

**TECH**

# The year in food: Online delivery changed how we eat in 2020

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Published 8:03 a.m. ET Dec. 22, 2020 | Updated 7:36 p.m. ET Dec. 22, 2020

Sherean Malekzadeh, who runs a marketing firm in Atlanta, hasn't been out to eat once since the pandemic was called in March. She skipped grocery stores for much of the year as well.

Ordering online takes more time, "and you have to be on standby when the shoppers are there, in case they want to text you about missing items, but it makes me feel safer."

Malekzadeh wasn't alone on that front. The pandemic changed our relationship with food in 2020. Online food ordering, from groceries and restaurants, was growing anyway, but this year it just got more popular faster.

Jeremiah Owyang, an analyst with Kaleido Insights, says that historically, shoppers have been slower to adopt online purchases of groceries compared to categories like technology and apparel, but the pandemic changed that. Grocery shopping in the U.S. jumped 110% in daily online sales in April, just after the pandemic hit, and "only a pandemic could have spurred such a rapid adoption of e-commerce in the grocery category."

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For consumers like Malekzadeh, who lives in a major city, getting food had its challenges, but even with delays and infrastructure that wasn't ready when the pandemic hit, the food did eventually arrive.

The system worked too, even in a small town like Amherst, Massachusetts, where Anna Nagurney is a professor at the University of Mass.

She gets it from Hadley, a town 4 miles away, where there's a Whole Foods Market that delivers. "At the beginning, it was hard to get timeslots for delivery," she says. "The infrastructure just wasn't there. You had to book a week ahead of time. Now I can order and get everything the same day."

For restaurants, the trend was clear. Online food delivery was the future, one that would be growing substantially in the coming years. But in the pandemic, "what was expected to happen over the next 10 years happened in a matter of months," says Alex Canter, CEO of Ordermark, a firm that assists restaurants with online ordering. "The whole way that consumers interact with restaurants has fundamentally changed."

The ease of ordering from our mobile phones, smash success of delivery apps like DoorDash, Uber Eats and Postmates, and consumer response to them made delivery a hot growth area for restaurants.

Researcher Incisiv predicts that digital sales will make up more than half, or 54%, of all restaurant sales by 2025. Those stats are 70% higher than pre-COVID-19 estimates.

Still, no business has probably taken it on the chin harder than restaurants. In many parts of the country, their capacity levels were cut back for social distancing, then restricted to outside dining only. In many places, including

California, outside dining has been taken away as well, and they are now restricted to take out and delivery orders only because of the recent uptick in COVID-19 cases.

Over 100,000 restaurants have closed since the pandemic, says Canter, whose great-grandparents founded the iconic Canter's Deli in Los Angeles 90 years ago.

"It breaks my heart watching so many local restaurants going under," notes Diane Schreiber, who runs a San Francisco based marketing firm. "We order from local restaurants for delivery as often as we can. We want to support them."

Still, Canter notes that for many restaurants, they can have lower overheads by focusing more on kitchens serving the delivery crowd than dining at tables.

Before the pandemic, Canter's Deli saw 35% of its revenues from delivery, a number that has since grown to 100%, with the restaurant operating on a 24-hour basis serving mostly delivery orders.

Post pandemic, Canter believes people will return to inside dining, but not like before.

"Business travel will never be the same, even post pandemic," he says. "There will never be a lunch rush from office workers again," because so many people won't be returning to offices.

Meanwhile, Nagurney says that despite the growing pains, while she plans to return to restaurants post pandemic, she's sticking with online food delivery. "Absolutely. It saves time and is very efficient and reliable."

Even despite the costs, adds Malekzadeh. "What they're doing is a service, and we're happy to pay it and tip well."

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