DoorDash Conversational Marketing

Final Project DM 435 • Group 2

Introduction



The COVID-19 pandemic dramatically changed the way we eat. Lockdowns early in the pandemic turned all restaurants into takeout-and-delivery-only businesses and boosted the food delivery market worth. Delivery apps became a new necessity and although restaurants have reopened, many consumers prefer the convenience of ordering food from their smartphones and having their meals delivered to their door. However, navigating these apps can be challenging especially for people with dietary restrictions, allergies and picky eaters. We want DoorDash to become the pioneer of using chatbot technology in the food delivery industry to improve customers' experiences.

SWOT ANALYSIS



Weaknesses

- Strengths
- Market leader with 57% user share in food delivery services Well developed channel with 450,000 merchants, 20 million customers, and 1 million delivery drivers signed up with the app
 - Statistics as of first quarter of 2021

Improved Customer Service
Expansion
New Partners
App Improvement
Added Services

- Have yet to make profit since their launch in 2013
 - Faces stern lawsuits and litigation risks such as pressure to legalize its riders as full-time employees
 - Few Loyal Customers
 - Low employment retention

- Competition
- Inability to attract enough popular restaurants
- "Regulatory Response Fee"
- Decline in revenue as vaccines are distributed, less demand for delivery



Customer Data





Food Delivery Usage Survey



Order Frequency



Most Used Websites/Apps



Question: Which multi-restaurant delivery websites/apps do you most often? You may select more than one.

Food Delivery Usage Survey

Percent of Each Age Group





Segmenting by income shows that, in general, the less income a consumer earns, the more likely the consumer is to take advantage of restaurant delivery services. See Figure 5. The lowest incomes have the highest usage: 51.6% for those earning less than \$10k per year, and 44.6% for those earning \$10k to \$24.9K.



Food Delivery Usage Survey





Percent of Income Levels Who Have Used A Delivery Service



Trends in Eating Habits & Consumer Behavior 2021



There has been a growth in plant-based, vegan, and vegetarian diets. The consumption of meat is slowly declining.

The Gen-Z and millennial diner both have one thing in common.They need/want convenience.



"COVID-19 BRIGHTENED THE SPOTLIGHT ON FOOD'S ROLE IN CONSUMERS' LIVES. 67% OF US ADULTS PUT A LOT OF THOUGHT INTO WHAT THEY EAT, AND 26% HAVE TURNED TO FOOD AND DRINK FOR COMFORT MORE OFTEN DUE TO THE PANDEMIC. IT ALSO DISRUPTED HABITS AND BEHAVIORS IN A WAY THAT LEAVES CONSUMERS UP FOR GRABS FOR BRANDS WHO CAN MEET FUNDAMENTAL NEEDS OF GOOD TASTE, QUALITY, CONVENIENCE, VALUE, HEALTH, AND ENJOYMENT/EXPERIENCE." Beth Bloom, Associate Director, US Food and Drink Reports Mintel Report: What America Eats US Feb. 2021

"WHILE THE MAJORITY OF U.S CONSUMERS EAT MEAT, THEY'RE EATING LESS OF IT. CONSUMERS ARE MOVING AWAY FROM EATING MEAT AT MOST MEALS, AND ARE ADOPTING FLEXITARIAN DIETS, FOR WHICH THEY EAT MEAT OCCASIONALLY. THIS PATTERN IS PROJECTED TO CONTINUE, WITH YOUNGER CONSUMERS SHOWING AN ABOVE-AVERAGE INCLINATION TOWARD VEGETARIAN/VEGAN DIETS. PLANT-BASED OPTIONS CAN MEET THE NEEDS OF CONSUMERS ACROSS DIETARY ASSOCIATIONS."

Mintel Report: What America Eats US Feb. 2021

"YOUNG ADULTS ALSO EXPECT ETHICAL GUIDANCE FROM COMPANIES. YOUNG ADULTS ARE MORE LIKELY THAN OLDER ADULTS TO AGREE THAT BRANDS HAVE A RESPONSIBILITY TO HELP SHOPPERS SHOP ETHICALLY, REPRESENTING AN OPPORTUNITY FOR GROCERY BRANDS AND RETAILERS TO CONNECT WITH THIS IMPORTANT AUDIENCE." Mintel Report: Food Ethics US Feb. 2020

"THE FUTURE OF DELIVERY AND TAKEOUT PROGRAMS AND SERVICES WILL LIKELY CONTINUE TO DIVERSIFY TO ACCOMMODATE THE INTERESTS OF YOUNGER DINERS. MILLENNIALS AND GEN Z ARE THE MOST ENGAGED DINERS, NOT ONLY PATRONIZING THE FULL RANGE OF FOODSERVICE SEGMENTS BUT ALSO DOING SO MORE FREQUENTLY. BRANDS WILL NEED TO DEVELOP PROGRAMS THAT CREATE VALUE THROUGH CONVENIENCE AND VERSATILITY FOR YOUNG DINERS." Mintel Report: Restaurant and Takeout Delivery US May 2021 FIGURE 16: WORD CLOUDS FOR TOP TOPICS ALONGSIDE DISCUSSION OF "AFFORDABLE DINNER," JANUARY-DECEMBER 2020



Source: Infegy/Mintel

FIGURE 64: WORD CLOUDS FOR TOP TOPICS ALONGSIDE DISCUSSION OF "CONVENIENT DINNER," JANUARY-DECEMBER 2020



Base: 140k mentions of convenient dinner(s) on Instagram, Pinterest and Twitter, January-December 2020 Source: Infegy/Mintel

FIGURE 6: DESIRED CHANGE IN DIET, NOVEMBER 2020

"How would you like your current diet to change? Please select all that apply."



I would like to eat more...





Base: 1,000 internet users aged 18+ Source: Lightspeed/Mintel

Door Dash Customer Persona

This is Alex Smith

(They/them)

Brand Association:

Patagonia

Shea Moisture

LUSH

Everlane

E.I.f

Age: 18 years old They are a full-time university student They live in Queens, NYC Income: 30,000k/yr Email: Alex smith@gmail.com **Marital Status: Single**

N.Y.X

Sweetgreens

Trader Joes

Dislikes: Unethical or non transparent companies. Gluten and Dairy. Fast food



Likes:

Art, and Philanthropy. Alex loves to read and be aware of the social issues going on in the world. They love eating fresh foods, and also going to the farmers market whenever they can. When they aren't at campus, they try and save more easy vegan recipes they find on tiktok or pinterest

Goals:

- Research the transparency of their restaurants more - Try to find new vegan/gluten free restaraunts near campus

- Find something plant based and

afforable

TRADER JOE'S Then Noisture sweetgreen

- Dietary restrictions make it hard to stray from routine orders and sticking to the same restaraunts

Challenges

NYX

- Needs help being introduced to more options that are available

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Door Dash Customer Persona

This is Daniel Jackson

(He/Him)

Age: 33 years old He is a full-time registered nurse He lives in Seattle, Washington Income: \$93,000/yr Email: Daniel_Jackson88@gmail.com Marital Status: Married Household size: 3



Dislikes:

Waiting too long in lines and to pick up meals. Heavy and oily foods. Dislikes artificial colors and flavors, and GMOs. Unfair labor practices



Likes: Healthy living! Being fit and eating clean is a top priority for Daniel. He loves to hike, bike and run. He is introducing a pescatarian diet into his life. He likes to search up reviews and vlogs about new brands and new restaurants in town. He also likes to spend time with his kids when he isn't at the Hospital, and get them active

Goals:

(*)

ALLSAINTS

- To find services that are conveniently close to his hospital
 Consume from more local
- businesses that prioritize healthier options
- Find options that accommodate both him, his spouse and his children

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Challenges

- Making time to explore new places while balancing work is difficult sometimes

- Having the family agree on where to order from

- Hesitant with trusting the reviews he reads online, he needs extra reassurance

EXPRESS

OFIGS

Proposal



Incorporate Chatbot Al	 Use Birdeye technology Offers livechat, chatbot, reviews, and insights 		
Build Characters	• Create chatbot caricatures based around various food personalities		

Create conversation based on key data

• Build conversation based around data for key consumers

Why Conversational Marketing?



There is an opportunity to improve our **user's** experience

NO other food delivery service companies are using chatbots

Consumers come to DoorDash with the **intent to make a purchase**

They appreciate **convenience** and anything that will help them get answers quick

It will allow customers to feel **connected** to the company



Amaya

Our vegetarian/vegan friendly persona to assist people with restrictions or conscious eaters



Jessie

Our persona that helps out picky eaters who may be less adventurous but won't settle on quality

Example Conversation 1

Welcome to DoorDash! I hope you're hungry because we have some great food choices for you. Would you like a friend's assistance, we'd love to help!

Awesome! Choose a friend that you would like to get help from:

- Gustavo: Adventurous
- Amaya: Vegan
- Sandro: Healthy
- Elaine: Budget Friendly
- Jessie: Picky

Hey, what can I help you with today?

<u>No, thank you!</u>

Yes!

Type in your question/inquiry below:

I am looking to try something new.

Example Conversation 1 Continued

Cool! Before I give you my suggestions do you have any dietary restrictions or allergies that I should be aware of?

No worries, I have some delicious suggestions for you! How much are you willing to spend today?

Alright, here are some of my suggestions for you:

- <u>Smile of the Beyond</u>
- The Thirsty Koala
- <u>Savage Sicko</u>
- <u>Ras Plant Based</u>
- Healthy As A Motha Vegan Kitchen

Let me know if you would like more suggestions or further assistance. Enjoy!

	<u>Yes</u>	<u>No</u>	
I am veç	gan and c	an't have	gluten.

<u>\$10-\$30</u> <u>\$40-\$60</u> <u>\$70-90</u> <u>\$100+</u>

Example Conversation 2

Welcome to DoorDash! I hope you're hungry because we have some great food choices for you. Would you like a friend's assistance, we'd love to help!

We're on it! Which friend would you like to assist you today?

- <u>Gustavo: Adventurous</u>
- <u>Amaya: Vegan</u>
- Sandro: Healthy
- Elaine: Budget Friendly
- Jessie: Picky

Hello there Daniel! How may I assist you today?

<u>No, thank you!</u>

Yes!

I need some dinner suggestions that are close to me.

Example Conversation 2 Continued

Let's find you some local dinner suggestions. How long are you willing to wait?

What is the occasion?

Out of these places, which do you prefer?

- <u>Saru Sushi Bar</u>
- La Ciccia
- <u>Verjus</u>
- <u>Rich Table</u>
- <u>Cala</u>

Wonderful! Here are some recommendations based on your preference. <u>Click here</u>

I am here all night if you need help. Enjoy your dinner!

15-20 minutes 30-40 minutes 50 minutes-1 hour 1 hour+

Family fun night.





FUNNEL





ACQUISITION

After evaluating consumers' preferences, we can build a data-based target audience profile to introduce a new feature of DoorDash, build awareness, increase interest and successfully attracting new customers.

CONVERSATION

Persuading customers to engage in a conversation with chatbots, offering them information and solutions to their problems, making it as easy as possible for them to get what they need.

RETENTION

Chatbots will collect the data from the new customers to personalize and enhance their next experience, ensuring that the newly converted customers will return.

CUSTOMER LOYALTY VALUE

Increase sales by building value in the customers.



Conclusion & Key Takeaways

Introduce conversational marketing techniques to DoorDash via chatbot technology

Optimize DoorDash user experience by expediting and personalizing decision making process



Utilize customer data research to curate chatbot "personalities" tailored to individual needs

Build value for customers to drive sales



Thanks!