GRUBHUB – OUR MISSION IS TO MAKE TAKEOUT BETTER

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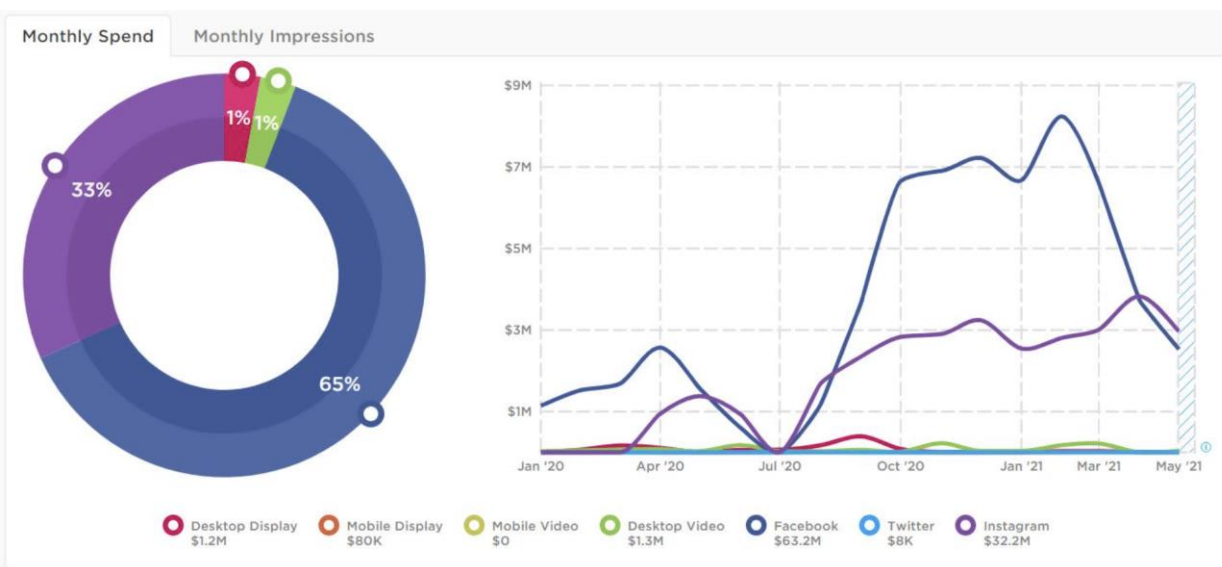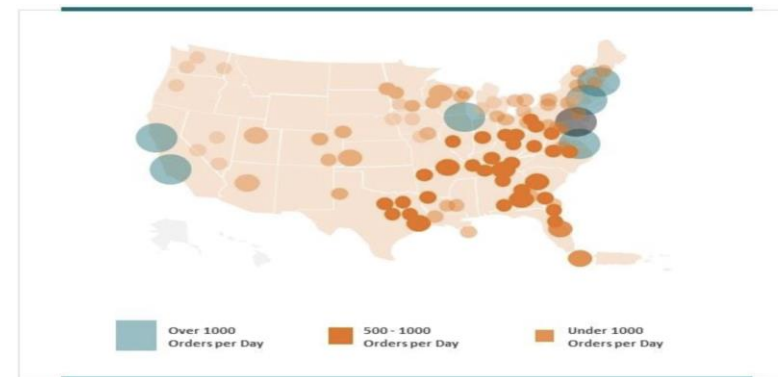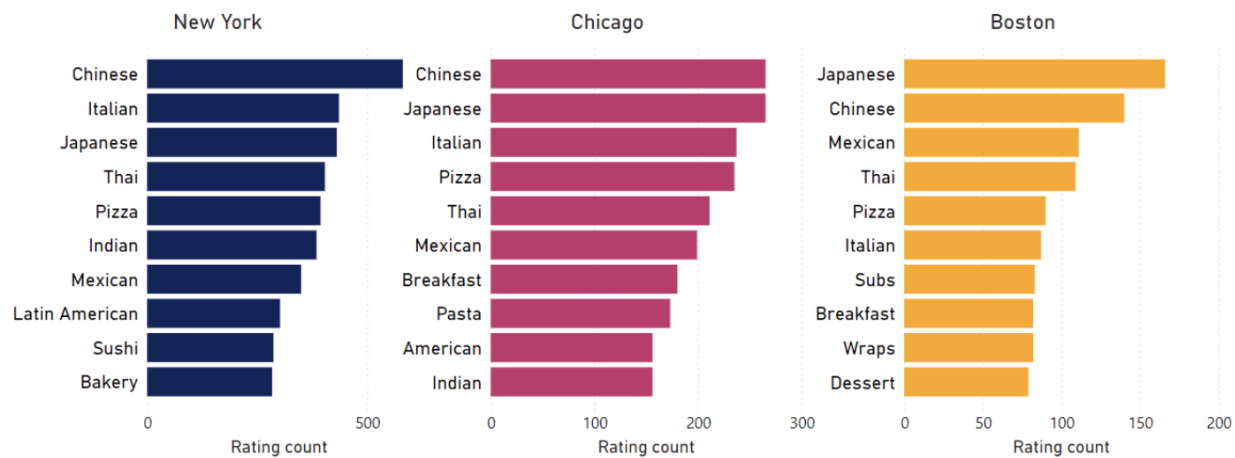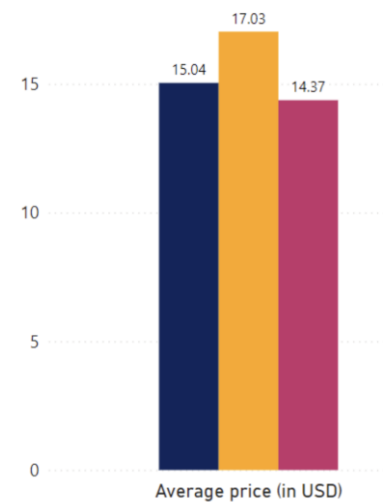
SERVICE OVERVIEW

Hungry Diners

Restaurants

HOW GRUBHUB WORKS?

Key Partners
- Restaurants
- Drivers

Key Activities
- Taking Online Orders
- Hiring Drivers
- Developing & Managing Technological Infrastructure
- Processing Transactions

Key Resources
- Technology Platform
- Restaurants Partnerships
- Drivers

Value Proposition

Customers
- Choose From Menus of Unlimited Restaurants
- 24/7 Customer Support
- Track Order
- Send Gift Cards

Restaurants
- Good Exposure
- Have an Online Platform for Customers
- Get Delivery Services from Grubhub
- Send Gift Cards

Drivers
- Earn Extra Money Working Part-Time
- Flexible Hours
- Get Tips From Users

Customer Relationships
- Social Media
- 24/7 Customer Support

Customer Segments
- Website
- Mobile Apps For Android
- Mobile Apps For iOS

Customer Segments

Users
- People Who Don't Want to Cook
- People Who Love to Explore Various Cuisines
- People Who Want Convenience

Restaurants
- Which Don not Have Delivery boys
- Who want to Make Use of Grubhub Audience
- Those Which Don't Yet Have Online Orders

Cost Structure
- Technologies Set-up & Running Cost
- Salaries of Permanent Employees
- Payment to Delivery Persons & Gas Expert

Revenue Streams
- Commission on each order
- Marketing and Branding Programs for Restaurants
- Gift Cards

THE BUSINESS MODEL

GrubHub order with restaurant delivery

15% Restaurant Marketing Commission

$23 Food, Beverage $Tax
$2 Delivery Fee
$3 Tip

$28 Ticket

Restaurant completes order and fulfils delivery

Order from GrubHub and have it delivered by GrubHub

15% Restaurant Marketing Commission

$23 Food, Beverage $Tax
$2 Delivery Fee
$3 Tip

$28 Ticket

15% Restaurant Marketing Commission
$2 Delivery Fee

Restaurant completes order

Grubhub Driver Fulfills Delivery

TAKEOUT -
BROKEN FOR RESTAURANTS & DINERS

Grubhub Restaurant Sales
US, 2019-2023

$4.76 — 16.9% (2019)
$6.98 — 46.6% (2020)
$7.97 — 14.1% (2021)
$8.37 — 5.0% (2022)
$8.71 — 4.0% (2023)

● billions ● % change
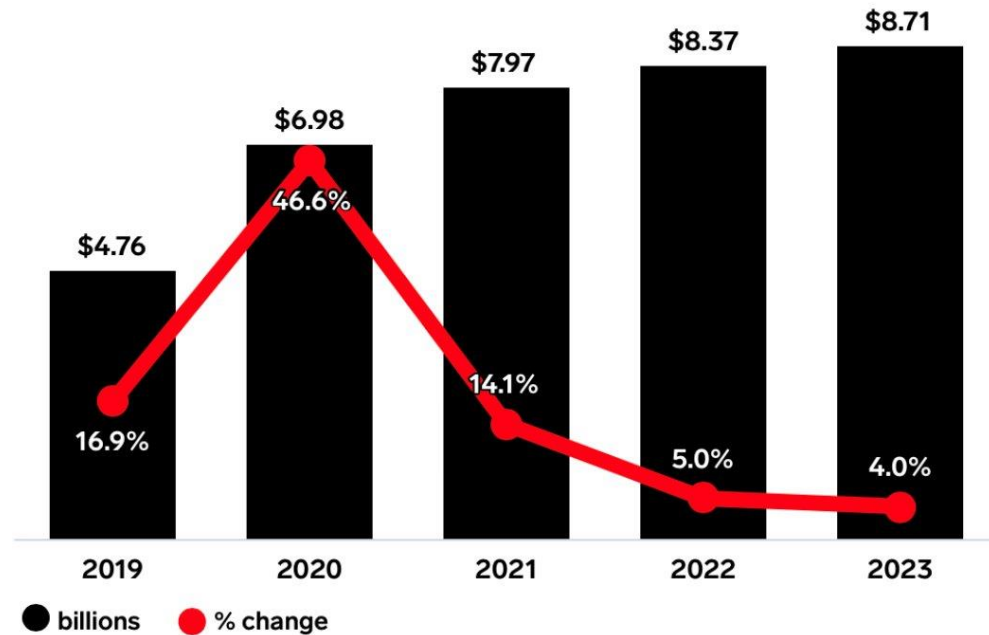
Source: eMarketer, August 2021

Meal Delivery - Observed Monthly Sales

Indexed Observed U.S. Sales*

600
500
400
300
200
100

2019 2020 2021 2022 2023

December 2023 Share of Sales

Uber Eats   23%
Postmates   2%
DoorDash   66%
ASAP   <1%
Grubhub   8%

Live Outage and Reported Problems Map
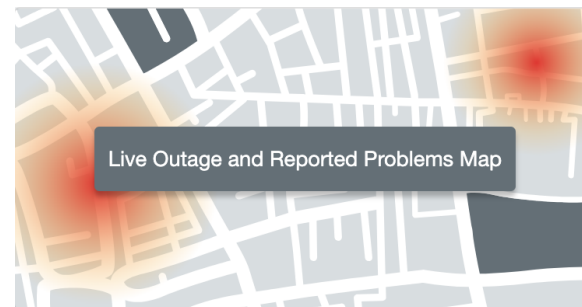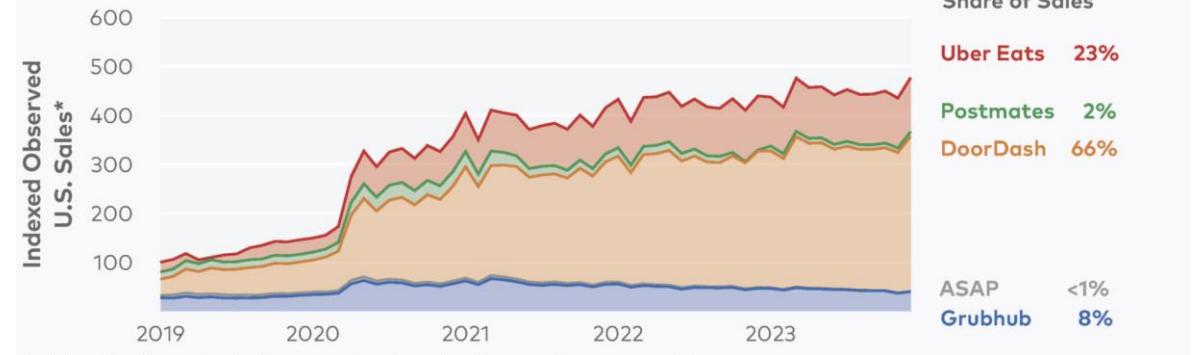
Most reported problems

93% App
7% Website
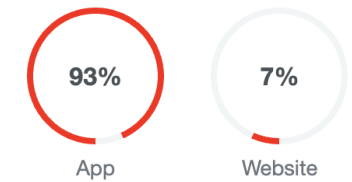
Long delivery lead times frustrate users expecting timely service.

Complex ordering process, especially for multiple restaurants, consumes users' time

Inconsistent service quality erodes trust and creates dissatisfaction among customers.

Inadequate customer support responsiveness leaves users feeling unsupported in resolving issues.

Delivery delays, ordering complexity, and service quality variation contribute to suboptimal experiences.

Online reviews and user experiences highlight areas for improvement in the customer journey.

Identify MoS and CVM

Delivery Communication

➤ **Job Step**: Receive Service
➤ **MoS**: Food Left Unnoticing
➤ **CVM**: Likelihood of a person leaving the food outside without noticing(9%)

Customer Support Accessibility

➤ **Job Step**: Provide Feedback
➤ **MoS**: Waiting too long to be served
➤ **CVM**: Average Waiting Time (25 minutes)

Transparency in pricing

➤ **Job Step**: Pay for Service
➤ **MoS**: Too many hidden fees
➤ **CVM**: Number of fees at checkout (4)

On-time delivery

➤ **Job Step**: Receive Service
➤ **MoS**: Late Delivery
➤ **CVM**: Likelihood of on-time delivery (80%)

Likelihood of on-time delivery

80% Current Value

92% Target Value

- Increase the likelihood of delivering on time by 15%

- Reduce the likelihood that the delivery person left the food outside without any notice by 50%

5% Target Value

10% Current Value

Likelihood of leaving food outside without noticing

Number of hidden fees at check-out

4 Current Value

2 Target Value

- Reduce the number of hidden fees customers must pay by 50%.

- Reduce the average waiting time for customers when calling support by 35%.

Average customer support waiting time

25 mins Current Value

16-17 mins Target Value

VLIFT STRATEGY - INCREASE THE LIKELIHOOD OF DELIVERY ON TIME (ADDRESS SERVICE GAP)

Six Sigma for Quality Control: **Root Cause Analysis (RCA) - "Five Whys".**

Solutions:

Utilize data analytics and IoT devices.

Implementing an AI-based routing system.

Profitability Effect (Estimated):

800M revenue increase from additional customer conversion

Budget: $700,000 (Analytics & AI)

Timeline: Testing and Deployment: 8-10 months

Resource: Analysts and AI/ML Engineer

VLIFT STRATEGY - REDUCE THE LIKELIHOOD OF LEAVING FOOD UNOTICING (ADDRESS SERVICE GAP)

Solution:

Develop IT Infrastructure

Solution:

Develop an automated system

Profitability Effect (Estimated):

Save 200M from retaining current customers.

Budget: $400,000 (Infrastructure & automated system)

Timeline: 10-12 months

Resource: Developer

VLIFT STRATEGY - REDUCE THE NUMBER OF HIDDEN FEES (SHIFT CUSTOMER SIDE COMPLEXITY)

Solution:

Customized Service Offerings

Dynamic Pricing for Different Times

Solution:

Direct Negotiation with Local Restaurants

Effect (Estimated):

1.5B revenue increase from additional customer conversion

Save 400M from retaining current customer

Budget: $800,000 (Data Analytics, ML & Loss from Negotiation)

Timeline: 5-6 months

Resource: Analysts and AI/ML Engineer

VLIFT STRATEGY - REDUCE AVERAGE WAITING TIME (REMOVE SLACK ROPE)

Solution:

Use Value Stream Map

Solutions:

Develop a tool to handle customer complaint applications.

Profitability Effect (Estimated):

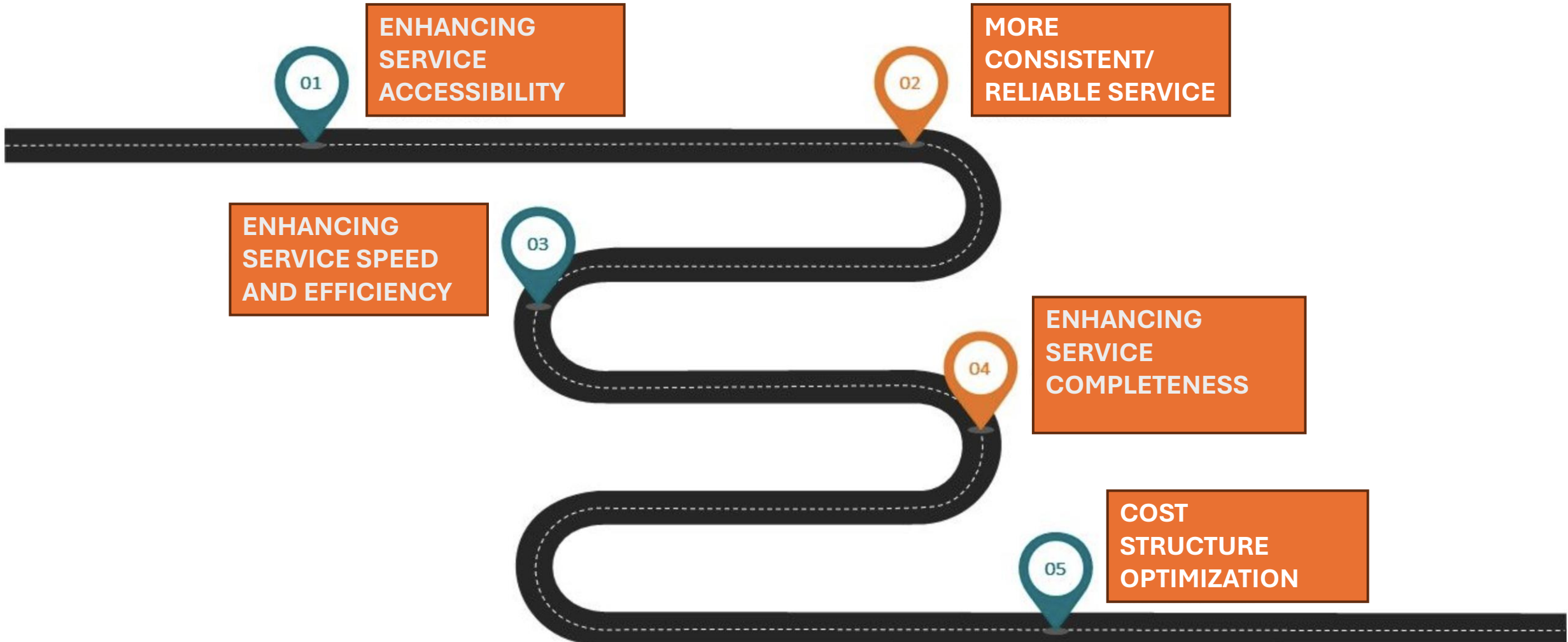**Save roughly 450M from current customers.**

Probably cut down on HR

Budget: $500,000 (Tool Development)

Timeline: 2-4 months

Resource: Developer and Database Administrator

ENHANCING CUSTOMER SATISFACTION AND OPERATIONAL EFFICIENCY

01 ENHANCING SERVICE ACCESSIBILITY

02 MORE CONSISTENT/ RELIABLE SERVICE

03 ENHANCING SERVICE SPEED AND EFFICIENCY

04 ENHANCING SERVICE COMPLETENESS

05 COST STRUCTURE OPTIMIZATION

DO NOT SHARE THE SECRET SAUCE