

# Third-Party Food Delivery Still Underperforms

Many diners want to use a restaurant's app rather than a service

## ARTICLE |

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Along with meal kits and instant ramen, food delivery has vastly altered the American palate for at-home dining. But despite growing competition in the digital delivery space, not everyone has embraced it.

According to new [E-Poll Market Research](#) data, Grubhub is the food delivery brand with the highest usage among millennials (41%). This is likely due to the company's partnership with Yelp earlier this year that expanded its reach into more markets. Doordash (36%) was the next most popular, followed by UberEats (32%) and Postmates (30%).

UberEats ranked highest in awareness (32%), DoorDash had the highest appeal (42%) while Postmates was rated most reliable (24%).

The research firm theorizes that emerging models like food delivery services and meal kits could threaten established restaurants and grocery stores alike. It compared a number of food brands across segments and found [Whole Foods](#) (42%), Blue Apron (30%) and HelloFresh (31%) were perceived as higher quality than the others. Walmart (31%) and food delivery brands Instacart (31%), Grubhub (27%) and UberEats (27%) were deemed more practical. Where Pizza Hut and Domino's excelled was interest in trying a brand's new products.

**Yum Brands**, parent of Pizza Hut, Taco Bell and KFC, bought a 3% share in GrubHub in early 2018, acknowledging the growing importance of delivery even for fast food. It was also a data play. Traditional restaurants have lacked access to consumer buying habits available to digital brands like UberEats or DoorDash.

E-Poll also surveyed "Insta-Gens," consumers ages 13 to 21, about attitudes towards Grubhub and Taco Bell. Nearly nine in ten respondents (88%) had patronized Taco Bell while only 28% had used Grubhub, but Grubhub ranked higher on attributes like coolness, practicality, innovation and brand loyalty. The latter attribute is interesting since just over one-quarter of this age group had used Grubhub but 62% said they were loyal to the brand.

While the teens who made up the majority of "Insta-Gens" might not have reached their full food buying potential yet, marketers continue to focus their efforts on millennials and Gen Z. Younger US internet users are more likely to use a food delivery service, according to **Market Force**. A majority (55%) of those ages 18 to 24 and close to half (49%) of 25- to 34-year-olds had food delivered at least once in the past year compared with the overall average (36%).

This study also found that Grubhub was the most used third-party delivery app (36.0%). Since this study was released, Grubhub absorbed Yelp's Eat24 app likely making it even more used. But the leading method of ordering food delivery was directly through a restaurant (53.0%). It wasn't specified whether this was done digitally or over the phone.

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**Food Delivery Companies Used by US Internet Users to Deliver a Restaurant Meal, Feb 2018**

% of respondents

|                                       |       |
|---------------------------------------|-------|
| The restaurant's own delivery service | 53.0% |
| GrubHub                               | 36.0% |
| UberEATS                              | 31.0% |
| DoorDash                              | 17.0% |
| Postmates                             | 10.0% |
| Eat24                                 | 9.0%  |
| Seamless                              | 4.0%  |
| Delivery.com                          | 3.0%  |
| OrderUp                               | 3.0%  |
| Foodhub                               | 3.0%  |
| Caviar                                | 1.3%  |
| Waitr                                 | 1.0%  |
| Amazon                                | 1.0%  |
| Bit Squad                             | 0.9%  |
| Foodler                               | 0.7%  |
| Munchery                              | 0.7%  |
| Favor                                 | 0.6%  |
| EatStreet                             | 0.3%  |
| Other                                 | 9.0%  |

Note: ages 18+

Source: Market Force Information, "US QSR Benchmark Study," April 17, 2018

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As far as mobile ordering methods are concerned, a March 2018 [TrendSource](#) survey also showed [US diners had more interest in using a restaurant's own app](#) for both delivery and pickup vs. a third-party app.

The preference for branded apps is slightly confounding since generally only large chain restaurants have their own mobile ordering apps and pizza is still one of the few specialties commonly delivered through this method. [McDonald's](#) delivers via UberEats and restaurants like [Dunkin' Donuts](#) and [Applebee's](#) offer pickup only.