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DSR Assessment 1 Online Group Presentation

Trawsnewid Addysg; Trawsnewid Bywydau
Transforming Education; Transforming Lives



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The use of contemporary technologies to improve workplace efficiency & employability.

1. Company background

-Toni Fowle (2016145)

2. Challenges before modern technology

-Jasmine Amina Mbogo (2023538)

3. Insight of modern technology

-Anil Prasanna Sulthanagoda Vithanage (2023532)

4. Impact of modern technology

-Elena Salavastru (2020994)

5. Lesson learned from the case

-Veaceslav Demerji (2024344)



Deliveroo, how it started.

- Will Shu moved to London from New York. The lack of quality food available to be delivered to him was what prompted his idea for his company Deliveroo.
- The company was launched in February 2013 in London by Will Shu and his friend (co-founder) Greg Orlowski.
- The aim of the business was to bring quality restaurant standard food direct to consumers homes.
- Their motive and motto for the company is, 'proper food, proper delivery'

Deliveroo's funding.

- Deliveroo is yet to make a profit, funding rounds allow them to innovate the business and provide more opportunities for both employees and restaurants that work with Deliveroo.
- It provides a financial investment for business development and technology development for example; innovation of the new monthly subscription service for free delivery service.

Deliveroo funding rounds

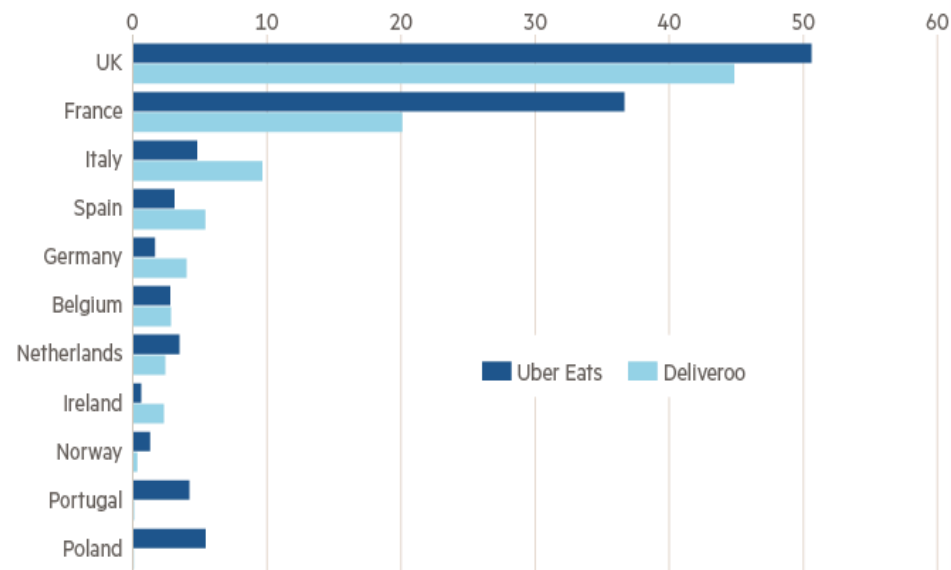
Series	Date	Amount	Led by
Series A	June 2014	\$2.75 million	Index Ventures/Hoxton Ventures
Series B	January 2015	\$25 million	Accel
Series C	July 2015	\$70 million	Index Ventures/Greenoaks Capital
Series D	November 2015	\$100 million	DST Global/Greenoaks Capital
Series E	August 2016	\$275 million	Bridgepoint
Series F	Sep-Nov 2017	\$480 million	T. Rowe Price/Fidelity
Series G	May 2019	\$575 million	Amazon

Deliveroo, the global reach.

- Deliveroo started its venture in London and is now operating in over 200 locations.
- They are based in 13 different countries; including Australia, Belgium, France, Hong Kong, Italy, Ireland, Netherlands, Singapore, Spain, United Arab Emirates, Kuwait and the UK.

Uber Eats and Deliveroo are most active in UK and France

Average daily active users, 2018 ('000)



Selected European countries

Source: Priori Data

© FT

Deliveroo's growth.

- Since 2013 Deliveroo, has expanded and become a household name. They encountered technology problems in the beginning which held them back, however smart phones and apps have made Deliveroo easily accessible to all.
- Deliveroo have created over 25,000 employment opportunities since they launched.
- Between 2013-2016 Deliveroo was found to be the fastest growing company. According to the Financial Times figures, their revenue increased by 100,000%

Deliveroo's Future.

- Despite not making a profit since the company began, it has shown the importance within the food industry of digitally-enabled deliveries.
- It has just recently gone from a limited company to selling shares on the stock exchange market.
- Deliveroo has branched out into grocery deliveries by teaming up with aldi, waitrose and Sainsburys in order to reach a wider community.
- Deliveroo also plan to launch in over 100 new towns and cities across the UK this year, according to Forbes.

Challenges before modern technology

- Deliveroo pay their drivers £7-£12 P/H and pay £3-£4.50 extra per each delivery drop off. Average food courier earns between £7-£13 P/H
- Just Eat 's revenue model, making sure that their drivers receive National Minimum Wage
- Just eat don't always have a delivery fee and have some advantages. Uber Eats does the same depending on mile radius of the restaurant
- Deliveroo there's always a fee no matter the location. (Masters,2021)

The UK Delivery App Market

Top 3 takeaway delivery providers in the UK and U.S.

% of takeaway lovers who use the following delivery providers



Competitor analysis

Just Eat, Uber Eats & Deliveroo

Top competitors of Deliveroo

Top Competitors	Websites	Market Share	Vendor
DoorDash	10,713	26.26%	DoorDash
GrubHub	9,124	22.37%	GrubHub
ChowNow	8,008	19.63%	ChowNow
BeyondMenu	3,743	9.18%	BeyondMenu
Seamless	1,615	3.96%	GrubHub

Deliveroo market share.

- There are Twenty businesses that make software for product ordering and delivery
- Deliveroo is a technology network which integrates web and mobile consumers
- In most restaurants tablet-based point-of-sale order management terminals
- The Food Ordering and Delivery sector does indeed have a worldwide market share of 47,777.



As a technology-driven business the difficulties Deliveroo were facing?

- A variety of Delivery apps are becoming worldwide
- Deliveroo have been in partnership with Franco Manca and a few other restaurants and expect to expand to 200 more businesses in the UK.
- Deliveroo have taken it into their own hands to understand the expenses and risks of this -This includes street foods, market stalls, small businesses allowing brands to expand worldwide.
- There Have been Over 100,000 riders in 12 other countries as well as the UK. Couriers were still being paid less than the minimum wage
- The average earning for drivers was £8.72 per hour
- Strikes were made in the UK for lack of earnings riders were receiving

The options they had & why?

- Back in July 2016 the UK border agency were looking into restaurants in the UK one of them being Byron Burgers. All employees that worked for the Byron Burgers company were to attend a meeting. Over twenty employees were detained and deported back to their hometown.
- Weeks before Deliveroo had also decided to work with the UK border agency to help assist in this same problem that they were having with documentation checks and eventually found out that they had a few workers working without legal documentation to work. Deliveroo eventually took it into consideration to convert an alternative way employees in the uk were funded. A Bonus of (£1) on top of the salary was added for some
- Over time Deliveroo has settled for what the employees had asked for but made sure that any existing employees still received the same (£7+£1) and the scheme would only be for new Deliveroo employees, leaving Deliveroo employees satisfied as it was a new beginning. (Cant, 2019)

Insight of modern technology.

Technology has changed how people order food and get food delivered to their door.

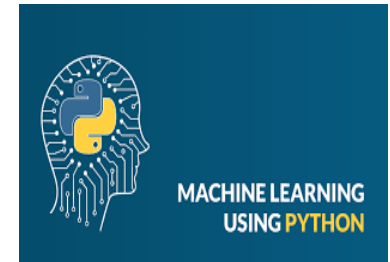


image source: <https://deorwine.com/blog/create-an-online-food-ordering-system/>

Key drivers behind food technology?

- Allow customers to place orders via all possible channels
 - Social media, IoT, smart devices, cars, and so on
 - Simple, user-friendly and hassle-free Apps
 - Zero clicks (order on the go)
- Speed up delivery and lower operational costs
 - Ensure food delivered to your door piping hot
 - Savings in labour, transport
 - Accuracy of online orders
- Targeted promotions. offers sent out to consumer's phone makes a positive impact.
- Customised UI based on tastes, favourite food and restaurant.
- Analytics

Deliveroo's technology stack.



Stackshare. (2020) 'Deliveroo Tech Stack'. (online)

The Future of Delivery Technology.

- Drones - Amazon partnership with Deliveroo
- Robots - Combined with AI and self-driving cars
- Augmented reality (AR) and virtual reality (VR) driving new customers to food delivery services.
- By integrating AI and machine learning techniques, they can minimize potential errors, enhance the user experience
- Delivery companies collect and analyze
 - Road traffic, the impact of temperature on food;
 - Customer purchasing history;
 - Reviews and comments on social media;
 - Posts customer share on social networks;

Emerging Technologies.

- Costa introduced a mobile app to order in advance and skip the queue.
- Amazon Go (No lines, No Check-outs)
- Domino's allows shoppers to order through Amazon echo as well as via smartwatch, text, and the 'zero clicks required' app.
- Order with your eyes - Pizza Hut has released a digital menu that reads customers' minds. The new menu, is built on eye tracking technology.

Impact of modern technology.

The success of Deliveroo is based on making use of the best technology available in the delivery market. Big data and machine learning are the tools that propel the company ahead of the competition, predicting the time of preparing and delivering the meals.

1. Due to the Frank algorithm, Deliveroo has managed to reduce delivery time by 20%
 - Drivers will complete more deliveries per hour and earn more money
 - Restaurants will have higher sales
 - Customers will receive their food faster
2. According to Apptopia, Deliveroo has 1,854,163 app downloads per month, the most popular being
 - Deliveroo: Takeaway food
 - Deliveroo: Food delivery
 - Deliveroo: Rider

Continued...

- A fleet of Deliveroo couriers makes the deliveries. The labour process is meticulously timed and calculated. Any action taken by the employee is carefully logged and compared using the software platform. This is not always working in drivers' favour, as they might get a text anytime that they will be 'deactivated' -Deliveroo's synonym for sacked (Jamie Woodcock, 2020)
- At Deliveroo the information asymmetry between the platform and the drivers is significant.

Efficiency & Employability.

- Each worker is tracked in real time by the platform, measuring GPS positioning and timing. The driver is given information only for the next part of the task. When an order has been made, it is then pushed out via the app to a driver, a process determined algorithmically. The algorithm's chosen driver is only provided the option of accepting the delivery. (Waters and Woodcock, 2017).
- Drivers are only given just enough information at each step.
- First instruction is which restaurant the food needs to be picked up from, with no detail about where to be delivered. So drivers cannot skip a delivery with a long or complicated route and opt for shorter journeys to maximise their pay.

Continued...

- The app screen shows the restaurant location and then moves into a GPS guide route.
- At the restaurant, the worker confirms the arrival through the app
- When the order has been received from the restaurant, the app provides the delivery address
- The app switches to the GPS route
- The driver delivers the food and confirms it on the app.
- The driver receives an automated performance email

(Jamie Woodcock, 2020)

Continued...

- From Deliveroo management's point a view, the logistics algorithm is the key for the win-win of all parties involved (customers, restaurants and drivers).
- As a result, Deliveroo "has topped Deloitte's ranking of the UK's 50 fastest growing technology companies, for the second year in a row. Deliveroo is the first in the 21-year history of the Fast 50 to win twice, reporting an average three year growth rate of 15,749% to the year 2017/18" (Deloitte, 2018)

2018 UK Technology Fast 50

Ranking	<u>Company</u>	Sub-sector	Region	Growth rate
1	Deliveroo	Software	London	15,749%

Lesson learned from the case.

Advantages

1. Any customer can order food from home, and having it delivered to their front door.
2. Customers discover new restaurants.
3. Online ordering means more choices. (moore restaurant)
4. The advent of online food delivery services has allowed restaurants and customers to connect even when facing unfavorable weather. Restaurants can field steady business and customers stay well fed.

Continued...

Disadvantages

1. Ordering from online food delivery services is not a quick experience
2. Consumers lose the restaurant ambiance
3. More Expensive (the delivery price depends on how far you are from the restaurant)
4. When the restaurant has exclusive offers usually these promotions are not valid upon delivery.

ROI/Cost of transformation

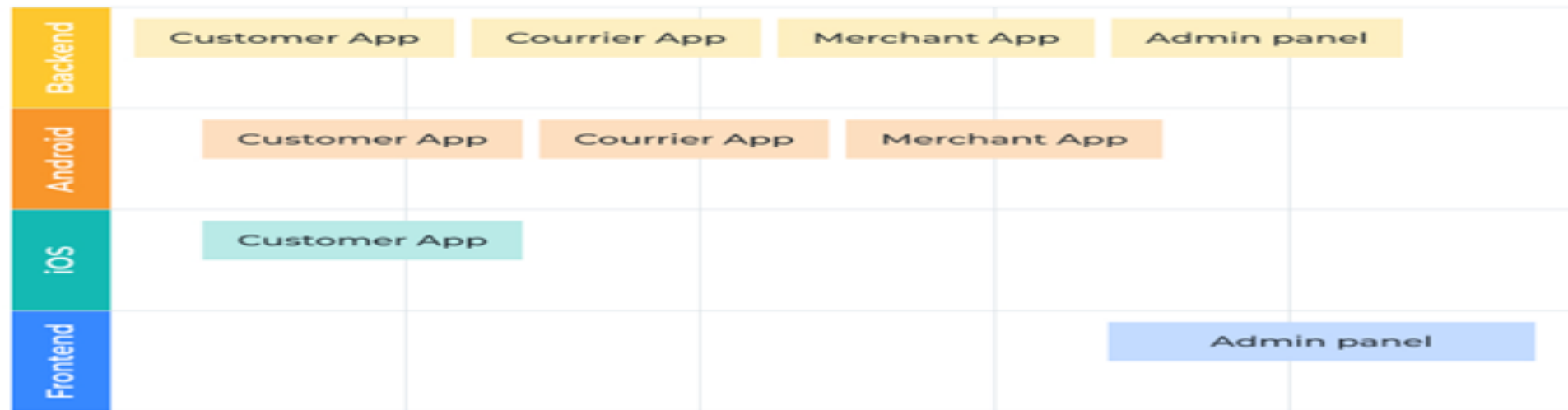
We have 2 type of business based on its cost structure: Cost-driven and Values-driven .Deliveroo is a cost-driven structure, he minimize expenses through significant automation and low-price value propositions.

The accounts show £13m was invested in “Driver and restaurant equipment” last year

They implemented a new project ‘RooBox’. Deliveroo are setting up multiple kitchens in shipping containers; its partner restaurants supply the recipes and the chefs to cook in them.

There’s also automation – robots taking over people’s jobs, either delivering orders or cooking food in those Rooboxes.

All though Deliveroo have not shared too much information about its cost expense structures, the following are just basic structures that are considered for Deliveroo;



Benefits?

- Deliveroo is still unprofitable since the company was founded in 2013. In 2020 underlying loss of £223.7 million but that figure was down by nearly £100 million from 2019, when it chalked up a loss of £317 million .
- Amazon, DST, Greenoak, Bridgepoint, Accel and another big investors sell Deliveroo Stake in IPOd.

Deliveroo Holdings PLC

GBX 228.54 ↓ 0.76% -1.76 Today

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A company without technologies?

- Any company that is founded aims to make a bigger profit, it is also logical that nowadays without technologies we do nothing. You want more profit you need to keep up with technology.
- One of the advantages of the technologies that I would say that the important role is the transport with which the deliveries are made (electric bikes, scooters), contributes to the reduction of emissions of polluting substances into the atmosphere.

Conclusions.

- Deliveroo is a food delivery application that has become successful due to business structure and the core functionality and operations that it serves.
- An important thing that led to the success of this company are the partners who helped to work to make a large customer base.
- Deliveroo is a company that invests a lot in technologies (in robotics), which is a very good thing for the future company.
- In conclusion, Deliveroo will continue to do new partnerships across new country and sectors, increasing its sales volume, users, credibility.

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Slide 01 – 07

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