Uber Direct



A guide to powering local delivery from your sales channels

Uber Direct 101

Introduction

A guide to powering local delivery from your own sales channels



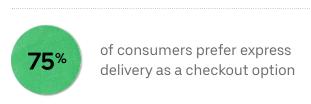
In today's convenience-driven world, delivery has become a core expectation, not a luxury.

In fact, <u>75% of consumers</u> state their preference for express delivery as an option at checkout.

While customer expectations for delivery remain consistent, their ordering preferences vary. Some prefer the variety offered by third-party marketplace apps, while others opt to order directly from businesses—whether on a website, on a mobile app, or over the phone. To capture all possible demand, businesses of every type and size need to provide a high-quality delivery experience across all channels.

Each channel offers unique benefits, but the advantages of using your own sales channels are significant. These platforms allow businesses to fully control the customer experience, gather data for personalized marketing and loyalty programs, and establish a strong brand identity. Additionally, since businesses attract customers to their own channels, they avoid paying commissions on orders. Offering on-demand delivery through these channels is crucial for fostering long-term customer loyalty and growth.

This guide will delve into the essentials of managing delivery for direct orders: its importance to business success today, how it complements other delivery methods, and its role in meeting customers' on-demand needs.





What's in our guide

01

The best delivery options to meet customer expectations

02

How to power local delivery from owned sales channels

03

The benefits of connecting with a delivery platform

04

Options for integrating a delivery tech solution with owned sales channels

05

How owned sales channels and thirdparty marketplaces work together

The best delivery options to meet customer expectations



Today's customers want to shop where they want and get their orders exactly when they want them.

Research on consumer sentiment¹ shows that catering to convenience—especially when it comes to delivery—can go a very long way:



of consumers say they feel more valued as a customer after a positive delivery experience



of consumers like a product more after a positive delivery experience



of consumers are more likely to continue ordering from companies that offer express delivery

There's no one-size-fits-all approach to how consumers shop, and businesses are well served by providing multiple delivery options that meet varying needs. Consider the following common customer personas and the delivery options that best suit them:



The local loyalists

Their ordering habits:

→ These customers shop directly with local businesses whenever possible. They might perceive prices as less expensive than those on third-party apps, or they might be members of loyalty programs.

Their ideal delivery option:

→ To serve these customers, businesses can build their own courier fleet, connect with a delivery platform to leverage its network of local couriers, or use a combination of both.

¹"The new brand builder," Uber and Edelman (July 2023).



The curious browsers

Their ordering habits:

→ These customers love options and enjoy the experience of browsing multiple stores before settling on a place to order from.

Their ideal delivery option:

→ These customers appreciate the on-demand delivery option that's typically integrated into ordering through a third-party marketplace like Uber Fats.



The long-distance devotees

Their ordering habits:

→ These customers have a strong brand affinity, even from a distance. For example, they might be West Coasters having jars of chili crisp shipped from New York.

Their ideal delivery option:

→ Businesses can offer overnight or express delivery with traditional shipping services such as FedEx, UPS, and USPS.



The amount US shoppers spent at local businesses in 2023²



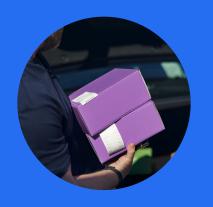
of consumers would choose a company that offers express delivery over one that does not³

As businesses develop their delivery infrastructure, leveraging third-party marketplaces or traditional shipping services might seem more straightforward. Delivery is often an integral part of the ordering experience on third-party apps, and traditional shippers have a long-standing track record. Setting up on-demand delivery from your own channels may seem less clear, but it doesn't have to be complicated to implement.

² "Shopping Local Statistics," Capital One Shopping Research (May 1, 2024).

³ "The new brand builder," Uber and Edelman (July 2023).

How to power local delivery from owned sales channels



Companies that already generate orders from local loyalists on their own sales channels—no matter the volume—are perfect candidates for enhancing their delivery experience. This could unfold in one of 3 ways:

01

Hire and manage an in-house fleet



02

Connect with a delivery platform



03

Use a combination of both





Using an in-house courier fleet provides greater control over the entire delivery process. Businesses are familiar with their couriers and their availability, and they can also control branding—including the uniforms their couriers wear.

An in-house fleet, however, has its drawbacks: it's costly, time-consuming, and has limited coverage. Businesses have to pay their couriers during all operational hours, regardless of the number of orders. These costs can add up quickly during slow periods. And if a business has only a few couriers, it may struggle to fulfill all delivery requests, potentially affecting sales.

For companies struggling with an in-house strategy, using a delivery platform may be beneficial. Many delivery platforms, such as Uber, offer tech solutions that connect businesses with a network of independent, local couriers. Uber's solution, <u>Uber Direct</u>, allows businesses to tap into the same courier network that supports the Uber Eats marketplace. However, in this scenario, couriers manage deliveries for orders placed through a business's own website, app, social channels, or over the phone.

The benefits of connecting with a delivery platform



Businesses gain multiple advantages by using a solution like Uber Direct to manage delivery from their own sales channels:

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Improve the customer experience

Satisfy the demand for speedy delivery while maintaining complete control over the customer experience—from communication and personalized benefits to delivery fees. Combining the power of a business's own initiatives with the strength of a delivery platform's courier network can enhance customer satisfaction and long-term loyalty.

Control delivery costs

For orders placed directly with businesses, delivery platforms often consider factors such as distance, delivery speed, and market specifics to determine fees instead of charging a commission. Plus, businesses have the option of setting their delivery fees to absorb the cost of offering a quality ondemand experience.

Simplify delivery operations

Many delivery tech solutions are designed to integrate seamlessly with a business's current workflows, providing the flexibility to scale operations without hiring dedicated employees. If a business has an existing fleet that it trusts, it can always tap into the solution when demand is particularly high.

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Boost sales from owned channels

The convenience that on-demand delivery provides customers can make them more likely to spend more with a business. Research finds that offering local pickup and delivery results in customers spending 23% more and increasing their order size by 25% with independent retailers.⁴



Around 25% of our online customers are happy to pay for the immediate gratification—for the guarantee that they can receive their order today within two hours.

Adrian McKenzie Senior Manager of E-commerce

EBGAMES

⁴ "How to Create a Local Delivery Service (+ Top Apps)," Shopify (January 23, 2023).



Delivery from owned sales channels is a win-win for businesses and customers.



Customers experience:

- → An on-demand option with flexible delivery windows—such as within 2 hours, on the same day, or at a scheduled date and time
- → Real-time tracking, which 70% of consumers consider important to a satisfactory delivery experience⁵
- → Proof of delivery (POD), an electronic record that assures both parties that the order was delivered correctly and securely



Businesses experience:

- → A new option for on-demand delivery that helps increase coverage and meet customer demand
- → A potential source of new revenue that allows businesses to deliver affordably
- → An easy way to manage and track orders within an existing tech stack



⁵ "The new brand builder," Uber and Edelman (July 2023).

Options for integrating a delivery tech solution with owned sales channels



Many solutions like Uber Direct are designed to integrate seamlessly with a technology stack.

In many cases, businesses can connect through their online ordering system, point of sale, order aggregator, or any delivery management software they use.

These delivery tech solutions are powerful because they can scale with the business. If a business grows, the delivery network is big enough to accommodate increased deliveries. If the business experiences a lull, they won't have to pay for unused services.

There are also other ways a business can use a delivery tech solution like Uber Direct. If a business has a low delivery volume and limited tech support, certain solutions provide web-based dashboards that enable businesses to send delivery requests manually. On the other end of the spectrum, businesses with a high volume of orders and a dedicated tech team can work with delivery platforms to build custom API integrations.

How integration works:

01



Integrate the delivery tech solution. This can be as simple as turning on a toggle in an online ordering system, point of sale, order aggregator, or delivery management software dashboard.



02

Provide customers with multiple on-demand delivery options through a website, app, social channels, or even over the phone.



03

Send delivery requests to couriers in the tech platform's network. Depending on the integration, this could happen automatically.



04

Share real-time updates, estimated time of arrival (ETA), and live location tracking with customers after the courier picks up the order.

How owned sales channels and third-party marketplaces work together



Combine owned channels with apps like Uber Eats to maximize growth potential.

Owned sales channels:

- → Build direct relationships with customers
- → Collect data to enhance marketing and loyalty programs
- → Develop a fully customized brand identity

Third-party marketplaces:

- → Acquire new customers and drive sales
- → Reach customers at their highest moment of purchase intent
- → Leverage powerful in-app marketing tools

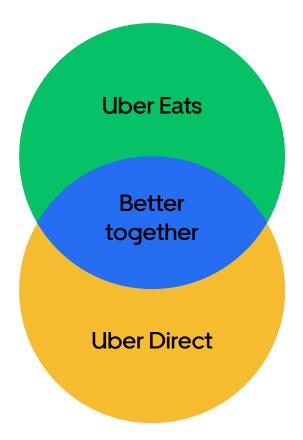
Winning combo. Uber Eats helps bring Salad House to audiences that may have never known about us. Uber Direct makes it easier to deliver to our loyal customers who order directly from our website or app.

<u>Jarrod Bravo</u> Director of Operations



Still have questions about how delivery can grow your business holistically?

Discover how 2 of Uber's tech solutions—the Uber Eats marketplace and Uber Direct—can add value to your business across channels.





Uber Eats

- → Marketplace app where customers browse for products from multiple businesses
- → Ideal for new customer acquisition and brand awareness
- → Access to in-app marketing tools to build visibility and drive sales
- → Commission-based pricing



Uber Direct

- → Delivery tech solution that integrates with owned sales channels
- → Ideal for building customer loyalty and growing repeat business
- → Self-management of the brand experience and customer data
- → Customer-facing delivery fees decided by you
- → Fee-per-delivery pricing—no commissions



Better together

- → Flexible integration options with an existing tech stack
- → Access to Uber's expansive network of couriers
- → Meets customers' different ordering and delivery preferences
- → Fast, reliable, on-demand delivery across channels

