



From tap to table in minutes

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# Agenda

- Facts about Uber/Uber Eats
- Problem Definition
- Research Goals
- SWOT
- Methodology and Operationalization of Variables
- Data Analysis
- Discussion of Results/Recommendation
- Marketing Strategies



# Facts & Background

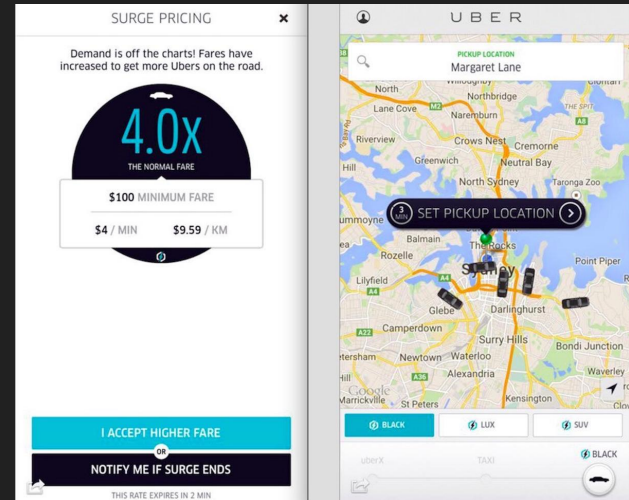


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# Facts About UBER



- The concept for Uber came to light in 2008 when Garrett Camp, the founder of Stumble-Upon, saw a need to address the taxi problem in San Francisco.
- Launched in 2009 with Garrett Camp and Travis Kalanick as its co-founders.
- Mobile App that allows riders to submit a trip destination request which is then routed to local drivers nearby, who in turn would pick them up at a prearranged location in minutes.
- The Launch
  - Uber has become a great success
  - Currently operates in 60 countries and 330 cities.
- Uber has expanded:
  - UberCargo (transportation of cargo)
  - UberCarpool (Uber carpool transportation),
  - UberFresh (Transportation of fresh produce)
  - UberEats (Food delivery service).



# Facts About UberEats



- A sub-service of Uber which uses the same drivers that carry passengers to also deliver food
- \$3 delivery flat fee
- Currently available on weekdays 11am - 2pm
- Seamless UX/UI on the app
- Provides an affordable alternative to food delivery which makes it ideal for customers to use.
- The UberEats service is rapidly expanding is now available in:

San Francisco

Los angeles

New York

Chicago

Toronto

Barcelona

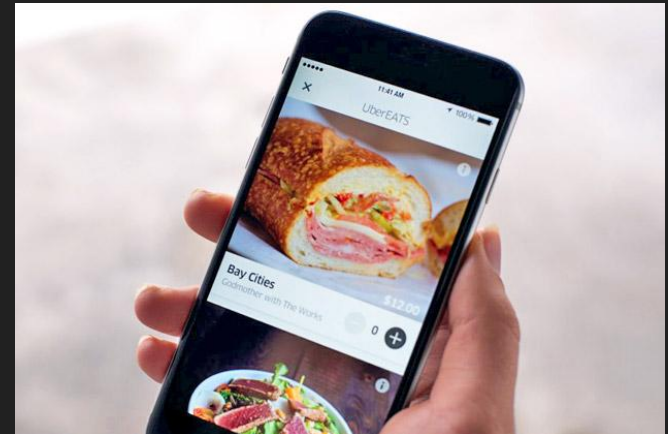
Atlanta

Washington D.C

Austin

Seattle (most recent)

- Still looking to expand to other markets



# How It Works

1

Open the Uber app and tap.



2

Enter your location within the delivery area  
and place order.

3

Track your delivery.

Your meal will be curbside in minutes.

- UberEATS is only available in SoMa and FIDi, but we plan to expand soon.

## THIS WEEK'S HIGHLIGHTS



### Dusty Buns

#### Eggman Sandwich

Local fried egg, aged white cheddar, Marshall's honey smoked ham and avocado.

AVAILABLE ON

SoMa + FIDi Monday



### Dragon Beaux

#### Mixed Dim Sum Platter

One classic crab roe pork shiu mai, one seafood dumpling, one pork dumpling, one BBQ pork bun, one black truffle mushroom bun, one chicken and sausage sticky rice wrap.

★ SF Weekly's Best New Dim Sum

AVAILABLE ON

SoMa + FIDi Tuesday



# Example





# The Food Delivery Industry Background

- \$70 billion spent a year on takeout/delivery in the United States
- Huge growth potential
- 95% of takeout orders are being placed by phone or with a paper menu currently



# Problem Definition



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# Problem Definition

- The focus of our research is to better understand the needs and wants of consumers in the food delivery service industry.
- More specifically, to understand the future opportunities for UberEats to offer various food delivery options at an affordable price.

# Research Goals



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How can UberEats leverage its assets and key partnerships in order to steadily rise its market share within the food delivery industry

### Areas of focus will include:

- Help Uber understand and fulfill needs of as many customers as possible
- Provide insight on how UberEats can provide more meal options to customers
  - Expand Restaurant Partnerships through networking
- Keep delivery costs to a minimum without increasing delivery time
- Expand the service to other locations throughout the U.S.
  - Expand globally over time
- Analyze market and any other potential opportunities or target segments for the business
- Explore UberPerks
  - Incentive program for participants and restaurants

# SWOT



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# S

# W



## Strengths

1. High standard of service is offered to riders
2. Cashless payment system: easy & convenient
3. Lower prices compared to traditional taxis
4. Unlimited number of vehicles
5. Dual rating system by drivers & riders boost safety & trust
6. food delivery within 10 min
7. no responsibilities toward employees
8. already brand awareness (UberX)

## Weaknesses

1. Business model can be easily imitated
2. There is low loyalty between Uber and its drivers
3. only specific designated areas
4. only a small variety of offerings per day
5. only a fixed time-bracket for ordering
6. Privacy concerns: Uber tracks where the customer is coming from and where s/he is going

# O

# T



## Opportunities

1. providing extra services ( school-shuttle for children)
2. enter another market (India)  
→ Huge potential demand/market in developing countries
3. opening own restaurant with delivery service
4. offering discounts/deals with restaurants because of a good brand partnerships → mutual benefits

## Threats

1. Opposition from taxi drivers & government/ other food delivery services
2. Uncertain future due to lack of regulations
3. Increasing competition (Lyft)
4. Customers can easily switch to another substitute

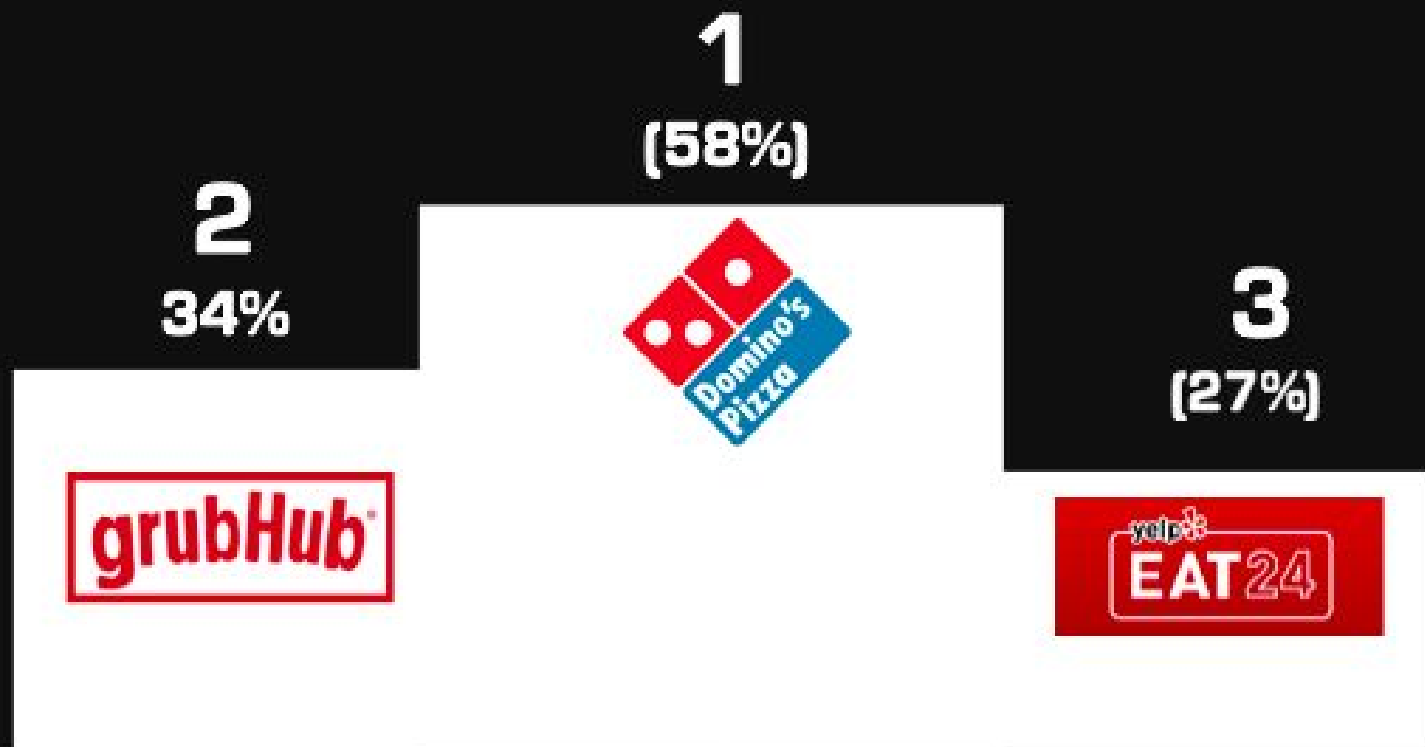


# Analysis of Competitors



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# Survey result



# Bench-marketing



Time/Promptness of  
delivery



Variety of  
food/restaurant  
choice

Service Availability  
(geographical area)



Convenience/Simplicity  
(ordering process, payment  
model, tracking the car)



# UberEats USP against competitors

- Tracking possibility
  - Delivery within 10 min
    - Easy cashless payment method
      - Diversity and variety of special food, not only burgers, pizza (organic, high quality food and desserts) → every day special deals
        - Brand performance (Exclusiveness, High Quality, corporate pictures/desing)
          - Remind me- function, record of spendings

# Methodology and Operationalization of Variables



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# Sample Size

$N = 94$

# Survey Instrument

[illegible][illegible]



# Survey Instrument (end)



\* 12. On a scale from 1-7 (with 1 being the most), please rate your preference of paying with your debit/credit card upon delivery

	1	2	3	4	5	6	7
Preference of paying with debit/credit card upon delivery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\* 13. How would you rate your preference of paying with cash on a scale from 1-7 (with 1 being the most)?

	1	2	3	4	5	6	7
Preference of paying with cash upon delivery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\* 14. On a scale from 1-7 (with 1 being the most), please rate your preference of paying with a check?

	1	2	3	4	5	6	7
Preference of paying with a check	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\* 15. What is your favorite type of cuisine? Please rate from 1-7, 1 being your most favorite, 7 being your least favorite.

[[[ <input type="radio"/> Asian
[[[ <input type="radio"/> Organic
[[[ <input type="radio"/> Vegetarian
[[[ <input type="radio"/> American
[[[ <input type="radio"/> Italian
[[[ <input type="radio"/> Mexican
[[[ <input type="radio"/> Indian

\* 16. What is the highest you would be willing to pay for a minimum ordering price?

- ☐ \$5  
☐ \$10  
☐ \$15  
☐ \$20  
☐ \$25+  
☐ Free

\* 17. How fast do you expect your delivery to come?

- ☐ 15 minutes or less  
☐ 15-30 minutes  
☐ 30-45 minutes  
☐ 60+ minutes

\* 17. How fast do you expect your delivery to come?

- ☐ 15 minutes or less  
☐ 15-30 minutes  
☐ 30-45 minutes  
☐ 60+ minutes

\* 18. On a scale from 1-7, how familiar are you with Uber?

	1	2	3	4	5	6	7
Familiarity with Uber	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\* 19. Have you used Uber's services before? If so, which ones and why? If you have not, please indicate why you have not.

\* 20. If you could change one thing about the food delivery process, what would it be and why?

\* 21. What is your Gender?

- ☐ Male  
☐ Female

\* 22. Which of the following categories contains your Age?

\* 23. What is your total annual household income?

Submit

# Data Analysis



From tap to table in minutes

# DATA ANALYSIS

## *Hypotheses*

1. Independent Sample T-Test, Willingness vs. Gender
2. Paired Sample T-Test, Willingness to try new methods of delivery vs. Age
3. Simple regression on Importance of price and total annual income
4. Multiple Regression, Familiarity with Uber vs. Demographics (Age, Gender, Income)
5. Multiple Regression, Willingness to try new food delivery methods vs. Demographics
6. Multiple Regression: Willingness to try new methods vs preference of payment
7. Multiple Regression: Willingness to try new food delivery methods Vs. Familiarity with Uber and importance of food ordering process

# DATA ANALYSIS

## *Hypothesis 3*

# DATA ANALYSIS

## *Hypothesis 3*

### Hypothesis 3 - Simple Regression on Importance of Price and Total Annual Income

Does one's Total Annual Income influence how important they find the price of delivery to be? If so, what is the relationship and how strong is the correlation?

#### Statistical Hypothesis

**Independent Variable:** Total Annual Income

**Dependent Variable:** Importance of Price

$$Y = a + b_1X_1 + e$$

$X_1$  = Total Annual Income

# DATA ANALYSIS

## Hypothesis 3

Linear Regression

Dependent: Price [q0002\_0001]

Block 1 of 1

Previous Next

Independent(s): What is your total annual hou...

Method: Enter

Selection Variable: Rule...

Case Labels:

WLS Weight:

OK Paste Reset Cancel Help

Statistics... Plots... Save... Options... Bootstrap...

CollectorNm [Col...]  
RespondentID [R...]  
CollectorID [Colle...]  
StartDate [StartD...]  
EndDate [EndDate]  
IPAddress [IPAdd...]  
EmailAddress [E...]  
FirstName [First...]  
LastName [Last...]  
CustomData [Cu...]  
How often do you...  
Delivery Time [q0...]  
Quality & Freshn...  
Ease of Food Ord...  
Menu Selection [...]  
Importance of foo...  
How do you typic...  
Other (please sp...

# DATA ANALYSIS

## *Hypothesis 3*

Setting Decision Rule:

Let  $\alpha = .05$

We use this decision rule to either reject or fail to reject the Null Hypothesis ( $H_0$ )

If we find the 'p-value' to be less than or equal to 0.05, we reject the  $H_0$ .

If  $p \leq 0.05$ , we reject the  $H_0$

Conversely, if the 'p-value' is greater than 0.05 we fail to reject  $H_0$

If  $p > 0.05$ , we fail to reject the  $H_0$



# DATA ANALYSIS

## Hypothesis 3

Dependent Variable

Descriptive Statistics

	Mean	Std. Deviation	N
Price	2.8222	1.41880	90
What is your total annual household income?	3.3000	1.77023	90

Independent Variable

# DATA ANALYSIS

## Hypothesis 3

Correlations			
		Price	What is your total annual household income?
Pearson Correlation	Price	1.000	.268
	What is your total annual household income?	.268	1.000
Sig. (1-tailed)	Price	.	.005
	What is your total annual household income?	.005	.
N	Price	90	90
	What is your total annual household income?	90	90

# DATA ANALYSIS

## Hypothesis 3

$P = 0.01$  which is less than 0.05 making it significant

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.268 <sup>a</sup>	.072	.061	1.37483

a. Predictors: (Constant), What is your total annual household income?

ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	12.822	1	12.822	6.784	.011 <sup>b</sup>
Residual	166.334	88	1.890		
Total	179.156	89			

a. Dependent Variable: Price

b. Predictors: (Constant), What is your total annual household income?

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.115	.308		6.868	.000
What is your total annual household income?	.214	.082	.268	2.605	.011

a. Dependent Variable: Price

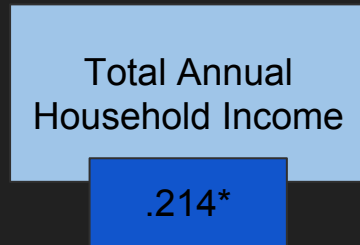
## DATA ANALYSIS: *Hypothesis 3*

$$Y = a + b_1X_1$$

$$Y = 2.115 + .214X_1$$

$X_1$  = Total Annual Household Income

$Y$  = Importance of Price of a Delivery



Importance of Price of a Delivery

$$F = 6.784$$

$$R^2 = 0.072$$

$$\text{Adjusted } R^2 = 0.061$$

$$P = 0.011$$

$$\text{If } P \leq 0.05$$

# DATA ANALYSIS

## *Hypothesis 7*

## DATA ANALYSIS: *Hypothesis 7*

**Multiple Regression:** Willingness to try new food delivery methods Vs. Familiarity with Uber and importance of food ordering process

Does an individual's familiarity with Uber and their opinion of the importance of the food ordering process influence the willingness that a Customer will try new food delivery methods?

### Statistical Hypothesis:

Independent variables: familiarity with Uber, importance of the food ordering process

Dependant variable: Willingness to try new food delivery methods

$$Y = a + b_1X_1 + b_2X_2 + e$$

$X_1$  = familiarity with Uber       $X_2$  = importance of the food ordering process

# DATA ANALYSIS

## Hypothesis 7

Linear Regression

Dependent: Willingness to try new metho...

Block 1 of 1

Independent(s): Familiarity with Uber [q0018... Importance of food ordering ...

Method: Enter

Selection Variable: Rule...

Case Labels:

WLS Weight:

OK Paste Reset Cancel Help

Statistics... Plots... Save... Options... Bootstrap...

CollectorNm [Col... RespondentID [R... CollectorID [Colle... StartDate [StartD... EndDate [EndDate] IPAddress [IPAdd... EmailAddress [E... FirstName [First... LastName [Last... CustomData [Cu... How often do you... Price [q0002\_00... Delivery Time [q0... Quality & Freshn... Ease of Food Ord... Menu Selection [... Importance of foo... How do you typic...



## DATA ANALYSIS

### *Hypothesis 7*

Set Decision Rule:

$$\alpha = .05$$

For each independent variable, the probabilities will be checked to either reject or fail to reject the null hypothesis.

If  $p \leq 0.05$ , then the null hypothesis is rejected

# DATA ANALYSIS

## *Hypothesis 7*

All variables are using a 7 point scale ranging from {1,...,7}

Descriptive Statistics			
	Mean	Std. Deviation	N
Willingness to try new methods of food delivery	2.9681	1.74413	94
Familiarity with Uber	3.3404	2.12286	94
Importance of food ordering process	3.2979	1.38990	94

# DATA ANALYSIS

## Hypothesis 7

Correlations				
		Willingness to try new methods of food delivery	Familiarity with Uber	Importance of food ordering process
Pearson Correlation	Willingness to try new methods of food delivery	1.000	.444	.314
	Familiarity with Uber	.444	1.000	.235
	Importance of food ordering process	.314	.235	1.000
Sig. (1-tailed)	Willingness to try new methods of food delivery	.	.000	.001
	Familiarity with Uber	.000	.	.011
	Importance of food ordering process	.001	.011	.
N	Willingness to try new methods of food delivery	94	94	94
	Familiarity with Uber	94	94	94
	Importance of food ordering process	94	94	94

# DATA ANALYSIS

## Hypothesis 7

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.494 <sup>a</sup>	.244	.228	1.53287

a. Predictors: (Constant), Importance of food ordering process, Familiarity with Uber

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	69.081	2	34.541	14.700	.000 <sup>b</sup>
Residual	213.823	91	2.350		
Total	282.904	93			

a. Dependent Variable: Willingness to try new methods of food delivery

b. Predictors: (Constant), Importance of food ordering process, Familiarity with Uber

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.972	.441		2.201	.030
Familiarity with Uber	.322	.077	.392	4.183	.000
Importance of food ordering process	.279	.118	.222	2.371	.020

a. Dependent Variable: Willingness to try new methods of food delivery

## DATA ANALYSIS: Hypothesis 7

### Interpretation

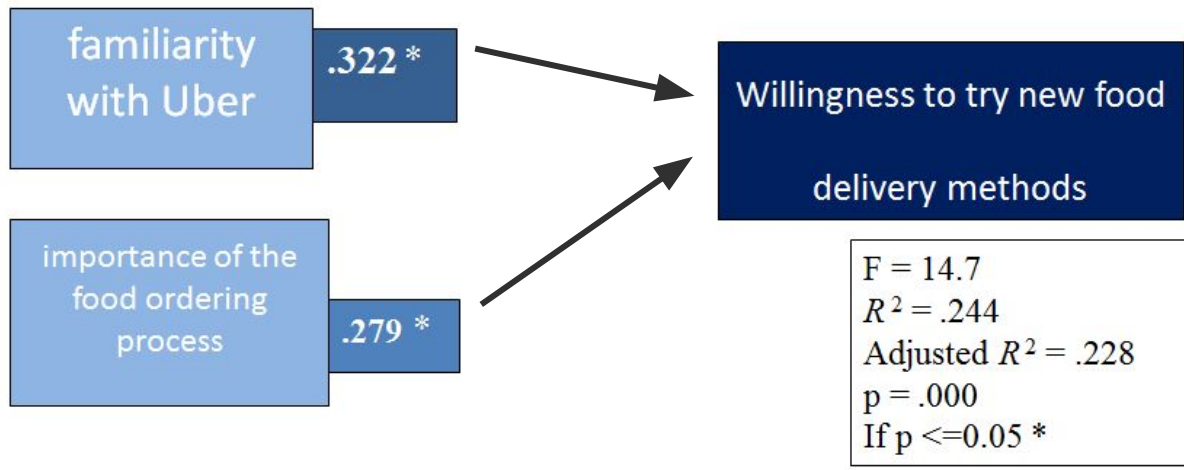
$$Y = a + b_1X_1 + b_2X_2$$

$$Y = 0.972 + 0.322X_1 + 0.279X_2$$

$X_1$  = familiarity with Uber

$X_2$  = Importance of food ordering process

Y = Willingness to try new food delivery methods



# Discussion of Results/Recommendations



From tap to table in minutes

## DISCUSSION OF RESULTS

### *Demographic Analysis: Hypothesis 1, 2, 4 and 5*

1. Independent Sample T-Test, Willingness to try new food delivery methods vs. Gender
2. Paired Sample T-Test, Willingness to try new food delivery methods vs, Age
4. Multiple Regression, Familiarity with Uber vs. Demographics (Age, Gender, Income)
5. Multiple Regression, Willingness to try new food delivery methods vs. Demographics

\*Independent variables: Gender, Age, Income

\*Dependent Variables: Willingness to try new food delivery methods, Familiarity with Uber

Conclusion: None of these were significant so we cannot draw any conclusion as to the potential adoption of the new service related to demographics.

## DISCUSSION OF RESULTS

### *Analysis: Hypothesis 3*

3. Simple regression on importance of price and total annual income

What is the influence Total Annual Income has on the Importance of the price of the delivery service?

**\*Independent variables:** Importance of price

**\*Dependent Variables:** total annual income

Conclusion: As total annual income increases so does the importance of the price of the food delivery service. If more research is done to determine how likely one is to use a food delivery service dependent on their income then we can target that income bracket accordingly with our pricing.



# DISCUSSION OF RESULTS

## Analysis: Hypothesis 6

**6. Multiple Regression:** Willingness to try new methods vs preference of payment

**Independent variables:** Preference of payment (Credit card, check or cash)

**Dependant variable:** Willingness to try new methods of food delivery

**Conclusion:** Willingness to try new methods of food delivery are negatively correlated with paying by cash or check. Credit card is preferred payment method, whether over the phone or upon delivery.

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	4.570	.705
	Preference of paying with <u>debt</u> /credit card over the phone	.027	.079
	Preference of paying with debt/card upon delivery	.136	.079
	Preference of paying with cash upon delivery	-.123	.083
	Preference of paying with a check	-.381	.077

## DISCUSSION OF RESULTS

### *Analysis: Hypothesis 7*

7. Multiple Regression: Willingness to try new food delivery methods Vs. Familiarity with Uber and importance of food ordering process

Findings:



Conclusion: The more familiar and the higher they rated importance of food ordering process, the more willing they are to try new food delivery methods.

# Marketing Strategies



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## MARKETING STRATEGIES:

### *Hypothesis 3 Influence total annual income has on the importance of price*

- Further research is needed to determine if the target segment of people with higher incomes are more or less likely to use a food delivery service.
- Higher income levels are more price sensitive
- Lower income levels are less price sensitive OR the price may be an entry level barrier

## MARKETING STRATEGIES:

### *Hypothesis 6 Influence of preference of payment on willingness to try new methods*

- From the positive correlation with credit card payment via phone or upon delivery, we can conclude, that users want simplicity of payment.
- Uber's interface is already simple
- One suggestion to make it even simpler: Photograph credit card to input payment method into Uber interface



## MARKETING STRATEGIES:

*Hypothesis 7 Influence of familiarity of Uber and importance of food ordering process on willingness to try new methods*

- Do more to market the Uber brand, therefore making Uber even more familiar.
- Importance of food ordering process is positively correlated with willingness to try new methods
- Within the app users take a short survey about their favorite meal types and times to order, and are sent push notifications when their “favorites” are being served (similar to amazon and their “recommendations”).

## MARKETING STRATEGIES:

*Open Ended Question: Have you used Uber's services before? Which ones?*

Only 2 people have used UberEats as opposed to the 55 out of 94 who have used Uber's ride-share service.

**Conclusion:** This is an untapped market. Uber should market to its car service clients, as we know from hypothesis 7 the more familiar with Uber the more willing to try new methods

→ With each Uber ride provide user with a discount towards UberEats (Safeway partnership with Chevron)

# Questions?

