



Tillster Delivery Index:

Delivery Preferences and Habits Among
QSR and Fast Casual Customers

Background

Each year, Tillster - the global leader in digital ordering solutions for restaurants - surveys 1,000 QSR and Fast Casual customers to keep a pulse on their preferences and trends on off-premise and on-premise ordering. We share the findings in our quarterly indexes focused on various aspects of the digital ordering experience, including delivery, self-service kiosks, digital ordering, loyalty programs and more.

When the pandemic hit in 2020, lockdowns and social distancing meant that consumers and the restaurant industry had to find a new way forward. To manage the pivot, most brands deployed or enhanced digital tools to enable curbside pickup and delivery programs. Those programs have continued to gain adoption from business owners and customers alike in a post-COVID marketplace.

So, how have customer habits and preferences changed during the pandemic? Are these short or long-term changes? That's what we aimed to find out with our fourth Delivery Index, developed in partnership with research firm Dynata.

Tillster's 2022 Delivery Index reveals these findings to help restaurants craft their delivery strategy.

Key Findings

Our survey shows rising demand for branded delivery experiences in the post-COVID marketplace and finds that both organic and third-party delivery programs are received differently across three key demographic variables: age, region and household size. Here are our three takeaways:

1. COVID-19 accelerated delivery adoption among guests, and this is showing no signs of slowing down as they predict they'll order the same amount or more in the months ahead.

2. Customers are driven by convenience, transparency, short wait times and bad memories. They prefer transparency in fees, delivery under 40 minutes, tech-driven convenience factors like location-based delivery and high-quality food above all else.

3. Age is more than a number when it comes to delivery. Age is a useful determinant of actions and preferences among delivery consumers and finding ways to alter your strategy to appeal to different audiences.

Delivery 101

The average person orders delivery from fast-food or fast-casual restaurants **twice each month**.

Their favorite method? **Branded mobile app**.

Their top motivation? **Convenience**.

People order dinner delivery **3x** more often than lunch.

The most important factor driving satisfaction with a food delivery? **Food quality upon arrival**.

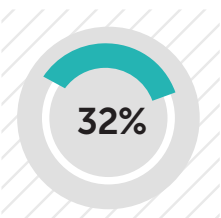
Notably, almost **60%** of respondents are often not satisfied with their order due to poor quality or long wait times.



Delivery Growth Accelerated by COVID-19

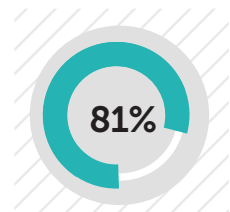
Demand for delivery was already rising pre-pandemic, with respondents ordering delivery **1.9 times per month** across age groups. COVID-19 lit a fire, and delivery continued to grow.

1.9x per Month



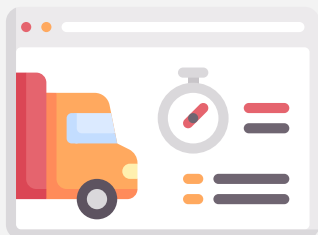
2.5 orders per month across all age groups planned in the three months ahead. This is up **32%** from pre-pandemic levels, with a definite uptick among middle and older aged groups.

And, we haven't reached the peak yet. In the next 12 months, **81% of respondents** say they'll order online for delivery the same amount or more often.



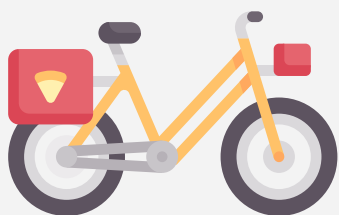
Customers Love Brands, Not Delivery

Most customers prefer to interact directly with their favorite brands. When ordering online or via branded mobile app, menus are optimized for ease of ordering, and customers' past orders are saved. Here are ordering experiences customers seek today:



44% prefer to order delivery directly through the restaurant's website or mobile app.

22% still prefer the phone, the most popular choice for those over 55 and rural residents. The act of phoning in a delivery order is not dead yet.



Less than 10% prefer third-party delivery experiences from partners like Grubhub, Eat24, Postmates and DoorDash.

The Rise of Gen Z

In many cases, customer delivery preferences can be attributed to generational differences. This can be seen throughout the results, but here are a few specific insights:

85.8% say they would probably or definitely order from their favorite fast food or fast casual restaurant more often if it offered delivery.

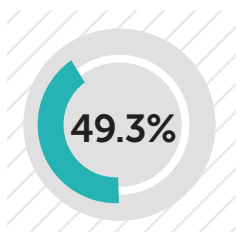
They are **more likely than any other age group to order multiple mealtimes**, including lunch and late night eats, and **20%** would be willing to pay \$10 or more in delivery fees.

Yet, Gen Z is also the least brand loyal: **third-party delivery is the top method for customers aged 18-24**, which we attribute to the fact that they have not yet built long-time brand allegiances.

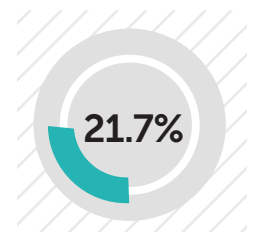
Age Matters in Delivery

In many cases, customer delivery preferences can be attributed to generational differences. This can be seen throughout the results, but here are a few specific insights:

Like Gen Z, a healthy percent of **Millennials, 78.5%**, say they'd order from a restaurant more often if it offered delivery.



Nearly 50% of Gen X customers are ordering more from their favorite restaurants. Meanwhile, the 55+ crowd continues to put in more orders, despite only **21.7%** expecting this to be the case.



Age impacts fee acceptance:

- For those **aged 45-64**: Nearly one-third (29.6%) are willing to pay \$5 in delivery fees.
- But among **the 65+ crowd**, 35.7% say they won't pay even \$1 in delivery fees.



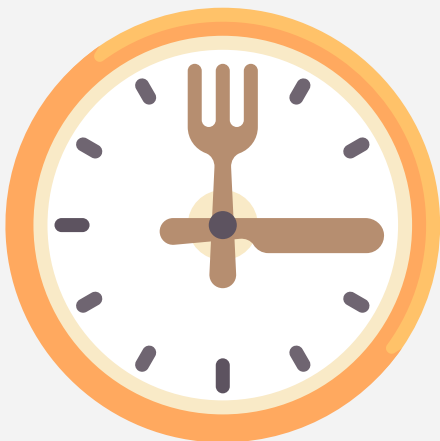
And age impacts preferred delivery order method:

Gen Z: 3rd party delivery.

Millennials and Gen X: branded mobile app.

Delivery Time is of the Essence

When it comes to delivery, the one thing everyone can agree on is **it needs to arrive in under 40 minutes.**



40% of all respondents say they'll wait this long. Consumers know what to expect when it comes to delivery time and anything above 40 minutes raises a red flag.

In fact, just **21%** of all respondents say they'll wait 41 minutes or more.

The most important thing a brand can do to combat long delivery times? **Communicate accurate delivery estimates.**

Most People Just Aren't Willing to Wait

Across urban/rural divides and family sizes, more than **70%** would rather pick food up than wait for a long delivery. The only exception? The young.

Here's those that responded "No, I would keep my delivery order" by age:

50%
18-24

41%
25-34

30%
35+

It's clear that time is of the essence, and restaurants that offer delivery should also provide seamless pick-up options to cover the bases.

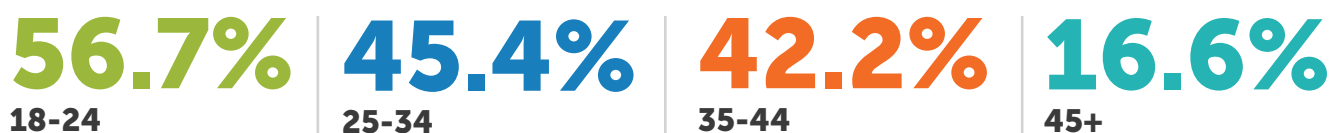
Just make sure it's fresh: **71% of respondents aged 18-24** say they are always or sometimes disappointed with the quality of food delivered. And that number drops only slightly with age: **55.3% of those 65+** say they too are always or sometimes disappointed.



Deals Motivate the Young, the Urban & Families

Some audiences are easier for brands to entice when it comes to deals and offers.

Ads and offers inspire action, build loyalty and showcase convenience. Here's who says **yes, they've been enticed to select a different restaurant brand with a delivery offer:**



It's a family thing, too.

Ads and offers drive delivery choice in 42% of households of more than 3. This is likely due to families having larger orders, where deals can make a real difference.



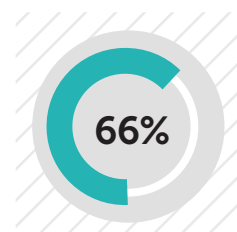
Also of note: Those that opt for an offer are more than **twice as likely to live in an urban environment** (43% say yes) than suburban (20.0%) or rural (20.8%).

Redefining Delivery Locations



65% of households four or more, and **64% of respondents under age 44** say they'd love the ability to order delivery to wherever they are, from local parks to sports stadiums and concert venues.

Among Millennials and Gen Z, **66% are willing to provide their location to receive location-based offers**, signifying an opportunity for brands looking to innovate their delivery operations to reach consumers where they are.



Today's consumer is all about convenience, and what's more convenient than having your favorite meal delivered to, say, a concert in the park?

Delivery Fees Beat Inflated Menu Prices

Pre-COVID, as revealed in our 2019 Delivery Index, **85% of customers were willing to pay up to \$5** in delivery fees; the sweet spot for brands looking to meet customer expectations.

During the pandemic, brands offered guests free delivery and other incentives to place a delivery order. Because of this, in 2021, **just 44% of people say they'd be willing to pay \$5 or more** in delivery fees.

People are more cognizant of fees than in years prior. The maximum delivery fee the average person is willing to pay in 2021? **\$3.90.**

But across age groups, household sizes and geographies, **79.4%** say they prefer a delivery fee to inflated prices on the delivery menu, signifying a continued interest in transparency from brands.

For those restaurants in need of new or improved delivery programs in 2022, Tillster makes delivery a snap, regardless of if they have drivers, want to utilize a third-party partner or a unique combination of both. Our delivery solutions work behind the scenes to streamline your operations, boost order volume and maximize efficiency, all contributing to a customer experience your guests will enjoy.

Visit **Tillster.com/delivery** | Email **Marketing@Tillster.com**