

New Delivery Options Save Money for Restaurants and Customers



Freebee has been deployed as restaurant deliveries in some neighborhoods

As restaurants adjust to a takeout and delivery model, keeping costs down is critical to their survival and their ability to keep workers working. Using third-party services like Uber Eats, Grubhub and Postmates may have made business sense when business was normal, but now those costs add up at a time when every penny matters.

Those apps make money by charging both customers and restaurants in the form of commissions and fees. Restaurants pay them a commission of as much as 30 percent, and may also pay for advertising for priority placement. Customers pay delivery fees, service fees and gratuities.

So restaurants are finding workarounds. They're urging customers to pick up orders if possible. Some restaurants are using employees as delivery people. And they're taking advantage of resourceful solutions that have come up

in the wake of the crisis. One of those is using Freebee's on-demand electric vehicles for restaurant deliveries instead of customers.

"The restaurants do not have to pay Freebee for making deliveries, and customers are not paying Freebee for the deliveries," says John Janusz, Freebee's director of community and economic development. "This allows locals and local businesses to both save a large percentage of fees charged by third parties."

Funded by subsidies and advertising revenue, Freebee is present in different Miami-Dade communities, including Coconut Grove, Key Biscayne and Downtown Doral. The rides are free, but drivers are tipped. Under the restaurant delivery plan, instead of transporting people, they'll be

moving food orders. Customers call the restaurant to place and pay for their order. The restaurant then contacts Freebee to pick up the order and deliver it to the customer.

“Our goal to keep the money local,” says Janusz. “We certainly don’t blame [third-party] businesses for making money because that’s what they are designed to do. But at this time of crisis it is critical that the local restaurants survive, and their odds of survival increase if they don’t have to pay a commission and if their customers can save in fees and instead spend that money locally.”

Currently, Freebee restaurant delivery is available in Key Biscayne, Coconut Grove, Downtown Doral and CityPlace Doral, with Pinecrest coming on board. In Miami Beach, Freebee is focused on dedicated transportation for senior citizens to go to essential locations, he says.

Go Local, Go Direct Discount Program in Downtown Miami

In downtown Miami, residents get at least a 10 percent discount by ordering directly from participating restaurants under a new program launched by the Miami Downtown Development Authority (DDA).

“Restaurants are among the hardest hit companies in our community at a time when our residents – many enduring financial hardships themselves – need them the most,” says Miami city commissioner Manolo Reyes, chair of the Miami DDA.

Diners redeem their discount by ordering directly with restaurants by phone. Participating eateries include:

- Restaurants: Fratelli Milano, Alloy Bistro, Pubbelly Sushi, Burger & Beer Joint, Fleming’s Steakhouse, Fooq’s, Kaori Sushi, Pizza Piola, Meraki Greek Bistro
- Coffee shops and cafés: Egg Spot, Puroast Coffee, Eternity Coffee Roasters
- Quick-serve eateries: Carrot Express, Fourteen Eatery, Jar & Fork, Pilo’s Street Tacos, Zest Marketplace

The Miami DDA has also teamed up with SOBEWFF & FIU Chaplin School of Hospitality to serve as a founding partner in a new Hospitality Industry Relief Fund.