

SLERP. | KAM
Consumer Survey 2022

ONLINE ORDERING DELIVERS

for the hospitality
industry



INTRODUCTION

Insight from Slerp

To say the hospitality sector faces challenges is an understatement. Staffing shortages, spiralling inflation, low consumer confidence – it's a cocktail mix causing a wicked post-pandemic hangover. But call me an optimist, there remains opportunity for growth with the right mindset. Think of it this way, we really don't have much else to lose so isn't it time to embrace positive change and really listen to our customers?

Our research shows that takeaway and delivery continue to be in huge demand and there are some very interesting learnings to be had on having a direct online ordering channel and loyalty.

Marketplace apps have certainly shaped online ordering for the hospitality sector and are very meaningful for operators. However, what is now happening is diversification into direct online ordering. Having a direct-to-consumer online proposition that compliments the third-party apps seems to be the winning formula and savvy operators have woken up to that fact. Those that are best placed are already investing into in-house digital teams for the long-term. The hangover will pass.



*JP Then,
Founder, Slerp*

Insight from KAM

The past few years have been a conduit for change in consumer behaviour. The effects on the UK hospitality industry have been significant and will have a lasting impact.

'At-home' dining has shown sustained growth. Increasingly, we're seeing consumers taking a multi-channel approach to dining, not only dining on-premise but also using at-home offerings as a way of interacting with their favourite brands more frequently.

Consumers want to bring the experience home with them, and online ordering of food and drinks from their favourite venues allows them to do so. Operators shouldn't see consumers' homes as a threat but as an opportunity to extend their brand beyond their own venues and create lasting customer loyalty.



*Katie Jenkins,
Marketing & Partnerships
Director, KAM*



CUSTOMERS ARE **HUNGRY** FOR ONLINE ORDERING

The appetite for delivery shows no sign of waning, with more than half of respondents across all age groups reporting that they order a takeaway or delivery at least once a week. That's a lot of ordering taking place!

In fact, on average, consumers are ordering online

5.9
times
a month

with

18-30
yr olds

hitting an
impressive

8.8
orders per
month!

How can hospitality operators make the most of this demand? Easy. You need to be wherever your customers are.

Sure, you're thinking, I'm on Deliveroo and Uber Eats. I'm where my customers are. But that's not the whole story.



62%

of respondents report that they prefer to order direct where possible. Being where your customers are means having a strong direct to consumer (D2C) offering.

If that's not enough to convince you of the importance of D2C, perhaps the fact that

41%

of respondents admitted to ordering from the same place again and again

with

26%

stating that they "mostly" ordered from the same places.

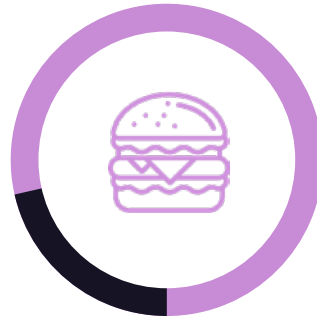
The message is clear: **Your customers are already ordering online.** But if they're not ordering with you direct, you're missing out. Not only in terms of revenue by spending more on marketplaces, but also on the opportunity to capture meaningful data.



Photo credit: @ottolenghi

ONLINE ORDERS DRIVE **ON-PREMISE** GROWTH

A concern for many operators has been the impact that online ordering will have on their on-premise operations. Will people order delivery to replace dining out? Reassuringly, it seems the answer is no.



74% of respondents indicate that they order-in to replace cooking at home.

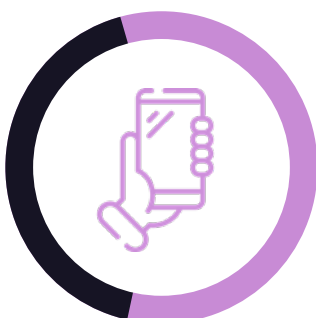
As a nation perhaps we've fallen out of love with cooking? Whatever the reason, it's clear that rather than cannibalising revenue, online ordering could provide a way to help diversify your revenue streams and protect businesses from the fluctuations of the market.

If that wasn't enough to get you thinking about direct to consumer ordering, then perhaps the fact that almost **half of people** stated that a positive online ordering experience would make them more likely to visit a venue in person will pique your interest.

TECH SAVVY CUSTOMERS LEAD **THE WAY**

Why are people increasingly ordering online? It partly reflects wider changing attitudes towards technology.

Respondents across all age groups reported positive feelings towards the use of tech in dining.



In fact amongst the most frequent online orderers, 2/3 think that tech improves the experience.

As consumers become more comfortable with technology, operators can start to further explore the possibilities that tech can play both on-premise and within at-home dining.

What's important for operators to remember is that the **majority of online orders are likely to come from existing customers**. And once they've ordered once, they'll order again and again. When asked, $2/3$ admit that they prefer to order from the places that they know and love with only 30% saying that they actively liked to explore and try new places.

What does that mean for hospitality? Two things really:

1 Having a D2C solution is a must to ensure you remain connected to existing customers.

2 Knowing who your customers are isn't a nice-to-have, it's essential to your growth.



PERCEIVED VALUE **IS KEY** FOR CUSTOMERS

One of the most effective ways to engage your customers is with a loyalty programme that incentivises them to order with you again and again.

Don't believe us?

84% of respondents said they would be more likely to order direct if a loyalty programme was available, and $1/3$ stated they'd definitely spend more in order to secure points.

But not all loyalty programmes are created equal. Traditional paper loyalty cards don't work for online purposes. They're easily lost, open to fraud and they're bad for the environment. Instead, operators should look to a digital solution which can be fully branded and customised, and used to drive growth online as well as on-premise.

Loyalty and growth go hand-in-hand. Market places may be a good place to drive new businesses, but they shouldn't be your long term strategy. Direct ordering has a lot more potential for growth and that's where loyalty comes in. Grow your online business and turn customers into repeat business.



69% of people said that loyalty influences where they order from, so don't send your customers into the arms of the competition.

In addition to loyalty programmes, respondents also listed discounts as playing a role in influencing where they order from. In fact only 3% said discounts play no part in the decision making process.

But this doesn't mean operators need to make big discounts to drive orders. Understanding perceived value is key to driving orders.

70% put free delivery in their top 3 discount types,

above percentage off or a set monetary value off, and 1/3 indicated a clear discount on delivery would influence them to order. With this in mind, we could well see a move away from discounting products, to discounting delivery as operators respond to customer demand.



FREE

DELIVERY

WHAT DOES THIS MEAN FOR THE *HOSPITALITY INDUSTRY?*

There is no doubt that online ordering is a channel that will continue to grow. Our habits as consumers have changed, and they won't be rolled back. But all of this represents an opportunity to the industry.

Consumers continue to order – from bakeries, restaurants, cafes. 82% have ordered from one in the past 12 months.

The demand is there, and the operators that succeed will be the operators who pay attention to what their customers want and provide a strong D2C offering that rewards their continued loyalty.





50% ordered delivery or takeaway at least once a week.



Almost half are ordering for everyday dining at home or work.



Photo credit: @impeccablesandwiches

ONLINE ORDERING TASTY STATS

40% would consider ordering online for a **bank holiday weekend**.

Almost 1/3 of respondents listed their **children as influencing what they order** online for delivery or collection.

Accurate descriptions (76%), **customer reviews** (69%) **good photography** (48%) are amongst the top 3 factors most likely to influence customers to buy a product.

80% said loyalty points would make them **spend more at a venue**.



Half would consider ordering online for a **birthday celebration**.



1/3 of people would consider ordering online for a big **sporting event**.



Word of mouth dominates with 41% stating it as an influencer on where they've ordered in the past 3 months.



93% of respondents said the availability of **loyalty points** would influence where they order from.



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BY HOSPITALITY.

Discover what D2C ordering
could do for your business.

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