



# RAISING THE BAR

IFA LEGAL SYMPOSIUM  
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# FOOD DELIVERY SERVICE ISSUES:

## The Last Mile – Navigating the Restaurant Food Delivery Paradigm Shift

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# Overview

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- Current state of food delivery
- Business considerations
- Legal implications
- What's next?

# Current State of Food Delivery

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What are aggregators?



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## AGGREGATORS AROUND THE WORLD



- **Just Eat** – Europe, North America, Australia, New Zealand, Latin America under **iFood** brand
- **Deliveroo** – Europe, Australia, Asia
- **Grubhub** – UK, US
- **Postmates** – US, Mexico
- **Order up** – US

- **DoorDash** – US, Canada
- **One Delivery** – UK
- **Uber Eats** – North and South America, Europe, Australia, New Zealand, Asia, Africa
- **Delivery Hero** – Europe, Canada, Asia, Latin America, Australia, Middle East

- **Wolt** – North, Central, and Eastern Europe
- **Foodpanda** – Asia, Bulgaria, Egypt
- **SkipTheDishes** – US, Canada
- **Foodora** – Europe, Canada

# Current State of Food Delivery

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What does the data say?

Do customers want delivery?

Do franchisees want delivery?

Will the rise of delivery sustain?

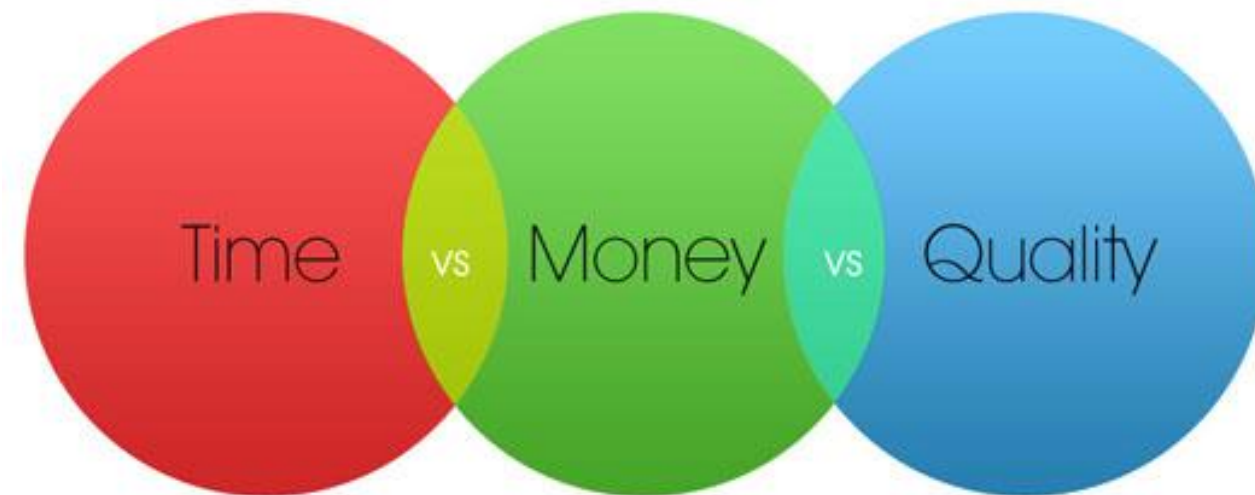


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# Business Considerations

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How to determine if aggregators are right for your franchise network?



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# Business Considerations

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Should you pursue delivery yourself?

If so, how should franchise networks approach building out their delivery infrastructure?





# Business Considerations

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What are the advantages of aggregators?



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# Business Considerations

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What are the disadvantages of aggregators?






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# Business Considerations

How do you select the right aggregator for your franchise network?

## DIFFERENTIATING FEATURES AMONGST THE AGGREGATORS

	Grubhub	Uber Eats	DoorDash
Commission 	5 – 25%	30%	10 – 25%
Delivery service 	delivery provided for an additional 10%	delivery included	delivery included
Marketing 	fee depends on location	fee depends on location	none

Source: Kanika Gupta, Case Study: The Three Biggest Food Delivery Services and What They Mean for You, Bikky Inc. June 26, 2018.

# Business Considerations

Should your franchise network consider a third-party logistics service?

THIRD-PARTY LOGISTICS SERVICES VS AGGREGATORS

Third-Party Logistics Services	Variable	Aggregators
\$30	Order Price	\$30
\$6.49	Delivery Fee	\$3.99
0%	Commission	30%
<b>\$30</b>	<b>Realized Revenue</b>	<b>\$21</b>

# Legal Considerations

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What should you watch out for when negotiating delivery service agreements with aggregators?

- Commission
- Placement
- Exclusivity/Priority
- Service Levels
- Customer Data



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# Legal Considerations

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How does partnering with aggregators impact your current franchise agreement?

- Voluntary vs. Mandatory?
- Who pays commission?
- Royalty
- Territory



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# Legal Considerations

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What other legal challenges may accompany partnering with an aggregator?



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# What's next?

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## Drones and Ghost Kitchens



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