

Analysis and Evaluation, and the impact of COVID-19 on Deliveroo

Assignment 2



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Summary

The last few years were not easy for the humanity. It is not a secret that many people and companies struggled. Everything changed and the life that people knew was different. Covid-19 brought fear, starvation and death. The whole picture was so dark, that many of us thought it cannot get any worse.

With the pandemic many people lost their jobs and homes. Many people died from this vicious virus. It was not good for the companies as well. Every industry was affected somehow. The food industry is one of them.

However, there have been a couple of positive things. For example, people became more tolerant and respectful. The companies learned a good lesson - it is not so important where do you work from, you can even work from home, if you are passionate about it and do it correctly.

If we dive into the food delivering industry, we can see how the Corona virus did affect it. The delivery company ‘Deliveroo’ was also affected by the Pandemic.

Introduction

Deliveroo is an online food delivery company which was founded in 2013 by Will Shu and Greg Orlowski. The company started from London, UK and today it serves 11 countries - United Kingdom, the United Arab Emirates, Australia, Kuwait, Ireland, Italy, France, Singapore, the Netherlands, Hong Kong and Belgium.

During the last couple of years, Deliveroo became very popular. The online platform managed to grab the attention of many people and to engage them in a weekly, sometimes even daily use. This led to increasing the sales, huge growth of the company in more than 700 cities and, of course profitability.

The British company Deliveroo, founded 9 years ago, makes very big growth and in 2021 its revenue is £1.8 billion.

As I mentioned, many companies were affected by the pandemic, most of them negatively. However, Deliveroo was one of the brands that managed to gain benefits from the Covid-19 and it was affected positively. Since almost everyone was ordering from home, the company's services increased. Deliveroo grew rapidly its on-demand grocery offering by partnering with some of the biggest supermarkets, like Sainsbury's, Waitrose, Aldi, Morrisons and Carrefour.¹

Evaluation

Financial Performance

“The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction.” – Kotler, & Armstrong, G. (2014). Principles of marketing. (Fifteenth edition / Philip Kotler, Gary Armstrong.), p.26.

In their book, Kotler and Armstrong are talking about promoting and expanding the business, attracting new customers and delivering satisfaction to current and future customers. All of this is true and Deliveroo is very good at doing it.

The Company manages to go over the losses in 2019 and to demonstrating great profitability in 2020. From operations, in 2019, the revenue of the company was up 62% to £771.8m. Deliveroo also developed the brand in almost 800 towns and cities after expansion in 2020. In the same year Deliveroo managed to sign up contracts with more than 140,000 restaurants and over 110,000 riders globally. One more interesting fact is that the company's order volume increased in 2019 by 64%, globally.

All of this shows that what leads to sustained growth in 2020 was the strong investment. In 2019 to drive improvements to its service, Deliveroo invested a large amount of money. Some of the improvements in that year are: expanding the company to 200 new cities, launching "Pickup" as a new service for click and collect, launching "Cash Out" as a feature for riders that allows them to receive earnings faster etc.

New funding was also announced by Deliveroo in May 2019. Its value of \$575m was used to develop the tech department and the customer experience.

Geographic Reach

For Deliveroo the year 2020 was definitely a year of expansion, growth and success.

References

1. <https://uk.deliveroo.news/news/deliveroo-growth-accounts-2019.html>
2. Kotler, & Armstrong, G. (2014). Principles of marketing. (Fifteenth edition / Philip Kotler, Gary Armstrong.). Pearson.