More Consumers Are Turning to Food Delivery Apps amid Indoor Dining Restrictions

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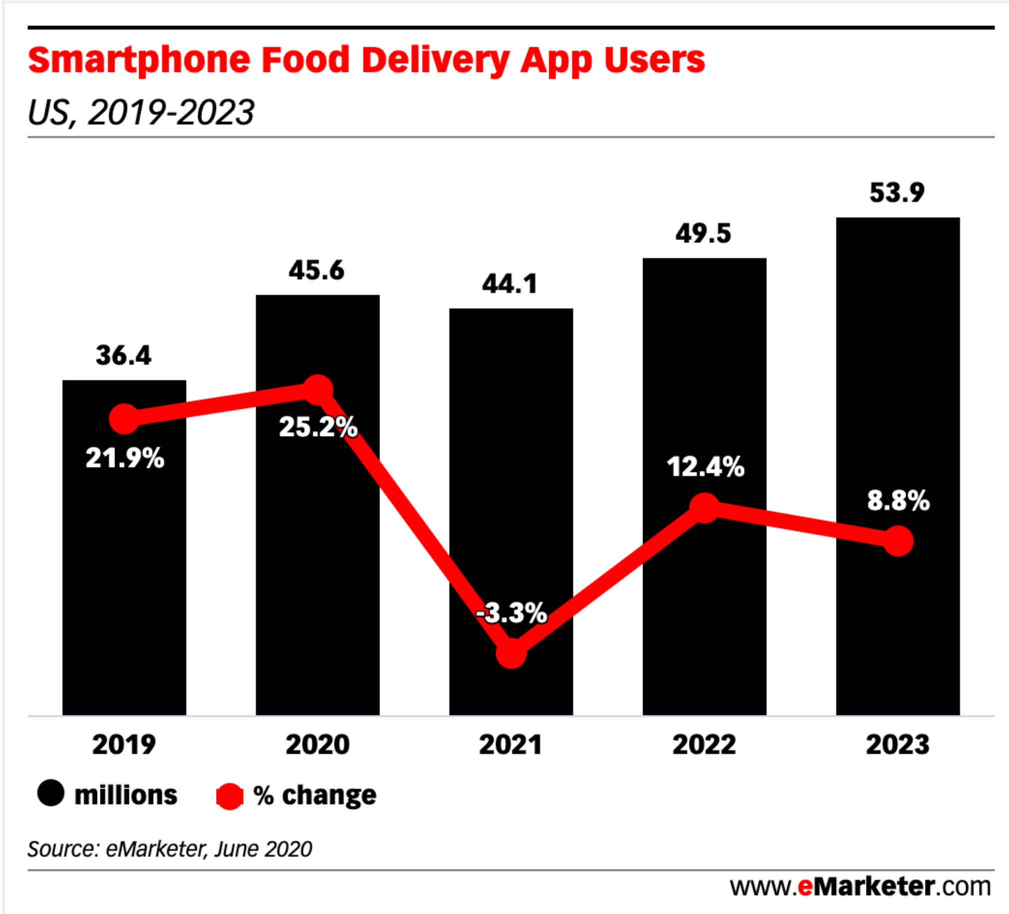
Rimma Kats

As the restaurant industry faces continued operational challenges and indoor dining constraints loom across the country, many consumers are turning to food delivery apps.

We forecast that the number of smartphone food delivery app users will rise 25.2% to 45.6 million this year.



We expect that figure to decrease slightly in 2021, to 44.1 million, as restaurants likely reopen to indoor diners. But we also anticipate continued adoption of these apps throughout our forecast period ending in 2023, when the number of users will be 53.9 million.

Companies like Grubhub and Uber Eats have seen an influx of usage during the pandemic. In its most recent earnings, Grubhub reported that the number of active diners grew to 27.5 million in Q2 2020 from 20.3 million in Q1 2020—an increase of 35%.

“The strong trends we observed in April persisted throughout the quarter with year-over-year growth of daily average grubs [orders] accelerating each month," Grubhub president and CFO Adam DeWitt said in a company statement. "With that strength continuing in July, it is becoming clear that the current environment has advanced the secular shift toward online food ordering. We remain confident that focusing on restaurant supply and diner loyalty will enable us to keep growing in a sustainable and profitable manner."

Meanwhile, Uber said in its Q2 2020 earnings release on August 6 that more restaurants, including Baskin Robbins, Chopt Creative Salad and A&W Restaurants, have joined its Eats platform.