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Eating and drinking out market insight.

UK DELIVERY MARKET REPORT 2019/20

Contents

Research scope:

- Detailed market sizing of the UK foodservice delivery market
- Analysis of the size of growth of different Foodservice market segments
- Analysis of user participation, frequency, spend and behaviour
- Comprehensive overview of competitive landscape

Definition: Foodservice delivery/takeaway delivery refers to fully prepared, ready to eat food and not home groceries or part-prepared/uncooked food or snacks. It is not collected in person.

Research methodology:

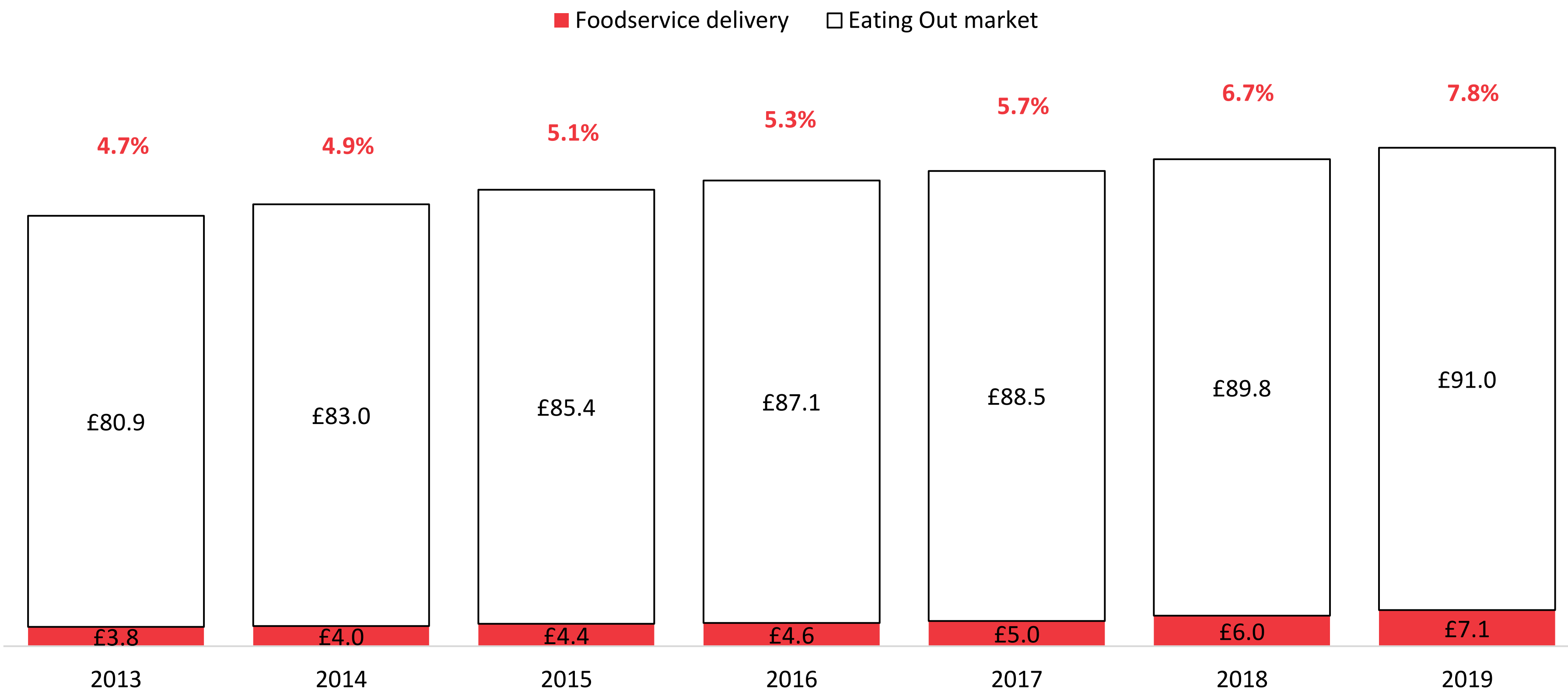
- Over 3,000 online survey results to gain a knowledge of customer participation in Foodservice delivery by age group
- 1,500 online bespoke surveys (1,300 takeaway delivery users and 200 non-users) to understand brand awareness, usage and detailed user experience, attitudes and future outlook
- Market size modelling, forecasting and synthesis with wider MCA market sizing databases
- Desk research includes news articles and trade press, company websites and industry associations

Publish details: November 2019

Delivery penetration of the total Eating Out market, 2013-2019E

Delivery taking greater share in the Foodservice market. Foodservice delivery is set to account for 7.8% of the total Foodservice market in 2019. It has increased from 4.7% in 2013. Key segments including independent fast food, fast food chains and branded chain restaurants, are becoming more dependent on using delivery as a revenue stream for growth.

Foodservice delivery market penetration, % of the total Eating Out market, 2013-2019E

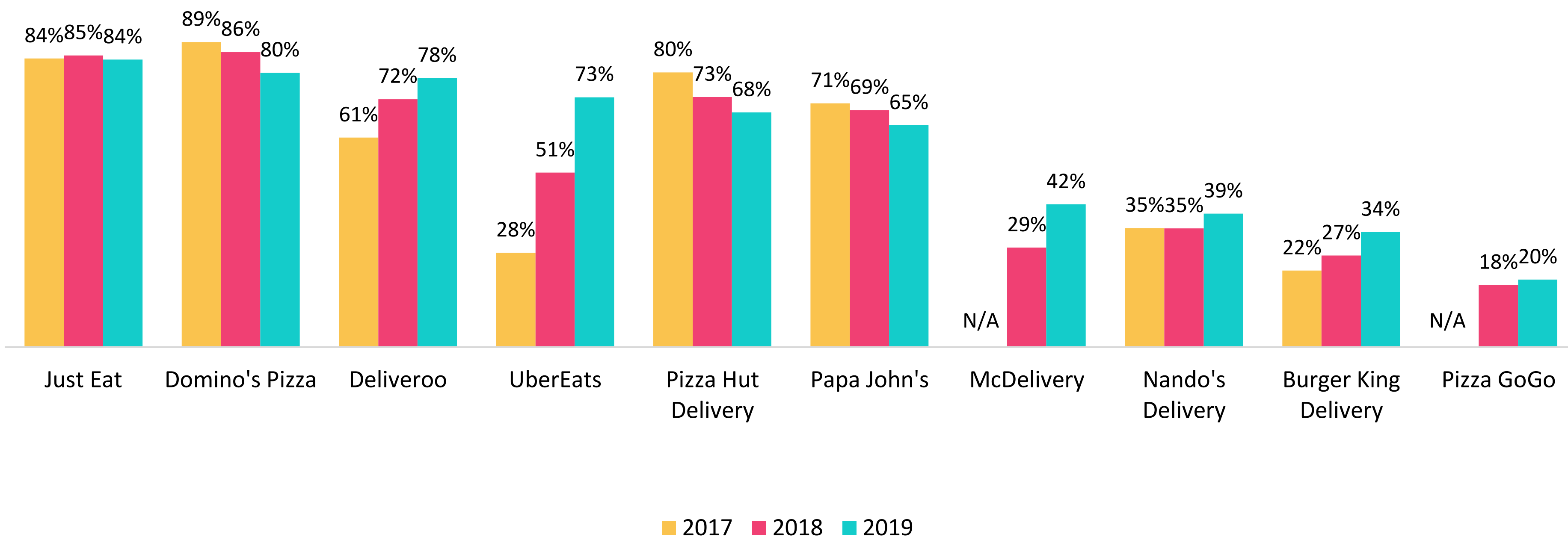


N.B. Figures are excluding VAT

Awareness in UK, 2017-2019

Uber Eats sees the strongest growth in awareness, as Just Eat reaches peak awareness. Seeing 45ppts growth in awareness from 2017-2019, Uber Eats has extended its reach across the UK, now operating in 22 major UK cities. Uber Eats' exclusive partnership with the Fast Food market leader, McDonald's, has aided the awareness of the operator, with McDonald's extending its delivery to 950 of its UK restaurants in 2019, with delivery now responsible for just over 10% of the fast food giant's total sales.

Percentage of total respondents that are aware of the operator, 2017-2019

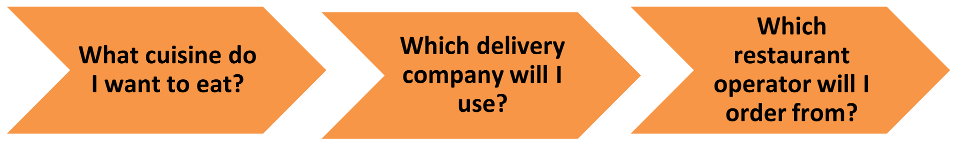


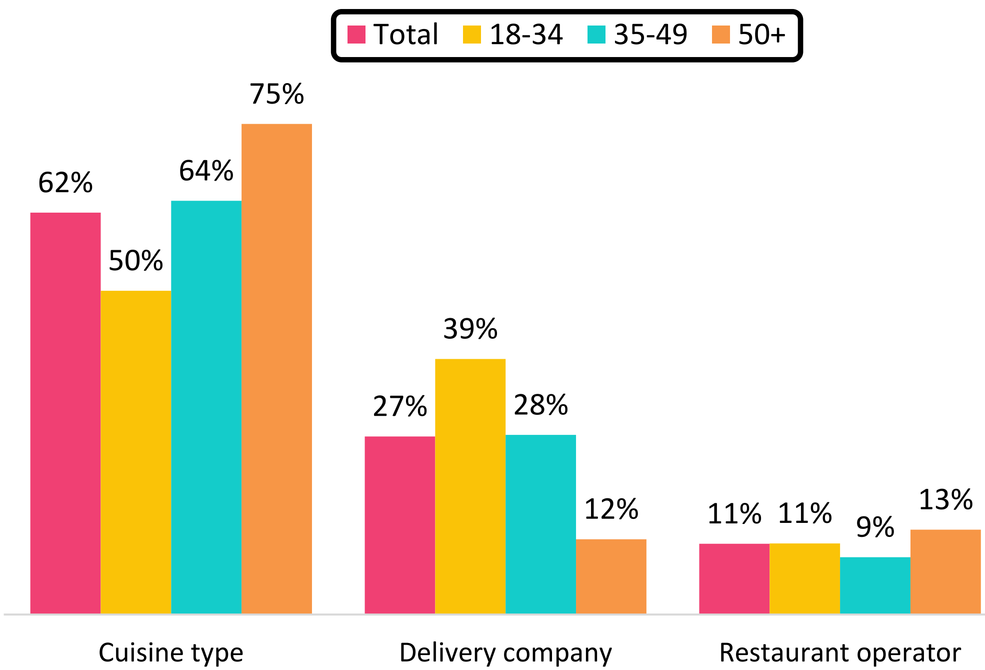
Decision purchase hierarchy

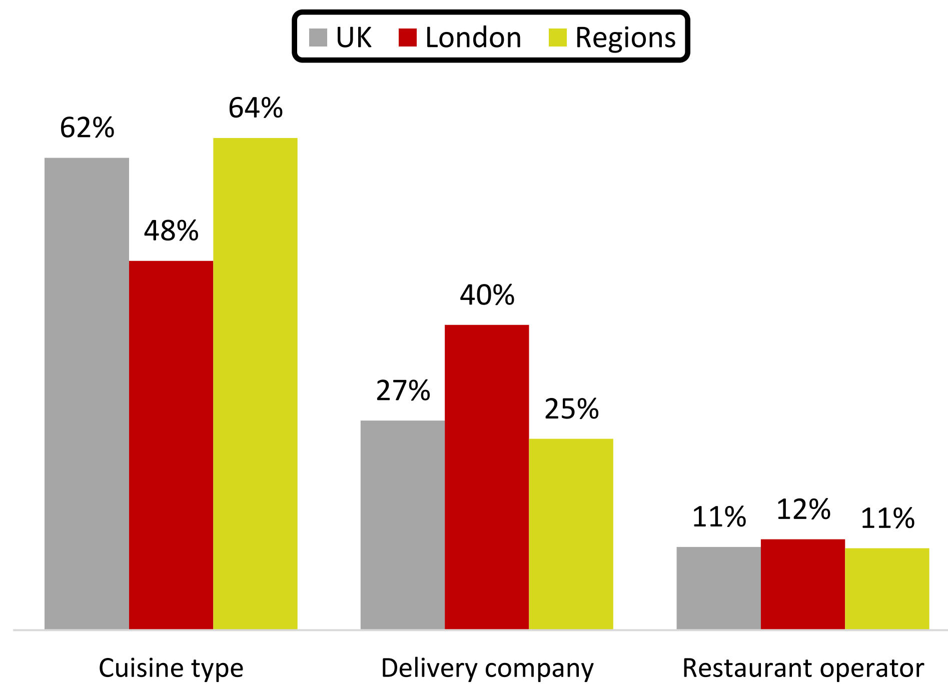
There is a three-pronged approach to ordering takeaway delivery. Decision purchase hierarchy for customers tends to start with what cuisine to eat, then which delivery company to use and lastly which restaurant operator to order from. This ranking is the same across London, the regions and customers aged 18-49. However, those aged 50 and over put choosing restaurant operator as 1ppt ahead in the decision making process.

Which of the following factors comes to your mind first when you want to order a takeaway delivery?

Single choice, % of regular users, 2019



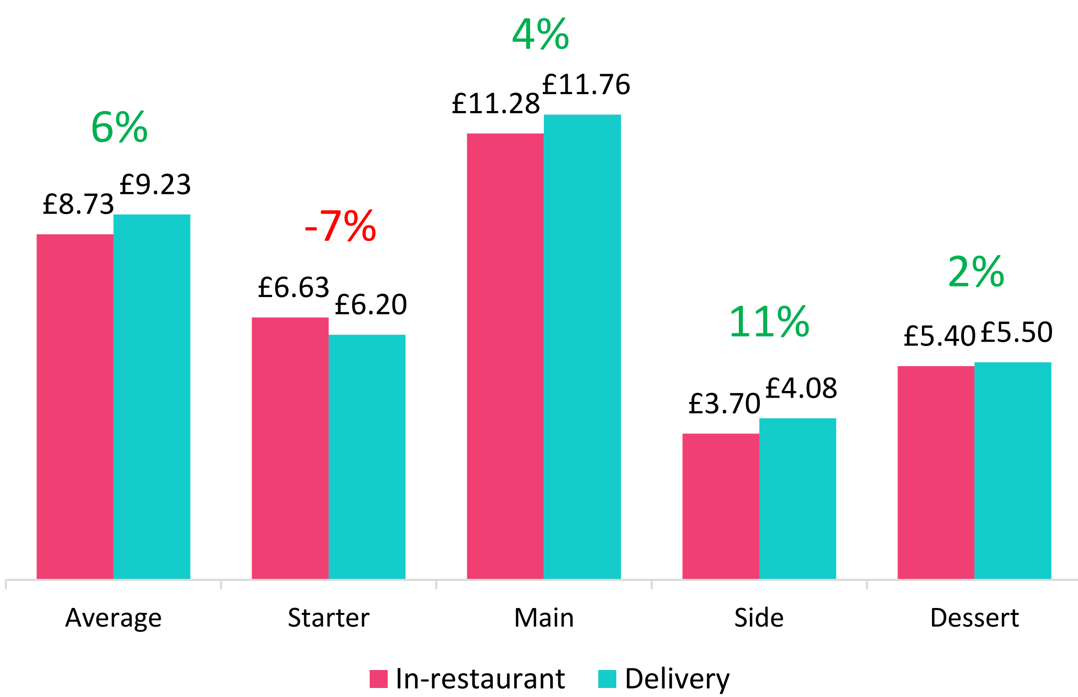




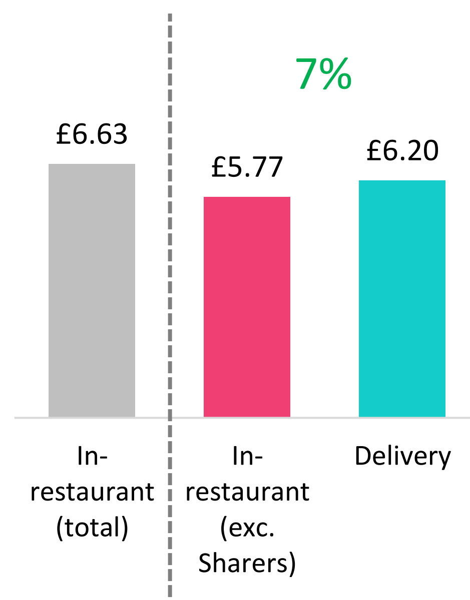
Price comparison – In-restaurant vs delivery

Delivery menu prices are 6% higher than in-restaurant menus on average. Main, side and dessert course average prices are all higher on delivery menus, with starters being the only course to be more expensive in-restaurant. Sharing starters are the cause of higher in-restaurant prices, and with these excluded, prices are 7% higher on delivery menus.

Dish prices – Average by course – In-restaurant vs Delivery menus



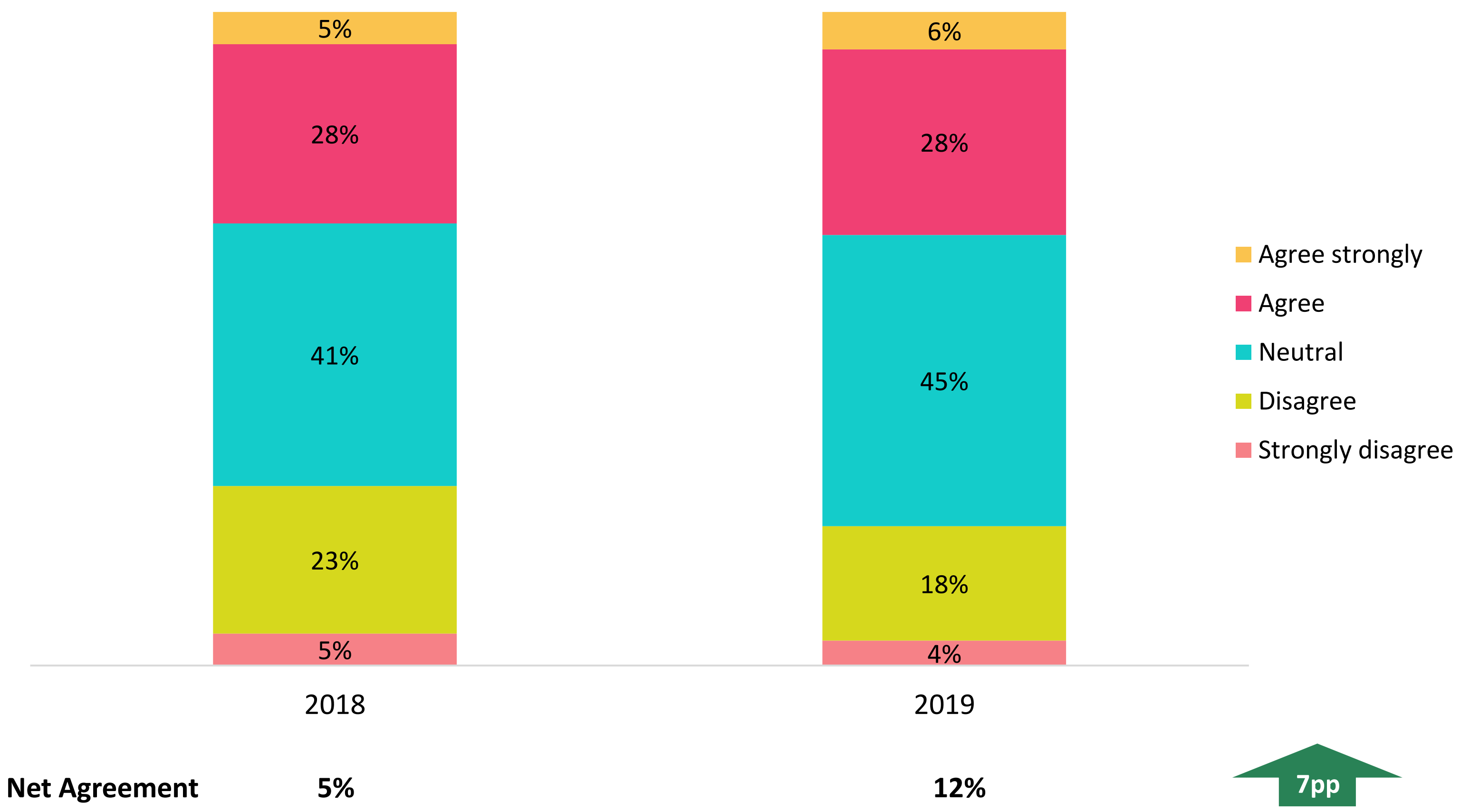
Starter prices – Excluding sharers



Agreement around increased delivery activity

There is rising net agreement that regular users of takeaway delivery services will increase their usage over the next few years. This suggests the fast growing delivery market has by no means reached maturity, and this reinforces how business planning needs to fully recognise the inherent business challenges and opportunities further consumer demand will entail.

Extent to which regular users agree that they will order more takeaway delivery over the coming 2-3 years...?



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If you have any questions on this report, please contact **Laurie Burgess**, Sales Executive at Laurie.Burgess@mca-insight.com.

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