

Drive Sales of Unmanaged Accounts

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Case

We have Account Managers who oversee a book of business of ~30 restaurants with the goal of helping them operate successfully on the platform and grow their sales. Given the volume of restaurants on the platform, not every restaurant has an Account Manager. “Unmanaged” restaurants tend to skew smaller in terms of locations & sales on the platform - they do not receive dedicated support from an Account Manager to grow their business.

Your goal is to develop a strategy to double sales for our “unmanaged” restaurants in Atlanta. Attached is a data set to inform your strategy. Please prepare a strategy & recommendation for how you would double unmanaged restaurant sales. Here are a few questions to guide your thinking:

- What dimensions correlate with lower delivery volume for unmanaged restaurants versus managed restaurants?
- Based on this data, what are a few ideas you have for how to increase deliveries for unmanaged restaurants?
- What trade-offs would you consider in determining whether to provide these restaurants extra account management support?

Unmanaged group in ATL delivers less; objective is to double deliveries

The key indicator of sales increase is the # of Deliveries variable and Adjusted Unmanaged segment will be utilized to compare the key drivers of # of Deliveries



of Deliveries for Managed Group is significantly higher than Unmanaged Group

- Avg of Managed 410 vs Avg Unmanaged 116



Adjusted Unmanaged segmentation (Minimum to Q₃) removes high performing restaurants & outliers and focus on impactful levers

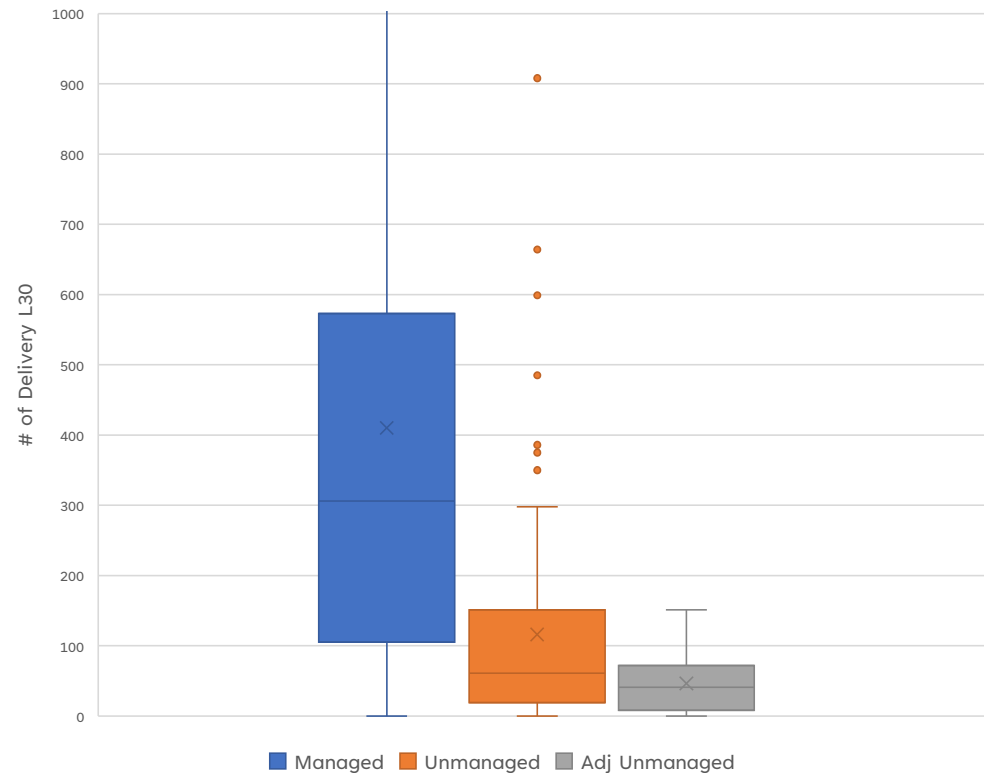
- Unmanaged Restaurant's distribution skews to the lower # Delivery with Median of 61



Deliveries are the primary indicator of sales in this dataset

- # of Deliveries and Average Order Value don't have strong correlation ($r < 0.01$)
- Average Order Value don't exhibit strong correlation with other variables within the dataset

Distribution of # of delivery for Managed & Unmanaged & Adjusted Unmanaged (Min to Q₃)



Insight 1: What most strongly correlates with deliveries in the full dataset

Page Views ($r=0.81$), Conversion ($r=0.48$), Delivery Fulfillment with less Cancellation move the needles for Deliveries

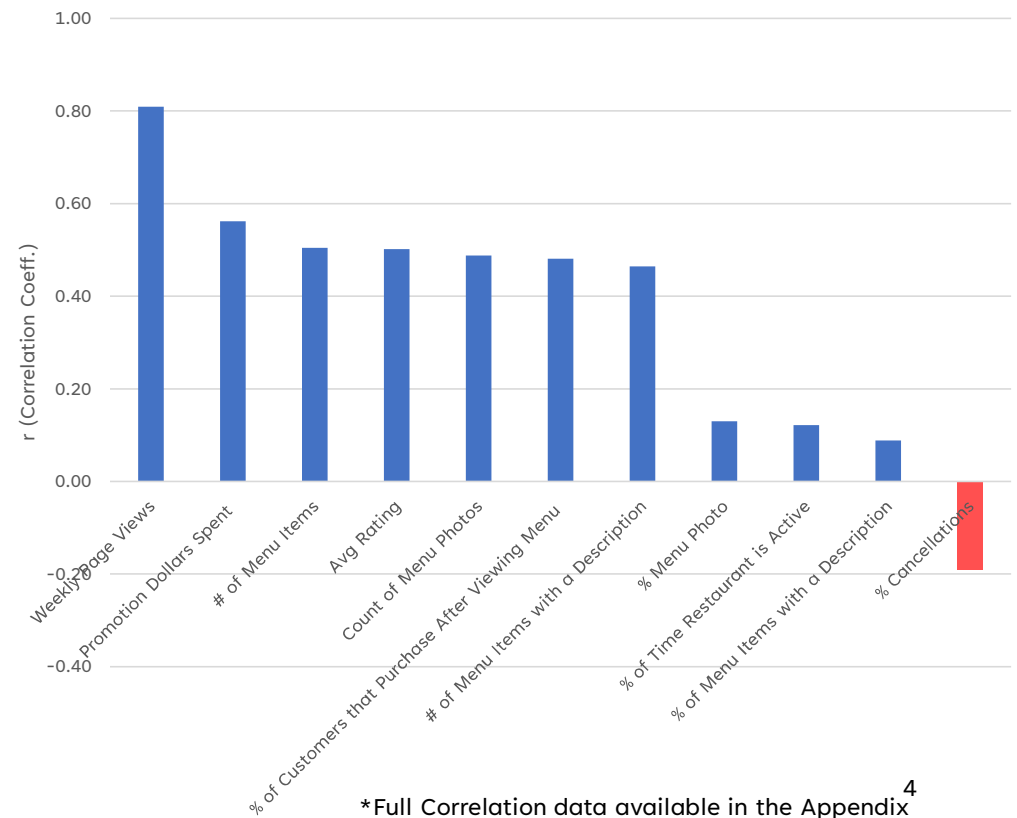
Page visits and conversions have relatively high correlation to # of deliveries when overall data is evaluated

- Pulling supporting levers is associated with traffic to increase Page Views, Conversion, and Delivery

Order Funnel and its supporting levers are the following

- **Page Visit**
 - % of Time Restaurant is Active
- **Conversion**
 - Menu
 - # of Menu Items
 - # of Menu Items with Description
 - Count of Menu Photo
 - % Menu Photo
- **Both PV & Conversion**
 - Subscription
 - Average Rating
 - Promotion Dollar Spent
- **Delivery Fulfillment**
 - % Cancellation

Correlation between # of Deliveries and other Variables from Full Dataset

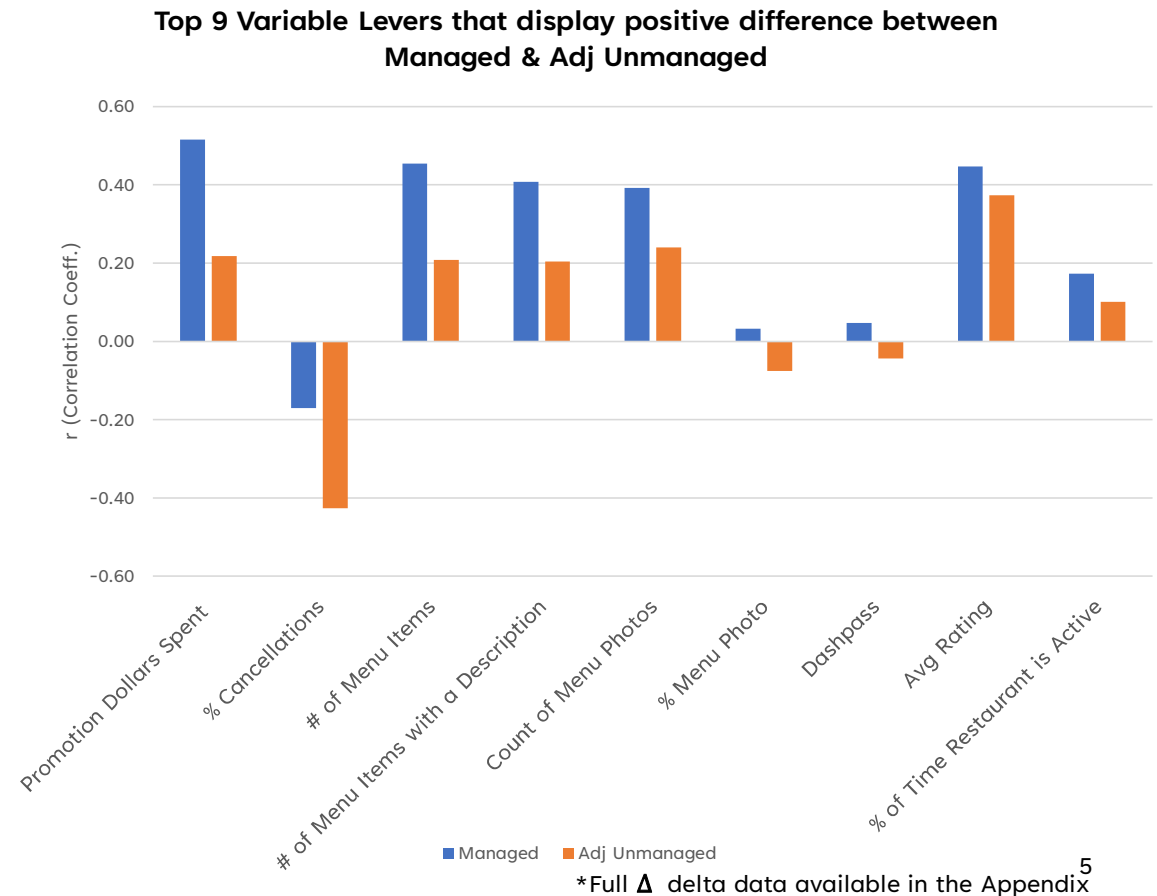


Insight 2: 9 Variables contribute to driving sales of Unmanaged Group

Positive Δ delta values between Managed and Adjusted Unmanaged Correlation suggest 9 variables levers will allow catch up adoption for the Unmanaged Group

Δ of $r_{\text{Managed}} - r_{\text{Adj Unmanaged}}$ indicates 9 Variable Levers can strengthen Page View, Conversion, and finalizing Sales (Delivery)

- Higher positive Δ Delta values means greater chance of catch-up effect
 - Promotion, % Cancellation, Menu related variables are the major variables with biggest catch-up impact
- Negative delta means unmanaged restaurants are more sensitive to conversion with other levers
 - Conversion (% of Customers that Purchase After Viewing Menu) variable's -0.31 Δ Delta value indicates, conversion levers need to be prioritized for immediate delivery gains



Top 4 Recommended Strategies to drive Sales for Unmanaged Restaurants

Impact vs effort view of the levers that move deliveries and prioritizing Variables that affect Conversion first

1. Enhance Menu Presentation on Restaurant Page & Menu Development

- Low-Med Effort resource • High Impact • Short Term
- Many of the Menu related variables will require less resource allocation. With Sales Enablement/Guidance Material for Restaurants will create awareness around the impact on delivery volume. This campaign around Menu will pull 4 of the levers at once.
- Negative Δ Delta value of Conversion variable indicates enhancing Menu will exhibit more immediate impact on Deliveries

2. Reduce Cancellation with faster Prep Time

- Medium Effort • Med-High Impact • Medium Term
- Correlation between Cancellation and Prep Time is 0.26. Hence reducing the Prep Time will have some impact on % Cancellation.

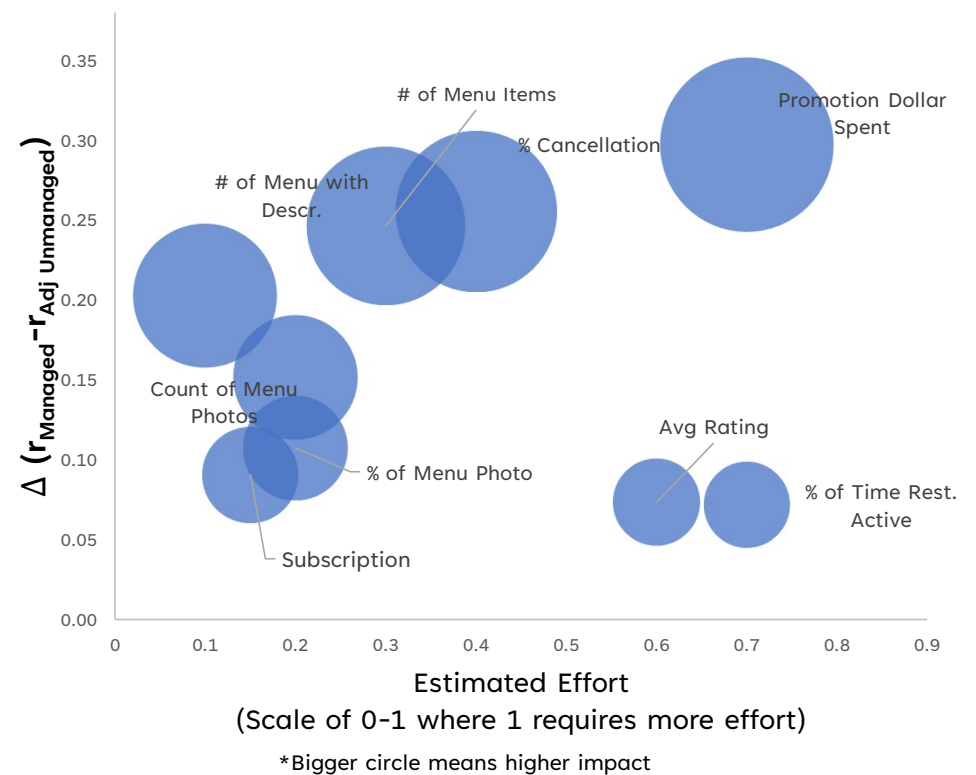
3. Drive adoption of high-ROI promotions through targeted merchant enablement

- High Effort • High Impact • Medium Term
- Promotion Dollar Spent lever displays highest Δ Delta. While impact is high, running promotion needs to be considered with profitability, and learning curve.

4. Activate post-order feedback loops and service recovery to elevate Average Ratings

- High Effort • Low Impact • Long term
- Work on issue mitigation steps, rewards program to incentivize reviewers, social media tagging rewards, review request

Variables' Scale of Impact on Delivery vs Perceived Resource Allocation Level



Extra Account Management Support and the Trade offs

Profitability, scalability, resource allocation and talent acquisitions have to be considered before staffing a dedicated Account Manager



Profitability

Incremental revenue vs cost

- While faster incremental revenue gains can be achieved with account managers, profitability needs to be investigated before investing in extra Account Managers

Long term gains

- These Unmanaged accounts tend to be smaller in size and location with less sales
- While immediate effect can be visible, account managers won't materially impact the sales after adoptions



Scalability

Systemwide Enforcement

- Some of the levers such as Menu related variables can be scaled system wide
- Systemwide Enforcement can be slow to adopt but a sure way to drive adoptions across geographies

Strategic alignment with cross functional groups

- If a strategic choice of systemwide enforcement is made, there may be layers of approvals and alignment with cross functional groups needed



Resource Allocation

High potential account

- Because of Unmanaged group's smaller sales volume, high priority accounts may not be getting well deserved attention



Talent Acquisition

Acquisition

- In order to hire a new account manager, it may cost time and money shifting other priorities within the organization

Attrition

- If existing Account Managers with experience are assigned to these accounts, attrition risks will increase due to the lack of financial incentives

Thank you!

Appendix

Correlation data (Δ sorted by lg to sm)

Top positive Δ values has the highest impact on the delivery volume compared to the lower values

Variables	Managed	Adjusted Unmanaged	Δ (Managed - Adj Unmanaged)
Promotion Dollars Spent	0.52	0.22	0.30
% Cancellations	-0.17	-0.43	0.26
# of Menu Items	0.45	0.21	0.25
# of Menu Items with a Description	0.41	0.20	0.20
Count of Menu Photos	0.39	0.24	0.15
% Menu Photo	0.03	-0.08	0.11
Subscription	0.05	-0.04	0.09
Avg Rating	0.45	0.37	0.07
% of Time Restaurant is Active	0.17	0.10	0.07
Weekly Page Views	0.79	0.75	0.04
% of Menu Items with a Description	-0.01	-0.02	0.01
Pickup	-0.06	-0.07	0.01
Partnership Start Date	-0.06	-0.06	0.00
% M&I	-0.01	0.01	-0.02
Mx Marketing Fees Spent	0.03	0.06	-0.03
% Wait Over 10 Minutes	-0.04	-0.01	-0.04
Prep Time in Minutes	-0.05	0.03	-0.08
Average Order Value	0.04	0.21	-0.18
% of Customers that Purchase After Viewing Menu	0.34	0.65	-0.31