

HOT Delivery

Sample Market Research and Pricing Strategy Plan



CONTACT INFORMATION

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Mission Statement

To bring fresh, healthy, nutritious, and great-tasting food to customers' doorstep in rural areas through quality services in time, based on best practices for customer satisfaction with personal care and service.

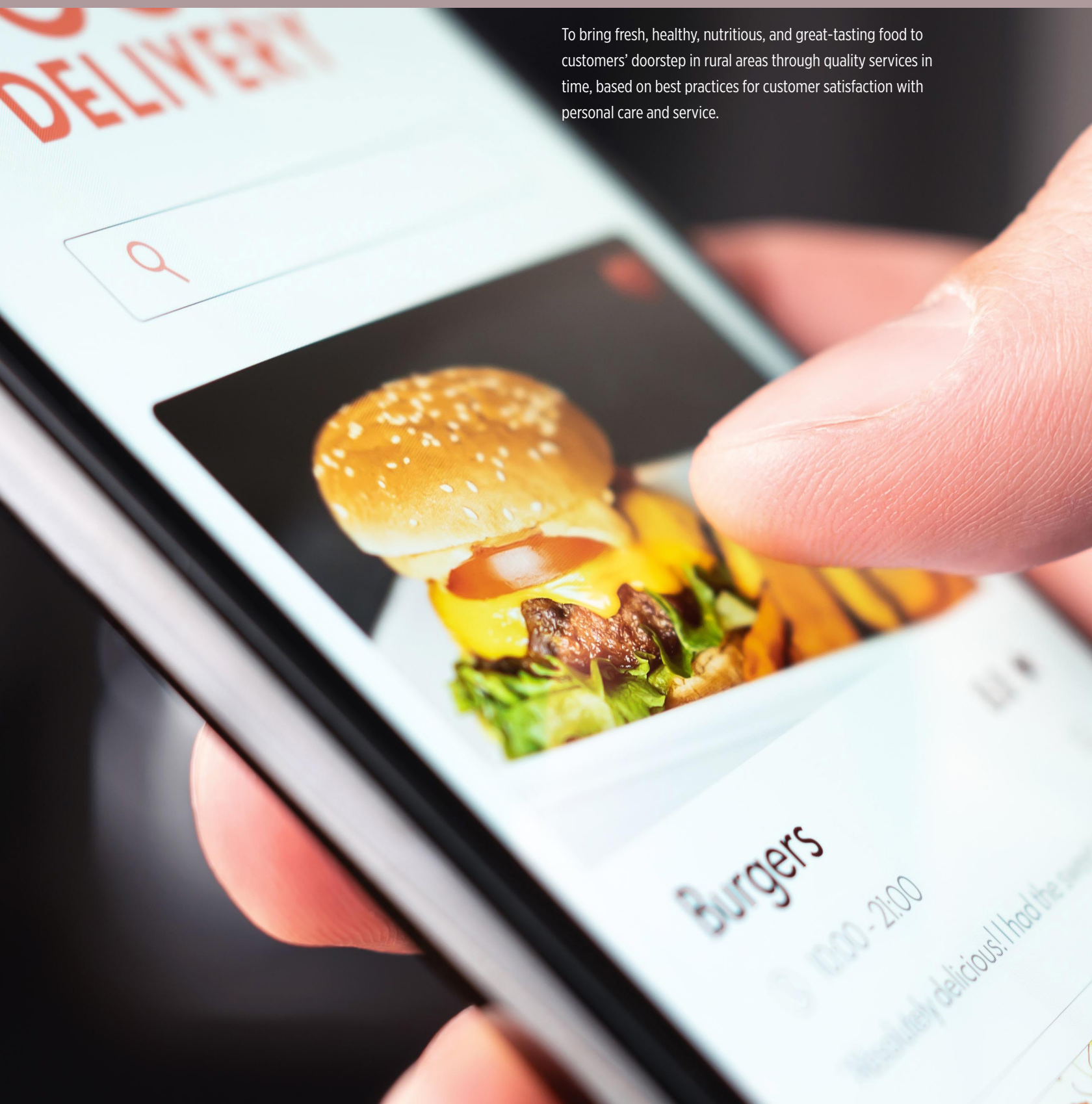


Table Of Contents

Confidentiality Statement.....	2
Disclaimer Statement.....	2
Mission Statement	3
Executive Summary	5
Objective.....	6
Situation Analysis.....	7
Restaurant Online Ordering Statistics	9
Covid-19 Restaurant Online Ordering Statistics	9
Product	10
Price – Competitor Based Pricing Strategy	11
Competitor’s Pricing.....	11
Hot Delivery Pricing.....	12
Place	13
Target Market.....	13
Location: Demographics	14
Restaurants Within Initial Target Area	13
Promotion.....	14
Customer Conversion Strategy	22
Competitive Analysis.....	23
Major Industry Players.....	23
Competitive Advantages	24
Hiring Strategy – Hot Delivery Drivers.....	25
Organizational Chart.....	26
Conclusions And Recommendations	27

Executive Summary

Introduction: Hot Delivery (also referred to as “The Company”) will be an on-demand interactive food delivery app that will allow users to request deliveries from all types of restaurants. Hot Delivery will hire independent drivers to do food deliveries. Hot Delivery orders will be restricted to food only. Hot Delivery will use an app to receive orders, then navigate to the restaurant and the customer. The Company plans to start its operations by partnering with the restaurants in Prairie View, Texas, and then expand to the rural areas in Texas and nationwide. The management is contributing \$150K to make this venture a success.

Business Model: Hot Delivery will earn its revenue from the commission on orders from restaurants, commission on delivery services, premium advertisement services for restaurants, and third-party advertisement services through the Company’s platforms. The high operational cost of Hot Delivery will be the marketing and advertising expenditure, Hot Delivery mobile application and website maintenance expenses, and remuneration of management.



Hot Delivery is registered in the state of Texas. Ownership is held by Mr. Jeffery Scott.

Target Market: The target market for the products and services offered by Hot Delivery will be the following segments in Waller County and rural areas of Texas:

- Consumers
 - Students
 - Tech-savvy persons
 - The population of rural areas
- Restaurants
 - Full-Service restaurants
 - Fast food restaurants
- Delivery Personnel
 - 18 years and above of age having a valid driving license for at least one year

Impact of COVID-19 on food delivery businesses: There has been a surge in demand for home food delivery, with an increasing number of people staying indoors and practicing social distancing. Delivery services like Doordash, GrubHub, Postmates, and UberEats are all experiencing increased demand for their services and have taken steps like offering contactless delivery to protect customers and delivery drivers.

Marketing: Marketing for Hot Delivery will be done through the following listed mediums, with Business-to-Customer marketing being the primary channel:

- Discounted enlistment for top-selling restaurants
- Offer Discounts and Deals

- Keep Improving the Quality of service
- Marketing Delivery Service with Social media
- Hot Delivery Mobile App
- Collaboration with Food Bloggers
- Print and Handout Business cards and Fliers
- Restaurant and Food Establishment Outreach
- Offer Deals for Local Workspaces and Business
- Promote Services with Creative Advertising
- Offer Loyalty Points & Cashback
- Master Search Engine Optimization
- Create an Email Marketing Campaign
- Reward Reviews, Referrals, and feedbacks

Management: Mr. John Smith is the founder and owner of Hot Delivery. Mr. Smith is well connected and attuned to the targeted market's needs. His work ethic and business acumen will be the key drivers that propel this venture to achieve lasting success.

Objective

The purpose of this plan is to provide management with a strategic document that specifies the Company's pricing, target markets, marketing objectives, programs, and activities to achieve them, timescales, and the resources to be utilized, according to defined budgets. The plan will outline:

- The marketing mix strategy will be used to gain an advantage in the market while focusing on products and services, market segments, and how marketing communications and campaigns achieve defined targets.
- The current position, priorities, and direction of the Company
- Its position concerning external environmental factors
- The Company's strengths, weaknesses, opportunities, and threats

Situation Analysis

Product/Service	Online Food Delivery
Unique Selling Proposition	Delivery to rural areas where usually other food delivery providers do not operate
Best Practices	Well-performing Marketing Channels and Marketing Campaigns
Marketing Objectives	To gain an advantage in the market over the competitors, bring users to the Hot Delivery app, retain customers, and develop a reliable image of Hot Delivery among consumers.
Challenges	To hire delivery drivers within a 20-mile radius of the intended rural areas, enlist the best restaurants within the target areas, and ensure timely deliveries of food
Competitor Analysis	Doordash, GrubHub, Postmates, and UberEats are the top competitors of Hot Delivery operating nationwide. They have a well-established brand and millions of app users. However, the competitors focus on urban areas and are reluctant to work in rural areas, which Hot Delivery has targeted to acquire.

Swot Analysis

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Strengths

- 100% owner funded business
 - Competitive and attractive pricing
 - Customer service commitment
 - Delivering to the rural areas
-

W

Weaknesses

- As a new business, the Company must build its credibility
 - The Company requires an extensive marketing campaign to become popular among the public
-

O

Opportunities

- The increasing popularity of online food delivery among the public
 - Future growth of the industry
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T

Threats

- Instability of the US economy leads to unpredictable market activity
 - Larger companies that have more resources and the ability to reach deeper into the market
-

Restaurant Online Ordering Statistics

The following statistics give some insight into how powerful online ordering is:

1. 60% of U.S. consumers order delivery or takeout once a week.
2. 31% say they use these third-party delivery services at least twice a week.
3. 34% of consumers spend at least \$50 per order when ordering food online.
4. 20% of consumers say they spend more on off-premise orders compared to a regular dine-in experience.
5. Digital ordering and delivery have grown 300% faster than dine-in traffic since 2014.
6. 70% of consumers say they'd instead order directly from a restaurant, preferring that their money goes straight to the restaurant and not a third party.
7. 57% of millennials say that they have restaurant food delivered to watch movies and TV shows at home.
8. 59% of restaurant orders from millennials are takeout or delivery.
9. 33% of consumers say they would be willing to pay a higher fee for faster delivery service.
10. 87% of Americans who use third-party food delivery services agree that it makes their lives easier.
11. 45% of consumers say that offering mobile ordering or loyalty programs would encourage them to use online ordering services more often.
12. 63% of consumers agree that it is more convenient to get delivery than dining out with a family.
13. Americans who have not used a third-party restaurant delivery service, say fast delivery (31%), restaurant selection (28%), low order minimums (27%), and first-use coupons (26%), would motivate them to try it.
14. 60% of restaurant operators say that offering delivery has generated incremental sales.
15. Orders placed via smartphone and mobile apps will become a \$38 billion industry by 2020.
16. Pizza chains reported an 18% increase in customer spends from online/mobile orders vs. phone orders.
17. Working with a third-party delivery service has been found to raise restaurant sales volume by 10 to 20%.
18. Delivery sales could rise an annual average of more than 20% to \$365 billion worldwide by 2030, from \$35 billion.
19. 43% of restaurant professionals said they believe third-party apps—many of which withhold data—interfere with the direct relationship between a restaurant/bar/pub and its customers.
20. Customers who place an online order with a restaurant will visit that restaurant 67% more frequently than those who don't.
21. It's estimated that mobile orders will make up close to 11% of all QSR sales by 2020.
22. Visits to U.S. restaurants where guests paid by mobile app increased by 50% from 2017-18.

Covid-19 Restaurant Online Ordering Statistics

Online ordering is now the primary source of revenue for many restaurants. To succeed with takeout and online ordering, it's essential to understand the shift in guest behaviors and translate the in-house hospitality to delivery and takeout sales.

23. 43% of restaurant professionals said they believe third-party apps interfere with the direct relationship between a restaurant and its customers.
24. From February to April 2020, a 169% increase in the number of restaurants actively using Online Ordering with Upserve as restaurants quickly innovated and pivoted to takeout and delivery, paired with an 840% increase in weekly sales via online ordering.
25. This is not a regional or urban trend. We see an uptick in online orders in all types of geographic areas. In large suburbs, online ordering grew 3,868% between February and April.
26. Guests are looking for comforting, simple, and cost-effective options when ordering online. The top three items that have spiked in sales in 2020 compared to 2019 are sandwiches and wraps (+21%), burgers (+10%), and pizza (+9%).

Product

The Hot Delivery app will let users know what is popular in what restaurant, and users would choose directly from these items if they do not have anything particular in mind. If the customer will want a planned delivery, can schedule it beforehand using the app as well. Customers using the app frequently will remember preferences and suggest orders that customers might like to try next. They will see the progress of order live, having a live tracking feature in the app. The app will let users rate the food and delivery and the delivery personnel separately to express their whole experience better. If there will be an issue with the app, delivery, or any other aspect of the entire experience, users could contact the twenty-four-seven customer care that Hot Delivery provides to its customers.

Consumer Perspective



Step 1: Choose the order

Users will choose their favorite food by pressing a button that shows up the restaurant list with various menus listed on Hot Delivery. Features such as search, nearby restaurants and making choices based on categories will also help users sort.

Step 2: Payment

Users will make the required transactions after placing their orders online. Once the order would be received by Hot Delivery, it will forward it to the respective restaurant to be prepared and packed for delivery.

Step 3: Track order

The delivery person will pick up the packed food order from the respective restaurant. The in-built software used by drivers on their phones will allow them to accept orders whenever they have downtime. Hot Delivery will provide customers with the facility to track the food location to estimate delivery time.

Step 3: Delivery

The delivery drivers will try to make shorten the delivery period as much as it is practical. The customers, although not necessarily but usually tip the dashers, the dashers get to keep 100% of the tip received.

Restaurant Perspective



Delivery Drivers Perspective



Price - Competitor Based Pricing Strategy

Competitor's Pricing

Sr. #	Company	Delivery Fee	Services	Average delivery Commission charged from Restaurants	The average commission charged on deliveries	Payment to delivery drivers	Average pay per hour
1	Door Dash	\$5.99 flat fee	Breakfast, lunch, dinner, and alcoholic beverages delivery.	20%	Variable (difference of payment to drivers)	<ul style="list-style-type: none"> • \$2-\$10 per delivery Base Pay • Promotions • Tips from customers 	\$15-\$25 per hour
2	GrubHub	\$4 - \$7 on average - Varies (fee set by each restaurant)	Food delivery and restaurant takeout	13.5% Additional 20% for marketing	Variable (difference of payment to drivers)	<ul style="list-style-type: none"> • \$5 per order base amount • Tips from customers 	\$20.48 per hour
3	Uber Eats	\$4.99 and up based on distance	A food ordering and delivery service.	20% - 30%	25% fixed	<ul style="list-style-type: none"> • Base fare plus Trip supplement less Uber eats commission 25% • Promotions • Tips from customers 	\$10-\$14 per hour
4	Seamless (acquired by GrubHub)	\$6 on average - Varies (fee set by each restaurant)	Food delivery and takeout order.	13.5%	Variable (difference of payment to drivers)	<ul style="list-style-type: none"> • \$5 per order base amount • Tips from customers 	\$20.48 per hour
5	Postmates	<ul style="list-style-type: none"> • \$0.99 - \$3.99 for Partner Merchants • \$5.99 - \$9.99 for all other merchants 	Food, groceries, and alcohol delivery	15% - 20%	20% fixed	<ul style="list-style-type: none"> • \$4-\$6 per delivery 	\$20 per hour

Hot Delivery Pricing

Small-town and rural customers want delivery just as much as any significant metro dweller, but third-party companies have been slower to launch in these seemingly less-profitable areas. Independents and larger chains, however, the service is critical and very profitable. Eighty-eight percent of the U.S. population lives in the small and medium cities where Online Food Delivery is still missing in many less populous areas, and there is still opportunity in the smaller towns and suburbs where delivery service penetration is less prevalent by the so-called Big 4 — Grubhub, UberEats, DoorDash and Postmates.

Rural areas in the U.S. are primarily underserved when it comes to food delivery. There is an excellent opportunity to reach people in smaller markets, both on the coasts and in middle America. A challenge to offering delivery in these smaller towns is that customers often live far from one another, which means more miles traveled for the delivery service provider, along with its inherent costs. Secondary markets with smaller populations can often be quite large geographically. Covering more miles requires carefully coordinate drivers and orders through the app so that food is delivered speedily with excellent quality.

The Company will look at population density and the number of restaurants within a geographic area. The ideal neighborhood set-up allows getting food from the restaurant to the customer in about 10 minutes. Packaging is another challenge as it is harder to ensure temperature and quality on longer distances.

- **Commission on orders from restaurants**

Hot Delivery will serve by delivering from the restaurant to the doorstep of customers who place food orders online through Hot Delivery. For the same, Hot Delivery will charge a commission percentage out of every order delivered. Usually, the rate of commission from restaurants would be around 20%.

- **Delivery services**

Hot Delivery will hire its drivers for food delivery. The delivery rate will depend upon travel distance and Hot Delivery's tie-up with the restaurant in consideration, but on average, the Hot Delivery delivery fee will be \$5 to \$10 per order. Delivery fees will calculate base fare of \$5 plus \$0.2 per mile for distance covered. The Company will keep a 20% commission on delivery services before payment to the delivery drivers.

- **Premium advertisement services for restaurants on Hot Delivery platforms**

Besides commission, Hot Delivery will also charge restaurants for their marketing and advertising on their App. To be on top of the restaurant list for a limited time, Hot Delivery will charge an extra 10% commission for a pop-up in the advanced search.

- **Third-party advertisement services on Hot Delivery platforms**

Hot Delivery will also offer advertisement services to businesses for their marketing and customer reach. This will include banner ads in the Hot Delivery app and website. The Company will charge \$10 per week for such advertisement services.

The total cost of an order from Hot Delivery will include:

- The price of the items available on the menus that are on Hot Delivery, along with the taxes.
- Then there is the delivery fee that is there for the delivery of a particular order.
- There is also a service fee that is charged, depending on the restaurant.
- If the user wants to pay an additional tip to the dasher, that will also be an added cost.

Target Market

The target market for the products and services offered by Hot Delivery will be the following segments, each discussed separately:

Consumers

- There are 7,382 students in Waller County and 5,416,400 students in Texas, according to The Texas Tribune.
- There are 23,327 Tech-savvy persons in rural areas of Waller County and 2,438,682 in rural areas of Texas, according to the U.S. Census Bureau.
- There are 34,054 persons in rural areas of Waller County and 3,075,261 persons in rural areas of Texas, according to the U.S. Census Bureau.

This segment comprises the following demographic:

- People who are working and do not have time to leave their offices, home working space.
- People who are too tired to go out, or do not like to go out much.
- People who need quick delivery from their favorite restaurant but which does not deliver.
- Those who do not have the space to cook or do not know how to cook will also be part of the Hot Delivery consumer section.
- People who are on the lookout for a desirable offer from restaurants or the app.

Restaurants

- There are 14,494 full-service restaurants in Texas, according to IBISWorld research.
- There are 24,719 fast-food restaurants in Texas, according to IBISWorld research.

Here are the main characteristics of this segment of the structure:

- Food Places that do not have their delivery system.
- Food Places who want to tap into the on-demand food delivery user base.
- Food Places that want the marketing boost from the app.
- Food Places that do not have enough space to host their customers.

Delivery Personnel

- There are 21,829 persons in rural areas of Waller County and 1,894,361 persons in rural areas of Texas having 18 years and above age, according to the U.S. Census Bureau.
- There are over 17 million driver's license holders in Texas, according to Statista.

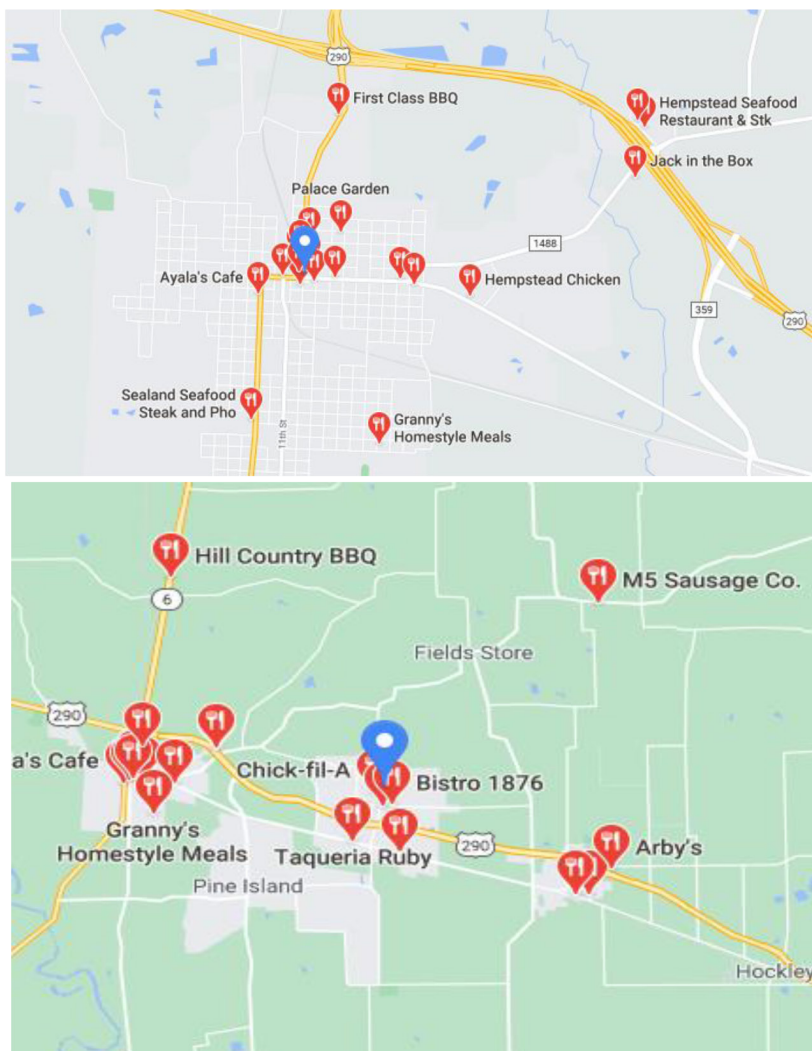
This segment includes:

- People who are looking for full-time employment as delivery people.
- People who are looking for flexible job hours.
- People who are looking for a side job.
- People who want to work for added incentives that come with a job like added incentives, tips from the users, and what they make.

Location: Demographics

Population	Waller County, Texas	Texas
Population	55,246	28,995,881
Rural Population	34,054	3,075,261
Population of students	7,108	5,416,400
Persons 18 years to 65 years of age, percent	64.1%	61.6%
Persons 18 years to 65 years of age, population	35,413	17,861,462
Housing Units	17,567	11,283,353
Households with a broadband Internet subscription	68.5%	79.3%
Median household income	\$57,654	\$59,570

Restaurants Within Initial Target Area



Offering lifetime memberships to best-selling restaurants at a discounted commission rate

Hot Delivery will ensure the enlistment of top food brands and best-selling restaurants at the start-up of the business. The restaurants will be offered lifetime enlistment at discounted commission rate ranging from 10% to 15% based on their demand in the vicinity.

Offer Discounts and Deals

About 93% of shoppers use a coupon or discount code throughout the year. Discounts make more profits for the business in the long run. Hot Delivery's discount strategy to make services more enticing to the shoppers will be by offering:

- 5% to 10% discount for first-time users,
- 10% discount of repeat orders, i.e., on each order after three orders within a week,
- free meals offer for returning customers, and
- discounts during the holidays.
- Monthly discounted subscriptions

Always Keep Improving the Quality of Service

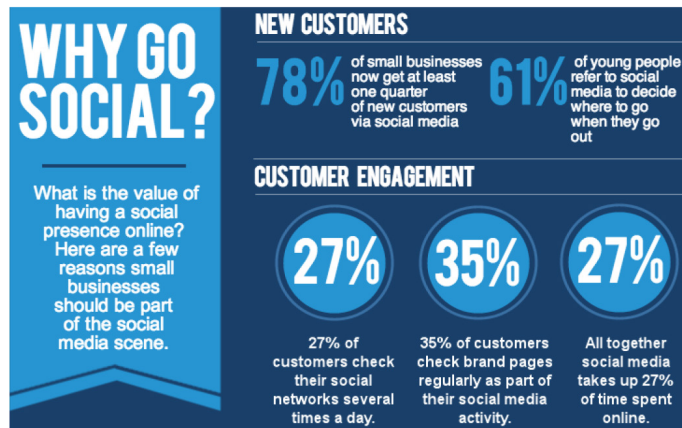
Quality of the service is the defining factor between a company and the competitors. Quality service will always attract customers, but continuously improving the service will allow us to retain customers. Here are three services Hot Delivery should continually improve:

1. **Excellent Customer Service:** Customer service is a crucial feature Hot Delivery should master. The customer service representatives and delivery employees are the faces of the Company. What they do and say to customers, from initial inquiries to delivered orders, can be the difference between an angry or lifelong customer.
2. **Fast delivery:** About 27% of people who order food are willing to pay extra for fast delivery. People are not likely to use a delivery service that is slow, regardless of the cost. Hot Delivery will always focus on improving the delivery speed by hiring more employees or mapping out better routes.
3. **Tracking & Updates:** Next to customer service, giving updates and tracking when food is late, an overflow of orders, or a lost delivery man in need of directions. Hot Delivery will ask for emails or phone numbers to update customers on their food delivery when needed.

Marketing with Social Media

Around 40% of consumers learn about food online more than ever before. Since Hot Delivery is in the business of food, the Company should create content focused on food. 72% of food pics on social media are of the main dish. People are willing to share, like, and discover pictures of food.

When people see a brand active on social media, they are most likely to interact and make a purchase later down the line. If they love the content, Hot Delivery can create a community of loyal brand customers who can market the Company's brand online. Hot Delivery will create Instagram, Facebook, and Twitter platforms and start publishing content on the profile.



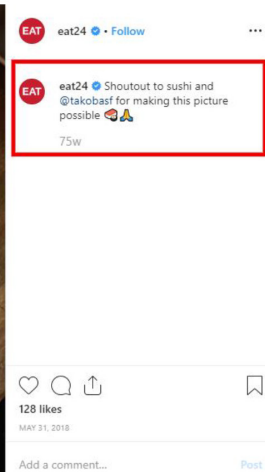
Instagram Example: UberEats

Hot Delivery Mobile Application

The business insider found that orders placed via smartphone and mobile apps will become a \$38 billion industry by 2020. People now see apps as a tool or extension of the business to easily connect to services with just a tap of a finger. Hot Delivery will invite and host a list of restaurants on the app to encourage people to place orders. The Company will grab local and popular restaurants. The Hot Delivery mobile application will serve as the primary marketing channel for the Company. The long-term financial sustainability of Hot Delivery will depend significantly on the Company's ability to market its restaurant partners through the application. Through the application, instant food delivery services, combined with strategic promotion, will increase demand for the Company's services in the targeted sector. The Company will maximize online presence to aid in app discovery through online ads such as mobile app installs campaigns across search, display, and video offers to promote the app to potential users.

Collaboration with Food Bloggers & Influencers

Food Bloggers and influencers can be the best referrals for Hot Delivery. Hot Delivery will reach out to prominent influencers and provide them with a discount or offer in exchange for a review or post. Influencers with a high count of followers can be provided for a fee as Influencer marketing is a multi-billion-dollar industry.



Print and Handout Business cards or Flyers

A business card or a flyer goes a long way when trying to market a food delivery service. Hot Delivery will ask delivery drivers to hand out business cards or flyers when making deliveries or pass them to local businesses in the area.

Do More Restaurant and Food Establishment Outreach

In 2018, there were 13,251 new restaurants in the US, according to Statista. With a 2% increase compared to the previous year, the restaurant industry reached 660,755 businesses and is expected to grow each year. When it comes to ordering food, about 54% of customers turn to an app with a specific restaurant in mind. The more options customers have to order from, the more orders Hot Delivery can get, the more sales, and the more restaurants will want to work with the Company.

Hot Delivery will make a list of new restaurants or local favorites and start from there. The Company will also place ads on social media asking food vendors to consider signing up for the app or using services.

Offer Deals for Local Workspaces and Business

Hot Delivery will find local workspace, co-working hubs, and businesses and reach out to them with food delivery offers for their employees. Offering the Company's services will allow them to have the flexibility to choose their favorite and saving them the trail of running back and forth between places.

Offering discounts on delivery over five orders, each business will be encouraged to send out large orders to Hot Delivery. The Company can also create contracts for an extended time to maintain the relationship. This will allow having a steady revenue to depend on overtime. Moreover, if restaurants see delivering large orders to companies on their behalf, they may want to do more business with the Company in the future.

Promoting Services with Creative Advertising

Here are three ways Hot Delivery can creatively market the delivery services.

Billboards

Traditional marketing still holds a candle to social media marketing. The Company should also invest in billboards placed within the areas of its operations.

Social Media Ads

According to Lyfe Marketing, social media ad spend will outgrow TV ad spend in the near future. Social media plays a dominant role in customers' lives, so Hot Delivery needs to consider an ad budget to reap the full rewards of using it to drive the company's business.



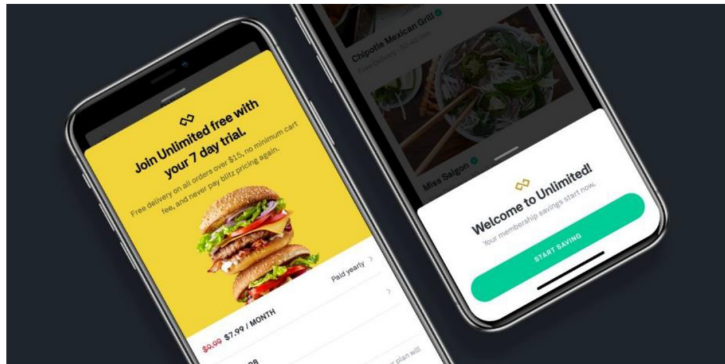
Promotional Branding

Hot Delivery will add the Company's name and logo to the employee's uniform, delivery bags, bikes, and hats. Promotional branding will bring the company to mind when people see Hot Delivery branding on the go.



Offer Loyalty Points & Cashback

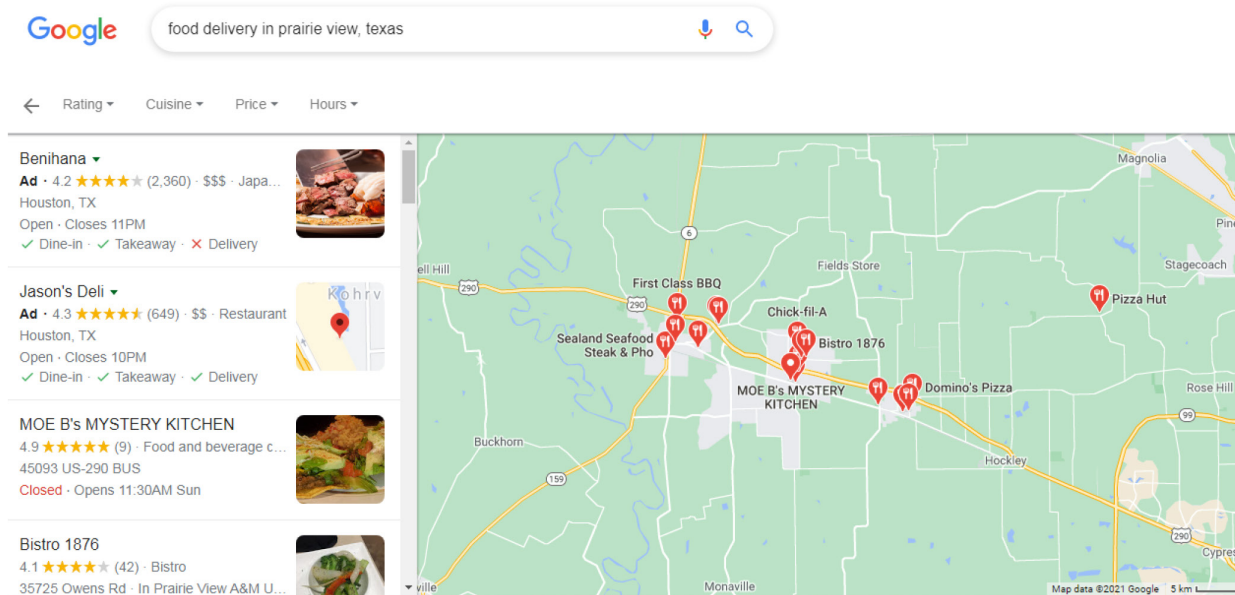
An alternative to discounts and deals are loyalty points and cashback deals. 45% of consumers agree that mobile ordering and loyalty programs make them more likely to do business with a store often. Postmates and Grubhub have profited from their loyalty program, asking customers to opt-in for free delivery and orders by adding up points over time. If you want your loyalty program to take off, you have to sit down and consider rewards worth reaping in the long run since customers will only benefit from it over time.



Master Search Engine Optimization

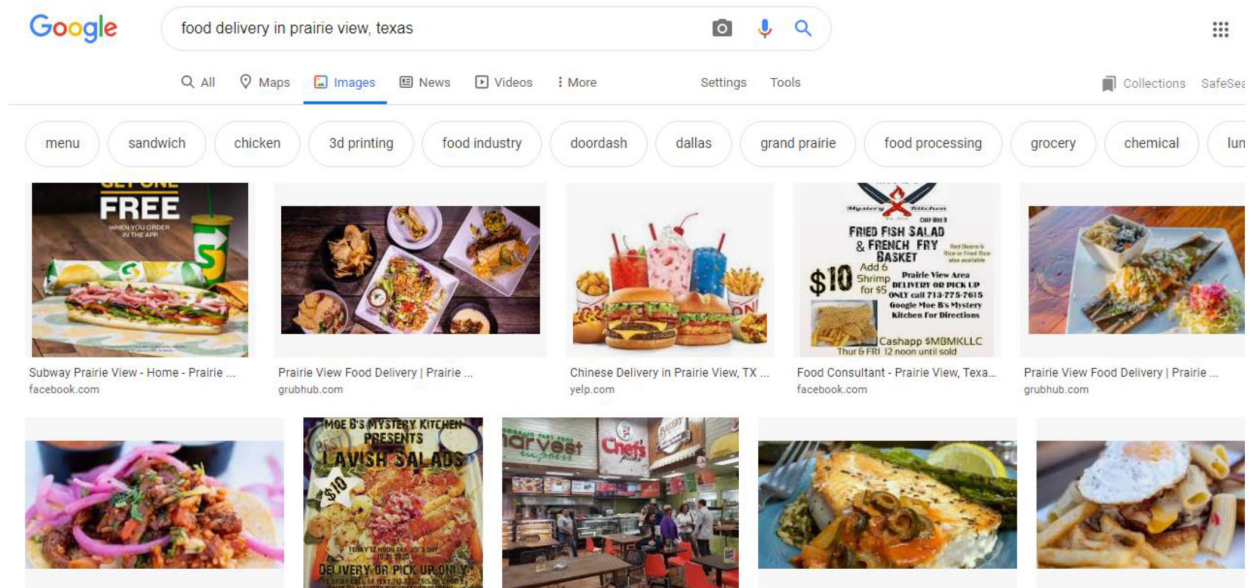
Sign Up for Google My Business

Google My Business acts as an online directory when people specifically search for services related to the Company. Google My Business allows viewers to view all the Company's contact details and website instantly.



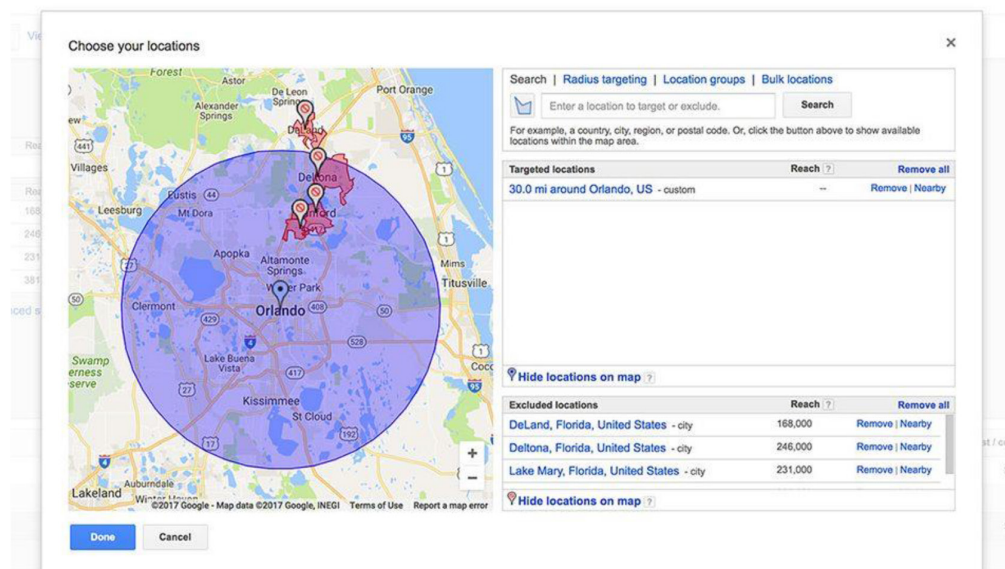
Keywords in Image Alt Text

An Alt text description is what Google uses to pop up suggested searches when people search for images or business. When Hot Delivery will upload photos online, make sure not to leave Alt Text Description empty, add related keywords and phrases so the company can dominate food delivery search in any area.



Use Geo-Targeted Ads

Google Ad Words allows targeting potential customers who live or as they enter a specific geographic area. It is most commonly carried out through apps that would enable location tracking.



Reward Reviews, Referrals, and feedbacks

What people have to say about the brand online has an impact on sales. Hot Delivery will take control of most of the narrative people have online. When customers leave negative reviews on Yelp, the Company's website, and social media, Hot Delivery will reach out to them and try to rectify the situation.

E-mail marketing

Executed adequately with the right strategies, e-mail marketing will be a cost-effective method to retain and enroll new participants. Based on the data presented by MailChimp, the average open rate across all industries is at 21.80%, and the average click-through rate is 2.78%. Keeping in view the following factors, the Company will use e-mail marketing to engage customers:

- E-mails will be mobile responsive.
- Segmenting e-mail lists will help to personalize e-mail messages and ensure that each offer is tailored to the specific audience.
- Optimizing e-mail subject line.
- Landing page: E-mails will direct the reader to a landing page using a call-to-action (CTA) button.

Word of Mouth

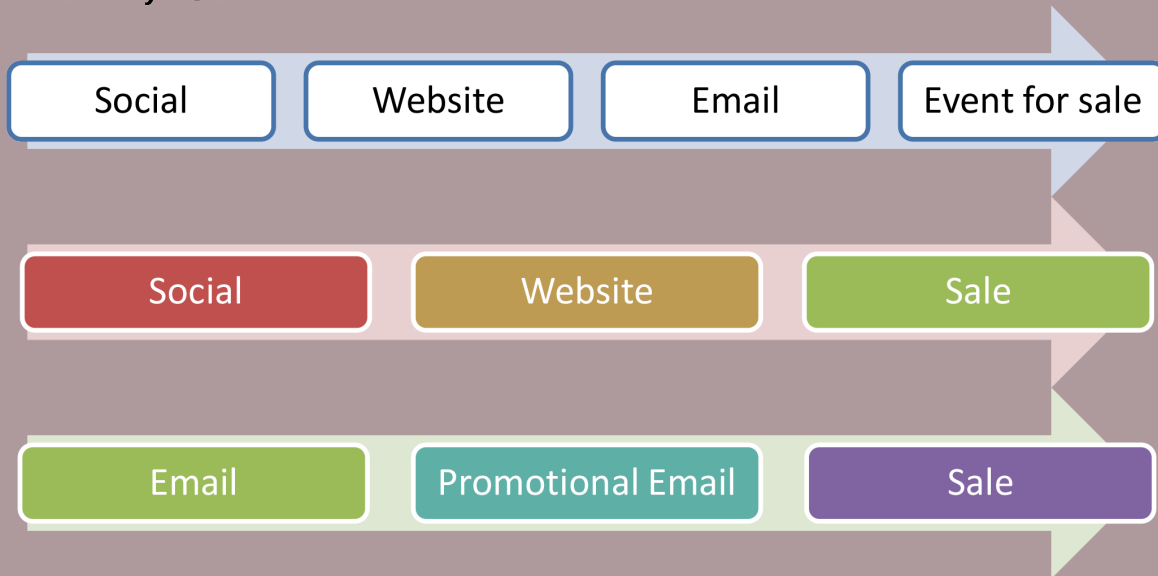
In addition to investing in traditional and digital marketing campaigns, the Company will rely on reputation, knowing that this is of the utmost importance within the online food delivery industry. The Company's dedication to exceeding the expectations of end-users will bring recommendations that will bring new customers.



Customer Conversion Strategy

Hot Delivery's Sales Funnel

Hot Delivery's Sales Funnel



Following conversion strategies will be used by the Company:

Setting a tripwire

The Company will use social media as a tripwire. The idea is to get them to commit to a tripwire and then channel them into a funnel.

Setting up email automation for people who get into the pipeline

When people enter various points in the Company's sales funnel, then will let our information systems do the heavy lifting in reaching out to them. The system will be set up so that the prospects are contacted at specific intervals with well-written emails that attempt to lead them further down the funnel.

Using animation to highlight your calls to action

The Company will ensure its call to action (CTA) buttons stand out prominently. The management will think about an animation that can make the Company's CTA stand out a bit more.

Detecting a user's location and serve app landing page specific to that area

People tend to be impressed with app landing pages that look like they were designed just for them. That's why the Company will avoid displaying the same app landing page to everybody who visits the Hot Delivery app.

Setting up a funnel analysis from start to finish

Hot Delivery's marketing team will use analytics to monitor marketing performance. The management will track how well the marketing efforts are doing at every stage of the sales funnel, and this is to analyze which strategies are working best for the Company. Based on the above, the management will check analytics regularly to see which methods are working best for the Company. Start expanding the most successful campaigns and eliminating the ones that aren't bearing fruit.

Competitive Analysis

Major Industry Players ¹

Company	Market Share	Description
DoorDash Inc.	27.6%	DoorDash Inc. is an American on-demand prepared food delivery service founded in 2013 by Stanford students Tony Xu, Stanley Tang, Andy Fang, and Evan Moore, who departed and is now a partner of Khosla Ventures. DoorDash is one of several technology companies that use logistics services to offer food delivery from restaurants on-demand. DoorDash launched in Palo Alto and, as of May 2019, had expanded to more than 4,000 cities and offered a selection of 340,000 stores across the U.S., Canada, and Australia. Expected to IPO in 2020, the company is currently worth close to \$16 billion and is the largest third-party delivery service in the U.S., surpassing Grubhub in 2019.
GrubHub Inc.	26.7%	Grubhub Inc. is an American online and mobile prepared food ordering and delivery platform connecting diners with local restaurants. The company is based in Chicago, Illinois, and was founded in 2004. As of 2019, the company had 19.9 million active users and 115,000 associated restaurants across 3,200 cities and 50 states. Grubhub Seamless went public in April 2014 and is traded on the New York Stock Exchange (NYSE) under the ticker symbol "GRUB." On June 9, 2020, Just Eat Takeaway, a European food delivery service, announced an agreement to buy Grubhub for \$7.3 billion in stock.
UberEats	25.2%	Uber Eats is an American online food ordering and delivery platform launched by Uber in 2014 and based in San Francisco, California. At Uber Eats, users can read menus, reviews, and ratings, order, and pay for food from participating restaurants using an application on the iOS or Android platforms or through a web browser. Users are also able to tip for delivery. Payment is charged to a card on file with Uber. Meals are delivered by couriers using cars, scooters, bikes, or on foot.
Postmates	12.1%	Postmates is an American company that offers local delivery of restaurant-prepared meals and other goods. As of February 2019, Postmates operates in 2,940 U.S. cities. The service relies on mobile phone applications and its Global Positioning System capabilities to match inventories and consumer demand. Launched in 2011, Postmates is one of many on-demand delivery companies in the United States, providing delivery from restaurants and stores that previously did not offer goods delivery. Postmates is an example of an on-demand company. Postmates co-founder Bastian Lehmann calls the company "anti-Amazon." On July 6, 2020, Uber announced it would acquire Postmates for \$2.65 billion.

¹ <https://trends.edison.tech/research/doorDash-vs-grubhub-vs-ubereats-march-2019>

Competitive Advantages

The following is a listing of the primary competitive advantages of the Company upon entering the market.

- Targeting customers in rural areas
- Lower overhead cost
- Lower delivery charges
- Lower commission percentage in comparison to other delivery businesses
- Enhanced benefits for delivery drivers in the form of minimum confirmed pay-out
- Competitive pricing structure; the Company is offering lower prices as compared to the competitors
- Experienced, professional, and enthusiastic management
- Aggressive advertising and product positioning, highlighting 3-fold benefits
- Potential to international exposure

Hiring Strategy - Hot Delivery Drivers

Eligibility and selection criteria

- Must be 18 years or older
- Have a vehicle or bicycle
 - Any car, truck, motorcycle, or scooter
- Have a valid driver's license, registration, and vehicle insurance
- Have at least one year of licensed driving experience
- Be able to pass a background check
- Own a smartphone with a data plan that's compatible with the Hot Delivery's app
- Must have a Checking account for direct deposit

Responsibilities

- Receive delivery requests inside the Hot Delivery app and deliver them to the customer
- Drivers would be able to schedule shifts and hours in advance
- The customer will enter their order through the app and will pay through the app; drivers will only pick up and deliver the food
- Delivery requests would be limited to the geographical region the drivers will select

Remuneration and benefits

- Hot Delivery drivers would expect to earn around \$10 – \$15 per hour
- Pay formula: Delivery fees, Promotions, and Tips less 20% Hot Delivery's commission
- Delivery fees will be a calculation of base fare of \$5 plus \$0.2 per mile for distance covered
- Hot Delivery will ensure a minimum pay-out of \$12 to its drivers for staying online eight hours a day
- The drivers will see estimated order pay-out upfront
- Hot Delivery will show the minimum pay-out of delivery before the driver accepts the trip
- The tipping feature in the app will encourage customers to tip. Hot Delivery will pay 100% of the received information to the driver
- Bonuses: Weekly and monthly Target achievement would increase earnings for the drivers
- The drivers will be paid weekly via direct deposit

Organizational Chart



Personnel Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
Management Staff					
CEO	1	1	1	1	1
Sales Assistant	1	1	1	1	1
Social media manager	1	1	1	1	1
Delivery Drivers	50	75	100	150	200
Total Personnel	53	78	103	153	203
Management Salaries					
CEO	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Sales Assistant	\$14,000	\$14,420	\$14,853	\$15,298	\$15,757
Social media manager	\$14,000	\$14,420	\$14,853	\$15,298	\$15,757
Management Staff					
CEO	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Sales Assistant	\$14,000	\$14,420	\$14,853	\$15,298	\$15,757
Social media manager	\$11,667	\$14,420	\$14,853	\$15,298	\$15,757
Delivery Drivers (Minimum Pay-out)	\$22,080	\$0	\$0	\$0	\$0
Total Payroll	\$97,747	\$80,340	\$82,750	\$85,233	\$87,790

Conclusions And Recommendations

Serving online food in rural areas has much potential and opportunities with many challenges the delivery companies face, the reasons behind they are reluctant to deliver in rural areas. Hot Delivery will develop its strategies to cope with the hurdles to bring opportunities to make the business profitable and successful. Following are the strategies listed for implementation:

Challenges for operating in rural areas	Strategic Recommendations
Affordability - Low-income individuals	Offer monthly subscriptions for delivery charges the whole month @ \$19.99 per month
Distant residences	The customer will pay a mileage premium of \$0.2 per mile on each order.
More distance means difficult to deliver hot and fresh food	Packaging is another challenge as it is harder to ensure temperature and quality on longer distances. Hot Delivery will ensure improve packaging from restaurants to keep food hot and food carriage boxes with delivery drivers printed with Hot Delivery.
Restaurants at distances	Hot Delivery will hire Delivery drivers from the local vicinity having smartphones with a data plan compatible with Hot Delivery's app. Covering more miles requires carefully coordinate drivers and orders through the app so that food is delivered speedily with excellent quality.
Delivery drivers earn less due to fewer orders	The Company will pay delivery drivers minimum pay-out for staying online 8 hours a day for the first six months to attract subscribers and customers to the start-up. Moreover, tips given to them by the customers will be transferred 100% without any deduction. This will attract delivery drivers to stay with the Hot Delivery app and improve the quality of delivery services.
Time-consuming – time means money	Scheduled food delivery options for consumers – discount for scheduled deliveries.
No dense population - Less People, fewer orders	Target workplaces for recurring orders, discounts on bulk orders, homemade food facilities nearby areas to provide food at cheap rates.



Wise Business Plans