

**The Digital Divide Report, a PYMNTS and Paytronix collaboration,** examines the spending habits of restaurant customers. We surveyed 2,213 U.S. adults who regularly purchase food from restaurants — including dine-in, delivery and pickup — between September 2 and 9 about how they place orders and how much they spend. This report focuses on food delivery aggregators, an ordering method that some consumers find convenient but others avoid due to perceived high costs.

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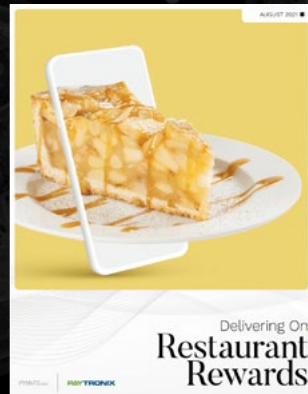
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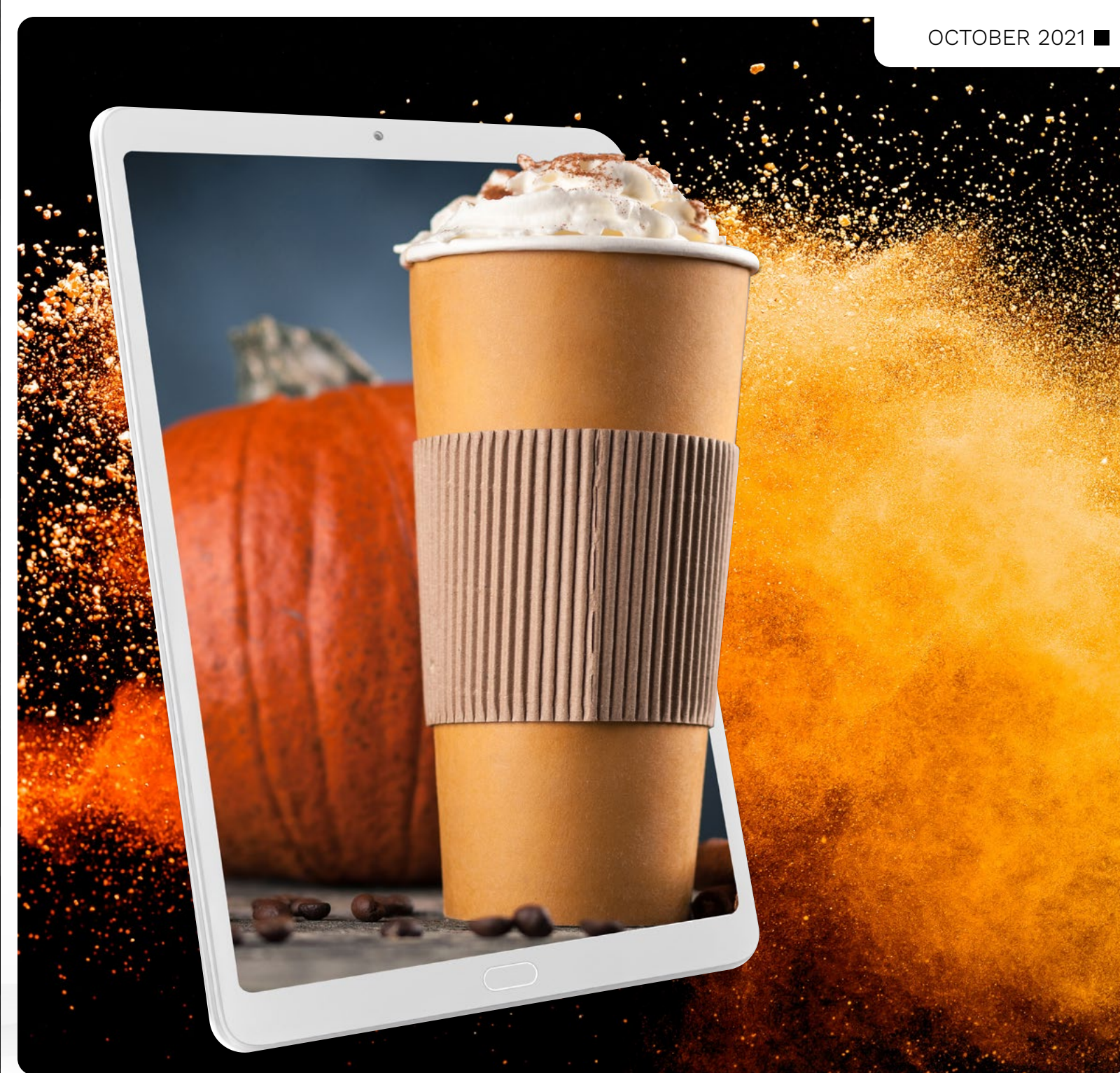
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# Digital Divide

**Aggregators:**

The Cost Of Convenience

# Digital Divide

**Aggregators:**  
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The Digital Divide Report was done in collaboration with Paytronix, and PYMNTS is grateful for the company's support and insight. PYMNTS.com retains full editorial control over the following findings, methodology and data analysis.

# Introduction

The three leading food delivery aggregator platforms — Door Dash, Uber Eats and Grubhub — jointly filed a lawsuit against New York City for placing a 20 percent cap on the total fees they can charge for their services. The controversy puts a spotlight on the high rates these and other aggregators often charge, which can exceed 30 percent of a customer’s delivery order, and how these rates affect both restaurants and consumers.<sup>1</sup>



Food delivery aggregators have greatly disrupted the restaurant industry in both positive and negative ways. Many consumers came to rely on these platforms for meal deliveries during the COVID-19 crisis and, in turn, helped keep restaurants in business while their customers stayed at home.

<sup>1</sup> Mays, Jeffery C. "Food Delivery Apps Sue New York Over Fee Limits." The New York Times, September 10, 2021. <https://www.nytimes.com/2021/09/10/business/food-delivery-lawsuit-ny-grubhub-uber-eats-door-dash.html>. Accessed October 14, 2021.



PYMNTS’ latest research finds that 17 percent of consumers in the United States who regularly purchase food from restaurants used an aggregator to order from their favorite table-service restaurant or quick-service restaurant (QSR) at least once in the last three months. Roughly two-thirds of aggregator users say convenience is a primary reason they use these platforms. More than half of consumers who do not use them, however, say the costs are a deterrent.

The inaugural edition of The Digital Divide, Aggregators: The Cost Of Convenience, a PYMNTS and Paytronix collaboration,

examines the spending habits of restaurant customers in the U.S. We surveyed 2,213 adults who purchase food from restaurants at least once a month — including dine-in, delivery and pickup — between September 2 and 9 about how they place orders, how much they spend and the impact of the pandemic on their purchases. This report focuses on food delivery aggregators, a convenient but often costly way to order food that leaves consumers with a decidedly mixed impression.

**This is what we learned.**

## ■ PART I: PLACING ORDERS

### Less than one-fifth of restaurant customers used an aggregator to order from their favorite eateries in the last three months.

Ordering directly from the restaurant by phone or online remain much more popular options.

Food delivery aggregators have become a common way to order from restaurants, but most consumers in the U.S. do not use them regularly to order from their favorite eateries. PYMNTS' latest research asked respondents — consumers who purchase food from restaurants at least once a month — to identify the table-service restaurant and QSR that they order from most frequently. We found that just 17 percent had used an aggregator to order from either their top table-service restaurant or QSR in the last three months. They were somewhat more likely to have done so with a QSR (17 percent) than with a table-service restaurant (14 percent).



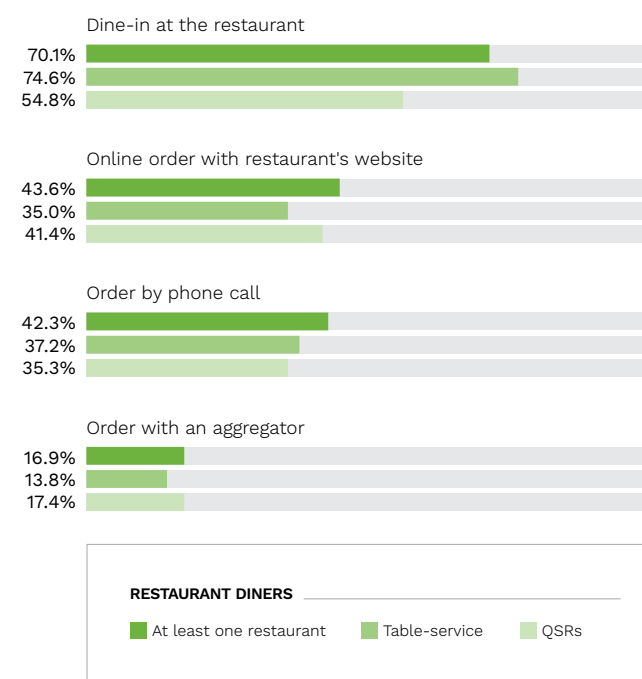
#### ORDERING BY PHONE REMAINS POPULAR

Forty-two percent of respondents ordered this way from their favorite restaurant in the last three months.

FIGURE 1:

#### How consumers order from their favorite restaurants and average spending by channel

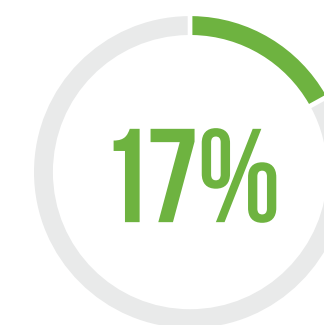
Share of respondents, by channel used to order from their favorite restaurants in the last three months



Source: PYMNTS | Paytronix | Digital Divide

Aggregators trail far behind more traditional ordering methods. Nearly half of respondents had ordered delivery or pickup from their favorite restaurant directly through its website or app (44 percent) or by phone (42 percent) in the last three months. Seventy percent dined in at their favorite restaurant in the last three months.

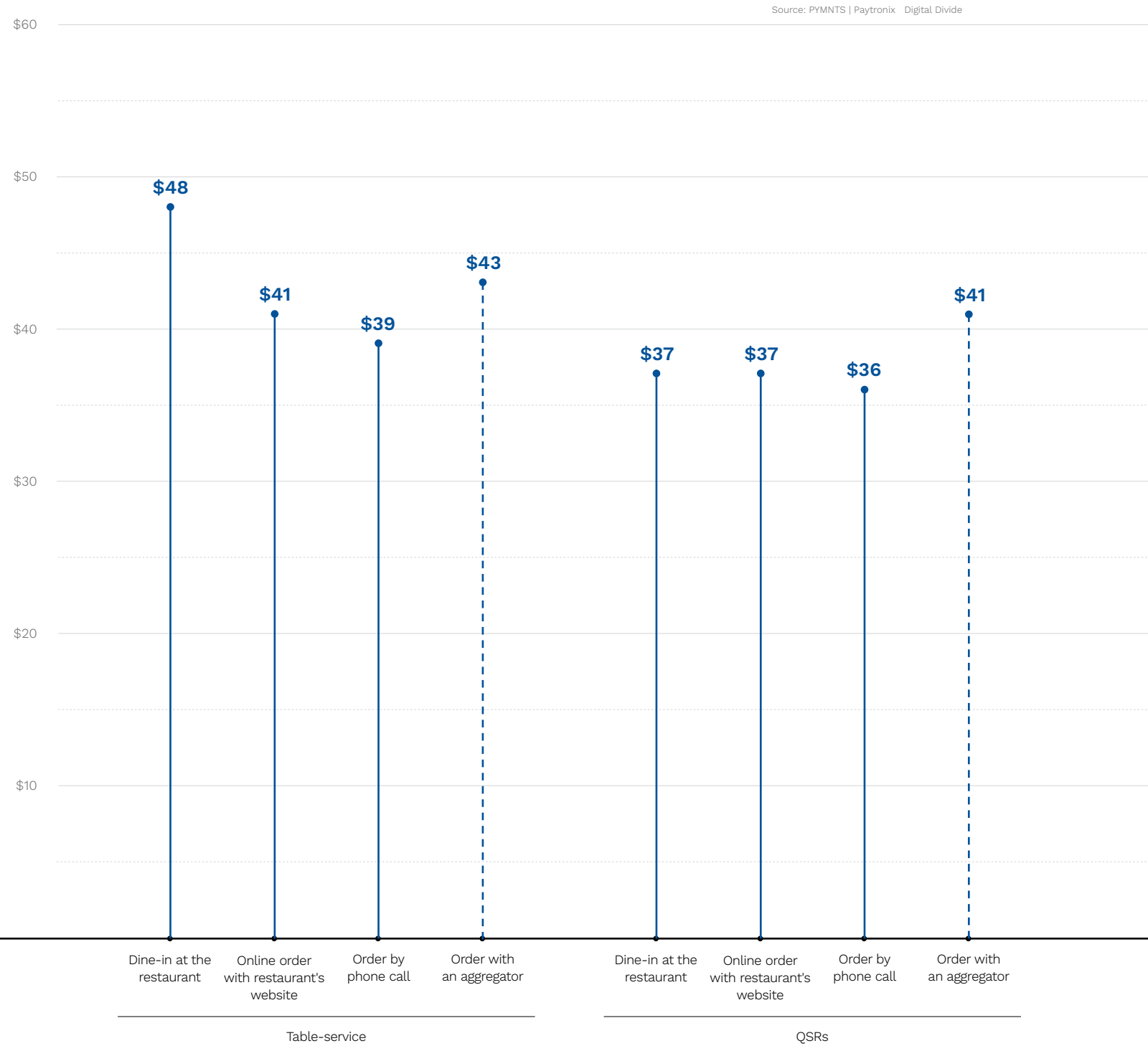
Respondents spend more per purchase, on average, when ordering from their favorite restaurants through aggregators than directly from eateries. The gap is especially large for QSRs, with aggregator purchases averaging between 10 percent and 12 percent more than those made when eating at the restaurant, ordering directly from the restaurant website or mobile app or ordering by phone.



Share of respondents who used an aggregator to order from their favorite restaurant in the last three months

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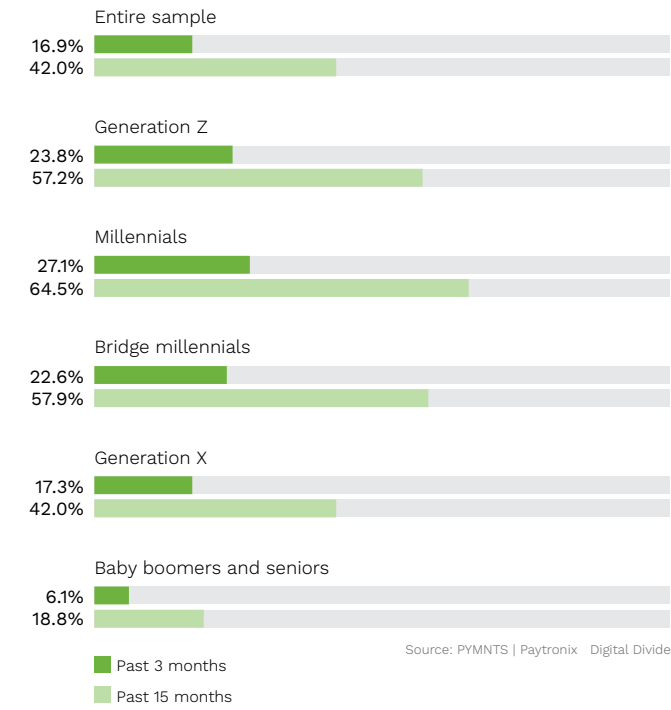
**FIGURE 2:**  
**How consumers order from their favorite restaurants and average spending by channel**  
 Average spending per purchase, by restaurant channel



Source: PYMNTS | Paytronix | Digital Divide

**FIGURE 3:**  
**Food delivery aggregator use by generation**

Share of respondents who used an aggregator to purchase from their favorite restaurants in the past 3 months and the past 15 months, by generation



Source: PYMNTS | Paytronix | Digital Divide



**BRIDGE MILLENNIALS**

Members of this group experienced the internet at a young age and are old enough to be in their prime earning and spending years.

Food delivery aggregator use varies substantially by generation. Younger consumers are more likely to order using these platforms than older consumers, with approximately one-quarter of bridge millennials (23 percent), millennials (27 percent) and Generation Z (24 percent) making restaurant purchases via aggregators at least once in the last three months.<sup>2</sup> Very few baby boomers and seniors (6 percent) ordered via aggregators in the same period, with Generation X falling in the middle (17 percent).

<sup>2</sup> Generation Z: 1997-2003; millennials: 1981-1996; bridge millennials: 1978-1988; Generation X: 1965-1980; baby boomers and seniors: 1964 and earlier

## ■ PART II: THE TOP AGGREGATORS

**DoorDash and Uber Eats are the two most frequently used aggregator platforms.** Smaller platforms have larger shares of high-frequency buyers.

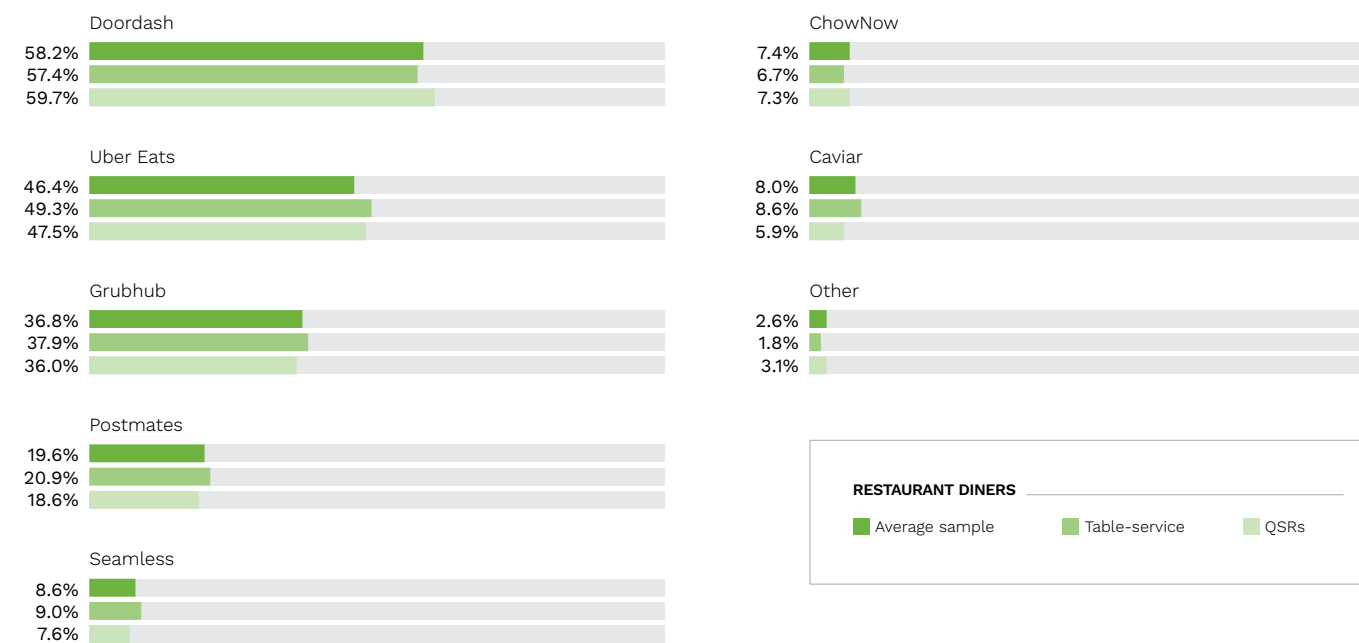
There are relatively few key players in the food delivery aggregator space, with four main players capturing most of the user base. Our survey finds that Door Dash is the most popular, with 58 percent of aggregator users ordering through the platform at least once in the past 15 months. Uber Eats (46 percent), Grubhub (37 percent) and Postmates (20 percent) round out the top four, with less than 10 percent for other players. We observe no major differences in the shares of customers using each aggregator for ordering from table-service restaurants versus QSRs.

Consumers who order with aggregators tend to do so frequently. DoorDash customers make 4.5 purchases per month, on average, with 13 percent ordering three times a week or more. Uber Eats (5.3 times a month) and Grubhub (4.8) users order through these platforms slightly more often. Our data shows that smaller players Seamless (7.7), ChowNow (7.6) and Caviar (7.8) have higher frequency users, suggesting they may deliver better experiences to their customers than the industry leaders.

FIGURE 4:

### Usage of top aggregator platforms

Share who would like to interact with loyalty programs in select ways, by type of restaurant



### FREQUENCY OF USE BY PLATFORM

	Average orders per customer per month	FREQUENCY			
		Once a month or less	2-3 times each month	1-2 times each week	3 times a week or more
• DoorDash	4.5	36.5%	22.7%	28.3%	12.5%
• Uber Eats	5.3	26.1%	23.1%	32.6%	18.1%
• Grubhub	4.8	31.7%	23.0%	30.7%	14.7%
• Postmates	7.0	10.1%	15.8%	43.6%	30.6%
• Seamless	7.7	3.0%	20.6%	39.5%	37.1%
• ChowNow	7.6	5.7%	16.1%	42.0%	36.3%
• Caviar	7.8	4.8%	15.4%	40.8%	39.1%
• Other	2.2	65.4%	28.0%	6.6%	0.0%

Source: PYMNTS | Paytronix | Digital Divide

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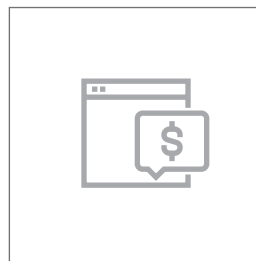
■ PART III: MAKING IT EASY

**Approximately two-thirds of aggregator users say they select aggregators for convenience.** More than one-third believe it is the only way to order delivery from their desired restaurant.

**C**onvenience is the driving factor for most food delivery aggregator users. Sixty-five percent say they order from restaurants via these platforms because of ease and convenience, by far the most cited reason. This helps explain the high average purchase frequency among aggregator users, as noted above.

**LOWER PRICES**

Just 16 percent of aggregator users cite lower prices as a reason that they order by aggregator.

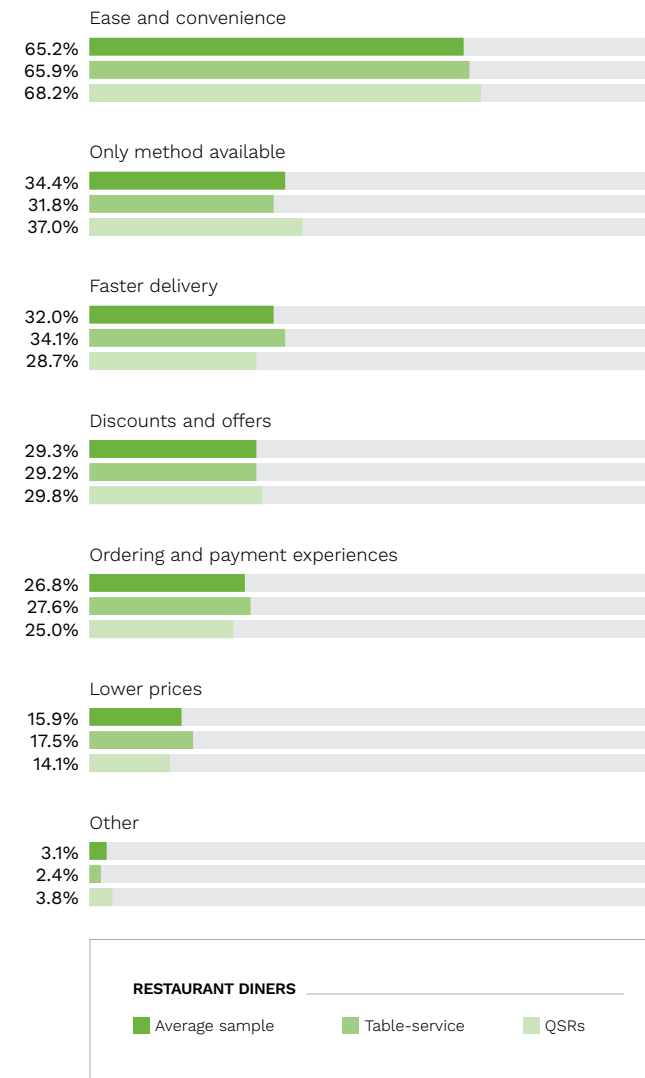


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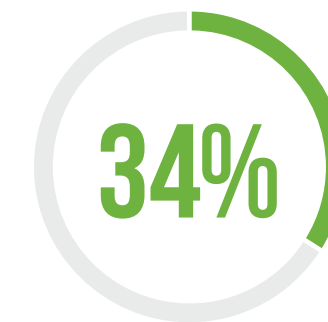
**FIGURE 5:**

**Why restaurant customers use aggregators**

Share of aggregator users, by reasons for ordering through aggregators



Source: PYMNTS | Paytronix | Digital Divide



Share of aggregator users who say that ordering by aggregator is the only way to get delivery from their desired restaurant

Most of the other top reasons also center around convenience; 34 percent of aggregator users say these platforms are the only way to get delivery from the restaurants of their choice, and 32 percent say ordering this way is faster. Cost, meanwhile, is not a significant factor — just 16 percent of aggregator users say ordering this way is cheaper.

## ■ PART IV: THE COST OF CONVENIENCE

### More than half of restaurant customers who do not use aggregators say high costs and fees keep them away from the platforms.

Meals from restaurants are generally more expensive than other options, and consumers understandably are cost-conscious when ordering delivery or takeout. Aggregators typically charge fees and may mark up menu prices, and these and other additional costs deter many consumers from ordering through these platforms.

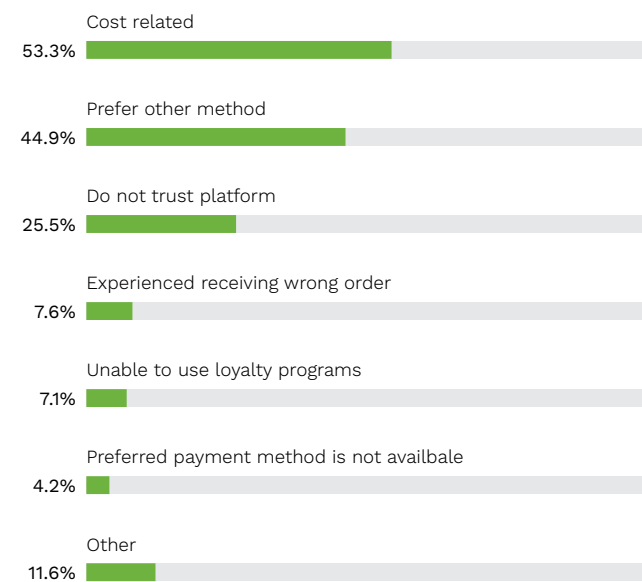
Fifty-three percent of respondents who have not placed a restaurant order in the past 15 months through an aggregator cite cost-related issues — including additional charges and higher prices — as key factors in their decision to order through other channels. Approximately one-quarter also say they prefer other methods (26 percent) and do not trust aggregators (26 percent).



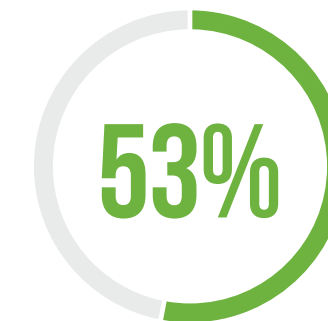
FIGURE 6:

#### Reasons not to use an aggregator

Share of respondents who have not used an aggregator to order from a restaurant in the last 15 months, by reason



Source: PYMNTS | Paytronix | Digital Divide



Share of respondents who do not use aggregators that cite cost-related concerns as a reason why

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# Conclusion

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**F**ood delivery aggregators have had an enormous impact on the restaurant business in recent years and have become a go-to method for ordering food in the U.S. for a sizeable portion of customers. Aggregator users overwhelmingly point to convenience-related factors as the main reasons they choose to order via these platforms. Most U.S. consumers who regularly purchase food from restaurants rarely or never use aggregators, however. Non-users avoid the platforms primarily because they believe the cost is higher than ordering through other channels, underscoring the centrality of cost in the future of the restaurant ordering and delivery landscape.

## Methodology

The Digital Divide, Aggregators: The Cost Of Convenience, a PYMNTS and Paytronix collaboration is based on census-balanced surveys of 2,213 U.S. consumers conducted between September 2 and 9, as well as an analysis of other economic data. The sample was constructed to match the U.S. adult population in key demographic characteristics. Respondents averaged 47 years of age, 52 percent are female and 32 percent hold college degrees. Sampling also covered different income brackets: 36 percent of respondents earn more than \$100,000 a year, while 31 percent and 33 percent have incomes of \$50,000 to \$100,000 and under \$50,000, respectively.



# ABOUT

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