

CB2500 Interim report 3

L01 Group 9

55245590 Kam Man Ching, Paul
56705191 Sung Kanghae, Attila
57153200 Tse Tsz Wong, Gooby
56945948 Nathan GREGORI
56724365 Tung Ka Pak, Alex
57144473 So Wing Fai, Derek

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How IM tackles the challenges:

FoodPanda has received a lot of negative comments regarding the operations system and also delivery service. Firstly, it is often said that the customer service system is ineffective and inefficient in response to customer demands and the cancellation of orders. We suggest implementing an AI chatbox system to better locate customer enquiries. The AI chatbox system can differentiate different problems into different segments in the operations department, the most common problems are delaying orders, cancellation of orders, wrong orders, and refunds. Customer inquiries can be solved and satisfied through the differentiation of problems in the AI chatbox system.

Secondly, it is said that cancellation of food orders is not allowed on FoodPanda which has led to an adverse impact on customer experience when they order food on the platform. However, cancellation of food deliveries deals with sophisticated time measures and communication within different segments, including the restaurant, the deliveryman, and also the customer himself. Therefore a food cancellation application might not be the best way to solve the problem, we recommend solving the root problem of why customers demand food cancellation. The problems are mostly on delaying orders and wrong food orders(made by the customer). For delaying orders, with the use of AI technology, we would be recommending the fastest routes to the deliveryman to reduce the lead time of delivery services, we would also strengthen the connection between the order distributing system and the deliveryman like the system can locate the deliveryman who is nearest to the restaurant to take the order and deliver the food to the customers in a faster way. For wrong food orders, we will be contacting restaurants to encourage them to upload images of their dishes since not all restaurants on FoodPanda have done so, customers would better understand what they are ordering on their phones preventing the need for cancellation of orders.

How IM can exploit new opportunities:

To exploit new opportunities and to enhance the competitiveness of FoodPanda in the market.

1) Firstly, offering limited discounts in specific time slots can attract customers and reduce their frustrations because of a bad experience. We could analyze customer preferences to provide personalized discounts or offers (e.g market basket analysis). For example, late owl limited discount offers can be given to office workers who just got back home after long hours of overtime work, they can fill in their empty stomachs with the best food nearby their location. Limited discounts can also be offered to customers who suffered from delaying orders, once the order did not arrive within the estimated time of delivery, FoodPanda would give out limited-time discounts or coupons that can be used within 48 hours as a source of compensation for time loss.

IM solution : Using BI softwares to analyze Big data and build relevant insights such as what are the meals usually bought together (market basket analysis) or discounts on the type of meals they prefer.

2) There is a great opportunity to improve Food Panda's presence on social media since there is a rising number of users and very bad comments are given. Furthermore, their presence is not very active. Their presence on social media will definitely increase the number of sales. For example, implementing crowdsourcing to answer their demand accurately and reduce the number of bad reviews.

IM solution : Using SMIS solutions to increase the number of user engagement, website traffic, brand awareness and conversion rates. Additionally, by using information applications such as SAS and Facepager, we could analyze even more customers' preferences and improve the main problems that the company needs to improve.

3) Thirdly, Food panda's business model is mainly based on their customers' reviews since they are only the intermediate between the restaurants and the customers. Therefore, customers' satisfaction is their main priority. Implementing an efficient online customer service to handle the main problems could be very helpful for the company while being not very costly.

IM solution : Implement an Information system such as CRM (customer relationship management) to enhance the relationship with them and thus increase sales.

4) Another opportunity for FoodPanda is a vertical backward integration of its business. It is often complained that the food from the delivery service is spilled and cold when the order has arrived. However, the delivery man might not be the one who bears 100% responsibility for this. Food packaging might be an issue, as food boxes and plastic foams are heterogeneous from different suppliers, FoodPanda can provide food packaging using recyclable materials with engagement with meal suppliers(restaurants). We can ensure that food is served safely and our packaging and also achieve CSV (a business concept that Michael E. Porter and Mark R. Kramer introduced in Harvard Business Review).

IM solution : By implementing a supply chain and information system to efficiently provide packaging when the restaurants are out of stock and to manage payments (since the restaurants will be obliged to pay for these ecological packaging to fulfill their corporate social responsibility).

All things considered, IM can definitely tackle the challenges and exploit Food Panda's new opportunities by utilizing the information proactively to answer the customers' needs.