

Domino's partners with Uber to broaden its reach

Article

The news: Domino's Pizza aims to drive additional revenues by listing its menus on **Uber Eats** and **Postmates** apps across 28 markets, including the US, UK, and Canada, per The Wall Street Journal.

- The pizza company's CEO **Russell Weiner** told the Journal that he hopes the broader exposure will help it generate \$1 billion in incremental revenues.
- Even though Domino's said that its inability to hire enough drivers hurt sales, it has no immediate plans to use the apps to deliver pizzas in the US.

Why it matters: Domino's sees the deal as an opportunity to attract a new customer base.

- Uber customers are younger and more affluent than the typical consumer who orders directly from Domino's, Weiner said.

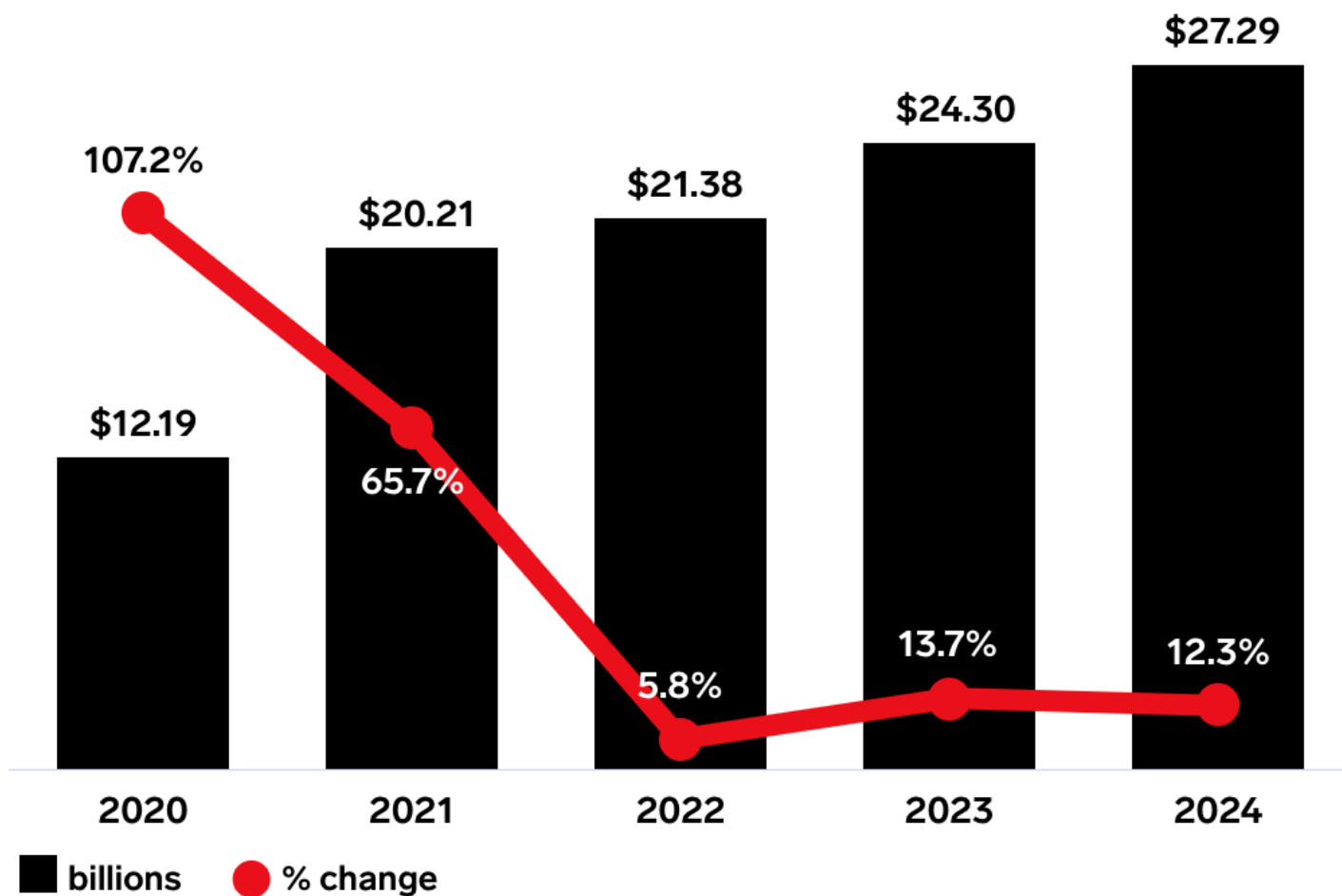
The strategy is similar to retailers such as **lululemon athletica** that have turned to third-party online marketplaces to expand their reach.

The big takeaway: Our forecast expects Uber Eats' US restaurant sales to grow 13.7% this year to \$24.3 billion.

- Rather than sink money into digital marketing efforts, Domino's is going where the eyeballs are already looking.
- That's a sound decision that may prove even more beneficial if/when it leverages Uber's drivers to augment its staff.

Uber Eats Restaurant Sales

US, 2020-2024



Note: sales of food and beverages from restaurants ordered via Uber Eats; includes Postmates beginning in 2021

Source: Insider Intelligence | eMarketer, August 2022

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