2515 FirstParty Delivery

Product Book · https://kb.jeffreysummers.com/docs/2515-firstparty-delivery/

First-party delivery is the channel where the operator owns the order, the data, the price, and the Guest relationship. The driver is the operator's cast member, a direct contractor, or a marketplace driver dispatched through a white-label service the operator controls.

The conventional wisdom is loud and one-sided: own the data, own the Guest, escape the platform tax. Build the list, market direct, repeat the order, win.

The data makes the case precisely. Ninety percent of Guests have already chosen a restaurant brand before they place a delivery order — they are not browsing the platform for options, they came looking for you. Over fifty percent prefer ordering directly from the restaurant over using a platform. Only sixteen percent prefer the platform. First-party Guests order more frequently, spend more, tip higher, and carry a thirty-eight percent loyalty attachment rate. Third-party Guests carry three percent.

The hotel industry ran this same experiment a decade ago. Hilton launched "Stop Clicking Around." Marriott built Bonvoy around the direct-booking proposition. By 2019, loyalty-driven direct bookings represented fifty-one percent of hotel room nights at a nine percent net premium over OTA bookings. Restaurants are a decade behind — and the playbook is already written.

That conventional wisdom is partly true. The operator who runs first-party delivery does keep the Guest data. They see the order history. They set the price without a 30 percent commission stacked on top. They can market to that Guest again without paying a middleman. The profit math, on the order itself, is better.

This is where most coverage of first-party delivery stops. The operator hears "better margin, own the Guest" and moves.

The coverage stops too early.

First-party delivery does not eliminate the authority-responsibility break. It moves it. In third-party delivery the operator loses authority to the platform. In first-party delivery the operator loses authority to the economics of the driver. The operator now owns a job — driver — that has its own labor market, its own cost stack, its own retention problem, and its own reasons to walk. The

platform tax is gone. A new tax replaces it: the cost of running the last mile yourself.

Most operators do not see the new tax until they are already paying it.