

The Brand and Growth Strategies of Online Food Delivery in Taiwan

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Submitted to the Faculty of

Department of International Affairs in partial fulfillment

of the requirements for the degree of

Bachelor of Arts in International Affairs

Wenzao Ursuline University of Languages

2020

WENZA O URSULINE UNIVERSITY OF LANGAUGES
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2020

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Wenzao Ursuline University of Languages, 2020

ABSTRACT

Online food delivery service is the new way of dining, with the rise of the Internet, people have changed their ways of purchase, at the same time catering industry in Taiwan has gotten to its saturation point, where brick-and-mortars restaurants are not enough for the market demand. Since more and more Taiwanese would rather eat out than cook at home due to time-consuming and tiredness after the work, online food delivery companies has noticed such opportunity and entered in the emerging market. When conducting the research, the author was curious of why in a sudden there are many different delivery drivers running on the streets and how they operate and manage? In the past literatures, experts often focused on the behaviors and satisfaction of consumers, but seldom observed the growth of online food delivery companies and the establishment of brand awareness in an emerging market.

The purpose of this thesis was not only to understand how firms grow up in an infant industry but also how to build their brand awareness. An interview questionnaire was adopted to collect the data of different online food delivery companies, collaborative restaurants, and consumers, in total 25 valid responses, also from news articles, official websites, magazines, and researcher's personal experiences were taking in as references.

The results revealed, first, the researcher found brand awareness has relevant effect on company's growth strategies through four quadrant diagrams later mentioned in this thesis. Second, the growth pattern of companies based on their brand awareness. Companies with higher brand awareness are able to expand its location flexibly. Third, for companies either new to the market or veteran, the strategies of establishing and maintaining brand awareness are what it takes to survive and compete.

Keywords: Online Food Delivery, Brands, Growth Strategies

TABLE OF CONTENT

INTRODUCTION	1
Background.....	1
Motivation.....	3
Research Purpose	3
Research Questions.....	4
Contribution	4
Limits	5
Delimits.....	5
LITERATURE REVIEW	6
Growth of Firm	6
The Importance of Brand in a Firm	8
Brand Awareness	10
Mobile Commerce	12
The History of Online Food Delivery.....	13
METHODOLOGY	15
Research Procedure.....	15
Questionnaire Design.....	16
Study Population.....	17
Data Collection	19
DATA ANALYSIS.....	20
Foodpanda.....	20
QuickPick.....	27

Foodomo	33
UberEATS.....	36
Yo-Woo Delivery.....	39
Deliveroo.....	42
RESEARCH FINDINGS	44
Growth Strategies of Firm	46
Quadrant 1: O.F.D.C. with High Brand Awareness versus C.R. with High Brand Awareness	47
Quadrant 2: O.F.D.C. with Low Brand Awareness versus C.R. with High Brand Awareness	48
Quadrant 3: O.F.D.C. with Low Brand Awareness versus C.R. with Low Brand Awareness	49
Quadrant 4: O.F.D.C. with High Brand Awareness versus C.R. with Low Brand Awareness	50
Growth Pattern of Firm.....	51
Growth Pattern of Online Food Delivery Companies with High Brand Awareness	52
Growth Pattern of Online Food Delivery Companies with Low Brand Awareness.....	54
Brand Awareness Strategies of Firm	55
CONCLUSION AND SUGGESTIONS.....	57
BIBLIOGRAPHY	59

LISTS OF TABLES

Table 1: Interviewees' Information	18
Table 2: Types of Collaborative Restaurants	19

LISTS OF FIGURES

Figure 1: Research Procedure16

Figure 2: Four-quadrant Chart47

Figure 3: Growth Pattern from Quadrant 1 to Quadrant 4.....52

Figure 4: Growth Pattern from Quadrant 3 to Quadrant 2.....54

INTRODUCTION

Background

According to Taiwan Network Information Center (TWNIC), approximately 18 million Taiwanese surf online last year, further the investigation indicated the age of 12 online users has increased annually and that instead of via Wi-Fi, cellular data is now the trend.¹ Since cellular data on cellphone itself has the function of going online without needing an extra connection, applications (abbr. APP) then become the bellwether of mobile commerce. Just a simple click on the applications, consumers are able to browse everything at once and notifications pops out whenever there is a discount or new information.

Market Intelligence and Consulting Institute (MIC) pointed out in 2016 the top five APPs Taiwanese used are communications, games, online shopping, transportations, and photo and video. And online shopping stands 46.2%, meaning nowadays almost half of the people purchase goods from the internet.² With the convenience of online shopping, mobile commerce found its way out by cooperate with brick-and-mortars to develop online to offline (O2O) service.

Since catering industry in Taiwan has gotten to its saturation point, on the report of Taiwan Trend Research 2018 appeared from the past five years, the number of restaurants has expanded from 11 million (2013) to 13 million (2017) with the growth rate of 3% to 6% per year.³ While having market saturation, competitive advantages then become the key, especially the control of costs and the quality of products and services are the top priorities. However, running a restaurant is never easy, not to mention to innovate or combine with

¹ See Taiwan Network Information Center, "Twnic Taiwan Internet Report 2018," (2018).

² See Market Intelligence and Consulting Institute, "Application User Survey: The Rise of Games, Online Shopping and Transportations Apps," https://mic.iii.org.tw/IndustryObservations_PressRelease02.aspx?sno=466.

³ See Taiwan Trend Research, "Catering Industry Development Trend," (Taiwan Trend Research, 2018).

latest technologies, so this is where companies such as foodpanda, UberEATS, foodomo, Yo-Woo Delivery, Deliveroo, and QuickPick take place as the bridge between restaurants and consumers to create the O2O catering environment fulfilling the needs of both.

Due to the change of eating and drinking habits, these companies found their way out as online food delivery industry as we see on streets, carrying an insulated bag and some even wearing uniforms. The very first company Taiwan attracted was one of the largest international food delivery companies, foodpanda from Germany, before stepping in the market in 2012, it had investigated Taiwanese eating habit and noticed the rapid lifestyle where people still concern about the quality of food. Foodpanda had its first-mover advantage, cooperating with more than 7,000 restaurants around Taiwan and 55% of the market share which was published on Taiwan Business TOPICS2019.⁴ Later came along UberEATS, Deliveroo and more local delivery companies also take their actions competing to gain a bigger slice in this emerging market. The truth is, since these online food delivery companies have deeply ingrained in Taiwan for quite a while and has brought attentions to some potential dealers who would also like to join the competition as well.

As stated by Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C (Taiwan) the gross domestic product (GDP) of Taiwan in 2018 is 2.63% and that accommodations and catering industry (A&C) only stands 0.08%. However, due to long weekend the first quarter of GDP in this year is 1.71% and A&C has increased 0.06%⁵, meaning the demand of eating out and calling food service is rising. Owing to catering industry in Taiwan has saturated, more and more restaurants has connected with mobile commerce to expand its opportunities.

⁴ See Jules Quartly, "The Food Bots Have Arrived," *Taiwan Business TOPICS2019*.

⁵ See Accounting and Statistics Directorate-General of Budget, Executive Yuan, R.O.C (Taiwan) "National Income Statistics and Domestic Economic Situation," 2019.

Most studies do not explain the phenomenon of online food delivery industry in Taiwan and its internal operation towards emerging market. Currently, foodpanda, UberEATS, foodomo, Yo-Woo Delivery, Deliveroo, and QuickPick are the six companies running the industry, nonetheless without a precise pattern the future is uncertainty. But to looking for its pattern, a better understanding of companies' internal resources, competitive advantages, and its strategies are the basics. Entering Taiwan less than ten years, such an emerging industry in an emerging market has a whole lot of challenges, no specific company knows what the best play cards are in this full of potentialities market.

Motivation

Online food delivery is the emerging industry and nowadays more and more people are using its application to order meals, the researcher is also the consumer to online food delivery companies and would like to know how it grows. Through the book, *The Growth of The Firm* by Penrose, it mentioned how firms grow and what kind of strategies they took, therefore this can be put into the online food delivery industry. Because food delivery is an emerging industry, companies need a stable strategy to sustain in the industry.

Research Purpose

Since 2012, the very first online food delivery company entered Taiwan, more and more different logos of insulated bags are seen on the streets. The researcher is curious the growth strategies and brand strategies of an emerging industry in an emerging market, therefore take online food delivery industry as the study population.

Research Questions

Since online food delivery is an emerging industry,

1. What are the growth strategies of online food delivery companies?
2. What are the growth patterns of online food delivery companies?
3. Due to brand awareness has huge impact on online food delivery companies' performances and growth, hence would like to understand how online food delivery companies build their brand awareness? (What are the strategies to establish brand awareness?)

Contribution

What does brand awareness have to do with the growth of online food delivery companies has become the main key for corporations to survive in such emerging industry. Without a successful pattern to follow, most companies faced the deficiency of operating company but at the same time wanted to increase the number of collaborative partners and expand its geographic locations. Therefore, this research is based on the companies' brand awareness and came up with the growth strategies of online food delivery companies, then figure out the growth pattern to see the different direction that companies with high level of brand awareness and lower level of brand awareness each took. Through triangular interviews with companies' supervisors, collaborative restaurant owners, and consumers to list out the strategies of establishing brand awareness. Overall, providing a current pattern of online food delivery industry to the companies for a better development.

Limits

While the emerging industry is still raising, it is difficult to get in touch with the chief executive officers or supervisors from online food companies and most of them turned me down due to inconvenience.

Delimits

The thesis only focused on the six online food delivery companies, foodpanda, UberEATS, foodomo, Yo-Woo delivery, deliveroo and QuickPick, that researcher recognizes and also limits the geographic areas in Southern district of Taichung and Sanmin district of Kaohsiung to interview restaurant owners. Due to the platform of online food delivery searches restaurants through consumer's location, which during the study it was set as the researcher's living places. Also, the study only investigated till September 1st, 2019, further news reports and articles were not included.

LITERATURE REVIEW

Growth of Firm

Growth processes of a firm were discovered and elaborated in a theoretical model inspired by Penrose in 1959. In her model, she did not concern with the price or output behavior of firms but with the firm as 'administrative organization in the real world', in which 'the firm's existing human resources provide both an inducement to expand and a limit to the rate of expansion'.⁶ Human resources are one of the elements in a firm that brought manpower and ideas but little influence on the growth. Growth is essentially an evolutionary process which involves the accumulation of knowledge unique to the firm.⁷ In order to accumulate knowledge, figuring out the firm's position, resources, and understanding its competitive advantages are basis before actually conducting strategies. The firm's position depends on the nature of its interactions with key players in the environment: with consumers, distributors, suppliers, funders and competitors.⁸ These key players are what built the firm's assets, which are tangible assets such as equipment and buildings and as for intangible assets are expertise and reputation.

However, a firm simply having all that just mentioned was not enough. Many scholars have raised the point saying attributes of firms with a successful growth record have been found in a number of studies to include factors such as ambitious founders, a founding team rather than solo entrepreneur, education and relevant experience among founders, willingness to share equity, a multi-skilled management team, marketing expertise.⁹ Hence, companies in an emerging industry either carve out a niche or be forced to shut down due to the

⁶ See Elizabeth Garnsey, "A Theory of the Early Growth of the Firm," *Industrial and corporate change* 7, no. 3 (1998).

⁷ See Edith Tilton Penrose and Christos Pitelis, *The Growth of the Firm: The Legacy of Edith Penrose* (Oxford University Press on Demand, 2002).

⁸ See Elizabeth Garnsey, "A Theory of the Early Growth of the Firm."

⁹ See Elizabeth Garnsey, Erik Stam, and Paul Heffernan, "New Firm Growth: Exploring Processes and Paths," *Industry and Innovation* 13, no. 1 (2006).

competitive market, but many companies do hope once the business is in operation, forecasting improves somewhat. While there must be start-up companies in the emerging market and those that are not, and some studies find merit in a deliberate niche market strategy, exploiting a quality or technological advantage.¹⁰

Speaking of strategy, seldom literatures in the past that discussed how companies in an emerging industry conduct their strategies under the circumstance without having a precedent. In the article, *A Theory of the Early Growth of the Firm*, came up with the growth phases and processes showing how firms generate resources. Before taking the phases, firm must access, mobilize and deploy resources before they can generate resources for growth; it is in the nature of these processes that they must take place sequentially.¹¹ The researcher listed out the growth paths in the order of: access resources, mobilize resources, generate resources, growth reinforcement, and growth reversal. Experts have stated that prospects for new firms are better in growth markets¹² but many new growth markets are highly uncertain, creating the classic problem of the early entrant unable to appropriate the returns of pioneering innovation.¹³

It is never easy for companies to grow, they will face failure and stability unpredictably in different phases, but what can be control is how to make companies stay longer in stabilization, leading to the importance of the conduct of growth strategies. According to *Growth Strategies for Service Firms*, the authors believed once the firm is successful, it will attract competition and hence proposed three growth strategies. Firstly, to avoid potential and actually entry, the firm will attempt to build a preferred position among

¹⁰ See Margi Levy and Philip Powell, *Strategies for Growth in Smes: The Role of Information and Information Systems* (Elsevier, 2004).

¹¹ See Elizabeth Garnsey, "A Theory of the Early Growth of the Firm."

¹² See Claudia Bird Schoonhoven, Kathleen M Eisenhardt, and Katherine Lyman, "Speeding Products to Market: Waiting Time to First Product Introduction in New Firms," *Administrative Science Quarterly* 35, no. 1 (1990).

¹³ See David J Teece, "Firm Organization, Industrial Structure, and Technological Innovation," *Journal of economic behavior & organization* 31, no. 2 (1996).

as many members of the market segment as possible. Second, market expansion to other geographic location. With the expansion, company that entered first in an area has a bigger chance to win the hearts of consumers. Third, again, market expansion, but based on new sociodemographic segments rather than new geographic segments. Such market expansion strategy would be put ahead of either product development or expansion to an out-of-country market.¹⁴ Although building a preferred position is concerned as the very first growth strategy, the researchers did not elaborate on how it works. Most literatures in the past only provided sequences of how to conduct growth strategies in established firms or firms in common industry but little did they explain companies in emerging industry.

The Importance of Brand in a Firm

The American Marketing Association defines brand as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.”¹⁵ For most direct and common idea of a brand is a company’s logo, also possible links toward its products. Back in the days, resources were not as various as present, people bought things for their needs or simply daily essentials that kept them survive, no one cared about the brand nor the manufacturers of a product. However, with the invention of technologies and the Internet, brands such as Coke Cola, Apple, McDonald’s, Starbucks and more other famous brands people recognized today were once one of the kinds that stood out and these companies have realized the importance of branding.

¹⁴ See James M Carman and Eric Langeard, "Growth Strategies for Service Firms," *Strategic Management Journal* 1, no. 1 (1980).

¹⁵ See Upendra Kumar Maurya and P Mishra, "What Is a Brand? A Perspective on Brand Meaning," *European Journal of Business and Management* 4, no. 3 (2012).

Branding is endowing products and services with the power of brand.¹⁶ Under the condition of same products and services, the key that led consumers to make the final purchase decision is brand. However, brand does not only represent as a logo, but more. According to *Defining A "Brand": Beyond the Literature with Experts' Interpretations*¹⁷, Leslie de Chernatony and Francesca Dall'Olmo Riley (1998) listed out several definitions of brand, such as risk reducer, identity system, an image in consumers' minds, value system, personality, relationship, adding value and so on. Consumers understand there is a risk whenever purchasing products and services, thus companies can reduce the risks what consumers may encountered to increase consumers' confidence and satisfaction. While some economics may see brand as a company's product, Kapferer had another perception, "a brand is not a product. It is the product's essence, its meaning, and its direction, and it defines its identity in time and space. ... Too often brands are examined through their component parts: the brand name, its logo, design, or packaging, advertising or sponsorship, or image or name recognition, or very recently, in terms of financial brand valuation. Real brand management, however, begins much earlier, with a strategy and a consistent, integrated vision. Its central concept is brand identity, not brand image."¹⁸

The difference between brand identity and brand image is, the former emphasizes on how a company project its culture, value, and ideas to what consumers want; the latter focuses on how consumers think about the company. Both identity and image can be managed over time through the process of brand concept. But to make a brand unique, valuable, and successful, an identifiable product, service, person or place augmented in such a way that buyer or user perceives relevant unique added values which match their needs

¹⁶ See Kevin Lane Keller, "Building Strong Brands in a Modern Marketing Communications Environment," *Journal of marketing communications* 15, no. 2-3 (2009).

¹⁷ See Leslie De Chernatony and Francesca Dall'Olmo Riley, "Defining a "Brand" : Beyond the Literature with Experts' Interpretations," *Journal of Marketing Management* 14, no. 5 (1998).

¹⁸ See Audrey Azoulay and Jean-Noel Kapferer, "Do Brand Personality Scales Really Measure Brand Personality?," *Journal of brand management* 11, no. 2 (2003).

more closely.¹⁹ Once getting the attention and matching the needs of consumers, how companies strengthen the bonding to keep consumers loyal is based on its brand awareness.

Brand Awareness

To build a preferred position among competitors in either common or emerging market, getting the public and target consumers' attention is the key and for that is where establishment of brand awareness takes place. The creation of brand awareness is also known as the ability to recognize or recall a brand, which is a key element of branding strategy.²⁰ Experts considered market performance as the key consequence of brand awareness. Here the definition of market performance is firm performance in terms of development of the quantity of products or service sold, which in turn is captured by customer loyalty, the acquisition of new customers, the achievement of the aspired market share, and the achievement of the aspired growth rate.²¹ Usually there are two types of risks that consumers have to face when encounter purchasing, which are organizational risk and personal risk. Organizational risk means the potential for losses due to uncertainty; as for personal risk is anything that exposes you to the risk of losing something of value. Feeling for the two risks is even stronger when the product of a firm is service itself, which consumers are not able to see or receive physically, only through the satisfaction after purchased. Therefore, brand awareness is very crucial in the growth of a firm to reduce the risks and gain the trust from either existing or potential consumers.

With the efforts of a company itself to establish brand awareness is not enough, it may need the assistance from its suppliers, consumers, collaborative partners, and so on.

¹⁹ See John MT Balmer et al., "Corporate Marketing and Service Brands-Moving Beyond the Fast-Moving Consumer Goods Model," *European Journal of Marketing* (2001).

²⁰ See Tim Munoz and Shailendra Kumar, "Brand Metrics: Gauging and Linking Brands with Business Performance," *Journal of Brand Management* 11, no. 5 (2004).

²¹ See Christian Homburg and Christian Pflesser, "A Multiple-Layer Model of Market-Oriented Organizational Culture: Measurement Issues and Performance Outcomes," *Journal of marketing research* 37, no. 4 (2000).

Brand awareness is not built in a day, it acts as a strong signal of product quality and supplier commitment.²² While needing the help from both internal and external parties, Edrem et al. believed only high-quality firms can afford high-level investments in brand awareness.²³ Moreover, brand awareness may signal presence and substance because high awareness levels imply to the buyer that the firm has been in business for a long time, that the firm's products are widely distributed, and that the products associated with the brand are purchased by many other buyers.²⁴ There is a saying, "nobody ever got fired for buying IBM," a metaphor of the reduce of personal risk, the higher the brand awareness the higher chance for consumers to place the order, and reduces the risk of companies being blamed if the result did not reach consumers' expectation.

Brand awareness is the force to push companies grow in the market, consumers are more likely to choose the brand they have heard rather than something new. To achieve high awareness, company must increase the familiarity of brand through successful means such as repeating advertising, sponsoring, brand alliances, and public relations. Through reaching out as many channels as possible, exposition is needed for the company. Since rapid development of technology has changed the way people received information, from radio, television, and websites to simple and convenient mobile phone, which called mobile commerce. Companies can easily post anything on an application to attract potential collaborative partners and consumers.

²² See Emma K Macdonald and Byron M Sharp, "Brand Awareness Effects on Consumer Decision Making for a Common, Repeat Purchase Product: A Replication," *Journal of business research* 48, no. 1 (2000).

²³ See Tülin Erdem, Joffre Swait, and Ana Valenzuela, "Brands as Signals: A Cross-Country Validation Study," *Journal of marketing* 70, no. 1 (2006).

²⁴ See Wayne D Hoyer and Steven P Brown, "Effects of Brand Awareness on Choice for a Common, Repeat-Purchase Product," *Journal of consumer research* 17, no. 2 (1990).

Mobile Commerce

Mobile commerce, also known as m-commerce is part of e-commerce. The most common and simple explanation is the use of mobile or handheld devices to communicate and conduct transactions through public and private networks.²⁵ In 2003, Samuelsson and Dholakia listed the key dimensions of m-commerce, which are user experience, flexible location, on-the-go flexible services, on-the-go flexible configurations, geographic position, field third-party applications, enterprise integrations, multi-transaction services, and different terminals.²⁶ Hence, with the number of cellular data users has increased annually, especially in Asian countries, such as South Korea, Singapore, Taiwan and so on, the demand of m-commerce cannot be sniffed at.

Sridhar Balasubramanian categorized m-commerce application into three dimensions: the extent to which the application is location sensitive, the extent to which the application is time critical, and the extent to which the application is controlled by the information receiver or by the provider.²⁷ Since online food delivery companies need to base on the consumers' physical location to calculate the distance and show nearby restaurant options. As for time critical, the main reason why people choose to order meals from the platforms is to reduce the time of looking for a parking spot for half hour and waiting in line for another hour or more to get in the restaurant. Through online food delivery, people can work and wait for the meal to come at the same time without wasting any precious time and still get their stomach filled. The online food delivery involved in different parties, such as the company itself, collaborative restaurants, and consumers. Online food delivery company is more likely to be the bridge between the both, without various options of restaurants no consumers are willing

²⁵ See Sridhar Balasubraman, Robert A Peterson, and Sirkka L Jarvenpaa, "Exploring the Implications of M-Commerce for Markets and Marketing," *Journal of the academy of Marketing Science* 30, no. 4 (2002).

²⁶ See Ruby Roy Dholakia and Nikhilesh Dholakia, "Mobility and Markets: Emerging Outlines of M-Commerce," *Journal of Business research* 57, no. 12 (2004).

²⁷ See Sridhar Balasubraman, Robert A Peterson, and Sirkka L Jarvenpaa, "Exploring the Implications of M-Commerce for Markets and Marketing."

to purchase through the platform meanwhile on the other side without consumers no restaurants would like to collaborate with the companies. M-commerce in such emerging industry has brought a new perspective of purchase, consumers nowadays care more about the service, and online food delivery is all about providing the service.

The History of Online Food Delivery

The Internet has rapidly altered traditional eating habits. Before the mobile era took over, it was the Web and this can be traced back with a website called World Wide Waiters, which is the very first online ordering service,²⁸ it was renamed and now called Waiter.com.

The existence of World Wide Waiters in 1995 opened a brand-new idea for restaurants to upload their menus online and consumers were able to link via the Internet. Once consumers placed their orders through the website or faxed to its office, World Wide Waiters made a confirmation with the restaurants then sent an E-Mail back to consumers to complete the order, finally food is ready to be deliver.²⁹ However, World Wide Waiters was not the only one to serve the whole country, so dot com companies such as Webvan (1996), HomeGrocer (1997), and Kozmo.com (1998) all took their steps joining the online food ordering market.

Meanwhile, CyberSlice (1996), an Internet pizza delivery service, whose founder Tim Glass was inspired by one of the scenes in *The Net (1995)* movie and came up with Internet order methods and apparatus which led him the creation of an online ordering machine that managed to shorten the process of confirmation and distribution between consumers and restaurants.³⁰ Back in the era with no Google Maps or GPS and each household had a phone book, he once explained in a news release, "Have you ever flipped through the phone book

²⁸ See David Corcoran, "How to Make Lunch an Adventure," *The New York Times* (2000).

²⁹ See Tim Glass Bryan Cupps, "Internet Online Order Method and Apparatus," (Google Patents, 1999).

³⁰ See Lawrence Carrel, "On and On," *The Wall Street Journal* (1997).

for your favorite pizzeria only to find it's closed, doesn't deliver or the staff is too hurried to discuss the menu or specials? CyberSlice takes the guess work out, giving consumers more choices and value than traditional phone ordering. We took a simple idea and built an entertaining and enjoyable Web destination, while staying focus on consumer service and satisfaction."³¹

While the online ordering market was about to grow and stretch, the dot com bubble crisis had crashed in 2001, unfortunately many companies had to face the tragedy of shutting down or been merged by bigger corporates. But World Wide Waiters had made its way out till now still providing online food delivering services for the public, on the other hand CyberSlice had changed its name twice to CyberMeals then finally today's food.com, only that it no longer deliver food but transformed into a recipe website.

In the late 90s, online food deliver was first introduced to the world via websites over the Internet but through time and space the development of technology has brought it to a new level where nowadays people use cellular data to look up for food and beverages at anytime and anywhere. Running businesses online seems convenience and cost reduction, but without building a strong brand could be extremely difficult to survive when everything goes online and is virtual, leaving the only thing to rely on is its credibility and reputation.

³¹ See Ernie Smith, "The Internet of Food," *Tedium* (2019).

METHODOLOGY

This study used semi-structured in-depth interviews to look into more details of the six online food delivery companies in Taiwan. In-depth interview is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program, or situation.³² The primary advantage of such research methodology is that they provide much more detailed information than what is available through other data collection methods.³³ Therefore, the thesis aimed to come up with the pattern of online food delivery companies' brands and growth strategies through in-depth interviews. Furthermore, receiving information only from interviewing online food delivery companies' supervisors is not solid enough since restaurant partners stand a curial part as well. In order to figure out how online food delivery companies interact with restaurant partners could affect the companies' brands and growth strategies, researcher also interviewed restaurant partners using face-to-face interview. Moreover, news articles, official websites, magazines, and researcher's personal experiences were taking in as references.

Research Procedure

The procedure to conduct the research was showed in Figure 1 with six steps. Firstly, the researcher interpreted the background of online food delivery industry, then clarified the research motivation and purpose. Thirdly, verified the field of the topic on brands and growth strategies of online food delivery. Once the field was confirmed, it was necessary to read and collect related literatures. Since the methodology was in-depth interview, the design of

³² See Carolyn Boyce and Palena Neale, "Conducting in-Depth Interviews: A Guide for Designing and Conducting in-Depth Interviews for Evaluation Input," (2006).

³³ See *ibid.*

questions must keep to the point. Finally, after interviews the researcher came up with transcripts for coding and editing process.

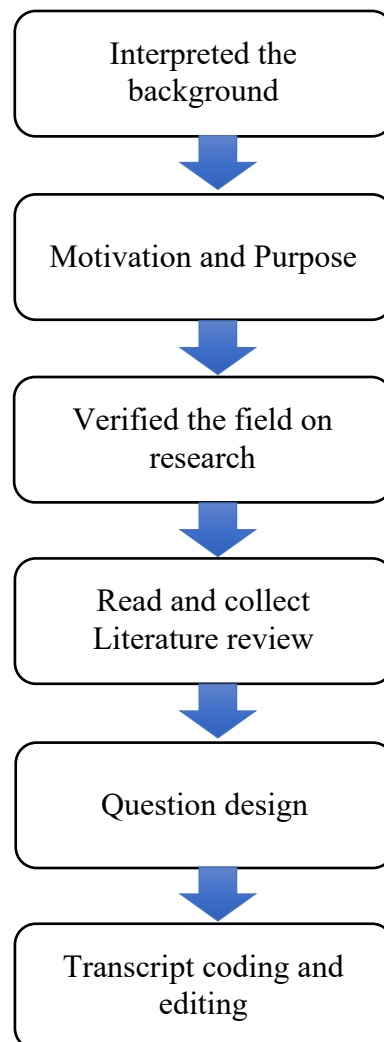


Figure 1: Research Procedure

Questionnaire Design

In-depth interview was used as the methodology in this study; hence the concept of questionnaire was taken from Barney's (1991) *Firm Resources and Sustained Competitive Advantage*, he suggested "that firms obtained sustained competitive advantages by implementing strategies that exploit their internal strengths, through responding to

environmental opportunities, while neutralizing external threats and avoiding internal weakness.³⁴ In Barney's research he identified four elements that facilitated the form of sustained competitive resources, which are value, rareness, imperfect imitability, and substitutability. Researcher used such framework designed questionnaire enabled to get a closer information on the operation and tendency of online food delivery industry in Taiwan. As for restaurants collaborated with these companies, a simple questionnaire was designed to support or defend the companies' point of views given a better understanding of how both worked together to create share economy.

Study Population

The researcher interviewed supervisors and salesmen in online food delivery companies and their partners, restaurant owners, were also included, with total 17 different restaurants and small vendors. Due to the system of online food delivery industry has many dimensions, which consumers and delivery drivers were also invited to fill in the lack of available information. The researcher listed out tables of interviewees' information and types of collaborative restaurants in each Table 1 and Table 2. In addition, the researcher tried to interview delivery drivers, consumers, and restaurant owners as support to explore online food delivery industry's growth pattern and firms' strategies.

³⁴ See Jay Barney, "Firm Resources and Sustained Competitive Advantage," *Journal of management* 17, no. 1 (1991).

Table 1: Interviewees' Information

Interviewee	Position	Experience	Time of Interview
Mr. Su	COO	3 years	2 hours and 25 minutes
Mr. Huang	Salesman	3 months	1 hour
Mr. Chou	Delivery driver	1 year	1 hour
Mr. Liu	Delivery driver	4 months	1 hour
Mr. Wu	Delivery driver	6 months	1 hour
Ms. Tsai	Consumer	1 year	15 minutes
Ms. Hsiao	Consumer	6 months	15 minutes
Ms. Su	Consumer	6 months	15 minutes

Source from: *Edited by the Researcher*

Owning to the limitation to reach out all supervisors and managers of online food delivery companies, researcher then face-to-face interviewed three delivery drivers, three consumers and seventeen restaurant owners to collect possible information toward how online food delivery grow and expand in an emerging market. In Table 2, the restaurants were divided into different categories and most chain store restaurants were willing to collaborated with well-known brands with positive reputation, the reasons will be elaborate later in data analysis.

Table 2: Types of Collaborative Restaurants

Types of Catering	Total Number	Chain Stores	Collaborated with Foodpanda	Collaborated with UberEATS	Collaborated with QuickPick
Food Stands	4	0	4	3	0
Restaurants	10	4	8	7	3
Drinks	3	3	2	2	1
Total	17				

Source from: *Edited by the Researcher*

Data Collection

The researcher spent approximately three months reaching online food delivery companies and restaurants while designing questionnaires for different population. After the interviews, the researcher took about a month transferred the audios into total 52 pages of transcripts and classify the information.

Interviewees tended to express emotional feelings more than rational facts during the interviews causing bias for the research. Therefore, to avoid objective responses, it was necessary to invite other relevant population, such as consumers, delivery drivers and restaurant owners to do triangulation and provide a bigger picture of how online food delivery industry operates.

Overall, the collecting of data and approval of interviews did not come easily, even if the emerging industry has grown year by year, it is yet fully developed. The researcher has gone through online news, magazines, journal articles, companies' applications, and companies' official websites to access as many information as possible.

DATA ANALYSIS

After interviewing and collecting data from in-depth interviews and available information, researcher categorized the six online food delivery companies into sections as listed: the development process, internal resources, collaborative restaurants, consumers, establishment of reputation, and growth strategies. Thus, the analysis aimed to examine each company's internal and external resources to figure out what are online food delivery firms' growth strategies and brand strategies.

Foodpanda

As the first mover and German corporate, foodpanda entered Taiwan in 2012. Back then its parent company, Rocket Internet did not understand the dining habits and preferences of Taiwanese consumers, most of its collaborative partners were either restaurants with medium price or higher price meals and the minimum order landed around NT\$150 to NT\$300, plus charging 10% of service fee. Moreover, the delivery cost was calculated according to the distance from restaurant to designated location, which ranged from free delivery up to NT\$199. If consumer did not reach the minimum order, the notification will pop out and ask to charge extra NT\$50. The total of service fee plus delivery cost was enough for two lunch boxes, Taiwanese enjoy cuisines, but prefer spending it wisely and worthy, as most Taiwanese would say "high CP value" is important, so it was not cost-effective for 20s freshmen, not to even mention businessmen in their 30s or 40s, who tended to grab lunch by themselves at small vendors or restaurants just across their workplace.

Therefore, foodpanda was stuck and faltered in such situation, spending more of its time observing the behaviors of Taiwanese consumers and the development of technical system. The term "order in" was unfamiliar to Asians, due to most Asians either cook at home or buy food from local traditional markets. In Western countries, especially in the USA

with scarcely populated area, they were accustomed to takeaways and order in. Thereby, foodpanda initially targeted corporates and went in individually to promote and propose benefits of cooperation, which encouraged companies to increase the amount of orders, and for companies that reached the highest amount of orders will be rewarded. Yet without the participation of various restaurants no companies would want to place orders, factors such as the Internet was not as solid as present, and many stores were either small vendors or old restaurants passed through generations. Even as the first mover, foodpanda had forced to look for its collaborative restaurant partners from scratch, but when restaurant owners heard words such as “the Internet” and “technology”, they had no idea how to operate the system which foodpanda provided and mostly turned it down, so foodpanda took quite a while and manpower to communicate with the owners.

On the other hand, restaurants with bigger brands, such as Pizzahut, McDonald’s, Milkshop, and so on have their own delivery staffs. Some of them do not even charge extra delivering fee, being able to convince these stores were not easy, everything seemed to be based on “trust,” trying whatsoever to convince restaurants to cooperate was also a way of marketing. In addition to establishing the relationships with ones who have their own delivery staffs, foodpanda was also actively looking for stores that lack of manpower and came up with an agreement in a mutually beneficial way. During the process, foodpanda has been constantly keeping up with the trend of Taiwan’s market to adapt and make changes. After gaining the trust from restaurants, it was still up to the consumers’ willingness of purchase, foodpanda has adjusted the delivery fee from originally expensive to launching free delivery from time to time. Also, the delivery time used to take up to two hours, it has now reduced to 20 to 35 minutes, the reason why the time has shortened was the number of restaurant partners and delivery drivers has increased, more and more districts and counties has also been included which brought more consumers. Furthermore, foodpanda noticed the

warm hospitality of Taiwan, so whenever encountered delay situations, foodpanda would inform the consumers through phone calls, then sent the approximate arrival time and total check via text messages and E-Mails, leaving good impression in the hearts of Taiwanese consumers. However, the bank available funds of Rocket Internet have shrank and the sales revenue in the first three quarters in 2016 was not as good as expectation, executives had issued an ultimatum and set the last quarter as stop loss point. With the image of “entrepreneur pioneer”, Rocket Internet could not remedy foodpanda’s failing performance, and the main reason was not able to enter Southeast Asia market due to languages and geography were the competitive advantages of local competitors. Watching foodpanda declined, many investors started to worry and put pressure on Rocket Internet warning the company to look for a new buyer before the brand still has its value. Eventually, foodpanda was acquired by a German online food delivery corporate, Delivery Hero for US\$500 million, since its parent company mainly focused on online food delivery, there are several international subsidiary companies, including foodpanda in Asian and Eastern Europe; foodora in Europe, Australia, and Canada; and last in Africa, Latin America, and Middle east the name is hellofood.

At this point, all basics and internal structures were forced to be change so did the cooperation mechanism, it was in an urgent looking for someone to take over and make sure everything is back on track as soon as possible, but for its competitor, UberEATS, who saw the blank space and took the opportunity to enter Taiwan in 2015, this had made foodpanda caught off its guard, but there were no time for panic and the first step to do was putting on a new look for foodpanda. The color of its brand used to be bright orange and the panda was not exquisite enough, but in 2017 with new leader a fresh and modern look was in need, from orange to pink has made foodpanda not only fashionable but stood out in the city, also strengthen the brand image to bring the brand-new foodpanda back in the game.

The internal organizational structure of foodpanda is based in Taipei city, and there are two departments setting their offices in cities around the country which are sales department and operation department. The main job for sales department is to look for potential markets, and as for operation department there is a commissioner to assist situations that delivery drivers could not solve. Speaking of delivery drivers, the management is taken as self-disciplined, meaning to accuse each other if one did not wear uniform or violate the traffic regulation is the rule and will earned a reward point afterwards, the reward points are to exchange equipment such as extra insulated bag for making delivery process much easier and faster. At the beginning, uniform was not compulsory, but to make a deeper impression for consumers on brand image, it is now considered necessary.

All gears were totally costless for delivery drivers, but as more and more people joined in, the company wanted to make sure the quality is consistent and that delivery drivers take their jobs seriously, therefore, to reduce the turnover rate of manpower, all basic equipment are currently NT\$2000, and meanwhile the company provided car insurance and casualty insurance for all delivery drivers. The salary of each driver is NT\$70 per trip, and through the number of orders which drivers picked up increased the salary does too, when it comes to rainy days the salary increased to NT\$100 per trip. Moreover, a bonus will be rewarded when introducing others to join as the delivery drive, for example A recommended B to become one of the drivers, but each of them must reached 100 trips of delivery within two weeks, then A gained NT\$1000 of referral bonus, and B received NT\$500 of rewarded bonus. What is more, after two weeks of hard working, if each of them can continuously complete 300 trips in a month, another NT\$700 will be added in A's pocket, and another NT\$800 in B's. Yet it is possible that A introduced 10 people to join the delivery job, and when all of them are able to finish 100 trips individually in two weeks, A will be rewarded with NT\$10,000 bonus. Due to the payment of foodpanda is cash on delivery when it first

entered Taiwan, not only to deliver food on time and perfectly in the hands of consumers, but to collect payment from consumers and remit the total amount to company's bank account per week, at the end of each month allocate the revenue to restaurant owners.

On the design of foodpanda's application and website, large pictures are presented in accordance with the young generations' preferences by making the interface simply and provide the fastest way for consumers to find their ideal meals. Also, there are several categories for consumer to choose from, price selection and cuisine styles, every record of past orders will be saved for consumers who would like to order the exact same meal the next time. In addition, foodpanda has updated takeaway service for consumers who would like to reserve the time in advance to pick up the meal in person.

Before Delivery Hero took over, foodpanda was not proactive, it was still taking its time slowly exploring and observing the types of consumer, until the new parent company pumped in new blood, foodpanda is now the market bellwether with 68% of the market share, and the amount of orders per week in this year has surpassed the total in the past years. Compared to last year, the orders have increased 25 times faster, and more restaurants take actions to ask for collaboration. The chief executive in Taiwan, Mr. Fang hoping to lead the team expanding more of its geographic locations around the country and making all restaurants join foodpanda.

With the resource and information from parent company as a part of competitor advantages, how to make good use of it and convert into more valuable and sustained advantages is the key. Foodpanda increased its collaborative partners and gained its reputation while expanding territories, not only providing direct shipping, but also picking up meals in person, for consumers just around the restaurants simply reserved the time to pick up and pay it online, this will save some delivery fee and the time waiting in line. Also, some places like Taipei city center has 24 hours service making sure no night owl gets hungry.

Very differently, foodpanda is the only online food delivery company broadcasts its advertisement on television, which deepens the brand image for more consumers who have not ordered food from foodpanda. Besides increasing the reputation of restaurants, foodpanda offers backstage statistics, which may assist restaurant owners to understand what the bestsellers are, revenues, and the amount of orders. Moreover, giving advice to problems that most consumers have encountered for restaurant owners, in this way to increase the reliability for foodpanda.

However, the selection of restaurants is crucial, Taiwanese consumers care about food security and sanitation, and the way foodpanda chooses its collaborative partners is by checking up the restaurant's online reviews. It is a must to have popular and positive restaurants working with foodpanda, having a stable amount of orders and high popularity, the growth of both is expectable. On the other hand, the odds for salesmen to get in touch with beverage stores is quite low, due to the output value is not much. Before foodpanda gained its reputation, salesmen have to look for stores one by one on foot and giving out flyers or held events to attract restaurants, but now it is totally different, with the high reputation, most restaurants take the initiative to ask for cooperation. Foodpanda started from big and famous brands which have well order performance in the city center, then expand to local vendors, normally when local vendors saw foodpanda has collaborated with well-known brands, they are likely to join as well.

The major reason for foodpanda to work with big brands such as McDonald's, Pizzahut, Starbucks and so on is to gain reputation, letting consumers know there are other options to get fast food or a nice cup of coffee, even if the store has its own delivery staffs, the delivery time of foodpanda will be much shorter, and what is more small vendors are willing to take its chance too. But for a long-term cooperation with restaurants, foodpanda has two kinds of contracts, one is general contract, and the other is exclusive contract, all

contracts are tied down contracts, meaning before any party bring up to terminate the contract, it is continuing valid. The biggest difference between the two contracts is the restaurant commission of the former contract goes with the market flow, and the latter has lower commission, but only can it collaborate with foodpanda. Enable to strengthen the relationship with collaborate partners, activities are held each month, and for partners who participated, foodpanda provided its merchandises such as paper bags, new user discount cards and so on as gifts to increase the adhesion of restaurants and at the same time attract new users.

New geographic location expansion brings new consumers, the condition for foodpanda to expand a new district or city is based on the population, if such area has reached to the company's standard then salesmen are going to look for collaborate partners as soon as possible. In areas that foodpanda does not serve, there will be a system collecting the times of people clicking in the application of foodpanda, once it reaches the goal then the market may be expanded. There are no specific target population that foodpanda is aiming for, plus knowing Taiwanese are used to cash on delivery, so basically everyone is included, even high school teenagers are into it, ordering lunch every day with foodpanda. Later on, considering some consumers do not have cash with them all the time, foodpanda added the credit card payment.

Since online food delivery is a new industry, foodpanda has been upgrading the relationship with salesmen and collaborate partners, a good salesman is important to invite restaurants willing and continuously the cooperation. In the past there are cases where salesmen lost contact once both sides signed the contract, leaving restaurant owners helpless, the relationship between salesmen and restaurant owners should be like friendship, not only to build the reputation, but more relations for the future. When restaurant owners feel good about the cooperation, he or she will then introduce others to the salesman, then the work will

be easier and faster. However, the most common situation is when restaurant received lots of orders, the speed of delivery drivers is limited, and some consumers may not be happy about it. To make sure consumers do not get angry and never come back, the customer service will send messages to consumers in advance and sometimes to compensate with discount coupons.

Both collaborative partners and consumers are important to foodpanda, take Kaohsiung city as an example, the growth rate of order has been increasing, back in the days there were not enough salesmen, so the expansion of districts and cities was quite slow, but in present it is totally different, there are at least 800 restaurants working with foodpanda and orders have reached above ten thousand. Salesman, Mr. Huang said “consumers are always there, and indeed the number of collaborative restaurants does affect the consumers’ purchase intension.”

In the future, foodpanda aims to expand all over the country including outer islands such as Kinmen, Matsu, and Penghu. Once the geographic location expanded, the need of delivery drivers is necessary, therefore foodpanda will recruit not only delivery drivers who ride scooters but also with bike and on foot, so even short distance is available. Delivering meals are not special anymore, foodpanda is planning to deliver dried goods, such as daily commodities and tickets and other services.

QuickPick

QuickPick was originated from Tunghai University in 2013, it does not have parent company to provide funds and resources nor relevant information of the market. At first, it was simply college students who were browsing their mobile phones in the school dormitory hoping someone could deliver food in the middle of night. Then, the idea of how to combine people who want to sell, want to eat and willing to send all together came up, the

establishment of platform was only served in the university, working with nearby restaurants and stores. Students were quite supportive, but gradually it found out with the target population of students were just 10% of the revenues, so it started to expand to urban areas with office buildings.

After interviewing the COO of QuickPick, the internal organizational structure has made an adjustment due to the development of the firm. In the beginning, sales were the most important element, so QuickPick invited as many restaurants as possible, which faced the similar situation as foodpanda did. As a startup company, all funds were from friends and family, since the lack of money, manpower, and resources, there was only two departments, marketing and finance. With three people running the business, each person was multitasking, working to look for collaborative partners, matching orders to delivery drivers, and designing the platform. The firm later then expanded departments to information technology department, operation department, marketing department, planning department, and management department. Even with different departments, the real decision maker is the chief executive officer, which ended up inefficient and gap between communication, therefore company came up with present structure with operation department, marketing department, and finance department under the chief executive officer, and each department has its own ways of management. Take operation department as an example, there are logistic department and as for finance department, they supervise personnel department and management department.

Although in application design, time management, number of delivery drivers, and collaborative restaurants QuickPick was not as complete as foreign corporates, but its chief operating officers pointed out “from the very beginning, we’re not competing with them, we’re on our own.” Most of online food delivery companies set their headquarters at Taipei city but not QuickPick, and the main reason was the lack of funds, but it does not back them

down, instead keeping proactively expanded in the Taichung region, there are already 30% of the restaurants in Taichung that worked with QuickPick.

Management of delivery drivers was at first adopted the same way as foodpanda by using self-disciplined method, but eventually it will become a vicious cycle, so it changed into 7:1 method, meaning in seven contractors there will be a full-time staff member guiding. For full-time staff members, there is labor insurance, and since it is full-time the amount of order pickups are more than contractors. Due to the insufficient funds and knowing the importance of delivery drivers, QuickPick gives delivery drivers the opportunity of promotion, treating them like friends and family and hoping they can feel good about their jobs, which creates the sense of achievement. From the position of delivery driver to team leader and to the commander, one is able to cultivate and encourage a group of delivery drivers, through competing with another group, which helps maintain the quality of delivery drivers, moreover, giving the ability for team leaders to gain knowledge of personal management and recruitment. In addition, full-time delivery drivers do not need to pay any delivery fee while using the company's platform to order, and extra bonus will be added according to the level of position and well performance at work. All QuickPick delivery drivers are equipped with uniforms, name tags, and insulated bag, in the past the equipment was provided free of charge, but as foreign corporates coming in, the turnover rate of delivery drivers increased, many wanted to join in the bigger firm, so to fix the manpower shortage, the whole equipment now costs NT\$1000 to NT\$2000. If the equipment were leasehold, people could leave and go in a second, and harmed the company. The reason why QuickPick is selling equipment now is because once delivery drivers bought their equipment, they tend to care about the work, even if they want to quit job, they will still make sure they earned back the cost of equipment. For the training of delivery drivers, there are four hours of training courses and eight hours of practical training, and the maximum salary for each trip is

NT\$90, back when no one knew anything about online food delivery industry, foodpanda had its maximum salary of NT\$110 per trip, but now more and more people wanted to join in, it has decreased to NT\$70 per trip. The aim of QuickPick does not only teach delivery drivers a standard operation procedure, but more of communication and culture of the company, delivery drivers are the crucial assets for QuickPick, since without them no food will be delivered.

On the design of its application, although it looks nothing similar to other online food delivery platform, there are several functions that make consumers feel special about it, such as the map of restaurants, consumers are able to take a glance over all restaurants nearby. Notification pops out and asks consumer to sign up as user when adding meals to shopping cart, and the calculation of delivery fee is free where the order is over NT\$350, if the total amount of order is NT\$300 to NT\$349, extra NT\$25 will be charged and under NT\$300, the delivery fee is NT\$49. Also, knowing Taiwanese consumers are into point collection, QuickPick has its digital point collection called “Q-point”, after every purchase consumer gained 5 points, which equals to one-dollar discount for the next purchase and with no limit. Consumers are able to confirm the meal before sending out the order and choose whether to order in or takeaway in person. After sending the order, it will appear the receipt of total amount and approximate arrival time. QuickPick does not have google map like foodpanda and UberEATS showing where the delivery driver’s current location, but it is working on that soon. Back when QuickPick was designing its platform, the first thing consumers see is a waterfall not a map or pictures of all restaurants, then it realized such design had decreased 20% of the consumer, therefore adjustment were made, so when consumers get in the platform it shows the list of restaurants.

Since QuickPick is a local company in Taiwan, without the funds and resources of parent company or large shareholders, it focuses on what it can do based on its current

resources and the needs of market when making decisions, also consult designs that most people like from other companies. In order to survive in this full of potentialities market, QuickPick has to come up with competitive advantages, which started back in its origin at Tunghai University, it noticed students usually eat while having beverage at the same time, so came up with the system of cross selling, meaning consumers were allowed to order different things from different stores within the radius of 750 meters in just one order and pay extra NT\$15. Cross selling has made QuickPick came up with another idea of set meal, providing the combination of popular products from store A and weak products from store B to consumers, not only a faster option for consumers to choose from, but also an opportunity for collaborative partners to know what consumers like and dislike. Although no funds from foreign corporates, QuickPick believes being local is also a competitive advantage, the reason for that is headquarters of foreign corporates are not truly managed by executives from their countries, instead sending someone with suitable skills, plus they earned benefits from expansion, that is why ended up the “war of money” at present. Due to stockholders of foreign corporates want is key performance indicators, and the process of getting the goal is not important, but when discount is over, consumers will come back and look for the best quality and service.

The way QuickPick chose its collaborative partners is going for affordable price, it believes that no consumers will eat every single meal at a restaurant every day, so the need of order in is necessary, but if the company wants the amount of orders to increased, the price must not be expensive, therefore the main partners are either medium and small restaurants or vendors, the standard is based on sanitation and government inspections. Compared with foreign companies, QuickPick does not take the amount of order per month of a restaurant or style of dishes as an evaluation. Collaborative restaurants canceled orders are the most common situation, where consumers were not able to receive orders, and QuickPick will have

to compensate with discounts. Due to the lack of resources, when encountering meal shortage, restaurants cannot take it down as immediate as possible, only can QuickPick ask the restaurants to inform earlier, but such loophole must be fixed within short period. For a long-term cooperation, QuickPick launched individual discounts of restaurants to increase the revenue of stores and provide discounts to consumers. Also, providing free point of sales system and Bluetooth orders machine for collaborative partners to edit the menu, at the same time through point of sales system, owners are able to know its revenue and financial reports.

QuickPick once expanded its geographic location to Taipei city and New Taipei city, where there were 200 restaurants would like to cooperate, but it withdrew within a year, and the reason was the cost of delivery drivers' training, although QuickPick had worked with a Singapore corporate, lalamove, but the systems were different and eventually failed. The lack of funds and resources has limited QuickPick in all ways, therefore the expansion of location will focus on subregions instead of capital cities, currently the company is considering going for small cities with large population, such as Taoyuan city and Hsinchu city. The target population is mostly women who work in office building or city center. QuickPick has worked with cross-industry alliances to develop new consumers, for instance through cooperating with television company, connecting cable television with QuickPick's data, which turns into intelligent appliance for elders. It believes to build up the market has to via cooperation with other industries.

A well communication and consideration for others is how QuickPick built its reputation, the commission that QuickPick charge from collaborative partners was 11% to 15% back before the proportion of foreign corporates entered the market, the impact on QuickPick was to ask restaurants with lower commission to price-cutting their products, which ended up restaurant owners dissatisfy. After such incident, QuickPick learnt it is crucial to let all participants familiar with what is coming when making any decision, never

did QuickPick want to harm the relationship of any party, but indeed hurt the feelings. QuickPick had fixed it and hope to create more consumers and the amount of orders with its partners. The most important growth strategy is the amount of orders, since running online food delivery business has a lot to connect to the delivery drivers, consumers, and company itself, which is why QuickPick would like to upgrade the point of sales system to assist out of stock issue and decrease the possibility of canceling orders in order to increase the consumers' satisfaction, and at last shorten the time of delivering by using artificial intelligence, turning logistic framework into program.

Although most online food delivery companies are hoping to turn offline consumers into online consumers to provide digital purchasing option, but due to Taiwan is a country that has small cities with large population and warm hospitality, people are hardly to stay at home for long-term, so it is impossible to replace all restaurants. With customer-oriented culture, QuickPick wants the best for consumers and plan to provide coupons, the total amount consumer purchased online will be exchanged to coupons for eating at the stores, creating a win-win situation for all parties.

Foodomo

Foodomo was founded in 2015, before Mr. Chang became the chief executive officer, he was hungry while working in Taiwan and wanted to order in, but restaurants with food delivery service were mostly fast food, which led him the idea of creating a platform that suits Taiwanese consumers. There were only foodpanda and Taokesong by the time, enable to speed up the process of understanding the industry in an emerging market, foodomo merged Taokesong in 2018, at the same time providing costumer online service, making sure consumers know the flow of the order. Compared to other companies, foodomo decided to go for takeaway instead of order in, as a local startup company without knowing how to make

restaurants cooperate, plus most Taiwanese were still used to phone calls ordering. It was a sudden decision for foodomo to break into the market, through being the bridge between consumers and restaurants by taking all orders not limited to collaborative restaurants, such operation has not only brought extra revenues to these restaurants, but also strengthen its brand image, therefore food take out stood 80% and 20% for order in, the online payment was completed first, so there would not be conflicts of not picking meals up.

With the market getting more and more competitive, foodomo had to upgrade its delivery service, although the order in has increased to 40%, the company still kept 60% for food take out, due to many consumers were no willing to pay extra NT\$30 to NT\$40 of delivery fee. The company believed what foreign corporates brought was fake crowd, once the discounts were over, people disappeared as well, therefore foodomo would like to spend more of the time optimize the platform and its service. Not only check on the quality of services, but foodomo also launched its virtual currency “fodo-coin”, through sharing with friends or order accumulation to get discounts. Without parent company, the reason for foodomo to hold water because the optimization of platform and services, quality of the firm is the first.

Due to the company has minimum order and delivery fee mechanism, which shows on the platform for different restaurants, also group ordering is available in order to increase its users. Before purchasing, consumers have to registered first, and the cart also provide the function of going back to the original menu while browsing other restaurants. Its minimum order rests at NT\$150, and delivery fee is calculated according to the distance. For each restaurant, there is information such as telephone numbers and addresses which connected to google maps for consumers to know the location and time of arrival. The competitive advantage and added value of foodomo is no limitation of collaborative partners only, meaning consumers were able to order in restaurants that did not cooperate with foodomo, in

which to reduce the time for waiting in line. Since the reputation and resources were not like foreign corporates, through looking up restaurants, such as DimDimSum, Chun Shui Tang, and Din Tai Fung etc, foodomo is able to take out for consumers, not only to satisfy the need of consumers, but also strengthen the brand image for restaurant owners for the good of future cooperation. In addition, the company provides its tablecloth for every delivery, it wants consumers to feel satisfy from the minute choosing foodomo. The company also worked with 14 restaurants at ATT4FUN department store, providing medium and high price meals for consumers.

The method that foodomo took to evaluate restaurant partners was through Google form, such as the style of dish, any cooperation with other online food delivery companies, and so on. Current service location are Taipei city and New Taipei city, via various of payment like cash, credit card, third party payment, ApplePay, and LINEPay, hoping the consumers would not be limited by the way of payment. The way foodomo builds its reputation is through the customer service that shows on the top-right corner of the application, compared to other companies, which tend not to place it obviously. Foodomo wants consumers to reach costumer service immediately when encountered order issues, moreover consumers are able to contact delivery drivers directly, so consumers would not feel unsecured about their orders on the way. On the other hand, with restaurant owners, they are able to check on the owners' application to get a detailed procedure of ordering. Restaurants are usually busy during lunch and dinner break, it is possible to miss the order accidently, foodomo will then remind owners through its system, and inform monthly revenue reports. Also, through purchasing on consumers' behalf with uncooperative restaurant is a way to build reputation, for instance when uncollaborative restaurants A realized there are foodomo delivery drivers picking up meals, they know there are potential

consumers, then having positive impression of foodomo, which increased the possibility of cooperation.

Past years, its service location was limited in Taipei city and New Taipei City, and in this year Taichung city, Tainan city, and Kaohsiung city started its trail operation, and the way of payment is either credit card or through third party. Although online food service has now become the trend, to buy on behalf of consumers seems to satisfy the demand of market.

UberEATS

Under Uber, Travis Garrett Camp, the founder of UberEATS, was actually going for UberEverything, not only meals but daily essentials, however due to the cost, UberEATS was officially launched, and its former name was UberFRESH. In 2016, UberEATS entered Taiwan, and one of the interesting facts was people tend to think it as the first online food delivery company in Taiwan. The reason was three years before UberEATS entered the market, its parent company, Uber, has already started running and observing the habits of Taiwanese consumers. Uber made it to the international brand in short period due to taxis in America are much more expensive than in Taiwan, the existence of Uber created sharing economy, with a car there is a way to propel economy, and consumers are able to get a cheaper ride. The whole sharing economy has been brought into Taiwan and now consumers have different transportation options when going somewhere else, what is more, consumers may meet new friends or experience luxury car ride, making the trip a good deal. On the other hand, Uber has faced several transportation legal issues, and for that when UberEATS entered the market, consumers have already heard of the brand for long. Owing to the observation of Uber, UberEATS clearly understand the preferences of Taiwanese and the design of its platform.

With the simple interface of application, the training for delivery drivers is through showing standard operating procedure videos. Since the delivery job is flexible, drivers can show up online whenever and wherever simply by clicking “online”, after accepting orders delivering, the system will show the best routine and the maximum orders can a driver accept is four. UberEATS does not provide uniform or name tags for delivery drivers, just the insulated bag with the brand logo, once the order is delivered to the consumers, information about how long the driver showed up online, distance, and total income will show on driver’s application. Compared to other online food delivery companies, UberEATS has the most delivery drivers, since all relevant documents for applying the job is completed and waited till the insulated bag arrived, no matter with scooters, bikes, or on foot, delivery can easily be done. Also, the payday is once per week and bonus is given once per two weeks, which is faster than foodpanda. At first, UberEATS had invested huge amount of money on delivery drivers, hoping to attract drivers from other companies, the salary was once NT\$100 per trip, but now it has dropped to NT\$40 to NT\$50, and with every 2 kilometers extra NT\$10 is added, after completed the order NT\$17 will be added to the account as well, sums up all above then times 75% (50% for driver’s salary and 25% for the platform), when encountering rush hours, NT\$40 will be added after four trips, NT\$110 for seven trips, NT\$200 for eleven trips, but the disadvantage was the issue of order, such as delivery drivers snatching orders. Another bonus is the referral fee, for instance A introduced B to join UberEATS and after B registered as delivery driver delivered 15 times, there will be extra bonus of NT\$500, and A gained NT\$1000.

UberEATS also keep records of the past orders that consumers purchased, back then the platform only showed when and where the arrival of order, and now consumers are able to know all details about who is the delivery driver, the time and location of the order, and a much more precise time of arrival, making the consumers feel secured. In addition, after

consumers received the order, comments and suggestions from consumers are required, not only they feel to be respected and cared about, but also provided the practical advices for restaurants. Many UberEATS users thought of the platform “useful” is because the design is similar to the social media, Instagram, which most young generation is familiar with.

Having a high reputation parent company with plentiful funds and resources, there is no need for UberEATS to spend time on investigating its competitors, but to create as valued services as possible. Not only working with bricks and mortar, but also “virtual kitchens” and “virtual restaurants”, analyzing the market gap through big data. Under the condition of no extra cost, restaurants are able to develop new menu to gain new consumers, and for virtual restaurants there are no physical stores at all, if there is a kitchen any menu or dish is possible, in this way with the least cost, the business is still running. Also, “flash week” is held each week for restaurant owners to pick one of its popular dishes and go for 20% off, for instance, the price of meal A is NT\$100, and in flash week it is NT\$80, and the revenue for the week is calculated as $80 \times (1 - \text{commission})$, although restaurants has to absorb the cost during the “flash week”, but the main purpose is to increase restaurants’ exposure rate at least 70%. For all manpower education cost, UberEATS has made it easier and costless through showing standard operating procedure videos.

The way UberEATS evaluated its collaborative partners is through website form, such as the name of restaurant, location, the number of stores, style of dish, and so on. There are two kinds of restaurants, one is small startup stores and the other is well-known stores, many small stores need more exposure opportunity to survive, therefore the cooperation with UberEATS will do. For bigger restaurants such as Din Tai Fung and Milkshop cooperating with UberEATS gained extra revenue, since there are consumers that willing to pay a bit more than waiting outside of Din Tai Fung for an hour or more. The commission for smaller restaurants is around 33% to 35% and for bigger restaurants drops at 25% to 30%, the

reputation of restaurants affects its commission. Smaller restaurants have higher reliability for UberEATS, especially with events such as “flash week” to increase the exposure rate, and for bigger restaurants, it is convenient and reduce the cost of manpower, also to develop new consumers.

Currently UberEATS provide its service in Taipei city, New Taipei city, Keelung city, Taoyuan city, Hsinchu city, Taichung city, Changhua city, Chiayi city, Tainan city, and Kaohsiung, total of ten cities. With its parent and born-global company, Uber, the target consumers were medium and high-income credit card users, and share consumers from Uber. Owing to high reputation, consumers feel secured while its collaborative restaurants were not as many as foodpanda, but many big and international brands joined UberEATS, therefore UberEATS seems to represent a luxurious and modern way of dinning. In the past, credit card is the only way of payment, but through the number of foodpanda’s delivery drivers and orders increased, UberEATS then added the cash on delivery service, hoping to attract younger generation.

Before Din Tai Fung joined UberEATS, it participated the “flash week”, and was highly praised by the public, normally consumers have to wait for at least an hour, but after cooperating with UberEATS, not only reduce the waiting time, but also expand new consumers and provide delivery service. For consumers, once orders have been sent out, the application then showed a clear vision of the orders, during the process, consumers are able to contact delivery drivers directly. These little but full of care functions are ways UberEATS build its reputation.

Yo-Woo Delivery

Despite foreign corporates has stepped in the market earlier, it does not bother local company to join the market, the subsidiary of Sinyi Housing, YoWoo Technology worked

with Global Express and launched the social economic interaction online food delivery company, Yo-Woo Delivery in 2016. Through the statistics of Sinyi Group, knowing the living of Taiwan is the combination of residential and commercial environment, which leads Yo-Woo Delivery entering community via logistics. CEO of Yo-Woo Delivery, Mr. Tsai believed there are two types of orientations towards food delivery, one is marketing assistance for restaurants, and the other is sharing manpower resources, but the goal of Yo-Woo Delivery is “Presenting community cuisines to all neighbors. There are too many characteristic restaurants in Taiwan, but not many people know it, which is sad. Therefore, we hope to make these characteristics restaurants acknowledge enable to run long-term business, and consumers can order constantly, eventually a win-win situation!” He also pointed out, “From the beginning, no participating in discount war at all, because as a local business, it is much more important to survive, on the other hand, focusing on community demand is the main advantage. The strategy towards restaurants is targeting popular stores within 2 kilometers, even without contracts, Yo-Woo Delivery is willing to delivery for restaurants, ‘first a favor then the benefits, when the restaurants felt the practical growth and wanted to build the relationship with consumers, owners will come and ask for cooperation’ Mr. Tsai thinks from the users’ point of view and for that restaurant owners are willing to collaborate.

Besides taking responsibility of delivering, moreover the drivers are the façades of the company, they have to wear uniforms and carry insulated bag, and since not all restaurant owners know how to manage the orders application, the company trained the delivery drivers to assist restaurant owners. Yo-Woo Delivery does not have as many manpower as foreign corporates, hence the welfares for its staffs are better, providing stable monthly salary and also counted through piecework system for delivery drivers, labor insurance is included, and punch in for delivery drivers are through mobile phones. Drivers have to show up on specific

schedule, even if there were no orders coming up, NT\$50 per hour is still the minimum wage. Delivery drivers are able to proactively propose the collaboration and give the “recommended code” to the restaurant owners, so next time the driver has privilege to receive the orders first. The salary of delivery drivers is calculated as NT\$70 per one kilometer (NT\$50 if less than one km.), extra NT\$5 will be added for every 0.5 kilometer, and the maximum is 30 kilometers, the total of orders minus 10% of the platform fee will be the income for delivery drivers. Basically, once the consumer place the order, there will be a notification informing restaurant owners, customer service will also remind the owners to accept orders when it is rush hour. On the other hand, Yo-Woo delivery drivers are not just delivering, but also franchise, the meaning here is to look for a person or a team to innovate the community and develop the district, helping both restaurants and company grow faster and smoothly, and for franchisee get to earn the platform fee, not only to increase teamwork, but also a new way to expand and explore new stores.

The design of the application for restaurant owners will remind the restaurant owners to accept orders after three minutes to ensure their rights. As for consumers, the design is quite similar to Instagram as well, all information are shown at the very bottom of the screen, also there are clear labels of discount for new users and all users, and if consumers have any question about the restaurant, the platform also connected to restaurants’ information and google map. On the point collection, Yo-Woo gave new users 50 points for first time order at the price of NT\$300, and NT\$20 for 1 point for all users, group ordering is available as well.

Although it is the same industry, but with different background, its strategies and target market are totally different. Having parent company, Sinyi Housing which has 4000 regular chains and over 2000 salesmen, therefore fully understand the conditions of local community, creating the “communization” culture, it is easily to get all data of each community and start to expand. Yo-Woo delivery provided services which other companies

do, but what is more the “calling for delivery drivers” service, many consumers still like to order meals through telephones, but when encountered rush hours or the lack of manpower, the restaurant owners can fill in the form by entering the total price, address and consumer information to have someone delivery food, in such way restaurant owners are able to reduce the cost of manpower.

Current service the company provided are Taipei city, New Taipei city, and Keelung, through its “franchise”, entering the community, understanding the community, then expanding to other more. Since Yo-Woo technology has been developing software application and at the same time take the element of communization seriously, cooperating with other related application, such as “localbond”, and application that help community pay for electricity and water fee, integrating food and communities are the key point for its development.

Yo-Woo delivery build its reputation in a whole different way, contracts are usually signed at the very beginning, but the company provides probation period for owners truly experience the benefits after collaboration. Once the probation is over, the restaurant owners will then bring up cooperation, delivery drivers are also one of the ways to build reputation, through firm training, it is better to call the consumer double checking the orders to reduce mistakes. Not all restaurants want to wait for a month to receive revenue, hence consumers pay the meal cash on delivery, and restaurants gave the delivery free to drivers, not only reduce the cost of manpower of the restaurants and providing delivery service.

Deliveroo

Being the latest foreign corporate joining the market in 2018, the founder of Deliveroo, Mr. Hsu, seize the full of potentialities, at the meanwhile scooters are the main transportation in Taiwan. Although the only location is now in Taipei city, but according to

chief manager, Mr. Lo pointed out Deliveroo usually stick to a place until it got to the position of leader later then expand to other places. There is no labor insurance for the delivery drivers, but personal accident insurance and liability insurance are provided. Some companies restrict its delivery driver taking one job only, but not Deliveroo, the way it calculated the salary is quite similar to UberEATS, NT\$45 for picking up meals plus kilometer fee and NT\$20 for delivered fee, there is no punishment regulation and salary is given once in two weeks, The training for delivery drivers is also via videos, uniform, jacket, and insulated bags will be given without any charge, there is no limitation that the only insulated bags should be the company's bags, it could be others. After a month of training, the delivery drivers then able to start the job, compared to other foreign corporates, the minimum wage is NT\$200. Most delivery drivers go online whenever they like, but Deliveroo adopted the reservation way, being able to balance all drivers work time and reduce conflicts between drivers.

Deliveroo also has bigger pictures of different collaborative restaurants on its platform, but consumer information, which on the right top of the application, is much simpler and clearer. Once the order has been sent out, the positioning looks like google map, not only it can estimate the arrival time, but more the pick-up time of delivery drivers. Before entering Taiwan, Amozon and Uber were fought for Deliveroo, and at last Amozon won and is the biggeset investor currently. Besides discount war, timing is what consumers care the most, Deliveroo has its own artificial intelligence system, Frank, it is able to calculated from big data such as the rush hours, traffic situation, weather and other conditions to come up with the best routine for delivery, therefore it is twice faster than other companies. Similar to the virtual brand restaurants in UberEATS, and Deliveroo is taking such action as well, under the condition of no extra cost to come up with new menus and dishes, present there are 66 virtual restaurants around Taiwan with the average sales of six digital numbers.

Through filling in the basic information of the restaurants, salesmen have the rights to evaluate as well, looking for restaurants without popular reputation but still above standard. Taipei city and New Taipei city are the only location it operates. The only payment is through credit card; therefore, its consumers are mostly businessperson. Since it is the latest company entered the market and has to attract as many collaborative partners as possible, giving lots of discount and activities, such as free delivery fee, free paper bags with company's logo, and free photo shooting of meals. One of the most attractive elements for restaurants is the printer for orders, the reason is the founder does not want the company to be just a delivery company, but an assistant to make the industry run smoother and provide a better service, moreover to create win-win situation for all, where consumers can eat wherever they want, more job opportunities for the market, and extra revenue for the restaurants.

In the future, Deliveroo Editions is hoping to be serve in Taiwan, the main purpose is providing shared kitchen with equal rent and equipment, so the only thing collaborative partner has to do is focus on preparing meals, and Deliveroo will be in charge of delivery. Also, Deliveroo understands Taiwanese has late night snack habits, so late-night service is considered.

RESEARCH FINDINGS

According to the literature review about the importance of brand awareness and how it could affect the growth strategies of a firm, this thesis evaluates how brand awareness stands a crucial role in online food delivery industry. Hence, the researcher will analyze and elaborate the information gained from the interviews to strengthen the connection of brand awareness and growth strategies.

“Due to the development of our organizational structure, we did not start with the brand promotion that corresponded with the market expectation, since the limitation of resources, we have been doing the most we can, and present is to increase the amount of

order, for instance go into office buildings and sign cooperative contracts to start building the company's brand."

- Interviewee Mr. Su, COO of QuickPick

Mr. Su is the COO from one of the six online food delivery companies, since the company does not have parent company to support the funds and resources, the main target for the company in present is to look for many collaborative restaurant partners as possible. But due to the entry of foreign corporates such as foodpanda and UberEATS, the market seems to be turned on, all in a sudden, scooters with insulated bags are running on the street pretty much everywhere around the country. This circumstance has made local companies nervous and realized to there is no time to wait for branding and has to take actions.

"We used to have only 10 restaurants per month that would come and ask about us (the company), till now we have increased to 50 and sometimes 60 restaurant owners are interesting to cooperate, we did not do much on advertisement, but because we build the reputation on foot through each store and building not only to look for collaborative partners, but also potential consumers."

- Interviewee Mr. Su, COO of QuickPick

Not only it is important for online food delivery companies to build brand awareness, but the restaurants' brand awareness is also crucial when both decided to cooperate. Brand awareness is the only identity when consumers have problem when they could not decide what to eat, but the first thing is to choose one online food application then the decision of restaurant. Hence, the triangulation between online food delivery companies, collaborative restaurants, and consumers are all tied up together. The process of looking for collaborative partners is never easy, even for acknowledged firms like foodpanda.

“..... the main reason we (the company) cooperate with restaurants with higher brand awareness is for its reputation, once we collaborated with restaurants such as Subway, McDonald’s, and TimHoWan, it gives a bigger chance to attract those small vendors and stands to join as well.”

- Interviewee Mr. Huang, Salesman of foodpanda

Since the company is a foreign corporation with abundant of funds and resources, it is much easier to earn the trust from restaurant owners due to the company itself has a high brand awareness and so does its collaborative partners. Once restaurants that have not joined realized many famous restaurants were using the service, they feel the sense of security, because they have the thoughts of “famous restaurants like McDonald’s joint the group why shouldn’t I” and for that every side gets what they want and even built up a stronger brand awareness. The reason why the brand awareness of restaurants is crucial is owing to the effect on whether or not the consumers are going to place the order. People tend to choose the brand they have heard instead of something unfamiliar.

Growth Strategies of Firm

Online food delivery companies with high brand awareness are foodpanda, UberEATS, and Deliveroo; companies with low brand awareness are Yo-Woo Delivery, QuickPick, and foodomo. As for collaborative restaurants with high brand awareness are examples like Din Tai Fung and MilkShop; restaurants with low brand awareness are usually small vendors and stands. Through interviewed managers of the online food delivery companies, delivery drivers, consumers, and collaborative restaurant owners, and came up with a four-quadrant chart (See Figure 2) of the industry.

The author divided the four-quadrant chart according to the high or low level of brand awareness of online food delivery company (abbr. O.F.D.C.) and collaborative

restaurant (abbr. C.R.), including O.F.D.C. with high brand awareness versus C.R. with high brand awareness, O.F.D.C. with low brand awareness versus C.R. with high brand awareness, O.F.D.C. with low brand awareness versus C.R. with low brand awareness, and O.F.D.C. with high brand awareness versus C.R. with low brand awareness.

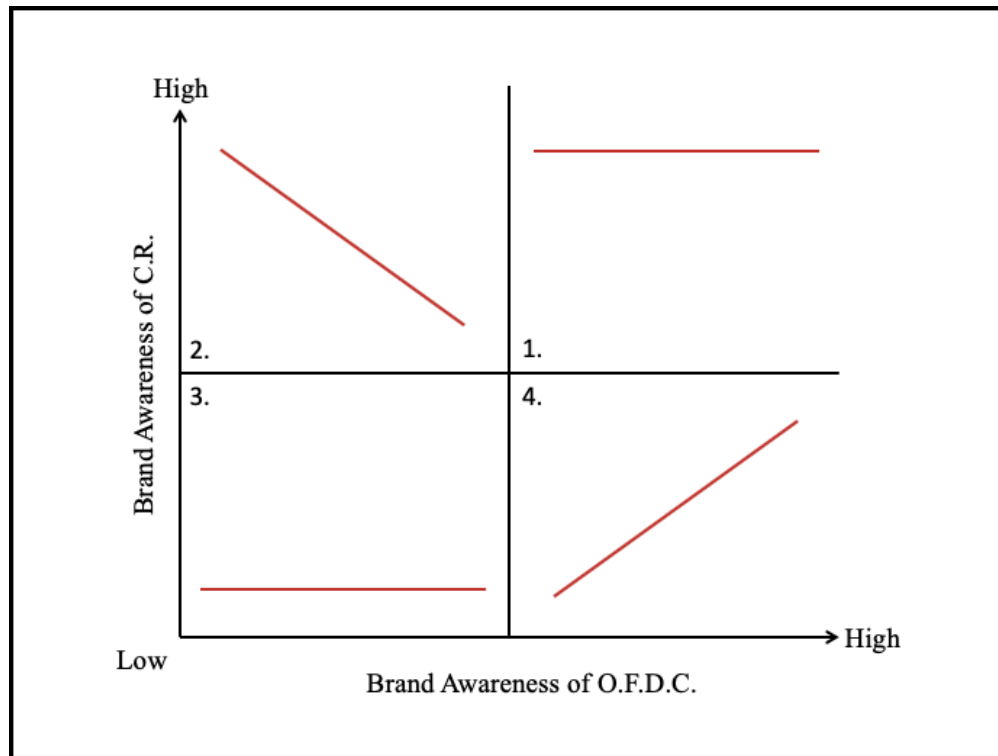


Figure 2: Four-quadrant Chart

Quadrant 1: O.F.D.C. with High Brand Awareness versus C.R. with High Brand Awareness

In the first quadrant of Figure 2 shows both online food delivery company and collaborative restaurant have high brand awareness, since the two parties have similar status, there is no bargaining power needed but to cooperate and create a bigger market.

“At the beginning, the company always choose the city center as its starting point and look for high brand awareness restaurants such as My Warm Day, Milkshop, 50Lan and those we have already cooperated in other cities... the main purpose to work with high brand awareness restaurants is for their reputation to speed the collaboration with others...”

- Interviewee Mr, Huang, Salesman of foodpanda

The ultimate goal for high brand awareness company is provide the service all over the country, hence aiming to expand its geographic location as fast as possible and mainly select big cities as its priority. The pace of expansion is proceeding in parallel, which means the company entered many cities at the same time. To sum up, strategies that O.F.D.C. with high brand awareness took are:

1. Fast geographic expansion.
2. Target big cities such as Taipei city, New Taipei city, Taichung city, Kaohsiung city etc.
3. Under the condition of both parties with high brand awareness, cooperation with restaurants is much easier, and the charge of commission is lower for its collaborative restaurants.

Quadrant 2: O.F.D.C. with Low Brand Awareness versus C.R. with High Brand Awareness

According to the second quadrant, online food delivery company with low brand awareness is usually firm without a parent company or simply a start-up company that has little experience toward the market. Therefore, company will have to compromise with its collaborative restaurants or provide benefits such as charging lower commission and providing free point of sale system to check on monthly revenue.

“We have developed our own POS system for restaurant owners, this strategy is to let them (restaurants) try it even with or without cooperation with us, restaurant owners do not have to spend any money on it, it is totally free.”

- Interviewee Mr. Su, COO of QuickPick

It is not easy for companies with low brand awareness to look for a long-lasting restaurant unless the strategy they provide is attractive, as a consequence, the strategies are:

1. Low commission towards its collaborative partners.
2. Provide different added-value to maintain long-lasting cooperation.

Quadrant 3: O.F.D.C. with Low Brand Awareness versus C.R. with Low Brand Awareness

With both having low brand awareness in the third quadrant, online food delivery company does not seek for expansion but rather focuses on its origin like QuickPick or discover a niche market like Yo-Woo Delivery, which its target population is communities. Since joining the heat battle against other companies is definitely not a smart move, low brand awareness companies then choose market that most neglected, developing blue ocean strategy such as communities' services and cross-selling.

“What we are doing currently is cross-selling, since other firms do not have such strategy, we have combined popular products from store A and weak products from store B. Not only provide a faster option for consumers to choose from, but also an opportunity for collaborative partners to discover what consumers like and dislike.”

- Interviewee, Mr. Su, COO of QuickPick

Having low brand awareness, both sides have to come up with a method to survive in the emerging market since being an obscure delivery company there is no restaurant would like to cooperate not unless there is something beneficial. No restaurants equal no consumers. The strategies low brand awareness companies need to take are:

1. Look for niche market.
2. Focus on medium and small restaurants or vendors.

3. Develop through cold callings and through delivery drivers.

Low brand awareness firms need to look for something new, not compete against with bigger corporates, especially without abundant funds and resources.

Quadrant 4: O.F.D.C. with High Brand Awareness versus C.R. with Low Brand Awareness

Since online food delivery company has higher brand awareness, this means small vendors or stands have to rely on the company's reputation to reach out for potential consumers and increase its exposure rate. In this situation, charge of commission will be higher due to the added value of taking food photos, providing order system, and covering the lack of manpower.

“The reason why we want to work with online food delivery companies is because the lack of manpower, we want to fix the problem as soon as possible, but not now, so we agreed to let delivery companies do it and at the same time we are able to use this channel to do publicity.”

- Interviewee restaurant owner of Baba Noodle House

“Exposure rate and extra revenue are the main reasons for us to cooperate with them (online food delivery companies), even though the charge of commission is expensive, but due to there is no overlapping of consumers, we earned extra 10% to 20% of the revenue each month, plus they fix the problem of manpower shortage.”

- Interviewee restaurant owner of Crisken

“Students usually went home during winter and summer vacation, plus people from other districts do not come to Dingzhong Road that often. With the help of online

food delivery companies, I am able to reach out more potential consumers since I am the only staff and increase exposure rate.”

- Interviewee restaurant owner of Tanco Steamed Dumplings

Through the interviews with restaurant owners, we can tell that brand awareness is so important to them, even the charge of commission is 30% to 35%, they are still willing to cooperate with online food delivery companies. Since consumers recognize the delivery company's brand, and through browsing the platform, restaurant owners have the chance to be promoted and reached out for more consumers. To sum up, strategies that companies took are:

1. Making restaurants ask to cooperate.
2. Charging with higher commission which provide added-value services.
3. Holding events such as Flash Week to increase restaurants' exposure rate and discover new consumers. Flash Week is an event that UberEATS holds every month to allow restaurant owners to upload its popular dishes for discount to attract more potential consumers.

Growth Pattern of Firm

Since the researcher has elaborated on each growth strategies based on the brand awareness of online food delivery company and restaurant through the four-quadrant chart, the industry is still growing in a fast speed, and for that it is impossible for online food delivery companies to stay in the same stage using the same growth strategy. The researcher gained such findings through following and reading news articles, using triangulation by interviewing several online food delivery companies, collaborative restaurant owners, and

also consumers to provide evidences on how brand awareness affect firm's growth strategies in conducting its growth pattern and the reasons.

Growth Pattern of Online Food Delivery Companies with High Brand Awareness

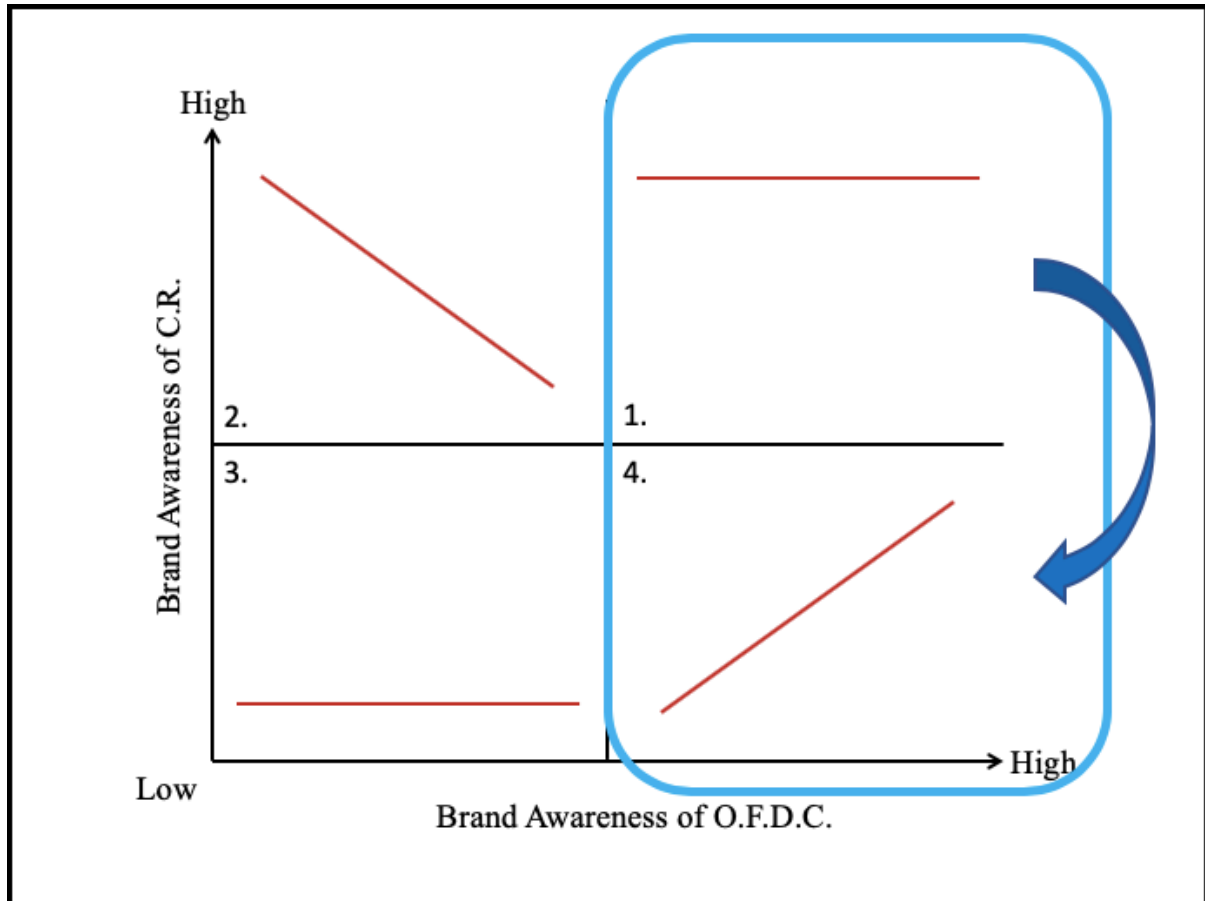


Figure 3: Growth Pattern from Quadrant 1 to Quadrant 4

The growth pattern for online food delivery company with high brand awareness is moving from quadrant 1 to quadrant 4 (Figure 3), which means when the company first entered the emerging market it looked for high brand awareness restaurants as its priority, then once most relationship with high reputation restaurants were built, the company later moving on to restaurants with low brand awareness. The reason is that for high brand awareness companies such as foodpanda, UberEAT, and Deliveroo the ultimate goal is to expand its geographic location as many as possible, since they have strong backbone to hold

their expense to promote or battle against each other, they need to have restaurants with high brand awareness on their sides to attract either smaller vendors or consumers.

“We have started our television commercial around six months ago, although we are an emerging industry, connecting with offline is still needed, that is why we have to make the advertisement been seen everywhere people go, on the television, on the bus, in the mass rapid transit (MRT), and so on.”

- Interviewee Mr. Huang, Salesman of foodpanda

Using advertisement is a smart move in emerging market, Taiwan, since many owners of small restaurants and vendors get to know foodpanda through television or huge poster posted on the buses, in such way they have already had a positive idea of the company, it is much easier for the company to move to work with restaurants with low brand awareness. On the other hand, UberEATS has virtual kitchen that can assist restaurants analyzing the market gap through big data and under the condition of no extra cost, restaurants are able to develop new menus to gain new consumers; as for Flash Week that is held each month, restaurants are able to promote its popular dishes and increase at least 70% of its exposure rate. For high brand awareness companies, it is not hard to move from cooperating with high brand awareness restaurants to lower ones.

Growth Pattern of Online Food Delivery Companies with Low Brand Awareness

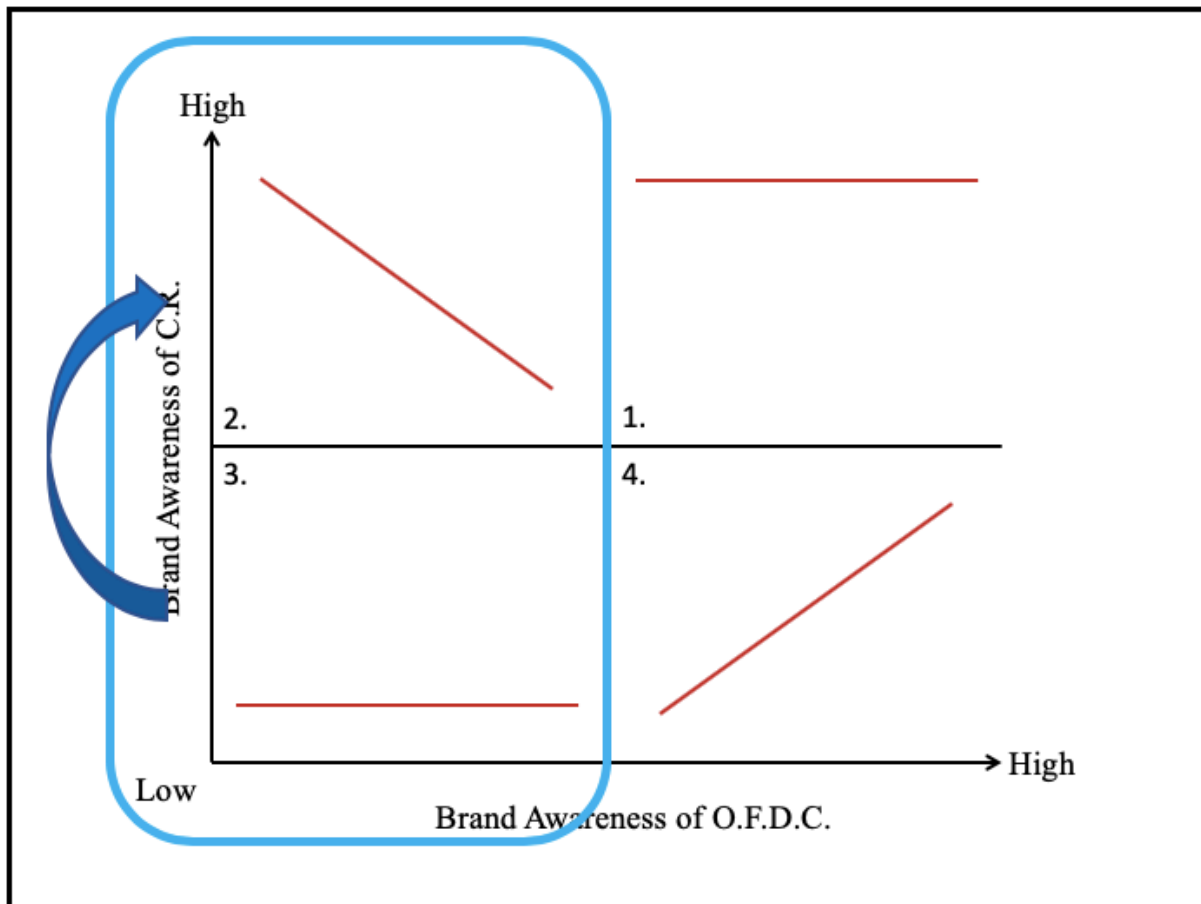


Figure 4: Growth Pattern from Quadrant 3 to Quadrant 2

Online food delivery companies with low brand awareness do not want to stay working with only low brand awareness restaurants forever cause eventually they would breakdown and bankrupted, so the only way is to look for high brand awareness restaurants, saying is always easy but not when it comes to reality. In the mind of high brand awareness companies, they might have the thought of “to what should I work with you” or “what exactly can you do good to our cooperation” and so on. Companies like Yo-Woo Delivery and foodomo are operating in their own way since without parent company each step should be taken thoughtfully.

The target population of Yo-Woo Delivery is communities, and as the CEO, Mr. Tsai stated in a news article, “first a favor then the benefits, when the restaurants felt the practical

growth and wanted to build the relationship with consumers, owners will come and ask for cooperation”, the company provide probation period for restaurants to experience the service instead of talking about the contract. As for foodomo, it provides no limitation of collaborative partners, meaning consumers were able to order in restaurants that did not cooperate with the company, in which to reduce the time for waiting in line. Since the reputation and resources were not like foreign corporates, through looking up restaurants, such as DimDimSum, Chun Shui Tang, and Din Tai Fung etc, foodomo is able to take out for consumers, not only to satisfy the need of consumers, but also strengthen the brand image for restaurant owners for the good of future cooperation.

Companies with low brand awareness have less power when it comes to look for high brand awareness restaurants, so the best way is to provide added-value services such as cheaper commission, takeout, and community delivery to earn the trust of restaurants first then talk about the cooperation later on.

Brand Awareness Strategies of Firm

Since reputation has huge impact on the growth strategies of online food delivery companies, researcher came up with several ways to increase companies’ reputation after interviews. First, since the market has become more and more digitalized and virtually, products are not what consumers care the most, instead the service. Not until the meal has arrived, the process of delivering is all based on imaging and feelings, and for that companies that put efforts to fulfill the insecurity of its consumers through E-Mails and texts earned trust and loyalty compared to those did not. Also, companies that provided monthly revenue reports and statistics for its collaborative restaurants have a better and long-term cooperative relationship. Second, all online food delivery companies have its own application due to cellular data is now the trend, just few clicks and consumers are able to order meals whenever

and wherever. Thirdly, consistency of brand image, take foodpanda as an example, once people see delivery drivers wearing pink, they directly think of foodpanda and the more they appear on the streets the stronger the brand image is in the mind of public. Although UberEATS does not ask its delivery drivers to wear uniforms, this may miss the chance of promoting to the public and opportunity of cooperation. Fourthly, social media such as Instagram, Facebook, and YouTube are not only channels for young generation to contact each other but also where information are received. The more it appears on social media the more it leaves an impression and with the assistance of internet celebrities, potential consumers are likely turned into regular consumers. Fifth, since online food delivery companies do not promote on televisions, its crucial marketing is through word of mouth to expand reputation, and there are two ways to do so. One is through delivery drivers and the other is to consumers, using friend discount code or invite internet celebrities to promote, marketing for online food delivery companies is very different nowadays. Finally, the creative methods, take QuickPick's cross-selling and UberEATS's virtual kitchen and restaurants as examples, these proposals benefited all parties, attract restaurants to collaborate with the company, restaurant owners improved its business and make extra revenue, and consumers have more options to choose from.

CONCLUSION AND SUGGESTIONS

The study is to identify the growth strategies and brand strategies of firms in emerging industry and the researcher took online food delivery industry as the studying field to answer research questions, which are: what are the growth strategies of online food delivery companies, what are the growth patterns of online food delivery companies, and what are the strategies to establish brand awareness.

In research findings, first the researcher came up with four-quadrant chart showing the relationship between restaurant and companies' reputation. Online food delivery companies have built their reputation through various ways, and the fastest means is from parent company if there is one. Companies with parent company usually have a bigger vision and experience towards the market circumstance, due to stakeholders and investors are involved. Secondly, the growth direction of the company is to understand how reputation influence the move on expanding company's geographic location and searching for new collaborative partners and consumers. It would be too risky for little-known companies to go into the war of discounts with corporates that has strong backbone. Therefore, the decision and action for companies are crucial. Third, reputation is earned through times, since the industry is still developing yet fully discovered, competitive advantages and added value are ways to maintain and increase reputation.

In past literatures, most experts focus on the consumers' behaviors and satisfaction, but none mentioned the pattern nor strategies of online food delivery, which seems like the only concern is how consumers feel, but the truth is the industry has many dimensions that should be taken seriously, such as reputation and relationship between the collaborative partners. Although online food delivery industry has been running the business for at least seven years in Taiwan, yet many questions have not been solved or explored. Foodpanda and UberEATS are current the two largest parties in the market and

for that it seems that others should as well followed each step they took. However, the result for being a follower will eventually get killed due to deficit and lack of creativity.

To sum up, without any competitive advantage, no company is able to survive while others have better quality of services and hold events. There are several online food delivery companies that could not make it and were forced to shut down, and the main reason is always “too competitive”. It is a fact that companies are fighting for the throne in this industry, but to analyze and evaluate the capability of the company first then create and cultivate own added value is the key to survive.

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