

Delivery boom is changing everything about the restaurant business

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(Photo: Mighty Quinn's Barbecue)

NEW YORK — Micha Magid would prefer that guests grab a table to enjoy the sweet corn fritters, chicken wings and "brontosaurus" ribs served at Mighty Quinn's Barbecue, his restaurant chain.

But so many diners want their food delivered to their front doors instead that the eateries have to carve out valuable space dedicated solely to fulfilling those orders.

"If we have our preference, everyone would come to the restaurant," says Magid, one of Mighty Quinn's co-founders. "You get a much better experience when food doesn't have to travel for 15 minutes. It's hotter and better ... But if someone wants to stay home and get great barbecue, we want to deliver that."

Growth in the restaurant industry is coming from those who are dining at home.

Customers are increasingly ordering food through apps on their smartphones or by calling in. And that demand for deliveries, from sit-down restaurants as well as the more familiar pizza chains and Chinese take-out spots, is dramatically changing the restaurant industry.

Besides having to redesign restaurants to take delivery into account, the phenomenon is enticing restaurants to modify menus and pick ingredients that hold up well during travel.

In the last five years, revenue from deliveries jumped 20%, and the overall number of deliveries increased 10%, according to The NPD Group.

Restaurants, from quick-service chains such as Panera Bread to sit-down eateries such as Applebee's, are ramping up or diving into delivery for the first time to meet the demand of diners who increasingly want everything — from groceries to gadgets — dropped at their door.

"Convenience is among the chief reasons why consumers visit restaurants and delivery brings a heightened level of it," Warren Solocheck, NPD's senior vice president, said in a statement. "Restaurants need delivery in today's environment in order to gain and maintain share. It has become a consumer expectation."



Pinky's Space is a restaurant in Manhattan that has seen delivery grow to as much as 75% of its business. (Photo: Pinky's Space)

Restaurants have seen the shift. Wesley Wobles creates high-end, sit-down fare at his Southern-French hybrid eatery dubbed Pinky's Space in New York, then sends most of it right out the door. Delivery has grown to as much as 75% of his business.

"When we signed up with GrubHub, that changed everything for the business," he says of the online and mobile food ordering site. "Our first day online, our business tripled."

These days, Wobles says he recognizes that "we won't make a lot of money from walk-ins," Wobles says. "Our business is going to be delivery and catering."