



**CANADA EDITION** 

# Restaurant Online Ordering Trends

Consumer Preferences on Delivery and Pickup Ordering



### **Table of Contents**

Click each section to skip forward

Methodology

Details about the survey

01	Introduction Why we made this report
02	<b>Executive Summary</b> By Chris Elliott, Senior Economist at Restaurants Canada
03	<b>Dining behaviours</b> How habits have changed during the pandemic
04	Restaurant delivery trends Inside delivery preferences
05	Restaurant pickup trends Inside takeout preferences
06	<b>Digital dining</b> Online ordering direct from restaurants
07	Conclusion  Delivering good food and great results

# Introduction

#### Why we made this report

The restaurant industry has dramatically changed since the onset of the COVID-19 pandemic, and off-premise dining is now more important than ever for both restaurants and consumers. But how will online ordering and third-party delivery evolve as COVID-19 subsides and dine-in resumes?

At DoorDash, we want to help you make the right decisions for your business. This report brings you in-depth, current information on consumer online ordering preferences and emerging dining trends. DoorDash surveyed 1,509 consumers across Canada from March 31 to April 4, 2022 to learn how they're eating now — and here, we've compiled our most actionable insights so you can get ahead.

Food delivery continues to experience massive growth worldwide, including in Canada.



**√** 27%

year over year growth

For same-store pickup and delivery orders in Canada on the DoorDash app and website. (Q1 2022 vs. Q1 2021) Consumers crave options — and off-premise dining provides instant access to great food, anytime and anywhere. This report explores what consumers are looking for when ordering online, along with how restaurants can meet these needs and deliver unparalleled digital dining experiences.

Ready to learn more? Let's dig in.



# Executive Summary



By Chris Elliott, Senior Economist at Restaurants Canada

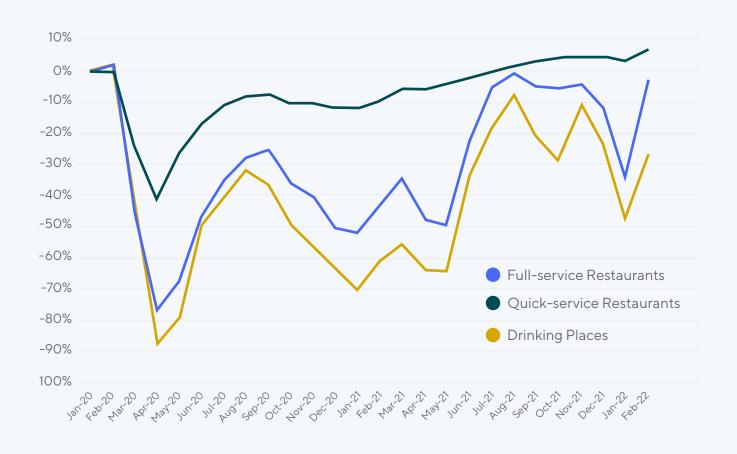


To adapt to this, a survey of Restaurants Canada members found that 97% of restaurant operators made changes to their business to survive, such as changing their hours of operation (70%), streamlining menus (54%), increased their use of social media (51%), and added new technology (such as QR codes). Among the more unique innovations made by restaurants: 18% began selling meal kits for the first time and 13% sold groceries. For many, however, the most important change was pivoting toward off-premise dining.

By early May 2020, 67% of quick-service restaurant companies surveyed had temporarily closed down their on-premise operations, but remained open for takeout and delivery. In other segments, 52% of full-service restaurants and 41% of bars were open solely for takeout and delivery. In fact, of the full-service restaurants that were open for takeout and delivery in April,

delivery after previously shutting down all operations. said they had recently reopened by adding takeout and/or

# Monthly Commercial Foodservice Sales % change in seasonally adjusted sales compared to January 2020



Throughout the pandemic, Canada's foodservice industry has experienced a very uneven recovery due to various lockdowns and on-premise dining restrictions. Even when on-premise dining restrictions were lifted, Canadians were hesitant to go dine indoors.

According to our survey conducted by Angus Reid in September 2020, 94% of Canadians said they felt comfortable ordering take-out from a restaurant and 88% were comfortable ordering food from a drive through. While 76% of Canadians were comfortable eating on a patio at full-service restaurants, only 65% were comfortable dining indoors. It was a similar story for dining at quick-service restaurants, where 66% of Canadians felt comfortable eating on a patio compared to 49% that would dine indoors.

Delivery was among the most important pivots made by struggling foodservice operators in order to survive. The NPD Group reports that total restaurant delivery revenues jumped to a record high of nearly \$7 billion in 2021, representing a 90% increase over 2019 levels, according to their CREST® continuous consumer tracking study.

#### Future Outlook for Canada's Foodservice Industry

Over the past two years, the pandemic had a devastating impact across the entire foodservice industry. Overall, annual commercial foodservice sales plummeted from \$77 billion in 2019 to \$55.1 billion in 2020 and then only partially recovered to \$65.5 billion in 2021.

In 2022, Restaurants Canada is forecasting that total commercial foodservice sales will grow to \$76.3 billion – just 0.9% below pre-pandemic levels. Pent-up demand, more than \$300 billion in accumulated savings throughout the pandemic and strong economic conditions will lead to a sharp rebound in spending at full-service restaurants, caterers and drinking places. In fact, sales at full-service restaurants are expected to return to their pre-pandemic levels for the first time in the summer of 2022.

This trend will continue in 2023 as foodservice sales are expected to grow to a record \$86.3 billion thanks to a strong job market and pent-up consumer demand. An increase in travel and tourism, combined with more Canadians returning back to their offices for work, will also contribute to the improvement in foodservice sales.

In the end, a survey by Restaurants Canada found that 76% of restaurant owners agree that Canada's foodservice industry has been changed forever due to the pandemic.



Off-premise dining, whether through takeout or delivery, and whether through a restaurant's own website or through a third-party delivery service, will remain an important source of revenue for foodservice operators in the years to come.





# Dining behaviours

How habits have changed during the pandemic

The COVID-19 pandemic necessitated consumers staying at home and foregoing in-person dining. In 2021, dining behaviours shifted towards online ordering and off-premises dining. In 2022, survey data shows delivery and takeout ordering continues to be prevalent, but inside dining at restaurants also sees a surge, as Canadians are eager to patron their favorite restaurants.

People are staying home and cooking just as much as they were last year — and they're also ordering delivery and pickup from restaurants on a regular basis. In fact, 34% of survey respondents said they are ordering pickup more often now than last year and 29% said they are ordering delivery more often now than last year.

Dining in is also seeing a resurgence, with 31% of consumers dining indoors more often now than last year. Dine-in habits may continue to rise this year as COVID-19 restrictions ease.

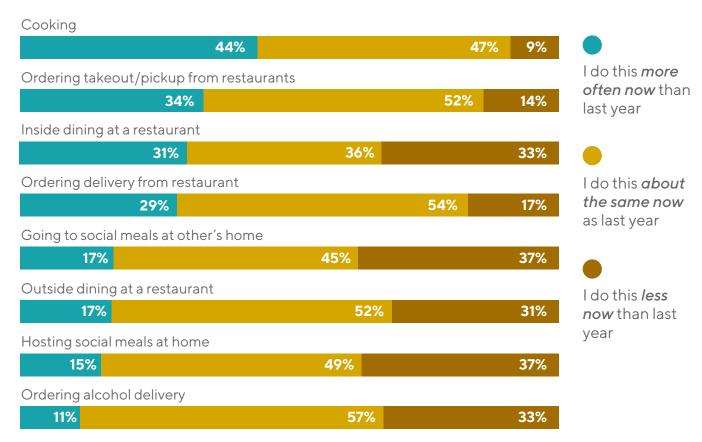
86%

order takeout/pickup as much or more than they did last year 83%

order delivery as much or more than they did last year 67%

Dine inside as much as or more than they did last year

## Thinking about now versus a year ago, how have the following activities changed for you?



We also asked survey respondents to think about their actual behaviour in the past month, which would have been February 2022. How many times did they order delivery? How many times did they order pickup?

82%

Report ordering pickup in the past month

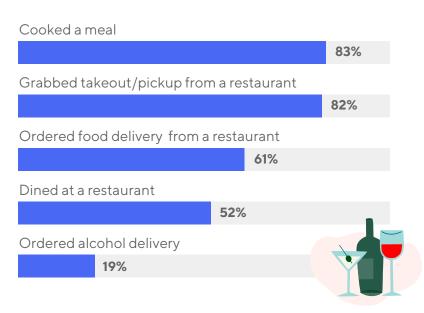
61%

Report ordering delivery in the past month

52%

Report dining at a restaurant in the past month

#### In the past month, which of the following activities did you do?



We can also see that some
Canadians are ordering <u>alcohol</u>
<u>delivery</u> from restaurants, liquor
stores, or retailers. While not as
prevalent as ordering food, 14% of
consumers ordered alcohol delivery
in February 2022, and 68% claim to
order alcohol delivery as much as or
more than they did last year.

## Digital matters

A consumer knows that they want to order food delivery or takeout. When selecting *where* and *how* to order, they turn to third-party platforms, which serve as marketplaces to browse nearby stores. When selecting somewhere to order delivery or takeout:

27%

turn to a logistics platform like DoorDash 21%

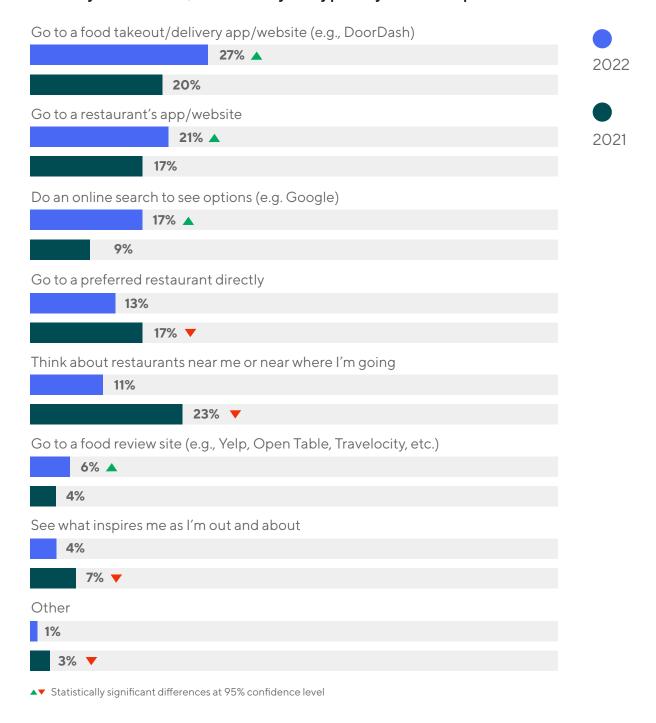
go to a restaurant's website or app

17%

of consumers search for restaurants using an online search engine 13%

of consumers go to a preferred restaurant directly

## When you make the decision about where and how to get food for delivery or takeout, where do you typically start the process?



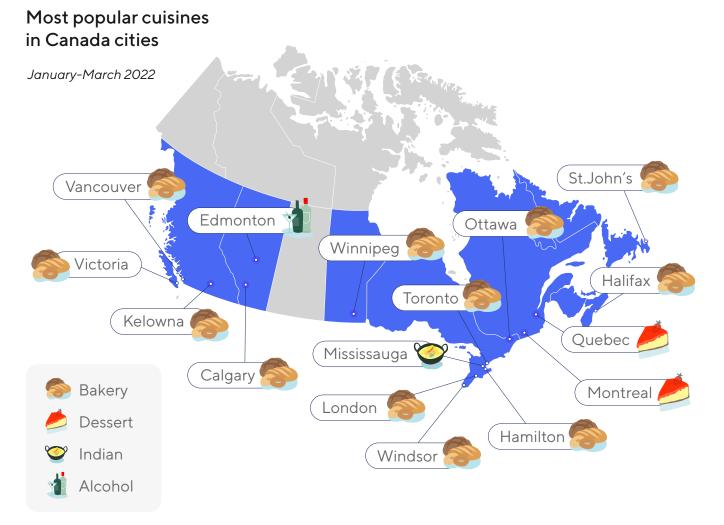
This is a sharp difference from when we asked this question last year; the majority in 2021 thought about restaurants near them or where they're going first. In 2022 vs. 2021, 35% more turn to a food delivery app or website, and 24% more turn to a restaurant's own app or website.

### Baked goods top the list

What type of food are consumers craving most? Baked goods were the most widely ordered delivery and pickup staple in Canada, while American food was the second-most popular.

In fact, early morning orders (between 5 a.m. and 10 a.m.) on DoorDash **increased 3x** comparing 2021 vs. 2020 as more people ordered for occasions like brunch or breakfast.

# Top 10 Cuisines Ordered on DoorDash in Canada January-March 2022 1. Bakery 2. American 3. Dessert 4. Japanese 5. Chicken 7. Indian 8. Alcohol 9. Mexican 10. Chinese



### Trying new restaurants

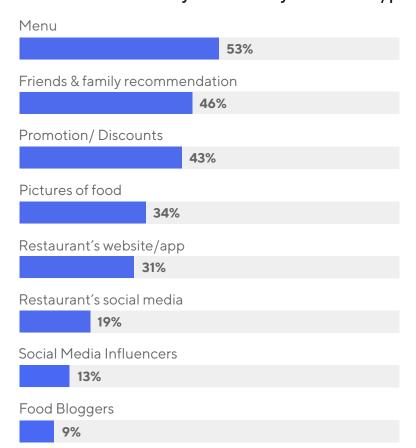
Restaurants often join third-party platforms so they can be found by new consumers and cultivate a loyal consumer base. Survey data in Canada found that 60% of consumers order from their favorite restaurants (restaurants they visit often) and 15% order from new restaurants they've never visited or ordered from before.

When you order restaurant delivery or takeout, about what percent of the time is it at the following type of restaurant?



When it comes to choosing a new restaurant, consumers first turn to the menu, which is why it's important to display your menu on your website. They also take into account recommendations from family and friends, any promotions or discounts being offered, and consumer reviews.

## Which, if any, of the following do you use to choose a new restaurant to try for delivery or takeout/pickup?





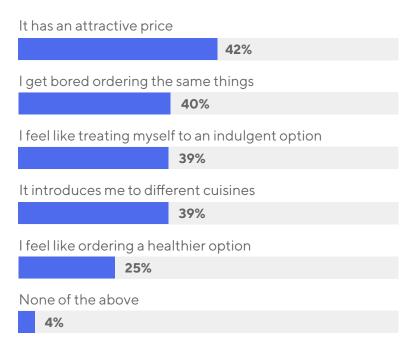
### Trying new menu items

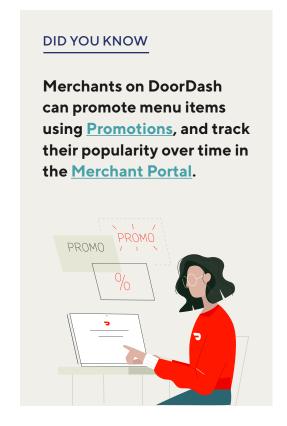
Consumers are also adventurous when ordering for delivery or takeout. Only 8% said they never try a new menu item; 25% often try new menu items, and 66% occasionally try new menu items.



Why do they order a new menu item? Often, it's as simple as boredom. Many consumers also said the price is attractive, they enjoy treating themselves, and it introduces them to new cuisines

# Which, if any, of the following has been a reason for you trying a new menu item for delivery for the first time?





#### The bottom line

Building and growing online channels is key to success in the modern restaurant industry. Consumers want lightning-fast service, convenient ordering, and the freedom that comes with having multiple options. Online ordering gives consumers the ability to customize food to their preferences and get a meal precisely when and where they want it. With both a direct online ordering system on your website and a presence on third-party delivery apps, your restaurant can reach more consumers seeking delivery and pickup options.

#### **SUCCESS STORY**

## ROCH LE COQ POULET FRIT

In a city known for roasted, rotisserie-style chicken, Roch Le Coq stands out. Serving tasty fried chicken and homemade poutine with delicious, crispy sides like fries and coleslaw, the restaurant was founded with the desire to make outstanding fried chicken accessible in Montreal.

In 2020, Roch Le Coq listed their restaurant on DoorDash and signed up for DoorDash Storefront as their direct online ordering platform. They quickly saw their sales skyrocket, with 61% of orders coming from new consumers.

Read the success story ->



"We started delivering with DoorDash and we doubled our sales in three weeks. It changed our life. Now, the integration of DoorDash helps us save time and labor. We went from almost zero to thirty-two employees in a really short time."

Oussama Ben Tanfous, Chef &
 Owner at Roch Le Cog





# Restaurant delivery trends

Inside delivery preferences

The food delivery industry has been trending upwards for years. The NPD Group reports that total restaurant delivery revenues jumped to a record high of nearly \$7 billion in 2021, representing a 90% increase over 2019 levels, according to their CREST® continuous consumer tracking study. Restaurant Canada's FoodService Facts found that food delivery encompassed 9% of full-service restaurant sales in Canada — and by April 2020, it accounted for 28% of full-service restaurant sales.¹ In an ever-evolving, increasingly busy world, delivery provides consumers with convenient access to delicious, high-quality food.

# Here's what consumers look for in food delivery

When choosing a delivery method (ordering direct from a restaurant or via a third-party), consumers' top priorities are:

75%

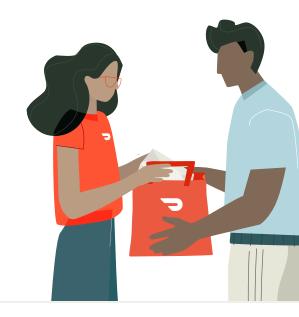
Low fees

69%

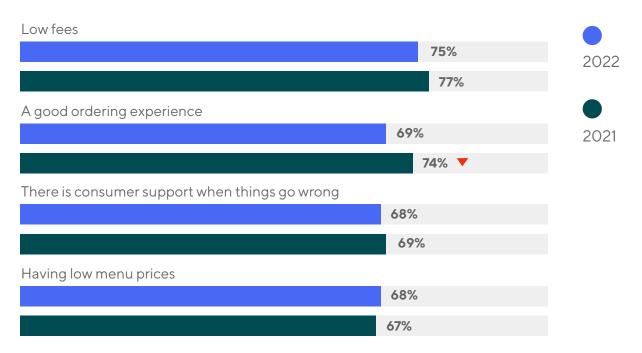
The quality of the ordering experience

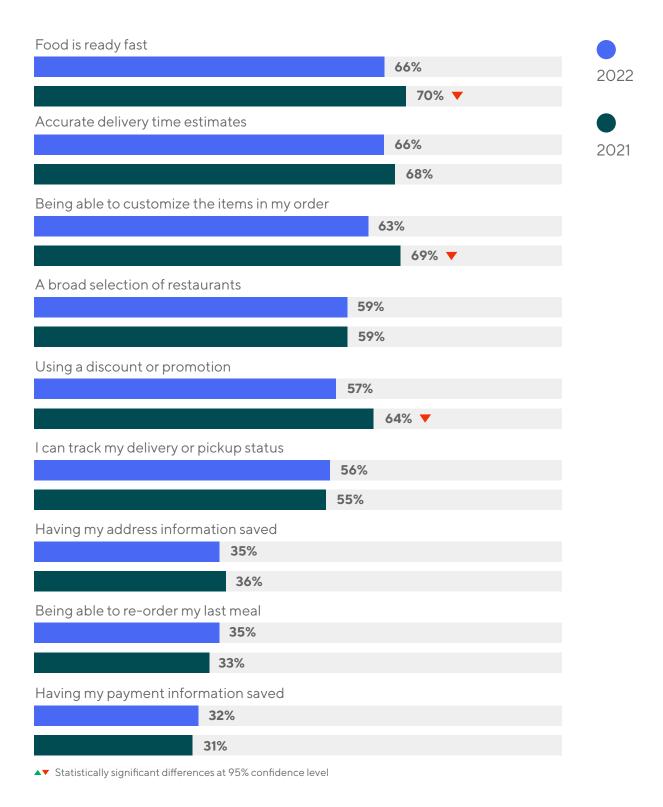
68%

Quality customer support



## How important are each of the following when choosing a delivery method to use (e.g. ordering direct vs. ordering non-direct)?





Year over year, the top priority (low fees) did not change. Having food ready fast did fall in the rankings, as more consumers marked consumer support a higher priority this year. All of these desires point to one key trend: consumers want a streamlined experience that makes online ordering simple and affordable.

## Third-party ordering is the most popular method for delivery

Consumers prefer to order delivery through a third-party website or app over other methods, a sharp increase from last year as apps grow in popularity and phone ordering falls into obscurity.

48%

of consumers prefer to order delivery through a third-party

Trending up from 39% last year

31%

of consumers prefer to order for delivery through a restaurant's website or app

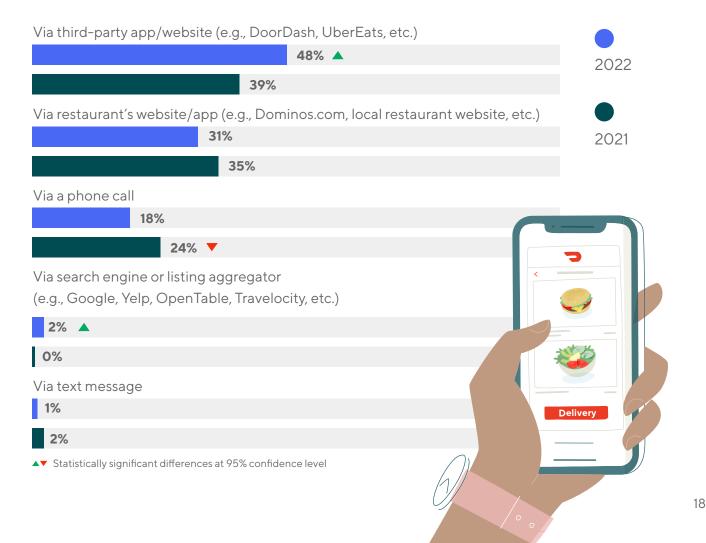
No statistically significant differences from last year

18%

of consumers prefer to call a restaurant directly to order delivery

Trending down from 24% last year

#### What is your preferred method of ordering food delivery?

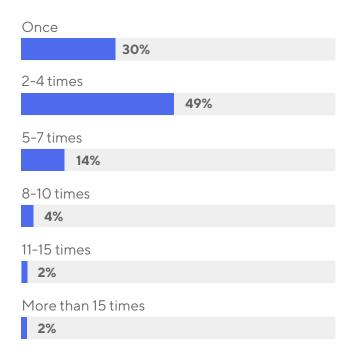


### **Delivery ordering trends**

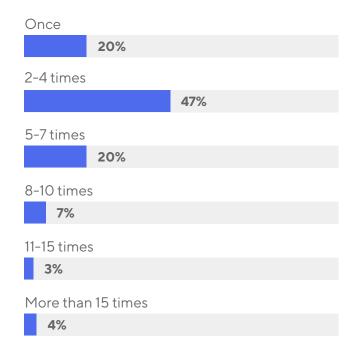
On average, consumers ordered delivery from a restaurant via a third-party app / website **4.4 times per month** and via a restaurant's app or website **3.52 times per month** according to survey data.

In the past month, how many times did you order food delivery

## Direct from a restaurant's website or app?



## From a restaurant via a third-party app/website?



#### **DID YOU KNOW**

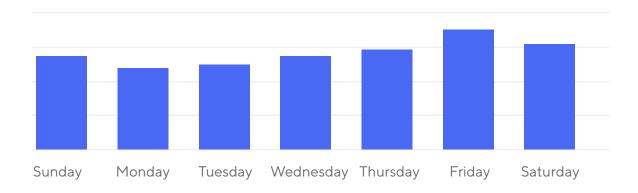
In 2021, on average, Canada consumers ordered from 5 different merchants on DoorDash.



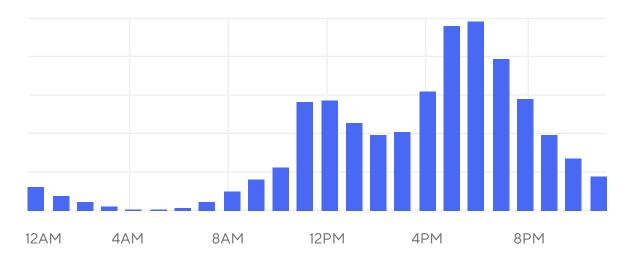
### When do people order delivery?

The most popular days and times for ordering delivery on DoorDash and Storefront don't come as a surprise: Friday is the most popular day, however ordering behavior remains steady throughout the week, and 6 p.m. is the most popular time, with spikes during lunch and dinner times. Restaurants may be interested to see the change in behaviour to determine the best hours to be open for delivery.

#### Delivery Orders by Day of Week, Q122



#### Pickup Orders by Time of Day, Q122



#### **DID YOU KNOW**

Early morning orders on DoorDash (between 5 a.m. and 10 a.m.) saw a 3X increase between 2021 and 2020, as more people consider ordering food delivery for meals like brunch or breakfast.

# Why do consumers choose delivery over takeout?

53%

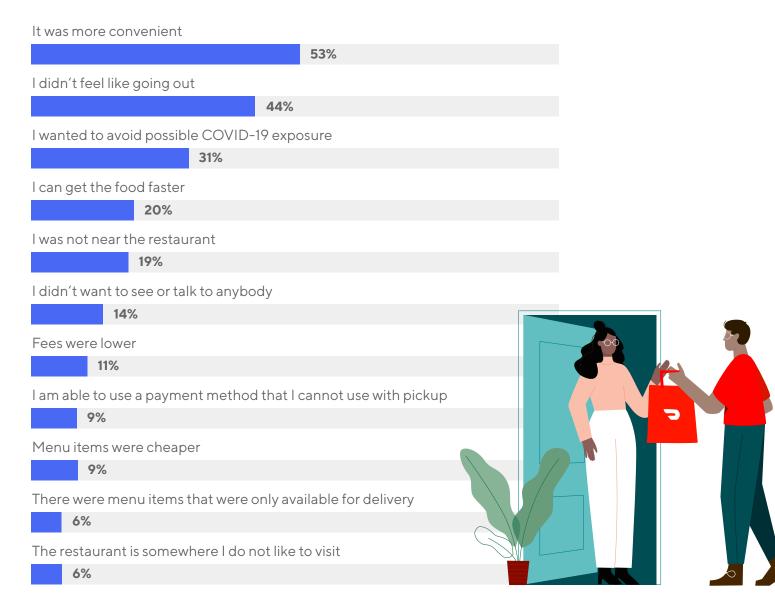
of consumers say it's more convenient

44%

of consumers aren't so keen to go out 31%

of consumers want to avoid a possible COVID-19 exposure

In the past month when you ordered restaurant food for delivery, why did you do that versus grabbing takeout/pickup from a restaurant?



#### The bottom line

Delivery makes it easier for consumers to branch out.

47%

of Canadian consumers tried a new merchant on DoorDash in Q1 2022.

(compared to the merchants they ordered from in Q4 2021)

In recent years, delivery has become a driving force in the restaurant industry — putting everything from fine dining to fast food right at consumers' fingertips.

Ready to reach more consumers? <u>DashPass</u>, DoorDash's membership program, gives you increased visibility to loyal, high-value consumers who save an average of \$4-5 per order with \$0 delivery fees and reduced service fees on all eligible orders. Because DashPass consumers order more often, you'll likely get more orders and repeat consumers.

**SUCCESS STORY** 

30%

of Fromagerie Victoria's DoorDash orders come from DashPass

Fromagerie
VICTORIA

Read the success story ->





# Restaurant pickup trends

Inside takeout preferences

When ordering pickup, consumers get fresh, restaurant-quality meals — without paying delivery fees. Whether at home, the office, or another location, consumers can use this popular option to build relationships with businesses in their area.

### Convenient ordering still matters

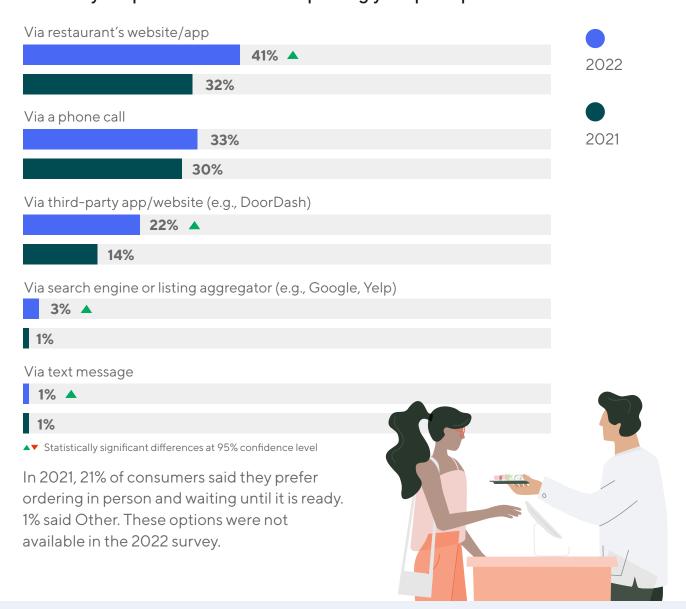
41%

of consumers prefer to order pickup through a restaurant's website or app 33%

of consumers prefer to order pickup by calling the restaurant 22%

of consumers prefer to order pickup through an third-party website or app

#### What is your preferred method of placing your pickup orders from restaurants?

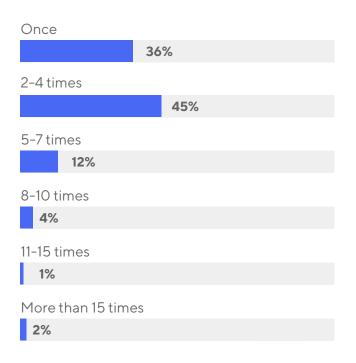


### Pickup consumers are loyal

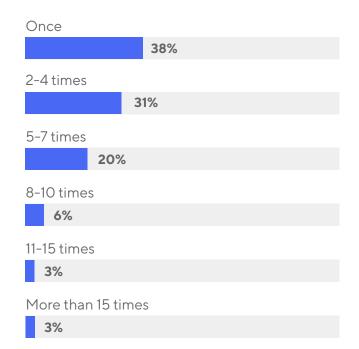
On average, consumers placed food pickup via third-party app/website **3.9 times per month** and directly from a restaurant's website or app **3.2 times per month** according to survey data.

In the past month, how many times did you grab takeout/pickup

## Direct from a restaurant's website or app?



## From a restaurant via a third-party app/website?

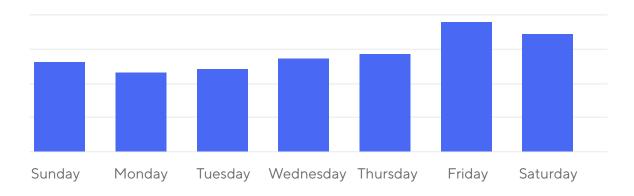




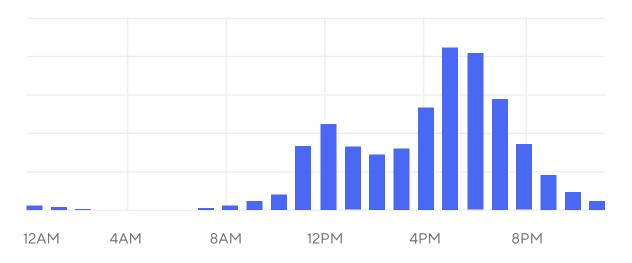
### When do people order pickup?

The most popular day for ordering pickup on DoorDash and Storefront is the same as the most popular for ordering delivery: Friday. However, the most popular time for pickup orders is 5 p.m., one hour earlier than the most popular time for delivery, which may suggest that consumers are ordering pickup as they're out and about before they head home.

#### Pickup Orders by Day of Week, Q122



#### Pickup Orders by Time of Day, Q122





86%

of restaurants on DoorDash in Canada offer pickup in Q122

 $\nearrow$  increase from 57% in Q121

# Why do consumers choose pickup over delivery?

Most consumers choose pickup when they feel it will be faster than delivery, when they see that fees are lower, or when they're closer to the restaurant in question.

In the past month when you grabbed takeout/pickup food from a restaurant, why did you do that versus ordering delivery from a restaurant?



# The bottom line

Pickup is a useful way to complement dine-in and delivery sales.

Consumers enjoy being able to pick up food on their own time, get their food when they want it, and save on fees — all while supporting local businesses. Offering pickup via DoorDash is a simple way to multiply your business (with less effort), reaching hungry consumers in your neighbourhood.





# Digital dining

Why consumers order via third-party or direct from the restaurant

# Why do consumers choose third-party over direct ordering?

Consumers have high expectations for their ordering experience. **51% of consumers** prefer to order delivery and **25% of consumers** prefer to order pickup through a third-party website, app, or aggregator. Here's why consumers choose to order from a third-party website or app vs. other methods.

34%

of consumers choose to order from a third-party website or app over direct ordering for its **ease of use** 

34%

of consumers choose to order direct from the restaurant instead of ordering via a third-party because it's

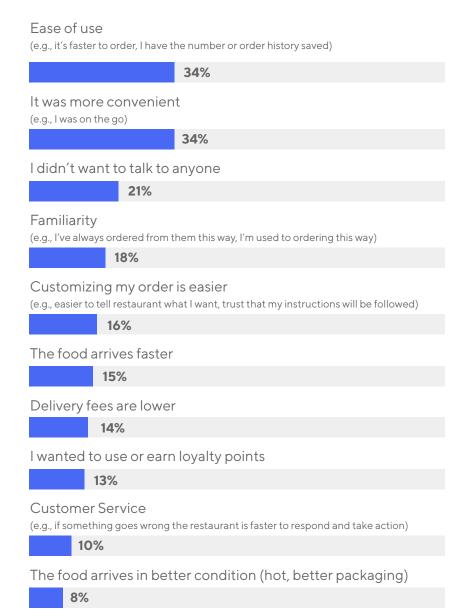
more convenient

21%

of consumers choose to order from a third-party website or app because **they didn't want to talk to anyone** 

18%

of consumers choose to order from a third-party website or app for its **familiarity**  In the past month when you chose to order food delivery or pickup via a third-party website or app, why did you do that instead of ordering directly from the restaurant?



# Why do consumers choose direct ordering over third-party?

**74% of consumers** prefer to order pickup and **48% of consumers** prefer to order delivery direct from a restaurant's website or place a phone call. Here's why consumers choose to order direct ordering over other methods

24%

of consumers choose to order direct from the restaurant instead of ordering via a third-party because **delivery** 

fees are lower

23%

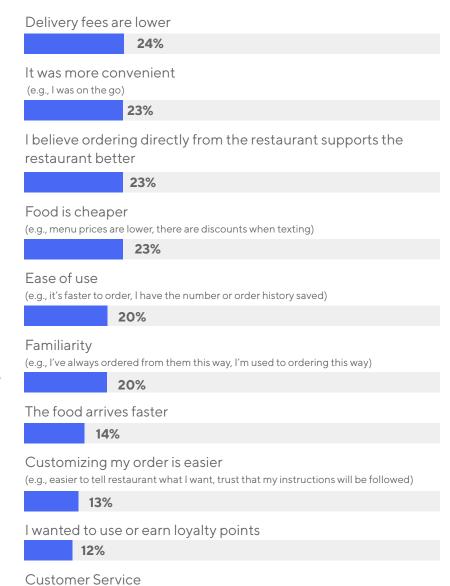
of consumers choose to order direct from the restaurant instead of ordering via a third-party because it's more convenient

23%

of consumers choose to order direct from the restaurant instead of ordering via a third-party because they believe ordering directly supports the restaurant better

23%

of consumers choose to order direct from the restaurant instead of ordering via a thirdparty because **food is cheaper** (e.g. menu prices are lower, or there are discounts) In the past month when you chose to order food delivery or pickup direct from the restaurant, why did you do that instead of ordering via a third-party?



(e.g., if something goes wrong the restaurant is faster to respond and take action)

11%

#### The bottom line

A strong <u>online presence and great website</u> can help increase consumer awareness and drive sales — catching the eye of locals who may become repeat consumers. <u>DoorDash Storefront</u> helps restaurants enhance their online experience and generate additional sales.

**SUCCESS STORY** 



Based in Toronto, Naan & Kabob is a fast-casual restaurant offering fresh, authentic Afghan cuisine in a contemporary setting. Fahim Ahmadi took on operations at Naan & Kabob in 2010 and today serves as VP of Development. The business has since expanded to many locations across the Toronto area, with plans to open more.

Naan & Kabob launched DoorDash Storefront, which enables them to add pickup and delivery ordering to their own website, commission-free. Fahim also launched promotions on Storefront, creating a unique promo code for consumers and promoting it across Naan & Kabob's marketing channels. The Storefront promotions drove an average 214% increase in weekly sales, achieving a 3.9X return on investment.

Read the success story ->



"Storefront is an amazing idea. Having a professional online ordering system adds value to our brand, especially compared to if we tried to build it ourselves."

Fahim Ahmadi, VP of Operations,
 Naan & Kabob





# Conclusion

Delivering more

As the dining landscape continues to evolve, it's clear that consumers aren't slowing down on placing delivery and pickup orders. Off-premise dining gives consumers more control and enables them to enjoy good food whether they're in the middle of a workday, feeding their family, entertaining guests, or simply chowing down on their favourite cuisine.

DoorDash offers solutions for every business need. We're in the business of growing your business — and our variety of products and solutions help you turn pickup and delivery orders into a significant source of revenue.

#### **Explore our offerings**



#### Reach new customers with **DoorDash**

Drive incremental revenue through pickup and delivery by listing your business on DoorDash. Restaurants have access to marketing promotions to reach new customers and can opt in to DashPass, DoorDash's membership program that lets you offer free delivery and reduced fees to the most active and loyal customers on DoorDash. Self-Delivery lets you fulfill these DoorDash orders with your own delivery team and Dashers when you need them, so you can reach new customers and save on fees.



## Turn website visitors into paying customers with <a href="Storefront">Storefront</a>, powered by DoorDash

This platform integrates with your website, helping convert visitors into customers and letting you capture their information for further promotions. Orders are fulfilled by Dashers and arrive incredibly fresh. You pay zero commission fees, monthly fees, or activation fees — just payment processing.



## Customize your customer experience with On-Demand Delivery

On-Demand Delivery enables you to tap into the Dasher network to fulfill orders placed from your own website or ordering channels, including integrations with Toast Online Ordering, Square, Olo, and more.

DoorDash empowers restaurant growth

**Explore the Merchant Product Guide** 



# Methodology

This survey was conducted by Dynata on behalf of DoorDash between March 31 and April 4, 2022.

Our respondents spanned a variety of ages, careers, and income levels. Participants were not compensated or incentivized by DoorDash. **Key stats** 

1,509

Respondents

47%

51%

1%

Male

Female

Non-binary

40

Average age

\$75,000 - \$99,000

Average household income



#### About DoorDash

DoorDash is a technology company that connects consumers with their favorite local and national businesses in more than 4,000 cities and all 50 states across the United States, Canada, Australia and Japan. Founded in 2013, DoorDash enables local businesses to address consumers' expectations of ease and immediacy and thrive in today's convenience economy. By building the last-mile logistics infrastructure for local commerce, DoorDash is bringing communities closer, one doorstep at a time. Get started at get.doordash.com.





