

# How to optimize off-premise business at your restaurant

The COVID-19 pandemic has had an overwhelming effect on the restaurant industry, limiting or eliminating dine-in service.

We created this guide to share the various options available for off premise - digital ordering, takeout and delivery - in order to help create and maximize this stream of revenue for operators during this time and into the future.

April 13<sup>th</sup>, 2020



# 1. How are restaurants offering off-premise options today?

Whether you are new to third-party delivery/takeout or looking to optimize your current operations, this guide will help you make moves during and post-covid.



## THRU THIRD-PARTY DELIVERY APPS LIKE GRUBHUB, DOORDASH, UBEREATS, ETC.

These apps capture consumers on their platform directly and charge restaurant operators a transaction fee for each order.

Transaction fee: ~15-30% per order

Monthly software fee: \$0

Tech implications: Vendor-provided iPad to collect orders. Automated integrations that push orders directly to your POS system are also available through companies such as [Chowly](#).



**This strategy is mostly likely used for independent and enterprise restaurants.**

**Pros:** High consumer traffic, Fast onboarding process, no monthly software fee, marketing activities can be done through the vendor platform

**Cons:** High per transaction fee, operators do not own the consumer relationship or data, management of multiple delivery devices

## THRU THEIR WEBSITE VIA WHITE-LABELED "DELIVERY MANAGEMENT" SOFTWARE LIKE OLO, CHOW NOW, SOCIATORE, MENUDRIVE, ETC.

These software platforms allow restaurants to engage with their customers directly through their native website and/or mobile application.

Transaction fee: ~10-20% per order

Monthly software fee: ~\$75-\$150

Tech Implications: Restaurant managed website and/or app



**This strategy is most likely used by larger, enterprise restaurants that have an existing marketing strategy to reach their customer base.**

**Pros:** Drives digital traffic to your own website and mobile application, lower per transaction fee

**Cons:** Longer onboarding process, monthly software fee, restaurant operator is responsible for marketing activities

## THRU OPERATOR-BUILT DELIVERY SERVICES

This is where restaurant operators hire delivery drivers directly and charge a delivery fee per order to their customer.

Fees include the wages of the hired delivery drivers and any additional insurance needed to cover this activity.



**This strategy has been historically used by pizza shops and similar restaurants to deliver food directly to their customers.**

**Pros:** More control of delivery process and hiring of personnel

**Cons:** Expensive and contains more administrative management (hiring drivers, setting delivery hours, etc.)

## 2. What third-party delivery app is right for your restaurant?

**Don't spin your wheels researching the pricing minutiae of individual apps. Choose based upon where your customer will be looking.**

Pricing is variable for third party delivery companies based on a number of factors like number of locations, existing customer data, and exclusivity. For any given platform, operators may see transaction fee's between ~15-30% per order. On the receiving end, consumers will experience a ~30-90% upcharge for their meal due to service, delivery and other "misc fees".



### NATIONAL THIRD PARTY DELIVERY

Delivery apps in this category have established national reach and exhibit a large share of the market.

**DoorDash** (~39% market share)

**GrubHub** (~30% market share)

**Uber Eats** (~20% market share)

### REGIONAL THIRD PARTY DELIVERY

Delivery apps with a stronghold in specific areas of the country.

**Postmates** (Los Angeles, Miami, and Phoenix, not in suburbs)

**Waitr** (southern metropolitan cities, not in suburbs)

**Foodora** (Canada)

**SkipTheDishes** (Canada)

### NICHE THIRD PARTY DELIVERY

Delivery apps that cater to a more specific audience, experience, or customer base.

**Caviar** (upscale restaurants in metropolitan cities, but only 2.7% market share)

**Kiwi** ("semi autonomous" robot delivery for west-coast college campuses)

**Tip: If you are just starting out on third party delivery, we think the market share of DoorDash, GrubHub, and Uber Eats offer a great place to get started.**

Many third party delivery platforms have waived setup fees and/or have significantly reduced their commission percentage in response to the COVID-19 crisis. For more information, please see Restaurant Dive's article ["How coronavirus is changing restaurant policies"](#).

Managing multiple third-party delivery solutions can be a heavy lift and operationally cumbersome. Consider middleware solutions like [Chowly](#), that aggregate these platforms in a dashboard that sits on top of your POS.

## 3. What should your off-premise menu offering be?

**In choosing your off-premise menu offerings, it's quality over quantity.**

Restaurants should assess their existing menu and decide which dishes translate best to a to-go scenario. Consider some of the following questions to help hone your off-premise menu:

- What menu items are the crowd favorites you're known for?
- What are your most profitable menu items?
- Can your culinary/back-of-house team produce the dish efficiently without compromising quality (even during peak hours)?
- Will it travel well?
- Are there new off-premise menu specials that you could offer that are on brand?

## 4. What packaging is best for delivery?

**Ensuring your food quality isn't compromised during travel is critical. Our advice: don't skimp on packaging.**

Moisture control is key.

- Switching from Styrofoam to a more breathable material such as cardboard or paper will help release moisture and preserve the quality of your food.
- Keep hot food loosely wrapped to avoid trapping in moisture and consider vented packaging
- Consider separating some ingredients for assembly at home to keep meals fresh, e.g., separate burgers from their buns, condiments and accoutrements until ready to be eaten.

First Impressions

- Your packaging is the first thing your at-home customers will see when their meal arrives and it will leave an impression about your brand.
- Be deliberate about the statement you're making. Consider custom branded packaging or stickers to communicate with them directly. How can you inspire at-home diners to visit you in person?

## 5. What operational shifts should you consider to add third party delivery?

**When it's a busy Friday night, the last thing you want is multiple drivers crowding your host stand or long delivery wait times.**

- 1) If possible, create a designated area for third-party drivers to pick up orders.
- 2) During peak times, have designated order preparation staff in your back of house, prepping and tracking takeout orders.
- 3) Create a space to store each order after it's prepared. Consider shelving to support higher volume and create a system (i.e.. the alphabet) to make orders easier to find.

## 6. Now that I'm set up, how can I optimize my offerings?

**Now is the time to consider alternative/new menu items and serving formats to further engage with consumers.**

Family-style meals, frozen soups or pizzas, alcoholic beverages to-go (in certain states such as Ohio), selling unused inventory as grocery items (such as raw chicken breasts), all can be worthwhile options and added sales for your restaurant.

For more information and how-to-guides, visit [Eat.News](https://www.eatnews.com).