

# LYFT MARKET RESEARCH PROJECT

## PART 3 Primary Research

### Alexandra Godown

In the third part of the project, you need to develop a survey using Qualtrics<sup>1</sup> to address your client's research questions mentioned in the previous two parts. **The sample size needs to be greater than 30. You need to create at least 10 questions.** Your submitted work should include the following:

#### 1. Survey Questions

Present your survey questions in this part. Put the sample size right after the title Survey Questions, e.g. Survey Questions (Sample Size: 50)

#### 2. Survey Results

This part should be organized by research question like you did in Part 2. List out your research questions mentioned in the previous two parts and discuss how the survey results help you answer these questions.

#### 3. Survey Analysis (Optional)

Try to analyze your survey results using the techniques we learn from Data Analysis session to see if you can find any interesting findings. This part is optional. You can skip this part if you want.

The submitted work should be double-spaced, in 12pt font, **more than 3 pages and less than 12 pages.**

### **Grading criterion:**

When grading the project, I will look for the followings:

- (i) Is your answer reasonable?
- (ii) Does your survey have at least 30 responses and at least 10 questions?
- (iii) Does your survey have common mistake? (i.e. ambiguous words, biasing questions, implicit assumption, inappropriate order of questions, etc)
- (iv) Is your answer creative? If your reasonable answer is different from answers provided by other students, then you are more likely to earn more points.
- (v) How much effort have you put in this project? The more effort your instructor sees, the more likely you are to earn more points.

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<sup>1</sup> Session 8f demonstrates how to create and send out a survey using Qualtrics.

Lyft Market Research Survey

Link: [https://pace.qualtrics.com/jfe/form/SV\\_24PL53EokeTWW0J](https://pace.qualtrics.com/jfe/form/SV_24PL53EokeTWW0J)

**1. Indicate your age range. (Sample Size: 52)**

- Under 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75-84
- 85 or older

**2. Indicate your gender. (Sample Size: 51)**

- Male
- Female
- Other/ Prefer not to identify

**3. How do you currently identify? Please select all that apply. (Sample Size: 51)**

- Student
- Employed
- Unemployed
- Self-employed
- Retired

**4. Please select your yearly income range. (Sample Size: 50)**

- \$0-\$19,999
- \$20,000-\$39,999
- \$40,000-\$59,999
- \$60,000-\$79,999
- \$80,000-\$99,999
- \$100,000-\$119,999
- \$120,000 or more

**5. What type of area do you currently live in? (Sample Size: 52)**

- City
- Suburbs
- Rural

**6. Do you use ride share services, if so, which? Select all that apply. (Sample Size: 51)**

- Uber
- Lyft
- Via
- Other
- I do not use ride share services

**7. What makes you choose between one ride share service and another. Select all that apply. (Sample Size: 51)**

- Price
- Discounts Available
- Loyalty Program
- Tracking Services
- Verified Driver
- Personal Past Experience with the Company
- Expected Arrival Time of the Car
- Other
- I Do Not Use Ride Share Services

**8. How often do you use food delivery services? (Sample Size: 52)**

- Every day
- 4-6 times per week
- 1-3 times per week
- 1 time per month
- 1 time per 6 months
- Never

**9. Which food delivery services do you use? Select all that apply. (Sample Size: 47)**

- Uber Eats
- GrubHub
- DoorDash
- Postmates
- Caviar
- Waitr
- Other
- None

**10. Are you open to trying a new food delivery service? (Sample Size: 49)**

- Definitely yes
- Probably yes
- Might or might not
- Probably not
- Definitely not

**11. What do you pay attention to most when using food delivery services? Rate the options below: 1 is most important and 6 is the least important. (Sample Size: 51)**

- Price of Food
- Cost of Delivery/ Service Fees
- Covid-19 Protocols/ Food Safety
- GPS Tracking of Order Status
- Wait Time for Order
- Number of Restaurants Available to Order from

**12. Would you try Food Lyft, a new food delivery service offered by Lyft ride sharing services? (Sample Size: 48)**

- Definitely yes
- Probably yes
- Might or might not
- Probably not
- Definitely not

**13. Do you have a positive or negative relationship with Lyft ride sharing services? Explain if needed. (Sample Size: 34)**

- Open ended response.

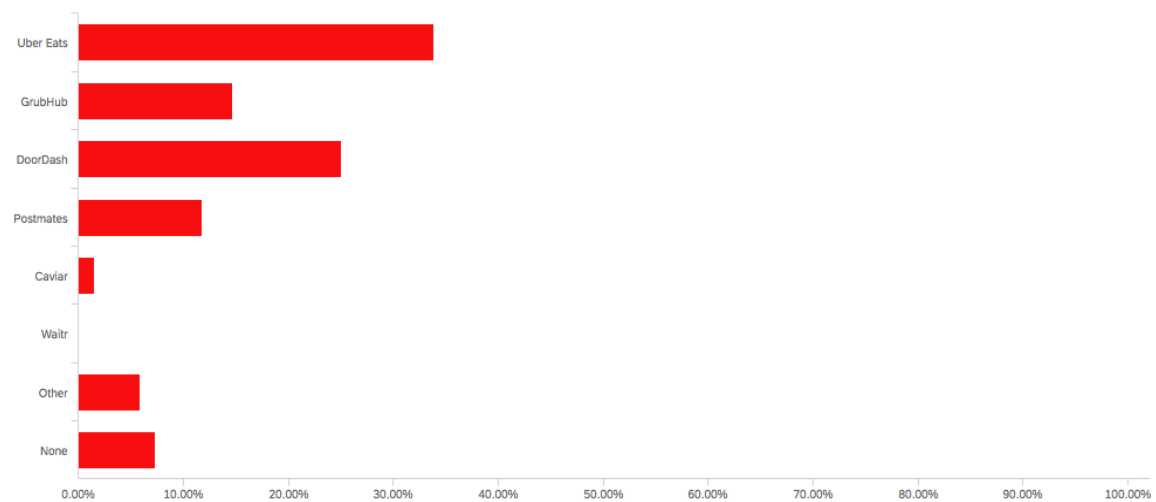
## Research Questions

### 1. Who are the main competitors in the app/online food delivery service?

- The main competitors in the food delivery service industry are Uber Eats, DoorDash, GrubHub, and Postmates in decreasing order based on the findings of the survey. One question asked on the survey was “Which food delivery services do you use? Select all that apply.” The majority responses by category were: Uber Eats 33.82%, DoorDash 25.00%, GrubHub 14.71%, Postmates 11.76%, the rest of the choices had minimal responses.

Q9 - Which food delivery services do you use? Select all that apply.

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- Based on these findings, my initial theory and research is supported. The major competitors are Uber Eats, DoorDash, GrubHub, and Postmates. In part two of the project, I included Caviar as one of the major competitors. With the extremely small percentage of respondents choosing Caviar, 1.47%, Caviar is no longer considered one of the top competitors. This 1.47% actually matched their projected market share over the next few years being 2%. When Food Lyft

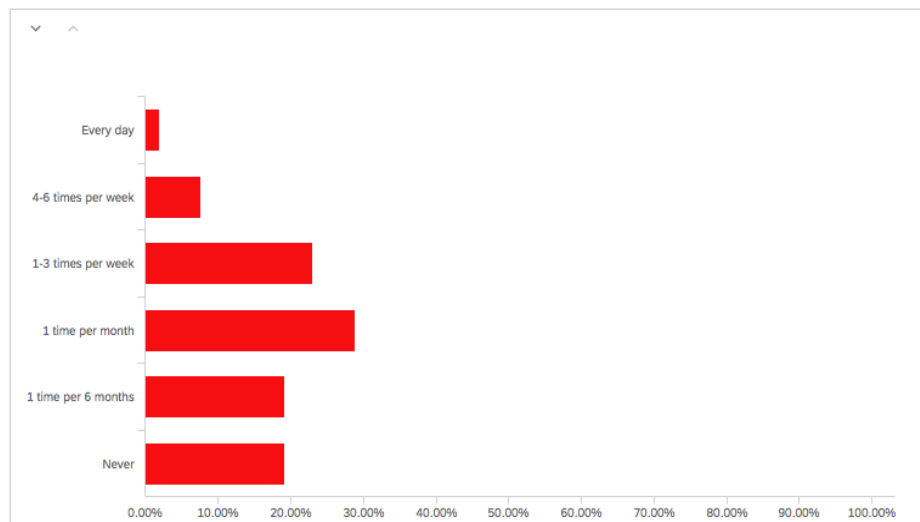
(Lyft's version of food delivery) enters the market, they should not worry too much about Caviar being a major competitor. Food Lyft should be most vigilant with Uber Eats.

## 2. Is there a huge demand for food delivery?

- There is a large demand for food delivery, this has been proved by the research first conducted on part two and is further proven by the survey recently conducted about Food Lyft potentially entering the food delivery service app market. On the survey, there was a question asking "How often do you use food delivery services?" The results were as follows: everyday 1.92%, 4-6 times per week 7.69%, 1-3 times per week 23.08%, 1 time per month 28.85%, 1 time per 6 months 19.23%, never 19.23%. The majority of respondents use food delivery services one time per month or more. This is consistent with the research that food delivery services are gaining in popularity and will continue to receive more revenue in sales.

Q8 - How often do you use food delivery services?

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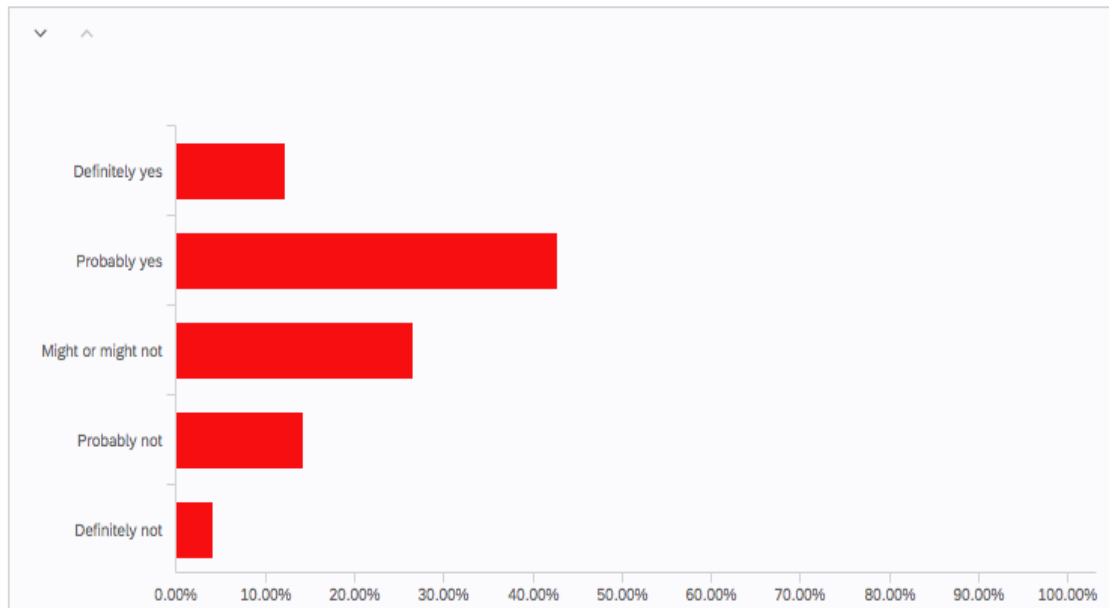


### 3. What competitive advantage could Lyft have over the competition?

- The delivery service app industry has very few users who are specifically loyal to one brand, this is extremely beneficial for Food Lyft entering into the market. People are willing to try new brands in the industry as well as switch back and forth between companies depending on offerings or preferences for a specific order. This was tested through a question on the survey “Are you open to trying a new food delivery service?”

Q10 - Are you open to trying a new food delivery service?

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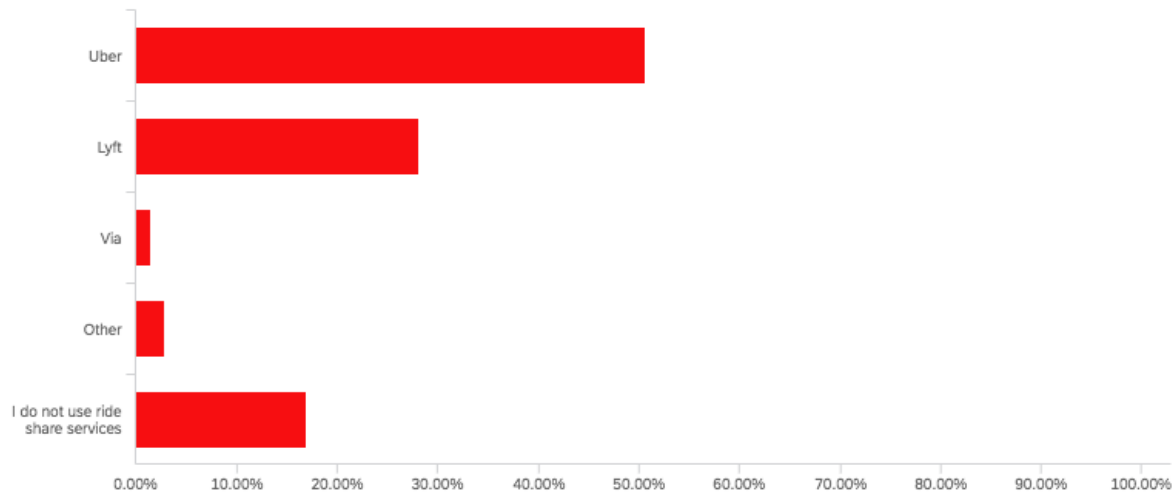


- The results for the question about openness to trying a new food delivery service had overwhelmingly high positive results: definitely yes 12.24%, probably yes 42.86%, might or might not 26.53%, probably not 14.29%, definitely not 4.08%. Consumers are open to trying new brands, this is great for Food Lyft entering the market.
- A question on the survey asked “Do you use ride share services, if so, which? Select all that apply.” This question served to see how users compared Lyft and

Uber as competitors in the ride sharing industry. The initial findings in part two of the research stated that Food Lyft would most likely be second to Uber Eats, similar to how they are ranked in the ride sharing service realm. The results were: Uber 50.70%, Lyft 28.17%, Via 1.41%, other 2.82%, none 16.90%.

Q6 - Do you use ride share services, if so, which? Select all that apply.

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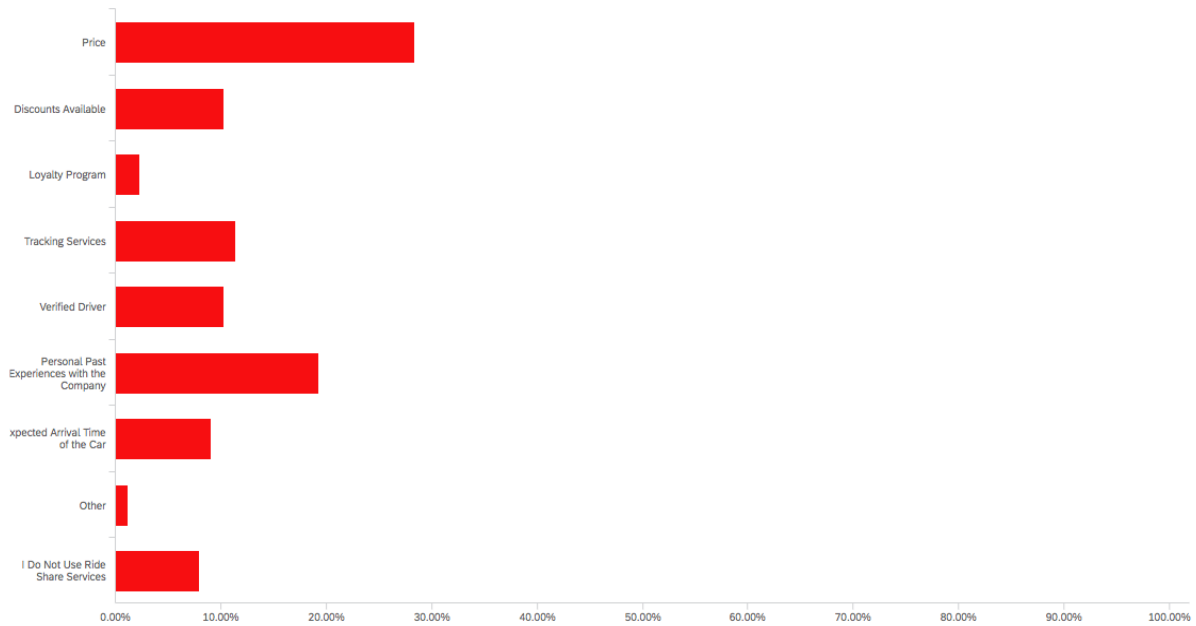


- Lyft already being a well-known name in the ride sharing service industry will act as a competitive advantage over other food delivery services attempting to enter the market because Lyft already has brand awareness. This was a major competitive advantage when Uber entered the food delivery industry, and similar results can be predicted for Lyft.
- Another question asked on the survey related to “What makes you choose between one ride share service and another. Select all that apply.” The majority of the results for this question were: price 28.41%, personal past experiences with the company 19.32%, and tracking services 11.36%.

- These three aspects of the ride sharing business can be easily translated over to food delivery service apps do to the similarity and the other research conducted. Users heavily factor in the personal past experiences that they have with a company when deciding to use their services or not. This is very beneficial to Lyft entering the food delivery industry because many consumers have already had experience with Lyft in the ride sharing service realm. Users will refer back to past riding experiences in order to decide who to order from for food delivery service needs.

Q7 - What makes you choose between one ride share service and another. Select all that apply.

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- In order to further delve into how past consumer experience is with Lyft, an open ended question was added to the survey stating, “Do you have a positive or negative relationship with Lyft ride sharing services? Explain if needed.” Some of the popular or notable responses to this question were:

- “I have a positive experience and relationship with Lyft”
  - “Positive! I prefer Lyft over Uber”
  - “Usually cheaper rides but seems the same as Uber”
  - “Positive- I have used Lyft in the past with excellent results”
  - “Positive. Typically cheap and efficient. Although wait times tend to be higher than Uber”
- The statements above are very interesting insights into the minds of consumers.

There was no mention of other companies besides Lyft in the question, yet many respondents compared Lyft to Uber. Many of the respondents have positive past experiences with Lyft, this is great for Food Lyft to enter the food delivery service market. One popular comment was that Lyft may not always be as efficient in relation to the time drivers take to pick up the customer. If Lyft is able to shift the consumer perception of being late or inefficient, this will dramatically help Lyft compete against Uber in both the food delivery service and ride sharing service industries.

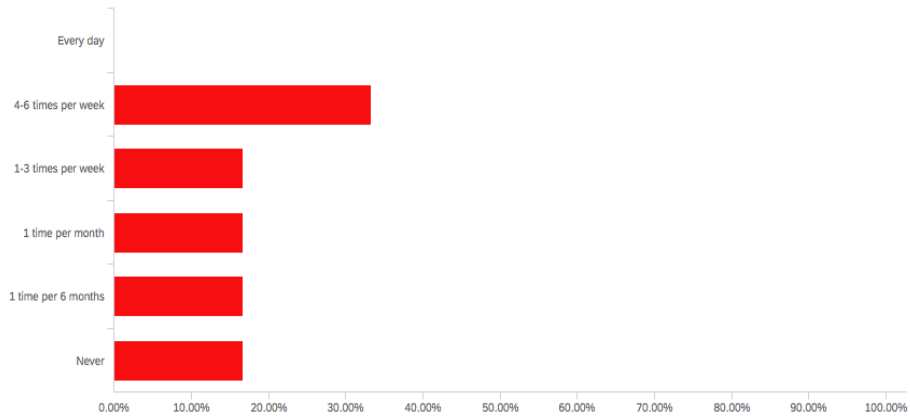
#### **4. Who is the target market/ buyer persona/ market segments for this new service?**

- The survey had respondents from five major age ranges, with a majority being 18-34 years old. The initial research in part two identified a target customer profile persona. This person was Sam Watson from West Palm Beach, Florida. Sam is a 30 year old male with an income of \$80 thousand annually. Working as a commercial real estate appraiser, Sam spends many nights and weekends working in the office getting tasks completed. Sam is often hungry and orders Food Lyft to his office lobby. Food Lyft is not only convenient, but leads to heightened levels of productivity at work. Sam is able to avoid the time, hassle, and energy required of going out to get food.

- The aforementioned target buyer persona is supported by the data from the survey of 50+ respondents. Some of the results listed below are from the age range of respondents from 25-34 and match up very well with the initial findings.

Q8 - How often do you use food delivery services?

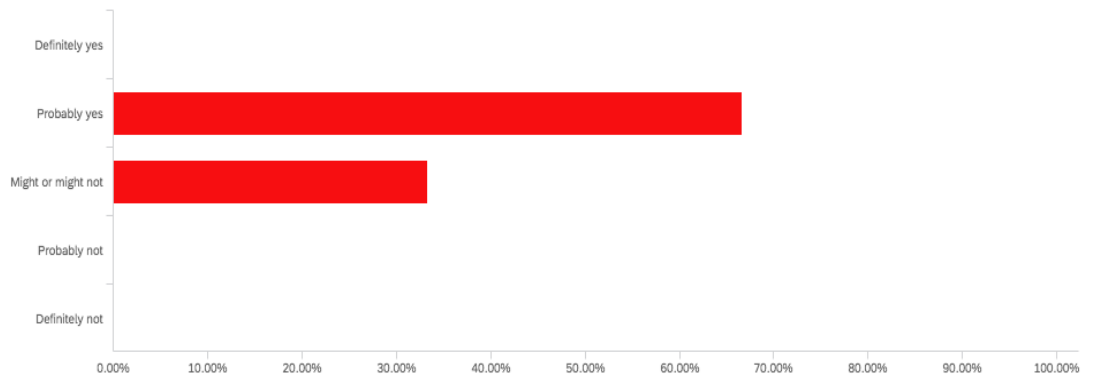
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- The majority of users this age use food delivery services quite often, up to 4-6 times per week.

Q12 - Would you try Food Lyft, a new food delivery service offered by Lyft ride sharing services?

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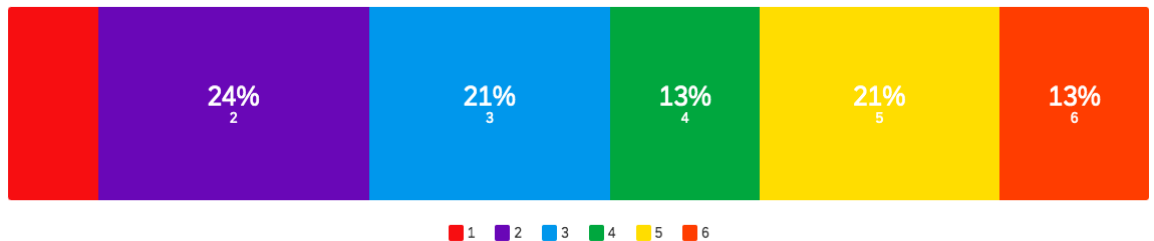


- The majority of this demographic are males and also are open to trying Food Lyft! With the aforementioned data, the target consumer profile is supported.

**5. What we can expect consumers to pay for such a service.**

- Based on a lot of research, consumers are very concerned about delivery costs and overall price. A question on the survey asked: “What do you pay attention to most when using food delivery services? Rate the options below: 1 is most important and 6 is the least important.” The majority of people rated cost of delivery/ service fees, Covid-19 protocols, and wait time for order as the three most important features with a percentage of 20% or more of the respondents in agreement for each category. The graph is shown below.

Q11 - What do you pay attention to most when using food delivery services? Rate the options below: 1 is the most importa... Page Options ▾



#	Field	Count
1	Price of Food	38.00
2	Cost of Delivery/ Service Fees	39.00
3	Covid-19 Protocols/ Food Safety	38.00
4	GPS Tracking of Order Status	41.00
5	Wait Time for Order	42.00
6	Number of Restaurants Available to Order from	41.00

- Food Lyft should follow the recommendation in part two for how to break down the fees and overall charges. Part two states, “Based on the research and current competitors in the market, Food Lyft should enter the industry with a standard delivery fee between \$2-\$7 (based on distance from the restaurant), have no minimum order mandate, charge a service fee between 10% -25%, and not have surge pricing.” Food Lyft following these tactics will allow for them to have a competitive advantage over the current competition in the food delivery service market and be able to gain market share relatively quickly.