Indicators

Coronavirus COVID-19

Early clues on the post-crisis consumer & market realities
April 24th



#14 Delivery Fatigue.

How consumers are opting-in and out of food delivery

BORD BIA Thinking House

Photo by cottonbro from Pexels

#14 Delivery Fatigue

Watching out for ‘behavioural fatigue’

You may well have heard the phrase **Behavioural Fatigue** being bandied about in the media in recent days and months. It is a phrase that has caused controversy, particularly in Britain, where the government there came under fire for using ‘fatigue’ as justification for their strategic response to the pandemic.

The ‘theory’ is a simple one; ‘people will get tired of the asks of them during lockdown’. Controversially, the British Government put this argument forward as justification for their delayed response to some aspects of the crisis. It prompted more than 600 academics to recently sign an open letter “expressing concern” about the UK government’s use of behavioural science.

Even in today’s Irish Times (Apr 24th), you will find an open letter from Pete Lund of the ERSI pointing out that there is ‘no evidence to support the idea of behavioural fatigue’. On the contrary, it would seem if people understand WHY they are being asked to change their behaviour they can endure quite a bit.

Behavioural Fatigue, as hypothesised by the British Government, was little more than just that – an hypothesis. So for our final indicator we’ve taken the liberty of hypothesising with behavioural science too. Our hypothesis is that consumer will get tired of ‘home delivery’, they will long for bricks and mortar retailing, they are jaded of cold take-aways arriving at their doorstep.

We call this Indicator **Delivery Fatigue**.

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#14 Delivery Fatigue

Instant Gratification v Delayed Gratification

One way of helping us understand if Delivery Fatigue is a real phenomenon or just 'whacky' theory from the Thinking House, is to think about **Instant Gratification** and **Delayed Gratification**.

Traditional bricks and mortar retailing delivers on Instant Gratification. Impulse shopping is just one very real example of this in action, the impulse pick-up of at a supermarket check-out has been proven to deliver 'pleasure or fulfilment without delay or deferment' – classic instant gratification behaviour.

And yet, there is an emerging body of evidence that Delayed Gratification can be MORE REWARDING for consumers. US research agency, Razorfish, shows that people get more excited waiting for online purchases to arrive than when they buy in-store.

The opportunity, Razorfish argue, is for marketeers to 'engineer' the dosage of 'digital dopamine' by drip-feeding updates to the consumer when they order online – 62% of US consumers 'get excited' when they get a text/e-mail updating them on the status of their order.

But can **Delayed Gratification** really be 'rewarding' when we order food?

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#14 Delivery Fatigue

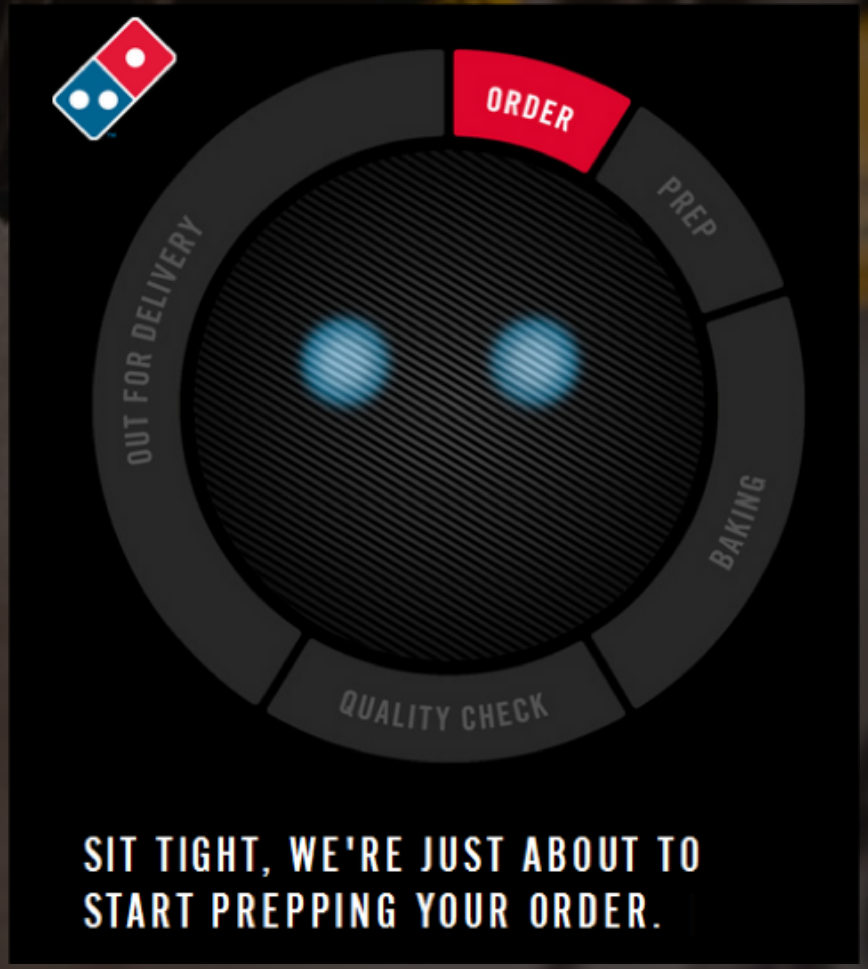
Dominos Pizza & Delayed Gratification

A prime example of a brand successfully managing Delayed Gratification is Dominos Pizza.

Despite being one of the most recognizable brands in America, between 2006 and 2008 Domino's Pizza was in crisis. Domino's stock price hit a record low–$2.83 a share in November 2008. Today, it's up around $72 a share.

So what turned Dominos from crisis to champion? Well a big part of the turnaround was improved product. But so too was improved delivery of that product.

Through its pizza tracker and builder tools, the company made online ordering a cornerstone of its business. The pizza tracker is a prime example of managing Delayed Gratification by providing consumers with 'real-time' updates of the status of their order.



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#14 Delivery Fatigue

Food delivery during during lockdown

According to Google's weekly 'Think With Google' insights, for the last five years, "restaurants near me" consistently ranked as the most popular "near me" search.[2] But consumer behaviour has changed.

In the US, the focus has shifted to alternative mealtime solutions. They are seeing more consumer interest related to "delivery" in the last three weeks as a result of national guidance to shelter in place; search interest for "food delivery" related queries has spiked 100%.

Safety appears to be is paramount. In fact, search interest for "is food delivery safe" has increased 650% across the U.S. since the beginning of March. Reassuring customers that you understand the concerns for safety and are taking important steps to address the current situation is key.



285%
increase in search interest for **"take out"** across the U.S.



650%
increase in search interest for **"is food delivery safe"** across the U.S.

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#14 Delivery Fatigue

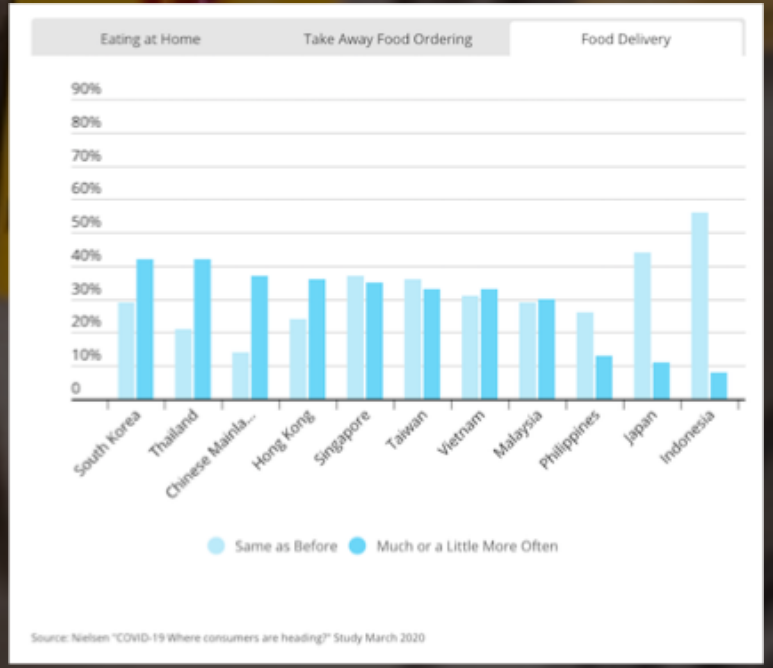
Can we learn from Asia?

According to Nielsen, Consumers across Asia have signaled their eating habits may change permanently once the world moves beyond the impact of the novel coronavirus (COVID-19).

Consumers in Chinese mainland, Hong Kong, South Korea, Malaysia and Vietnam will rethink and re-prioritize the place eating at home has in their lives. In Chinese mainland, 86% said they would eat at home more often than before the outbreak.

Nielsen found a high demand for more takeaway food and home deliveries of food, particularly in Hong Kong, South Korea and Thailand. These markets epitomize “on-the-go” lifestyles and value the convenience on-the-go food offerings bring.

The shifts away from out-of-home dining to at-home food delivery, has not been as dramatic across Asia as we may have been lead to believe. In markets like Japan and Indonesia consumers are ordering food delivery the same as they have before – partly due to ‘looser’ lockdowns but perhaps also do a lack of and established effective home-deliver infrastructure.



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#14 Delivery Fatigue

So it's the same story in Ireland right?

Actually no. Consumers behaviour in Ireland around home delivery appears to be very different. Just 10% of Irish adults claim they are getting meals delivered more often as a result of Covid 19. Of those approximately one third expect to continue to do so more in the future.

That number drops to just 8% amongst Irish adults getting meals delivered from formal restaurants. And of those 4 in 10 expect to continue to do so more in the future.

So the change in home delivery of meals in Ireland appears to be a NICHE CHANGE in consumer behaviour in Ireland. Our experiences are very very different to those in the Asian markets so often citied as likely to represent our post-Covid world.

So whats going on? Why is the Irish experience so different?

10%

of Irish adults claim they are getting meals delivered more often as a result of Covid 19

Source: Bord Bia Indicators Barometor

8%

of Irish adults claim they are getting meals delivered from formal restaurants more often as a result of Covid 19

Source: Bord Bia Indicators Barometor

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#14 Delivery Fatigue

A disappointing start to the home delivery experience

The experience of many consumers in the early days of lockdown appears to have been quite mixed with some very poor customer experiences.

Home delivery of groceries, for example, ran aground very early on with retailers flagging three week wait times and retailers advertising that home delivery would only be available to the most vulnerable.

In food service it would appear that consumer fears around the safety of home delivery weren't a barrier in Ireland initially at-least. On the contrary the channel also saw demand outstrip supply.

Over the course of one weekend at the end of March, many restaurants simply scrapped delivery services because they found themselves swamped with orders they were unable to fulfil.

It would appear that these early disappointments may have resulted in 'fatigue' with home delivery kicking-in very early indeed in Ireland.



THE IRISH TIMES

Fri, Apr 24, 2020

NEWS | SPORT | BUSINESS | OPINION | LIFE & STYLE | CULTURE

Food & Drink › Recipes | Restaurants | Drink

Coronavirus: Restaurants scrap takeaway service as orders pile up and queues mount

Some have been overwhelmed with calls; others have struggled with social distancing

Mon, Mar 23, 2020, 16:00

Marie Claire Digby

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Flooded with calls: 'By yesterday we had it nailed, and feedback on the food was great. But people were getting frustrated that they couldn't get through on the phone,' says Gaz Smith of Michael's of Mount Merrion. Photograph: Nick Bradshaw

Demand for takeaway food soared over the weekend, causing problems for some of the restaurants that have turned to offering meals for collection and delivery in order to keep their businesses alive during the coronavirus outbreak.

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#14 Delivery Fatigue

The emergence of click and collect

The early problems encountered with home-delivery has seen many businesses ‘pivot’ to click and collect models. The quality and quantity of businesses offering this approach in Ireland has been striking.

There appears to be a particularly impressive ‘movement’ apace at local level with farmers markets and artisan producers moving into the click and collect space. Equally numerous local restaurants have moved into click and collect also.

Perhaps its our innate friendliness that makes the Irish more comfortable with the ‘person to person’ nature of the click and connect model - this way of doing business gets us out and about, even if its just for a quick trip to a local supplier. Equally perhaps there is a very real community spirit at play around the country that sees people wanting to support local businesses in this way.

In any event, its clear from our analysis that adoption of food delivery so far appears to be a niche change in behaviour. We will be tracking this behaviour over the coming months. But for now, at least, we hope you’ll allow us the luxury of claiming that in Ireland Delivery Fatigue IS a real behaviour. Even if we never had a chance to get tired of it in the first place….

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Implications for Irish Food and Beverage

Manage delayed gratification through consumer 'progress' and updates
Target that changed Niche of consumers who are embracing food delivery
Unlock growth through click and collect strategies building on Person-to-Person contact

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Photo by Erik Mclean on Unsplash