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

Customers can choose between platform aggregation services (e.g. Just Eat or Deliveroo), that collect the menus of different restaurants, or they can use the website of the preferred service/restaurant (e.g. Domino's). Most services also offer a mobile App.

Most Online Food Delivery services offer a personalized account, so customers have to login or register with their user data before or after the checkout. Additionally, coupon codes can be entered for a discount.

The last step is the delivery process. The Restaurant-to-Consumer Delivery segment includes the delivery of meals carried out directly by the restaurants. The Platform-to-Consumer Delivery market segment focuses on online delivery services that handle the delivery themselves.

Customers can use Online Food Delivery services via different devices – the two main sales channels are desktop and mobile.

When using an aggregation service like Just Eat or Deliveroo, the customer can decide between a variety of restaurants that are near the delivery location (GPS located or by defining an address). The food is then usually chosen in an eCommerce-like shopping set.

After the checkout, the customer needs to choose a payment method. At the end, customers are informed how long the delivery will take, based on the address and the capacity of the restaurant.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Restaurant-to-Consumer Delivery</th>
<th>Platform-to-Consumer Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>74,944</td>
<td>17,449</td>
</tr>
<tr>
<td>2019</td>
<td>84,188</td>
<td>21,018</td>
</tr>
<tr>
<td>2020</td>
<td>92,885</td>
<td>24,514</td>
</tr>
<tr>
<td>2021</td>
<td>100,689</td>
<td>27,741</td>
</tr>
<tr>
<td>2022</td>
<td>107,499</td>
<td>30,583</td>
</tr>
<tr>
<td>2023</td>
<td>112,299</td>
<td>32,983</td>
</tr>
</tbody>
</table>

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$

United States  China  Europe

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Restaurant-to-Consumer Delivery</td>
<td></td>
<td></td>
<td>Platform-to-Consumer Delivery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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$

<table>
<thead>
<tr>
<th>Platform-to-Consumer Delivery</th>
<th>Restaurant-to-Consumer Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2023</td>
</tr>
<tr>
<td>1,848</td>
<td>2,001</td>
</tr>
<tr>
<td>2,058</td>
<td>2,260</td>
</tr>
<tr>
<td>3,399</td>
<td>4,339</td>
</tr>
<tr>
<td>1,105</td>
<td>368</td>
</tr>
<tr>
<td>1,985</td>
<td>604</td>
</tr>
<tr>
<td>1,088</td>
<td>227</td>
</tr>
<tr>
<td>1,315</td>
<td>153</td>
</tr>
<tr>
<td>664</td>
<td>604</td>
</tr>
<tr>
<td>1,152</td>
<td>1,152</td>
</tr>
</tbody>
</table>

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 in 2018 by country

Source: Statista Digital Market Outlook 2018

1: Share of active customers from the total population
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**
- 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

**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.

**Global presence**

![Image of global presence map]

**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

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

Retail sales worldwide by region in billion US$

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>3.4</td>
<td>3.6</td>
<td>3.8</td>
<td>4.1</td>
<td>4.8</td>
<td>5.3</td>
<td>5.9</td>
</tr>
<tr>
<td>International</td>
<td>3.5</td>
<td>3.9</td>
<td>4.3</td>
<td>4.8</td>
<td>5.1</td>
<td>5.5</td>
<td>6.3</td>
</tr>
</tbody>
</table>

+9.9%

Source: Company information
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
- Male: 54.9%
- Female: 45.1%

Users by income
- High Income: 43.7%
- Low Income: 28.9%
- Medium Income: 27.5%

Users by age
- 18-24 years: 20.0%
- 25-34 years: 37.1%
- 35-44 years: 25.9%
- 45-54 years: 11.9%
- 55-64 years: 5.1%

Source: Statista Global Consumer Survey, September 2018
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

- Male: 52.8%
- Female: 47.2%

Users by income

- High Income: 33.1%
- Medium Income: 34.8%
- Low Income: 32.1%

Users by age

- 18-24 years: 21.6%
- 25-34 years: 30.7%
- 35-44 years: 21.2%
- 45-54 years: 15.7%
- 55-64 years: 10.8%

Source: Statista Global Consumer Survey, September 2018
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)

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

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.