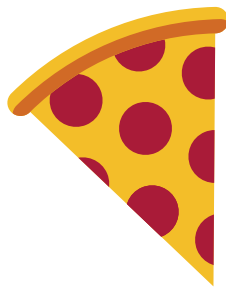
These miniature delivery machines deliver both parcels and food independently through the centre of Milton Keynes. Users select a specific 5-minute window for delivery; leading to both reduced missed delivery slots and reduced fuel emissions.

The future looks bright for the robots, with Just Eat just partnering with Starship to deliver takeaway food to customers. The robots will travel from a local depot to the restaurant in time to pick up the freshly prepared meal before delivering it straight to the customer.

Although this technology has been around for a number of years, it is clear it is the future of not only food delivery but delivery in general. As a nation we're becoming more and more concerned with climate change and the less harmful gasses admitted into the air, the better. Considering environmentally ways of delivering products to customers will benefit fast food operators as this increases importance for the food industry.

Source: <https://www.bbc.co.uk/news/uk-england-beds-bucks-herts-46045365>

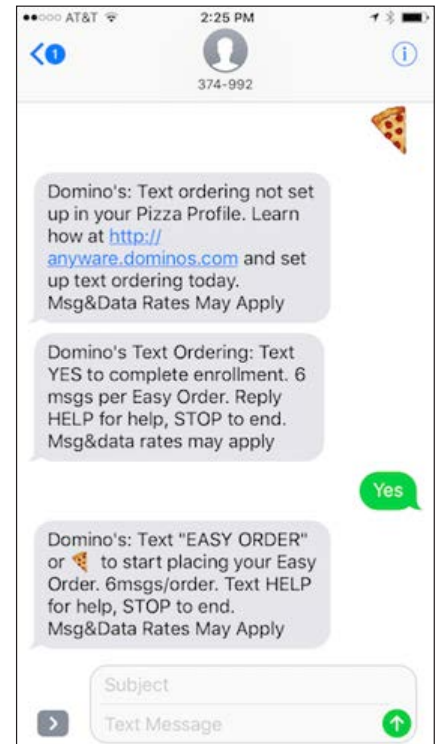
2



Ordering by emoji

Pizza giant Dominos was the first to conquer the Twitterverse with the innovative and engaging way of ordering your food by emoji.

In the US, hundreds of hungry customers were able to order online by tweeting the pizza emoji or the hashtag #EasyOrder to the Dominos Twitter account. Users registered an account online and set their pizza preferences so when the tweet was sent it triggered an order. Following the huge success, Dominos have now enabled users to order using an emoji over Facebook messenger, Twitter, Echo, Smart TV and text message too.¹



3

Ordering from your car

Pizza Hut has partnered with Accenture and Visa to create an in-car pizza ordering system which enables people to order and buy their food whilst on the road. Visa Checkout is integrated into the car's dashboard so the customer can select their food using their voice whilst carrying on their journey without having to pull over to place the order. This technology makes it much easier for customers to place orders whilst on the road at their convenience and could be a step in the right direction, when it comes to making the roads safer for travel.²



¹Source: <https://www.tatango.com/blog/how-it-works-text-message-a-pizza-emoji-to-order-dominos/>

²Source: <https://rubygarage.org/blog/food-delivery-trends-2019>

FUTURE-PROOFING FOR 'TAKEAWAY' ESTABLISHMENTS

Technology is changing and evolving, fast - so fast that sometimes it feels impossible to keep up! From now household-name apps like JustEat to voice-activated ordering and drone deliveries, the face of delivery food is always shifting. Every business needs to consider how to future-proof their business if they want to survive and thrive - and the following content gives some food for thought to keep the burgers flipping, the chips frying, the customers buying:

DATA

BIG

Today 'big data' is a fact of life – we're used to documenting our day on Instagram, sharing our details on Facebook or even tracking what we eat on Fitness apps. Data fuels our world, keeping the water running and the traffic moving. Food delivery is one of the last places you'd expect to be embracing big data.

Big players like Dominos leverage big data by tailoring individual deals and coupons to individual households and targeting ads based on previous orders, but all companies generate rich data. From customer details and delivery locations, tweets, reviews and images, to blogs and local media – there is a wealth of information waiting to boost businesses.

Staying relevant means understanding what customers want and adapting to it. By analysing past orders, restaurants can work out exactly how popular each dish type is and use this to inform future menus. For example, if 'peri peri' flavours are routinely outranking other dishes then introducing new, refreshed versions could work. More directly, an online vote for new dishes via Facebook or Instagram could help get a direct and immediate decision.

Big data also gives more information about the most relevant times to allocate theme or discount days like "Mexican Mondays" or "Two for Tuesdays" to help stock rotation. Sales data can be itemised, and intelligent discounting can be applied to clear old stock and be more profitable.

WASTE NOT, WANT NOT

Each year, one-third of the food produced worldwide gets wasted.

Managing a food business means food waste is almost inevitable, but to reduce costs and the environmental or social impact it's important to look for solutions. Restaurants and takeaways can waste up to 20% of the food they use, meaning there is a huge efficiency problem and business case to act now. It can be hard to track why and what's being wasted, and that's where technology helps.

Apps are an easy and efficient way to manage your business' consumption and can be used in conjunction with existing processes.



"Too Good to Go" is one app looking to reduce the food waste footprint by linking customers to the food that would otherwise be thrown away at the end of each day. The app was launched in June 2016 for the UK and works by letting restaurants list their food due to expire or any surplus stock at the end of each day at a discounted price; usually between £2 and £3.80.

Cities naturally produce a lot of food waste and redistributing that can be as easy as a few taps on a phone.

So far, according to the Too Good to Go app's website, **over 13,000 meals have been saved** and **27 tonnes of CO2 emissions have been avoided**.



Finding a way to use surplus stock isn't the only way to fight the food waste epidemic. Of course, the best way is to prevent surplus stock in the first place. The "Winnow" app aims to help track the food being bought, wasted, and understand why it's happening – meaning steps can be taken to effectively manage it. Users log the food weight they are wasting with a reason tagged to it – e.g. "burned during cooking", "ordered too much" or "out of date". The app then compiles a handy report detailing what was wasted and why and then provides steps to help reduce that waste.

To date, Winnow's developers say it has helped make a **total of £2,500,000 in savings** for users, **prevented the equivalent of over one million wasted meals**, and **saved 2,700 tonnes of CO2**.



PRODUCT POWER

Moving a business forward doesn't stop at technology as every year new innovative products are developed which have the power to make a huge impact on a business. Keeping on top of these new releases can be tricky as every business claims to have the next big thing, but two key takeaway products are summarised below which have genuinely transformative effects.



BETTER BATTER

Battering is a messy job, but customers love it. Crispy, flavoursome and versatile, something as simple as a battered chicken strip can differentiate a business and draw customers. The problem is that battering is seen as an unhealthy way to cook, causes a lot of mess and wastes a lot of oil.

Goldensheaf, the UK's leading batter mix, have recently launched their Smart Batter mix which helps solve some of these problems. With a unique mixture, the new batter absorbs a minimum of 10% less oil, meaning 10% fewer oil replacements (saving money in the process). If this wasn't a reason enough, the final product has 5% fewer calories and stays crispier for longer – retaining that "just cooked" taste when travelling for delivery.



CHIPS AS THEY SHOULD BE

Battered products aren't the only offering that struggles in delivery. Chips, the quintessential takeaway side-order, are renowned for a disappointing soggy delivery.

Currently 82% of consumers** experience soggy fries and are disappointed with the first thing they steal from the bag!

The steam from chips combined with the impermeable polystyrene or cardboard boxes is a recipe for delivery disaster.

Luckily all that's about to change!



McCain, as the world's largest producer of frozen potato product, has both the knowledge and expertise in developing a suitable product. And now with the launch of their new SureCrisp™ range; which uses a unique, invisible coating, restaurants can remain one step ahead of the competition and serve perfect quality fries every time.

It's the restaurant fry that delivers. Preferred in blind taste tests, the coating innovation means fries stay crispier for longer – meaning finally crispy fries can be delivered that stay that way for up to 20 minutes.



**(McCAIN SURECRISP FRIES
+ CORRECT PACKAGING)
+ DELIVERY
= CRISPY & TASTY FRIES
(EVERYTIME!)**

Sources: www.smartdatacollective.com/pizza-delivery-businesses-turn-to-big-data-analytics-for-record-growth/
• www.forbes.com/sites/bernardmarr/2016/04/06/big-data-driven-decision-making-at-dominos-pizza/#364b0c2f2b8e
• resource.co/article/six-apps-taking-fight-food-waste-11587 • rubygarage.org/blog/food-delivery-trends-2019
• www.vawhitley.co.uk/blog/we-launch-goldensheaf-smart-batter.html

DOWNLOAD "HOW TO PACK" POSTER FOR YOUR OUTLET HERE

Thinking forward around delivery doesn't have to be difficult for restaurants they just need to focus on some key points:

- 1) Stay on top of product developments and innovations and implement as necessary.
- 2) Regular analysis and assessment of relevant data and feedback.
- 3) Remain competitive.

FRY SLEEVE



STEP 1
Insert napkin into sleeve all the way to the bottom.



STEP 2
Fold napkin over the top.

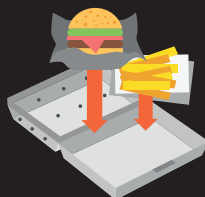


STEP 3
Place fry sleeve upright on top of any other items in the bag. Roll and seal the bag top for secure travel.

CLAM SHELL



STEP 1
Carefully cut three holes (not slits) into each of the sides (15 total).



STEP 2
Wrap burger or sandwich in foil to retain its heat.

STEP 3
Place napkin under fries to help absorb moisture.



STEP 4
Close lid to retain heat and clamshell in bag. Roll and seal the bag for secure travel.

FOLDED CARTON



STEP 1
Remove the two side flaps to allow the carton to vent and insert a napkin to absorb moisture.



STEP 2
Wrap burger or sandwich in foil to retain its heat.



STEP 3
Fold napkin ends over the top of the food and close the remaining flaps.



STEP 4
Pack bag with additional napkins to further absorb moisture. Roll and seal the bag for secure travel.



Focussing on these three points will improve the quality of the food, increase profits and customer satisfaction all at once – it's as simple as that.

AGGREGATORS:

TODAY, TOMORROW AND FOR THE LONG TERM

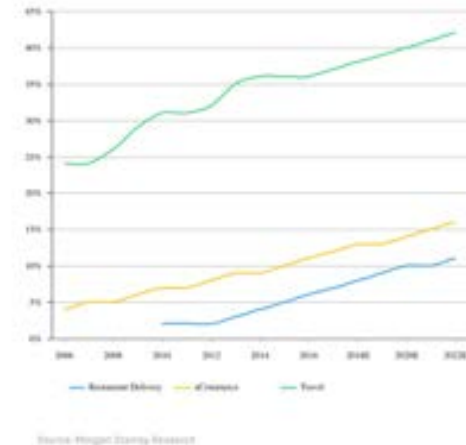
For every £1 that UK consumers spend on food, 12p is spent on takeaways.*

A major report by Morgan Stanley* warned that fast-food retailers need to embrace online aggregators or build their own delivery teams to take advantage of a seismic shift in the way consumers order food.

The key message take out is that restaurants have to go online; no matter how big or small they are; or risk missing out on sales.


There are many global players in the food delivery world, some global multiple countries and some UK specific.

By 2022, Digital Food Delivery May Comprise 11% of Total Market, vs. 6% Today



Multiple aggregators across the globe

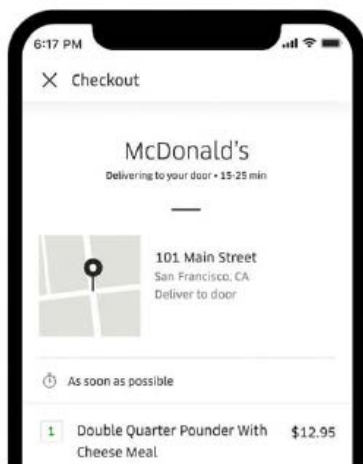
U.S.	CANADA	FRANCE	U.K.	GERMANY	ITALY
 <u>Grubhub</u> Software platform	 <u>Skip the Dishes</u> <u>Owned by Just Eat</u> Software platform + delivery logistics (SKD fleet)	 <u>Just Eat</u> Software platform	 <u>Just Eat</u> Software platform	 <u>Takeaway (Lieferando)</u> Software platform	 <u>Just Eat</u> Software platform
 <u>UberEats</u> Software platform + delivery logistics (<u>Uber</u> fleet)	 <u>Just Eat</u> Software platform	 <u>Deliveroo</u> Software platform + delivery fleet	 <u>UberEats</u> Software platform + delivery logistics (<u>Uber</u> fleet)	 <u>Delivery Hero (Lieferheld)</u> Software platform	 <u>Foodora</u> Software platform + delivery couriers
 <u>Doordash</u> Software platform + delivery logistics (<u>Doordash</u> fleet)	 <u>UberEats</u> Software platform + delivery logistics (<u>Uber</u> fleet)	 <u>Foodora</u> Software platform + delivery couriers	 <u>Deliveroo</u> Software platform + delivery fleet	 <u>Pizza.de (Delivery Hero)</u> Software platform	 <u>Deliveroo</u> Software platform + delivery fleet

RUSSIA	AUSTRALIA	CHINA	JAPAN	KOREA
 <u>Delivery Club</u> Software platform + delivery logistics	 <u>UberEats</u> Software platform + delivery logistics (<u>Uber</u> fleet)	 <u>Meituan Dianping</u> Software platform + delivery logistics + reviews	 <u>Demaecan</u> Software platform + sharing driver delivery for some big chains	 <u>Baemin (Baedal's Minjok)</u> Software platform + delivery logistics (<u>Baemin</u> fleet)
<i>FoodFox, Uber Eats exited New players arriving due to mergers: <u>Yandex.Eda</u></i>	 <u>MenuLog</u> Software platform	 <u>Meituan Dianping</u> Software platform + delivery logistics	 <u>dデリバリー</u> <u>dDelivery</u> Software platform	 <u>YogiYo: delivery hero group</u> Software platform
	 <u>Deliveroo</u> Software platform + delivery fleet		 <u>UberEats</u> Software platform + delivery logistics (<u>Uber</u> fleet)	 <u>YogiYo: delivery hero group</u> Order platform

¹Source: The NDP Group/CREST* 2017-2018

Here we explore some of the more common aggregators that cover multiple countries:

Uber Eats



Operational in more than 1000+ major cities in various countries around the world, this app enables customers to choose their preferred food from local restaurants and in the shortest possible time.

Although UberEats and Uber are two different apps, they share several similar features such as cashless transactions and expected delivery times. If you trust Uber to drive you safely around the city, perhaps you'll trust them to deliver you good quality food as well. The UberEats standalone food delivery app is currently available in numerous places including Brazil, Japan, Mexico, India, and the United States.

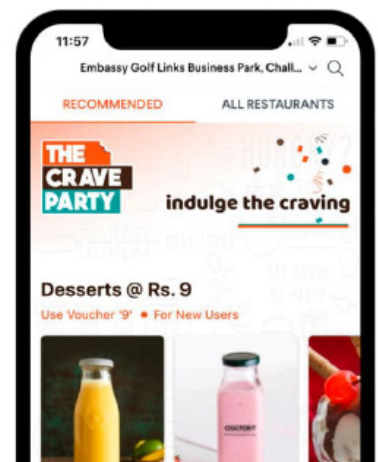
Uber Eats works with many national chains such as McDonalds and Subway to name but a few.

Uber Eats announced it has partnered with Olo, a leading digital food ordering platform for the restaurant industry, to integrate directly into the point-of-sale (POS) of leading restaurant brands via Olo Rails. An important distinction for restaurant brands, this partnership allows orders placed by consumers on the Uber Eats website or app to be injected directly into the order stream at the restaurant, drastically improving order accuracy and operational efficiencies for restaurant operators.

Operational in 43 countries since 2017, this company has its headquarters in Berlin, Germany and started service in 2012. The firm has banded together with nearly 40,000 local restaurants in different cities to provide on-time delivery and the popularity of the FoodPanda delivery app can be linked to the huge database of restaurants from various cities and the accessibility of rebates and offers. The application also accepts credit, debit, and cash on delivery.

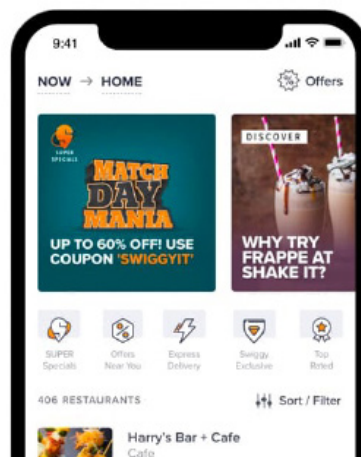


foodpanda



SWIGGY

FOOD DELIVERY APP

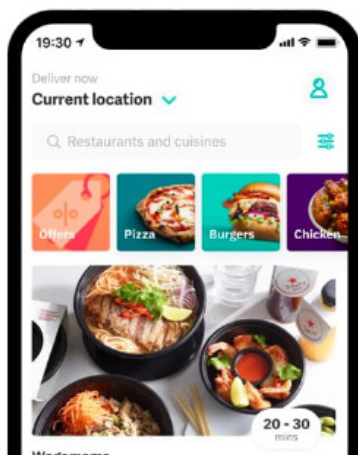
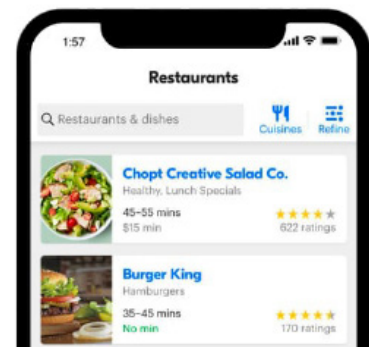


The top-rated food ordering mobile app, based in Bengaluru, India. With more than 10,000,000+ downloads in the play store, Swiggy is rated the No. 1 online food delivery app in India and is currently available in 8 cities across the country. The app lets customers order their favourite food from their favourite nearby restaurants by detecting the user's location so the agent can deliver food as soon as possible. The customer can even track the order from their mobile phone.

GrubHub's widespread list of more than 30,000 restaurants in more than 800 U.S. urban communities will ensure it satisfies their customers. GrubHub has offices in Chicago, New York, and London and was launched in 2004. It allows the company to set up a partnership and build relationships with various restaurants and all the orders are managed by the company's 24/7 customer service teams.

It also offers an option to search for your desired food or browse through the list of local restaurants and results can be filtered down by working hours, customer feedback, coupons, discounts etc. You can even save your order details to your top picks.

GRUBHUB



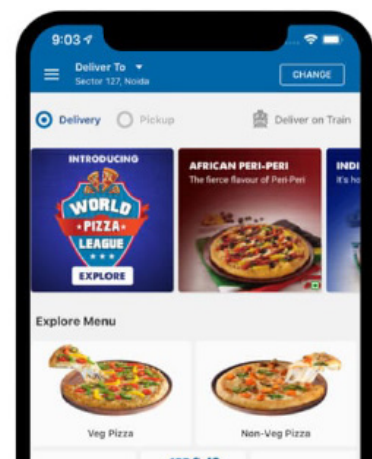
This London-based food delivery startup now works in over 200 cities. It is the most popular food delivery app across Europe and enables customers to order food from restaurant outlets that don't have a set-up of their own. It charges a fee from the customer and the restaurant for the service, meaning users are charged as per their order, whereas restaurants pay a commission.

The quick food delivery options and coupon deals engage customers who wish to avail the best possible facility. The use of the app is high due to a higher number of customers, world-class client benefit, and higher restaurant choices throughout the world.

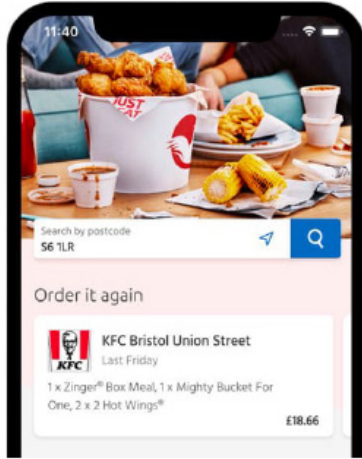
Amazon has recently invested \$575 million funding into Deliveroo, who have stated they will use the money to expand its UK engineering team, expand its delivery reach, and continue to develop new products such as its delivery-only kitchens across 14 countries and territories.

This well-known pizza delivery app allows customers to place an order without having to call and is the first to execute online fast food delivery. This delivery app allows you to make quick online orders and guarantees to deliver the order within 30 minutes.

Payments can be made through an on-line wallet, credit/debit card, or cash on delivery.



JUST EAT

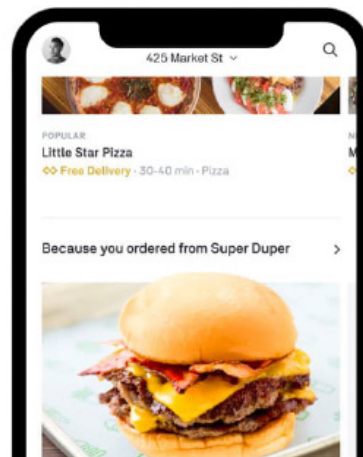
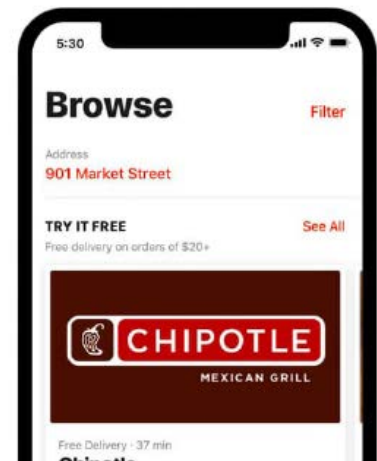


Established in 2001 in Europe, Just Eat is a search tool for all the local restaurants that deliver food. The company covers more than 82,000 restaurants and profits from charging a commission fee from them.

In 2017, Just Eat empowered 21.5M customers, out of which 11M were active users, to order more than 170M takeaways around the world. The Just Eat delivery app includes features that allow the customer to filter the menu as per their food choices and pay either via card or cash on delivery. Its recent merger with takeaway.com and acquisition of City Pantry as strengthened them to unlock a B2B audience. The Chefs Pantry a leading global marketplace for takeaway food delivery, today announces that it has acquired City Pantry for initial cash consideration of £16m.

City Pantry is Europe's leading B2B catering marketplace, linking caterers and restaurants with corporate customers providing food for their employees or clients. The business currently helps feed more than 120,000 people at 1000 corporate customers every month. It works with hundreds of suppliers, including branded restaurant groups such as Itsu, Leon and Bill's to provide meals for corporate events or business meetings.

One of the more established food delivery apps, Door Dash supports over 300 cities in 32 markets. The app offers great services in Canadian cities including Toronto, Calgary, Edmonton, Vancouver; and in U.S. cities including Atlanta, Seattle, Boston, New York, and Chicago. Now delivers for McDonalds in the U.S.



Available in more than 90 cities throughout the U.S, the Postmates app is quite different from other online food delivery apps. When someone places an order for food, the food valet who works for Postmates gets the alert and heads towards the restaurant for pickup. Then, they'll pick and bring the ordered food directly to the customer's doorstep. The delivery app not only offers food delivery, but also alcohol delivery to the user's choice of location.

THE UK'S MOST POPULAR DELIVERY APPS



Deliveroo



Just Eat



Hungry House

A British food delivery company, Hungry House was acquired by Just Eat in 2017. Relatively small compared to Just Eat or Deliveroo, but still offers over 10,000 restaurants to choose from and has a reputation of being a reliable and good service.



Food Hub

Food Hub offers delivery from restaurants and takeaways and doesn't charge any commission; meaning better deals for both customers and restaurants. The app allows businesses to thrive, because they don't have to pay a great amount of money as with other food delivery portals. There is also no service charge on orders that other platforms usually have.



Uber Eats

Morgan Stanley estimates that aggregators will continue to grow and sales will increase from \$600 million in 2017 to \$2.4 billion by 2025 as more consumers and restaurants shift online and as aggregators expand into new markets.

What are the risks for operators?

Morgan Stanley's analysis of economics shows that restaurants need more than 50 per cent of sales to be incremental or else they'll suffer lower profits after signing up with an aggregator. This risk was identified by some of the larger chains who negated the risk of losing control over pricing, menu, quality and customer data by building inhouse e-commerce systems and delivery networks. As an example, analysts predict Domino's share of the online market will slip from 46 per cent to 38 per cent by 2025 because they are relying on aggregators.

Today, many restaurants are taking a hybrid approach, using aggregators for incremental orders while sourcing orders through their own apps and websites and building their own delivery capabilities. The recent research by Morgan Stanley revealed uncertainty around the aggregator model, implying it would only succeed if they were able to meet the following criteria:

- Provided reasonable returns to shareholders over time
- Enabled restaurants to achieve higher sales
- Helped operators negotiate lower costs
- Charged reasonable delivery fees
- Offered high quality service and convenience
- Work with big brands to offer restaurant partners added value eg. Coca-Cola, Unilever with Ben and Jerry

What does the future hold for the 2 big players?

When it comes to the UK, Just Eat & Deliveroo are set to cross paths. Although both are centred on technology, Just Eat and Deliveroo have revolutionised the UK takeaway delivery market in their own way, largely avoiding having to directly compete with one another.

Just Eat makes the majority of its money from charging its restaurant partners a commission on each order taken through its platform, promising higher sales through its app and assistance with the likes of promotional work. Customers order using the Just Eat app or online, and the company's technology transmits this to the delivery solution that was recently added in 2019.

Deliveroo, on the other hand, differs distinctly. The company also takes orders through an app on behalf of its restaurant partners but uses its huge fleet of self-

employed delivery staff that are renowned for zipping around cities on their bikes, picking up the food and taking it to the customer. The model is different too, with Deliveroo charging customers £2.50 per delivery in addition to a slice of the restaurant's profits.

These different approaches has so far seen the pair avoid one another. However, Deliveroo has started to infringe on Just Eat's space after launching a new service named Marketplace+, which will allow restaurants with their own delivery operations (Just Eat's prime customer) to sign up. While Deliveroo cannot scale up anywhere near as quickly as its rival, Just Eat is now racing to plug the hole that has emerged in its model by expanding its own delivery operations that would, in turn, directly challenge Deliveroo's market. Deliveroo started small and is now going for the lion's share of the market, while Just Eat started big by swallowing up the market before expanding into heavy human resource delivery operations.





WHICH APPROACH IS BEST IS YET TO BE SEEN, AND IT DOES POSE THE QUESTION: ARE JUST EAT AND DELIVEROO HEADING FOR A COLLISION?

Where does Just Eat expect to find future growth?

- Improving customer experience by personalising their service, which will build brand loyalty
- Converting telephone orders to online ordering platforms
- Becoming a closer partner to its restaurant partners
- Delivering more takeaways rather than just facilitating the order and payment
- Growing the lunch occasion by delivering to offices to avoid the queues. As noted earlier Deliveroo procurement arm is already targeting the b2b market as an area for expansion
- Merging with other aggregators like Hungry Horse in 2018, and the latest merger with Takeaway.com in 2019 provides significant growth for Just Eat expanding across 20 different countries

Where does Deliveroo expect to find future growth?

- Launching a new loyalty card to encourage customers to pay a flat monthly fee, which will provide logistics to restaurants that otherwise wouldn't offer delivery services
- Technology used is predicting demand and deploying resources, allowing restaurants to serve more order and riders to complete more deliveries
- The 'Deliveroo toolkit' will be launched in the near future, helping restaurants organise and optimise their kitchen operations
- MarketPlace+ opens up the business to more restaurants to secure new partners

Source: <https://www.morganstanley.com/ideas/online-food-delivery-market-expands>

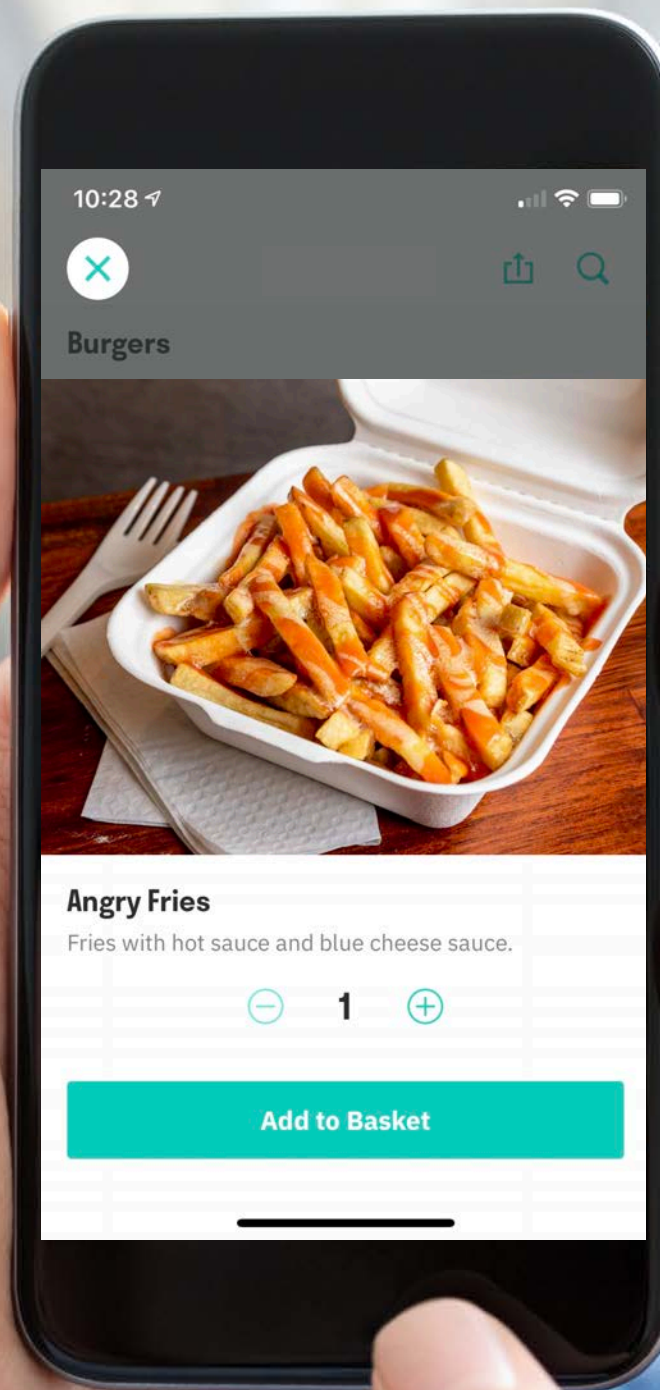
DARK KITCHENS AND THE CONCEPT OF EDITIONS

The rise of 'ghost kitchens'

As these days everything seems to be happening online, on our phones whenever and wherever we want it, food delivery companies like Deliveroo, UberEats and Just Eat must continue to innovate in order to offer consumers what they're looking for.

The right food needs to be available at the right place at the right time to be delivered, but in some out of town locations, there just aren't the restaurants or the choice available to meet the consumer demand. The number of restaurant chains closing is also increasing; linked to rising wage costs, unavailability of staff, increased food costs and competition, operating without a permanent location via a third party is becoming more and more desirable.

With this in mind, enter kitchens designed to serve delivery customers only; known as 'dark', 'virtual', 'cloud' or 'ghost' kitchens. The objective of these is to help restaurants expand into new areas without having the start-up costs and overheads associated with a prime high street restaurant location, or to be able to test the popularity of a concept and cuisine before signing a lease.





Ghost kitchens have no dining area, no store front and a limited waiting area designed for the delivery riders to collect the food. Food is accessible online or through a mobile app and is served purely via home delivery so there's no need to employ serving staff. Menus can be changed quickly and easily to respond to changing consumer tastes and trends and if a dish isn't performing well, it can easily be removed or substituted for an alternative. They also offer a way for restaurants to pool resources, and a group of different restaurants can operate out of the same shared ghost kitchen.

While ghost kitchens do miss out on walk-ins and the high margin drinks purchases associated with dining in, for some the positives far outweigh the negatives. Ghost kitchens lower the barriers to entry for new brands or independents and greatly reduce the commission needed for delivery service partners with the lower rent and overheads; meaning an increased capacity to serve the food delivery market.

Deliveroo Editions embraces the ghost kitchen concept; using the technology that powers Deliveroo to identify areas which would benefit from different cuisines that are currently not available. Partnering with restaurateurs, Deliveroo Editions gives businesses the flexibility to host their cuisine in an Edition 'hub' where a collection of restaurants offers their food specifically for delivery.

Editions hubs allow both smaller local businesses and high street chains to reach new customers, boost their revenue and even create 'virtual brands' using their food and equipment to create a different menu or cuisine under a different brand name. Customers can spot if their meal comes from an Editions hub by a purple Editions logo online and all kitchens are subject to a Food Standards Agency check.



THERE'S STILL VALUE IN THE DINING EXPERIENCE

There are various ghost kitchens and Editions hubs across the country now, and in theory the opening of a ghost kitchen in the area is no different from a chain restaurant; with trained staff, competitive prices and consistent food delivered to a set standard.

There is a concern, however, that ghost kitchens and the rise of delivery will pose a threat to not only the restaurant industry but to hospitality itself. In most restaurants the Chefs are trained, skilled and have chosen their profession due to their love of food and creating something for customers to enjoy. With ghost kitchens there is no face to face customer transaction and no overall customer experience to see and be proud of.

Ghost restaurants exist online only; meaning there is no opportunity to walk past the restaurant to spark interest and no chance to wow the customers with excellent service and great food presentation when they're dining. The food itself also needs to be designed and packaged in a way that

will keep it as fresh as possible, and there's no guarantee the food won't end up arriving cold or soggy. The customer service reputation of the restaurant is dependent on the delivery company and the online reviews, and for existing companies, there is a potential risk of cannibalising current customers and having to pay for them via the delivery company.

Before choosing to either opt to a partner with a delivery company or offer food via a ghost restaurant, companies ultimately need to decide if the delivery commission outweighs the additional sales generated by delivery customers and if it's likely new customers will be acquired.

It's clear, whichever route is chosen a restaurant has to be able to deliver to compete. Each step need to be super easy with a seamless delivery and exceptional quality if a restaurant is to retain customers and gain great reviews.



TOMORROW'S WORLD... A LOOK INTO FUTURE FORECASTS FOR DELIVERY


Millennials have had their moment in the spotlight, but don't assume Gen Z is a younger iteration of Millennials. This demographic is ready to make a difference –and possibly larger–impact on the restaurant industry.

Generation Z (born between 1995 and 2015) are more mobile, social and socially conscious and have very different dining habits from their predecessors. An ethnically diverse and health-conscious group, this generation is forcing restaurants to re-think their business, marketing and digital strategies.

By next year, Gen-Z will account for 40% of all consumers.

Instead of traditional advertising methods, Gen Z favours digital engagement and interaction and have never known life before the World Wide Web. Less than half (48%) have used a mobile app to shop and one-quarter have used mobile phones to pay for purchases. They are the first generation to have a clear understanding of the consequences of the choices made by generations before them and they are the first generation that appears to be in search of the truth, instead of searching for objects or experiences to be consumed.



A young woman with dark curly hair and a young man are sitting at a dark wooden table in a restaurant. They are both smiling and looking at each other. The woman is holding a slice of pizza. On the table are two white coffee cups with black lids and several slices of pizza on a paper napkin. The background is slightly blurred, showing a brick wall and some indoor plants.

BUT WHAT MAKES GEN Z UNIQUE WHEN IT COMES TO PURCHASING HABITS, PARTICULARLY IN FOOD?

EVERY PENNY COUNTS

Growing up in the wake of the Great Recession and watching Millennials struggle financially to move out of their family homes, Gen Z is conditioned to be more financially cautious. Gen Z's are far more careful with their money than their predecessors, the Millennials. Gen Z's top 3 priorities are getting a job, finishing college or university and safeguarding their money.

Affordable flexibility is the key for Gen Z and restaurants can adapt to this by offering low cost additions to the menu, mix 'n match options, flexible add-ons and limited time offer meal deals, which may entice younger customers into a restaurant.

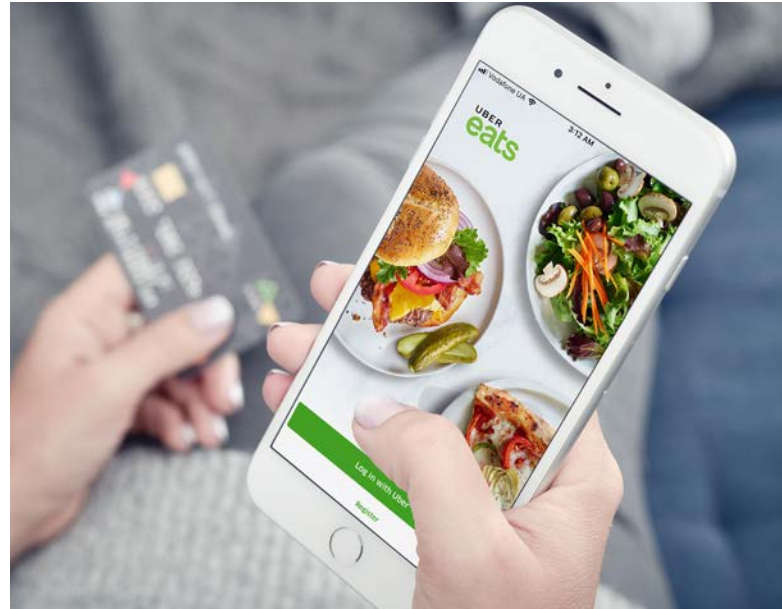
*1,981 respondents

DIGITAL INFORMATION & ENGAGEMENT

Within Gen Z's set of values, authenticity is non-negotiable. And with virtually infinite information available at their fingertips, they can easily sniff out any form of deceit. Gen Z use their smartphones and tablets as research tools before they step foot in a new restaurant or whilst dining out before they select an item off the menu. 53% check online for other items they prefer that are not available where they are; 52% compare the price with competitors; and 51% search the web for a coupon, discount, or promotion. Almost 70% of Gen Z shoppers say that they have written reviews and they are also strongly influenced by the number of "likes" an image receives.

To cater to this generation, operators need to offer more images and detailed information about menu items, ingredients, products and services that will help move them down the path to purchase. Providing enhanced mobile functionality incorporating AI agents – such as chat bots or virtual assistants – that can dynamically learn from data captured in each interaction will also be beneficial. Many restaurants already have this feature on Facebook Messenger so it could soon become the expectation.

We're seeing many advancements in the ways that people order and how items are delivered, and restaurants should apply key digital strategies to remain relevant – but this is also key for customers who are dining in. For example, Chipotle engages customers through in-app games to earn food prizes and offers text-message promotions—a great way to target an audience that is attached to their devices. Today and beyond, restaurateurs need to become part of this digital conversation with their customers and reward this customer base with the gratification they crave through mobile apps for food delivery, loyalty and fast ordering.



GENERATION GRAZING

Gen Z's expectations have increased, and speed of delivery is important to them. That's why Quick Service Restaurants are more popular than ever, but Gen Z consumers expect more convenient ways of ordering and instant gratification.

Pizza Hut has found one more way to shock its customers with a method of ordering that could increase over the next decade. The company has released a digital menu that reads customers' eye movements. The 'Subconscious Menu' collects data on eye movements, detects customers' eyes focus, and suggests the best pizza ingredients for you out of 4,896 possible combinations in just 2.5 seconds. Now that's a fast, personalised order!

To attract Gen Z, it's important to offer smaller portions and snack options, in addition to regularly portioned meals, for grazing throughout the day. While Gen Z may not sit down for lunch, they will grab food whenever it's convenient and to accommodate their busy schedules. Making ordering and delivery fast, convenient and easy is essential.



HEALTHY OPTIONS

Gen Z is a particularly active and busy bunch and more prone to reach for 'better for you' items. Even though many Gen Z consumers are relatively young, their shopping and consuming habits might stay the same as they get older since they were influenced by their parents from an early age to look toward health and wellness products. Chances are they will continue to seek out transparent, clean-label brands as they make purchasing decisions.

Compared to millennials, Gen Z want more organic and natural foods, and food without additives. Gen Z are more likely to go vegetarian also look for sustainably sourced ingredients and are tapped into "healthy" foods, such as those that are GMO free and organic. It's an opportunity for operators to promote health benefits and quality over price as 41% of Gen Z say they would pay more for foods they perceive as healthier, compared to only 32% of millennials.

INTERNATIONAL

Whereas the vast majority of millennials grew up on burgers, pizza, and the occasional burrito, this new group is comfortable with an array of global cuisines and Gen Z consumers are driving consumption of more emerging international food and drink. Today's younger generations' parents are raising their children to have broader palates and Gen Z seems to be cultivating an appreciation for international cuisine from a young age.

Interest in international cuisine goes well beyond the more commonplace varieties such as Italian, Mexican and Chinese. They have an interest in eating at international restaurants such as Indian (36%), Middle Eastern (38%) or African (27%) and adult Gen Z consumers are also much more likely than older generations to find culinary inspiration from social media: 62% of young adults aged 18-22 say they cook international cuisines at home from social media, compared to 46% of millennials (aged 23-40) and 23% of Generation X consumers (aged 41-52) who cook at home.

SUSTAINABLE OFFERING

Generation Z is more prepared than past generations not to purchase or even boycott companies that do not meet their expectations. 72% of Gen Z would spend more money on a service it was sustainably produced.

Gen Z is tuned in.

Gen Z'ers are aware of these cases and have grounded themselves in the belief that companies have moral and ethical obligations. Many retailers have taken notice of this trend and invested numerous hours and funding to connect their brand with socially responsible initiatives that are important to this target audience. These efforts often come in the form of charitable giving, clear messaging on social media and online platforms, and brand transparency

Gen Z's demand for convenience isn't going anywhere but the next generation is more concerned about the planet. Consumers will be questioning the impact of their food delivery on the environment. With the electric assistance, new possibilities have opened up in methods of delivery. Companies like Urban Arrow have created cargo bicycles with an electric pedal-assist to limit the physical strain on the cyclist. It is also easier to make way in traffic with a cargo bike than with a car with little impact on the environment.



STAY AHEAD OF THE GAME

Delivery is here to stay and ultimately the industry is undergoing significant change. Operators need to find a way to adapt and keep up with consumer demands or face the reality of getting left behind. For those who choose to embrace the new world of food delivery, there will be tremendous rewards to be gained.



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All information in this paper is correct at time of print September 2019 and is subject to change.