Assessment 1

24754 Studio 2: Specialisation - Autumn 2025

Research Proposal

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Research Proposal

1. Introduction and Background

1.1 Title:

A Study of Customer Perception of DoorDash Delivery Services

1.2 Purpose:

The Covid-19 pandemic accelerated the growth of the food delivery segment. There are a lot of new players in the market making it a mature and extremely competitive market. This means that the companies working in this segment will no longer see the exponential growth that they have enjoyed over the last few years but will rather only see some steady growth in profits year on year. This study investigates how DoorDash can improve its performance in a saturated market by understanding customer perceptions and competitive dynamics and try to overtake UberEats as the market leader in Australia. The research will explore factors such as price attractiveness, product ranges and service quality among other things ultimately guiding DoorDash with actionable recommendations based on statistically significant variables.

This research is motivated by the need for realignment in a competitive landscape where customer expectations have evolved, and competitors are employing varied tactics to capture market share.

2. Current Market Situation

2.1 Key Research Questions:

1. **Market Size:** How big is the food delivery segment in Australia?
   - Current estimates suggest significant market revenue projections reaching $21.21 Billion in 2025 with an expected growth rate of 7.37% from 2025-2029
   - Revenue for the food delivery segment was $24.53 billion in 2024.
2. **Market Trend:** Is the segment shrinking or growing?
   - Yes, Australia's food delivery market is growing. In 2023, takeaway food services revenue reached a ten-year high. The online food ordering and delivery platforms industry grew at a CAGR of 13.5% between 2019 and 2024.
3. **Competitive Landscape:** Who are the main competitors and what are their market shares?
   - There are currently 26,305 food takeaway services in Australia up from 25,144 in 2023. The top three companies with the most market share are UberEats(38.2%), DoorDash(27.9%), and Menulog(34%) by Q4 2022.

4. <u>**Performance and Strategies:**</u> How are these competitors performing? what strategies are they employing and which market segments are they targeting?

- Competitors are focusing on aspects like pricing, product diversity and localized offerings. Understanding how DoorDash compares in product range offered, price and service quality among other factors is key to solving this problem.

Variables	UberEats	Menulog	DoorDash
Price	Approximately 30% above dine-in prices	Roughly 15% increase – often with a flat fee option	Around 20% above dine-in prices
Range of Products Offered	Extensive: Approximately 2,500+ restaurant partners in major cities.	Broad: Around 2,000+ restaurants, with strong regional reach.	Diverse & growing: About 1,500+, as the service is still expanding its footprint
Quality of Products Offered	High consistency with an average customer rating of 4.3/5	Moderate consistency with a rating of approximately 4.0/5	Generally high quality with an average rating of 4.2/5
Delivery Speed	25–75 minutes – No in-app timer.	30–35 minutes – slightly longer, particularly in regional areas	20–25 minutes – known for fast delivery in urban areas due to in app timer.
Delivery Fees	Approximately $4.50 on average, though fees vary by distance	Around $3.00 per order, reflecting a lower fee structure	Roughly $4.00 on average, with variability depending on order specifics
App User-Friendliness	Rated 9/10 – highly intuitive with numerous features and reliable tracking	Rated 8/10 – user-friendly but with a less streamlined interface	Rated 9/10 – simple, clear, and easy-to-navigate
Coverage Area	Rated 9/10 – highly intuitive with numerous features and reliable tracking	Rated 8/10 – user-friendly but with a less streamlined interface	Rated 9/10 – simple, clear, and easy-to-navigate
Promotions & Discounts	Frequent promotions with an average discount value of about 15% (score: 8/10)	Regular promotions averaging 10% discount (score: 7/10), offering consistent deals	Occasional promotions with an average discount of around 5% (score: 5/10); fewer deals available
Customer Support	24/7 support with high satisfaction rate (rated 8/10) due to round-the-clock assistance	Limited operating hours with a moderate support rating of around 6/10	24/7 support, similar to UberEats, with an 8/10 satisfaction rating

3. Research Question and Objective :-

3.1 Primary Research Question:

How do various independent variables influence customer perceptions of DoorDash, and what strategic adjustments can they implement to regain market share in a competitive food delivery segment?

3.2 Objectives:

- To identify various independent variables that affect customer perception.
- To compare DoorDash's performance with competitors using these variables through a survey.
- To compile data from said survey and understand impact and relationships between these variables using statistical analysis (e.g. Multiple Regression).
- To recommend strategies to DoorDash based on significant analysis of these variables.

This research question is structured to reveal not only current customer perceptions but also to provide actionable insights that can drive strategic improvements at DoorDash Australia.

4. Research Methodology

4.1 Exploratory /Secondary Research

The purpose of the secondary research is to justify and consolidate the key areas to focus on in the primary data collection that will take place in the form of a survey.

In order to analyze further we must first understand the market share breakdown of the Food delivery industry in Australia.
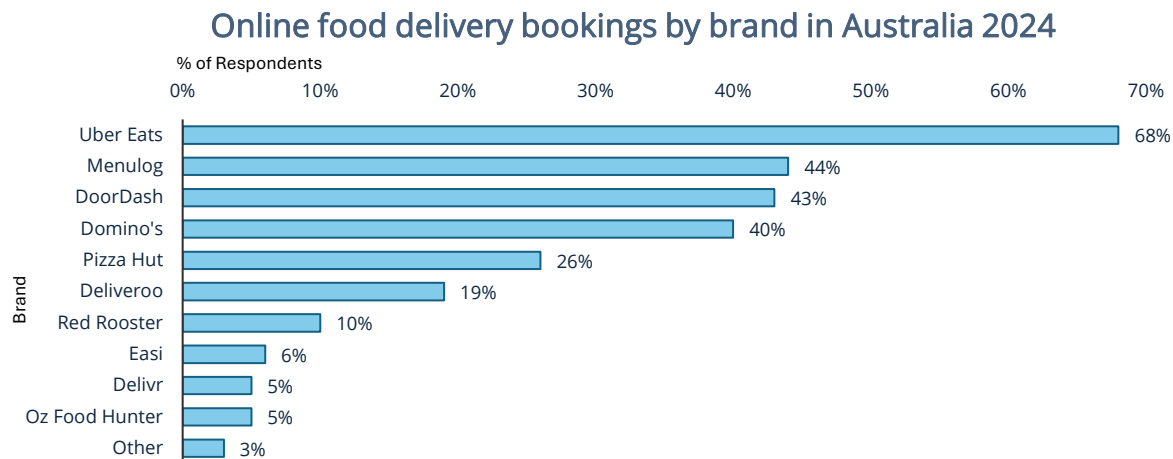

Figure 1: Online food delivery bookings by brand in Australia for December 2024

A Statista survey conducted in 2024 which had a total of 842 respondents showed that out of the total people who took the survey, 68% booked orders on UberEATS compared to just 44% on DoorDash. If we try to only attribute this to price sensitivity, we see that the average amount customers are spending is more or less the same across platforms as measured in a survey done in 2023 by Statista which had around 1200 respondents.
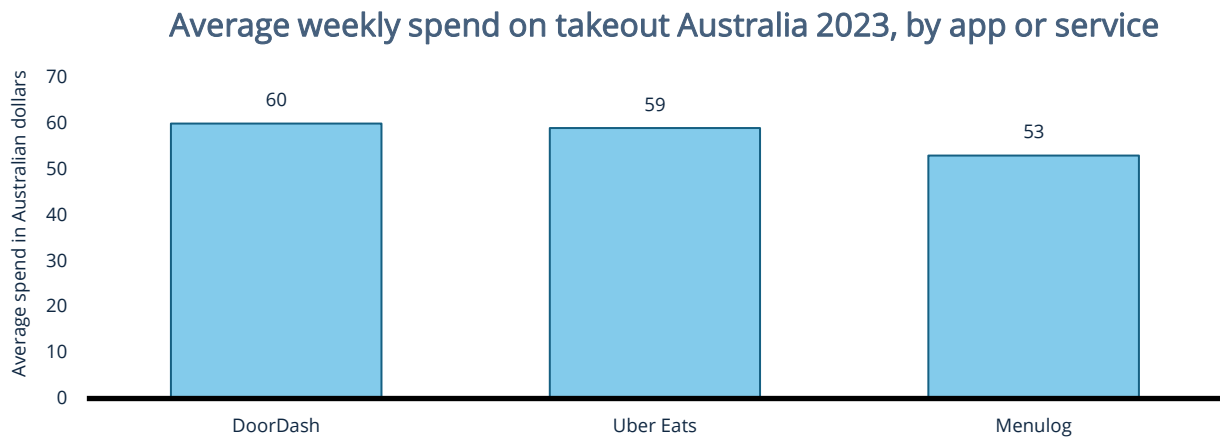
Average weekly spend on takeout Australia 2023, by app or service

Figure 2: Average weekly spending on food delivery in Australia as at May 2023, by app or service (in Australian dollars)

From this, while it's clear that the average spending habits of customers have been clarified, whether customers feel like they are getting more for the money they pay with UberEATS as compared to DoorDash is still something that needs to be addressed. This is a concern because, as you can see below, the customer price index for 2024 is higher than the mean expectation which means that according to law of demand, the number of customers who think food delivery is more expensive now than before will stop ordering as frequently leading to lower sales but higher revenue per sale which needs to be measured.
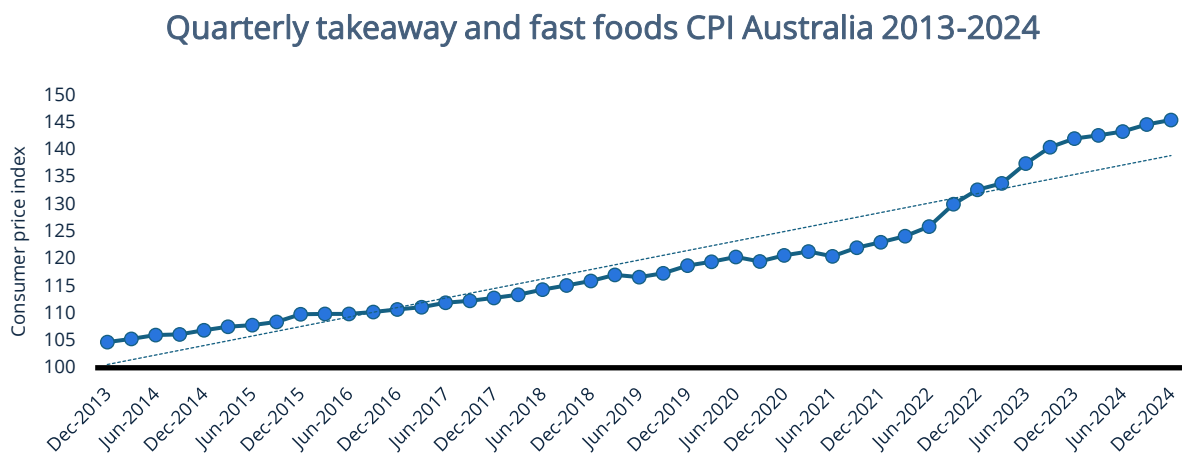
Quarterly takeaway and fast foods CPI Australia 2013-2024

Figure 3:Consumer price index (CPI) of takeaway and fast foods in Australia from December 2013 to December 2024

This means that as these trends continue, if the CPI does not increase linearly but rather exponentially with respect to inflation, a lot of customer will reduce their weekly

spending to account for it, leading to a lower number of sales. However, if they have more sales, then the fixed cost of doing business can be distributed over the customer base leading to more customers ordering out and in turn more revenue being generated.

Leading benefits of online food delivery services among businesses Australia 2023

Share of Respondents

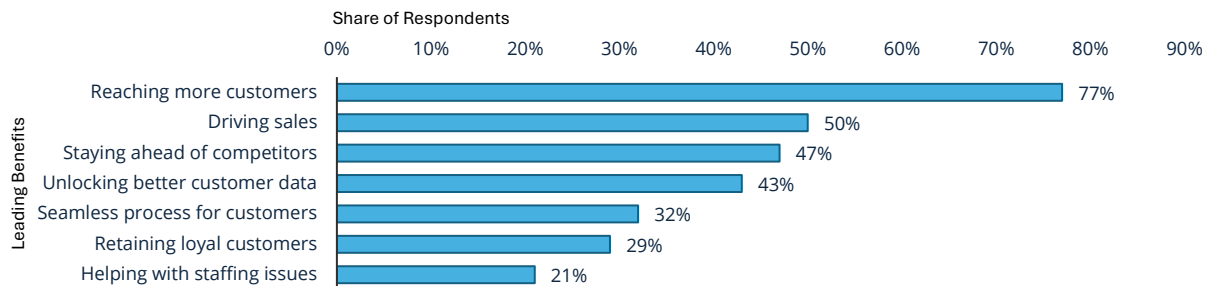| Leading Benefit	Share
Reaching more customers	77%
Driving sales	50%
Staying ahead of competitors	47%
Unlocking better customer data	43%
Seamless process for customers	32%
Retaining loyal customers	29%
Helping with staffing issues	21%

Figure 4: Main benefits of online food delivery services according to senior restaurant business decision makers in Australia as of September 2023

A survey taken by Statista in 2023 found that 77% of business owners and decision makers primarily use delivery services to reach more customers while 50% use it to drive sales. From the perspective of the restaurants, they would rather use the delivery service that ensures that they are able to reach the most customers. This means that the restaurants also need to have a good network base across the city in various areas and price their delivery fee correctly to make restaurants feel more accessible even to customers far away. However, from a customer perspective, the same point of price seems to come up again as with the CPI spiking, drop in consumption of food delivery services needs to be measured more quantitatively. However, a comparative analysis can be done from the following data collected during a survey in 2024 by statista where they ask the customers if they have been ordering lesser, about the same or more than last year.

Food delivery order frequency compared to the previous year Australia 2023

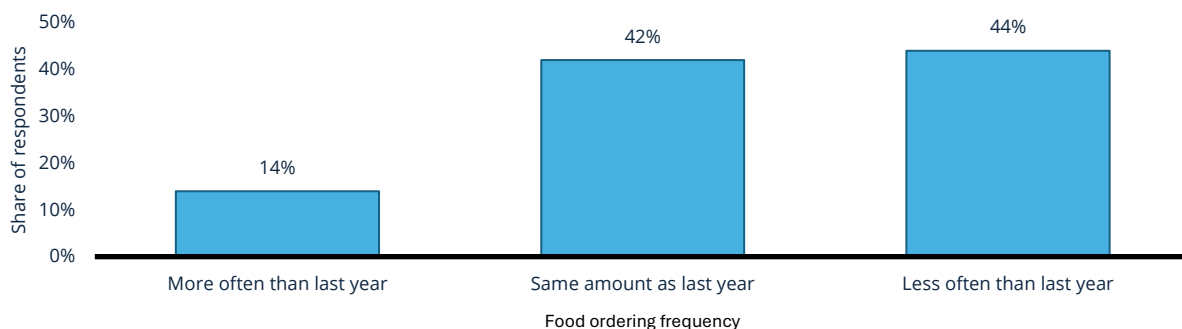| Food ordering frequency	Share of respondents
More often than last year	14%
Same amount as last year	42%
Less often than last year	44%

Figure 5: Frequency of people ordering food for delivery compared to the previous year in Australia as of April 2023

From the graph above, it seems that it's almost an even split between people who continue to order the same amount as last year and the number of people who have been ordering less compared to the year before. More research needs to be done to attribute the reason for the drop in orders, for example if they have decided to eat healthier or developed a love for cooking or started to eat a cuisine that is not available locally, which may be one among many reasons.

There is very limited data on the incentives that delivery drivers have in Australia to operate in a region which increases availability leading to lower turnaround times, which is also something that can be explored as well.

From the above data, it is clear that there are specific questions that need to be answered in order to understand how the customer perception of DoorDash can be improved to bring in more customers to routinely use DoorDash as their primary food delivery app and in turn improve its market share.

From the above data, the most important variables that need to be measured are as follows:-

Variable	Explanation / Importance	Type	Dependent on / Relationship
Price Charged	Measures the perceived affordability and fairness of pricing (including delivery fees and menu prices). It influences overall satisfaction and purchase frequency.	Independent	Affects customer satisfaction, repeat purchase intention, and price sensitivity.
Product Range	Captures the variety and diversity of restaurant options and product offerings available on the platform. A broader range can meet different consumer needs, boosting perceived value.	Independent	Influences customer satisfaction and choice behavior.
Service Quality	Includes delivery speed, order accuracy, customer support responsiveness, and overall reliability. High service quality is directly linked to higher customer satisfaction and loyalty.	Independent	Impacts customer satisfaction, net promoter score, and retention rates.
App Usability & Design	Reflects the ease of navigation, interface aesthetics, and functionality of the DoorDash app. A user-friendly app increases engagement and reduces friction in the ordering process.	Independent	Influences customer satisfaction and overall experience.

Promotional Offers	Measures the attractiveness and frequency of discounts, loyalty programs, and special deals. Effective promotions can drive trial and repeat usage, impacting overall value perception.	Independent	Affects customer purchase behavior and loyalty.
Brand Reputation	Captures consumer trust, recognition, and the perceived reliability of DoorDash relative to competitors. A strong brand can mitigate negative experiences and boost long-term loyalty.	Independent	Influences customer trust, satisfaction, and willingness to recommend.
Restaurant Partnerships	Assesses the quality and breadth of partnerships with restaurants. A diverse portfolio of partners can enhance the perceived product range and quality.	Independent	Influences product range and customer satisfaction.
Customer Satisfaction	Represents overall contentment with DoorDash's service. This is crucial as it directly correlates with customer retention, loyalty, and positive word-of-mouth.	Dependent	Affected by independent variables such as price, service quality, and product range.
Repeat Purchase Intention	Reflects the likelihood of customers placing orders repeatedly. This variable is important for measuring long-term customer loyalty and overall market share growth.	Dependent	Influenced by customer satisfaction and specific service attributes like pricing and quality.
Net Promoter Score (NPS)	Measures customers' willingness to recommend DoorDash to others. It is a key indicator of customer advocacy and overall brand strength.	Dependent	Impacted by the cumulative effect of all independent variables, particularly service quality and brand reputation.

4.2 Proposed Primary Research

A survey will be created using questions which measure these variables to accumulate responses which will then be compiled into a dataset for further analysis. The reason we require a survey is to obtain direct consumer insights into the factors influencing their perceptions, preferences and decision-making processes regarding DoorDash compared to its competitors. While secondary data provides general trends and market statistics, a primary survey will allow us to measure specific pain points, satisfaction levels and behavioral drivers that impact customer loyalty and adoption of food delivery services.

By designing a well-structured survey, we can gain insights into several critical areas:

1. Customer perception & preferences:-
   - Overall Satisfaction: How satisfied customers are with DoorDash's service.
   - Brand preference: Why customers prefer UberEATS or other competitors over DoorDash
   - App Usability: How easy and intuitive customers fine the DoorDash app compared to others.
2. Service Quality & Performance Metrics
   - Delivery speed & accuracy: Perceived efficiency in delivering orders correctly on time.
   - Customer Support: Effectiveness of issue resolution and support response times.
   - Food Quality: whether food arrives fresh and in good condition.
3. Pricing and value perception:
   - Price Sensitivity: Whether customers find DoorDash's pricing competitive.
   - Delivery Fees & Promotions: Impact of discounts and promotions on purchase decisions.
   - Cost vs Quality tradeoff: Whether customers believe they are getting a good value for their money.
4. Market Positioning and competitive Analysis
   - Competitor Comparisons: how DoorDash stacks up against UberEATS and Menu Log in customer perception.
   - Loyalty and Switching Behavior: what factors would make customers switch services.
   - Brand trust and Recognition: How well customers recognize and trust DoorDash.
5. Consumer Behavior and Usage patterns
   - Ordering Frequency: How often users place orders.
   - Preferred Food Categories: what types of meals customers order most often.
   - Peak Usage Times When customers are most likely to order.

6. Improvement Areas and business strategy
   - Pain points: identifying the biggest frustrations customers have with DoorDash.
   - Suggested enhancements: What features or services would make them more likely to use DoorDash.
   - Personalized and customization: whether users value tailored promotions, recommendations and loyalty programs.

By analyzing the survey results, we can pinpoint key areas where DoorDash can improve, develop data-driven strategies to enhance customer retention and identify ways to fain a competitive edge in the Australia food delivery market.

An example question is as below:-

Q14. On a scale of 1 to 7 with 1 – strongly dissatisfied and 7 – Strongly Satisfied, Please share your opinion on the below statements: -

Strongly Dissatisfied --- Strongly Satisfied

1	2	3	4	5	6	7

1. I am happy with the price DoorDash charges for the overall delivery : _____(e.g. 5)
2. I feel like the amount of food I get for the price I pay is fair:____(e.g.7)
3. I feel like DoorDash's pricing structure is very transparent: _____(e.g. 4)

A typical survey will be populated with similar questions measuring all the key variables mentioned above. The results are then aggregated into a dataset and prepared for analysis.

This dataset will then undergo multiple regression to understand the relationship between independent variables and dependent variables as well as identifying only those variables that are significant and affect the overall customer perception of DoorDash.

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