

DELIVEROO - WRITTEN EVIDENCE (FDO0105)

About Deliveroo

Deliveroo is an award-winning delivery service founded in 2013 by William Shu and Greg Orlowski. Deliveroo works with approximately 180,000 best-loved restaurants, grocery and retail partners, as well as over 140,000 riders to provide the best food delivery experience in the world. Deliveroo is headquartered in London, with offices around the globe. Deliveroo operates across 10 markets, including Belgium, France, Hong Kong, Italy, Ireland, Kuwait, Qatar, Singapore, United Arab Emirates and the United Kingdom

Summary

- Helping our customers make healthier choices is a key pillar of our sustainability strategy. This means we are committed to giving our consumers the best selection, availability and value in healthier food, as well as the tools to help them make informed choices about what to order from Deliveroo's platform.
- We've taken a number of steps already to make it easier for customers to find healthy options on our platform, including improving our in-app navigation and introducing a new "healthy" search category.
- This year we will go further in rolling out a new feature to help consumers make more informed choices, by enabling restaurant partners to list macronutrients per dish. This will be an industry first.

Detailed response

How does Deliveroo work with restaurants and retailers?

1. Deliveroo is a neighbourhood business - connecting consumers with restaurants, grocers and retailers in their local area, boosting local spending and supporting high street businesses to grow. Independent research shows that Deliveroo produced £1.7 billion in gross value added (GVA) in 2022 - our economic contribution to the UK - generating more than £150 million in additional tax revenue

for the Exchequer.

2. Across the UK we work with around 70,000 restaurant, grocery, and retail partners, many of whom are small and independent businesses. Our unrivalled delivery network enables us to bring the very best of these local, neighbourhood shops and restaurants straight to millions of customers' doors.
3. Our restaurant partners are responsible for preparing the food delivered to customers, but we want to give our consumers the best selection, availability and value possible. This includes ensuring as broad a selection of healthier choices as we can, along with the tools and information to help them make informed choices about what to order from the Deliveroo platform.
4. While we cannot mandate what our partners cook, we share data and insights with restaurants to highlight what Deliveroo consumers are looking for - including where we think there is a need for more healthier options in any given area.
5. Deliveroo is pleased to have the opportunity to share our expertise as a member of the UK Government's Health Working Group, part of the Food Data Transparency Partnership. This group is working to identify clear metrics for healthy food sales across the food sector and we recently hosted members of the group and Public Health Minister Andrea Leadsom at Deliveroo HQ.

How we support our consumers with healthier choices

6. We want to have a positive impact on our consumers' lives. This means supporting our consumers with access to and information about healthier choices. Whether you are looking for a less indulgent takeaway dish on a Friday night or a healthy lunchtime salad or a selection of groceries to create a midweek meal from scratch, Deliveroo offers unrivalled choice and convenience.
7. We encourage healthier diets in four main ways:
 - a. Provide information so consumers can make informed choices
 - b. Develop the selection of healthier products available on our platform
 - c. Drive customers towards that selection
 - d. Encourage responsible marketing.

Providing clear information

8. First, we believe the most useful intervention we can make as a platform is to provide our consumers with clear and consistent information and we use our world-class technology to enable this. For example, in March 2022 Deliveroo launched the ability to display calorie information on menus. This functionality enables partners to comply with the mandatory calorie labelling regulations for businesses with over 250 employees that came into effect in England in April 2022. However, while not mandatory in the devolved nations, many restaurant partners choose to show the same information to consumers, wherever they are in the UK.
9. This year we will go further to make it simpler, easier, and quicker for consumers to find healthier food. We will launch new functionality enabling partners to add more item-level nutritional information (i.e by dish) so people can select the meals that meet their needs.
10. We are now working with our restaurant partners to collect additional dish-level macronutrient data so consumers will be able to see how much protein, fat, saturated fat, carbohydrates, sugar and fibre are in a particular dish. In the short-term we believe this will help inform consumers about the nutritional content of dishes and enable them to make sensible choices around their intake and how to meet their nutritional preferences or government recommendations. It will also offer the potential for even greater personalisation in the future.

Developing a healthy selection

11. We have created a healthy category within the Deliveroo app and website so consumers can see only restaurants that define themselves as healthy on a specific page. The number of restaurants within this category has almost doubled since 2021 to around 17,000 restaurants.
12. We have previously trialled providing bespoke nutritional support to restaurants to help them formulate healthier menus, however this needs greater scale and work at industry level,

underpinned by clear purpose from government and central funding to involve a wider range of businesses and create a level playing field.

13. We know that identifying and the nutritional profile of a dish is a far greater challenge for SMEs across the hospitality sector, faced with significant cost burdens. We would be willing to explore what more government and industry can do to support smaller partners in this space to understand and communicate the nutritional make up of their dishes (and improve as needed). For example, if more SME hospitality businesses were able to access a government-backed tool to assess their macronutrient profile, it would be easier for them to profile or signpost healthier options to consumers.
14. Grocery accounts for 13% of total GTV (total value of food baskets and consumer fees) on the platform. We have increased fruit and vegetable sales in the first three months of 2024 via our grocery channels by 35% since the same period in 2023. The ability for consumers to receive groceries in as little as 15 minutes underlines our ability to deliver healthy food quickly to the consumers who want it.

Driving customers towards healthier options

15. Having developed a broad selection of options and provided consumers with what they need to make informed choices, we look to encourage consumers to move towards those healthier choices. Currently, Deliveroo consumers actively filter for "healthy" restaurants around 3,000 times a week, making it one of our top 10 cuisine type searches.
16. In 2022 we participated in the BiteBack 2030 Food System Accelerator which aimed to improve outcomes for health. As part of this, we committed to explore how our app could influence consumer choices. We ran two randomised control trials with a leading UK Quick Service Restaurant (QSR) to test in-app 'nudges' and effect on consumers' choices. The trials focused on:
 - i) "Framing": With the insight that what is presented and where it is presented makes a difference to consumer choices we changed the menu image of the QSR - the first thing a

consumer sees related to that restaurant - from a less healthy choice dish to a healthier and lower calorie choice.

ii) "Scripting": by creating a specific lighter lunch menu tab with dishes under 600 calories, consumers were given a clear roadmap for how to access healthier options.

17. While these results were inconclusive and did not provide a statistically significant positive change in consumer behaviour, we believe in the importance of testing these approaches and are exploring additional nudge trials with Food Safety Scotland and brands operating in Scotland.

Encouraging responsible marketing

18. We recognise the role that marketing can play in encouraging healthy choices and we are preparing to implement the UK Government's restrictions on HFSS advertising. To date we have:
 - a. Set guidelines to ensure that healthy products appear in our marketing (for example, in an image of a full grocery bag that bag would include non-HFSS products).
 - b. Consciously partnered with healthier brands on our own social media channels to promote those healthier choices.
 - c. Deliveroo's own-brand adverts tend to feature generic rather than branded or specifically-identifiable products. In line with draft guidance from CAP and BCAP on advertising less healthy products, this type of advert acts as less of an inducement for purchasing a specific product.
 - d. Led on industry engagement to understand SME priorities in healthy eating in branding and marketing working with leading organisation Biiteback.

Additional information

We also wanted to take this opportunity to correct some of the inaccuracies raised by witnesses at previous evidence sessions.

1. Customer age

Our terms and conditions clearly set out that only those over 18 may place an order and we do not allow consumer accounts to change their date of birth to be under 18 after signing up.

2. Role of delivery kitchens

Deliveroo operates a number of Editions kitchen sites across the UK. These are units in which several brands have “dark kitchens” i.e they are purpose built kitchens offering a delivery-only service. Leading, premium brands choose to work with Editions kitchen in order to reach new parts of a neighbourhood and ‘test the waters’ by building brand awareness. It is cheaper for partners to operate from these sites as Deliveroo has paid capital costs upfront. Crucially, it enables partners to build a loyal base in a neighbourhood before moving into their own bricks and mortar premises, with all the commercial risk that entails.

We strongly refute any suggestion that these kitchens are a means of avoiding local planning policy. For example, the kitchens are usually positioned on industrial estates, specifically designed to be out of sight to reduce public impact. This is in contrast to the sort of hot-food takeaway that existing planning rules seek to limit. These takeaways offer both physical in-store pick-up and delivery and often use their location on the high street to advertise and appeal to customers.

The Planning Practice Guidance, updated in 2022, sets out a general framework for local planning authorities around healthy eating and the establishment of takeaway sites. It cites several issues that local authorities should look at including:

- proximity to locations where children and young people congregate such as schools, community centres and playgrounds
- evidence indicating high levels of obesity, deprivation, health inequalities and general poor health in specific locations
- over-concentration of certain use cases within a specified area.

While each specific location will of course be considered on its own merits, Deliveroo Editions kitchens rarely fall into these categories.

22 April 2024