

INSTACART

*'to build a world where everyone
has access to the food they love
and more time to enjoy it together'*

OUR TEAM

STRATEGENIUS



RÉKA
IZSÁK

*Management
and Leadership*



STELLA
NAGY

*Management
and Leadership*



NÓRA
KOZMA

*Management
and Leadership*



ATTILA
LÉGRÁDI

*Management
and Leadership*

EXECUTIVE SUMMARY



ANALYSIS

Changing retail landscape due to covid-19/technology

Instacart model is not sustainable anymore

Instacart has the customer data as key resource



DEVELOPMENT OF ALTERNATIVES

Data provider (recommended)

Matchmaker

Automator



RECOMMENDATIONS AND IMPLEMENTATION

Social e-commerce model

- Team buying user interface
- Data solution to retailers
- Implementing the 5 principles of gig economy fairness



IMPACT

17% company profit margin

14% project ROI

STRUCTURE



ANALYSIS



**DEVELOPMENT OF
ALTERNATIVES**



**RECOMMENDATIONS
AND
IMPLEMENTATION**



IMPACT

STRUCTURE



ANALYSIS



**DEVELOPMENT OF
ALTERNATIVES**



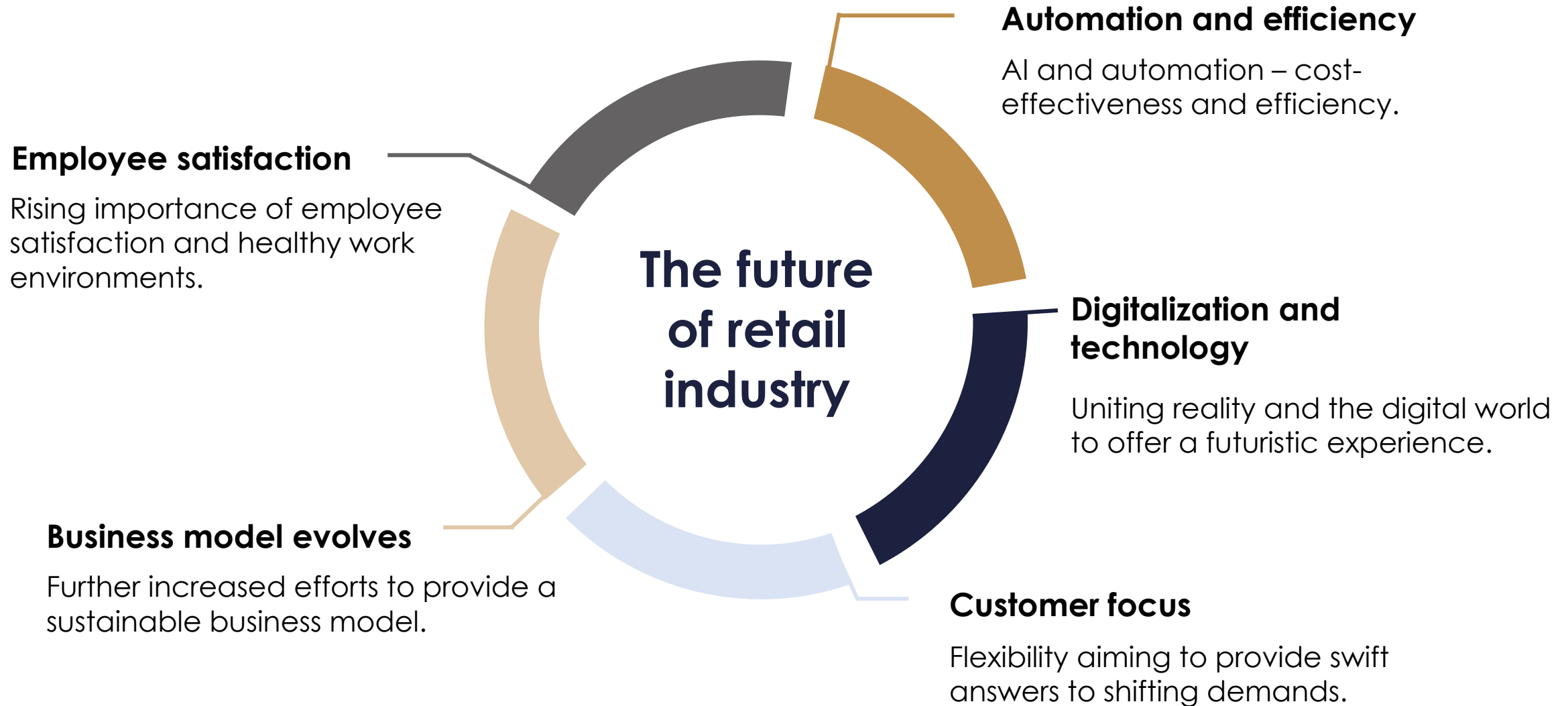
**RECOMMENDATIONS
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IMPACT

Outlook on retail industry

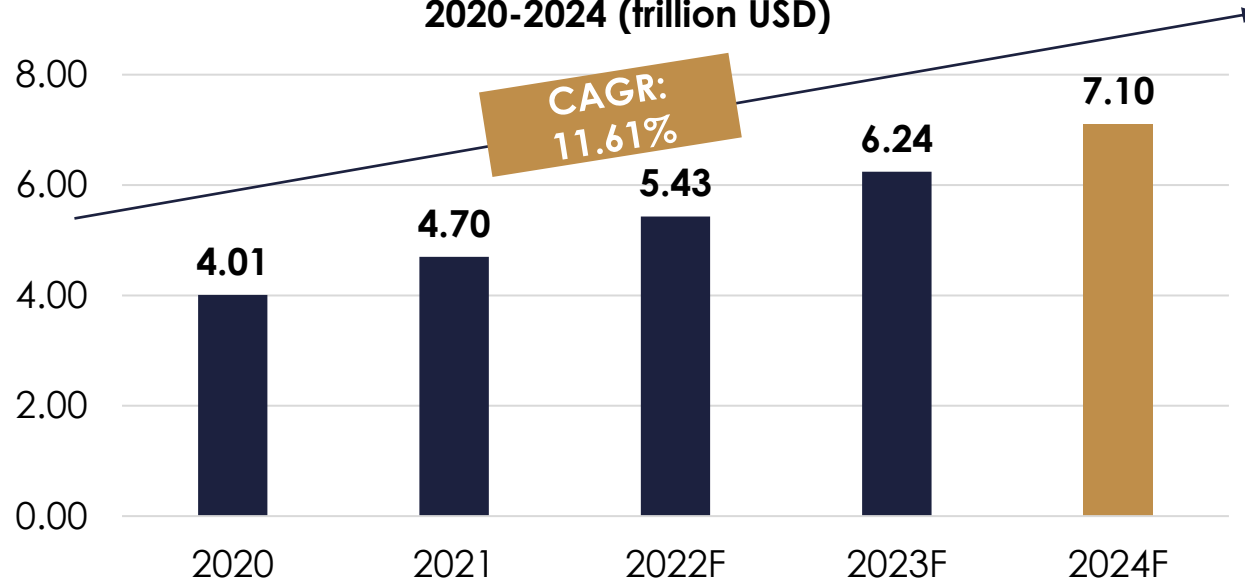
The retail industry is already depending heavily on technology. This tendency will continue to drive innovation in the future, while also being greatly influenced by the need for sustainability.



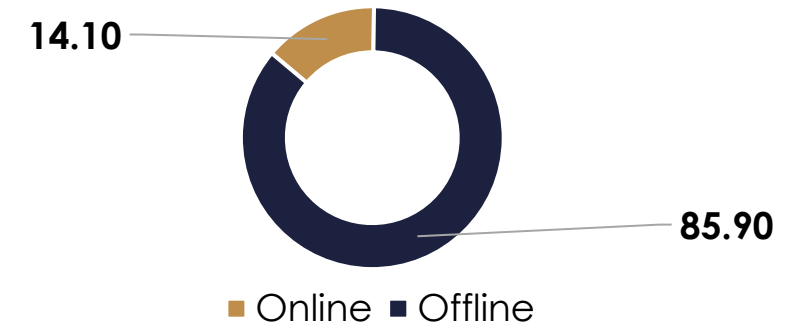
Outlook on retail e-commerce

The retail industry has been slowly shifting to an online environment, companies racing to offer the best online services in the market. This trend has only been accelerated by the coronavirus pandemic.

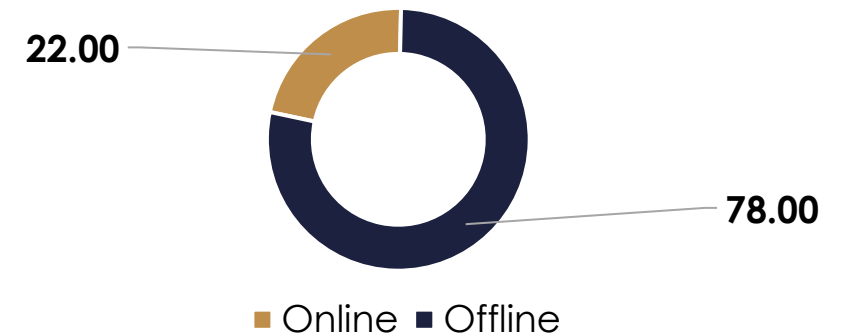
Global retail e-commerce sales, 2020-2024 (trillion USD)



Share of retail sales between offline and online channels worldwide, 2019 (%)



Share forecast of retail sales between offline and online channels worldwide, 2023 (%)



Managing demand fluctuations
Shoring up the cash reserves
Protecting the people
Thinking about the longer-term supply challenges

Outlook on customer behavior

COVID-19 has impacted customer behavior in several ways, including their shopping habits.

Shift to value and essentials

Spending more on essential goods.

Flight to digital and omnichannel

Customers plan to continue online shopping.

Shock to loyalty

Value can interrupt brand loyalty.

Health and “caring” economy

Buying more from socially caring companies.

Homebody economy

Focusing on avoiding crowded places.

Outlook on Instacart

Instacart is one of the world's largest online grocery services, with access to nearly 500 million products.

ORDER QUALIFIER CRITERIA

Strong partnerships
(Kroger, Costco, Albertsons, Wegmans, Publix)
Diverse product portfolio

ORDER WINNER CRITERIA

Skilled IT team
Developed digital solutions
Customer data insights
Benefits of advertisements

PAIN POINTS

Partners are skeptical regarding
data management
Issues regarding gig workers

COMPETITORS

Threat of current competitors
(Uber, DoorDash, Shipt, Amazon)
Former partners launch their
own e-commerce solutions

Conclusion of analysis

Combining market traits with company characteristics Instacart can develop sustainably.

Market traits

Changing consumer trends
Growth of online sales
Business models evolve

Company traits

Product diversity
Data insights
Digital solutions

INSTACART, THUS **CUSTOMERS, RETAILER PARTNERS** AND **EMPLOYEES**,
SHOULD ALL BENEFIT FROM THE ADVANTAGES OF PLATFORM ECONOMY

STRUCTURE



ANALYSIS



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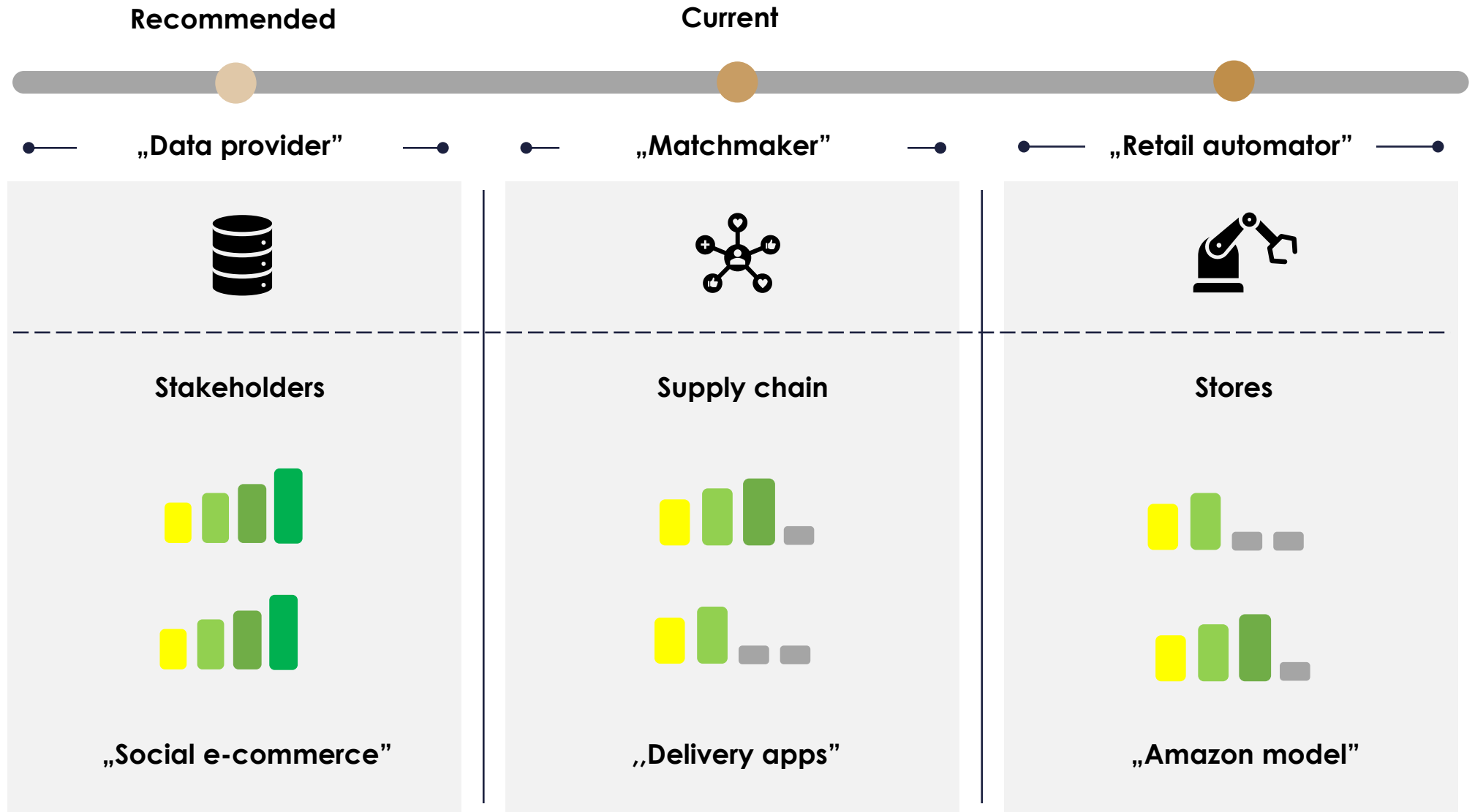
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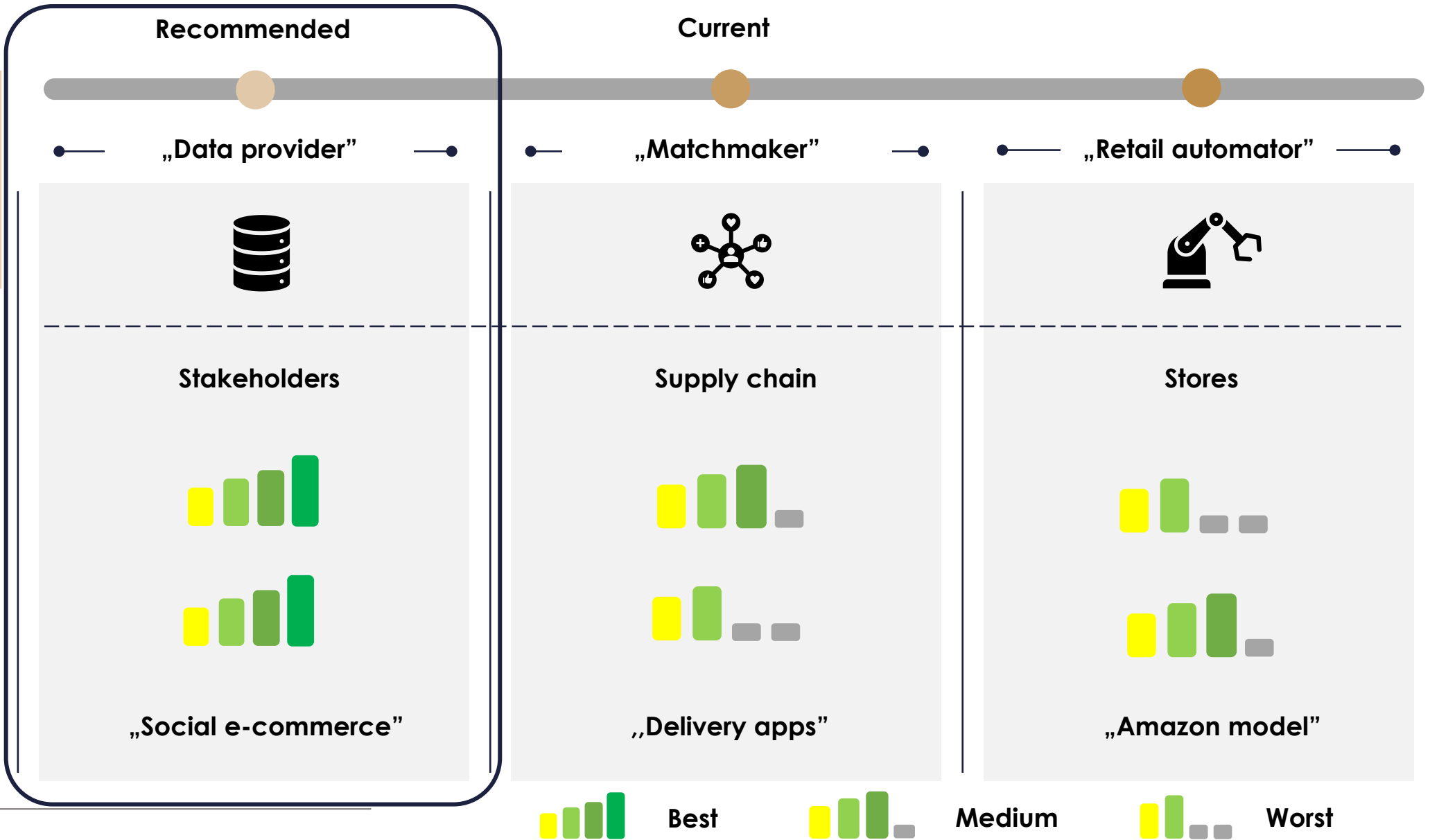
Development of alternatives

Instacart have to double down on their capabilities to transform their current business model



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Instacart have to double down on their capabilities to transform their current business model



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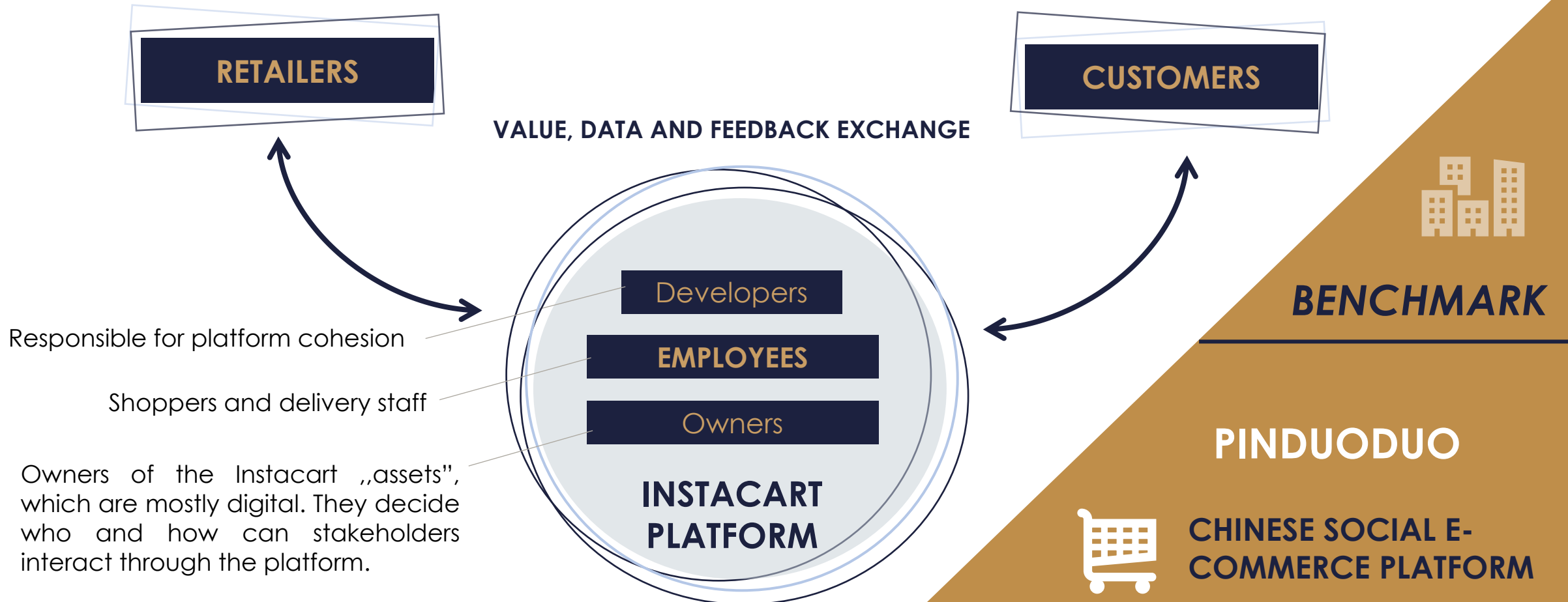
IMPACT

Social e-commerce platform

For Instacart, we think that strategically the social e-commerce platform is the best fit. This will enable us to form a community through which operations, data collection and data service will become flowless.

They enable the platform to operate through ensuring products and services to sell.

They are the users of the platform, they purchase the services/products offered by the platform.



INNER STRUCTURE

CUSTOMERS

RETAILERS

EMPLOYEES

INNER STRUCTURE

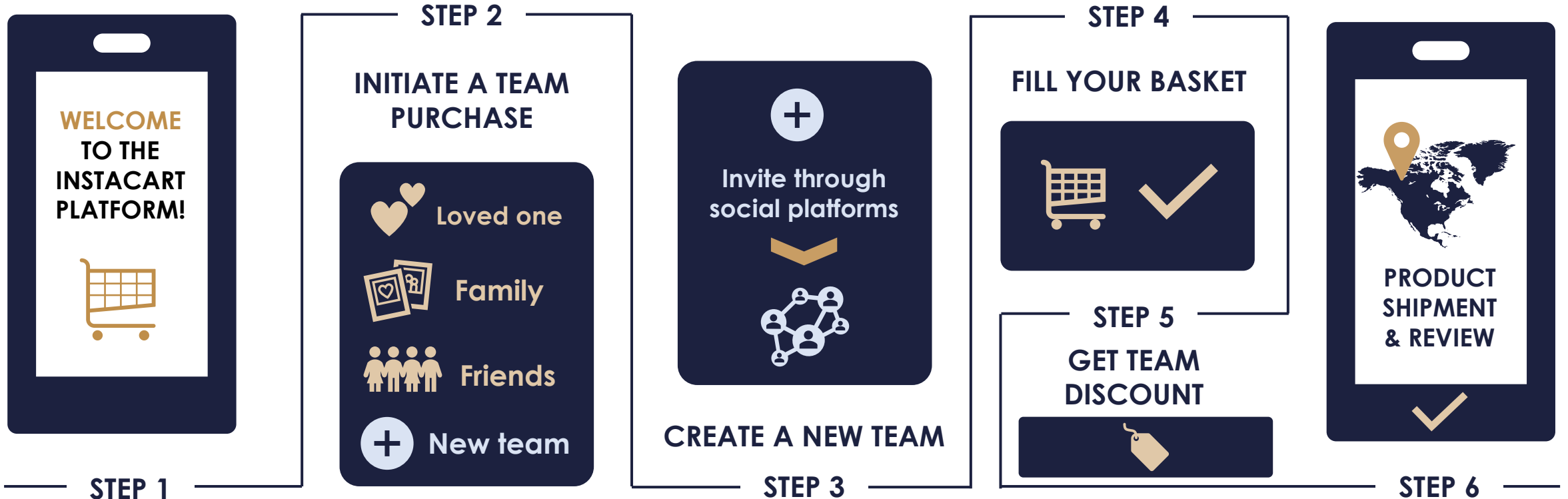
CUSTOMERS

RETAILERS

EMPLOYEES

Boosting customers' interaction with the platform

As customers are the drivers of the whole value chain and they decide in the end if they will fill and broaden their basket or not, Instacart has to bring customer experience to perfection.



 CUSTOMER VISITS THE WEBSITE



SATISFIED CUSTOMER

Customer experience

As customers are the drivers of the whole value chain and they decide in the end if they will fill and broaden their basket or not, Instacart has to bring customer experience to perfection.



EXCEPTIONAL CUSTOMER EXPERIENCE



Get benefits if you and your friends purchased the same products



Receive products for free by successfully forming teams with friends



Improve engagement by Instacart games and leaderboard integrated in the app

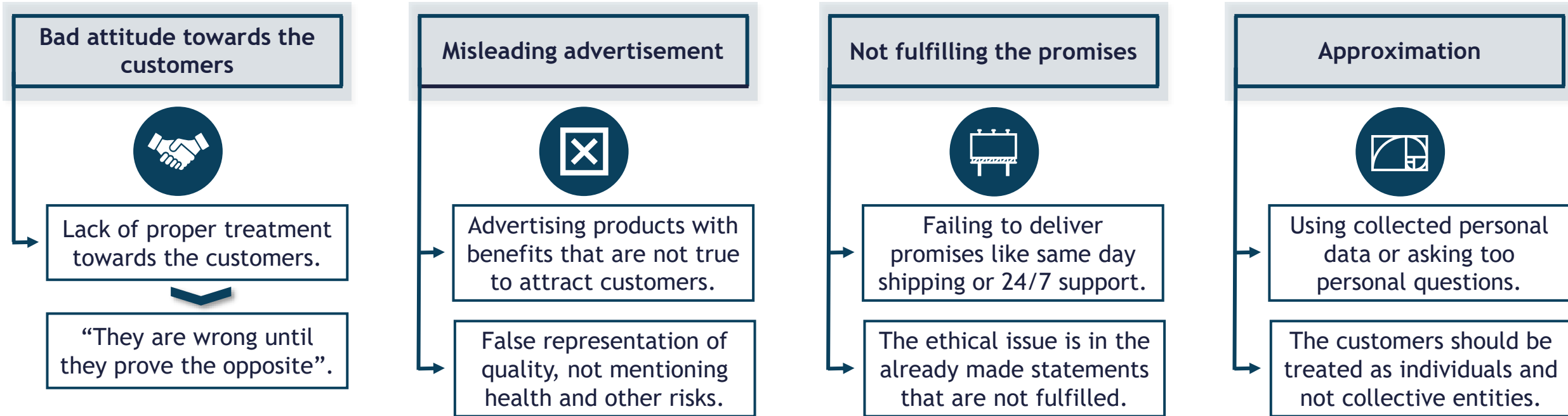


Collect after-purchase cards to receive extra benefits at the following shopping experience

**GAMIFICATION SOLUTIONS
FOR COMMUNITY BUILDING**

Being ethical to customers

Businesses treating customers bad, misleading them with false advertisement, not living up to their promises, or using their data inappropriately to group customers, rather than looking at them as individuals.



THE SOLUTION

Being transparent in business towards the customers

The customer gets the proper advertisement, communicating only those features and benefits that are real

PROMISING ONLY THOSE SERVICES THAT CAN BE DONE

1. Customer gives permission

2. we give value for data & data will serve their own

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Retailer relationship

Concerning B2B relations, Instacart will be a data digital solution provider in the first place, thus becoming a no.1 digital partner for all retailers.



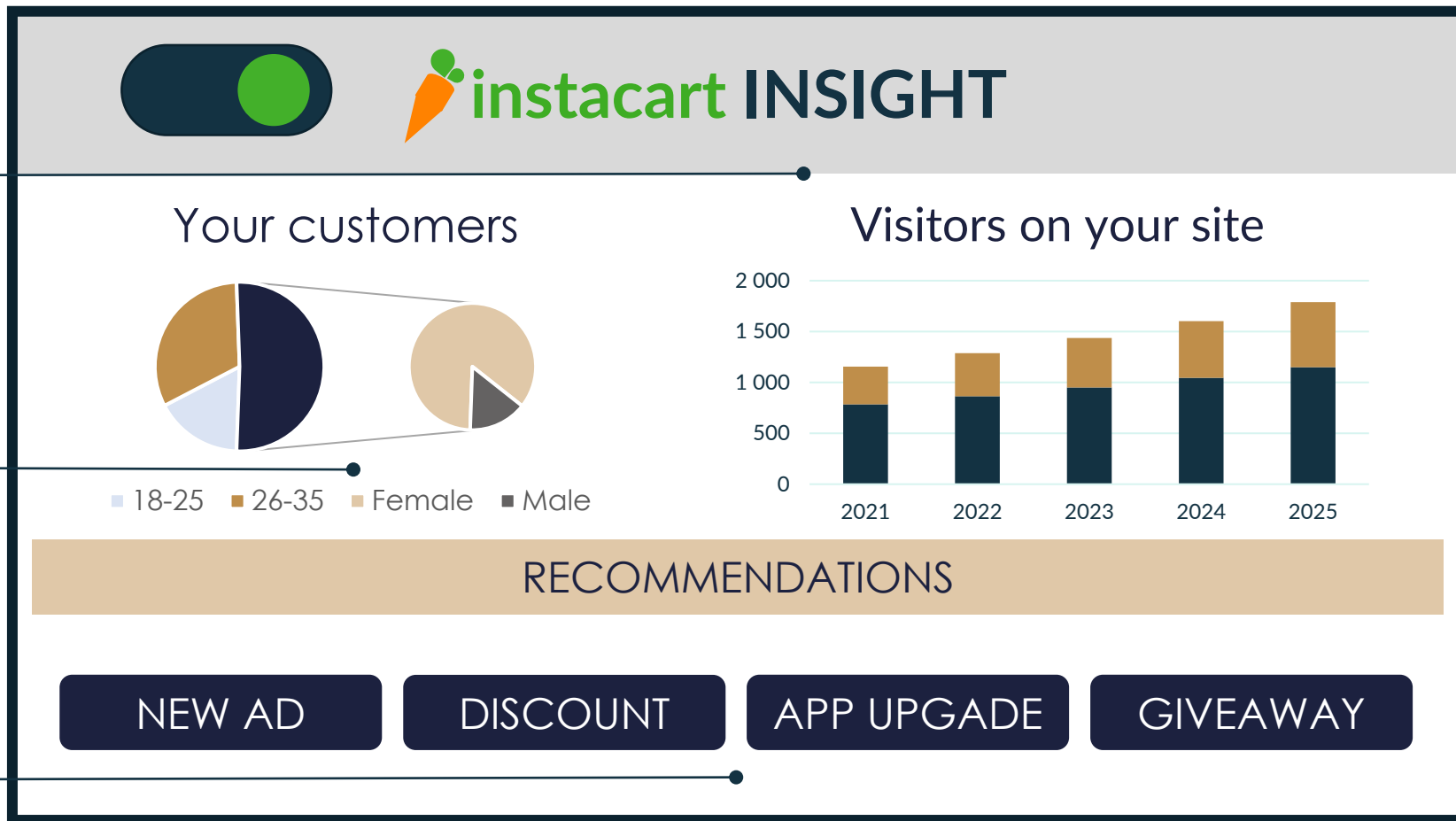
NEW POSITION
E-commerce Digital partner



Showing dashboards
Quick reaction



Recommendations
Customizable ads



BENCHMARK

SHEIN

Pinduoduo

INNER STRUCTURE

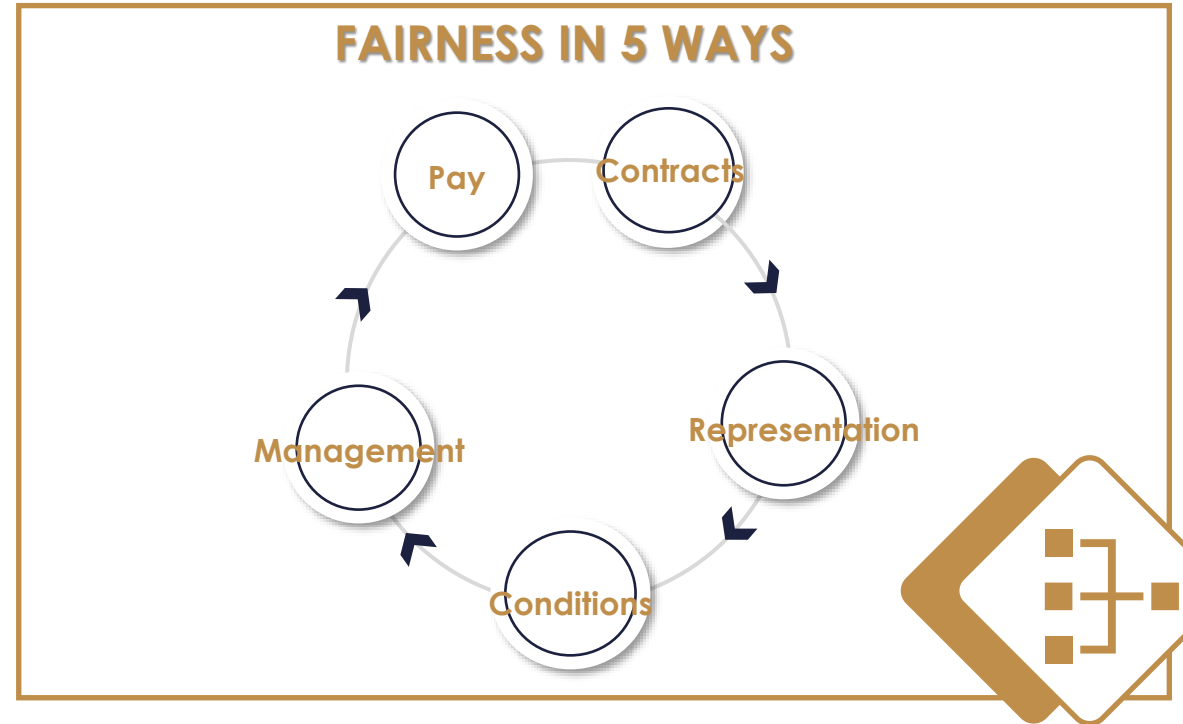
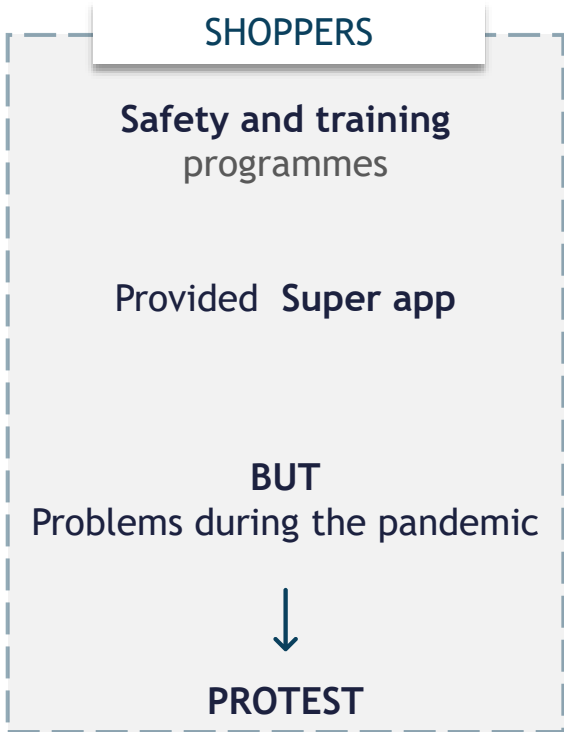
CUSTOMERS

RETAILERS

EMPLOYEES

Employee satisfaction

A successful strategy could not be carried out without the employees, so it is essential to focus on the organizational aspects as well.



The Solution



In order to maintain work ethics, it is important to develop a good team spirit provide fairness among employees. This can be achieved through activities, trainings, bonuses. But the most important thing in a strong work community, is to respect human rights and the well-being of others.

STRUCTURE



ANALYSIS



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Impact

By pivoting to social commerce, the company can improve both the profit margins and the sustainability

Key performance indicators

Target 

Improve profit margins

Company profit margin

17%

Project ROI

14%

Benchmarks

Amazon 23%

Pinduoduo -1%

Capex of strategy (2021-2024)

Social e-commerce application redesign

Partner system IT integration

Employee satisfaction features

\$632 million

Revenue of strategy (2021-2024)

Yearly data service fee

\$723 million

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Finance back-up

As-is	2018	2019	2020	2021	2022	2023	2024
Revenue	525	735	1500	1665	1848.15	2051.447	2277.106
Profit		-300	50	55.5	61.605	68.38155	75.90352
Users	4.3	4.4	9.6	10.656	11.82816	13.12926	14.57348
Partners	210	300	600	666	739.26	820.5786	910.8422
Profit margin		-0.40816	0.033333				

Capex	2018	2019	2020	2021	2022	2023	2024	
Customer UX development	0	0	0	16.65	1.665	0.1665	0.01665	
Partner system integration	0	0	0	112	134.4	161.28	193.536	
Employee system	0	0	0	8.325	4.1625	0	0	
Total				136.975	140.2275	161.4465	193.5527	632.2017

Data service revenue	2018	2019	2020	2021	2022	2023	2024	
Yearly fee	0	0	0	0	112	235.2	376.32	723.52