



TOP 5 TRENDS
AFFECTING PIZZA
DELIVERY REVENUE
IN 2023



KEY HIGHLIGHTS



Trend #1

DELIVERY IS HERE TO STAY

Even post-COVID, 60% say they would continue their habit of ordering delivery from restaurants >>



Trend #2

DRIVER SHORTAGE PERSISTS

78% of restaurant operators do not have enough employees to support customer demand >>



Trend #3

RISE OF THIRD-PARTY DELIVERY SERVICES

Due to high demand for delivery, major food delivery marketplaces started offering delivery as a service. >>



Trend #4

RESTAURANTS OPTING FOR HYBRID DELIVERY

Many restaurant operators started mixing in-house and outsourced delivery models >>



Trend #5

OWNERSHIP OVER CUSTOMER EXPERIENCE

Guest satisfaction is up to 3 times lower for delivery orders compared to dine-in. What to do? >>



PIZZA IS SYNONYMOUS WITH DELIVERY



The pizza industry has proven both pandemic and recession-proof, with sales in the U.S. alone topping \$55 billion in 2022

Widely considered one of the most convenient, affordable, and crowd-pleasing meal options, pizza is synonymous with delivery and a standalone category ripe for optimization.

The emergence of specialty pizza shops like D.P. Dough and Blaze creates more opportunities for diners and restaurant operators, especially in local markets. At the same time, big players like Pizza Hut and Papa Johns seek to stay relevant and deliver the best customer experience to keep diners returning.



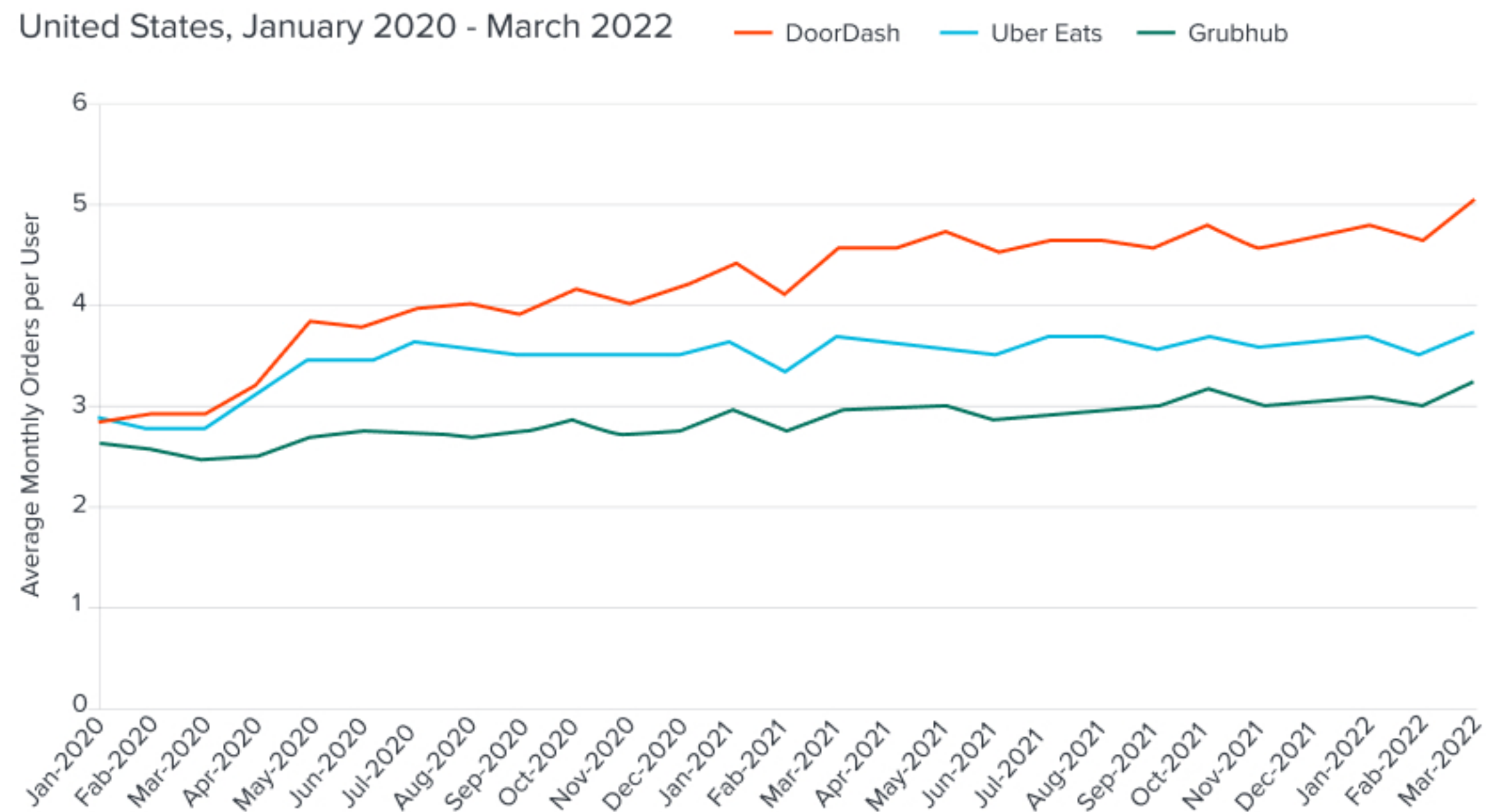
Pizza is consumed more from delivery than at restaurants

Trend #1 DELIVERY IS HERE TO STAY



It is no secret that delivery – both for food and retail – emerged as a big winner from the COVID-19 period. Despite the complications, uncertainties, and overall difficulties many sectors faced during and following the pandemic, the delivery sector continues to grow even though many experts expected it to fall after the pandemic. To adapt to consumer demand, restaurants started adopting high-end software solutions to help generate orders, enhance user experience and manage processes.

AVERAGE MONTHLY ORDERS PER USER, BY PLATFORM



KEY TECH SOLUTIONS FOR FOOD DELIVERY

- 📍 Delivery management software
- 📍 Dispatch and smart routing tools
- 📍 Delivery tracking solutions
- 📍 Digital customer loyalty programs
- 📍 Open-API POS systems

Trend #2 DRIVER SHORTAGE

78% of restaurant operators do not have enough employees to support customer demand

The difficulty of finding and keeping employees has hampered businesses across multiple sectors. The restaurant industry has been hit particularly hard, leading to shorter operating hours and longer customer wait times.

Slow service is terrible for business, and not just because of missed sales — a few late pizzas from your restaurant could send a loyal customer straight into the arms of your competitors.

HOW RESTAURANTS DEAL WITH DRIVERSHORTAGE:

Repurpose and retrain employees across multiple positions

Consider outsourcing part of delivery volume

Promote high tips as incentives for drivers in hiring ads

Portillo's
12.4K followers
5mo · 🌐

+ Follow ...

Did you know Portillo's Catering Drivers can earn an average of \$32 in tips per trip? Learn more when you apply at [portillos.com/careers/!](https://portillos.com/careers/)



Portillo's powered by **cartwheel**

Portillo's launched a self-delivery program targeted at servicing large-value orders. To meet the delivery staffing needs, they retrained on-premises staff and highlighted high tips in their hiring ads to attract new drivers.

Trend #3 THE RISE OF THIRD-PARTY DELIVERY SERVICES



In the past couple of years, food marketplaces like DoorDash, Uber Eats, and Postmates have started offering third-party delivery as a service for a flat fee (no commission) for restaurants to deal with delivery demand.

Third-party delivery is an option for restaurants seeking to deliver their food to consumers. Instead of using their own vehicles and drivers, restaurants can outsource these services to a third-party delivery service, even if they have their own online ordering platforms for a flat fee.

THREE WAYS FOR RESTAURANTS TO USE THIRD-PARTY SERVICES



DIRECT

Manually send delivery orders to a provider of your choice or integrate with each of them via API. Working with a provider exclusively typically gives restaurants more favorable rates.



DELIVERY ORCHESTRATION

Software solutions like Olo Dispatch automatically pair delivery orders with a variety of delivery providers. This way is easier but could be costlier.



HYBRID DELIVERY™

It's not necessary to choose an in-house or outsourced delivery model exclusively: restaurants can combine both based on their preferences.





First-party vs third-party delivery models

Both delivery models have advantages that can serve the unique needs of your business. The end goal of every business is to turn a profit. For that purpose, each business needs to find a suitable model that maximizes their profits.

Pros of first-party delivery:

- full operations visibility
- control over customer data
- consistent branding

Cons of first-party delivery:

- upfront costs are high
- requires developing a delivery infrastructure
- delivery staff needs training

Pros of third-party delivery:

- more affordable to implement
- less of an operational hurdle
- easier to scale

Cons of third-party delivery:

- long-term delivery costs are higher
- delivery quality tends to be lower
- no direct control over customer experience

49%

of restaurants say that they plan to offer first-party delivery

* "Square Future of Restaurants: 2022 Edition" research

Approximately **55%** of the Pizza Hut's U.S. locations have implemented third-party delivery fleets in addition to their in-house drivers.

*Food On Demand, August 2022

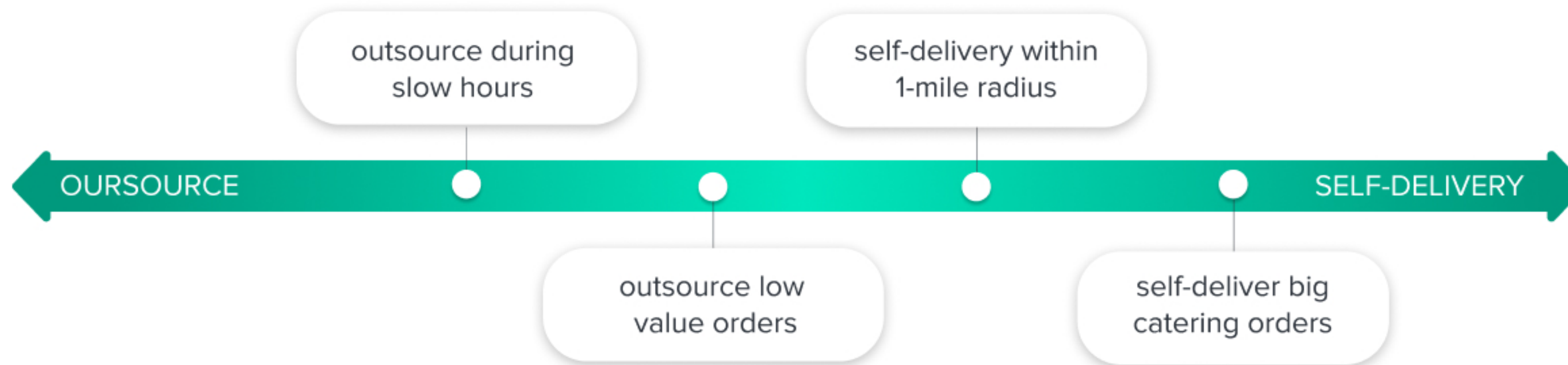
Keep reading to learn how to combine in-house and outsourced deliveries





As stated above, third-party and in-house delivery come with advantages and drawbacks. To balance out the two delivery types, Cartwheel has pioneered Hybrid Delivery™.

To understand what hybrid means in terms of delivery is, imagine a spectrum with first-party delivery on one side and third-party delivery on the other. And everything in between falls into the Hybrid Delivery™ category.



By rewarding high-value repeat customers with the fastest, most convenient deliveries, this model boosts customer loyalty and retention while providing restaurants with a hedge against the rising costs of outsourcing.

The technology allows you to set up your own rules and preferences for delivery: deliver in-house within a 5-mile radius, outsource orders based on driver availability, use the third party during overflow, only deliver orders over \$50 in-house, or any other case that makes sense for your business goals.

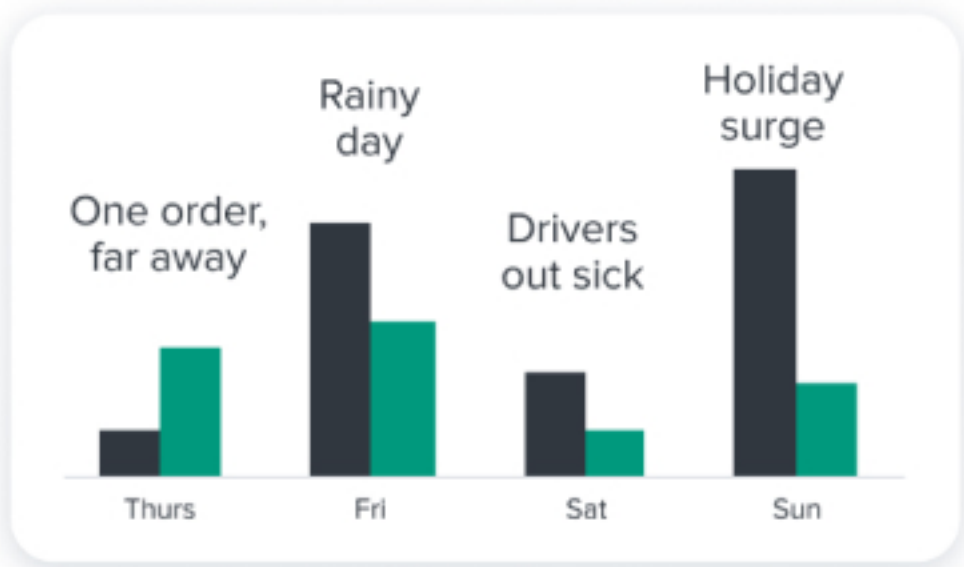


BUILD-YOUR-OWN HYBRID DELIVERY™

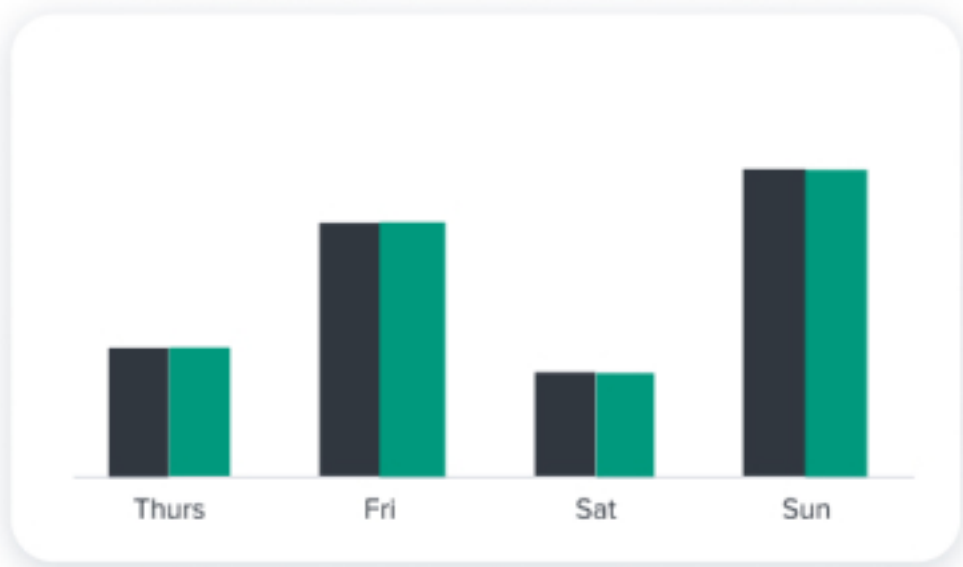


NO MATTER THE CIRCUMSTANCES, YOU'LL ALWAYS HAVE ENOUGH DRIVERS

IN-HOUSE DELIVERY



HYBRID DELIVERY



■ Order quantity

■ Driver Supply

THE RULES ARE BASED ON



TIME OF DAY



ORDER SIZE



DELIVERY RADIUS



DRIVER AVAILABILITY



ORDER THROTTLING



DELIVERY POLYGONS



*“With Cartwheel, **our delivery program is as customizable as our menu.** Since implementing these new tools, Potbelly has been able to offer faster, more efficient delivery to our customers from **more than 400 locations nationwide.***”*

*Food on Demand, April 2022

Sam Martinez
Business Systems Manager

Trend #5 OWNERSHIP OVER DELIVERY CUSTOMER EXPERIENCE

A brand's social reputation takes a big hit when customers post about a bad third-party delivery experience

When a take-out or delivery order is placed, guest satisfaction is up to 3 times lower than that of dine-in guests.

With no opportunity for in-store staff to recover an unhappy digital order guest, the potential for lost customers is huge, even if they have never walked through your doors.

It is essential to utilize tools that help you communicate with your customers, ask for feedback and solve issues before they appear on review platforms, especially for delivery orders.

On average, social ratings lose **-1.5** stars when third-party is mentioned at all

*Service Management Group Research

AVERAGE SOCIAL SCORE



3.8

Without third-party mention



2.4

With third-party mention

-1.5

Difference in Social Scores by Provider

-1.7

DoorDash

-1.7

Grubhub

-1.5

Postmates

-1.1

Uber Eats

SELF-DELIVERY BENEFITS OUTWEIGH COSTS



P.F. Chang's chose Cartwheel to provide a holistic customer experience and boost their delivery revenue

Many forward-looking restaurant brands, including P.F. Chang's, see self-delivery as a hedge against potential price hikes from third-party apps in the future, while simultaneously creating a better brand experience.

P.F. Chang's operations team has rolled out Cartwheel for self-delivery at over 150 locations.

“Cartwheel allows us to handle the highest priority orders with self-delivery, ensuring the experience is seamless, delivered with P.F. Chang's hospitality and encouraging the customer to return for repeat deliveries through our native ordering platforms.”

THE RESULT



Increases in order frequency and average check size



Improvement in overall customer satisfaction



Substantial retention of delivery business



CANDICE BARNETT

Vice President
Off-Premises Dining
P.F. CHANG'S

THE COST OF A BAD REVIEW

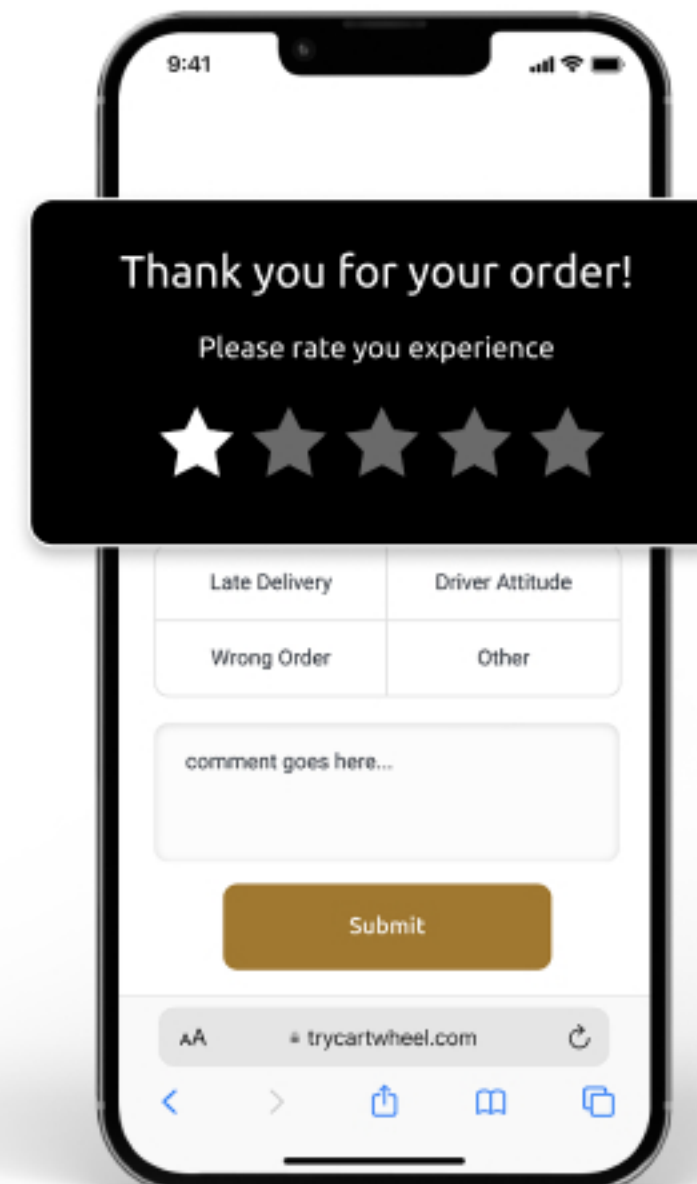


According to Cartwheel's research, brands lose an average \$675 in revenue with every negative review.

Businesses should encourage public reviews on platforms like Google, Facebook, Yelp, and Tripadvisor. There are plenty of ways to ask your dine-in customers for a review, but for delivery, options are limited.

The most effective way to improve the relationship between the customer and the brand is to send personalized messages asking for a review. If customers are pleased with the delivery they are encouraged to write a review on Google, but if they are not, the system notifies the manager to take quick action and fix the problem before it hits Yelp.

Restaurant managers receive a notification when customers leave a bad review.



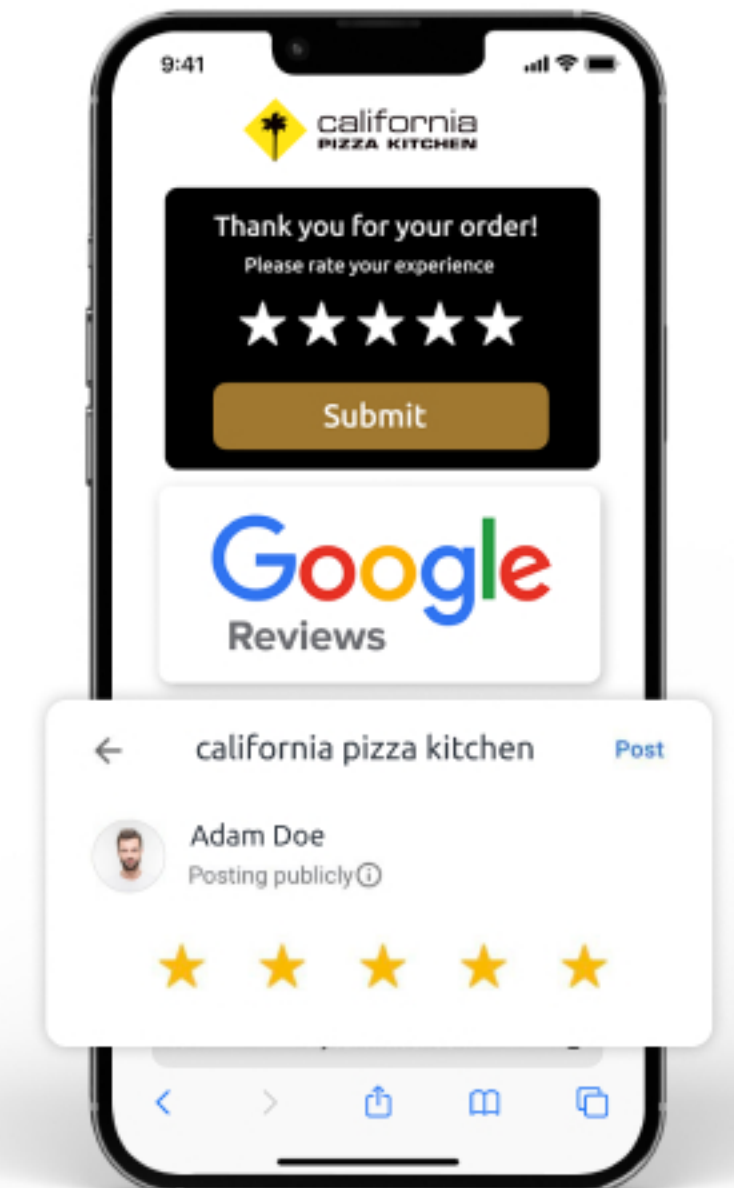
When customers leave a good review, they are invited to leave a review on Google

60%

are ready to leave a positive Google review

40%

upgrade their rating from 4 to 5 stars





88% of consumers say that real-time tracking is important to them when ordering delivery

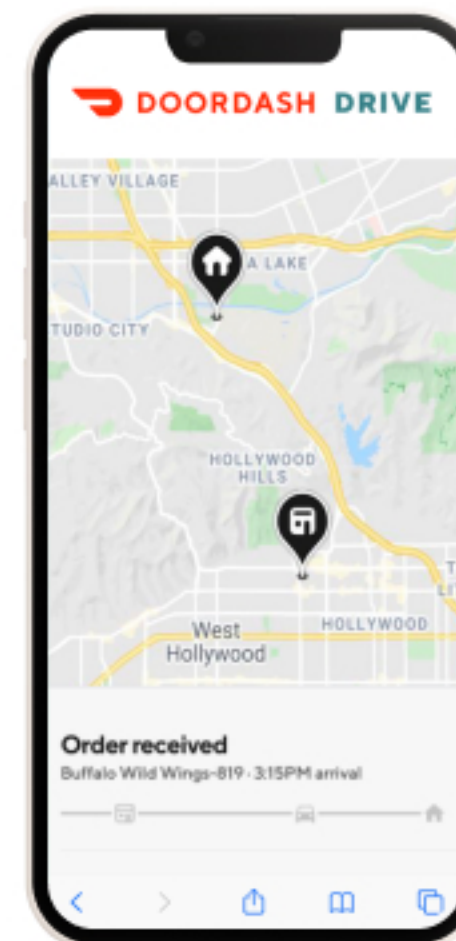
If you deliver to your customers and they don't know when you are arriving, you're wasting your time and theirs. Sending a text message to your customers with a tracking link improves customer experience and saves your team from answering dozens of "where-is-my-order" calls.

Real-time tracking not only helps your operations and your customers, but it also improves business metrics. With delivery management solutions like Cartwheel, you can customize your tracking links to include your company logo and special offers to enhance customer return rates and build a more pleasant user experience.

According to Cartwheel's internal research, without real-time tracking, your restaurant loses \$600 in potential revenue (based on 200 delivery orders per month with an average check size of \$30.)

CONSISTENT TRACKING FOR BOTH FIRST AND THIRD-PARTY DELIVERIES

WITHOUT CARTWHEEL

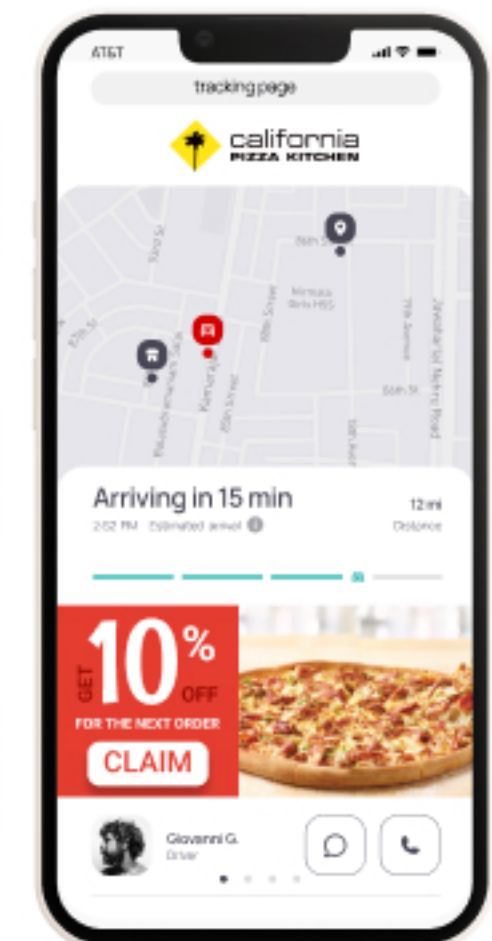


❌ DoorDash branding on order tracking page.

❌ No opportunity to promote special deals and increase repeat orders.

❌ No control over customer experience.

WITH CARTWHEEL



✅ Customized order tracking page uses your logo and styles.

✅ Promotional banners help boost revenue and drive repeat orders.

✅ Control the customer experience for increased satisfaction and a better brand reputation.

ABOUT THE AUTHOR



ALEX VASILKIN

Co-Founder & CEO
at Cartwheel

As a business leader and entrepreneur with over ten years in the delivery space, Alex has a passion for transformative technology that fuels business success. At Cartwheel, Alex is responsible for the strategic vision and day-to-day operations that drive Cartwheel's growth.

Prior to founding Cartwheel, Alex launched a restaurant with celebrity chef Govind Armstrong (quickly becoming the top delivery restaurant on GrubHub in LA) and founded delivery service Gourmet Runner (serving hundreds of restaurants in Los Angeles.)

CHECK OUT ALEX'S OPINION PIECES ON PIZZA DELIVERY

3 ways hybrid delivery helps pizza restaurants earn a bigger slice of the pie

Winning market share requires building brand loyalty

Alex Vasilkin | Oct 11, 2022

[READ THE ARTICLE](#)

3 Ways Pizza Shops Can Prepare for Heightened Thanksgiving Demand

Can you turn new diners into lifelong customers?

OUTSIDE INSIGHTS | NOVEMBER 23, 2022 | ALEX VASILKIN

The average pizza restaurant spends an average of 10 minutes deciding to manually send an order to in-house or outsourced drivers.

[READ THE ARTICLE](#)

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ABOUT CARTWHEEL



Cartwheel is a state-of-the-art delivery management software for in-house, outsourced and Hybrid Delivery™.

Find out more about how Cartwheel can help you maximize delivery profits, improve brand reputation and cut delivery costs.



[BOOK A MEETING](#)

WWW.TRYCARTWHEEL.COM

“With each restaurant brand comes a unique set of needs, and we are proud to work with Cartwheel to offer our shared customers a simplified solution to bolster their direct channels and drive success.”



**NOAH
GLASS**

Founder &
CEO at OLO

AS FEATURED ON

*Nation's
Restaurant News*

**RESTAURANT
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