HotSnack shows strong promise through strong monthly revenue and ample opportunity for growth
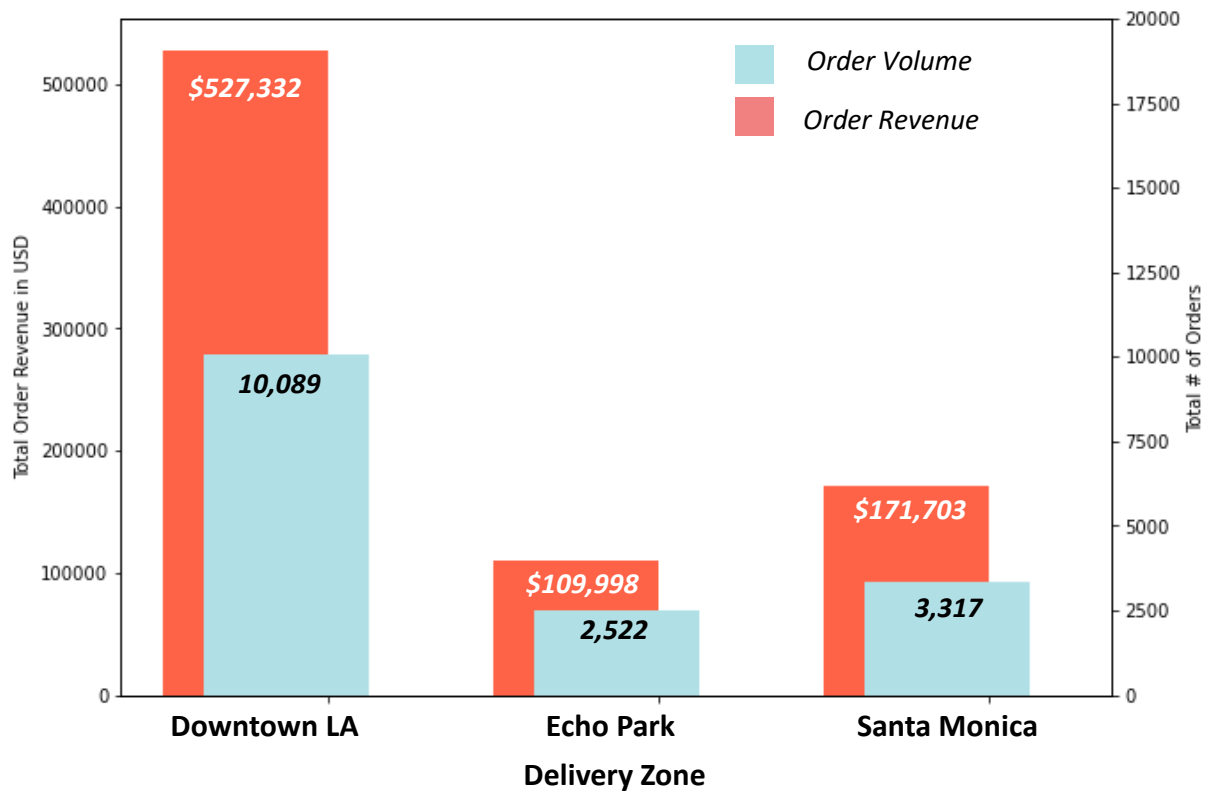
With $814k of revenue in month, HotSnack has an opportunity to optimize delivery operations and increase our value to Consumers, Stores, and Couriers through operational improvements and enabling the HotSnack three-sided marketplace

Total Revenue and # of Orders by Delivery Zone

Data Overview:

- 50% of orders were $38.44 (median of Order Total)
  - 6297 Unique Consumers
  - 311 Store Partners
  - 295 Couriers

| Delivery Zone Demographics**			
Delivery Region	**Consumer ID**	**Store ID**	**Courier ID**
Downtown LA	3852	146	235
Echo Park	1222	153	89
Santa Monica	1280	111	132

Based on the data analysis, HotSnack can increase market share by *improving on-demand order times, rewarding Couriers, strengthening relationships with Store partners,* and *driving customer order volume.*

*** Consumers, Stores, and Couriers can operate in multiple regions*

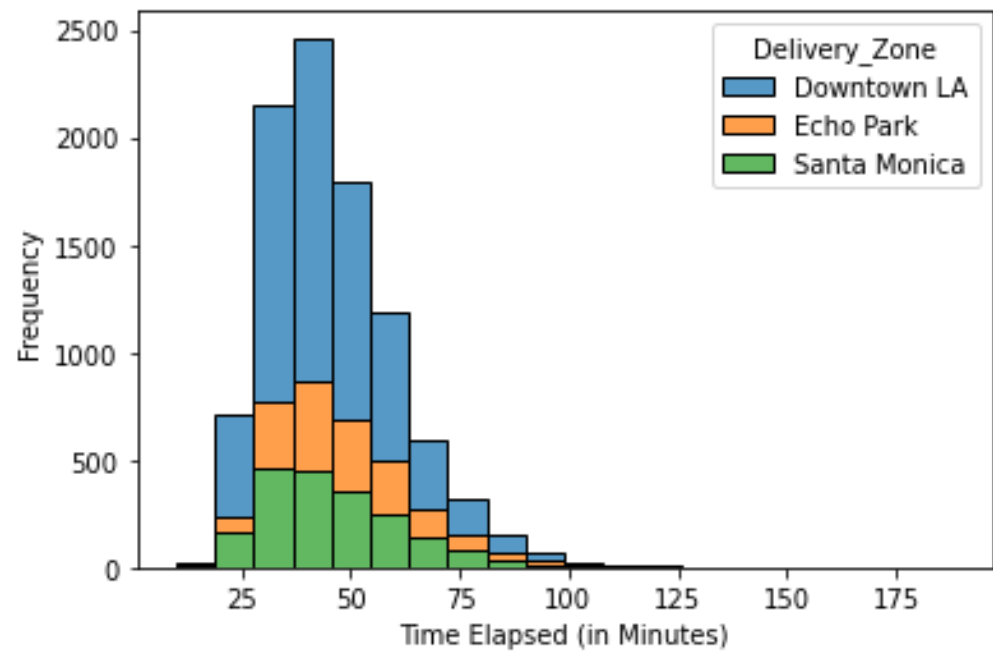# Optimizing the time of delivery process steps will enhance the customer experience

Order to Delivery Time by Process Step for On-Demand Orders*
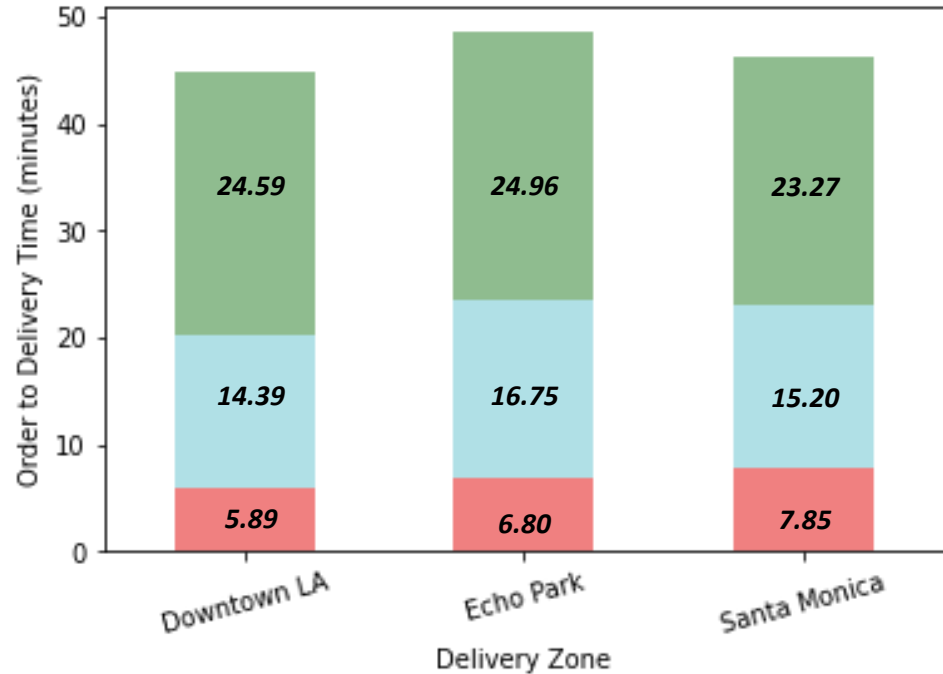
Step 1: Consumer to Store Placed Order Time

Step 2: Store Placed to Courier Arrival Time

Step 3: Courier Arrival to Customer Delivery Time

## Total Time Frequency by Delivery Region*

Recommendation 1 – Optimize Order to Delivery Process:

- *Step 1 Improvement:* Improve API for sending Consumer orders to Stores
    - Fix data issues on timestamp tracking (*Consumer ID 8351 order took 3 days*)
- *Step 2 Improvement:* Improve algorithm on matching Courier to Stores based on proximity
- *Step 3 Improvement:* Match Courier to Customers based on proximity, mode of transportation, and food preparation time (i.e. .5 mile radius delivery may be quicker on bike or foot during rush hour)
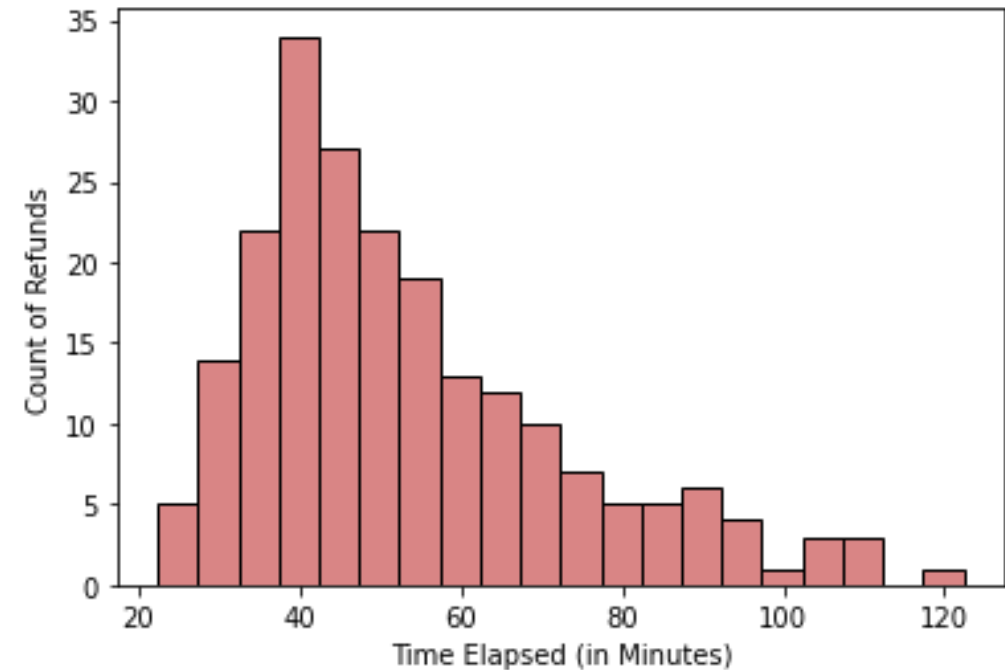
Customers with longer delivery times are more likely to request for a refund

Total Time for On-Demand Orders*
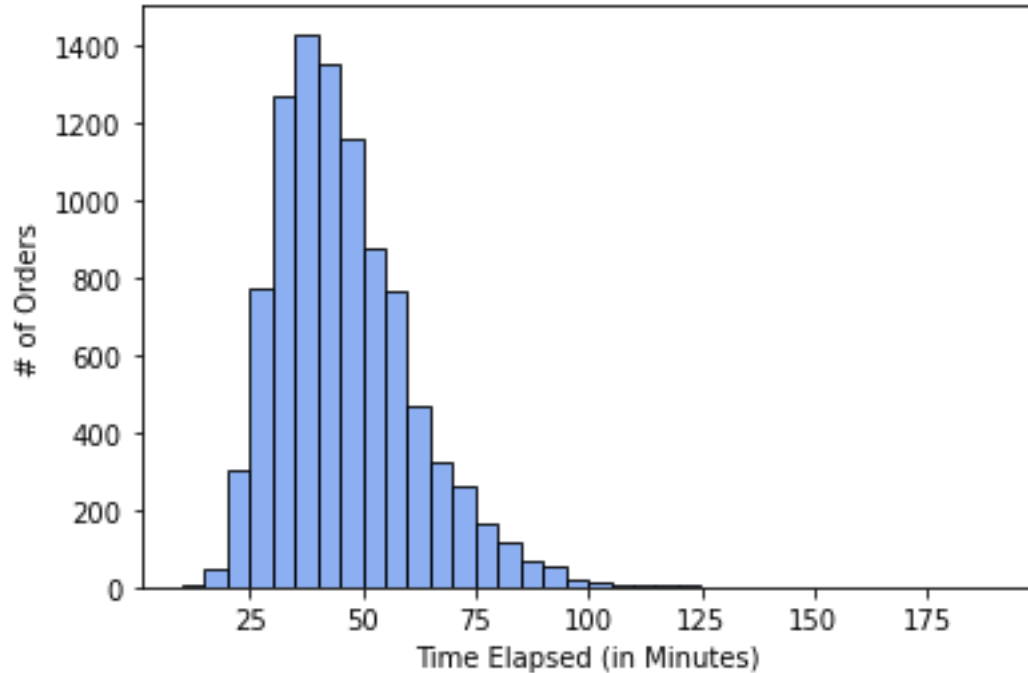
## Total Time for On-Demand Orders For Processed Refunds

The median for on-demand orders and on-demand orders where refunds were processed are **~43 minutes** and **~48 minutes**, respectively. Based on the analysis above, longer delivery times may impact the rate of return and cause consumer friction (e.g., orders where refunds were processed had longer delivery times). However, HotSnack is doing well this month since the *return rate is only 2.24%* of the on-demand orders analyzed.
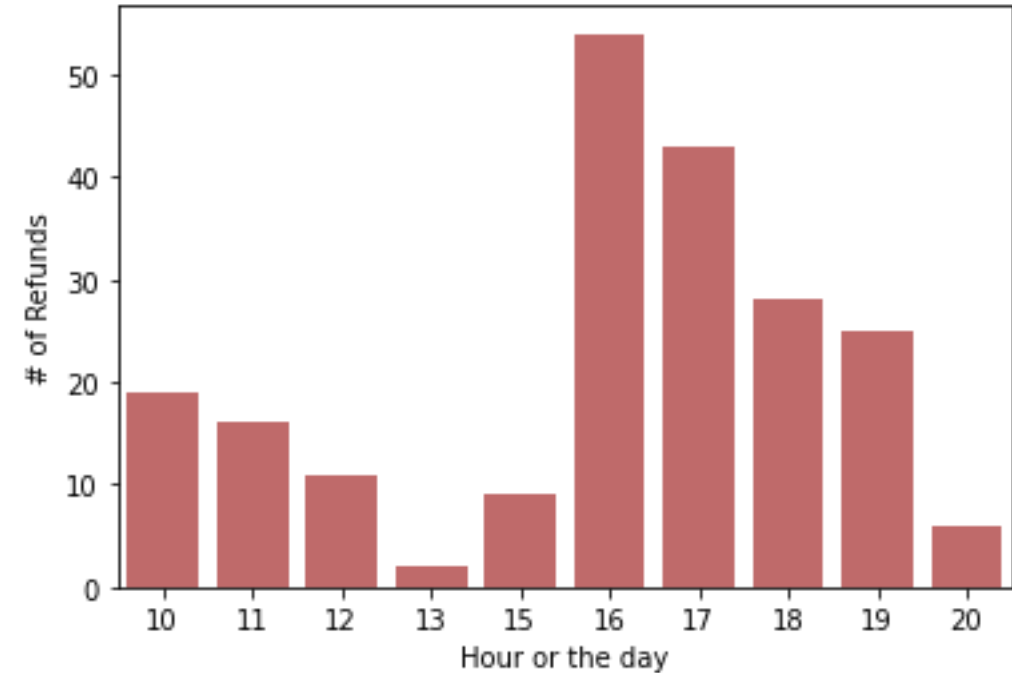
Monitoring the Refund Rate will help increase Consumer satisfaction

Number of On-Demand Orders Placed by Hour of the Day
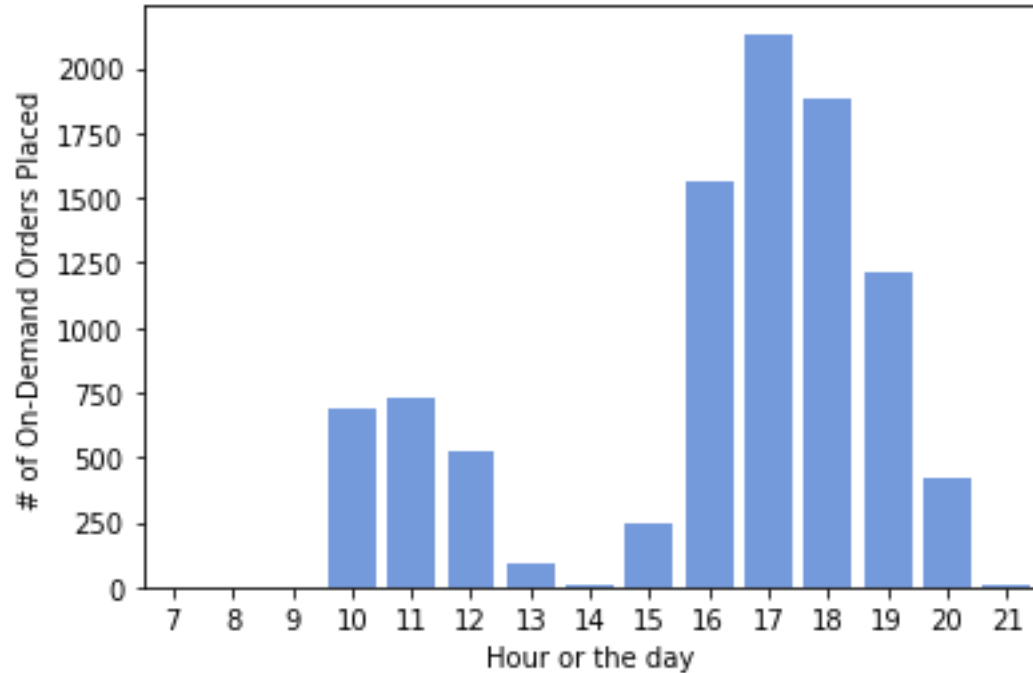
**Number of Refunds by Hour of the Day**

Recommendation 2 – Incentive Couriers to Service Consumers during peak hours:

The volume of orders during peak hours (16 , 17, and 18) may increase delays as the number of refunded orders process spike during the same timeframe. If the refund rate rises in future months, ***HotSnack should consider in-area Driver incentives during peak hours when the rate of refund is high***

Discounts drive Driver tips and enables Consumer growth

Amount of Tip Vs Amount of Discount *
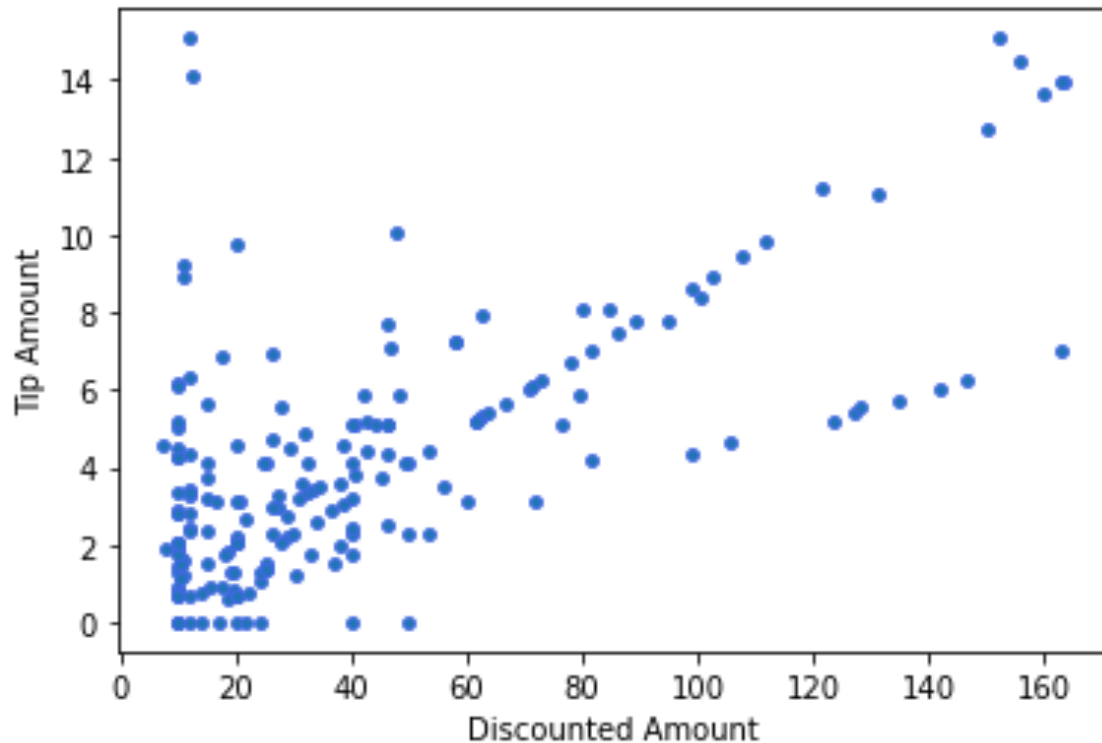
Key Insights:

- Courier make a median of **$3.41 USD** in tips per order

- On orders where a discount of $1 USD is given the correlation between discounts and tips is 0.18, once we *cross the discount threshold of $6.00, there is a moderately positive relationship between discounted orders and tipping* (this is where the correlation coefficient is 0.67)

### Recommendation 3 – Discount Campaigns / Tip Reminder:

Implement a discount campaign (with a minimum order value threshold) to help increase order revenue. Discounted orders should trigger a notification to "pay discounts forward" by providing a tip to the Courier

* Based on orders where discount was greater than $6 USD

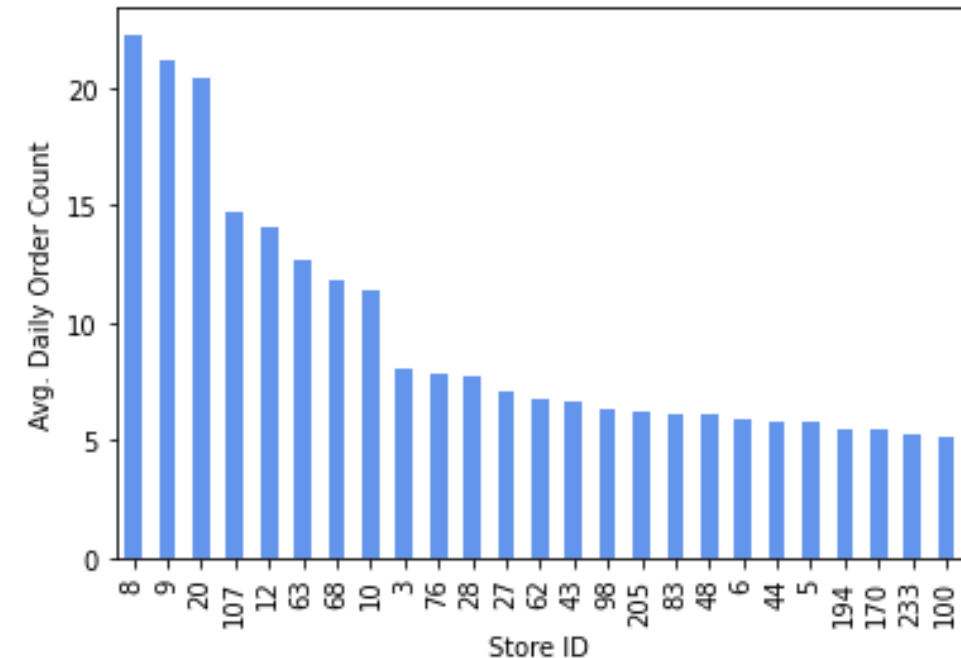# Deepen relationships with top performers and serve our opportunistic Stores

Top 25 Performing Stores by Avg. Daily Revenue *

Top 25 Performing Stores by Avg. Daily Orders*
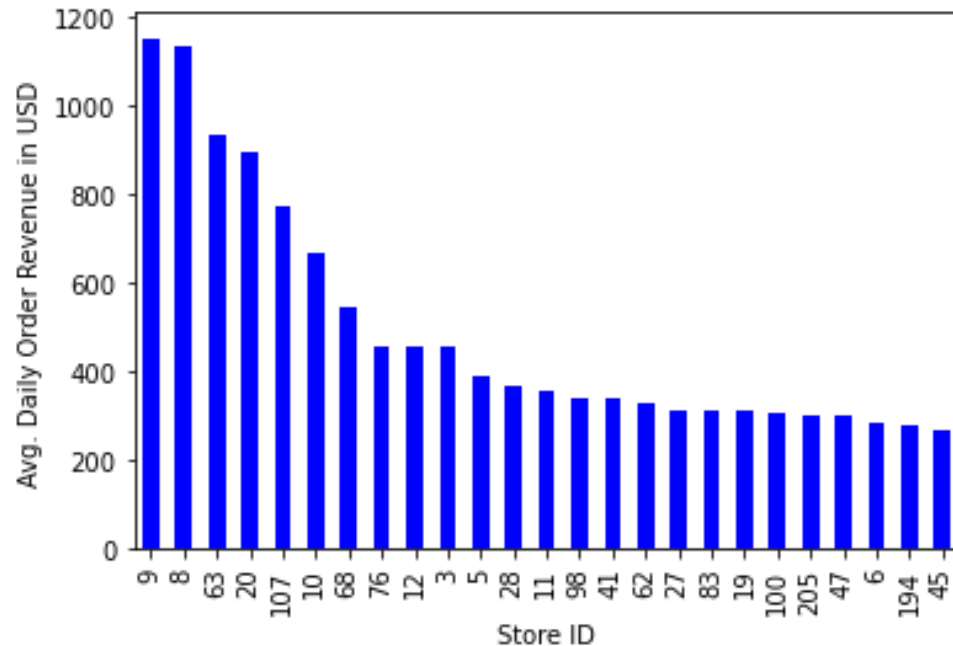
- Store 9 had the highest Daily Order Revenue performance: **$1,153.38**
- *75 Percentile has Daily Order Revenue of $106.39*

- Store 8 had the highest Daily Order Quantity performance: **~22 orders / day**
- *75 Percentile has Daily Order Count of ~2 orders*

Recommendation 4 - Strengthen Store Partnerships:

HotSnack should strengthen our partnerships with Stores by services to both high performing and opportunistic Stores

- *High-Performing Stores:* Providing recognition of top Stores on the app and web portal (i.e. HotSnack Favorite)
- *Opportunistic Stores:* Provide a 'How to broaden your reach' cheat sheet by providing common themes of the top performing Stores (i.e. clear photos of food, clear descriptions, etc.) – ***Large opportunity since based on percentile of both categories***

* Daily Revenue based on 30 day calendar

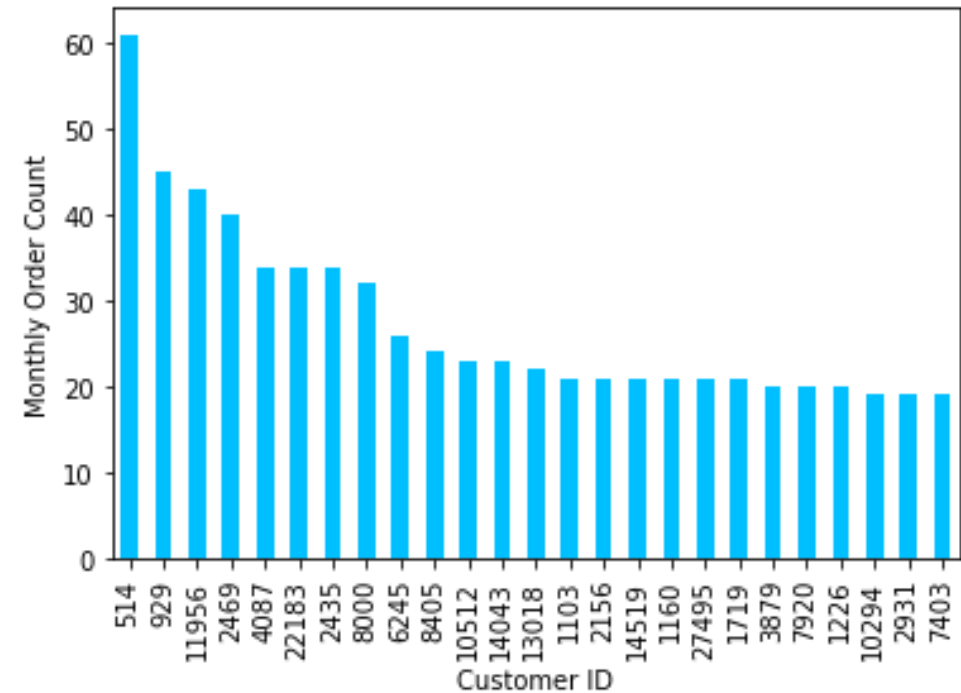# Drive Consumer order size and volume through promotional campaigns

Top 25 Customers by Total Order Spend (1 Month)
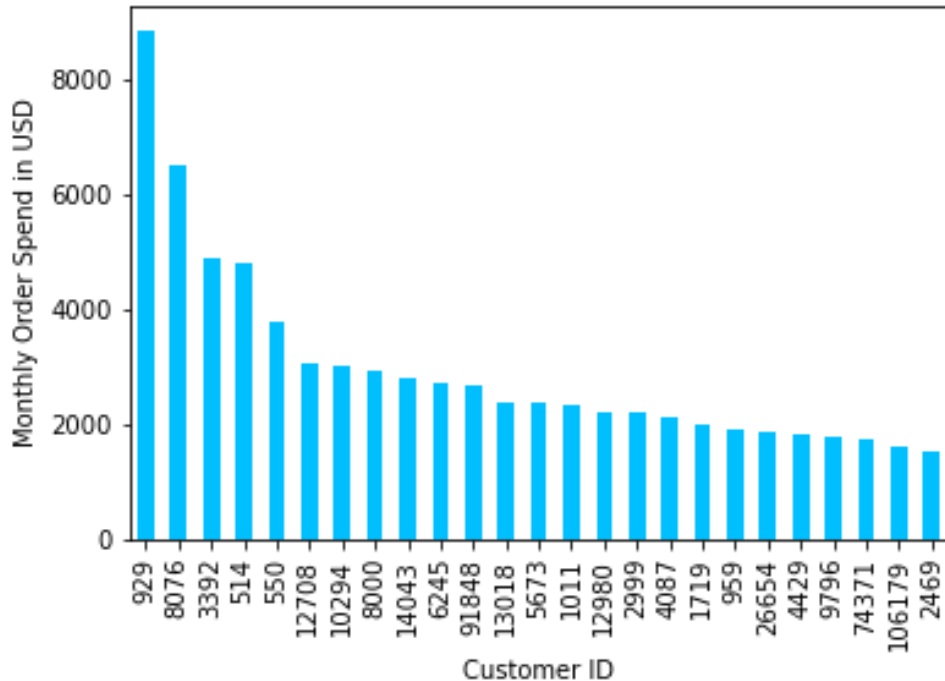
- Customer 929 had the highest Revenue performance: **$8,816**
- *75 Percentile of Order Spend by Customer is $137.80*

Top 25 Customers by Order Count (1 Month)

- Customer 514 had the highest Order quantity: **~ 61 orders**
- *75 Percentile of Order Quantity by Customer is ~3 orders*

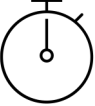**Recommendation 5 – E-mail Marketing to Drive More Orders:**
Use e-mail marketing and promotional campaigns to strengthen repeat orders on the platform. Promotional campaigns should:
- Entice consumers to make 2-3 orders per month
- Expire within a month to drive our order rate on a monthly basis
- Have minimum order requirement of $30 per order (~25 Percentile)

Our promotional campaigns will drive *more customer engagement* and *increase overall revenue*

Recommendation Summary

1   ***Optimize Order to Delivery Process:*** Implement changes to make all three steps of the value chain more efficient such as Improving API for sending Consumer orders to Stores, improving algorithm on matching Courier to Stores based on proximity, and matching Courier to Customers based on proximity, mode of transportation

2   ***Incentive Drivers to Service Consumers during peak hours:*** The volume of orders during peak hours may increase delays as the number of refunded orders process spike during the same timeframe. Consider in-area Driver incentives during peak hours when the rate of refund is high

3   ***Discount Campaigns / Tip Reminder:*** Implement a discount campaign (with a minimum order value threshold) to help increase order revenue. Discounted orders should trigger an notification to "pay discounts forward" by providing a tip to the Driver.

4   ***Strengthen Store Partnerships:*** HotSnack should strengthen our partnerships with Stores by services to both high performing and opportunistic Stores by providing in-app recognition for high performers and by providing common themes (of top Stores on the platform) to opportunistic Stores

5   ***E-mail Marketing to Drive More Orders:*** Use e-mail marketing and promotional campaigns to strengthen repeat orders on the platform (Entice consumers to make 2-3 orders per month)