



## Industry Analysis



**CIMA Strategic Case Study (SCS)**

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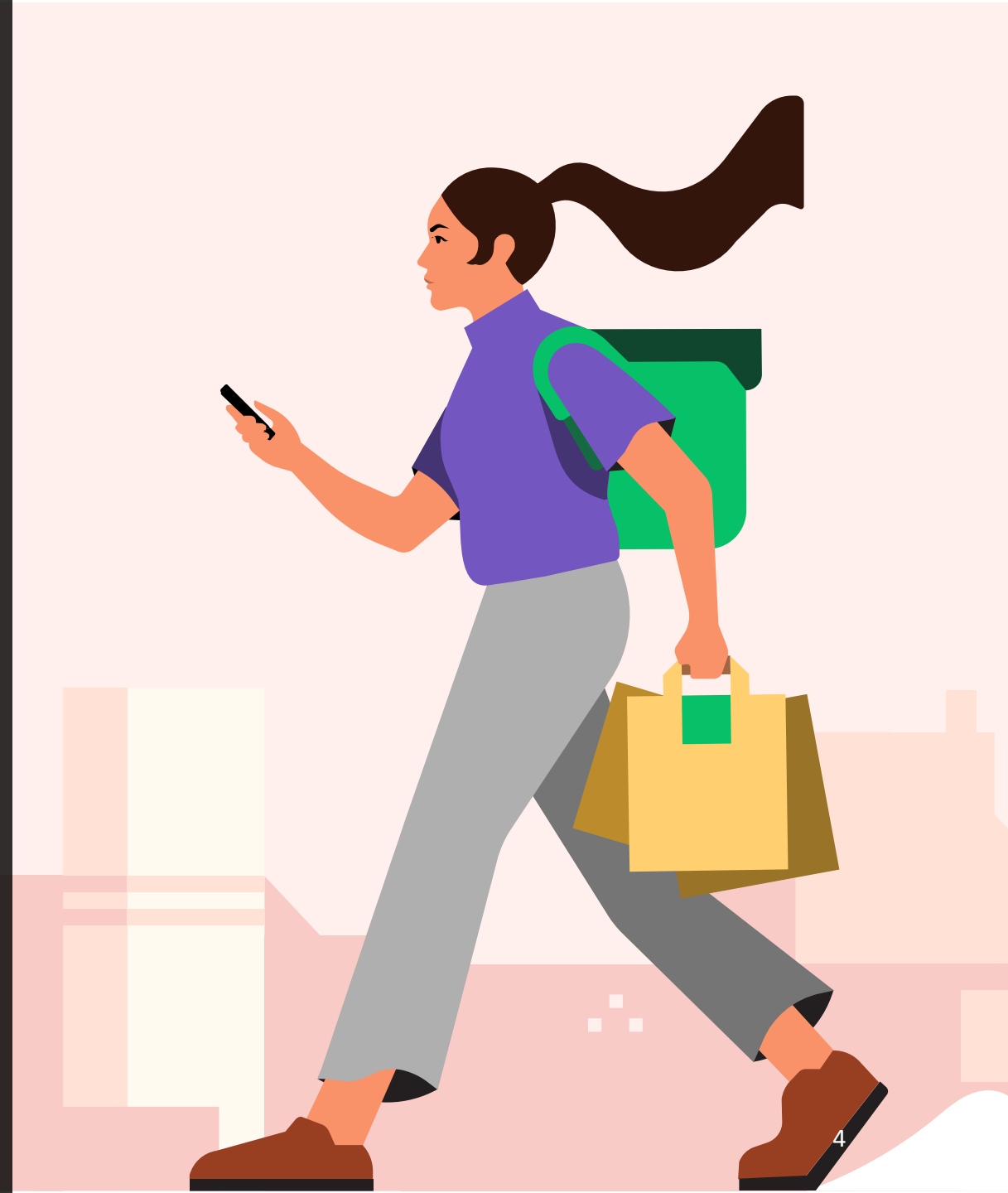


# Purpose of the Industry Analysis

- You are required to be familiar with the industry but need not be an industry expert.
- Developing a broader understanding of the industry in which the company operates will help you construct sound arguments and prepare for possible developments in the exam.

# Market Definition

- Platform-to-Consumer Delivery Market
  - *A food delivery business model*
  - *Online delivery of food to customers*
  - *Meals are prepared by partner restaurants*
  - *Platforms provide delivery services*
  - *Platforms typically use apps and websites to connect customers and partner restaurants*



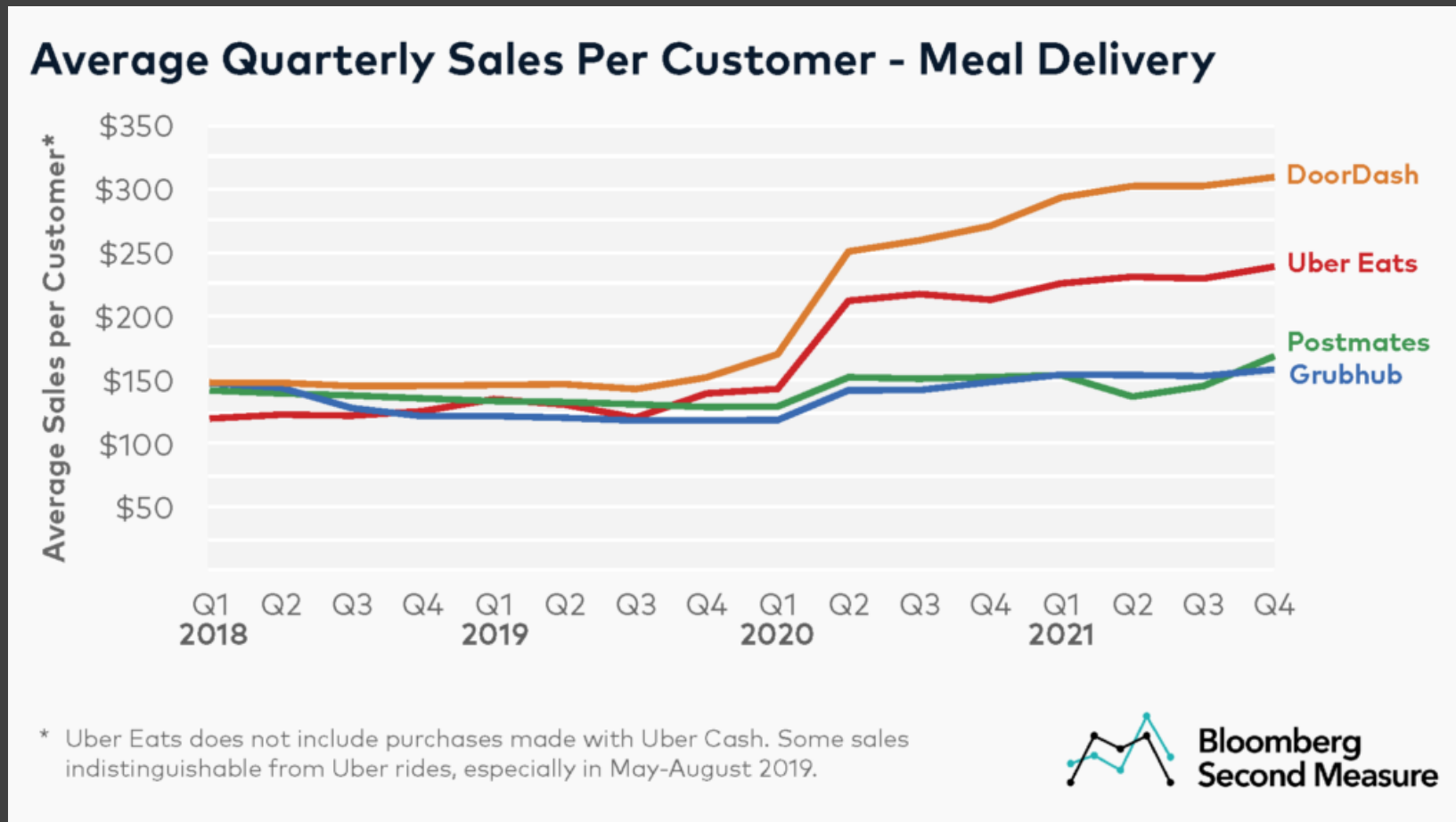
# Market Dynamics

- Valued at USD 215 billion in 2021
- Forecasted to grow to USD 300 billion by 2026
- Forecasted growth (CAGR) of 8.5% by 2026
- Demand has significantly increased due to the pandemic
- Major Market Drivers
  - *Busy lifestyles of Gen Y & Z customers*
  - *Convenience*
    - Time saving
    - Consumer choice in food purchasing
- Largest Markets (by revenue)
  - *North Americas*
  - *Europe*
- *Fasted growing market*
  - *Asia-Pacific*
- *Major Players*
  - *DoorDash*
  - *Uber Eats*
  - *Grunhub*
  - *Deliveroo*
  - *Postmates*

# Competitive Landscape

- Presence of various regional and global players
- Companies compete on;
  - *Geographic coverage*
  - *Commissions paid to partner restaurants*
  - *Driver compensation*
  - *Marketing*
  - *Functionality of apps*
  - *Additional offerings*
    - Ex: Grocery delivery
- Major players pursue international expansion via;
  - *Acquisition of smaller players*
  - *Expanding to high income countries in:*
    - Asia-Pacific
    - Central & South America
    - Middle east & Africa

# Market Share: Major Players



# Segmentation

- By Service
- *By Product*
  - *Meat & Fish*
  - *Vegetarian*
  - *Vegan*
  - *Gluten-free*
  - *Customized dishes*
- By Platform
  - *App*
  - *Website*
- By End User
  - *Bachelors*
  - *Newly married couples*
  - *Families*
- Geography
  - *North America*
  - *Europe*
  - *Asia-Pacific*
  - *Central & South America*
  - *Middle east & Africa*



# Industry Trends

- *Online Platform Types*
  - *Aggregators*
    - *Providing access to multiple restaurants via a single online portal*
    - *Delivery is handled by restaurants*
  - *New-delivery*
    - *Providing access to multiple restaurants via a single online portal*
    - *Delivery is handled by the platform provider*
- *Platforms are sticky*
  - *80% of customers sticking with the same platform*
- *Delivery speed*
  - *Optimal wait time: 60 minutes*
- *Orders spike during weekends*
- *Order placement*
  - *From home: 82%*
  - *From workplace: 16%*

# Emerging Trends

- Menu engineering
  - *Enabling customize orders*
- Dark kitchens
  - *Platforms providing kitchen infrastructure to multiple restaurants*
- Virtual brands
  - *Enabling restaurants sell food in a larger geographical area*
- Tiny restaurants
  - *Restaurants occupying a smaller space as opposed to traditional dine-in outlets*
- Brand spin-offs
  - *Targeting new demographics*
    - *Ex: Au Cheval introducing Small Cheval*
- Consolidation points
  - *Enabling ordering from multiple restaurants in a single order*
- Virtual concierge
  - *Combining food delivery with other deliveries*
    - *Ex: Picking up groceries while delivering food*

# Real World Examples



## Largest player by revenue

- USD 4.88 billion

## Mission

- *Grow & empower local economies*

## Key info

- Established in 2013
- Serving over 25 million customers
- Employing over a million couriers
- Connected with 750,000+ merchants
- Over 2 billion orders processed so far



## *Second largest player by revenue*

- USD 4.8 billion

## Mission

- *To make eating well effortless for everyone, everywhere*

## Key info

- Established in 2014
- Serving over 20 million customers
- Employing over a million couriers
- Connected with 700,000+ merchants
- Over 1.6 billion orders processed so far

# Uber Eats

**THANK YOU!**



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