

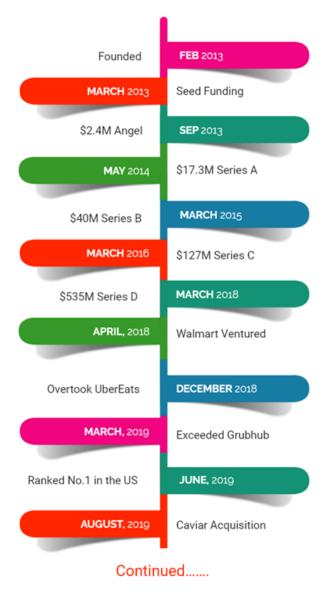
## Environmental Assessment

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### History

- 2004 GrubHub started
- 2011 Postmates started
- Fall of 2012 by 4 Stanford University students created PaloAltoDelivery.com (DoorDash)
  - Developers were getting feedback on an app they built and came across the idea
  - Vision was to build a local, on-demand logistics company
  - Became DoorDash in June 2013
- 2014 UberEats started
- Dec 2016 DoorDash Drive (Large ordering)
- April 24, 2018 Walmart Partnership (Delivery for grocery and non-Food Items)
- Jan 2019 General Motors partnership (Self-Driving Cars)
- June 2019 Largest market share of food delivery in the united states
- Oct 2019 DoorDash opened its first ghost kitchen
- Aug 5, 2020 Introduces DashMart (convenience/grocery items)
- Nov 2020 DoorDash opened its first physical restaurant called Burma Bites
- December 9, 2020 DoorDash IPO, raising \$3.37 billion
- Acquisitions include Scotty Labs (Aug 2019 self-driving and remotecontrolled vehicle technology), Caviar (Oct 2019 - upscale urban-area restaurant delivery), and Chowbotics (Feb 2021 - food prep automation)
- Europe (as of April 30, 2021)
- Jun 9, 2021 DoorDash **Expands to Japan**





	GrubHub скивнив	DoorDash	UberEats Uber Eats
Slogan	"Moving Eating Forward"	"It's Our Pleasure"	"Get the Food you want"
Best For	Deals	Quality	Variety
Location	4,000+ U.S. Cities & London	4,000+ cities & Canada, including Atlanta, Seattle, Boston, New York, and Chicago	6,000+ cities and 45 countries
Audience	Urban/City	Urban/City & Suburban	Urban/City
Brand Culture	Enrich communities in which local businesses operate.	Delivering good by connecting people, and possibility.	Easy way to get the food you love delivered.
Delivery Fee	Typically, less than \$7	\$0-\$8	\$1-\$10
Subscription	Grubhub+: \$9.99 per month (free two- week trial); unlimited free delivery from eligible restaurants and 10% cashback for every \$100 you spend	DashPass: \$9.99 per month (free one- month trial); zero delivery fees on orders from select restaurants, as well as zero delivery fees and lower service fees on orders over \$12	Eats Pass: \$9.99 per month, unlimited free delivery (even during busy hours) and 5% off orders of \$15 or more for your region
Also Delivers	Alcohol & Convenience	Prescription, Convenience, Groceries and Alcohol	Alcohol (Only in South Florida)

## **Brand Positioning Assessment**

#### Consolidated Statements of Operations Data

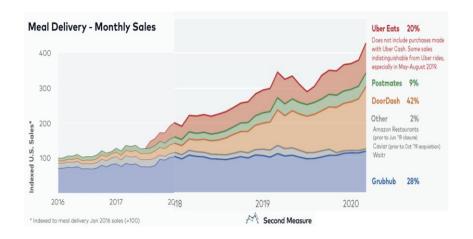
Financial a	and	Operational	Highlights
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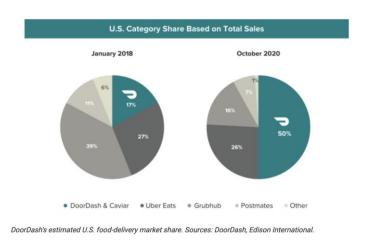
Three Months End			
2020	2021	% Change	
103		219 %	
\$3,083	\$9,913	222 %	
\$362	\$1,077	198 %	
\$25	\$209	736 %	
7.0 %	19.4 %		
0.8 %	2.1 %		
\$(70)	\$43	**	
(19.3)%	4.0 %		
(2.3)%	0.4 %		
	2020 103 \$3,083 \$362 \$25 7.0 % 0.8 % \$(70) (19.3)%	103 329 \$3,083 \$9,913 \$362 \$1,077 \$25 \$209 7.0 % 19.4 % 0.8 % 2.1 % \$(70) \$43 (19.3)% 4.0 %	

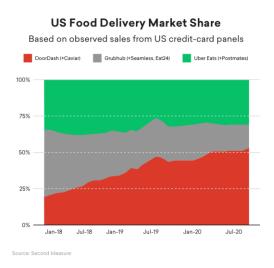
	Year Ended December 31,			,	Nine Months Ended September 30,					
	2	2018		2019	2	019	12	2020		
	(in millions, except share amounts which are reflected in thousands, and per share data)									
Revenue	\$	291	\$	885	\$	587	S	1,916		
Costs and expenses(1):										
Cost of revenue, exclusive of depreciation and amortization		228		523		353		899		
Sales and marketing		135		594		445		610		
Research and development		51		107		73		112		
General and administrative		78		245		179		337		
Depreciation and amortization(2)		9		32		16		89		
Total costs and expenses	- 30	501		1,501		1,066		2,047		
Loss from operations	1/2	(210)	- 1	(616)		(479)	0.	(131)		
Interest income		7		18		14		6		
Interest expense		(1)		-				(22)		
Other expense, net	00	_	di.	(68)		(67)	772			
Loss before income taxes		(204)		(666)		(532)		(147)		
Provision for income taxes		_		1		1		2		
Net loss	12.0	(204)		(667)		(533)	407	(149)		
Premium paid on repurchase of redeemable convertible preferred stock		(3)		_		_				
Deemed dividend to preferred stockholders		_		(1)		(1)		_		
Net loss attributable to common stockholders	\$	(207)	\$	(668)	\$	(534)	\$	(149)		
Net loss per share attributable to common stockholders, basic and diluted(3)	\$	(4.67)	\$	(15.44)	\$ (	12.41)	\$	(3.34)		
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted(3)	_4	4,305		43,252	4	3,045	_	44,568		

### Financial Assessment

- The first chart illustrates there was a significant amount of order growth from 2019-2021.
- Revenue increased by 241% from 2019-2021, from \$885 million to 1.92 billion.
- The growth was driven by consumer retention, new consumers, new market expansion, COVID-19, and an increase number of orders through the app.
- After completing the Initial Public Offering (IPO), DoorDash Stock price opened at \$182, 80% above its IPO price, providing the company with a \$60 billion market cap.
- DoorDash Stock Price Today at June 17, 2021 reduced to \$164.52 per share.







### Performance Assessment

- DoorDash leading the industry in sales with 56%
- DoorDash holds 50% market share nationally
- Focusing on suburban and metropolitan areas attributed to their 35% market share increase from 2018-2020.

#### **Strengths**

- High brand recognition
  - The survey showed that it had the highest brand recognition at 91.4%
- Largest portion of market share in the US
  - In April 2021 DoorDash's market share was 56%
- Strong use of data analytics
  - The proportion of DoorDash employees with the word "data" in their title is approximately 2-3 times that of similar brands

#### Weaknesses

- Lack of profitability & loyalty (high competition)
  - high cost of customer acquisition
- High fees to customers and high commission percentages to suppliers
- Low customer service ratings
- Low employee satisfaction

#### **Opportunities**

- Diversification into new geographic regions
- Diversification into adjacent products or services
- Innovation including Autonomous Delivery
- Expand globally

#### **Threats**

- Local Competition
  - Consumer preference to buy direct from the restaurant
  - New competition (local and franchised companies often restaurant backed)
- Other delivery based businesses spreading into restaurant delivery
- Price Wars with other industry leaders
- Increased Regulation (reclassifying their employees, listing restaurants without permission, caps on fees)

### SWOT Analysis- DoorDash

### Primary Research: Survey

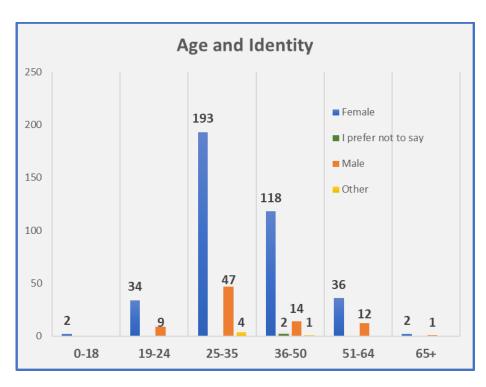
475 total participants

447 Virginia residents

333 Richmond residents

47 in postal code 23220





Respondents are 80% Female and 51% are between 25 and 35 years old

### Weakness: Lack of Profitability & Loyalty

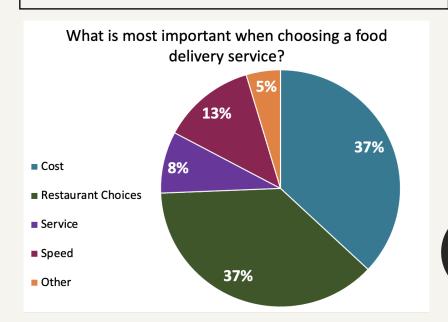
#### **High Customer Acquistion Cost & Lack of Profitability**

- Since there are many competitors sharing the same market space, DoorDash is constantly trying to convince users to choose their service over rivals.
- The company is spending a vast majority of their sales on marketing and promotions. In Q3 of 2020, DoorDash paid \$290 million or 33% of revenues in marketing expenses.
- DoorDash has never generated a profit with the exception of Q2 of 2020.

#### **Lack of Loyalty**

- Customers are not loyal to a particular food delivery brand
  - The average 6-month customer return rate amongst all delivery platforms is 21%
  - In the first quarter of 2021, 25% of DoorDash customers also used GrubHub
  - o Customers have the power of choice

Cost and restaurant choices were what survey respondents identified as the two most important attributes when choosing a food delivery service.

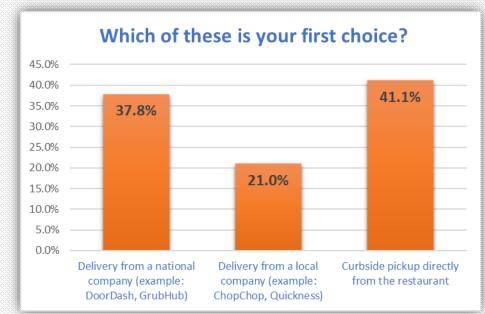


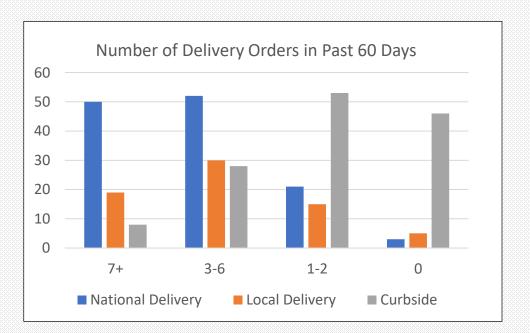
# Threat: Local Competition. Suppliers Capitalize on a Growing Customer Segment

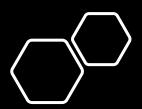
- 70% of consumers say they'd rather order directly from a restaurant, preferring that their money goes straight to the restaurant and not a third party (Upserve, 2021)
- 68% of consumers say they are more likely to purchase takeout from a restaurant than before covid. Even after dine-in fully returns, they will do more pickup orders directly from restaurants post pandemic than they did pre pandemic. (NRA survey)
- From March-May 2020, over 60% of people ordering food through a website or app did so directly through a restaurant vs through a 3<sup>rd</sup> party service (Stratista, 2020)
- The 333 Metro Richmond residents who were surveyed showed a similar preference for local with 41.1% choosing curbside pickup and 21% choosing a local delivery company.

- Percentage of restaurants that added curbside pickup in 2020 (NRA):
  - Family Dining: 78%
  - Casual Dining: 73%
  - Fine Dining: 81%
  - Quick Service: 58%
  - Fast Casual: 77%
  - Coffee & Snack: 64%
- About ~40% added online ordering

- Top Reasons to Prefer Curbside?
  - Less Fees/Cheaper 76
  - Better for Restaurants 47
  - Quicker 25
  - Food Quality/Temperature 15
  - Don't Trust 3rd Party 7
  - Easy 6
  - Better Service 6
  - Less Contact 6



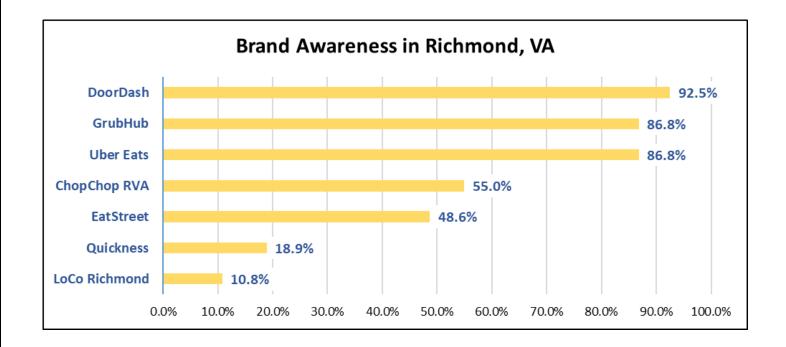


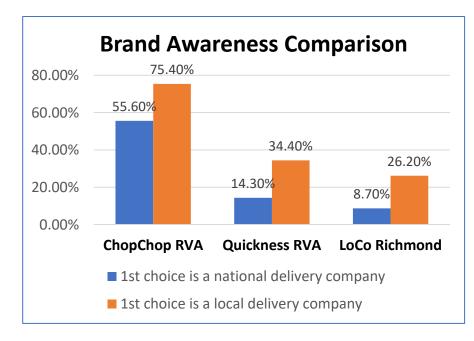


### Threat: Local Competition. New Competition from Local Delivery Services

21% of Richmond residents surveyed said they would prefer to order from a local delivery company. 69 answered our open-ended question asking why they made that choice:

- Support Local 61
- Better for restaurants 11
- Better Food Quality 4
- Better Service 3
- Convenience 3
- Fees 3





- ChopChop RVA: Locally Owned, founded 2018. Delivery radius ~10 miles wide but restaurants can choose a smaller delivery area to preserve quality
- Quickness RVA: Locally Owned, founded 2010. Bicycle based courier service: food, packages, fashion & flowers. Delivery area ~6 miles wide.
- LoCo Richmond: Locally owned delivery cooperative (franchise), founded 2021. Restaurants in Church Hill delivering to Short Pump.

"If DoorDash can capture even 5% of the convenience and grocery market in the next few years, it could mean **revenue increases by more than 500%**." -DoorDash CFO Prabir Adarkar



#### Bets DoorDash is making: (+ Going Global)

- **Walmart Ventured** huge move into grocery delivery and also to power delivery networks for larger companies many other business lines than just food (currently only offered in Atlanta)
- Robotic Prep Company: Chowbotics (Salad **vending machine** reduces risk of foodborne illness for hospitals, universities and grocery stores)
- DoorDash software (Jimmy John's has their own drivers but uses it)
- Credit cards (Brand awareness, cross promotion, retain new members, incentivizing sign-ups)
- The use of Data: Their **data platform** that drives intelligence and automation a real-time prediction service called "**Sybil**"
  - They have 2-3X more employees with the word "Data" in their title than other engineering organizations

## Opportunity: Growth & Diversification

**Their mission**: Allow any local merchant to offer delivery

- Delivery for businesses from large hardware stores to independent small boutiques. "Market opportunities like **convenience** \$225 billion and **grocery** \$900 billion" (estimated by DoorDash CFO)
- Expand awareness in: Pharmacy (Sam's Club same day prescription delivery), Alcohol, Catering, Bath & Beauty, Home & Office, Cleaning, Pets (PetSmart partnership), Baby, and Grocery

(61% from our survey selected they have had **groceries** & 50% for **Pet supplies** delivered from companies such as DoorDash, Instacart, Shipt, or GoPuff)

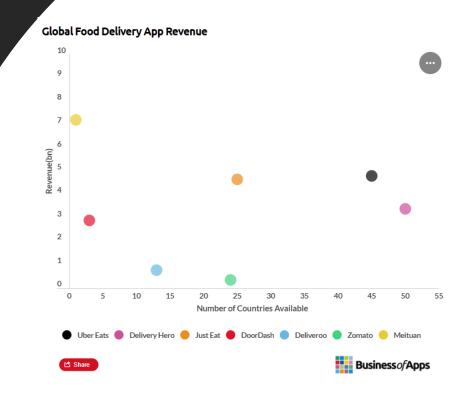
- Expanding DoorDash Drive gives every business their own on-demand delivery fleet service for **day-to-day delivery operations** ex. Daily stock small retailers or order large orders. Other examples include mattresses, Christmas trees, and much more.
- Explore more use of ghost kitchens and corporate catering access to new customers in neighboring communities without the same overhead cost involved in opening additional stores.



# Opportunity: Growth & Diversification

- # of Cities: over 4,000 56% market share in US all 50 states
- **Global Growth -** Countries: US, Canada, Australia, and now Europe (as of April 30, 2021) and Japan (as of Jun 9, 2021) (Vs Uber Eats: 45 countries)
- Started out in the **suburbs** (have 58% market share in the suburbs, higher than their overall market share)
- Expand in high-density **metropolitan areas** (high amount of disposable income)
- Using data and satisfied customer reviews to advertise in new cities
- Autonomous deliveries provide opportunities to expand to rural areas and food deserts: Decrease delivery times & Cost
  - Providing food and restaurants in food deserts
  - Just less than 50% of the US population have low access to brick and morter grocery
  - Drones
  - Coolers/heated for food

"DoorDash also provides **education for merchants**, e.g. how to optimize their dishes for delivery and pick-up, or what to do to attract new customers."



When expanding: "Launchers conduct demographic research in that market and will literally go door-to-door to engage with merchants. Based on their research, they bring on the most desirable merchants. The whole process takes six to eight weeks."

# Opportunity: Innovation through Autonomous Delivery



Autonomous Delivery Vehicle A self-driving delivery vehicle or robot
that delivers goods from stores to
customers' homes without the need of a driver.

A company by the name of NURO is partnering with major companies like Dominos, Kroger, and CVS Pharmacy to test the autonomous delivery concept in select locations across the United States. Investments in other autonomous and drone fleets are happening amongst large merchants like Chipotle, Amazon, and Kroger.

Reasons to move towards Autonomous Delivery Vehicles

- Autonomous delivery fleets would allow cheaper delivery fees for customers
- Security of goods and food customer receives unique pin to open the robot
- More efficient distribution of goods from merchant to customer (no wait times or dasher errors)
- Temperature control to keep perishable items hot/cold.
- Food deserts and low income areas would have the ability to fresher and healthier options through autonomous delivery. No bias in delivery area or delivery cost.

Door Dash - Partnership with General Motors and Cruise Automation (2019 - San Fransisco)



address to grow?

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