



# The 4-Step Checklist for Profitable Restaurant Delivery



As a restaurateur, delivery may seem like a necessity for your business. After all, 91% of consumers have ordered delivery online in the past year. That said, you need to be careful about how you approach delivery.



While it can be expensive to employ a driver in-house, many on-demand delivery apps charge paralyzing commissions of up to 40%. They often engage in bad practices that leave your restaurant worse off than before, including withholding your customer data, manipulating your online presence, and leaving you with the bill in the case of credit card fraud.

However, that doesn't mean that your restaurant should completely rule out any type of delivery. In fact, with the right partner, it can be a profitable addition to your takeout business. You just need to do your research and work with someone who has your restaurant's best interests at heart.

#### YOUR 4 STEPS FOR PROFITABLE DELIVERY

Use this simple four-point checklist to boost your sales with a profitable, financially sustainable delivery business.

- ✓ Use a commission-free provider.
- ✓ Share the costs with your guests.
- ✓ Stay in control of your brand and data.
- ✓ Ensure a quality guest experience.



# Use a commission-free provider.

It's extremely common for online delivery providers to charge restaurants a commission on every order. Despite how widespread this practice is, it's simply bad business for restaurants.

The cost of a commissions model is based on how large the ticket size is, so the larger your customers' orders are, the more you fork over to third-party delivery apps. You're effectively taxed for having food your customers crave and want to order. This type of pricing is absolutely not sustainable as your business grows.

This is why it's critical to **work with a partner that won't charge you commissions**. A much more sustainable cost structure consists of **flat rate, distance-based pricing** that doesn't increase with the size of the order.

After all, if you're paying for delivery, you're paying for your food to travel. It simply makes sense for delivery rates to factor in distance—not how much your customers love your food.

The ideal provider will let you easily control the size of your delivery zones, which makes it simple to account for the costs.



## DID YOU KNOW?

**Fifty four percent** of delivery marketplace users open up an app with a given restaurant already in mind. If you think of commissions as a marketing expense, you should know that over half the customers that you reach already have their minds made up.

If you do find that third-party apps send you a healthy volume of guests, you should work to convert these diners to your commission-free platform. Place flyers in your to-go bags that promote your direct, commission-free delivery. That way, you'll save more later on.

# ✓ Share the costs with your guests.

Food delivery is a complex process, and—as noted above—there are bound to be costs associated with it. That said, delivery marketplaces take more than their fair share by charging diners exorbitant delivery fees on top of the 30% to 40% that they collect from most restaurants.

When you switch to commission-free delivery, you have an opportunity to simplify and lower prices for both your customers and your restaurant. **Find a service that charges a distance-based rate and allows you to share that cost with your customers as you see fit.**

The average delivery customer is willing to pay \$8.50 for delivery fees and tip, but 28% of customers will pay up to \$15. While your guests' expectations will vary depending on what's normal for your area and type of cuisine, it's clear that they're accustomed to paying for delivery. You can ensure that your delivery business is profitable by passing part of your restaurant's costs on to your clientele while still sparing them a few dollars (and a headache).

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# How much would you and your customers pay out to third-party delivery apps?

Marketplace delivery apps effectively double dip on every ticket by charging both your restaurant and your customers steep fees.

Take a look at the chart below to understand how much revenue third-party apps make off of each check.

	Commission Rate (Restaurant)	Delivery Fee (Guest)	Service Fee (Guest)	TOTAL
Uber Eats	Up to 35%	Up to \$8.00	15%	50% + \$8.00
Grubhub	Up to 35%	Up to \$7.00	Up to 10%	45% + \$7.00
Postmates	Up to 30%	Up to \$9.99	Up to 20%	50% + \$9.99

## DID YOU KNOW?

On top of more straightforward-sounding charges like delivery fees and service fees, Uber Eats and Grubhub both tack on [“small order fees”](#) when tickets are below a given threshold. Postmates and Uber Eats also [dynamically increase pricing](#) when the supply of drivers is low or delivery demand is high.

Additional sources: [Gigworker.com](#), [Postmates](#), [CNet](#)

# ✓ Own your brand and data.

When you rely heavily on delivery marketplaces, you build your customer relationships on the back of a third-party whose name and logo are front and center. In fact, certain apps don't even show your logo when they list your restaurant right next to dozens of competitors. Nevermind the typical in-store marketing materials—such as window clings and postcards—that feature the third-party app's logo and colors. You'll be hard-pressed to find your restaurant's name anywhere.

This “me-first” marketing approach isn't limited to branding—it extends to the data that marketplaces collect when your customers order. [Commissions-based marketplaces use your customers' email addresses](#) and promote other restaurants to your hard-earned clientele.

This is why it's so critical to work with an online ordering provider that gives you the tools to profitably and successfully market to your own customers. The right partner will build your restaurant your own branded online ordering, which puts your restaurant in the spotlight, and give you ownership of your customer data.

After all, your guests' **email addresses** are essential for maintaining contact with them and prompting them to order again. Data about their ordering habits, meanwhile, helps you see patterns in how they interact with your restaurant. This information will help you make adjustments to your online delivery program that boost your own profits.



# ✓ Ensure a Quality Guest Experience

Naturally, as a restaurateur you want your guests to have a fantastic experience. When your food travels off-premise, though, it can be tough to ensure satisfaction. Luckily, there are a number of measures you can take to keep your guests happy. With third-party delivery marketplaces, your customer experience is at the whim of delivery driver quality.

**Enlist a delivery service that provides top quality drivers and requires a certain level of driver experience.** Having expert couriers—in addition to lowering fees, ensuring food quality, and staying in communication—will keep your guests smiling, no matter where they are.

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# Your To-Do List For A Great Delivery Guest Experience:

- **Break up with third-party apps:** This way, you can streamline and lower costs—even if you pass on part of the fees to guests.
  - **Control your delivery zones and times:** Keep a tab on distances so your food doesn't degrade. Consider adjusting your delivery hours depending on rush hours or the portability of different meals.
  - **Know when to stop:** Overwhelmed by the in-store rush? Don't spread yourself too thin and jeopardize all of your guests' experience. Just turn off your delivery for a few hours or decline orders on an individual basis.
  - **Research your packaging:** Make sure your to-go containers are properly sized for your dishes, and have the correct amount of ventilation to preserve your food's texture.
  - **Only work with the best:** Use top-notch delivery drivers who know what they're doing.
  - **Collect your guests' emails:** Stay in touch with guests to get their feedback, communicate if an issue arises, and thank them for their loyalty.
  - **Use print marketing:** If you're grateful for your guests', let them know! Put a flyer in your to-go bags to thank them for ordering straight from you, and offer a small discount for next time.
  - **Offer multiple ways to order:** Work with a provider that lets your guests order through the channel that's most convenient for them, whether it's via your website, branded mobile apps, or anything else.
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Ready to check these items off of your list?  
[Speak with a ChowNow online ordering specialist](#)  
and start offering commission-free delivery today.

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