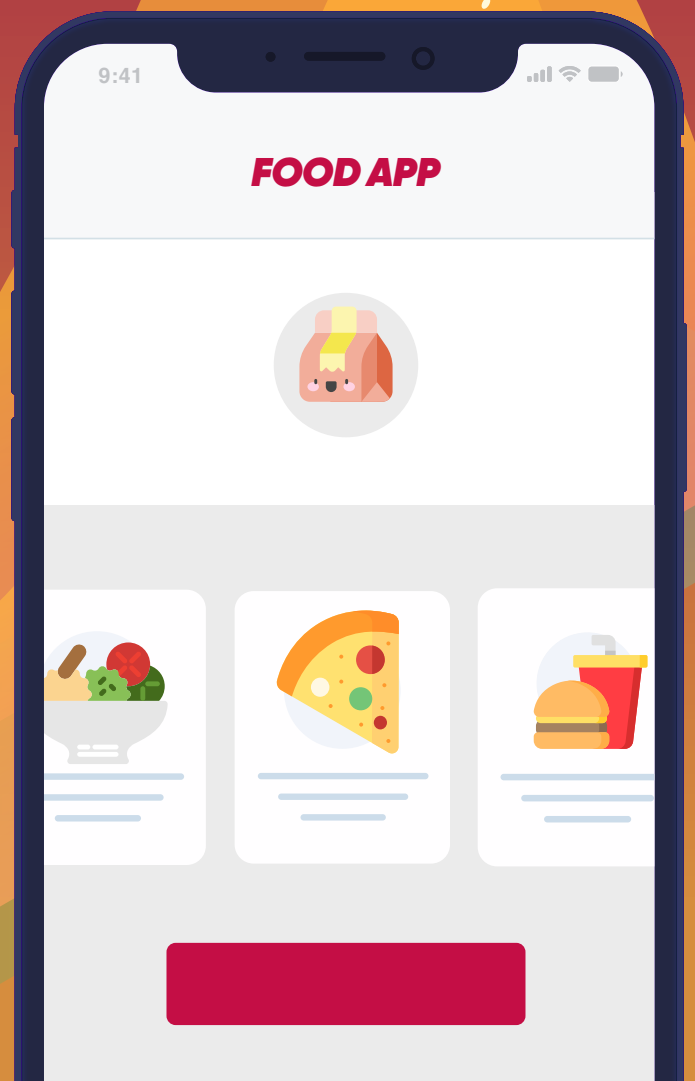


Industry Benchmarks for Food Delivery Apps

From User Acquisition to Retention

Compare the performance of your food delivery app to the industry average across all lifecycle stages



Executive Summary

Observe

what makes industry-leading apps successful



Compare

your app to global leaders for various metrics



Learn

the red flags for various stages of the user lifecycle



Grow

with data-driven recommendations for improving user engagement

Today's consumers are impatient. They want things on demand – and that includes getting restaurant quality food delivered to their doorstep. This trend isn't exactly new. On-demand food delivery apps have been disrupting the food and dining industry over the past five years, and that's because they provide users the convenience of picking from a vast array of options. Customers simply look at the menu of their choice and customize their meals, all with a few taps.

Driven by convenience and instant gratification, revenue from online food delivery is projected [to reach \\$94.4 billion in 2019](#). Over 60%, that is \$58 billion, of this market will be made up of restaurant-to-consumer delivery. When it comes to digital restaurant orders, mobile is the source of [6 out of 10 orders](#), and that will continue to grow as more people rely on mobile devices 24/7.

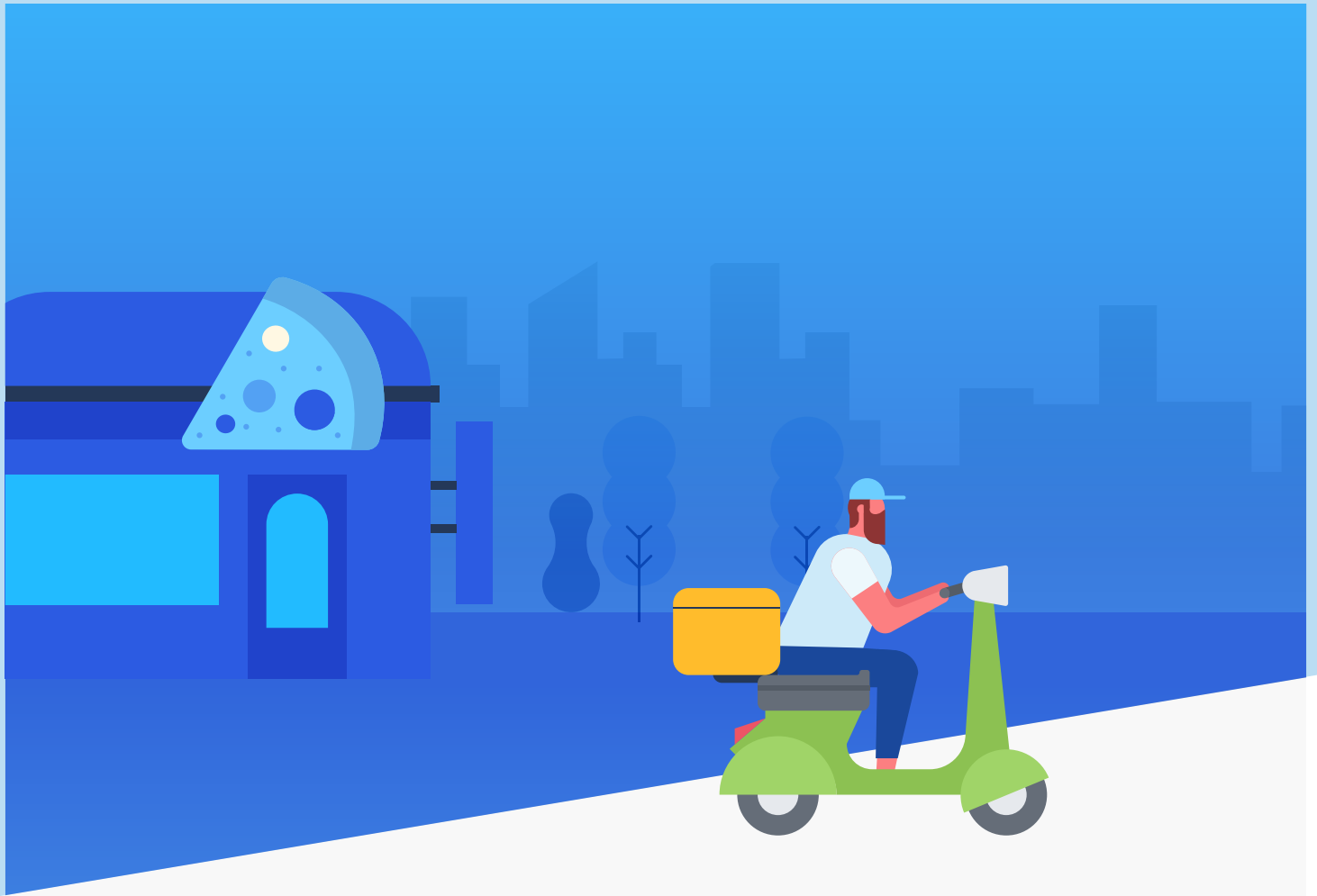
According to a report by- [Allied Market Research](#), the global food delivery mobile app market is expected to \$16.6 billion by 2023, a compound annual growth rate of 27.9%.

According to [PitchBook](#), 2018 set a decade-high record for VC investment in the space with food startups, such as unicorn DoorDash and Instacart, valued at \$4.4 billion.

CleverTap reviewed trends across on-demand food delivery apps and analyzed over 3 billion events to help customers understand the app user lifecycle, and to allow you to measure user engagement strategies against some of the most successful apps in the food delivery app space.

Table of Contents

Introduction: How to Make the Most of This Report	4
- The State of Food Delivery Apps Industry	4
- Monitoring the Metrics that Matter	6
User Onboarding Benchmarks	6
From Onboarding to Engagement	10
User Engagement Benchmarks	12
- Does Personalization Still Matter?	13
- Emojis In Push Notifications: 🍕 or 💩 ?	15
From Engagement to Retention	17
User Retention Benchmarks	20
From Inactive to Churned	23
User Reinstall Benchmarks	25
About CleverTap	28
Additional Resources & Methodology	29



The Current State of Food Delivery Apps

According to a report by [wealth management and equity research firm UBS](#), it is estimated that global online food ordering will grow to \$365 billion by 2030. That's 20% growth each year from the \$35 billion market seen today.

This is based on answers from more than 13,000 consumer surveys and detailed data analysis from apps and industry experts. Even if we are to look at a scenario where growth slows down dramatically, we are still looking at a value of over \$85 billion.

Most of this growth can be attributed to cheaper delivery fees and the fact that adults today are cooking much less than those of previous generations. We've been seeing the far-reaching effects of this, with fast food providers such as KFC, White Castle, Chipotle, Jack in the Box, and Wendy's teaming up with DoorDash, Postmates, and other third-party delivery providers to bring food to hungry people's doorsteps.

However, we're seeing competition intensifying, and consumers are beginning to expect differentiated experiences. Food delivery apps now not only need to offer enough value to a user for them to sign up, but they must also continue to entice them to perform repeat transactions "in-the-moment."

Growth and marketing teams for food delivery apps are grappling with questions like:

- *How do we increase our user base and sustain growth?*
- *How long does it take for new users to order their first meal?*
- *What are the best ways to engage new customers and turn them into brand advocates?*
- *Are we using the right metrics to measure the efficacy of our engagement campaigns?*
- *What are some of the other apps in the industry doing right (or horribly wrong)?*
- *How much personalization is too much personalization?*
- *Are emojis still cool?*

The food delivery app industry is a turbulent one, which has seen a lot of ups and downs – from the success of DoorDash, Zomato, Instacart, and Swiggy, to the failure of startups like Spoonrocket; and more recently the cloud kitchen startup Munchery, which shut down operations despite raising \$125.4 million.

The key to succeeding in this market is providing a differentiated customer experience that goes beyond the core value proposition of your app. Just like the participants on reality TV cooking shows, food delivery apps are going to great lengths to win the vote of their ultimate judges – the consumers. Leveraging technology can provide explicit and implicit customer behavior tracking which, when used wisely, can keep customers coming back for more.

This benchmark report provides metrics across the food delivery app user lifecycle, including user flow from one lifecycle stage to another.

Expect to see proven strategies and best practices which have worked for some of the world's leading food delivery apps and have helped them to optimize the user experience from acquisition to engagement and retention to re-installation.



Monitoring the Metrics that Matter

Food delivery apps are part of one of the most hotly contested industries in the digital economy. This has led to the growth of several different business models – from aggregators and cloud kitchens, to restaurant apps, loyalty apps, and more.

Food delivery apps are fueling a new wave of disruption. Customers are constantly on the lookout for more efficient and engaging services and apps that deliver the type of food they want, when and where they want it. In this highly competitive and saturated market, it's become critical for marketers in the food delivery app industry to benchmark their performance and growth against industry standards.

To turn your delivery app into the primary provider for your users, you'll need to provide them with a compelling user experience that they can benefit from at every stage of the user lifecycle - from acquisition to retention, and for offline as well as online transactions.

This report, based on an analysis of over 3 billion events, will help you monitor key metrics at each stage, and help you understand the industry standards for each KPI. With this report, you'll also be able to identify the success factors for each lifecycle stage, as they advance from one stage to the next, and how you can optimize your app's funnel.

Throughout the report, watch out for tactics that will help you engage and delight customers at each stage, tactics that will grow your app's revenue.



User Onboarding Benchmarks

Delivering a great onboarding experience results in improved user adoption. It's important to deliver a perfect First Time User Experience (FTUX). Companies should be focused on delivering that 'aha! moment' to customers right from the start so that users can quickly perform critical actions like: searching for restaurants, adding food items from the menu to their cart, and ordering their first meal.

The ideal onboarding flow for any food delivery app follows the principle of the 3 Ss: Short, Simple, and Speedy. Time to register is a good indicator of the value a user sees in your offering. You can optimize this metric by building an amazing onboarding process.

Install to Registration Rate

What percentage of users installing the app create an account? Closely monitor the install to registration rate to optimize the user onboarding process.



Industry
Benchmark

25%

NEW
USERS

Register after
the first app launch*

Average Time to Register

How long does it take for a new user to register and log in to your app? Time to register is a good indicator of the value a new user sees in your app.



Industry
Benchmark

22 MINS

AVERAGE
TIME

it takes new users
to register after first app launch

**With only one out of four users registering post-install, it's important to convey your value proposition on the first launch – in as few words as possible. Use of in-app notifications and exit intent pop-ups can help reduce the time to register, and increase the number of user registrations and sign ups.*

Additional Metrics to Watch:

METRIC	DESCRIPTION
Average App Load (Launch) Time	The average time it takes for your app to launch or load on a user's device
Average Cost Per User Registration	The average cost you incur in getting a user to install and register on your app
Crash Rate	The percentage of app loads that result in a crash

#CleverTips to Improve Onboarding

- Greet new users with a series of simple tips to help them get acquainted with your app
- Persuade first-time users to enable push notifications by offering value added services such as real-time order status updates
- Encourage users to allow geolocation sharing by describing how this helps them locate restaurants within their detected vicinity

Recommendations: How to Improve User Onboarding

Use these tactics to improve your onboarding for different types of user segments.

USER SEGMENT	TACTICS
Unregistered Users	• Display an exit pop-up or in-app notification encouraging users who have completed an in-app search 5 times to register and/or create a profile on your app • Display an exit pop-up or in-app notification encouraging users who made an in-app purchase 3 times to register and/or create a profile on your app
Registered but not Activated Users	• Send personalized push notifications, emails, or text messages encouraging users to make their first in-app purchase on days 1, 3, 5, 10, and 15 after registration • Provide further incentive by offering discounts, promotions, and referral codes • Send in-app notifications urging users who are browsing to make their first purchase • Send personalized push notifications reminding users who abandoned their carts to complete their first transaction within minutes 5, 30, and 45 of recorded activity
Registered and Activated Users	• Send personalized push notifications, emails or text messages encouraging users to make a repeat transaction or purchase on days 7, 15, and 25 after their first purchase



Onboarding to Engagement

Your newly onboarded users need to be shown the immediate value of your app so that they stay engaged, order more, and become loyal users of your app. User acquisition is only valuable if it is supported by an engaging user experience. During this initial phase, show your users value by helping them discover restaurants in their area, and providing available menus.

Leading food delivery apps encourage users to order their first meal by providing discount coupon codes and/or cashback offers. These apps also go the extra mile to understand their users' preferences so that they can be shown the most relevant options and restaurant recommendations in their area.

Average User Engagement

Engagement is measured by a combination of user actions such as the first time they search a menu or restaurants in their vicinity, or order their first meal.



Industry
Benchmark

35%

**NEW
USERS**

Order a meal at least once within the first month of installing the app*

Average Transition Time to Next Stage

The average time users take to move from onboarding to engagement. Are users transacting frequently on your app?



Industry
Benchmark

3 DAYS

**AVERAGE
TIME**

For users to order for the first time on the app

**This indicates that only a third of users see value in your app after they have been onboarded. The first 3 days after a user registers are critical, and apps that fail to recognize this run the risk of losing out on a potential loyalist. This might have further ramifications on engagement and long term user retention, as we will see in the next lifecycle stage.*

#CleverTips

- Nudge users to check out offers at restaurants in their area
- Recommend popular eateries and offer specials to encourage users to order their first meal
- Build detailed user profiles and map them to relevant segments based on their preferred cuisines, meal times, and budget preferences



User Engagement Benchmarks

Personalized user engagement campaigns nurture your brand's relationship with customers and drive repeat orders. These campaigns form the foundation for long-term user retention.

To improve the user experience, you should feature special offers on the users' preferred restaurants via in-app notifications along with delivery status updates on external channels like push notifications and email messages. Tracking click-through rates helps to optimize message content, delivery times, user segments, and campaign strategies.

Click-Through Rates

Click-through rates (CTRs) help measure the effectiveness of your marketing campaigns. Are your messages generating the response you intended? Are they prompting users to open your app?



Industry
Benchmark

1%

AVERAGE
CLICK-THROUGH RATES

For Push Notifications

Session Frequency

Tracking the average number of monthly app launches for your app helps provide you with an idea regarding how often users come back to your app.



Industry
Benchmark

10

AVERAGE
APP LAUNCHES

Per user in a month

Does Personalization Still Matter?

Today's users expect a personalized user experience. Addressing the recipients by their first name, and referencing their location, order history, or the current weather can significantly impact your engagement rates.

CTR With
Personalization

1.49%

CTR for push notifications
that use personalization
fields like name & location

CTR Without
Personalization

0.98%

CTR for push notifications
that are not personalized

Net
Impact

52%

Increase on CTR when
push notifications are
personalized

Ideal Length

How much content is too much? Are you sharing enough content to get a user hooked to your app?

We found the ideal message length to be the average character count of the most successful push notifications based on our study of over 3 billion events.



Industry
Benchmark

40-60
CHARACTERS

Ideal message length
for food delivery apps

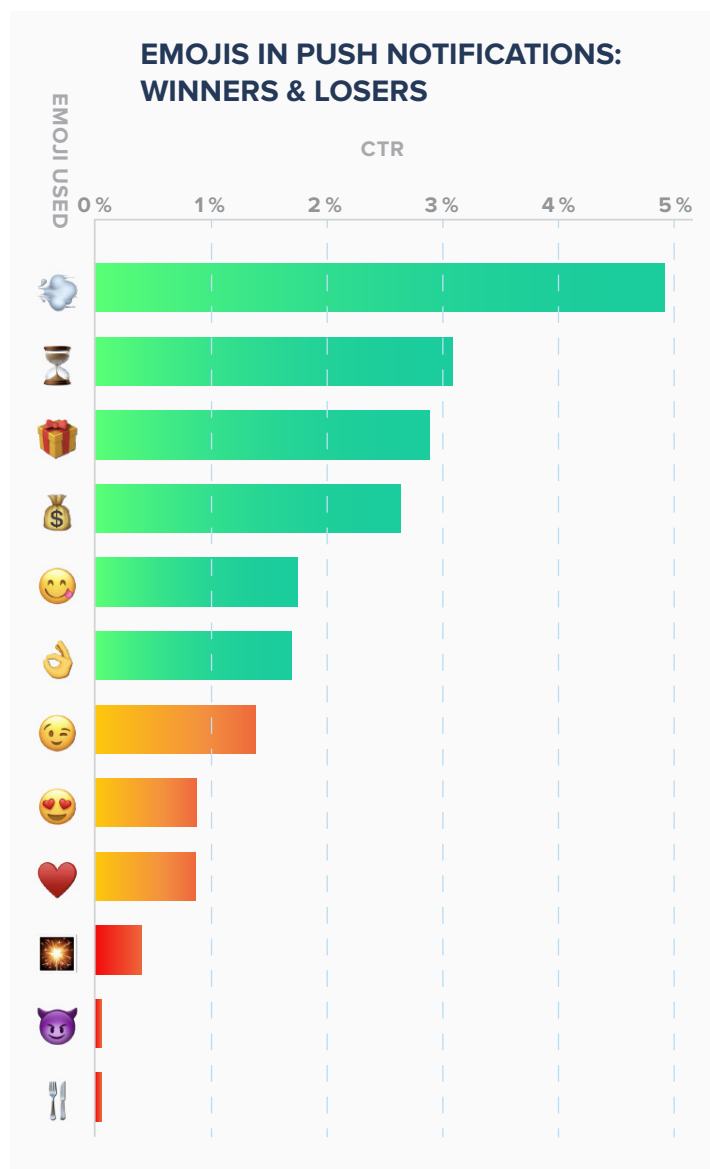
Additional Metrics to Watch:

METRIC	DESCRIPTION
Transaction Abandonment Rates	The number of users who dropped off after showing a high intent to transact
Average Session Length	The amount of time from when a user launches the app until they close the app

Emojis In Push Notifications: 🍕 or 💩?

The question on everyone's minds when marketing to younger generations is whether emojis are still impactful, and whether they can drive up order volumes. While we've seen a reduction in CTRs over the past two years, there's no doubt that the right emojis can significantly improve engagement, with an average CTR of 1.45% for push notifications with emojis.

We identified some of the most popular emojis, their performance, and whether users actually engage with them or not.



#CleverTips to Boost Engagement

- [Optimize send times](#) for your notifications based on user ordering patterns and meal times. Push notification send times that see highest engagement are between 9:00–10:00 AM, 1:00–5:00 PM, and 9:00–10:00 PM
- Use in-app notifications with special offers to inform users of new restaurants and offers in their area
- Personalize push notifications with relevant fields like a user's first name to improve open rates and CTRs
- Emojis are great, and can drive engagement **ONLY** when they are relevant to your app and are used in moderation. Remember what they say about too much of a good thing!

Recommendations: How to Boost User Engagement

Try these tactics to improve your app engagement and monetization for different user segments.

USER SEGMENT	TACTICS
Onboarded but Non-Converted Users	• Use in-app or push notification engagement campaigns to nudge an onboarded user to browse and/or make meal orders of their choice • Use personalized push notification engagement campaigns to offer users a promo code discount to encourage first-time purchase • Run personalized push notifications or email engagement campaigns on days 1, 3, 7, 14, and 21 post download - offering first-time promo codes, special discounts, or exclusive offers
First-Time Converted Users	• Use in-app notifications, personalized push notifications, emails and/or SMS to confirm payment and to thank a user for a first-time in-app purchase within two minutes of order placement • Use personalized push notification engagement campaigns to update users on the status of their meal order delivery, ETA, table reservations, etc. • Use personalized push notification or email engagement campaigns to seek feedback/reviews on a first-time order 20-30 minutes following the actual order delivery • Run personalized push notification or email engagement campaigns on days 1, 3, 5, and 7 after first-time conversion – promoting discounts, updates on eateries in the vicinity, trending offers, etc. • Run personalized push notification or email engagement campaigns on days 3, 5, 10, 15, and 30 after first-time conversion – pitching new offers, limited-time discounts, and access to exclusive user generated content
Repeat Converted Users	• Run personalized push notification, email or SMS engagement campaigns on days 1, 3, 5, 7, and 10 after last conversion – promoting discounts, providing updates on new eateries, menu changes, etc. • Run personalized push notification or email engagement campaigns on days 3, 5, 10, 15, and 30 after first-time conversion – pitching new offers, limited-time discounts, and access to exclusive user generated content
Users Not Completing Transactions (Abandonment)	• Send a push notification to users with reminders 10 minutes and 1 hour after they have abandoned a cart



From Engagement to Retention

Whether it's a web-based platform or a native app, growth in food delivery cannot solely rely on user acquisition. Having a leaky bucket can often be an obstacle to sustainable growth. This makes it essential to monitor retention rates from day 1 to get an accurate view of the health of your app.

Cart abandonment and 'drop offs after searching without cart addition' on repeated occasions can be early indicators of a user who's about to churn. This is why it's important to engage these users with timely, personalized, and relevant campaigns that prompt them to complete their order along with recommendations for value combinations and popular items.

Retention Rate

Retention rate is the percentage of users who stay active over a certain period of time.

For New Users

This metric indicates that for every 100 users you acquire, you lose out on 77 of those users by the end of Week 1. This means that food delivery apps need to go a long way in delivering a valuable experience to users in the first 7 days.



Industry
Benchmark

WEEK 1
RETENTION RATE *

22%

For New Users

For Loyal Users

This cohort of users shows a higher retention rate from Day 1, as compared to new users, of which 77% drop off after a week.



Industry
Benchmark

WEEK 1
RETENTION RATE *

65%

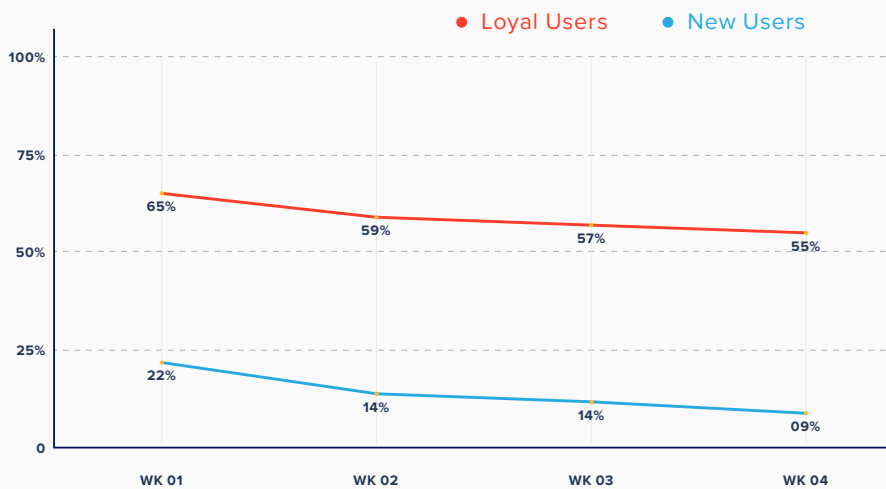
For Loyal Users

**Defined by app launched at least once during the given time period.*

New Users: New users are those who have installed the app recently and their first launch was less than a month ago.

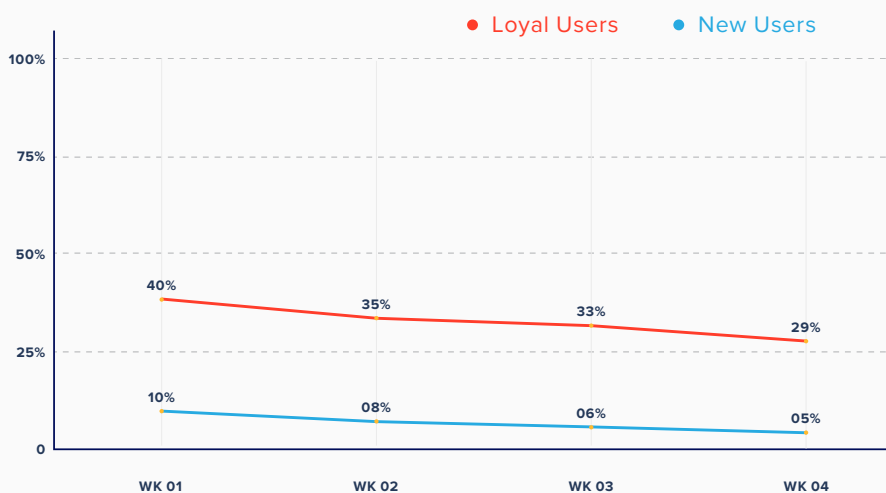
Loyal Users: Loyal users are those who continue to stay with the app for over three months, and have transacted at least three times in the past 90 days.

Weekly Retention Rate for Loyal Users (vs New Users):



By the same definition of users, only 1 in 10 of all newly onboarded users order within the first week, and this goes down even further with only 1 in 20 users coming back to order. However, the numbers are more encouraging in the case of users who have been using the app for over 2 months, with 4 out of 10 users transacting within a week and close to 3 out of 10 returning within the month.

Ordering Patterns of New Users Vs. Loyal Users:



#CleverTips to Drive User to Retention

- Try and focus on the friction points in your new users' journey by observing user retention cohorts, and targeting them with win-back campaigns
- Identify your users' preferred restaurants and cuisines to tailor their user experience
- Retain your existing new users with loyalty points and benefits



User Retention Benchmarks

User retention is the foundation for sustainable app growth. It is defined as the percentage of users who stay with the app and transact over a specific period of time after installation: typically measured on D1, D3, D7, D30, D60, and D90.

Prioritize retention rate as a key metric to building your user base and fueling continuous business growth.

App Stickiness

‘Stickiness’ measures how much users are engaging with a product or feature. The higher your app’s stickiness quotient, the more frequently your monthly active users are returning to your app.

**Note:
DAU: Daily Active Users
MAU: Monthly Active Users*



Industry
Benchmark

8%

AVERAGE
STICKINESS

(DAU/MAU)

Additional Metrics to Watch:

METRIC	DESCRIPTION
Average Revenue Per User (ARPU)	Total revenue generated during a specific timeframe / total number of active users during a specific timeframe
Customer Lifetime Value (CLTV)	The value a customer contributes to your business over their entire lifetime

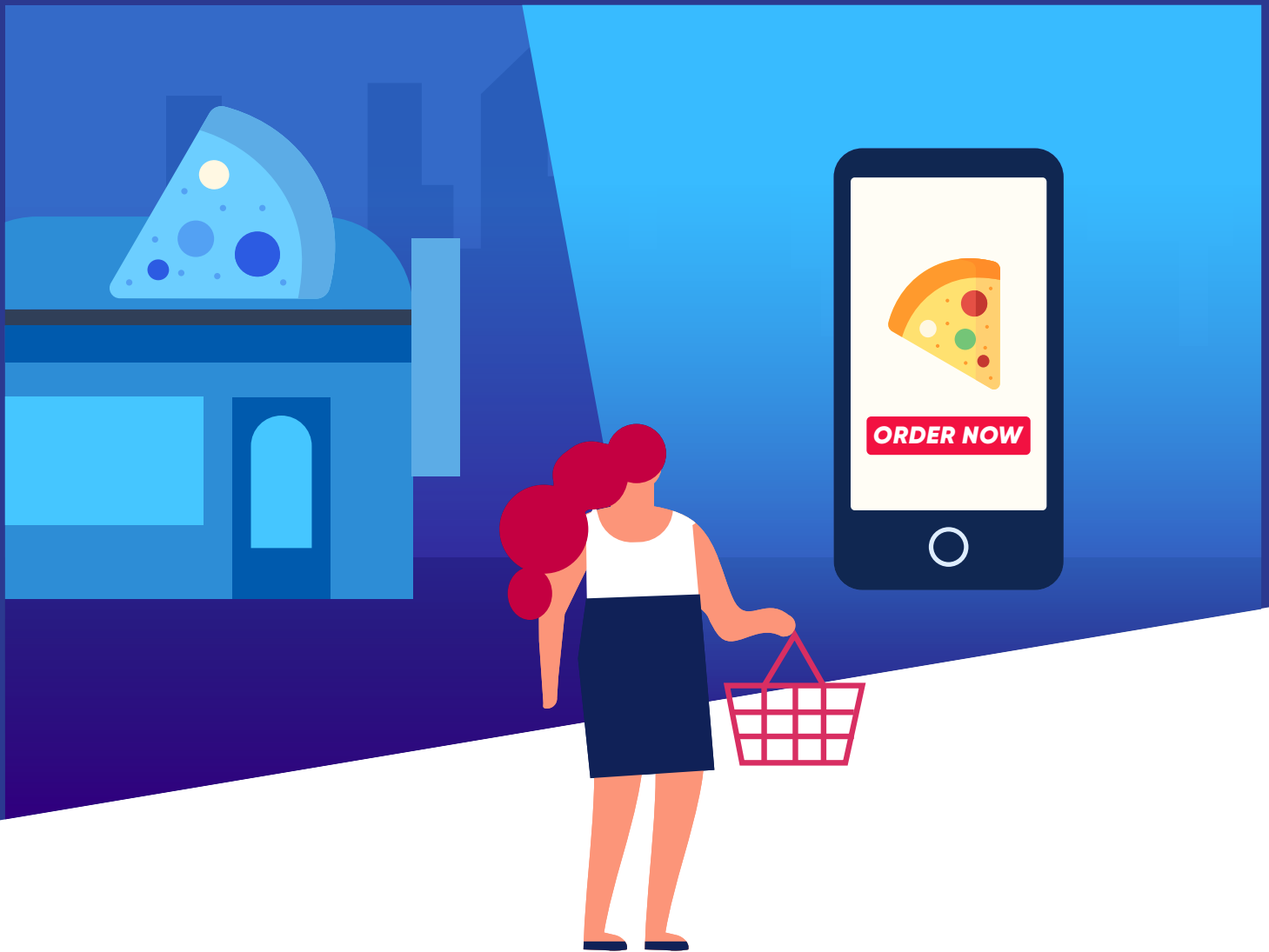
#CleverTips to Increase App Stickiness

- Motivate users who have not launched the app in over two weeks to make repeat orders by sharing coupon codes for discounts
- Analyze user retention rates based on the acquisition channel using [cohort](#) analysis to understand the segments which need more nurturing
- Use CleverTap [Journeys](#), an omnichannel campaign tool, to target users at the most optimal channel with personalized promotions, discount offers, new restaurant alerts, and more

Recommendations: How to Boost User Retention

Use these strategies to improve your user retention for different types of user segments.

USER SEGMENT	TACTICS
Engaged but Not Loyal Users	• Run personalized push notification or drip email engagement campaigns – on days 2, 5, 8, 12, and 17 post last order – promoting latest discounts, combo meals, price-drop deals, or leverage regional events to create offers with promo codes • Run personalized push notification or drip email engagement campaigns seeking feedback about the quality of food, delivery time, and overall ordering or outdoor dining experience – on days 1, 3, 5, and 7 since the user's last completed app-based experience • Run personalized “we miss you” push notification or drip email engagement campaigns on days 3, 5, 10, 17, and 30 since the user's last completed in-app ordering, restaurant booking, or dining experience using generous discounts, free delivery, etc.
Engaged and Loyal Users	• Run personalized push notification or email engagement campaigns encouraging such users to sign up for your loyalty program and its benefits – on days 10, 17, 21, and 28 since the user's last order • Use in-app notifications to secure app ratings and/or reviews after such users have made at least 3 orders • Run personalized push notification or drip email engagement campaigns – on days 2, 5, 8, 12, and 17 post last order – promoting latest discounts, combo meals, price-drop deals, or leverage regional events to create offers with promo codes



From Inactive to Churned

Churn is when a user stops seeing value in your app and stops using it within a given period. Data suggests that a drop in activity such as app launches, in-app searches, as well as frequent cart abandonment, is an early sign of churn.

Users who are inactive or dormant are at risk of uninstalling the app. By monitoring churn, tracking trends, and proactively engaging with at-risk user segments, you can remind users of your app's value and increase long-term retention.

Churn Rate

Churn is when a user stops seeing value in your app and stops using it within the first 30 days of using your app.



Industry
Benchmark

86%

NEW USERS

Churn* within
2 weeks of launching the app

**Defined by no app launches during the time period*

#CleverTips to Reduce Churn

- Identify and proactively engage with users who are likely to churn using automated segmentation, such as CleverTap's [Recency, Frequency and Monetary \(RFM\) Analysis](#)
- Minimize churn by identifying and engaging users who are most likely to uninstall the app by using [Intent Based Segmentation](#)
- Re-engage users who've gone inactive by sharing the latest offers on restaurants in their vicinity, new menu options, and restaurants added to the app



User Uninstall & Reinstall Benchmarks

The reasons for uninstall can vary from UI issues, functionality, performance, or user experience. But monitoring uninstall rates and seeking feedback from uninstalled users will give you valuable insights into your user experience and what you can do to prevent future uninstalls.

To win back uninstalled users, you can send promotional emails and launch remarketing campaigns to drive app reinstalls. Track campaign ROI by measuring reinstall rates.

Uninstall Rate

Even the most successful apps see some users churn. By monitoring uninstall rates, you'll have a better understanding of your user experience and what leads to uninstalls.



Industry
Benchmark

For New Users

54%

Of these Users uninstall the app*
in the first month

For Engaged New Users

28%

Of these have ordered at least 3x
in their first month uninstall the app

**Approximately half of your users continue to use your app after the first month of usage while the rest uninstall the app. However, once you've managed to get them to order at least one meal, you've reduced the probability of uninstalls by almost 48%, with engaged users showing only 28% churn rate in the first month.*

Reinstall Rates:

Reinstall rates help you measure the effectiveness and ROI of your remarketing campaigns. Here we've observed a 15-day window to see the average number of users who reinstall the app through remarketing efforts.



Industry
Benchmark

For New Users

4.6%

**AVERAGE
REINSTALL RATES**

within 15 days of app uninstall

For Engaged New Users

15%

**AVERAGE
REINSTALL RATES**

for users who have
ordered at least once within
their first month on the app

For Existing Users

24%

**AVERAGE
REINSTALL RATES**

for users who have used
the app at least 2 months
before uninstalling the app

Additional Metrics to Watch:

METRIC	DESCRIPTION
Cost of User Reacquisition	The cost incurred in re-acquiring users who uninstalled your app. This metric tells you how much budget you should allocate for your win back campaigns.

#CleverTips to Encourage Reinstalls

- Eliminate friction points within your app by tracking user behavior using path analysis tools such as CleverTap [Flows](#)
- Request user feedback to understand the reasons for uninstalls
- Win back users with time-sensitive, targeted promotional offers
- Establish a sunset policy to avoid spamming users who do not wish to be contacted

Recommendations: How to Boost Reinstalls

Try these tactics to improve your app engagement and monetization for different user segments.

USER SEGMENT	TACTICS
Converted but Disengaging Users	• Run personalized push notification or drip email engagement campaigns with the latest offers, discounts, and updates relevant to eateries in their last-known location on days 14, 21, 28, and 42 as you see user activity drop-off
Churned Users	• Run a personalized email engagement campaign on days 1, 5, 10, and 17 post uninstall seeking feedback to understand the reasons for app uninstall • Run a “we miss you” or “here’s what you’re missing” campaign on days 7, 14, 28, and 42 post uninstall highlighting new promotions, cashback offers, time-sensitive discounts, and new restaurants that are now delivering in the user’s vicinity • Run a “we’re just a click away” sign-off campaign as part of your sunset policy between days 43-50 of app uninstall
Re-acquired User	• Run a personalized “welcome back” email campaign on days 1, 3, and 5 post app reinstall

CleverTap

A Complete Mobile Marketing Suite for Food Tech Apps

More than 8,000+ brands use CleverTap to build long-term user retention and achieve marketing objectives that tie back to business goals.



Create Seamless Cross-Platform Onboarding Experiences

Build comprehensive and automated user journeys that works towards assisting users in their onboarding. Nudge users to pick their favorite cuisines, search for restaurants in their area, and order their first meal with omnichannel campaigns.

Engage users based on their interests and past activities

Segment users based on their interests and intent. Understand the restaurants, cuisines, meal combos, and time slots they prefer, then send them timely and relevant campaigns.

Predict User Micro-segments and Measure Uplift Across Campaigns

Use intent to identify users most likely to convert. Create differentiated engagement strategies for loyal users most likely to order again, or to convert fence-sitters – optimizing the ROI on your marketing spend.

Retain Users with Lasting Experiences

Deliver an experience that users remember. Send them personalized campaigns to drive repeat orders, along with offers aimed to boost loyalty and retention over the long term.

Talk to Our Mobile Marketing Experts

[SCHEDULE A DEMO](#)

Additional Resources:

[How Faasos, India's top food delivery app, accelerated conversion by 7% using CleverTap Journeys \(Case Study\)](#)

[Cooking Up the Ultimate Food Tech App Experience \(Whitepaper\)](#)

[9 Tips to Accelerate User Acquisition for Food Tech Apps \(Blog\)](#)

[Grab-and-Go Push Notification Templates \(Whitepaper\)](#)

[Journeys: Build Omnichannel Marketing Campaigns on a Visual Canvas \(Blog\)](#)

Methodology:

Our data science team analyzed billions of anonymous data points across multiple food delivery apps in 2019. We did a deep-dive into user behavior within the app, responses to engagement campaigns, and conversions to understand the key factors that contribute to growth. Over 3 billion events were studied for this report.

For questions regarding methodology, please contact marketing@clevertap.com.