

Instacart in Australia

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MKT-4270-003

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Figure 1

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Executive Summary

Imagine this: You just came home from work and you have not been able to find time to go to the grocery store with all of the work you've been assigned and with the limited time your nearest grocery store is open, you have not been able to make it. The options you have for grocery delivery, Woolworths and Coles, aren't available to you since they prioritize at-risk groups and require at least a day to deliver your order (O'Keefe). A grocery delivery service that accurately and efficiently shows you what groceries are available at your favorite grocery stores and allows you to order what you need when you need it would be the answer to all of your problems. Further, the ability to browse through an organized catalog of food and ingredients available to you at your leisure and without the need to physically visit multiple store locations would fit perfectly into your busy schedule. The service that would be able to provide you with all of that is Instacart. No more waiting in line at a physical grocery store and the increased stress of yet another chore that you have to do. With Instacart, not only is increased convenience a huge draw, but so is the ability to avoid crowded areas and large groups of people, helping you to avoid the possibility of catching Covid-19.

Our group is proposing the entrance of Instacart internationally beginning in Australia in the summer of 2023. With Instacart's rapid success and expansion during the pandemic, we believe that similar success can be achieved in overseas markets still being affected by restrictions put in place by the pandemic, such as Australia. To begin implementing Instacart in Australia, a headquarters would need to be established in the capital, Sydney. Following a similar process in the United States, creating partnerships with Australia's top grocery stores would allow Instacart to build a wide consumer base and create incentives for someone to choose Instacart over a specific grocery delivery service like Coles or Woolworths. Further, with the development of retail partnerships, in-store advertising could be implemented letting consumers know about the benefits of using Instacart, both as a customer and a shopper. By checking the revenue and customer/shopper statistics every year and comparing them to our competitors, we will be able to assess Instacart's progress and make changes to our implementation and marketing as necessary. Successful implementation in Australia would be the first step necessary for Instacart to expand internationally as Instacart would be able to test the waters in a country similar enough to the United States and Canada, two countries where Instacart has seen massive success.

There is a gap in the market in Australia for a remote grocery delivery service, with the main competitors being primary retailers like Coles and Woolworths or smaller services like Voly and MILKRUN, currently only available in certain areas (O’Keefe). By introducing Instacart into Australia, we would be able to fill that gap in the market and target a wide array of customers looking to have the convenience and ease that Instacart offers. Finally, by creating a service that meets the needs of those looking to stay away from the crowds in the aftermath of the pandemic and those looking for a way to make otherwise tedious chores simple, Instacart can find success in Australia.

Situation Overview

From its roots in California in 2012, Instacart has gained immense success through its targeted services, convenience, and recognition of an unmet need in the market ("Instacart SuccessStory"). From the pandemic in 2020, Instacart and other services saw an unprecedented surge in revenue and usage as people needed a remote way to continue their necessary tasks ("Instacart SuccessStory"). Further, the market for online grocery delivery services is expected to continue to rise in the United States and expand as other companies are entering this market ("Online Grocery Delivery Services Market To Grow Over \$ 630 Billion During 2020-2024 | 55% Growth To Originate From APAC | Technavio").

Instacart’s Beginnings

Instacart was founded in 2012 by a former Amazon employee seeking to fill the gap in the expanding market of delivery services with the introduction of a convenient and fast way to order groceries online ("Instacart SuccessStory"). From its inception in California, the company expanded to multiple locations across the United States, including major cities like Atlanta and Chicago ("Instacart SuccessStory"). This expansion across the country propelled them into launching their services in Canada, becoming available in the major metropolitan areas of Toronto and Vancouver ("Instacart SuccessStory"). Instacart saw its continued growth and success with its partnerships with major grocery chains and retailers, expanding the options available to order through their service and, subsequently, their consumer base ("Instacart SuccessStory"). In 2018, Instacart began partnering with major U.S. retailers Costco, Aldi, Sam’s Club, Publix, and in Canada, they acquired Unata, a “Toronto-based grocery platform”

("Instacart SuccessStory"). Despite this expansion, Instacart saw a decline in customer and shopper engagement in 2019, employing less than 100,000 employees and experiencing a loss of \$25 million per month (Curry). Despite this, Instacart experienced immense growth during the Covid-19 pandemic with its number of new employees increasing by 300,000 and a new partnership with Walmart ("Instacart SuccessStory"). Finally, in 2021, Instacart announced its plans to go public ("Instacart SuccessStory").

What does Instacart Offer?

Instacart provides the opportunity for customers to grocery shop from the ease and comfort of their own home all while being able to compare the prices of items across different stores all from one service ("Instacart SuccessStory"). With increasing social distancing guidelines spurred by the Covid-19 pandemic, Instacart has provided the ability for people to order and receive their groceries remotely and for people seeking employment to find a flexible stream of income ("Instacart SuccessStory"). Further, as of 2021, Instacart has begun expanding its services to include ready-made meals that are available in grocery stores as well, providing a multitude of options to meet consumer needs ("Instacart SuccessStory"). On the other end, Instacart also provides employment opportunities for those in need of a flexible schedule allowing them to work at their own pace ("Instacart SuccessStory"). From the perspective of an Instacart “shopper”, Instacart also provides them with a “Shopper Perks Program” that provides dental/health insurance, “shopper injury protection”, and access to Care.com, a service that allows consumers to be paired with housekeepers/babysitters/etc., and *Peanut Butter*, a service that helps people pay back student loans, all free of cost for those who are currently employed with Instacart as a “shopper” (“Introducing New Shopper Perks For A More Holistic Shopper Experience”).

How does Instacart Generate a Profit?

Instacart’s business model places its users into 3 different categories: the customer, the shopper, and its retail partners ("Instacart Business Model: Insight How Instacart Works"). From this, Instacart is able to generate revenue through their membership fees, commission rates with partnered retailers, delivery fees, and in-app advertising (Sheth). Further, since Instacart

functions on a similar business model to other “peer-to-peer” companies, such as Uber, customers are also given the option to pay more if they want their groceries to arrive faster based on the demand at their time of order and the amount of the order ("Sharing Economy Definition"; Sheth).

Current Performance

According to Business of Apps, during 2020 Instacart generated \$50 billion in profit and was responsible for \$35 billion in grocery sales (Curry). Instacart, in March of 2021, was valued at \$39 billion and earned a revenue of \$1.8 billion at the end of that same year (Curry).

Instacart's Competitive Advantage

According to Alexandra Twin, a company's competitive advantage is defined as, “a company's ability to produce something more efficiently than a rival, which leads to greater profit margins”, or what makes a company stand out from its competitors in the global marketplace ("Competitive Advantage Definition"). Some key factors that make Instacart stand out from its rivals is its ability to provide grocery delivery services in a way that is simple, transparent, and convenient for the consumer and its ability to appeal to its 3 target groups: customers, shoppers, and retailers ("Instacart Business Model: Insight How Instacart Works"). From the perspective of the customer, the ability to browse through thousands of products and compare prices/availability at his/her leisure, the inclusion of transparent cost breakdowns, shopper ratings, and excellent customer service are all attractive features that draw in customers ("Instacart Business Model: Insight How Instacart Works"). The retail partners that Instacart teams up with are able to create value through their partnership with the generated revenue from each order, the ability to create and maintain customer loyalty, and Instacart's unique opportunity to expose consumers to new retailers that would otherwise deviate from their normal shopping routines ("Instacart Business Model: Insight How Instacart Works"). Finally, Instacart shoppers are given the opportunity to work at their own pace and they are able to choose flexible scheduling/hours ("Instacart Business Model: Insight How Instacart Works"). Finally, the method of delivery is something that makes Instacart stand out from normal in-person shopping as their use of an app, available on both IOS and Android, delivers a user-friendly interface that allows customers to shop with ease ("Instacart Business Model: Insight How Instacart Works"). Further,

the app itself creates an incentive for retailers looking to get into e-commerce to partner with Instacart as they are able to save money and time by using Instacart as their primary online shopping platform instead of creating their own ("Instacart Business Model: Insight How Instacart Works").

The pandemic has been one of the instigating factors for the sudden rise in popularity of online delivery services, primarily in the grocery delivery sector, as more people sought to use no-contact services to mitigate the spread of the virus (Sorvino). While this increase in grocery e-commerce sales saw its largest spike during the pandemic in 2020, the sales are predicted to continue increasing long after the pandemic has ended (Sorvino). According to a study conducted by Incisive, from 42,000 participants polled, during the pandemic 43% of people said that they preferred grocery shopping online, however, even as restrictions loosened in 2021, 49% of people polled said that they still preferred to shop for their groceries online (Redman). Further a study published in June of 2020 reported that 35% of families used some form of online shopping for their groceries ("June 2020 Online Grocery Scorecard: Growth In Sales & HH Penetration Continues"). In regards to future market trends, according Businesswire, the market is projected to grow 29% by 2024 ("Online Grocery Delivery Services Market To Grow Over \$ 630 Billion During 2020-2024 | 55% Growth To Originate From APAC | Technavio").

Primary Customer and Collaborators of Online Grocery Sales

To understand how a company should market themselves in the growing online grocery marketplace, it is important to analyze who their target market is. According to the Progressive Grocer, Instacart's primary customer base consists of women, accounting for 80%, with 50% of women between the ages of 25-44 years old and about 30% ranging in age from 55-75 years old (Acosta). From that same report, Instacart's collaborators are also primarily women, accounting for 61% of their shoppers (Acosta). Further analysis of the statistical breakdown of their consumer and shopper demographics found that the customers and shoppers of Instacart are both very similar (Acosta; "The Instacart Advertising Strategy: Celebrate Every Audience"). Another main collaborator of Instacart, and other similar services, is the retailers that they have partnered with ("The Instacart Advertising Strategy: Celebrate Every Audience"). These strategic collaborations enable both the retailer and Instacart to benefit through increased customer traffic ("The Instacart Advertising Strategy: Celebrate Every Audience").

Primary Competitors in Online Grocery Sales and Delivery

There are many competitors in the world of online grocery shopping, but the competition has become particularly fierce in the market of grocery delivery. In the United States, there are a few companies that pose competition in this market: Amazon Fresh, Walmart+, Shipt, and FreshDirect (Abbott). While these companies offer competition to Instacart in their services, primarily grocery delivery, there are a few key differences that set them apart. For example, in order to use Amazon Fresh, you would need to have an Amazon prime account and Walmart+ only offers delivery from one retailer (Abbott). Shipt and FreshDirect are two of Instacart's primary competitors in the United States as they offer nearly identical services (Abbott).

SWOT Analysis for Instacart in 2022

According to Will Kenton in Investopedia.com, A SWOT analysis is done to “evaluate a company’s competitive position and to develop strategic planning,” where SWOT stands for a company’s strengths, weaknesses, opportunities, and threats (Kenton). For instacart, their strengths primarily lie in their strong distribution network through their retail partnerships, their strong customer base, and consistent revenue model ("Instacart SWOT Analysis 2022 – A Complete Guide!"). Their weaknesses generally include their dependence on their 3rd part retail partnerships, grocery shortages leading to technical difficulties in matching their online platform to stock levels, and potential instability in their workforce as many who were employed as shoppers for Instacart during the pandemic seek consistent forms of employment after the pandemic has largely ended ("Instacart SWOT Analysis 2022 – A Complete Guide!"). The main opportunities for Instacart to continue to expand as a company and grow are through international expansion, primarily in countries that have a need for Instacart’s services, and the opportunities to partner with new retailers as they become available ("Instacart SWOT Analysis 2022 – A Complete Guide!"). Finally, Instacart’s main threats are the competition it faces from other similar services like Shipt and FreshDirect and the draw for in-person grocery exclusive deals and offers that Instacart cannot provide ("Instacart SWOT Analysis 2022 – A Complete Guide!").

Goal

Our goal for this proposal is to launch InstaCart internationally. The first step to reaching this goal is to establish Instacart in Australia to see if we can see success abroad. We plan to keep track of our main focus and general goals by measuring our progress with the benchmarks listed below and under the control section.

Focus: Instacart in Australia

The main focus and goal of this proposal is to launch Instacart internationally, beginning in Australia. Before beginning expansion internationally in countries that may have very different cultures to that of the United States and Canada, it would be easier and safer to begin in Australia as they have a very similar culture to the United States and Canada and have experienced a surge in online grocery shopping due to the pandemic as well (Jordan). Further, currently in Australia, there aren't many competitors that offer the same services that Instacart offers (O'Keefe). From Manofmany.com, some of the top online grocery delivery services are Coles, Woolworths, MILKRUN, and Voly (O'Keefe).

Benchmarks for Evaluating Success

One way for us to evaluate how successful Instacart is in Australia is through an analysis of the revenue generated from Instacart versus its main competitors in the span of 3 years evaluated every year. For instance, Coles, a grocery store that offers online delivery services, made \$1.01 billion in revenue in 2021 (Marsh). Another competitor, Woolworths, made \$3.5 billion in revenue in 2021 (Weber). Since these two stores are widely known and used as many people's primary retailers, in order to accurately evaluate Instacart's success would be to compare them to their competitors that are similar in the services they offer: MILKRUN and Voly (O'Keefe). While these services are very similar, they are still smaller in size compared to Instacart so their revenue statistics are not readily available. However, by evaluating how many shoppers we have in comparison to our competitors and how well Instacart has performed in their first year compared to how they performed in the United States and Canada will help to gauge their success.

General Goals

To help ensure success in the target market, it is vital that Instacart creates similar partnerships with top retailers in Australia like they have back in the United States and Canada. Some of Australia's top grocery stores that would benefit Instacart to partner with are: Coles, Woolworths, IGA, Aldi, and Drake (Healey). Further, creating incentives for people to start using Instacart, as both shoppers and customers, is also very important in ensuring that Instacart is successful in Australia. Instacart's programs mentioned above for their shoppers would be an incentive for people to start working for them as well as partnering with their largest retailers to bring in the most diverse consumer base possible.

Strategy

Our strategy to achieve our goal includes, using different forms of advertising, using incentives, and reaching out to our collaborators. We plan to use the different forms of advertising to reach everyone in our target market and beyond so they will become aware of our services. The incentives will be used to grab the attention of potential new customers to show them how much time and money they can save with our services. Lastly, we will reach out to our collaborators to make them understand the benefits of working with us and our services.

Target Market:

- Target Customers: Though we want everyone of all ages to use our product, we know that won't be the case. Our target customers are young adults and working families. We understand that adults feel tired after a long day of work and/or school and probably want to stay home and rest rather than go to the grocery store. In addition to work and/or school, some people have children and it can be even harder to bring them to the grocery store with them. Overall, we understand that there are many reasons why it can be difficult to go to the grocery store. That is why Instacart makes it quick and easy for adults to have their groceries delivered right to their door with only a few clicks of a button. This will not just make it easier to grocery shop, it will also save adults a lot of time. This time can be used to get other chores done around the house, take a break, or spend quality time with family.

- Company:** Instacart’s mission statement is “*to create a world where everyone has access to the food they love and more time to enjoy it together*” (Instacart Company culture | comparably). The concept of saving time and spending time with family is very important to our company. That is why Instacart is known for having groceries delivered right to the customer's house within a 5-hour window, and in some cases, as short as 30 minutes. Instacart considers this to be one of the strategic assets that keep new customers coming and encourages existing customers to keep using our services.
- Collaborators:** As of right now, Instacart has collaborated with some of the most well-known grocery stores in the United States, including Publix, Aldi, and Food Lion. Instacart has also collaborated with other, smaller, and less-known grocery stores. However, Publix is the main company that we work with. The acquisition began in 2016 and Instacart and Publix have worked together ever since after the two companies collaborated on same-day delivery. After Instacart debuted at Publix in July of 2016, the company began to expand across the supermarket chain about a year later. Due to this collaboration, customers are able to order groceries online from Publix through Instacart and have the groceries delivered to them within a few hours. Customers are even able to order ahead a few days and plan when they want the groceries dropped off. To encourage new customers to use Instacart, there is a Publix coupon where the customer is able to get a \$5 discount off their first delivery above \$35. That is just one of the many deals offered to customers who use our services. Though Australia does not have a Publix, we would like to collaborate with the grocery store chains that are already located in Australia. A few of the grocery stores that Instacart could collaborate with include Woolsworth, Coles Group, and IGA. This would be beneficial to the customers in Australia because they would be able to order from these grocery stores and have them delivered right to their door in a timely manner.
- Competitors:** Instacart has many competitors that offer similar services while also targeting the same customer demographic. In the United States, some of Instacart’s biggest competitors include Blue Apron, Grubhub, DoorDash, and Postmates. Similar to Instacart, these businesses offer quick delivery services for low prices. We plan to

compete with them by offering incentives and other deals to encourage customers to choose our company. Not only does Instacart have competitors all over the world, but they would also have local competitors in Australia. One of those competitors is MilkRun. MilkRun is similar to Instacart as it is a grocery delivery service that offers quick fast and convenient delivery services. MilkRun is very convenient if you need only one bag of groceries and you do not mind what brand it is. However, MilkRun only offers delivery to a small range of areas, it has limited product range, and you cannot order more than one bag of groceries since delivery is by bike. That being said, MilkRun is nice for emergency grocery trips, but not good for your weekly shopping trip. In addition to MilkRun, Instacart will also compete with the individual grocery stores that offer their own delivery services. However, once again, these individual grocery stores have a limited delivery range. Instacart can compete with MilkRun and the individual grocery stores by offering delivery for areas out of normal range, have quicker delivery time, and be able to transport more goods.

- **Context:** When deciding to start an existing business in a new country, it is important to understand the many different aspects of the country and the people in the country. By doing so, it helps the company conduct business in the right way while understanding the values of the customers. The factors listed will be considered when Instacart is making decisions regarding the business and how to best enter the market of online grocery delivery.
 1. **Economic Factors:** The GDP growth rate in Australia average 0.83% from 1859 until 2021. It reached an all time high of 4.40% in the first quarter of 1976 and a record low of -6.80% in the second quarter of 2020. Overall, Australia is considered to be a wealthy nation. Australia has a market-based economy that has comparatively high gross domestic product and per capita income. The economy in Australia is driven by the service sector and the export of commodities (Top 10 worst countries). As of 2022, the unemployment rate in Australia has remained at 4.0% (Labour Force, Australia, March 2022). The conversion rate is also important to know because it will need to be used when considering financial factors. The factors include revenues, costs, net profit margin, net income, and

more. The conversion rate between the United States dollar and the Australian dollar is \$0.72 (1 AUD to USD).

2. **Technological Factors:** Australia is the home to a high-skill, high-talent workforce. The scientific institution is ranked in the world's top 1% in 15 individual fields of research (Why Australia). In addition, Australian classrooms are equipped with the latest technologies. These technological advances are important for Instacart to understand because it can help with making decisions regarding all things technical.
3. **Sociocultural Factors:** Due to the fact that Instacart will be constantly interacting with the people in Australia, it is important to have a knowledge of the people and the culture before starting the operations. Basic information that Instacart should know about Australia is the size of the country, the language, and the social business customs. Most people don't understand that Australia is very large. In fact, Australia is very close in size to the United States and has a population of 25.69 million people. While Australia has no official language, the most common language spoken is english. In regard to social business customs, something to consider is Australians are not very formal. Instead, they are much more relaxed and therefore their greetings are very casual. They are also known to take their time with family and friends very seriously. By understanding these things, Instacart will be able to immerse themselves into the culture of Australia and be able to successfully run the business within the country.
4. **Regulatory Factors:** Though Instacart is going to have to have certain products imported, the company plans on using local goods within its services. We plan on collaborating with the local grocery stores and importing goods that are not offered in Australia. However, in order to do this, it is important for the company to understand the regulatory laws in place in Australia before trying to import certain goods to use within its services. For example, the company needs to know that for most, but not all, products imported into Australia, customs duty is 5% of the value of the goods converted into Australian dollars (ForestShipping et al.).
5. **Physical Factors:** In addition to all of the other factors listed, it is important for the company to understand the physical factors of Australia because they might have

an effect on the products and services provided. A few of the factors to keep in consideration are the location, climate, and landscape. In regards to location, Australia is not only a country, but an island and a continent located in Oceania between the Indian Ocean and the South Ocean. Most of Australia is dominated by the Outback, a region of deserts and semi-arid land. The temperatures in Australia typically range from 47°F to 80°F and it is rarely below 42°F or above 90°F (Weatherspark). Regarding business operations, there does not seem to be any major concerns with the weather that would affect the services provided.

Value Proposition: Instacart, like many other companies, want to create value. Not only do we want to create value for our users, we want to create value for our shoppers, our collaborators, and ourselves.

1. Customer: As previously mentioned, the goal of Instacart it to make it easier, quicker, and more convenient for our customers to shop for groceries. When customers use Instacart, they are able to pick the day, the time, and how they would like to receive their groceries. With the groceries being delivered to their house, they are able to spend more time doing what they love with who they love.
2. Shoppers: Not only is Instacart convenient for the customers, it is also convenient for the employees, or shoppers, working for our company. Instacart offers a flexible working schedule, additional income, and part-time work. This is a great job for a teenager starting out, or someone who just needs a little extra money.
3. Collaborators: To reiterate, Instacart's main collaborator is Publix. Instacart, Publix, and other collaborators all work together to create value for each other. There are many benefits for both the customer and the company when collaborating together. The customers get a deal and the business, in this case Publix, get benefits as well when the customers use Instacart to buy from them.
4. Company: Instacart is being used by people all around and the business is only continuing to grow. With advertising and collaboration, the company will continue to get bigger and bigger. Instacart generated only 50% of the grocery market's absolute growth last year (Russell Redman 1 | Feb 15).

Tactics

In addition to having goals and strategies, it is also important to have tactics to use to carry out the goals and strategies. For Instacart to achieve our goals and carry out the strategies in place, we will use these tactical factors: product, service, brand, price, incentives, communication, and distribution.

- Product: While Instacart does not offer actual products, if the service is paid for then the customer is able to buy groceries online and have them delivered directly to their door. With Instacart, customers are able to go online to anyone that we are collaborated with and shop. Items can be food items or any other items offered in the store. It makes for easy shopping and saves a lot of time.
- Service: Instacart offers online grocery delivery services that is very simple to use. All you have to do is go online, select the groceries you want, pick a delivery time, and then hit submit. We understand that though this is a very simple service, issues are sure to arise. To help with this, on the website we offer a list of frequently asked questions, along with the answers, and a “Shopper Help” button. If the “Shopper Help” button were to be pressed, you would then see a dropdown where you can select help, contact, or safety. In the future, we would like to be able to include a live chat feature to help customers who need it at the moment. When we enter the online grocery delivery market in Australia, we hope to form relationships and work with local retailers to benefit the people living there.
- Brand: Instacart has collaborated with some of the most known grocery stores. Instacart thrives off of being able to deliver from many grocery stores to many different locations, in a short amount of time. As long as Instacart continues to be quick and efficient and sticks to the core values that have been established, the company will continue to create value, fill the needs of the customers, and continue to grow as a whole.
- Price: When using Instacart, you are not just paying for the product, but also a delivery fee. However, the delivery fee is not expensive and there are always deals and/or coupons that can be used. When using Instacart to get same-day orders, there is a delivery fee that starts at \$3.99 when purchasing groceries that total \$35 or more. The fees can vary for

one-hour deliveries and deliveries under \$35. There will always be a clear indication of the delivery fee when choosing the delivery time (Instacart fees and taxes).

- **Incentives:** As mentioned before, there are many benefits between Instacart, customers, and collaborators. Though each store is different, there are many different deals and/coupons that can be used when purchasing groceries through Instacart. Although this mainly applies to the stores in the United States, Instacart can use similar tactics when entering the market in Australia. This would encourage new customers to start using Instacart because they could save more money. It would also encourage collaborations because this will push buyers to the grocery stores that collaborate with Instacart.
- **Communication:** Instacart plans on using advertisements and different promotional deals to communicate with existing and possible new customers. The company could start by using social media to get the name out in the open. Social media is a great tool because it is easy to use and it reaches a wide range of people. Social media is one of the most popular online activities in the United States. As of 2021, 82% of the population use social media (Published by Statista Research Department and 23). In Australia, there were 20.5 million social media users with social media penetration in Australia currently at 80% (SMPerth). Once the name is out, Instacart can go to the different local grocery stores and explain what the company is and what we can offer.
- **Distribution:** When starting out in Australia, we plan to stay as an online service. Once again, customers will be able to go online and order groceries, and other items, pick a delivery time and have it shipped right to their door. Since we plan to collaborate with the local grocery stores in Australia, we will apply the same policies and practices that we use here.

Implementation

Now that we have constructed our goals, tactics, and strategies, it is time to implement these into action. Below, we describe how we would like to develop and deploy our company in the Australian market. This will occur by outlining resource, offering, commercial development, and our deployment strategy.

How will Instacart be developed?

- Resource Development:** As stated earlier in the plan, Instacart will use its current cash flows to expand its operations, as of mid-2020, Instacart was grossing more than \$3 per order ("Instacart Survived Covid Chaos"). We may have to secure a loan if there are insufficient funds. The cash flow will be used to meet the goals we have proposed. To achieve our goals, Instacart first needs to secure assets and other resources that would benefit the company's success in Australia. These assets include but are not limited to a corporate building and employees. We want to target a facility in or nearby Sydney, Australia, for our corporate building. The corporate building will likely give us much attention from the local community and house our Australian executive management and key managerial and support staff. They will deal with essential tasks at Instacart, such as strategic planning, marketing, information technology, finance, taxes, corporate communications, law, books records, and human resources. Sydney will provide a good location for our expansion because it has the largest population of any city in Australia at 5,361,466 as of the 30th of June 2021 ("List of cities in Australia by population"). COVID-19 has highly impacted Australia, and we believe that will help promote our business in Sydney because we provide someone to shop for you without having to go to a crowded grocery store. Because of COVID-19, our current revenue from business in the US and Canada has skyrocketed, and we believe this will also help us succeed in Sydney. As far as employees go, we would like to hire people in the local community who are experienced with the stores in the area. Our employees will be our most important asset because they provide the bridge between app/online grocery shoppers and our partnered businesses.
- Offering Development:** Multiple parties in our organization will handle Instacart's offering development. Our executives and top managers will be tasked with ensuring that our goals, strategies, and tactics are known by all levels of our employees. They will also ensure that each employee understands the guidelines in which we expect these tasks to be carried out. However, we do want to encourage our employees at all levels to share ideas and give feedback as we transition into Australia. Meaning every employee at Instacart will play a vital role in helping us reach our target market. A party that will play a prominent role in offering development will be the marketing team. They will be tasked

with introducing our company into our new environment highlighting the benefits we can give our customers. This will happen by spreading awareness on multiple platforms, including social media, our company website, campaigns, and advertisements. We want to focus our efforts on premium ad units. In 2020, we spent under 100 million dollars on digital, print, and national tv advertising (“Instacart Advertiser Profile”). While we do think this number will heavily increase because we are breaking into a new market. We believe we must stick to what we have had success with in the past. These initial advertisements will ensure that the new target audience understands what we provide and how to join our community. Also, we will need to ensure that we are constantly staying connected with the locals in Sydney, Australia, to keep our information relevant and on the proper platforms. Another party that will play a pivotal role in our offering development will be our employees working with our partnered grocery stores. They need to ensure that we can foremost understand what they are providing customers and find out if there are any special deals we can give our customers shopping at their stores. Our connection with our partners will be crucial, and we must stay up to date on any changes they make or new offers on the table that we can provide to our customers.

- Commercial Development: Instacart expansion will allow local Australians to have access to their local grocery stores through our online app and website. Currently, since pre COVID-18 Australia’s online grocery delivery market has expanded from being only 4% of total supermarket sales to now being at an all-time high (“Australia Hits the Gas on Online Grocery”). After we start grocery deliveries in Sydney, Australia in the summer of 2023 our primary goal is to expand farther into the Australian market with hopes to also have our company expand into cities such as Melbourne, Adelaide, Perth, Brisbane, among others. In order to complete this, we would continue to utilize our marketing strategy to continue to draw in our target market. As Australia continues to grow more trust in online delivery services, the market will continue to grow. According to research company IBISWorld, in Australia, online grocery sales are expected to increase by 46.2 percent this year (“Economic Watch: Australia's online grocery industry sees boom amid pandemic”)

How will Instacart be deployed in Australia?

Instacart would like to enter the Australian market by the summer of 2023. Therefore, we would like to look at possible partnerships and corporate buildings immediately. Then focus on advertising and hiring starting around the fall of 2023. Regarding partnerships, this means beginning negotiations with companies like Woolworths and Coles attempting to negotiate them to out-source their grocery deliveries rather than handling them themselves. At the same time, we will also be talking to other major grocery stores in Australia, such as IGA, Aldi, and Drake (Healy), to see if they would be willing to use us as a grocery delivery service. At the same time, we will be focused on locating possible corporate buildings that could work for our business and begin the purchasing process.

Starting in fall 2023, we will be in our second phase of deployment and will begin the process of advertising and hiring. For hiring, we need to find a good group of reliable drivers because they will be key to our success. This will be part of the start of our advertising campaign. Our advertising campaign will focus on the benefits of being an employee of our company and being a customer. Once we begin the hiring process and have a good number of drivers. We will start more targeted advertising on the benefits of using Instacart to purchase groceries. Highlighting the time-saving component and the stress it takes off the customers. At this point, we would hope to have the green light to begin our operations in the summer of 2023.

Control

Once we have begun our operations in Australia, we will have to evaluate the company's success to ensure that we are properly implemented into the Australian market. The evaluation tactics below will help us ensure that we are seeing success and performing well as we continue to grow our company.

How will Instacart's performance be evaluated?

- Performance evaluation: As stated earlier, under the benchmarks for evaluating success in the goals section of this report, Instacart will primarily focus on revenue growth to determine how we are performing in our market compared to our competitors. Comparing our success in the span of 3 years evaluated every year. We will primarily focus on the competitors Woolworths and Coles because their numbers are readily available. However, we will also try to gather information from smaller grocery delivery competitors in Australia, MILKRUN and Voly. This is because they are likely to be more similar to our organization. After all, Woolworths and Coles are primary retailers for most of their consumers, and their numbers might not be an accurate representation of our success. We will also use three other performance indicators including, number of deliveries, number of customers and our net profit margin. For each of these indicators we will provide benchmarks numbers that we will expect to reach in the first year of operation. These numbers will be determined based on the evaluation of our own companies success when we expanded in the US and Canada. To ensure we stay on track of these goals we will also do smaller evaluations every quarter. If we determine that we are not hitting our goals in one of our success indicators we will make adjustments as we see fit. An example would be if we are not hitting our target number of customers using our services we will have to review how we are marketing our service to the target audience and use customer feedback. This information will be reviewed by the top-level management and we may make changes to our strategy and tactics based on the results of the review. This information would then be based down the chain of command. Hopefully, resulting in more success in future quarters.
- Market evaluation: The market is constantly changing, and it can be challenging to keep up at times. This makes it very important to stay up to date on the newest trends and technologies that our target market uses. Specifically, there can be many shifts in the grocery market based on product popularity or new popular diets. To stay competitive and familiar with these recent shifts, we will be creating a team focused on researching these changes. They will achieve this by engaging with locals in Sydney, conducting customer surveys, and exploring social media trends, among other things. If they discover changes in the market that need to be addressed they will follow the same track as if they

were not meeting performance benchmarks. They would bring their concerns and research to the top-level management, who would then review their reports and discuss whether or not they see fit making a change to their tactics and strategy as we advance.

Exhibit:

The following is a list of websites with information containing the statistics and data used to create our predictions and recommendations for Instacart's entrance into the Australian market. Our formation of this marketing plan for Instacart was developed using guidelines presented during class and from the guidelines provided.

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