

Marketing Strategy Analysis:

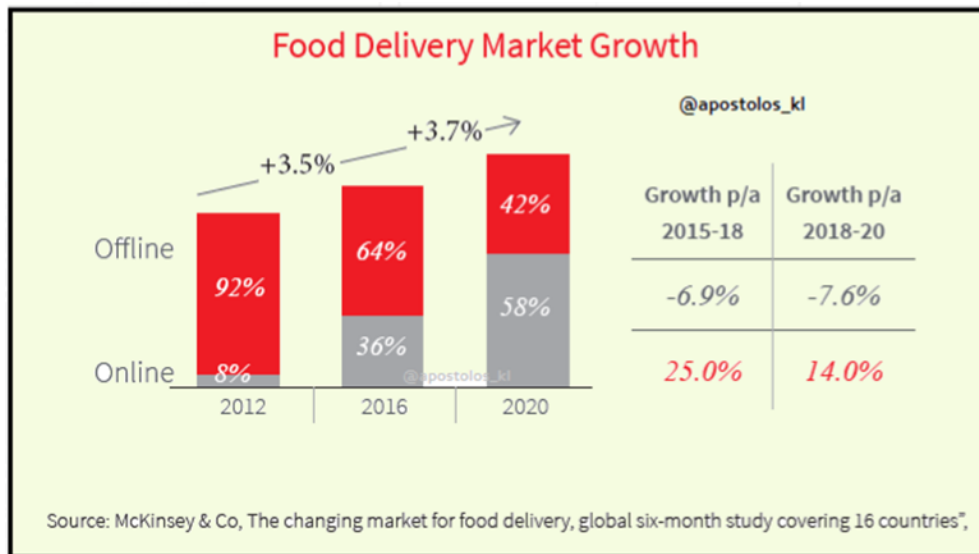
By Dan Hua Li 9/10/2019

UberEats

A. Market Environment

1. Industry Trends

Food delivery market growth shows an amazing performance. According to the latest report by IMARC Group, the online food delivery market reached a value of US\$ 84.6 Billion in 2018¹.



The figure shows online food delivery market grows at an annual rate of 14% - 25% from 2012 to 2015. However, the growth rate of offline food delivery market annually decreases by average around 7% over 12 years. It hints people's **purchasing behavior** on meals are changing toward buy meals either online or smartphone. People prefer to deliver meals to their home or workplaces.

Some restaurants acknowledge this industry trend and quickly respond to the market. They start pick-up or delivery service, find a way for upscale business to bring in additional revenue. Even the star chefs known for their five-star cuisine are swapping fixe for quick serve. High-end restaurant groups are radicalizing the concept of tipping. Fine dining restaurant operators are also following their more casual peers into the food delivery arena. Food suppliers' pick-up and their delivery business without middleman might become the **industry force** because these restaurants have their advantage on food quality and lower price without tips, and not easy to lose the customers' loyalty. Many food suppliers struggle to take the market share of food delivery business nowadays. These **monopolistic competitions** will lessen the profitability of this industry.

Meal delivery service companies also should not ignore the threat from their suppliers. The market will witness fierce competition between in-house and third-party delivery service providers.

With the development of **Artificial intelligence and drone**, these technologies might be applicable in meal delivery industry. **Technology** will play a crucial role in the years to come.

¹ <https://www.marketwatch.com/press-release/online-food-delivery-market-report-global-industry-overview-growth-trends-opportunities-and-forecast-2019-2024-2019-09-09-2197408>

² https://medium.com/@apostolos_kl/global-food-trends-2018-food-delivery-market-growth-foodstagram-food-discovery-food-delivery-3cf8f05e61fe

this industry is in **growth stage**, Experts predict the total sale of this industry will grow to \$343 billion by 2020. Food delivery service companies are doing exceptionally well around the world. With more technological innovation, the market is also becoming highly competitive.

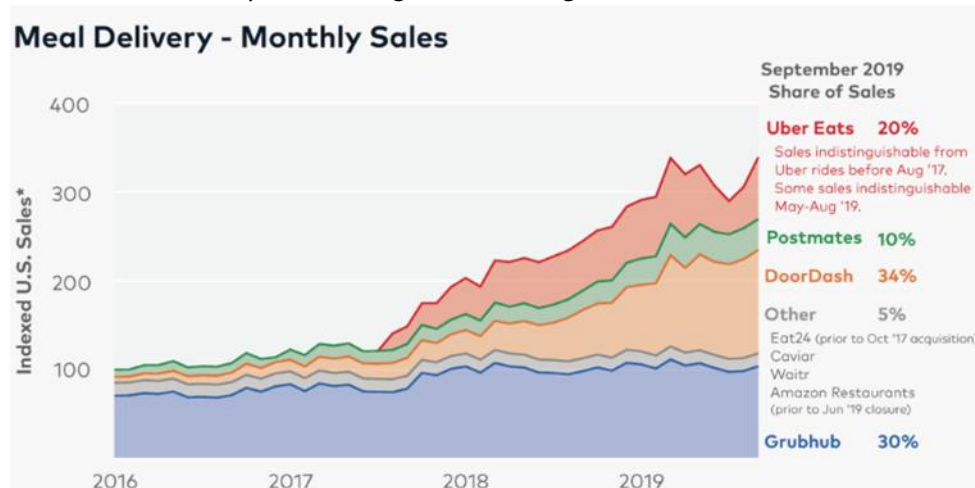
2. Competition

Meals delivery industry has generated 20 years ago with a lot of smalls firms **pure competing** to take the market share. Now only four huge firms dominate 95% of the U.S. market. They are DoorDash, Grubhub, UberEats and Postmates. So, UberEats will faces the **Oligopoly Competition** with the other 3 firms.

UberEats started its Meal delivery business in 2014 and develop quickly up to 2019. Depending on Second Measure's state, Uber Eats earned 20% of U.S. meal delivery spending. It faces the stronger competitors: Grubhub and DoorDash. Also, UberEats will compete with Gesoo if it wants to provide Chinese food menu in California.

| | UberEats | DoorDash | Grubhub | Postmates |
|----------------------------------|-----------------------------|-------------------------------|--------------|--------------|
| <i>Start in</i> | 2014 | 2013 | 2004 | 2010 |
| <i>Coverage Density (cities)</i> | 615 | 600 | 900 | 500 |
| <i>Pricing strategies</i> | \$1.5-3.5 | \$9.99/month Free @\$15 up | \$1-3 | \$1-5 |
| <i>Time Utility(minis)</i> | 15-20 | Over 20 | Over 20-30 | 20-30 |
| <i>Possession Utility</i> | Uber Acc/ Cr. | Credit / Cash | Credit/Cash | Credit/Cash |
| <i>Promotion</i> | Social Media Uber Driver | Social Media | Social Media | Social Media |

Four meal delivery companies have the similar density of market coverage, time and possession utility, and ad channel. DoorDash charges the monthly service fee; others receive payment base on each delivery. Grubhub started the business ahead in 2004 and DoorDash follow it up; sooner DoorDash explodes quickly since 2019. It continues hold it market-share lead before acquiring the smaller rival Caviar in August 2019. Bases on Second Measure research, we compare the monthly rate of sales in 4 meal delivery firms through the follow figure from Second Measure.



UberEats vs DoorDash:

Two firms have great growth rate from 2018-2019. DoorDash earned 34% of U.S. sales and DoorDash's sales overtook UberEats in October 2018. Now UberEats only earn 20% of U.S. sales.

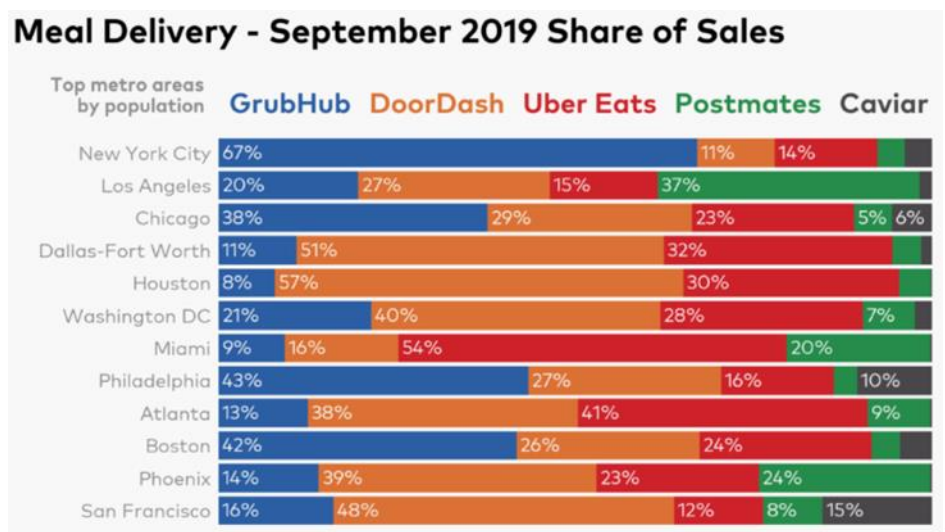
UberEats' sales and market share appeared artificially low during middle of 2019.

Possibly, DoorDash's **Target Pricing strategy** with a fixing monthly charge at \$9.99, which benefit its loyal users and frequent users. Unlike DoorDash, UberEats' **competition-oriented approaches** always adjust its price compared to the rivals.

UberEats vs Grubhub:

Grubhub start the business very early and it continues holds its biggest market lead over 15 years until the middle of 2019. It acquired Eat24 from Yelt in 2013 and took Seamless as its subsidiaries. Later, its purchases made through Tapingo and LevelUp. But these purchasing did not help to increasing its market share but keep stable rate of sales around 30%.

Comparing the Share of Sales in different regions (the bellow figure from Second Measure)



UberEats have good performance in Miami and Atlanta. Its share in sales at 54% and 41% respectively in 2019. Grubhub is the most popular in many Northeastern metro areas, including New York, Boston, and Philadelphia. DoorDash as well.

Meal delivery has long been a crowded field in the United States. Up to today, Nov. 12nd 2019, Amazon Restaurants' website is no longer available. Even though Amazon has a huge financial support, high **brand equity**, especially its incredible numbers of customer group for goods, without the appropriate marketing strategies and marketable product, the project will destinate fail into oblivion of marketplace. Caviar as well (earned just 3% of U.S. sales before being sold).

3. Environmental threats and opportunities (political, demographic, technologic, cultural, legal, etc.)

Unlike the internal components of organization such as 4Ps are controllable, environmental forces are **uncontrollable**, which includes social, economic, competitive, and regulatory forces. These forces will influence UberEats' customers, suppliers, and even the staffs who work inside

³ Figure from: <https://secondmeasure.com/datapoints/food-delivery-services-grubhub-uber-eats-door-dash-postmates/>

UberEats. Analyzing the **Environmental Scan** is necessary because Changes in these forces can have a dramatic impact to marketing strategy.

The social forces of the environment include the demographic characteristics of the population and their culture. Demographic characteristics such as age, gender, ethnicity, income, and occupation. Here, we focus on key factors of demographic environment and segment market by these factors in order to:

- Find the final market groups which is affordable to reach effectively
- Design the segment served to create the core value to them

| Segment by Demographic & adapt action | | | |
|---------------------------------------|-----------------------|------------------------------------|---|
| | Market Segment by | Character / favor | Influence the 4Ps / strategy |
| Age | 18-25 Generation Y | Computer, Video Game, Social Media | Ad. Channels: Social media, online, Video Game |
| | 25-35 | Busy on Working | Require Delivery fast |
| | 35-45 Generation X | Best Educated, have children | High quality Food, delivery to home |
| ethnicity | Native American | 70%, like Burger, chips | Suppliers should include McDonald, Bell.... enrich food menu: Chinese, Spanish, and Italian meals. |
| | Asian | 8% | |
| | Spanish | 12% | |
| | Italian | 10% | |
| Income | NA | | |
| career | College students | Busy, staying in school | Delivery to School |
| | Working professionals | Busy, staying in workplace | Delivery to working place Demand high quality meals |

When market segment by demographic, we find out **Generation Y** (age 18-25) is the most prospective to be our users base on this group's character. They are most influenced by social media, online and video game. Especially, this group has biggest **market size**. Combine with the meal delivery trend (online meal delivery grows by 20% annually), they are the biggest market target of UberEats.

The characters of **ethnicity** on food are huge different. But the minority including Asian, Spanish Italian and its population accounts for 30% of U.S. population. So, this minority' favor on good should not be ignored while expanding UberEats' market size. Adjusting our Product to enrich our food menu by adding Chinese, Spanish and Italian meals should be considered as one of the key factors of marketing action. UberEats convert the racial and ethnic diversity into its opportunity.

When market segment by career, the two groups, college students and working professionals, are much suitable for UberEats' service: convenience and time saving. However, working professionals demand higher quality meals. Students seek for low-price meals.

Culture incorporates the set of value, ideas, and attitudes that are learned and shared among the members of a group. Nowadays, cooking at home with family, students call for a taste of home on food will impacts instant delivery business. It will involve what messages should sent through ad, and avoid the conflict to our mainstream value. That should be assessed in order to turn the threat of culture to the UberEats' opportunity.

Message: "Meal delivery services can provide young adults with a taste of home, and provide

step by step recipes to ease them into cooking for themselves.”

Technologic: technology cannot change people’s preference in food in a certain period, but it will change people’s consumption habit quickly, which is the threat or opportunity to food delivery



service industry. UberEats develop its app and allow users to track their foods where and when the meal will come, and it significantly increases users’ value. with the development of Artificial intelligence and drone, these technologies might be applicable to meal delivery industry in the future. Moreover, Technology enables data analytics. The benefit of technologic

innovation continually generates more opportunities to reinforce UberEats’ capability.

Political factor consists of external factors such as political stability and peace in the country. political environment is the most important dimension of the business environment. Without a stable Political environment, No one will invest a long-term business such as food delivery industry. Uber will not get financial support. Moreover, the Political factor will impact **economic** conditions. Such as income, unemployment, interest rate, taxation. These economic facts affect the cost of running a business and household. And a consumer’s ability to buy is related to income, especially the discretionary income.

Another political factor is corruption. Data from Share.america.gov: “Corruption means that business deals often contain hidden prices, competition is not what it seems, and partnerships are chosen for the sake of expediency rather than quality. And, ultimately, if corruption is rampant there is no sure way to get a fair trial or other legal redress for abuse or cheating.”⁴

Legal environment is important that every business must function according to the law of the area in which it wishes to operate. Such as Consumer Protection Act, Food Safe law. These regulations also are important issue to UberEats’ marketers.

we use SWOT table to identify UberEats strengths, weaknesses, opportunities, and threats. It has four cells formed by the combination of internal versus external factors and favorable versus unfavorable factors.

| Location of Factor | Type of Factor | |
|--------------------|---|---|
| | Favorable | Unfavorable |
| Internal | Strengths: <ul style="list-style-type: none"> • Prestigious, Brand Equity • GPS tracks the food delivery • Recognized for its social mission, values, and actions • Delivery faster • Partnership with suppliers • Increasing social responsibility by packing use recycle materials | Weaknesses: <ul style="list-style-type: none"> • Start business later than others • Suppliers are less than Grubhub • Market share at 20%, less than the two rivals • Density of Region coverage less than the two of rivals |

⁴ <https://share.america.gov/effect-of-corruption-on-business/>

| | | |
|-----------------|---|--|
| External | Opportunities: <ul style="list-style-type: none"> • Growing demand for instant delivery service • Growing demand for quality food • Growing online purchasing • UberEats successfully in product extensions under a brand • Technology innovation might lead UberEats grow quickly. | Threats: <ul style="list-style-type: none"> • Increasing Oligopoly competitions • Pick-up substitutes competition • Profitability decreases • Racial and ethnic diversity challenge the food catalog • Cooking at home with family is still mainstream value in U.S. |
|-----------------|---|--|

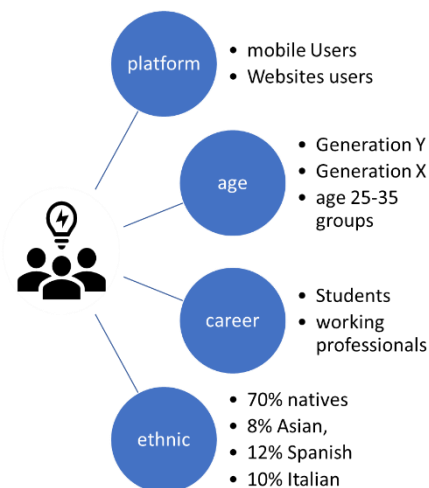
B. The Market

1. Segments Served



What are the segments served? First, we need to analyze the target customer group. We must have an effective **relationship marketing strategy** help to discover the need of prospective customers, and convert these ideas into marketable products. A plan that integrates the Marketing Mix to provide a good service to prospective users, UberEats formed it into market segments, “which are relatively homogeneous groups of prospective users that (1) have common needs and (2) will respond similarly to a marketing action. The action might be a product feature, a promotion, or a price” (Kerin & Hartley, 2018).

The market size of meal delivery service is quite large so that we need to break it up into segment for targeting. This is the **first step**. If the market breakup by the type of platform, it will be mobile applications and websites users. If market breakup by age, it will be Generation Y, X, and age 25-35 groups. If market breakup by career, it will be Students and working professionals’ group. If we breakup by ethnic, it will be 70% native American, 8% Asian, 12% Spanish, 10% Italian. But they are no meaningful unless we combine them into the equilibrium which UberEats can reach in a certain cost. What is the common demand of UberEats’ perspective users? The **second step** is to focus on improving segments served. Marketer should control very well below factors.



- 1) **Deliver fast**
 - Use Bikes, Scooters?
 - Ubers?
- 1) **Convenience**
 - Get it everywhere? Is it enough density of city coverage?
 - Time range of service
- 2) **Price**

- Food Price (Suppliers)
 - Delivery Price
- 3) **Foods Taste**
- Improve food Catalog
 - Food chain suppliers
 - Partners Restaurants

UberEats considers online demand is the industry Trend. So, the groups should have similar respond and easy to reach through social media such as Facebook, Twitter and YouTube. Combine these factors, setup a **market-product grid** to estimate the sizes of market. This is the **third step**. (the data come from my surmise)

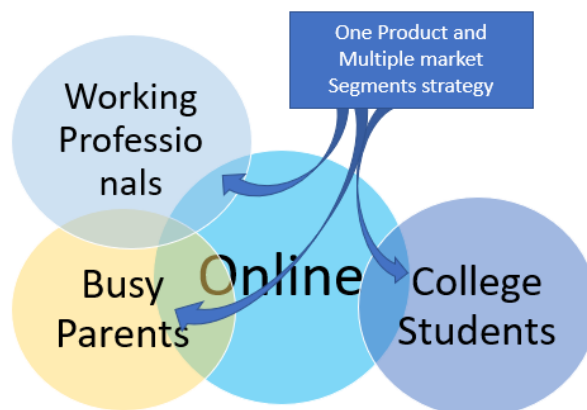
| Market Segments | UberEats Market-Product Grid | | |
|-----------------------|------------------------------|---------------------|---------------------|
| | Lower Price | Higher Quality Food | Food & Row Material |
| College Students | 62% | | |
| Working Professionals | | 30% | |
| Busy Parents | | | 8% |

Market- Product grid shows the market size of each group according each demand on the product. it stresses on different aspect on either UberEats' price or quality of food. So, the **fourth step** is to select the target group to focus on develop our segment served.

2. target customer group

The features of UberEats' service are the delivering food in a wild range time and places. Its **time and place utility** provide values to attract the customer groups who want to save their time and get meals conveniently. This is the primary need of UberEats' customers.

But UberEats act as not only a middleman but also a food provider with its plentiful meal catalogs to attract the customers who have different tastes and preferences on food. The advantage of providing plentiful food meus will be more alternative to customers than a single restaurant. These who like to try different food (form utility) can be UberEats' prospective customer group.



Moreover, UberEats' promote its food menu in social media and gain lots of fans, the people who often use social media will be attracted and somehow give a try. This customer group also should not be ignored.

When UberEats possess its own restaurant or partnership with suppliers, it can provide lower price to customers. Those who attracted by its price utility might gradually increase and become its target customer group. UberEats choose **One product and multiple**

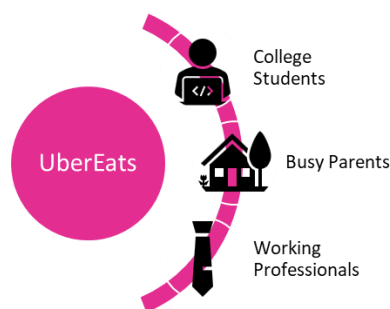
market segments to target the customer groups. This segmentation strategy result in UberEats

only need to focus on creating specific messages in different groups through social media.

UberEats finally segment the market into 3 groups base on the market segment's

- Size
- Growth rate
- Profitability
- Economies of Scale

The groups selected have same respond to online marketing action, they can be college students and young adults, the busy parents, and working professionals. They are busy and sometimes going to the grocery store just doesn't fit into the schedule. So UberEats integrates the characters of customers, develop its ad content or message to reach the follow 3 customer groups.



- Young Adults and college Students⁵

This is a popular demographic for meal delivery services, as college students and young adults live fast paced lives. With classes, active social lives and new careers, they have no time to think about what to make for dinner, let alone buy groceries. Studies show that this demographic also enjoys meal delivery services because they miss home cooked meals. Meal delivery services can provide young adults with a taste of home.

- Busy Parents

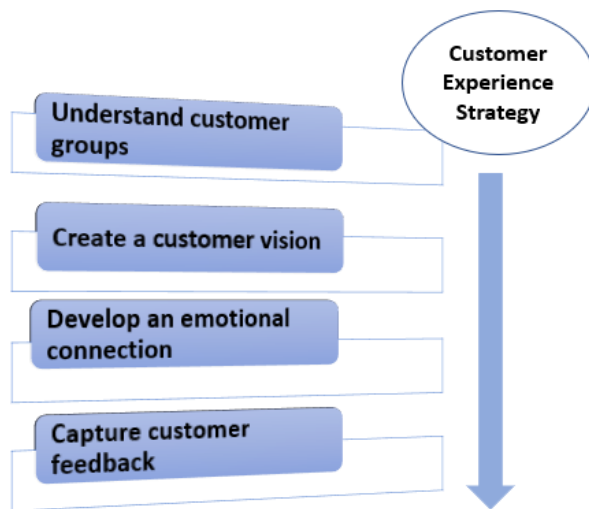
Busy parents can definitely feel overwhelmed when planning a meal at the end of the day. Meal delivery services are a great option for busy parents and families. Not only will it save them time from going to the grocery store, but it gives them the chance to cook with their kids, without all of the extra work of food preparation. Cooking dinner becomes less of a hassle and more of an experience.

- Working Professionals

Working professionals, especial men, are gravitating toward meal kit delivery services. According to data of Time.com, studies show that men are slightly more likely to order a meal kit, with 23% saying they've used a service as opposed to only 15% of women. Working professionals are often busy and overwhelmed but having a meal kit delivery service takes the guesswork out of planning and making dinner. After a long day at the office, what could be better than that?

⁵ https://medium.com/@anthembranding_boulder/3-target-audiences-to-market-your-meal-delivery-service-to-a4f18e353527

3. Demand factors



To find the demand factors, UberEats has to master the customer experience management (**CEM**) very well. Having a 360-degree view of customers, with integrated, up-to-date data on customer accounts, CEM has 4 steps to create a successful **customer experience strategy** showed in the figure. The purpose is to find the consumers' demand factors and measure customer satisfaction in real time.

The demand factors in four aspects: price, convenience, delivery and food

taste:

1) Price:

- Price of the food itself: To college students and young adults, the price of food up to \$15 will be difficult to accept. The price of this service is an **elastic demand**. Consumers are sensitive to the price. That is why most novel entering company use **penetration pricing strategy** to take the market share and it works.
- Price of substitute products: such as pick-up food from restaurants, where they support good quality food without tips, its lower price benefits the customers who have car or live nearby. So, UberEats should adapt its food catalog and price to satisfy its users.
- Price of delivery: Now UberEats charge \$1.5-5 for delivery. Its pricing strategy use **competition-oriented** approaches which may not benefit the loyal customers or the frequent users.

2) Convenience

- Decision Convenience: it requires UberEats' mobile device or online app provide the view of ratings and the reviews of restaurants, or the foods catalog. make it fast and easy to choose order from accordingly.
- Access Convenience: UberEats delivered the foods to you at your location within 15 minutes, make it easy to eat well wherever and whenever you are hungry. Moreover, to new users, improving the process of register also can make access conveniently.
- Transaction Convenience: UberEats' app provide paying with credit cards, and Uber account but not cash. it tries to bundle the Uber project with UberEats. Maybe in future, UberEats also should consider this issue to benefit the non-Uber users.

3) Delivery

- Fast Delivery: Majority of consumers want to have their meals delivered as soon as they buy them. Fast delivery is one fact that influences a purchasing decision. Many consumers feel frustrated when a delivery service lacks accuracy and arrives late. UberEats' GPS tracking food is **a solution** to delivery exceed expectation. Timely delivery provides plenty of room to capture consumer loyalty. UberEats is branding its service fastness name 15-mins Delivery.
- Delivery Professionalism: The level of professionalism of the agent has a direct reflection of the trust by consumers. The last step in the purchasing process is receiving the package

and it has the highest potential to leave the most definite impression by consumers.

- Real-Time Tracking on delivery: Customer want to be kept in the know, being updated on each stage of the delivery process. They especially want to know when they can receive their meals and spend their time for schedule. UberEats is the only company that provide the GPS for real-time tracking the delivery and it fully meets the growing demand of consumers.

4) Food taste:

- Demand on Burger: Consumers' taste and preferences on food are based on their ethnic and racial factors. The living environment that they grow up will influence their taste the most. according to Wiki's data, 70% native American like burger, chips. UberEats' food catalog shows sufficient burger, chips accordingly.
- Diet Diversity: Racial and ethnic diversity requires the diet diversity. UberEats want to target the other 30% market which consists of Asian, Spanish and Italian. The food diversity also can benefit the consumers who want to try different type of food from more than one restaurant can supply.

There still have some demand factors such as packing, the coverage density. Companies always try to stimulate **primary demand**, then satisfy the **selective demand** in their introducing phrase. But now they are changing to satisfy customers in detail around its **growth stage** of product life cycle.

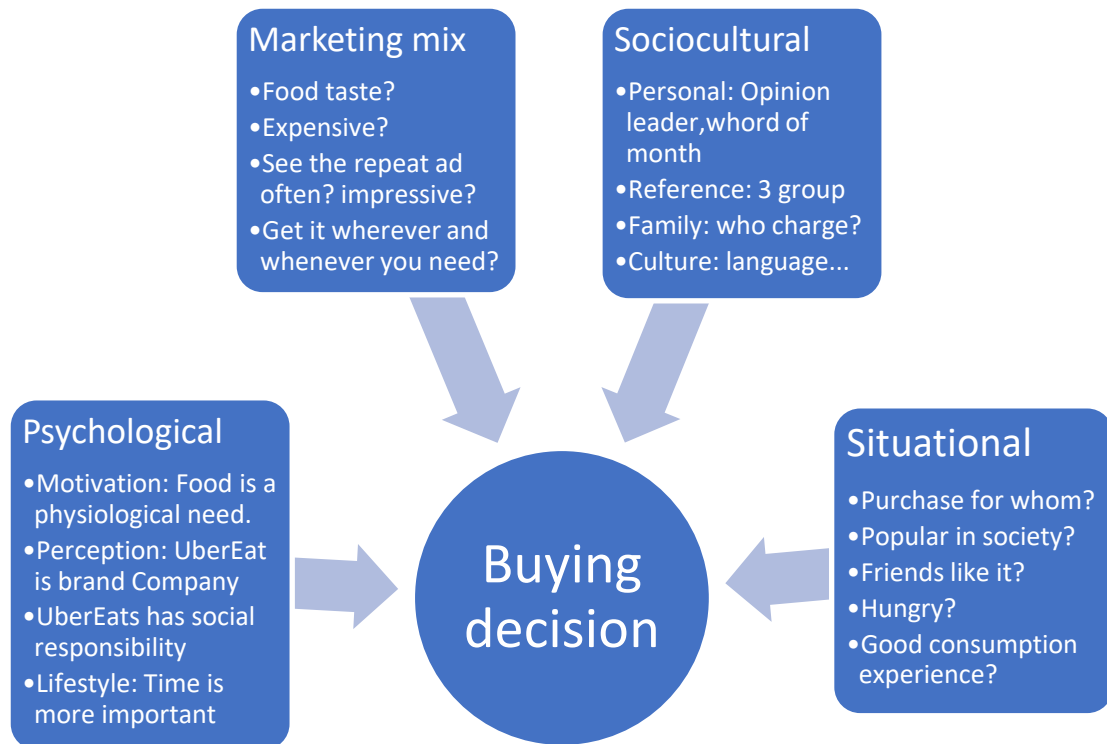
4. Behavior aspects of buying process.

Buying process actually is a consumer purchases decision process. There are "problem recognition, information search, alternative evaluation, purchase decision and postpurchase behavior" (Kerin & Hartley, p. 96). This process normally relates to a **high-involvement product**.



UberEats' meal delivery service is a **low-involvement product** and its brand is going to be a marketing leader. "For low-involvement purchase occasions, consumers engage in routine problem solving. They recognize a problem, make a decision, and spend little effort seeking external information and evaluating alternatives" (Kerin & Hartley, p. 116). A consumer approximately sees an advertisement of a food image in Facebook and he also feel hungry. then he might immediately spend \$10 to order the meals through website or app without googling the external information about what is the risk of the UberEats service.

Even though consumer doesn't effort much to make a buying decision, but if he wait for half hour and the food disappear, he might not repeat the buying and might become a bad "evangelist" to pass negative information to friends, colleagues and families.



Low-Involvement purchase occasions typically have at least one of above characters. One of these characters might trigger people's buying decision.

In behavior aspect of buying decision, food as a physiological need. It is difficult to motivate consumers to take it as a self-actualization need. The "Maslow hierarchy" (Kerin & Hartley, p. 103) might not be applicable in UberEats' marketing strategy.

UberEats, a brand company with its Low-involvement product to satisfy consumers' physiological need, its attention is place on:

- 1) Maintaining food and service quality,
- 2) "Avoiding stockout situations so that buyers don't substitute a competing brand,
- 3) Using repetitive advertising messages that reinforce a consumer's knowledge or assure buyers they made the right choice" (Kerin & Hartley, p. 100).

D. Recommendations

1. should strategy be changed? Yes or no? why?

6 So far, UberEats is doing well in:

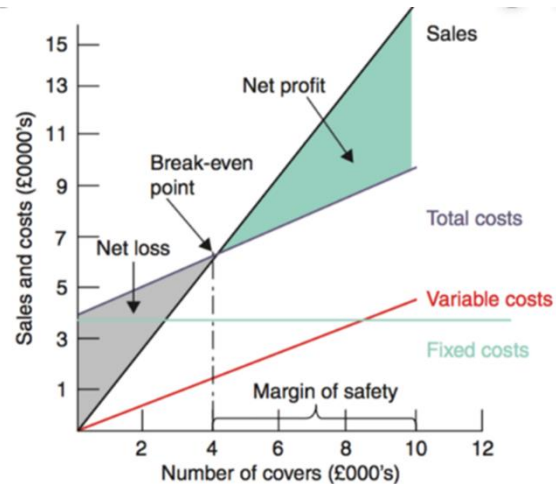
1) Supply Chain: **backward integration strategy**-

Take its food suppliers as it won or partnership. It can benefit reducing cost, maintaining its supply chain stability, and customizing the preference on food for consumers in the future.

Price elasticity of demand:

$$(E) = (\Delta Q^d) / \Delta P \times 100\%$$

Assume the Break-even point is \$6, 4million number of covers, how long can UberEats survive under the penetration pricing strategy? How about the new entrants?



When UberEats cannot control the cost of service and increase the price, it affects the demand significantly. It Needs to find out the BEP. When the suppliers and customers' bargaining power both increasing, Only the company have their own supply chain may have the profitability.

2) Segmentation: UberEats choose **One product and multiple market segments** strategy to target the customer groups. This segmentation strategy result in UberEats' service can create specific massages on different groups through social media.



3) Ad the delivery tools: UberEats advertises its tools for delivering in YouTube: Using bikes and scooters, and the Uber cars are only for help. It avoids the misunderstanding the delivery cost related to Uber car. It's a right way to correct people's perception.

4) multiproduct Branding strategy: to start the business, UberEats use the same brand, Uber, to market its product in order to aware the consumers through its brand equity.

5) Pricing: UberEats uses **penetration pricing strategy** in its introducing stage: to stimulate the primary demand and satisfy the selective demand. Now, in its growth stage of life cycle, UberEats' **competition-oriented approaches** always adjust its price to compare with its rivals. Benefit its stable market share.

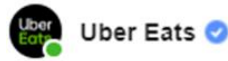
6) Advertising its social responsibility by claiming its packaging by using recycle material. Increase its brand value.



More eats. Less plastic.
Little decisions can have a big impact on the planet. 🌍 That's why we're taking a step toward reducing plastic waste. Starting this month, you'll only get single-use items like straws and utensils if yo..
6 weeks ago · 3.7K Views
👍👎❤️ 57

⁶ The figure from: <https://hmhub.me/break-even-chart-breakeven-analysis/>

7) A wonderful **customer experience strategy**: UberEats choose **social media** as a listening platform for the brand to find out what it needed to keep, lose, or adapt. Also, Social media is primary marketing channel to target its online groups. It is super precise marketing action according to the industry trend.



2.5M people like this
Internet Company

YouTube : 119,000 subscribers

One post in its Facebook: 2.5 million people's likes

2. What alternative strategies would we recommend? Evaluate each

1) Language: Adding Spanish and Chinese language in the platform

In California, there are 2 million only-Spanish speakers. There are 3.8 million citizens who were Chinese living in U.S. not including the 1.2 million Chinese students and 40 million short term visitors (for business and travelling). (data from Wiki)

That is why there are lots of Chinese meals in UberEats' food catalog, why not Chinese language?

2) 3D technic should be applicable to our app food menu: Make the food image more attractive

3) **Promotion Strategy**: Assessing more social medias, not only limit the medias have huge number of user and visitors but also the small medias that has specific character of user. For example: food blogs, students' website for grade solutions, ratemyprofessor.com (LOL). It should have more promotion events in college, where can make it easy to access students' emails.

4) Placement Marketing / Product Placement Strategy in video game:

Generation Y is the biggest segment of UberEats. They are influence the most by online video game. Product Placement strategy is the most effective way to target them.

Placement Marketing strategy is to Implant the specific characters into the roles of video game. Through the conversation, the roles will impact the people's perception and aware the product. Such as: The role will have the character of liking burger, chips and loving to order food from UberEats. The key roles who have millions of fans, will influence the fans' buying behavior.

For example: A famous online video game named Hero, we can design a conversation between Hero and his fans:



Hero: "Hi, friend. We killed enough monsters now, lets have a rest. Order some food from UberEats. Enjoy together! What food do you like?"

Fans: "I like Chinese food!"

Hero: "Great, there are lots of Chinese food in UberEats, you will get it in 15 minus."

Fans: "Really? Never hear about UberEats. How to get it?"

Hero: "this is the link, download it. Enter my invitation code 123, you might get food free."

UberEats might pay the Hero company the amount base on the number of each invitation code's user developed by each Hero.

3. which recommendations is best? Why

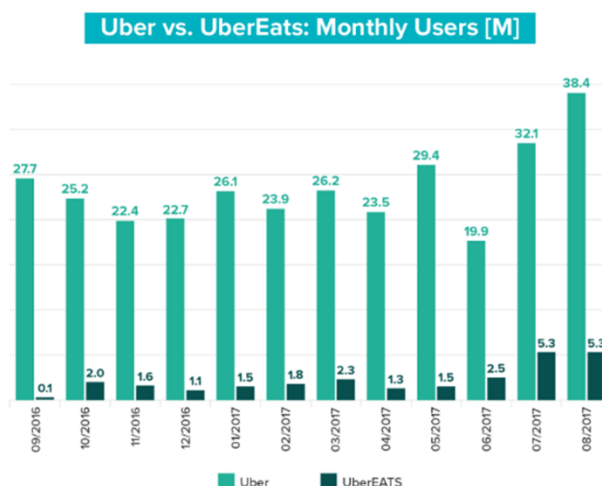


The last and best recommendations is UberCoin. It sounds like a Bitcoin but actually they are two things. Bitcoin is for keeping currency value and have minimum attribute of exchanging with merchandise. UberCoin is a sort of credit point and it has following attributes:

- Pay for the services of both UberEats and Uber car
- Pay for the bills when you have dinner/lunch at UberEats' partnership restaurant or use it in all the supply chains
- Transfer to other users.
- Can buy it by credit card and Cash.

| UberCoin Attributes: | What is the objective |
|---------------------------------------|--|
| <i>Use in both Uber and UberEats</i> | Better synergy in two products one segment |
| <i>Pay for restaurants</i> | Take market share in purchasing's platform with suppliers, get ready to the competition between in-house and third-party delivery service. --- Dominate the purchasing channel |
| <i>Transfer to friends, family...</i> | Expand UberCoin' using scale. |
| <i>Buy it by credit/cash</i> | Money pool, earn interests. |
| <i>Use UberCoin earn money</i> | Any UberCoin will add \$5 each according the number of their underline real users. |
| <i>Create value to frequent users</i> | The is only way to compare the pricing of the market leader (DoorDash) theoretically. |

Why Uber drivers? Below figure from vertoanalytics.com. It compares the Uber and UberEats' monthly Users in 2017. Uber's users are much larger than UberEats' in number. Did the Uber



drivers have any incentive to do the personal sell for UberEats? If not, should me need to develop the UberCoin to combine them? we need to develop policies that contribute to the continued **synergy** of all forces.

There are at least 30 minutes for them to talk with passengers. It benefits:

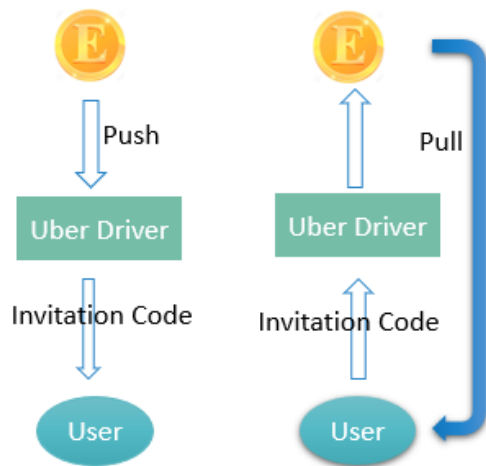
. Developing Personal Sell under a low cost.

. fitting the big Gap in Promotion

4. How would we implement our recommendation?

- **Implement it in the plan-level:**

How to implement UberCoin (U-Coin): There are some easy ways to get it as easy as you order food through:



- *Invitation code* give to new users as a gift in promotion event.

- **Push strategy** use in promoting *Invitation code*: encouraging Uber drive or users to market their own *Invitation code* to the new user. Company will add UberCoin to their account by tracking their underline users. Uber drivers can earn money for their **personal sell**.

- **Pull strategy** use in new users through entering the *invitation code*. new user will love to ask Uber driver or their friend's invitation code due to new user will get UberCoin by entering the invitation code.

- Bitcoin is very hot now. 1 BTC= \$7,626.88. let them imagine...

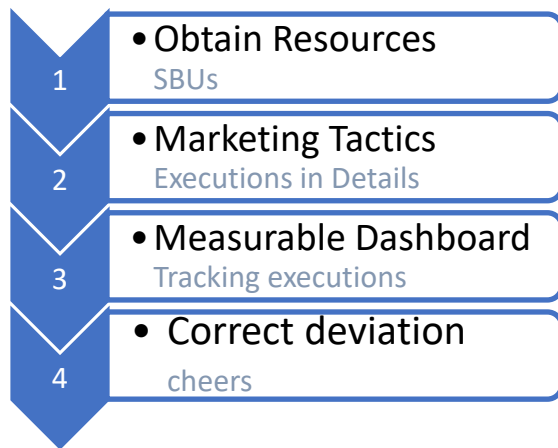
Theoretically, UberEats and Uber are low-involvement product. It is not that difficult to develop UberCoin among them because this industry trend. Using Uber and UberEats as their live restaurant frequently is the trend of people living in this model world.

- **Implement it in the SBU level**

How to Implement our recommendation on Marketing Plan? we will expand our searches to a more detailed level and implement them step by step.

Step 1: Obtain resource

Setting a right expectation and estimating what resources we can obtain from UberEats are very important for implement our plan. Marketing is not a quick fix and sprint; it is a marathon and it need lots of efforts to be successful. Next, we check out the Marketing organization such as the **SBU**s (Strategy business unit) and assess whether it is suitable for implement the marketing strategy plan. Our SBU should be able to coordinate with the departments of functional level, and the cooperate level as well. If not, we must build a team to secure these resources. "Are there tools, materials or educations that we need to get started? Make sure we can get those resources in place too" (Kerin & Hartley, 2018).



Step 2: Integrate marketing strategies into marketing tactics

We must pay attention to detail for both our marketing strategies and marketing tactics such as defining precise tasks, responsibilities, timelines, and actually executing our marketing program designed by us. Because “marketing plans are meaningless without effective execution. These tasks are detailed day-to-day operational marketing actions for each element of the marketing mix that contribute to the overall success of marketing

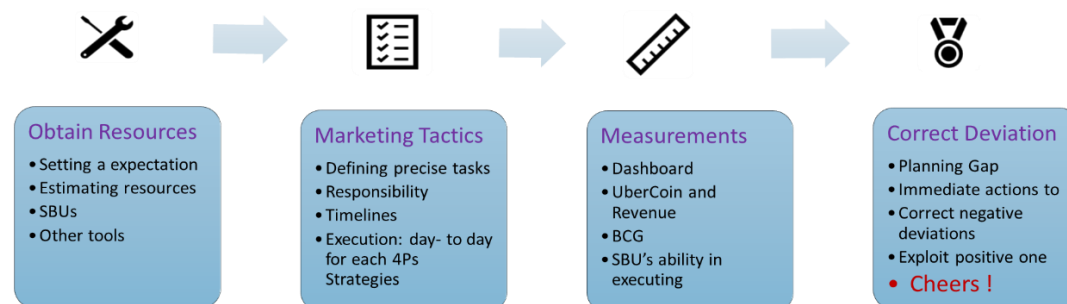
strategies” (Kerin & Hartley, 2018).

Step 3: Measurable Dashboard

Setting up a measurement dashboard is easy for tracking success. We might need to do regularly basis check-in of our result such as how many UberCoin has create. Does it directly connect to the total revenue? We can use the method of Boston Consulting Group (BCG) to quantify performance measures and growth targets to analyze our SBU’s ability in executing.

Step 4: Correct deviations

Comparing results with plans to identify deviations is necessary to find out our planning gap, where the difference between the projection of the path to reach a new sales revenue goal. When evaluation shows that our actual performance differs from expectations, we need to take immediate actions to exploit positive deviations and correct negative one. For example: Some invitation codes have less underline users, while others have huge amount UberCoin. How to share the benefit in Multi-Level Marketing, that need to have an accurate calculation method.



----- End----- Dan Hua. Li (Blanche)

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