**Group Number: Group 14**

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**Introduction:**

The food delivery industry has gained momentum all around the world especially since the pandemic. Here, we are looking into the US food delivery industry and the theme of the interim is “The impact of businesses venturing into the food delivery industry on DoorDash”

The reasons for choosing this theme are:

Firstly, during the Coronavirus pandemic, many people preferred staying at home, setting a record for meal delivery sales, which increased 17 percent year-over-year, collectively. 50 percent of U.S. consumers had ordered from one of the services by September 2021, up from 44 percent in the previous year. As a result, more businesses are entering the food delivery business. During the COVID-19 era, DoorDash became the largest IPO of 2020 and dominated American consumers' meal delivery sales in September 2021 along with its subsidiaries, whereas its competitors such as Uber Eats and GrubHub came in at 23% and 16% respectively. However, companies like Uber entered the food delivery market with Uber Eats and, since, been constantly acquiring or merging with other businesses, giving them the ability to lower the prices of their services to attract more customers. This puts the current leader, DoorDash, at risk if it is unsuccessful in acquiring profits. Nevertheless, DoorDash has also acquired quite a few number of companies and has its fair share of unsuccessful mergers, and was recently successful in acquiring Wolt, a leading local commerce platform across 23 countries. This acquisition can give it the boost in revenue it needed to compete in this industry.

Secondly, in spite of overall industry growth, competition for customers is getting more fierce because fewer diners today are loyal to just one company. To take advantage of the best discounts, customers are switching between different delivery services based on the offers and promotions they are being offered, which affects the current positions of these delivery services. In the third quarter of 2021, 60 percent of DoorDash customers used it exclusively, while competitors like Uber Eats and Postmates accounted for 46 percent and 34 percent, respectively. However, in the process, DoorDash is losing its dashers due to competitive pay, and this might adversely affect their reputation and stand in the market. The fewer the dashers, more difficult it will be for DoorDash to provide its many services on time, in turn, losing its customer base. It is important for DoorDash to maintain a solid customer relationship by offering effective services and promotions, otherwise it may lose its lead.

Thirdly, delivery services tend to look for big restaurant chains to partner with as a growth strategy and to become a popular name in the nation. However, partnerships do not always generate revenue. Delivery services are often paid lower fees by larger partners, reducing their take rates, or even resulting in losses. Conversely, many restaurants with a high reliance on delivery due to the pandemic are losing money on orders because delivery companies charge high service fees, prompting policy intervention in many cities. DoorDash teamed up with Little Caesars Pizza, a brand that had never delivered before, and has deals with Wendy's, Chick-fil-A, and McDonald's, the nation's largest fast-food chain, which also offers delivery through Uber Eats. However, none of these partnerships led to an increase in revenue for either of the delivery service.

Finally, companies like Uber already have mobility services that gave them an economic advantage to launch a business in the food delivery industry, which turned out profitable as well. With DoorDash, they have recently started offering other services in addition to their main food delivery business model, which may or may not prove to be successful. This might affect DoorDash’s revenue adversely if they fail to achieve the goals they started with.

In conclusion, the purpose of this research study is to examine DoorDash’s overall market share dominance in the U.S food delivery industry compared to its competitors. While we identify its strengths and weaknesses, we also evaluate how DoorDash and other companies took advantage and leverage their brand identity and have expanded into other related industries. With our research we will conduct multiple analysis models and seek to find the uniqueness of different companies’ business models that makes them stand out from the rest. Thus, allowing us to conclude and pitch service ideas that could eventually help maintain and boost DoorDash’s dominance in the current oligopoly food delivery market.