Marketing Research Phase 3

Uber Grocery Innovation

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Purpose

The primary objective of our study is to determine consumer interest in Uber offering grocery delivery and pickup services through the current app, which focuses on transportation and restaurant delivery. Our study aims at learning the drivers for app adoption, important features consumers look for, and the price range we can expect of our consumers. As stated in our original proposal, the primary reasons behind app adoption for consumers is based around optimizing product listing for maximum conversions, virality using social media, social media influencers and the mobile web. The original hypothesis for our study was if the Uber grocery service is designed with customers' desired features prioritized then interest will increase in using the new grocery service. As shown throughout the report, our research takes into consideration the participants main desires in a grocery service, tied into their willingness for app adoption.

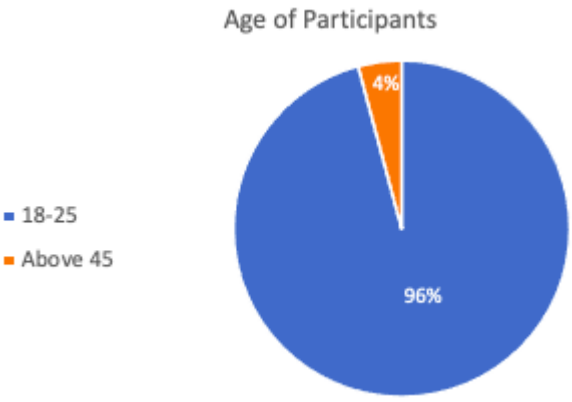
Methodology

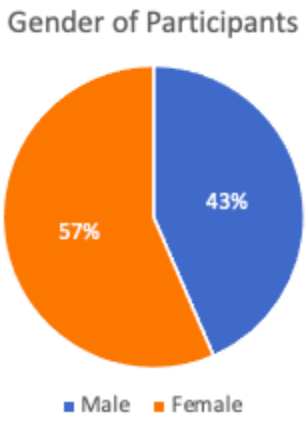
The data for our project was collected through the use of a survey we created in Qualtrics, which consisted of screening questions to ensure we would get the data needed from the right participants. Following the approval of the survey by our professor, we distributed it to individuals via an anonymous survey link. Each team member was responsible for the distribution, with the sampling of probability sampling, specifically random sampling as it would guarantee accurate results for our study. The collection dates for our survey were November 7th when the survey was distributed until November 17th when the survey was closed to analyze the results. Each team member distributed the survey to a total of 96 individuals to participate, with a total of 42 successfully participating and 23 participants getting past the screening questions and completing the survey fully. The response rate was relatively high as almost half of the individuals that received the anonymous link to take the survey participated in it. To gain a healthy response rate we sent out reminders to participants to complete the survey if not finished and we also required participants to answer the survey fully, so no answers would be left blank.

Respondent Profile

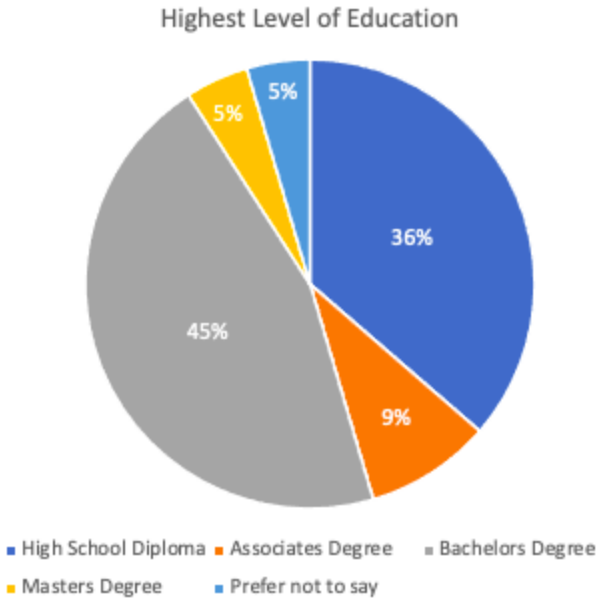
Based on the information provided by the demographic questions of the survey the majority of participants were females from the ages of 18-25 years old, this is evident from the pie charts shown below where 57% of participants were female and 43% of participants were males. The majority of participants were also within the ages of 18-25 with only one participant being above the age of 45 years old. However there are faults because

of limitations regarding our target market as we did survey many individuals from the San Marcos area but we did not get the proper scope of individuals for all age groups, only those that are between 18-25 years old.



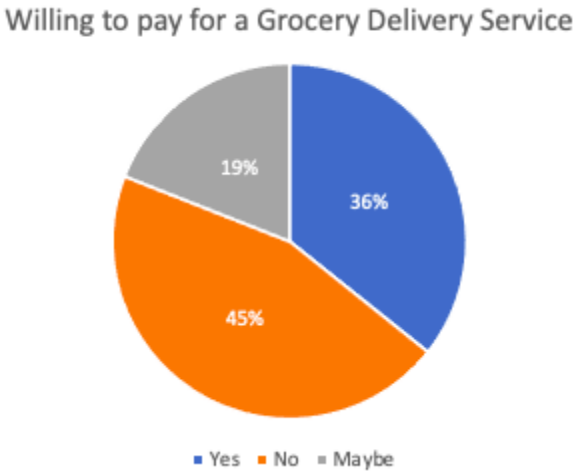


The majority of the individuals to participate in the survey were also college students or graduate students, as proven by the pie chart shown below where 54% have either a Bachelor's Degree or an Associates degree. We can also observe that the individuals taking the survey as current college students based on their education level only being a High School Diploma as 36% of participants chose this option when asked “What is your highest level of education?”.

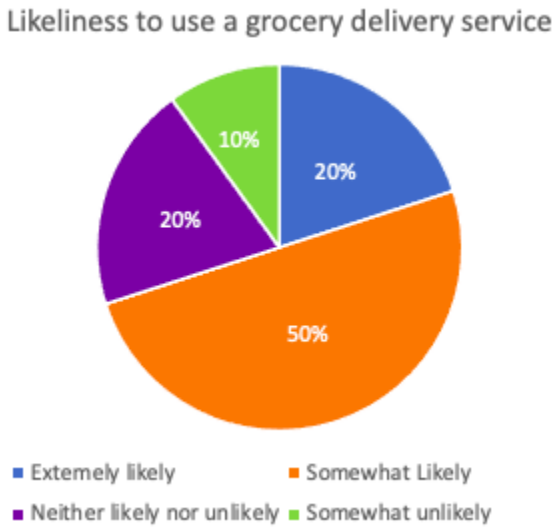


Results

The survey has provided us with the information needed to determine if customers are interested in Uber offering a grocery delivery service as of the 42 participants 45% indicated that they would not be willing to pay for a grocery delivery service, however the rest of the participants were very interested or maybe interested in paying for a grocery delivery service as shown below in the visual plot.



It would be fair to assume that there is a strong interest in Uber having a grocery delivery service as when participants were asked “How likely are you to use a grocery delivery service?”. The responses indicated interest as 50% of respondents answered with “Somewhat likely” and 20% answered with “Extremely likely”, therefore about 70% of respondents are likely to use a grocery delivery service app if Uber was offering it. The lowest percentage response being those who answered with “Somewhat unlikely” being 10% meaning there are some individuals who would not use a grocery delivery service if offered but the larger majority of participants would use the service.



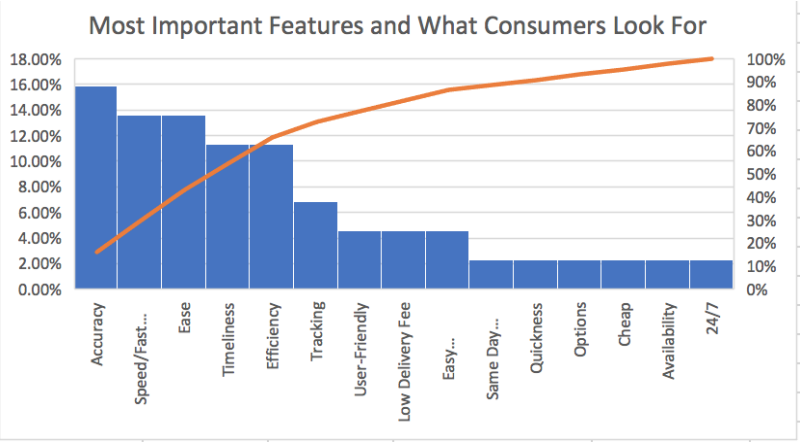
The survey also provided results to address the question of what features would be most important to consumers for a grocery delivery service to have as we asked the question of "What features do you look for in a grocery delivery service?" to participants where respondents were given a blank text box to put specifically what would be the most important features for a grocery delivery service. These were the typed responses:

- Tracking service
- Availability of delivery service location wise
- Accuracy
- Fast delivery
- Timeliness
- 24/7 delivery
- Easy communication and low delivery fee
- Ease of use
- Getting the correct items and not broken
- Quickness
- User friendly

Below are the responses from the two open-ended questions, "What features do you look for in a grocery delivery service?" and "What is important to you in a grocery delivery service?", along with the frequency they appeared.

Responses	Frequency
Accuracy	15.91%
Speed/Fast Delivery	13.64%
Ease	13.64%
Timeliness	11.36%
Efficiency	11.36%
Tracking	6.82%
User-Friendly	4.55%
Low Delivery Fee	4.55%
Easy Communication	4.55%
Same Day Delivery	2.27%
Quickness	2.27%
Options	2.27%
Cheap	2.27%
Availability	2.27%
24/7	2.27%

As shown in the histogram below, the responses that appeared most often from our participants for the open ended questions were accuracy with 15.91%, speed with 13.64%, and ease with 13.64%.



Following the histogram, is our word cloud shown below. This word cloud depicts the features and desires of our participants, the largest words in the cloud were the most desired.

Statistical Method

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
FEMALE	13	50	3.846153846	0.641025641
MALE	10	37	3.7	1.344444444

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	0.120735786	1	0.120735786	0.128102874	0.723979619	4.324793743
Within Groups	19.79230769	21	0.942490842			
Total	19.91304348	22				

The Anova Single Factor statistical method was useful in evaluating our data to answer one of our original questions. The original question answered by this test was, "What demographic would be most interested in the Uber grocery service?" Based on our previous demographic data, we are aware that all but one of our participants who made it past the screening questions were in the age range of 18-25, because of this knowledge the anova test will focus on gender as the main demographic. Below are the hypotheses for the statistical test:

Ho: Grocery delivery adoption does not vary between genders
Ha: Grocery delivery adoption varies between genders

Due to the p-value of 0.724, the test is not significant. As a result, we reject the alternative hypothesis and accept the null hypothesis that grocery delivery app adoption does not vary between genders. From this data we conclude the demographic that would be most interested in the Uber grocery service is young adults between 18-25, where gender does not affect the adoption.

Cross-tab

Count of Service Used	Column Labels				
Row Labels	$0 (I would not pay extra)	$1-$5	$11-$15	$6-$10	Grand Total
Female	1	7	1	4	13
Male	2	5		3	10
Grand Total	**3**	**12**	**1**	**7**	**23**

The cross-tab shown above addresses the question of the price range customers are willing to pay for a grocery delivery service between the genders of male and female. Based on the results shown above 12 of the 23 that took the survey would be willing to pay between $1.00-$5.00, and the amount that individuals would not be willing to pay is in the range of $11.00-$15.00 as only 1 of the 23 respondents chose this option. The second greatest option chosen is for $6.00-$10.00 with 7 of the 23 individuals choosing this option. Therefore, the specific price range that participants would be willing to pay for a grocery delivery service is between the amounts of $1.00-$10.00, but they would not be willing to pay above $11 for a grocery delivery service.

Original Questions

- What would the ideal price point be for the Uber grocery service?
- What would be the percent of customers who would switch to this grocery service over competitors (Sam's, H-E-B, Walmart)?
- What demographic would be most interested in the Uber grocery service?
- What are the features that would differentiate the Uber grocery service to competitors?

Screening Questions

- How often do you use online food delivery services?
- Would you consider paying for a grocery delivery service?

Survey Questions

1. What age range do you fit into?
2. What gender do you identify?
3. What is your highest level of education?
4. What would you be willing to pay for a grocery delivery service?
5. How likely are you to use a grocery delivery service?
6. What service do you primarily use for grocery delivery?
7. What do you dislike the most about shopping at a grocery store?
8. How many times a week do you shop at the grocery store?
9. What is important to you in a grocery delivery service?
10. What would be the best time to deliver groceries?
11. What features do you look for in a grocery delivery service?