

Preview



# eServices Report 2018 – Online Food Delivery

Statista Digital Market Outlook – Segment Report

September 2018

**statista** 

# eServices Online Food Delivery: Products and services

Segment overview: definition

## Restaurant-to-Consumer Delivery



- Meals ordered online which are directly delivered by the restaurant, no matter if ordered via a platform (e.g. Just Eat, Delivery Hero) or a restaurant website (e.g. Domino's)
- Online orders that are picked up in the restaurant

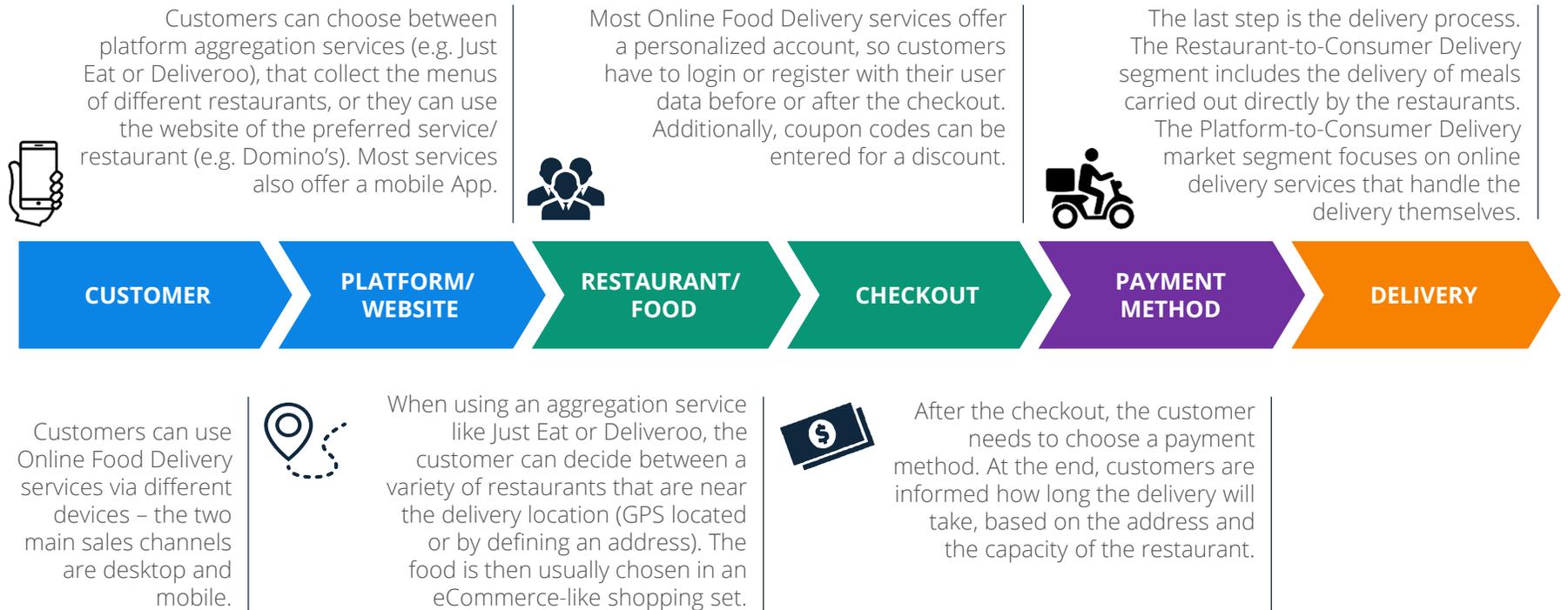
## Platform-to-Consumer Delivery



- Online meal order and delivery both carried out by a platform (e.g. Deliveroo)

# The Online Food Delivery market is segmented into two business models with different delivery methods

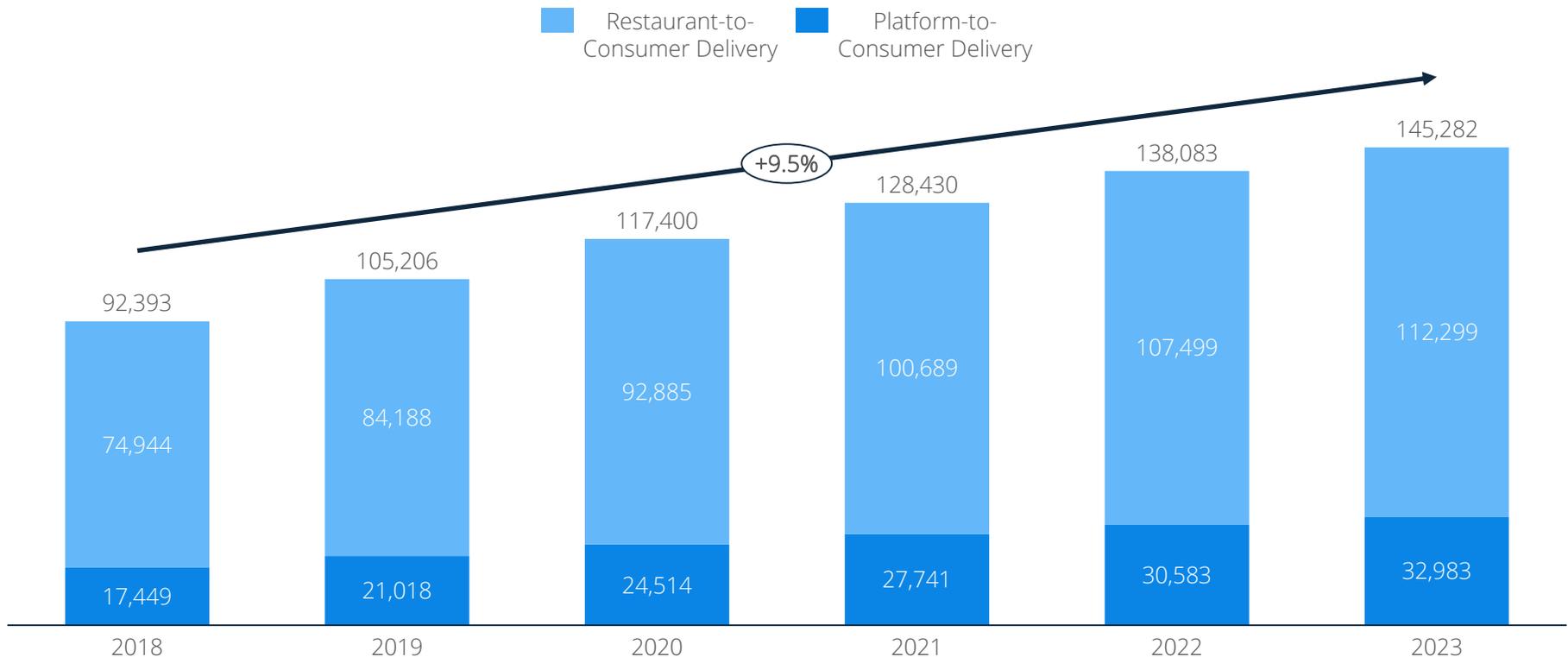
Segment overview: customer journey



# Restaurant-to-Consumer is by far the leading category but Platform-to-Consumer Delivery is growing faster

Segment overview: global segment sizes

## Global segment sizes in million US\$ and growth rate



1: CAGR: Compound Annual Growth Rate / average growth rate per year

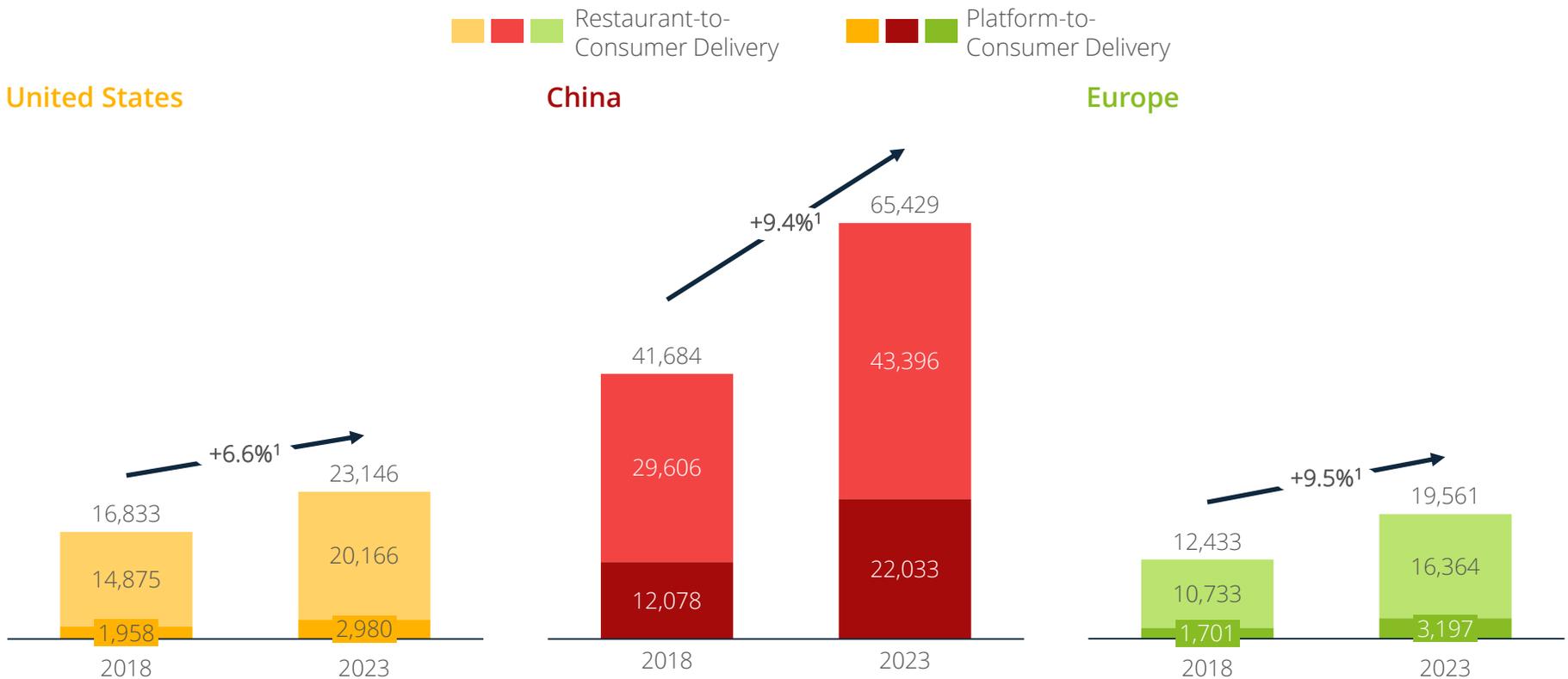
Note: Revenue figures refer to Gross Merchandise Value (GMV)

Source: [Statista Digital Market Outlook 2018](#); The global overview only includes countries listed in the Digital Market Outlook

# China is the dominant market for both sub-segments but Europe also has strong growth rates

KPI comparison: revenue forecast (1/2)

## Revenue forecast in million US\$



1: CAGR: Compound Annual Growth Rate / average growth rate per year

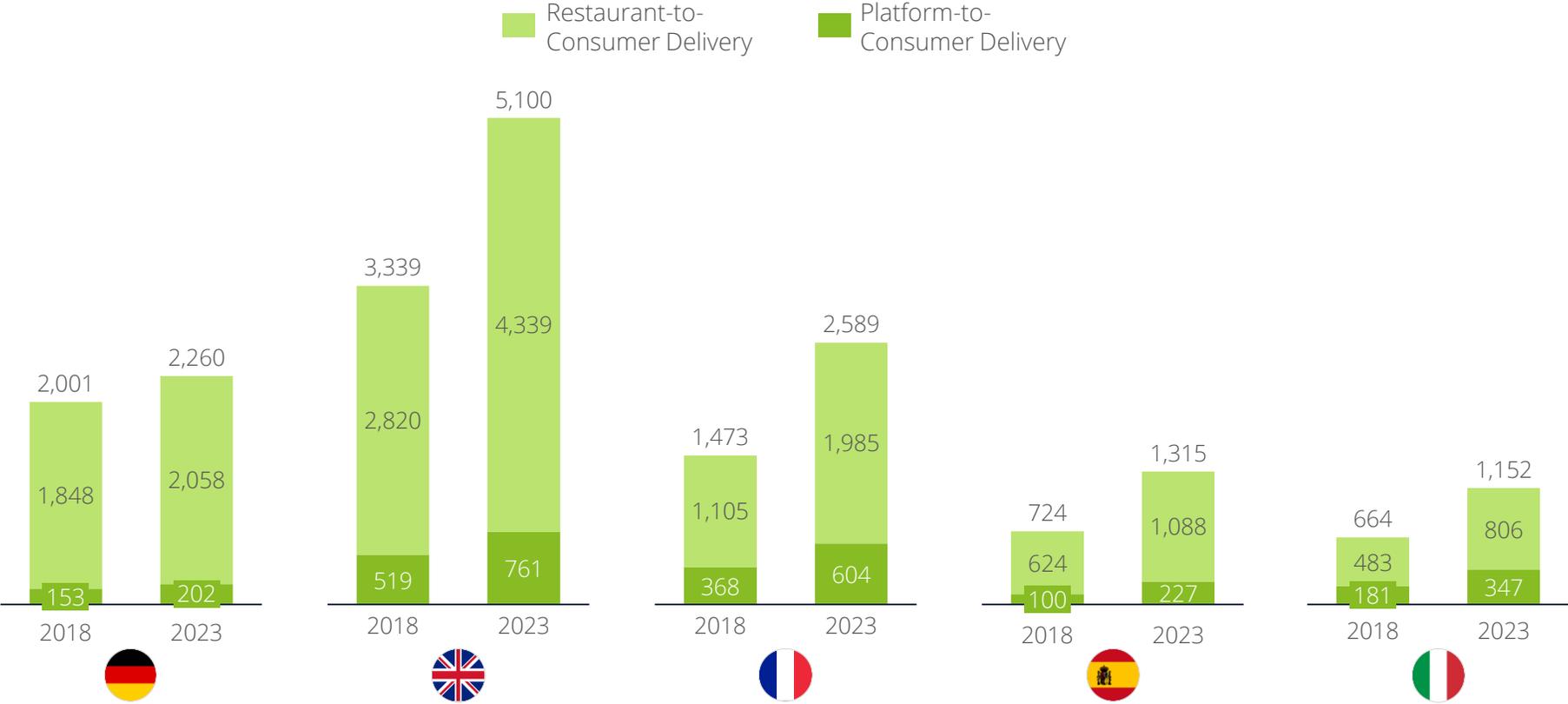
Note: Revenue figures refer to Gross Merchandise Value (GMV)

Source: [Statista Digital Market Outlook](#) 2018; Regions only include countries listed in the Digital Market Outlook

# In the European Top 5, the UK has the highest revenues, followed by France and Germany

KPI comparison: revenue forecast (2/2)

## Revenue forecast in million US\$

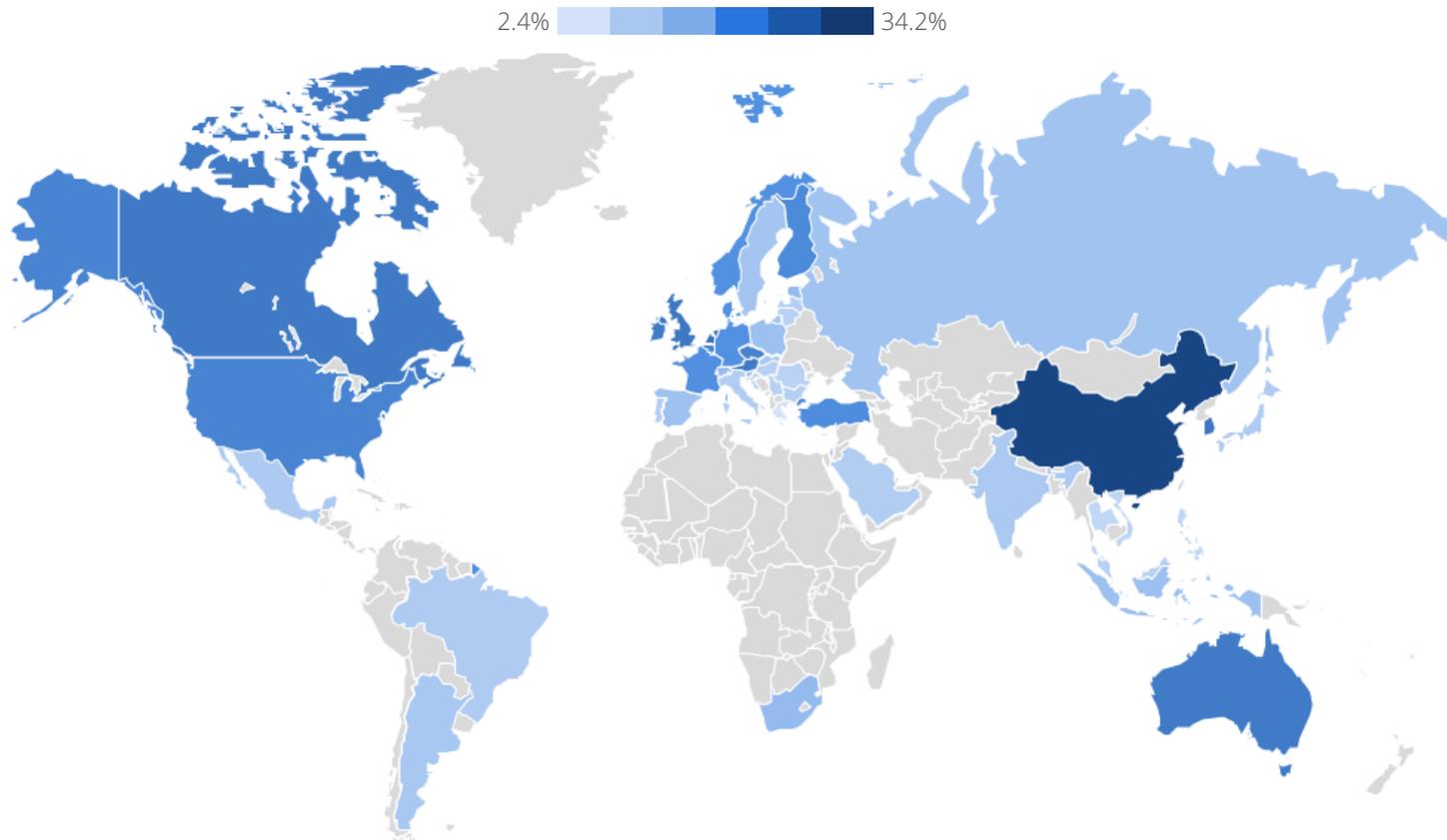


6 Note: Revenue figures refer to Gross Merchandise Value (GMV)  
Source: [Statista Digital Market Outlook 2018](#)

# The user penetration rate is highest in China, followed by the Netherlands and the UK

KPI comparison: penetration rate

## Online Food Delivery penetration rate<sup>1</sup> in 2018 by country



# Improving the ordering experience and working on innovative delivery methods are two major trends

Sensitivity analysis and trends

## Sensitivity analysis

While the popularity of ordering online is growing fast, a large share of food orders are still **placed over the telephone**. This means **great untapped potential for the Online Food Delivery market**.

The **Platform-to-Consumer Delivery sub-segment is a very immature market** and accounts for just **19% of total revenue** within the Online Food Delivery segment in 2018. **Low user penetration** suggests that the segment has **growth potential**. Hence, we anticipate significant growth of this sub-segment within the next 5 years. It is assumed that these services will further expand their businesses in capital cities and increase delivery coverage. Yet commissions and delivery fees are high compared to Restaurant-to-Consumer Delivery services and profits are therefore harder to extend, especially in new markets.

In the **United States**, **UberEATS** is the fastest-growing meal delivery service, reaching out to industry leader **GrubHub**. Also **Amazon Restaurants** is expanding thanks to the recent integration of **Olo**. Regarding restaurant chains, **Domino's Pizza** is the global leader.

In **China**, to order food online to pick up at restaurants is already highly popular. Alibaba-backed **Ele.me** and Tencent-backed **Meituan** are the leading companies in China's Online Food Delivery sector.

**Delivery Hero**, **Just Eat** and **Takeaway.com** are market leaders in **Europe**. Delivery Hero had a successful IPO in June 2017 and rose by 8.6% on its first trading day.

## Trends

In the near future, we will see **stronger competition** between **in-house** and **third-party delivery** services, with more companies offering both **healthier and high-quality food**, even prepared by well-known chefs.

Many Online Food Delivery companies focus on **data-driven user experience optimization**. They leverage technology and harness data by using personalized profiles, recommendations or digital tracking along the process from the preparation to the final delivery.

Optimizing the user experience is strongly connected to the delivery process, which is why we predict to see **more innovation with regard to new delivery methods**. Companies are experimenting with **self-driving cars, drones and robots** to make transportation easier and more convenient. As the innovation leader within this area, many companies in the U.S. are testing autonomous vehicles. An example is **Domino's**, who developed a self-driving pizza delivery robot and a delivery drone called DRU, or **Ford**, who put up a self-driving van delivery model in cooperation with **Postmates**. In China, **Ele.me** is working on a pilot project using food delivery drones in Shanghai's Jinshan Industrial Park.

Another topic is the **integration in an IoT environment**. It is expected that voice-ordering will play an ever bigger role. Food Delivery apps will add virtual assistant systems that enable **voice-ordering**. In addition, **smart assistants** like Amazon Echo will be equipped with online food ordering features. Also wearables will be used to place these orders.

# Domino's generated retail sales of US\$12.3 billion in 2017, following a growth of 11% YoY

Company profile: Domino's Pizza Inc. (1/2)



## Key facts

Total retail sales:	US\$12.25 billion (2017)
Domestic retail sales:	US\$5.93 billion (2017)
Total retail sales growth:	+11% YoY (2017)
Global deliveries per day:	> 1 million
Stores worldwide:	14,856 (2017)
Headquarters:	Ann Arbor, U.S.
Founded:	1960

## Global presence



## Product: Ordering platform and mobile app

Domino's Pizza Inc. is a **pizza restaurant chain** that pioneered the pizza delivery business when it was founded in the early 1960s and has **expanded rapidly** by means of a franchise scheme. It is the second largest pizza restaurant chain after Pizza Hut and operates **in more than 80 countries**. In 2007, Domino's rolled out its **online and mobile ordering** sites. Different features like Pizza Tracker, Pizza Profile and a Pizza Builder have been added since then. In 2014, Domino's was the **first in its industry to provide an app** that enabled customers to order **by voice command**. Ordering via Twitter or Facebook with text or just emojis and zero-click ordering is also possible.

## Digital strategy

With its **digital change strategy** starting around 2009, Domino's introduced the idea of describing itself as an **"eCommerce company that happens to sell pizza"**. Domino's partnered with a number of corporations operating in the **IoT environment**. The ordering technology is embedded in Amazon Echo, Apple Watch, Samsung Smart TVs or Ford's SYNC. Through **IFTTT**, customers are also able to develop Domino's-connected products. The goal is to be able to **use any and all communications platforms and devices to order pizza**. **Delivery innovations** also play an important role in the company's strategy, testing robots (Starship), drones (DRU Drones) and autonomous cars (Ford).

# Domino's produced 525 million pounds of dough in 2017

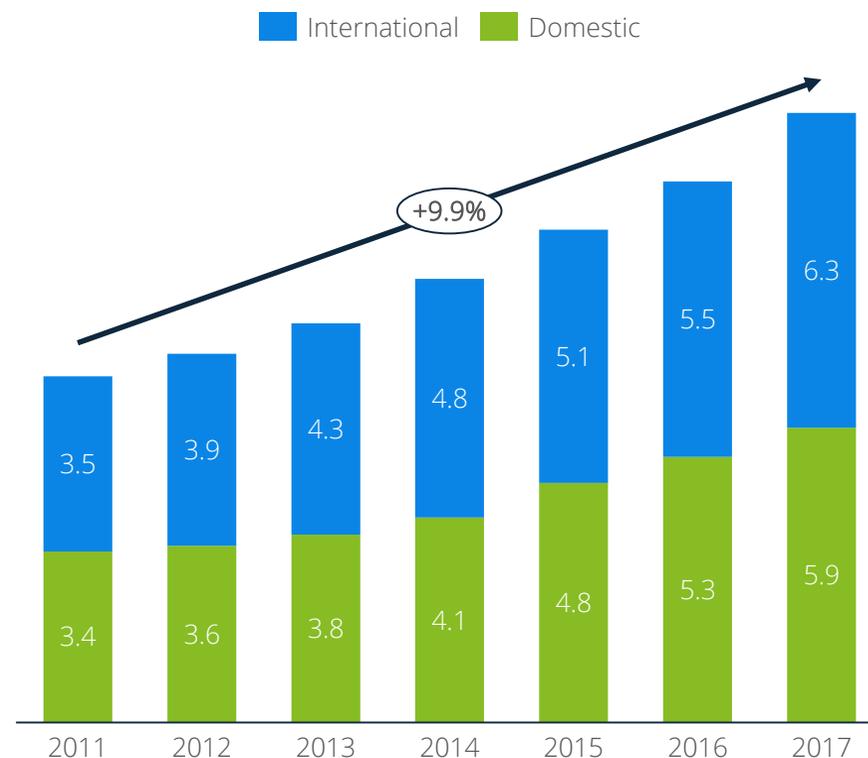
Company profile: Domino's Pizza Inc. (2/2)



## Key performance indicators

	Unit	2015	2016	2017
Retail sales (including franchised stores)	million US\$	9,901	10,874	12,252
Revenue	million US\$	2,217	2,472	2,788
Net income	million US\$	193	215	278
Produced dough	million lbs.	415	462	525
Income from Operations	million US\$	405	454	521

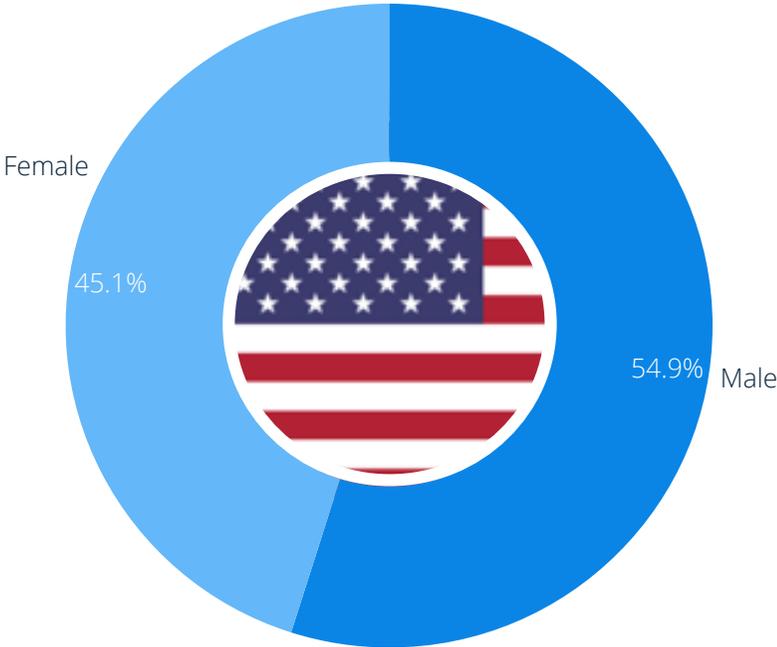
## Retail sales worldwide by region in billion US\$



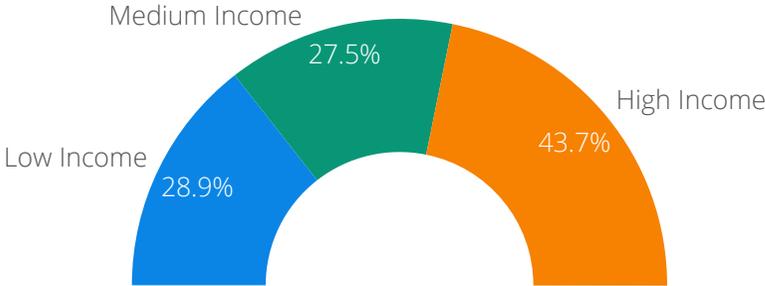
# Online Food Delivery users in the U.S. are mostly male, 25 to 34 years old and have a high income

Demographic user profile: U.S.

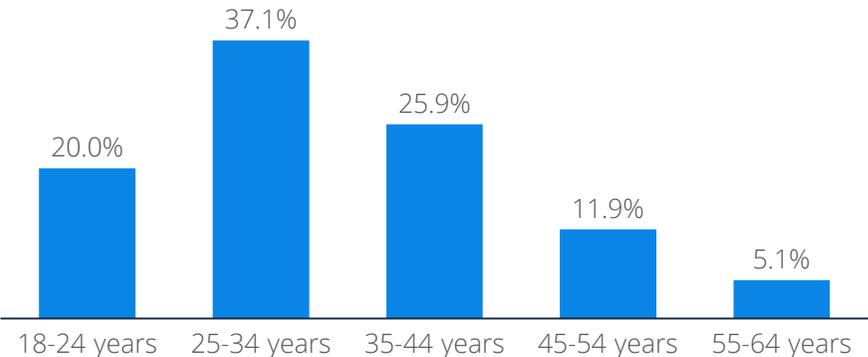
Users by gender



Users by income



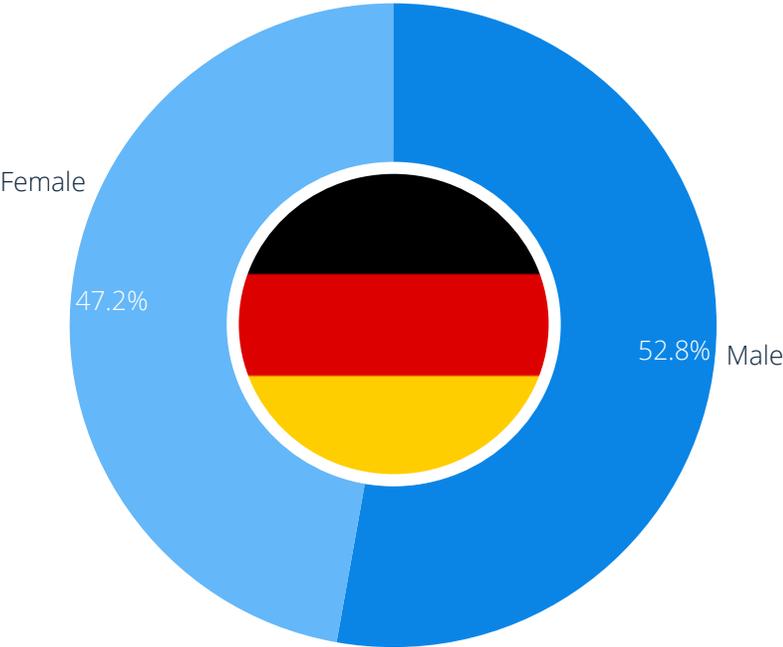
Users by age



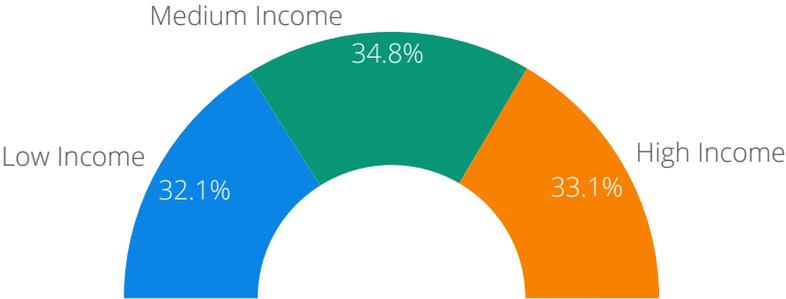
# Online Food Delivery users in Germany are mostly male, 25 to 34 years old and have a medium income

Demographic user profile: Germany

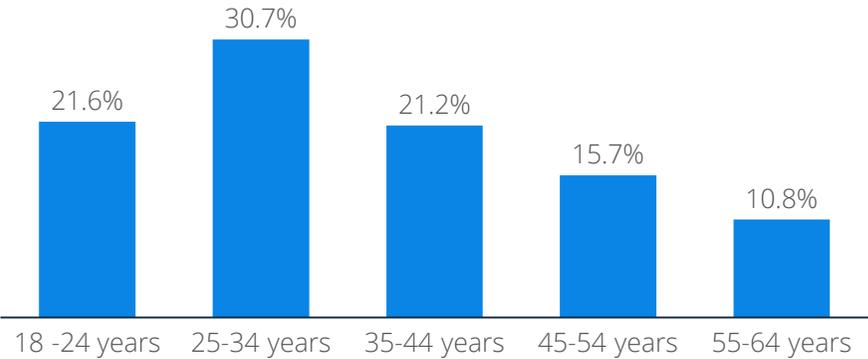
Users by gender



Users by income



Users by age



# About the Statista Digital Market Outlook

Free for  
Corporate  
Account  
users

**90+** markets  
**50+** countries  
**7** years (2016-2022)  
**30,000+** interactive statistics

The Digital Market Outlook presents up-to-date figures on markets of the digital economy. The comparable key figures are based on extensive analyses of relevant indicators from the areas of society, economy, and technology.

***What is the size of the eCommerce fashion market in Spain?***  
***How many connected cars are already on the road in China?***

The answers to these and many more questions can be found in Statista's Digital Market Outlook. It provides forecasts, detailed market insights, and key indicators for the digital economy.



Nine digital verticals: eCommerce, Smart Home, eTravel, Digital Media, eServices, FinTech, Digital Advertising, Connected Car, eHealth



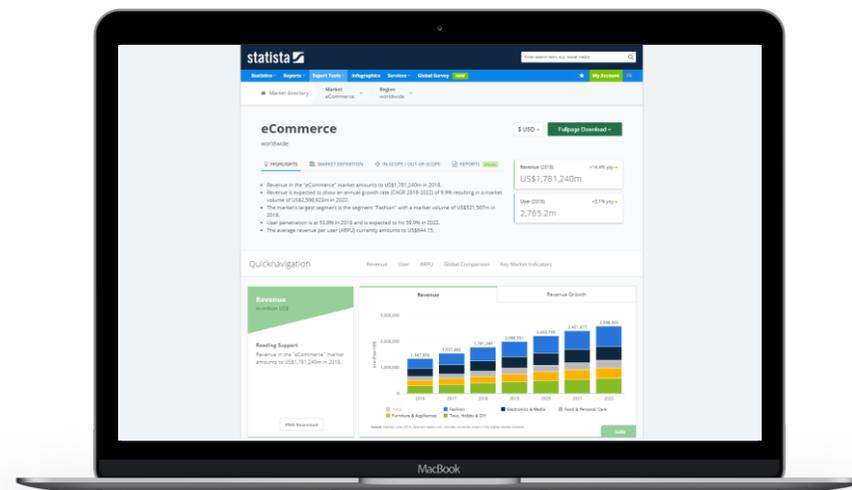
Direct access & downloads, fully integrated into the Statista database



Market insights, forecasts and key performance indicators



Outlook reports with segment-specific topics (top companies, trends, deep dives)



FIND OUT MORE ON [www.statista.com/outlook/digital-markets](http://www.statista.com/outlook/digital-markets)

# Author, Imprint, and Disclaimer



## Christoph Blumtritt

Analyst Digital Markets

Christoph.Blumtritt@statista.com

Christoph Blumtritt graduated in Sociology at the University of Münster with a focus on empirical research methods, social structure analysis and economics.

He gained a comprehensive understanding of market structures and mechanisms working as a market researcher and consultant. At Statista he works on projects related to the digital economy.

### Imprint

Statista ▪ Johannes-Brahms-Platz 1 ▪ 20355 Hamburg ▪ +49 40 413 49 89 0 ▪ [www.statista.com](http://www.statista.com)

### Disclaimer

This study is based on survey and research data from the previously mentioned sources. The forecasts and market analysis presented were researched and prepared by Statista with great care.

For the presented survey data, estimations, and forecasts Statista cannot assume warranty of any kind. Surveys and forecasts contain information not naturally representing a reliable basis for decisions in individual cases and may require further interpretation. Therefore, Statista is not liable for any damage arising from the use of statistics and data provided in this report.