



**How DoorDash Can Leverage Opportunities in a New Market:** A Research Study on Consumer Preferences for a More Health-Conscious Meal Kit Delivery Service with Segmentation, Positioning, and Predictive Analytics

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## EXECUTIVE SUMMARY

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### Overview

The report discusses how DoorDash can use its already existing infrastructure and data analytics capabilities to successfully enter the health-conscious meal kit delivery market. The report describes a very clear, data-driven strategy through the use of trend analysis, predictive analytics, customer segmentation, and geotargeting.

### Market Opportunities and Key Insights

1. **Growing Market Demand:** A review of trends indicates that in the post-pandemic period, "healthy meal kits" is a phrase that will see even a greater surge, pointing towards its wide acceptance due to a better deal of convenience. Predictive analytics on the high likelihood of existing customers already buying fresh and health-related products from DoorDash demonstrates 1.93x improved sales prediction accuracy.
2. **Segmentation of Consumers:** Key Target Segment: DoorDash customers are mainly health-conscious customers who form 52% and intend to have fresh, nutritious, and convenient food.
  - **Balanced Homemakers:** Appreciate meal variety and structured meal plans.
  - **Convenience Seekers:** Emphasize fast, effortless meal solutions.
3. **Geotargeting:** High-potential markets can be identified as urban areas like ZIP code 90007, with demographics in the category of Diverse Convergence and Fresh Ambitions having great interest in health and convenience.

### Strategic Recommendations

DoorDash should, while targeting health-conscious customers, focus on freshness, nutrition, and ease of preparation through its marketing campaigns. Enhancing product visibility could include creating a "Healthy Meal Kits" category within the platform and cross-bundling meal kits with best-selling grocery items to drive cross-category purchases. Promotions in high-potential areas such as ZIP code 90007 should be geo-targeted to appeal to the local demographic, emphasizing time-saving and health benefits. Sustainability initiatives are to include biodegradable containers, clear labeling of environmentally friendly packaging, which will help in securing the brand value among eco-conscious consumers. It will also offer customized offerings: subscription discounts and personalized meal plans for Balanced Homemakers, while speed-prep kits with simplified subscription options will be targeted at Convenience Seekers. Finally, dynamic pricing strategies—a 10% first-month discount, meal kits bundled with other groceries—pitch in to make it more affordable and drive trial to long-term customer loyalty.

### Marketing Execution

To enhance customer engagement, DoorDash should also employ social media campaigns through Instagram Stories and Reels, showcasing healthy meal kits through short, engaging recipe demonstrations. Hashtags like #HealthyMadeEasy will increase the visibility and reach of such posts. Digital advertising can complement these efforts by deploying eye-catching banner ads with slogans like "Cook Fresh. Eat Healthy. Delivered to You," featuring localized offers targeted at high-potential regions. Moreover, the introduction of the points-based loyalty program will encourage repeat purchases, rewarding customers for ordering meal kits and creating long-term commitment and recurring business.

### Conclusion

With powerful technological and data-driven capabilities, DoorDash is set to make incursions in the health-conscious meal kit delivery market. Consumer segmentation, sustainability, and personalized marketing are key areas where DoorDash can meet the evolving customer needs, increase its market share, and establish a competitive advantage in this high-growth industry.

## FOCUS OF RESEARCH STUDY

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### Company Description

Founded in 2013 with the mission to “enable every merchant to deliver,” DoorDash is the leading American online food ordering and delivery platform. Positioned as a technology company, DoorDash offers logistical and IT support to local businesses, catering to the delivery demands of consumers. Leveraging its founders' coding background and agile decision-making, DoorDash has expanded rapidly; through its 2022 Wolt Enterprises Oy acquisition, DoorDash extended its reach to 27 countries worldwide.

The growing demand for food delivery has led to the proliferation of service providers and a highly competitive market. In addition to contending with other third-party food delivery logistics platforms, DoorDash competes against cross-industry players, including convenience store delivery services and merchants with internal delivery teams. Moreover, new industry trends, such as the growth of meal kit delivery and virtual concierge, prompt DoorDash to expand its service offerings and consider new target markets.

### Market Opportunity

With the rise of consumer trends towards more healthy and nutritious food options, a business opportunity for DoorDash is to work toward meeting these changing consumer needs. Throughout the pandemic, many individuals had to cook from home or order takeout from nearby restaurants. During this time period, DoorDash saw a unique increase in their sales due to this increase in takeout orders. However, businesses like Blue Apron and HelloFresh were targeting a similar market to DoorDash while catering healthy food options with detailed recipes and pre-proportioned ingredients to make the cooking process easier, more efficient, and more convenient for its users. In turn, DoorDash was indirectly being impacted by Blue Apron and HelloFresh since these leading companies in the meal kit delivery industry were penetrating DoorDash's target market of consumers. By entering the healthy meal kit delivery industry with Blue Apron and HelloFresh and seeking this opportunity to better meet consumer needs, DoorDash can leverage its existing platform of consumers and cater a niche recommendation to its users. This opportunity is even more important for DoorDash to boost their overall market share, sales, and profitability.

### Insights/Analyses from Published Materials

From a few published materials that we found, below are some of the insights and analyses that we drew from the materials. In terms of opportunities for DoorDash that were outlined in these published materials, DoorDash has grown and can grow in the following ways.

- Quick Commerce & Consumer Shifts:* DoorDash grabbed an opportunity with both hands, catering to the increasing demand for on-demand, faster delivery of non-restaurant consumables like groceries or household items. Recent reports show that 62% of users order consumables more than they did in the past, and 81% use third-party apps to place these orders. Quite a great opportunity for DoorDash to own the world of quick commerce, all in service to consumers whose desires center around speed and convenience<sup>1</sup>.
- Diverse Sources of Revenue:* DoorDash's revenues come from various sources, not just from conventional restaurant deliveries, but through local grocers, flower shops, and pet stores as well. Most importantly, it is the key to driving new occasions and incremental sales for the merchants with whom it partners<sup>2</sup>.
- Advertising and Promotions:* Evolution has been key to an important revenue stream for DoorDash, which includes keyword targeting and item-level promotions. The offering of non-intrusive, well-targeted ads created such a beautiful environment for brands that are capable of better engagement and increasing basket size<sup>3</sup>.

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<sup>1</sup> New Study from DoorDash Reveals Shifts in How Consumers Shop Online with Evolution of Quick Commerce. (2023, October 16). DoorDash. Retrieved September 11, 2024, from <https://about.doordash.com/en-us/news/uncovering-consumer-trends-in-retail-media>

<sup>2</sup> DeForest, S. (n.d.). 9 Strategies to Overcome Restaurant Challenges in 2023 | DoorDash for Merchants. Get DoorDash. Retrieved September 11, 2024, from <https://get.doordash.com/en-us/blog/4-most-common-business-struggles-and-solutions>

<sup>3</sup> DeForest, S. (n.d.). 9 Strategies to Overcome Restaurant Challenges in 2023 | DoorDash for Merchants. Get DoorDash. Retrieved September 11, 2024, from <https://get.doordash.com/en-us/blog/4-most-common-business-struggles-and-solutions>

The following include some of the challenges that were outlined in these published materials.

- Compliance with Regulations:* DoorDash operates across multiple regions, each with different data privacy laws like GDPR (Europe) and CCPA (California). Ensuring compliance across jurisdictions is a complex and ongoing challenge<sup>4</sup>.
- Customer and Merchant Data Protection:* With millions of users, restaurants, and delivery drivers (Dashers), protecting sensitive information from breaches and unauthorized access is critical. High-profile data breaches in the past have put pressure on the company to enhance security protocols<sup>5</sup>.
- Inconsistent Data from Merchants:* DoorDash partners with many local restaurants that may not have sophisticated digital systems. Integrating this diverse data, such as menu updates or inventory, into their platform can result in inaccuracies, outdated information, or gaps.
- Real-Time Data Accuracy:* Accurate, real-time data is essential for logistics, delivery times, and order management. Handling discrepancies, whether due to traffic, availability, or human errors, can lead to customer dissatisfaction.
- Data Storage and Scalability:* DoorDash generates vast amounts of data daily, from order details to user interactions on the app. Storing, processing, and analyzing this data efficiently, particularly during peak demand times, requires significant infrastructure<sup>6</sup>.
- Processing Speed:* As more users join the platform, processing data to maintain smooth app functionality becomes more complex. High traffic volumes could impact response times if not managed properly.
- Mitigating Fraudulent Orders:* Ensuring that orders placed through the platform are legitimate while maintaining a frictionless user experience is a delicate balance.
- Fraudulent Merchants or Dashers:* Detecting and preventing fraudulent activities by either merchants or Dashers, such as fake accounts, scams, or manipulating the system to increase earnings, requires constant vigilance and advanced data analytics.

More secondary data research regarding the opportunities and challenges for DoorDash as a key competitor in the industry is evaluated to further our project.

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<sup>4</sup> *Consumer privacy.* DoorDash. (n.d.). <https://about.doordash.com/en-us/privacy>

<sup>5</sup> *Millions impacted by Doordash Data Breach.* CMIT Solutions | Premier IT Solution and Cybersecurity Company. (2022, December 3). <https://cmitsolutions.com/blog/millions-impacted-by-doordash-data-breach/>

<sup>6</sup> Tonse, S. (2020, September 25). *How DoorDash is Scaling its Data Platform to Delight Customers and Meet our Growing Demand.* DoorDash. Retrieved September 13, 2024, from <https://careers.doordash.com/blog/how-doordash-is-scaling-its-data-platform/>

## EXISTING DATA ANALYSIS

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### Trend Analysis on Google Trends

The data source that we utilized for a trend analysis was Google Trends; we tracked the interest in specific search terms over time to analyze user interactions with DoorDash and compare these interactions with a new recommendation for a healthy meal plan subscription service. Choosing terms including “meal,” “subscription,” “DoorDash,” and “fast food” allowed us to understand the trends of each term and how these consumer trends compared over time from 2004 to present. By narrowing our search down to just the United States, we were able to compare these trends against U.S. competitors in the meal kit delivery industry rather than those worldwide.

Based on the trend analysis that we performed, we produced a graph that showcased user interactions with the Google Search engine for specific terms outlined in the previous section: “meal,” “subscription,” “DoorDash,” and “fast food.” The diagram for this trend analysis is included as Appendix i.

We found an increase in all of the terms during the pandemic and after the pandemic, which noted the increased use of DoorDash as well as a meal kit subscription service. Although the trend for “fast food” continued to increase steadily, the rate at which the trend has been increasing is diminishing. As such, we concluded that DoorDash should focus its efforts on developing a meal kit subscription service through its platform and maintain its standing as a primary competitor in the food and beverage delivery industry by conforming to new consumer trends toward healthier meal options.

We also performed two more trend analyses on the competitors of DoorDash in the food and beverage delivery industry and the meal kit delivery industry. We produced the following graphs that showcased user interactions with the Google Search engine for the following terms: “ubereats,” “postmates,” “doordash,” “grubhub,” “hello fresh,” and “blue apron.” This trend analysis is included as Appendix ii.

We found that there was an increased interest in the food and beverage delivery platforms during the pandemic and after the pandemic, which is noted by the increased search of all terms around 2020. We can also see DoorDash to be a leading competitor in both industries, concluding that DoorDash should focus its efforts on developing a meal kit subscription service through its platform and maintain its standing as a primary competitor in the overall delivery industry by conforming to new consumer trends toward healthier meal options.

### Sentiment Analysis on Social Media Postings

The data used for this analysis was collected from DoorDash’s official Instagram account, specifically focusing on user comments made between September and October 2024. A total of 100 comments were gathered, capturing a range of customer feedback regarding DoorDash’s services. The comments provide insights into how customers perceive DoorDash’s delivery service, promotions, and overall customer experience.

To analyze this data, the first step involved cleaning the text by removing irrelevant elements such as special characters, emojis, and URLs. After cleaning the data, sentiment analysis was performed to classify the comments into three categories: positive, negative, or neutral. For this task, I utilized the Enginius Sentiment analysis tool. Enginius was chosen for its effectiveness in handling social media text, including emoticons, slang, and other informal language typical of Instagram comments. Each comment was assigned a sentiment score based on the analysis, which allowed us to classify the overall tone of the feedback.

In addition to sentiment analysis, a keyword frequency analysis was conducted to identify the common themes mentioned in the comments. By looking at the most frequently used words, such as ‘amazing’ and ‘love’, we could pinpoint which aspects of the service, such as delivery times or promotions, were being discussed the most. The results of both the sentiment and keyword analyses were then visualized to highlight important findings.

The sentiment analysis revealed a mix of positive, negative, and neutral feedback from DoorDash customers. Out of the 100 comments, 48% were classified as positive, 46% as neutral, and the remaining 6% were negative comments. The positive comments largely praised DoorDash for their recent promotional offers, such as free deliveries and discounts. Customers expressed satisfaction with how these deals made the service more affordable and convenient. Additionally, several comments mentioned fast and reliable deliveries, complimenting both the efficiency of the drivers and the ease of using the app.

The keyword frequency analysis supported these findings. Words like “late,” “give,” “discount,” and “delivery” appeared frequently in the neutral comments, indicating that delivery delays and customer support were key pain points for users. Positive comments, on the other hand, frequently mentioned “hungry,” “fast,” and “service,” highlighting the aspects of the service that customers appreciated the most. These findings suggest that while DoorDash has done well in creating enticing promotions, there are areas of service quality, particularly delivery efficiency and customer support, that need improvement. Appendix v includes the analytics output of the sentiment analysis.

### **Predictive Analytics and Segmentation Analysis on Kaggle.com**

The data used for this analysis came from Kaggle and was enhanced with additional insights generated using Enginius for predictive modeling and segmentation analysis. The primary objective of the analysis was to assess how DoorDash can effectively launch a meal kit service, similar to Blue Apron or HelloFresh, in response to changing consumer preferences towards healthier and more nutritious meal options. The dataset contained various grocery categories such as fresh produce, dairy, and pre-prepared meals, along with key variables such as outlet identifiers, item visibility, and sales performance.

For predictive modeling, the focus was on understanding consumer behavior related to meal kits, using relevant product categories that align with the concept of pre-portioned ingredients and easy-to-follow recipes. This analysis looked at how factors such as outlet size, item visibility, and consumer interest in healthy food categories influenced purchasing patterns. Using tools like confusion matrices, lift charts, and elasticities, we evaluated the accuracy of the model in predicting consumer demand for meal kits and gauged the relative importance of each predictor in driving sales.

In the segmentation analysis, K-means clustering was applied to divide the DoorDash customer base into distinct segments. This approach allowed us to identify the most promising consumer groups for the new meal kit service. The analysis relied on variables such as frequency of grocery purchases, preferences for fresh and healthy food, and the likelihood of customers adopting new food products like meal kits. The segmentation results highlighted differences between consumers who prioritize convenience and health-focused eating habits, providing valuable insights for targeting the meal kit service.

The analysis of DoorDash's dataset through predictive modeling and segmentation strongly supports the potential success of launching a meal kit service focused on healthy and nutritious options. As consumer preferences shift toward more health-conscious and convenient meal solutions, DoorDash has a clear opportunity to enter the meal kit delivery market and compete directly with established players like Blue Apron and HelloFresh.

The predictive modeling results provide strong evidence that DoorDash consumers already purchasing fresh produce and health-related items are highly likely to adopt a meal kit service. For instance, the lift charts for categories such as fresh fruits and vegetables demonstrated a 1.93 times improvement in sales prediction accuracy, indicating that consumers seeking healthy, fresh food are a prime market for meal kits. Additionally, items related to health and hygiene achieved an even higher lift of 2.54, further emphasizing the interest in health-focused offerings among the DoorDash consumer base. Another key finding from the predictive modeling is the confusion matrix, which showed a high accuracy rate in identifying consumers likely to purchase fresh ingredients. For example, the model correctly predicted consumer interest in fruits and vegetables with 49% accuracy, making this consumer segment a strong target for a meal kit service centered on fresh ingredients. This data-driven approach allows DoorDash to confidently market the meal kit service to consumers who already demonstrate behaviors aligned with the concept. This analysis is attached in Appendix vi.

The elasticity analysis revealed that improving the visibility of health and meal-related products could lead to significant increases in consumer interest. For example, a 1% increase in visibility for health-related items was associated with a 2.69 times improvement in consumer engagement. This insight is crucial for marketing strategies, suggesting that placing meal kits prominently within the DoorDash platform or bundling them with other grocery items could dramatically boost sales. This analysis can be found in Appendix vii.

The segmentation analysis further clarified which consumer groups DoorDash should target for its meal kit service. One consumer segment, representing 52% of the sample, was found to prioritize healthy, fresh, and convenience-based food options. This group is already engaged with categories like fresh produce and ready-to-cook meal options, making them the ideal target for a meal kit service focused on convenience and nutrition. The second segment, while smaller, showed a

preference for pre-prepared meals and household items, indicating potential for cross-promotion or bundling strategies. This analysis can be found in Appendix viii.

The gain charts from the predictive analysis also support the idea that focusing on product visibility could significantly increase the adoption of the meal kit service. For instance, targeting the top 10% of consumers based on their likelihood to purchase healthy items resulted in a 67.6% recovery rate of favorable choices. This suggests that enhancing the visibility of meal kits on the platform will likely lead to higher engagement and adoption. This analysis can be found in Appendix ix.

The data strongly supports DoorDash's ability to successfully launch a meal kit service, especially by focusing on the health-conscious segment of its consumer base. The predictive modeling results show that consumers who already purchase fresh produce and health-related items are likely to embrace a meal kit service. These consumers are looking for convenient solutions that align with their healthy lifestyle, and a meal kit offering can meet that demand by simplifying the cooking process while providing nutritious meals. The high lift in predicted sales for these categories highlights the effectiveness of a targeted approach, with a specific focus on consumers who are already inclined towards healthy eating.

The segmentation analysis provides critical insights into the makeup of DoorDash's consumer base, particularly identifying a large segment that values health and convenience. This segment, which constitutes over half of the customer population, is a strong target for the meal kit service. DoorDash can leverage this insight by focusing its marketing efforts on this health-conscious group, offering them a meal kit service that aligns with their preferences for fresh, nutritious, and easy-to-prepare meals. Additionally, the elasticity analysis shows that small improvements in the visibility of meal kits can have a substantial impact on consumer adoption. By placing meal kits prominently on the DoorDash platform and integrating them into other grocery categories, DoorDash can capitalize on the growing demand for convenience and nutrition. The analysis suggests that product placement and targeted promotions can drive significant increases in consumer engagement, leading to higher adoption rates for the meal kit service.

The analysis demonstrates that DoorDash has a significant opportunity to enter the meal kit delivery market by catering to the rising demand for healthy and nutritious meal options. By focusing on product visibility, targeting the right consumer segments, and promoting the convenience and health benefits of its meal kits, DoorDash can effectively compete with industry leaders and capture additional market share. The combination of predictive modeling and segmentation analysis provides strong statistical evidence that DoorDash is well-positioned to launch a successful meal kit service, meeting both consumer needs and business goals.

### **Geotargeting Analysis on ESRI**

Based on our previous analyses and database research, we found a healthy meal kit delivery service to be best tailored to zip codes in urban areas with individuals ranging from age 21 to 33. One of the primary zip codes that was best described by these characteristics was 90007, and, thus, our geotargeting analysis highlights the customer segments found in this primary zip code. Appendix xii includes a screenshot of the analysis that we drew from ESRI.

Our analysis identified three key customer segments: 20.36% of diverse convergence consumers, 18.15% of NeWest residents, and 15.02% of 'fresh ambitions' consumers. Diverse Convergence neighborhoods are a rich blend of cultures found in densely populated urban and suburban areas, almost entirely in the Middle Atlantic (especially in New York and New Jersey) or in California. Almost 40% of residents are foreign-born; nearly one in four households is linguistically isolated. Newest Residents denizens are new to America and their careers, often with new, young families. Many are new to the English language; nearly one-third of households are linguistically isolated. Fresh Ambitions consumers are young families, many of whom are recent immigrants, focus their life and work around their children. Fresh Ambitions residents have overcome the language barrier and earned a high school diploma. They work overtime in service, in skilled and unskilled occupations, and spend what they have on their children.

From this analysis, we can conclude that these top three customer segments should be targeted when evaluating recommendations for DoorDash and further analysis for the company.

## SURVEY DATA ANALYSIS

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### Survey Data Collection and Methodology

For our study, we utilized Google Forms to collect responses from our research participants. We asked questions as primary probing questions as well as sections specific to segmentation, positioning, and predictive analytics. We also had a demographic questions section to identify target participants of our study. In total, we had 79 respondents and were able to draw the following analysis from our responses.

### Segmentation Analytics

Appendix xiii includes the output from our segmentation analysis. Based on the variables that we tested, we generalized the following segments.

1. **Segment 1. The Balanced Homemakers:** These individuals value a balanced lifestyle with a strong preference for both at-home cooking and dining out. They enjoy both cooking at home and dining out equally; appreciate diverse meal options and seek variety in their choices; value loyalty programs and timely delivery, reflecting their preference for convenience and rewards when ordering food, and have a moderate focus on convenience and weekly meal plans.
2. **Segment 2. The Convenience Seekers:** These are time-conscious individuals who prioritize convenience and efficiency. They need quick and hassle-free services; are price-sensitive but willing to pay for convenience; show less interest in meal variety and loyalty programs, preferring simplicity over complexity and staying in over dining out.
3. **Segment 3. The Value-Oriented Minimalists:** These are Cost-conscious individuals with minimal demands and simple lifestyle preferences. They have limited interest in delivery services and pre-planned meal options, show minimal demand for meal variety and going out, and are very budget-conscious and prefer at-home cooking over other options.
4. **Segment 4. The Premium Planners:** These individuals are affluent individuals who prioritize quality, pre-planned meals, and premium dining experiences. They are willing to pay a premium for services and highly value convenience; enjoy structured meal planning and occasional dining out; and rely less on home-cooked meals or delivery services, preferring high-quality experiences.

### Positioning Analytics

Based on the factor analysis in Appendix xv, we found three factors to best represent the data because a three-factor model had Eigenvalues greater than 1. An Eigenvalue greater than 1 for a factor means that the factor accounts for more variance than one of the original attributes. A three-factor model for our data seeks to represent 74.70% of the variance. Based on the rotated factor loadings in Appendix xvi for variables that have absolute loading values greater than 0.3, we derived the positioning for our data; mapping what our respondents saw as important attributes to their experience with DoorDash and their experience with an ideal food and beverage delivery platform, the three main factors are:

1. **Factor 1. Promotions and Discounts:** This factor highlights the importance of incentives like loyalty programs, special offers, and discounts in attracting and retaining customers, making the platform more appealing and cost-effective for users.
2. **Factor 2. Variety of Food Options:** This factor emphasizes the need for a diverse selection of meal choices, ensuring the platform caters to different tastes, dietary preferences, and occasions, enhancing the overall customer experience.
3. **Factor 3. Convenience and Accessibility:** This factor underscores the significance of seamless service, user-friendly interfaces, and easy access to services, ensuring a hassle-free experience for customers.

### Predictive Analytics

Utilizing our survey results for the research study and the linear regression model, we created a binary variable that identified each respondent's willingness to use a meal kit delivery service plan if provided to them—1 represented that they would use the plan and 0 represented that they would not use the plan. Based on the variables in Appendix xviii, we found that variables with a p-value less than 0.05 had a statistically significant effect on a respondent's willingness to use a meal kit delivery service plan. Consumers, who were more likely to leave a positive review of DoorDash, were more likely to be willing to use a meal kit delivery service plan; likewise, consumers, who were likely to order again in the next month, were also revealed as more likely to be willing to use a meal kit delivery service plan. The high R Squared value of 0.4225 of our linear regression model also highlighted that the model was a good fit for the data, given the limited sample size of our research study.

## **RECOMMENDATIONS**

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### **Leveraging Insights from Data Analytics**

#### *Targeting Health-Conscious Consumers*

Predictive modeling and segmentation analysis revealed that DoorDash consumers who frequently purchase fresh produce and health-related items are highly likely to adopt a meal kit service. The lift chart for fresh fruits and vegetables showed a 1.93 times improvement in sales prediction accuracy, while health and hygiene-related items demonstrated an even greater lift of 2.54. Additionally, segmentation analysis identified that 52% of DoorDash's consumer base prioritizes health-conscious and convenience-focused purchases. These insights suggest a clear opportunity for DoorDash to target health-conscious consumers by emphasizing the nutritional benefits, freshness, and ease of preparation that meal kits provide. Marketing campaigns should leverage these insights by using terms such as "fresh," "nutritious," and "easy-to-cook" to appeal directly to this audience's preferences.

#### *Enhancing Product Visibility*

Elasticity analysis indicated that a mere 1% increase in the visibility of health-related items on the DoorDash platform could lead to a 2.69 times improvement in consumer engagement. Gain charts further emphasized this finding, showing that targeting the top 10% of consumers likely to purchase healthy items resulted in a 67.6% recovery rate of favorable choices. To capitalize on this insight, DoorDash should strategically position meal kits prominently on its platform. This can be achieved through dedicated banners on the app's homepage, a "Healthy Meal Kits" category, and bundling options that pair meal kits with frequently purchased grocery items. By making meal kits highly visible and easily accessible, DoorDash can significantly boost consumer adoption.

#### *Geo-Targeted Campaigns*

Geotargeting analysis highlighted urban areas with concentrated health-conscious populations as prime markets for a meal kit launch. Specifically, ZIP code 90007 emerged as a high-potential region, with customer segments such as Diverse Convergence (20.36%), NeWest Residents (18.15%), and Fresh Ambitions (15.02%) dominating the demographic landscape. These groups are characterized by their interest in health, family-oriented solutions, and convenience. DoorDash can use this information to launch localized marketing campaigns tailored to these demographics. For example, advertisements in these areas could emphasize time savings, nutritional benefits, and the convenience of meal kits, directly addressing the needs of these consumer segments.

#### *Consumer Segmentation-Driven Personalization*

Consumer segmentation analysis identified Balanced Homemakers and Convenience Seekers as key target groups for DoorDash meal kits. Balanced Homemakers value variety and timely delivery, while Convenience Seekers prioritize simplicity and speed. To cater to these groups, DoorDash should offer personalized marketing and subscription plans. For Balanced Homemakers, weekly subscription discounts and customizable meal options would appeal to their preference for variety and planning. Meanwhile, Convenience Seekers would benefit from quick-prep meal kits with straightforward subscription plans, ensuring their need for simplicity is met. Personalization based on segmentation insights ensures that DoorDash's marketing resonates with the specific preferences of each consumer group.

#### *Optimizing Packaging and Sustainability Initiatives*

Sentiment analysis of DoorDash's Instagram comments revealed that 48% of feedback was positive, with consumers frequently praising promotions such as free deliveries and discounts. However, recurring keywords like "late" and "support" highlighted delivery delays and customer service issues as pain points. Additionally, sustainability has become a growing concern among consumers, with eco-friendly practices increasingly influencing purchasing decisions. To address these insights, DoorDash should introduce sustainable packaging for its meal kits. This could include biodegradable containers, minimal use of plastics, and clear labeling to highlight environmentally friendly practices. By integrating sustainability into its product offerings, DoorDash can appeal to eco-conscious consumers while differentiating itself from competitors.

#### *Data-Driven Pricing Strategies*

Elasticity analysis revealed that dynamic pricing models and visibility improvements significantly impact consumer engagement. For example, introductory discounts and bundling strategies have proven effective in similar product categories. DoorDash should implement pricing strategies that attract new customers while retaining existing ones. A 10% discount on the first month of subscription services could encourage trial adoption, while bundling meal kits with other

grocery items can create cost-effective meal solutions. These data-driven pricing strategies are designed to maximize consumer engagement and ensure long-term retention.

## **Marketing Campaign Mock-Ups**

### *Social Media Campaign*

Sentiment analysis of Instagram comments highlighted the effectiveness of visually engaging content in driving consumer interest. Positive feedback often referenced promotional offers and delivery efficiency, demonstrating the potential of social media campaigns to increase awareness. DoorDash should create Instagram Stories and Reels that showcase quick and nutritious recipes made from its meal kits. Videos can feature satisfied customers and highlight the convenience and health benefits of the kits. Incorporating hashtags like #HealthyMadeEasy and #FreshFastFood will enhance discoverability and engagement on social media platforms.

### *Digital Advertisement Design*

Insights from predictive modeling and geotargeting analysis show that consumers in health-focused segments respond well to promotional content emphasizing convenience and nutrition. DoorDash should create visually compelling banner ads featuring meal kits with messages such as “Cook Fresh. Eat Healthy. Delivered to You.” These ads should include high-quality images of fresh ingredients and completed meals to entice potential customers. Customizing advertisements for high-potential ZIP codes with localized slogans or exclusive offers can further enhance their effectiveness.

### *Loyalty Program Proposal*

Segmentation analysis identified that Balanced Homemakers appreciate loyalty rewards, making them an ideal target for a points-based loyalty program. Users could earn points for every meal kit purchase, redeemable for discounts on future orders or exclusive meal options. This program should be seamlessly integrated into the DoorDash app, ensuring ease of use and accessibility. By incentivizing repeat purchases, the loyalty program would foster long-term customer engagement and satisfaction.

### *Redesigned Product Packaging*

Sentiment analysis and consumer trends highlight the importance of appealing packaging and sustainability. DoorDash should introduce meal kits in compact, eco-friendly boxes featuring bold branding and nutritional labels. QR codes on the packaging can link to step-by-step cooking tutorials or related meal suggestions, enhancing the overall user experience. This approach addresses both consumer preferences for sustainability and the growing demand for convenience and information.

## **Grounding Recommendations in Analytics**

Each of these recommendations is explicitly tied to insights derived from the data and analytics conducted throughout the project. Predictive modeling and segmentation analysis informed the focus on health-conscious consumers, while elasticity and sentiment analysis guided strategies for product visibility, pricing, and sustainability. Geotargeting identified specific regions for campaign launches, ensuring a targeted and efficient rollout. By grounding recommendations in robust data insights, DoorDash is well-positioned to successfully enter the meal kit delivery market, meet evolving consumer needs, and enhance its competitive advantage. See Appendix for mockups of the recommendations.

## EVALUATION AND FURTHER ANALYSIS

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The report provides a thorough examination of how DoorDash can leverage its existing infrastructure and consumer base to enter the health-conscious meal kit delivery market. Below is an expanded evaluation of the report's findings and recommendations, with specific attention to the data and analyses included.

### Evaluation of Existing Data Analytics

The analysis of existing data, such as Google Trends and Kaggle datasets, was instrumental in identifying market trends and consumer preferences. The Google Trends data revealed a growing interest in meal kits and health-focused food options. This provided a clear justification for DoorDash's entry into this market. Additionally, the predictive modeling from Kaggle data highlighted high engagement among consumers already purchasing health-related items. For example, health product visibility improvements were linked to a 2.69x increase in consumer engagement, emphasizing the market potential.

#### Strengths

- Actionable Insights: The analyses offered specific, actionable recommendations, such as focusing on product visibility and targeting health-conscious segments.
- Relevance: The data sources aligned well with the project objectives, providing a solid foundation for predictive and segmentation analytics.
- Scalability: The use of large datasets like Kaggle ensures that the findings are scalable and applicable across broader consumer bases.

#### Weaknesses/Limitations

- Static Data: Google Trends and Kaggle data reflect historical patterns but may not fully capture evolving consumer behaviors in real-time.
- Data Integration: The analysis did not incorporate more dynamic data sources, such as app usage or real-time purchasing patterns.
- Geographic Focus: The data was predominantly U.S.-centric, which might limit the applicability of insights for international markets.

#### Improvements for Future Analytics

- Incorporate real-time data feeds from DoorDash's own platform to better predict consumer behavior and preferences dynamically.
- Expand the geographic scope of the analysis to capture global trends, especially in markets where DoorDash has a growing presence.
- Use more advanced tools (e.g., AI/ML models) to identify deeper consumer insights and patterns in purchasing behavior.

### Evaluation of Survey Data Analytics

The survey data provided qualitative insights into consumer preferences, which were critical for segmentation. By capturing perceptions directly from consumers, the team identified key personas, such as Balanced Homemakers and Convenience Seekers.

#### Strengths

- Consumer-Centric Insights: The survey captured direct feedback on preferences, such as the importance of health-conscious meal options and convenience.
- Segmentation Depth: The segmentation analysis enabled clear differentiation between consumer groups, guiding tailored marketing strategies.

#### Weaknesses/Limitations

- Sample Size: The survey may have been limited in scale, potentially reducing the representativeness of the findings.
- Question Design: Some survey questions may have been too broad or lacked specificity, leading to less actionable insights.
- Bias: There could be self-selection bias, with respondents already inclined toward healthy eating or convenience overrepresented.

#### Improvements for Future Analytics

- Increase the sample size and diversify the demographics to improve representativeness.

- Refine the survey design with more targeted and specific questions, focusing on factors like price sensitivity, dietary preferences, and delivery expectations.
- Use conjoint analysis to evaluate trade-offs consumers make between meal kit attributes (e.g., cost, convenience, sustainability).

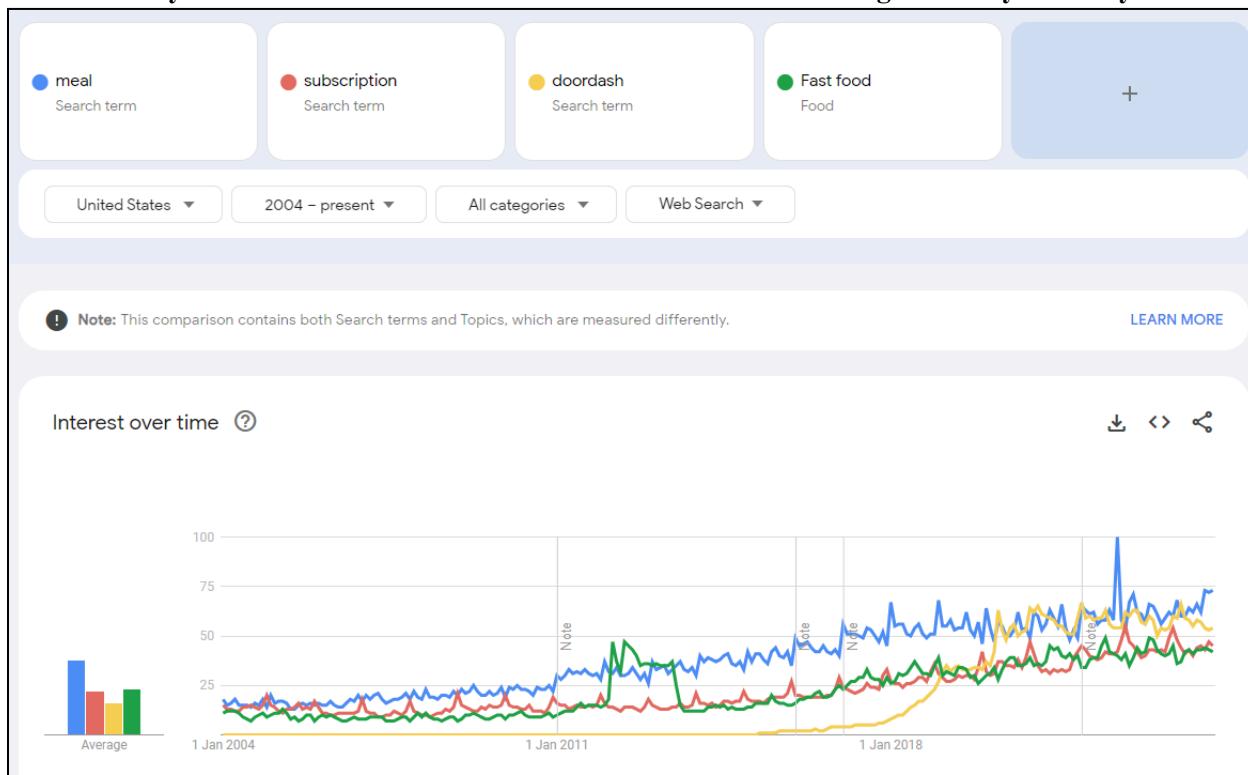
## **Additional Analytics and Data Collection with More Resources**

If more time and resources were available, we would add the following types of analytics and data collection to significantly enhance the research:

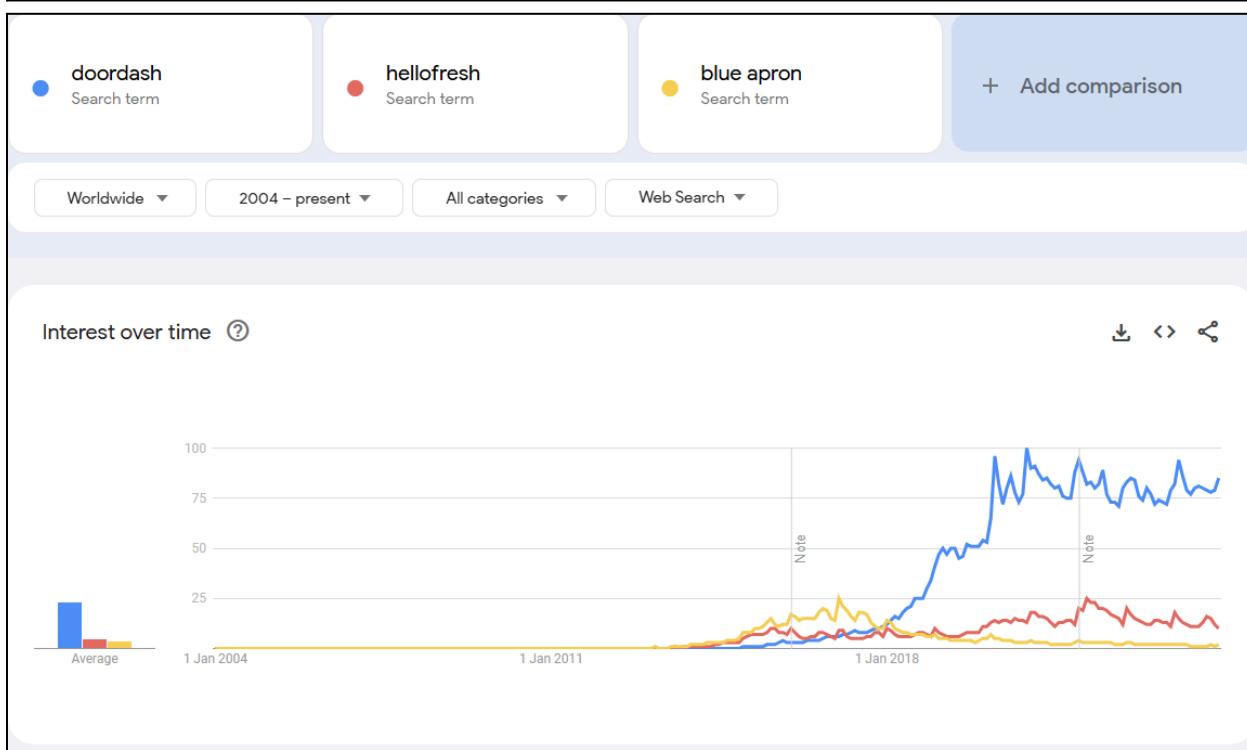
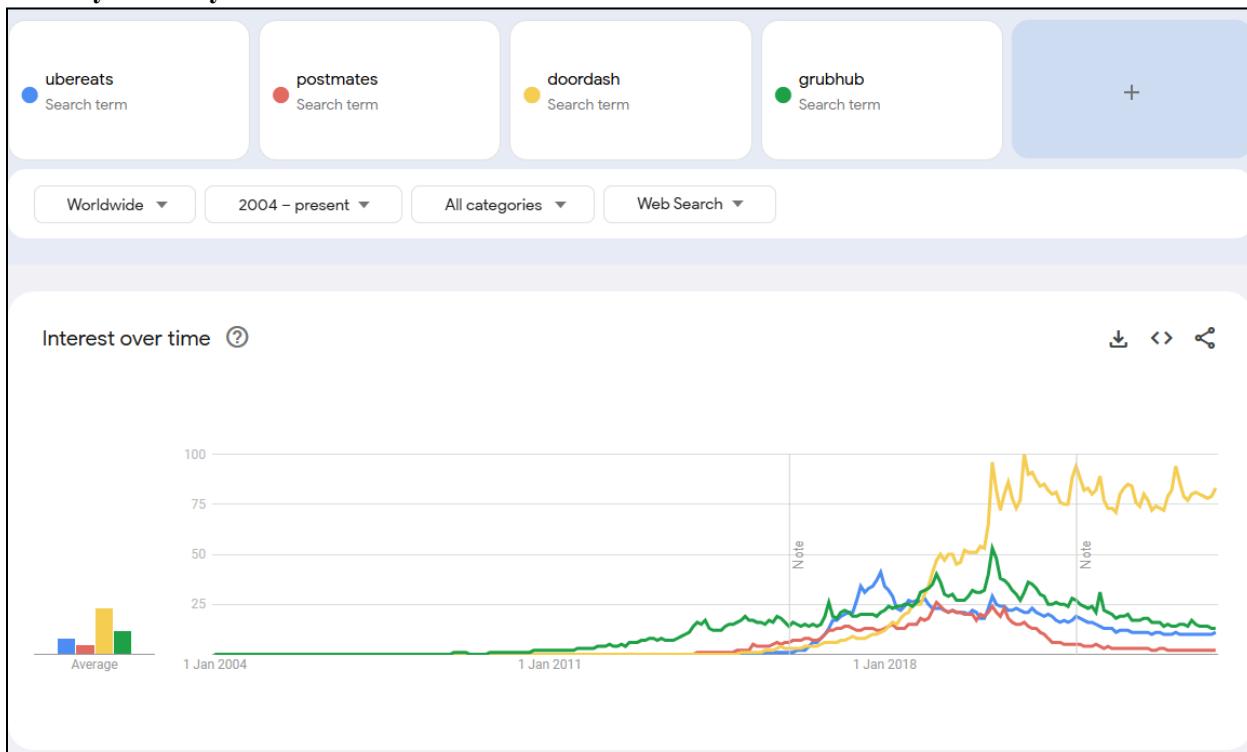
1. Behavioral Data Analytics
  - Analyze real-time purchasing behavior on DoorDash's app, focusing on repeat purchases, cart abandonment rates, and time spent exploring health-related products.
  - Use customer loyalty data to identify patterns in subscription-based services and retention rates.
2. Sentiment Analysis Expansion
  - Extend the social media sentiment analysis to include other platforms like Twitter and Facebook for a broader consumer sentiment landscape.
  - Use natural language processing (NLP) to analyze consumer feedback for specific pain points and preferences.
3. Competitor Analytics
  - Collect data from competitors like HelloFresh and Blue Apron, focusing on pricing, subscription plans, and consumer reviews.
  - Conduct a comparative analysis of their market share, customer satisfaction, and service differentiation.
4. Experimental Analytics
  - Implement A/B testing to evaluate the effectiveness of proposed marketing strategies, such as discounts, product placement, and bundling.
  - Run controlled experiments with different packaging designs to test consumer responses to sustainability initiatives.
5. Geo-Targeting Analytics
  - Deepen the geotargeting analysis by incorporating more granular data, such as household income levels, population density, and regional health trends.
  - Use predictive analytics to identify new urban markets similar to ZIP code 90007 that align with target consumer segments.
6. Sustainability Metrics
  - Analyze the environmental impact of logistics and packaging. For instance, measure carbon emissions per delivery and consumer preferences for eco-friendly options.
  - Test consumer willingness to pay a premium for sustainable packaging through discrete choice modeling.
7. Dynamic Pricing Models
  - Leverage dynamic pricing algorithms to adjust meal kit prices based on demand, regional preferences, and competitive positioning.

## APPENDIX

### i. Trend Analysis on DoorDash and Attributes of the Food and Beverage Delivery Industry



## ii. Trend Analysis on DoorDash and Its Competitors in the Food and Beverage Delivery Industry and the Meal Kit Delivery Industry



### iii. Electronic File of Dataset used for Trend Analysis on Google Trends

Category: All categories	doordash: (United States)	Fast food: (United States)	meal plan: (United States)
Month			
2004-01	0	16	4
2004-02	0	17	2
2004-03	0	18	2
2004-04	0	19	2
2004-05	0	17	2
2004-06	0	13	2
2004-07	0	12	2
2004-08	0	10	2
2004-09	0	13	2
2004-10	0	15	2
2004-11	0	16	2
2004-12	0	13	2
2005-01	0	14	3
2005-02	0	16	3
2005-03	0	16	3
2005-04	0	20	3
2005-05	0	17	2
2005-06	0	12	2
2005-07	0	14	2
2005-08	0	10	3
2005-09	0	12	3
2005-10	0	15	2

iv. Electronic File of Dataset Used for Sentiment Analysis on Social Media Postings

username	comments	sentiments
raez1000	My Bouanga c	positive
joswin	They ain't read	neutral
speckz_7up	Bc they know	neutral
belicumbias	We want the D	neutral
epik_beats	We want that S	neutral
jsanch19	What if they al	positive
cathycoibion	Nah bring on t	positive
arueb14	Give me boua	neutral

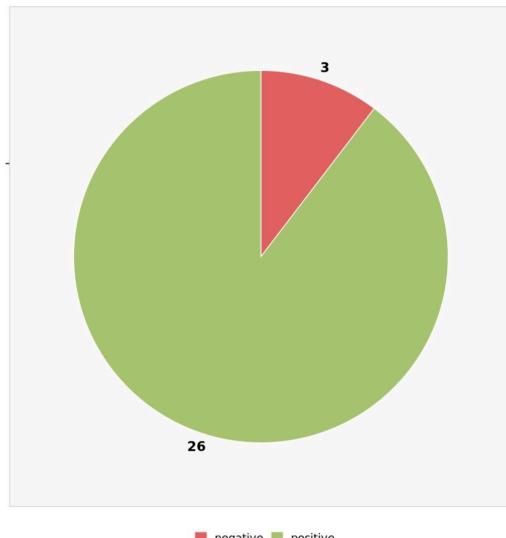
v. Analytics Output for Sentiment Analysis on Social Media Postings

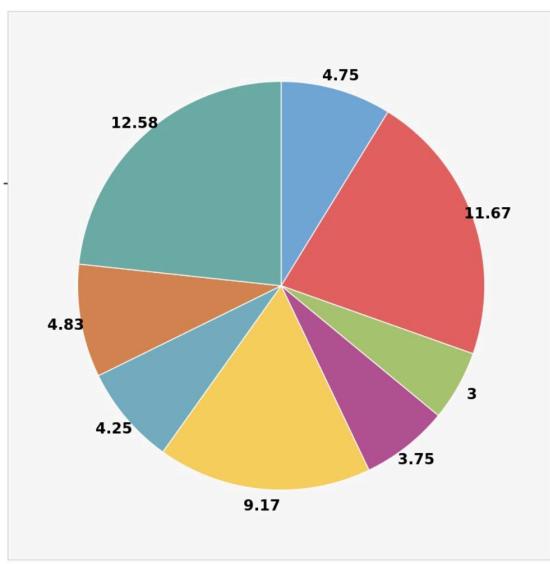
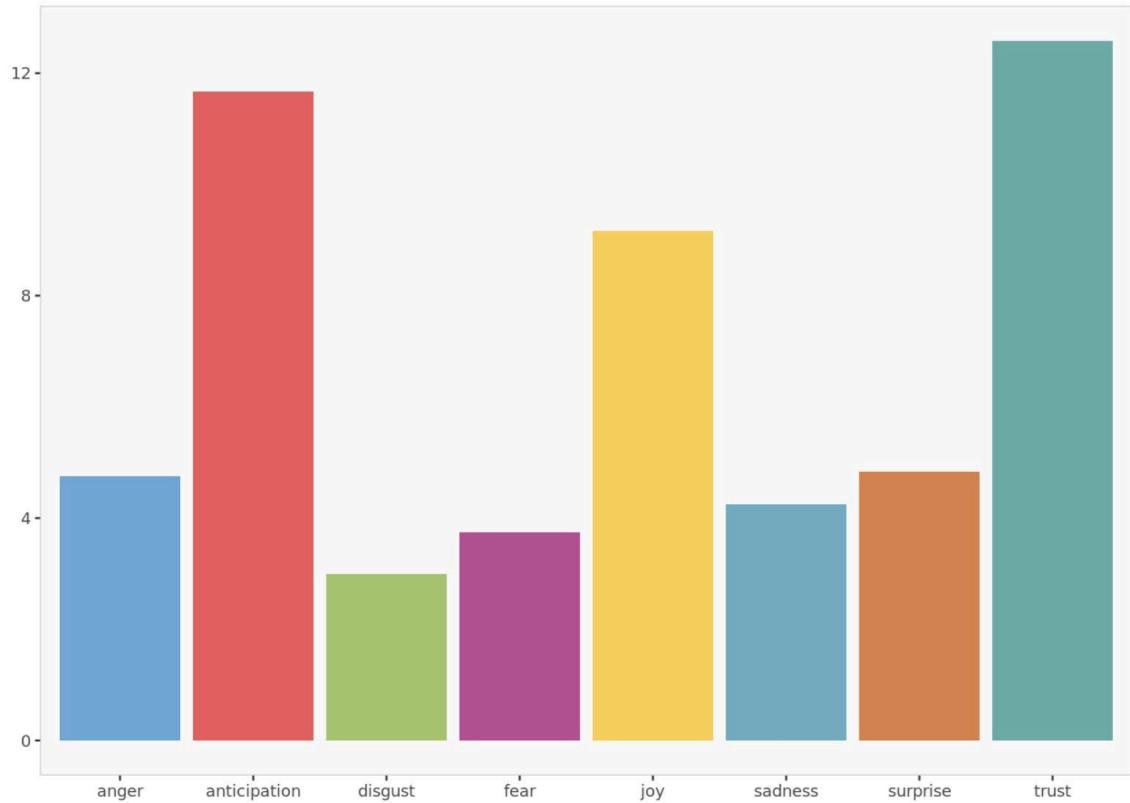
special  
bouanga  
**discount**  
hbo timenah prime  
doordash coach  
love

	<b>Posts count</b>	<b>Relative posts count</b>
<b>Total</b>	54	100%
<b>negative</b>	3	6%
<b>neutral</b>	25	46%
<b>positive</b>	26	48%



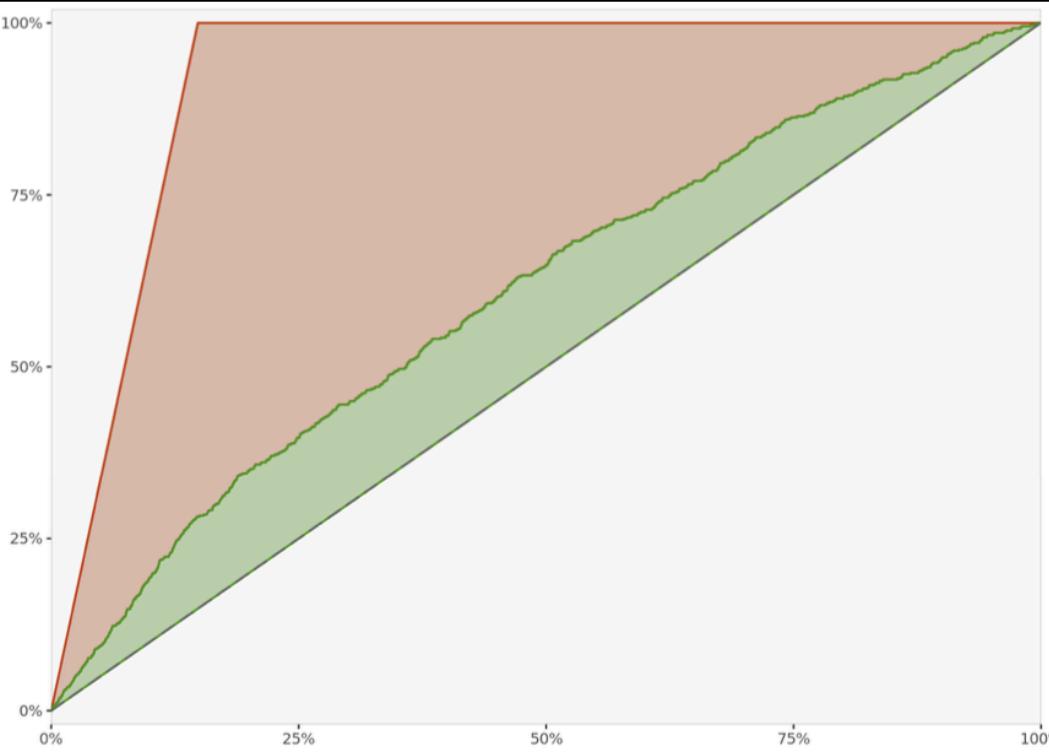
Valence word cloud.





Scout work disgust anticipation today load wild exist sold trim shade fear drive error doesn't kill corner michael anger lighten ah run back does shit special coach book nvm greater win day move deal game joy love dash free prime account bro lloyd write inspir time dash deal call diddi disciplin trust deliveri communiti wire amaz discount door huge level like champ bring design coolest bring pear login tonight make sign true told sadness execut surprise watch snag nice

## vi. Output from Predictive Analytics

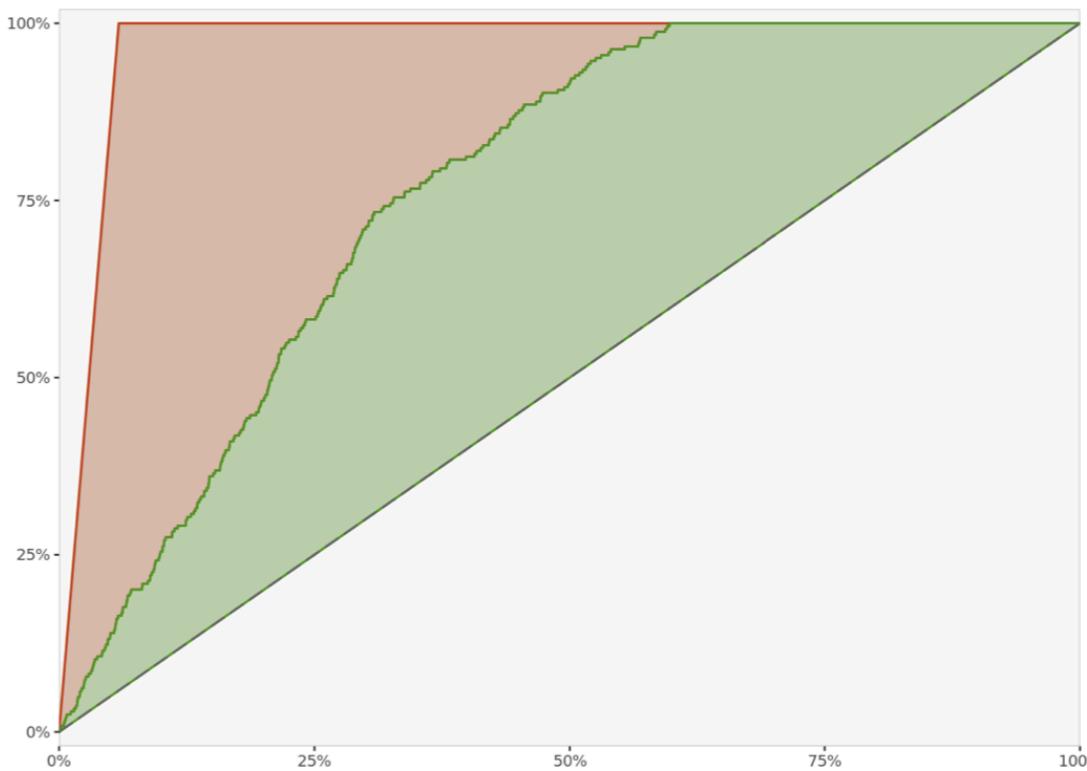


**Gain chart for Alternative Fruits and Vegetables.** The gain chart represents the expected performance of the model in predicting the favorable choice.

	Top 5%	Top 10%	Top 25%
<b>Random</b>	5.0%	10.0%	25.0%
<b>Truth</b>	33.8%	67.6%	100.0%
<b>Model</b>	9.4%	19.3%	39.6%
<b>Observed lift</b>	1.88	1.93	1.59
<b>Improvement</b>	15.2%	16.1%	19.5%

**Predicted lift and improvement ratios for Alternative Fruits and Vegetables.**

## vii. Output from Elasticity Analytics



**Gain chart for Alternative Health and Hygiene.** The gain chart represents the expected performance of the model in predicting the favorable choice.

	Top 5%	Top 10%	Top 25%
<b>Random</b>	5.0%	10.0%	25.0%
<b>Truth</b>	85.6%	100.0%	100.0%
<b>Model</b>	13.4%	25.4%	58.2%
<b>Observed lift</b>	2.69	2.54	2.33
<b>Improvement</b>	10.5%	17.1%	44.3%

**Predicted lift and improvement ratios for Alternative Health and Hygiene.**

viii. Output for Segmentation Analysis

	Population	Segment 1	Segment 2
Size	4 999	2 406	2 593
Relative size	100%	48%	52%

**Segment size.**

ix. Gain Charts from Predictive Analytics

	Top 5%	Top 10%	Top 25%
Random	5.0%	10.0%	25.0%
Truth	33.8%	67.6%	100.0%
Model	9.4%	19.3%	39.6%
Observed lift	1.88	1.93	1.59
Improvement	15.2%	16.1%	19.5%

**Predicted lift and improvement ratios for Alternative Fruits and Vegetables.**

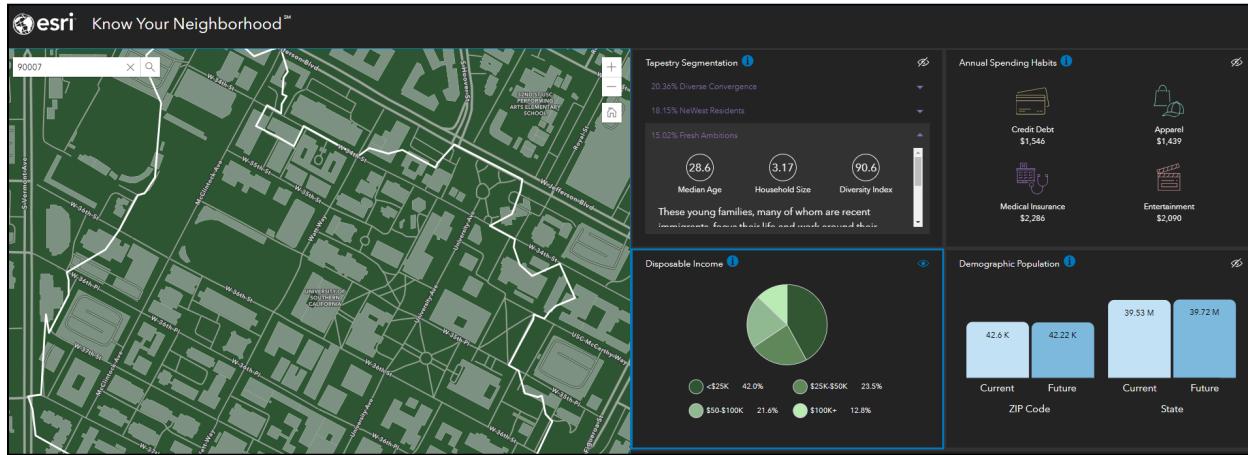
x. Electronic File of Dataset Used for Predictive Analytics and Segmentation Analysis on Kaggle.com

<https://www.kaggle.com/datasets/dharun4772/doordash-eta-prediction/data>

xi. Analytics Output for Predictive Analytics and Segmentation Analysis on Kaggle.com

See following pages.

## xii. Electronic File of Dataset Used for Geotargeting Analysis on ESRI



## xiii. Segmentation Analysis

### Segment size

	Population	Segment 1	Segment 2	Segment 3	Segment 4
Size	78	22	27	4	25
Relative size	100%	28%	35%	5%	32%

Segment size.

### Segment description

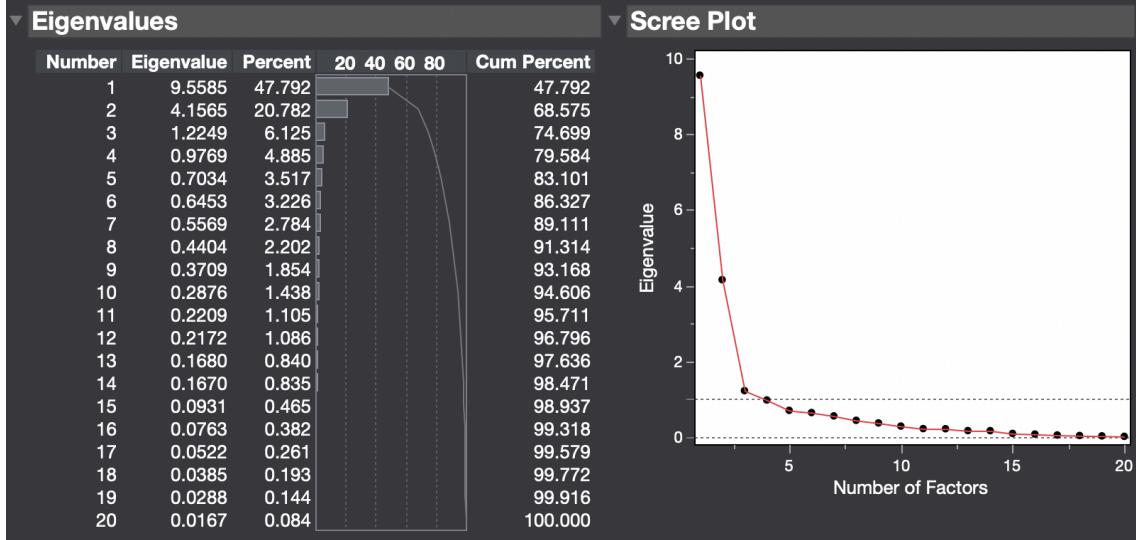
	Population	Segment 1	Segment 2	Segment 3	Segment 4
convenience	5.92	6.23	6.07	1.00	6.28
variety_of_meals	5.09	6.32	5.07	1.00	4.68
cook_at_home	5.71	6.41	5.63	7.00	4.96
food_and_beverage_delivery	3.81	6.59	2.59	1.00	3.12
go_to_restaurant	4.17	6.41	2.81	1.00	4.16
total_fees	6.32	6.14	6.37	4.00	6.80
delivery_time	5.77	6.23	5.85	7.00	5.08
loyalty_program	4.40	6.41	4.04	4.00	3.08
weekly_meal_plan	3.73	6.00	4.15	1.00	1.72
go_out_plan	4.26	6.45	5.44	1.00	1.56

Segment description. Average value of each segmentation variable, overall for each segment (centroid). Segmentation variables that are statistically different from the rest of the population are highlighted in red (lower) or green (higher).

## xiv. Analytics Output for Segmentation Analysis for Survey

See following pages.

## xv. Factor Analysis



### Factor Analysis on Correlations with 3 Factors: Maximum Likelihood / Varimax

#### Final Communality Estimates

total_fees_doodadash	0.80740
delivery_time_doodadash	0.88912
loyalty_program_doodadash	0.85412
promotions_doodadash	0.65870
consumer_interface_doodadash	0.66026
customer_service_doodadash	0.74204
variety_doodadash	0.67370
total_fees_ideal	0.49351
delivery_time_ideal	0.40661
loyalty_program_ideal	0.62855
promotions_ideal	0.81235
consumer_interface_ideal	0.69421
customer_service_ideal	0.78606
variety_ideal	0.46328
convenience_ideal	1.00000
food_quality_ideal	0.84396
service_value_ideal	0.78179
convenience_doodadash	0.26275
food_quality_doodadash	0.79863
service_value_doodadash	0.77270

#### Variance Explained by Each Factor

Factor	Variance	Percent	Cum Percent
Factor 1	6.8340	34.170	34.170
Factor 2	6.1082	30.541	64.711
Factor 3	1.0875	5.438	70.149

#### Significance Test

Test	DF	ChiSquare	Prob>ChiSq
H0: no common factors.	190	1805.199	<.0001*
HA: at least one common factor.			
Test	DF	Criterion	ChiSquare
H0: 3 factors are sufficient.	133	7.585	512.008
HA: more factors are needed.			<.0001*

xvi. Rotated Factor Loadings

Measures of Fit			
Measures of Fit	Fit Index		
Chi-Square without Bartlett's Correction	584.069		
AIC	318.069		
BIC	4.626		
Tucker and Lewis's Index	0.665		
Root Mean Square Error of Approximation	0.210		
Rotated Factor Loading			
	Factor 1	Factor 2	Factor 3
delivery_time_dooddash	0.940896	0.057683	0.022556
total_fees_dooddash	0.877866	0.110844	0.156411
food_quality_dooddash	0.872506	0.125584	0.146952
service_value_dooddash	0.857011	0.187828	-0.054366
customer_service_dooddash	0.846731	0.158053	-0.010410
loyalty_program_dooddash	0.835789	0.289883	-0.267487
promotions_dooddash	0.807209	-0.008170	-0.083956
variety_dooddash	0.730487	0.324713	0.186139
consumer_interface_dooddash	0.648335	0.451245	-0.190535
convenience_dooddash	0.406348	0.270351	0.156665
food_quality_ideal	0.064137	0.871071	0.284744
service_value_ideal	0.051946	0.867903	0.160724
customer_service_ideal	0.226141	0.838438	0.178711
promotions_ideal	0.391387	0.801160	-0.131561
loyalty_program_ideal	0.116855	0.784120	0.007141
consumer_interface_ideal	0.409035	0.706625	0.166087
total_fees_ideal	0.019398	0.691531	-0.122145
delivery_time_ideal	0.142459	0.613473	0.099826
variety_ideal	0.288824	0.604617	0.119592
convenience_ideal	-0.003972	0.599293	0.800519
Suppress Absolute Loading Value Less Than	0.3		
Dim Text	0.4		

xvii. Analytics Output for Positioning Analysis for Survey

See following pages.

### xviii. Predictive Analytics

SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0.650004083							
R Square	0.422505308							
Adjusted R Squ	0.38240151							
Standard Error	0.350838725							
Observations	78							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	5	6.483831455	1.296766291	10.53529412	1.2922E-07			
Residual	72	8.862322391	0.123087811					
Total	77	15.34615385						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-0.231287007	0.162106481	-1.426759782	0.157971359	-0.55444037	0.091866356	-0.55444037	0.091866356
positive_review	0.110651245	0.047399884	2.334420156	0.022367043	0.016161303	0.205141188	0.016161303	0.205141188
customer_satisf.	-0.053401708	0.060063296	-0.889090538	0.37691532	-0.173135701	0.066332284	-0.173135701	0.066332284
future_order	0.091083362	0.03384156	2.691464676	0.008839735	0.023621446	0.158545279	0.023621446	0.158545279
healthy_order	0.011395121	0.035691771	0.319264663	0.750450289	-0.059755124	0.082545367	-0.059755124	0.082545367
seeking_health	0.03562977	0.036084559	0.987396582	0.326754895	-0.036303483	0.107563024	-0.036303483	0.107563024

### xix. Survey Questionnaire

See following pages.

**xx. Electronic File of Dataset of Survey Results**

See following pages.

## xxi. Recommendation Mockups



LANDING PAGE  
Restaurant

A restaurant landing page template with a green header bar containing navigation links: ABOUT US, MENU, CONTACT, GALLERY, and PROMOTIONS. Below this, a large white button says 'CLICK HERE'. To the right, there's a large image of hands holding a bowl of fresh vegetables (cucumbers, carrots, chickpeas, lemon slices, and basil leaves). The background features a large, semi-transparent watermark with the word 'good' repeated in green and white. At the bottom left, there's a logo for 'good food' with the text 'Delivery and reservations 341 588 963'. Social media icons for Facebook, Instagram, and YouTube are at the bottom right.

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