

# Customer Lifetime Value across Food Delivery Competitors



## INTRODUCTION

Pyxis provides competitive intelligence in the consumer space by leveraging the most granular consumer datasets available today. With 50+ datasets globally, we help our clients gain an edge by shedding light on their most critical competitors.

### How does Pyxis operate?

We aggregate and structure complex data to enable customized and data-driven insights. Leveraging Bain's 50+ years of consulting experience, we are experts at helping our clients answer their most critical business questions through competitive intelligence.



Unmatched granularity  
with global coverage



Tailored solutions  
with rapid delivery



Industry knowledge  
and data expertise



Ready to understand your  
competitive landscape?

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[PYXIS.GLOBAL@BAIN.COM](mailto:pyxis.global@bain.com) ↗





# Data considerations for this report

Pyxis leverages data and expertise to generate competitive insights focused on market share, pricing and assortment, and customer trends.

Pyxis has access to several credit and debit card datasets that track granular consumer spending sourced from banks and financial planning software. The panels generally skew lower income. Subsidiaries are generally not included and are identified as separate from the parent company. White label products and services are included when visible in the transaction string, but this varies meaningfully across merchants and time.

Pyxis collaborated with Theta to apply the customer lifetime value model to credit and debit card datasets.

## Questions Pyxis competitive intelligence data can answer

- |  |  |
|--|--|
| ■ What is our market share by category and by brand?       | ■ How do our prices compare to our competitors?                      |
| ■ Who are our fastest growing competitors?                 | ■ How does our customer repeat purchase rate compare to competitors? |
| ■ What are the top selling items that we don't sell today? | ■ What percentage of our customers are new vs. returning?            |



# Why Customer Lifetime Value (CLV) analysis is superior

We can make consistently superior revenue forecasts and corporate value estimates by incorporating customer-level purchase behavior data in our analysis.

Traditional valuation techniques and revenue forecasting approaches use the following as their primary inputs:

- Historical revenue trends (by product or business unit or geography)
- New customer acquisition estimates
- Margin forecasts

The resulting forecasts are often either under- or over-estimates of future performance because they fail to reflect information about the changing quality and behavior of a company’s customer base. These are knowable facts. For example:

- Number of new customers acquired by year
- Number of customers remaining active from each vintage\* of customers at each point in time
- Purchase velocity and order size for each vintage\* of customers over time

All of these can be discovered from a variety of sources, such as credit / debit card transaction data, consumer panel purchase history, or company-reported data.

Note: (\*) Vintage defined as new customers acquired during respective calendar year

## CLV across food delivery players

Our analysis shows that incorporating customer vintage level reporting reveals significant insight into the health of a customer base and overall company performance.

We illustrate this through the lens of DoorDash and its performance relative to food delivery competitors Uber Eats and Grubhub.

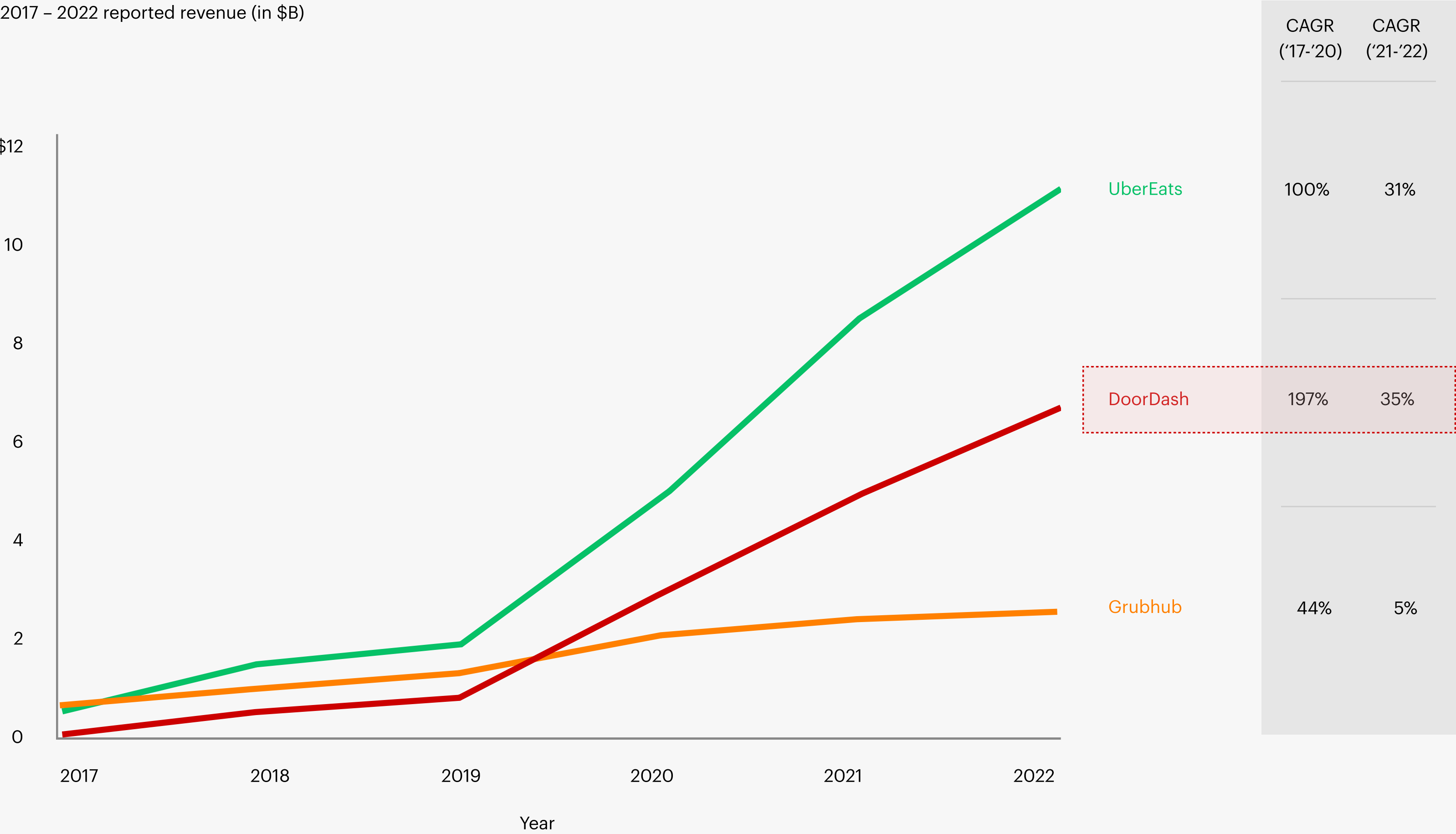
In this instance, DoorDash dramatically outgrew its competitors and investment analyst projections ’17 – ’22 through its unique ability to attract customers who spent more on the platform and who remained active longer than customers at its competitors.



REVENUE ——— TOTAL

# DoorDash’s reported revenue growth significantly outpaced that of Grubhub and Uber Eats, despite growth slowdown ‘21 – ‘22

2017 – 2022 reported revenue (in \$B)



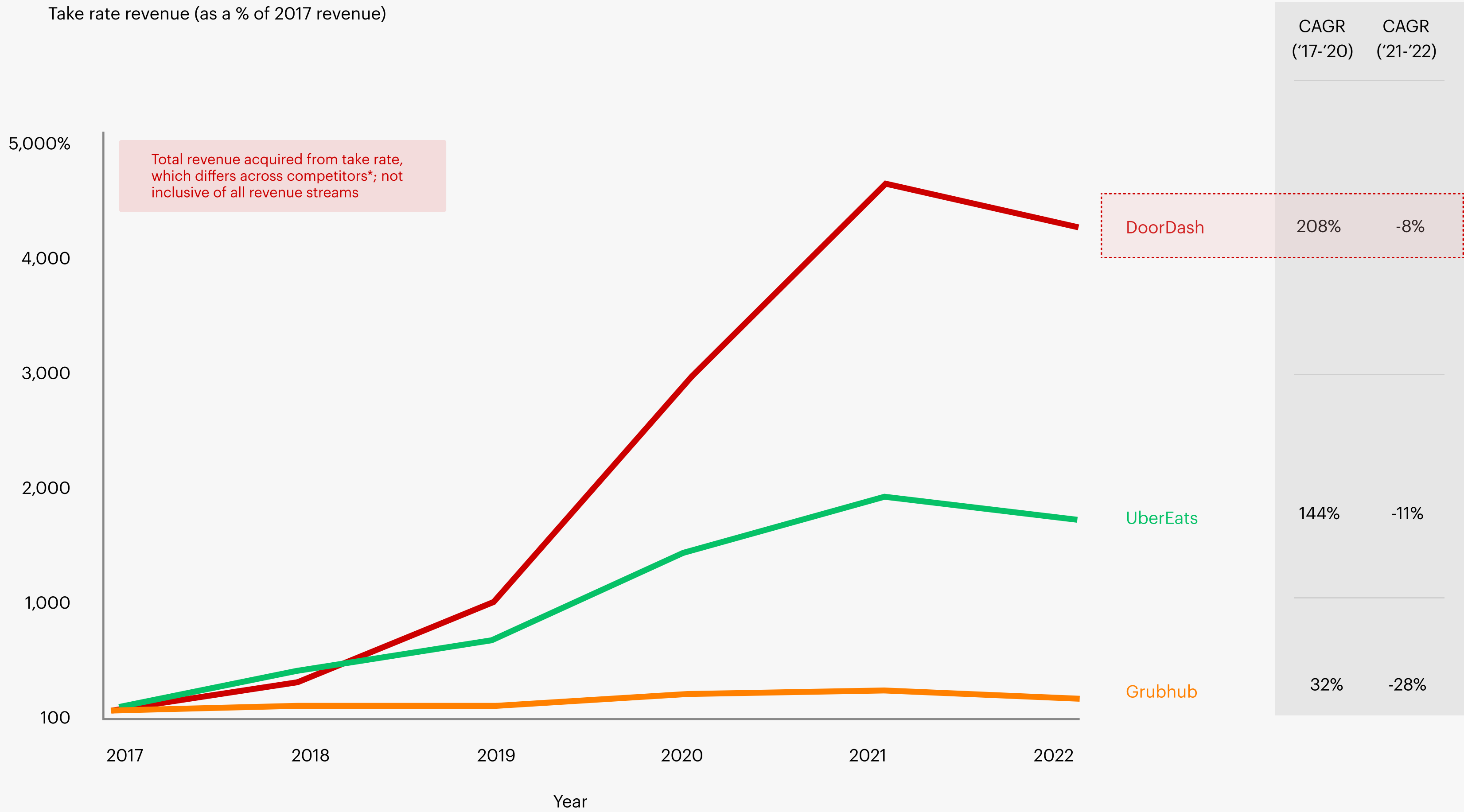
Reported revenue inclusive of diverse revenue streams including, but not limited to\*:

- Orders completed through marketplace
- Commission from partner merchants
- Fees charged to customers
- Membership fees (e.g., Dash Pass)
- Advertising fees

Note: (\*) Revenue reflects commissions charged to partner merchants and fees charged to consumers less driver payout, refunds, credits, and promotions, which includes certain discounts and incentives provided to consumers.  
Source: Company data, Business of Apps

REVENUE — TAKE RATE

Leveraging actual purchase data to look specifically at take rate revenue, reveals how DoorDash outperforms competitors driven by stronger loyalty and higher acquisition of new customers



By examining underlying purchase behavior of customers, we can better forecast different revenue trajectories across competitors, leading to more reliable forecasts of relative revenue growth rates.

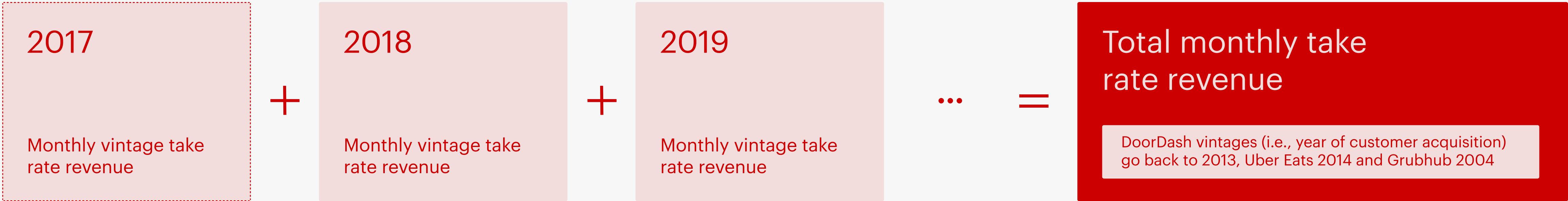
There are several factors that explain organic growth differences among food delivery competitors:

- 01 Quality and loyalty of customers
- 02 Acquisition of new customers

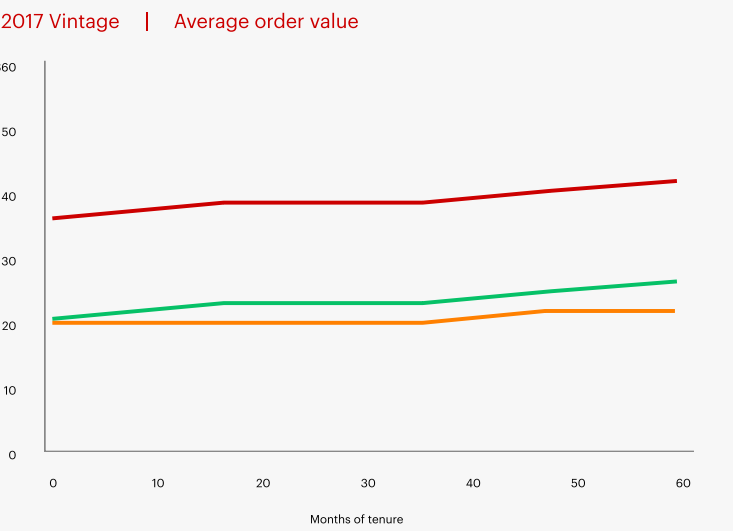
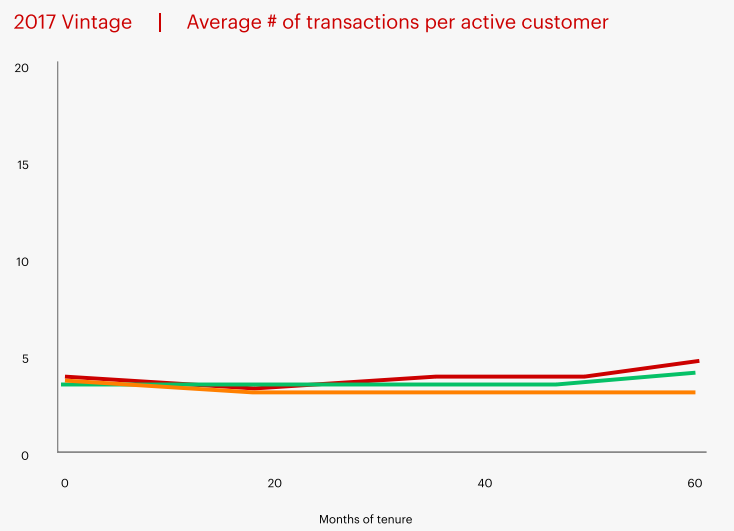
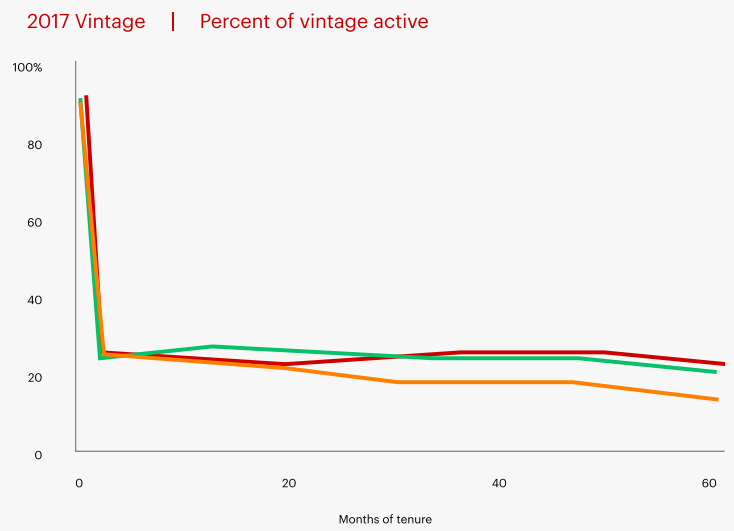
Note: (\*) Portion of revenue earned through take rates DoorDash ~11%, Uber Eats ~17%, Grubhub ~21%; 2022 revenue January through October | Source: Pyxis Credit & Debit Card Data



# Calculating take rate revenue – illustrative framework

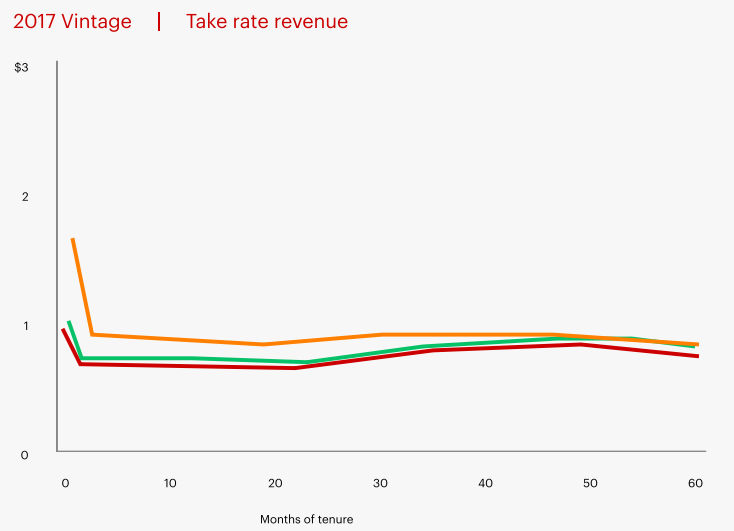


## 2017 vintage example



|           |     |
|-----------|-----|
| DoorDash  | 10% |
| Uber Eats | 15% |
| Grubhub   | 20% |

Percentages are rounded

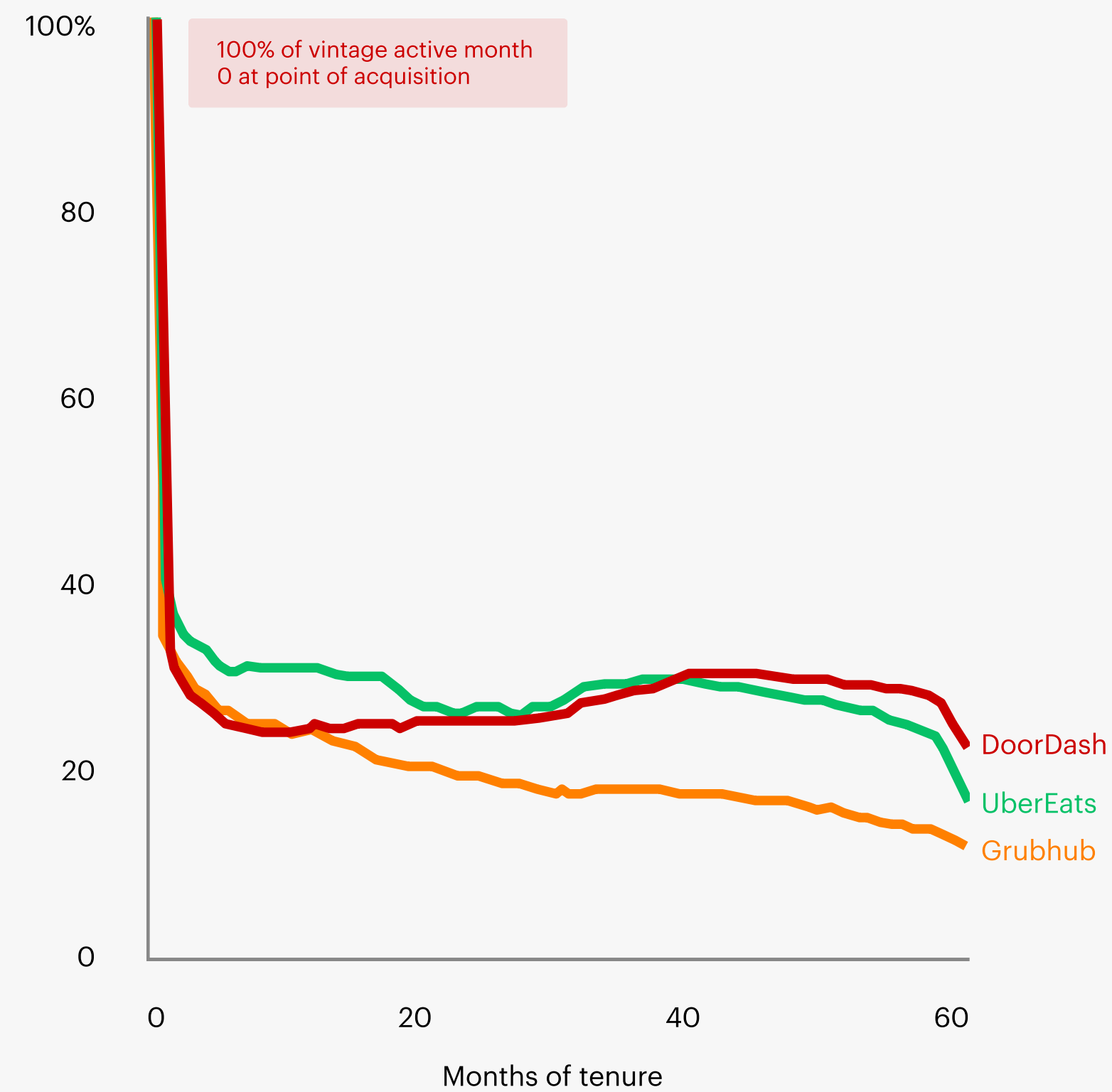


Source: Secondary research, Pyxis Credit & Debit Card Data, Company data

# Greater proportion of DoorDash's customers remain active for longer

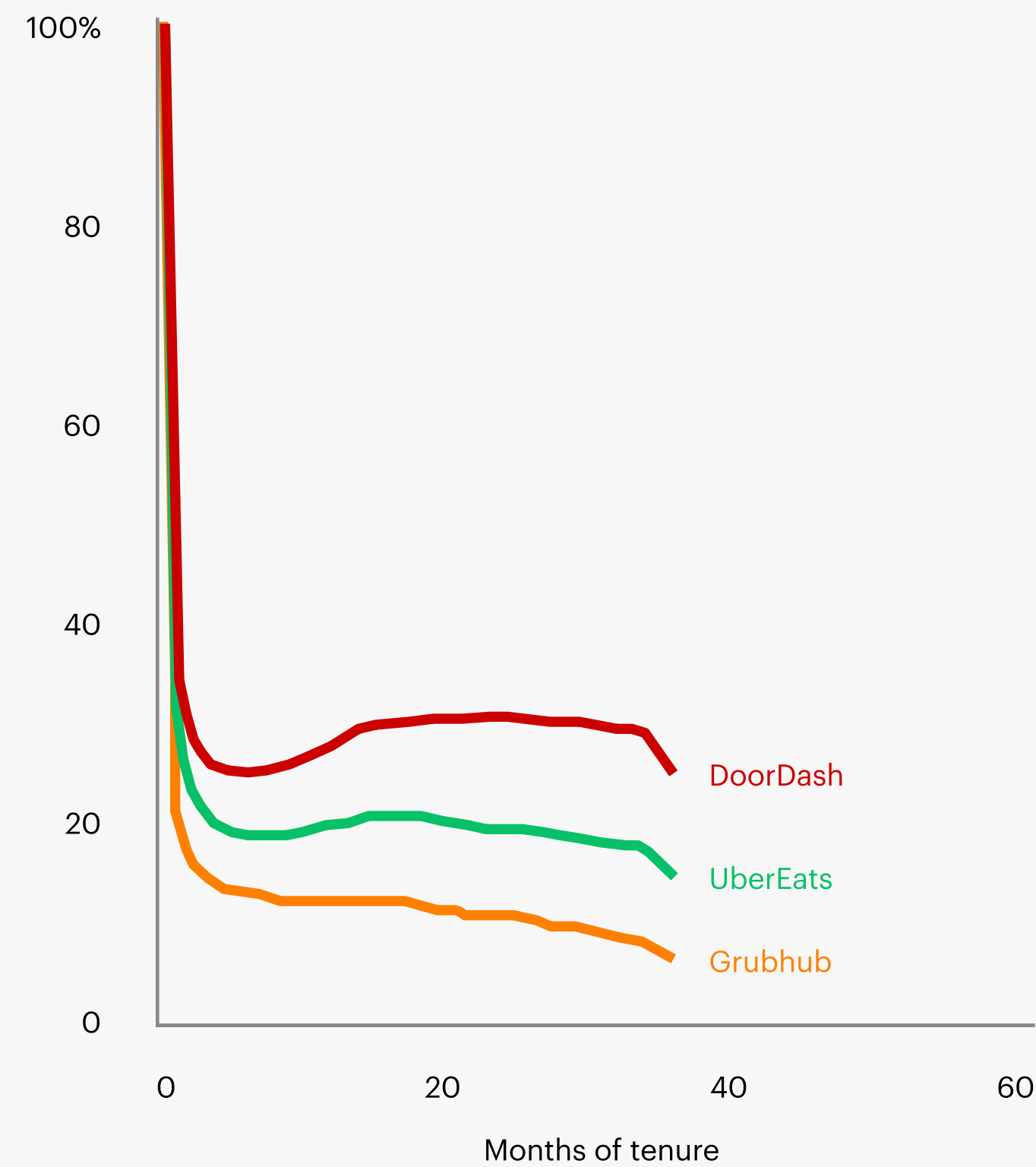
## 2017 Vintage

% of vintage active



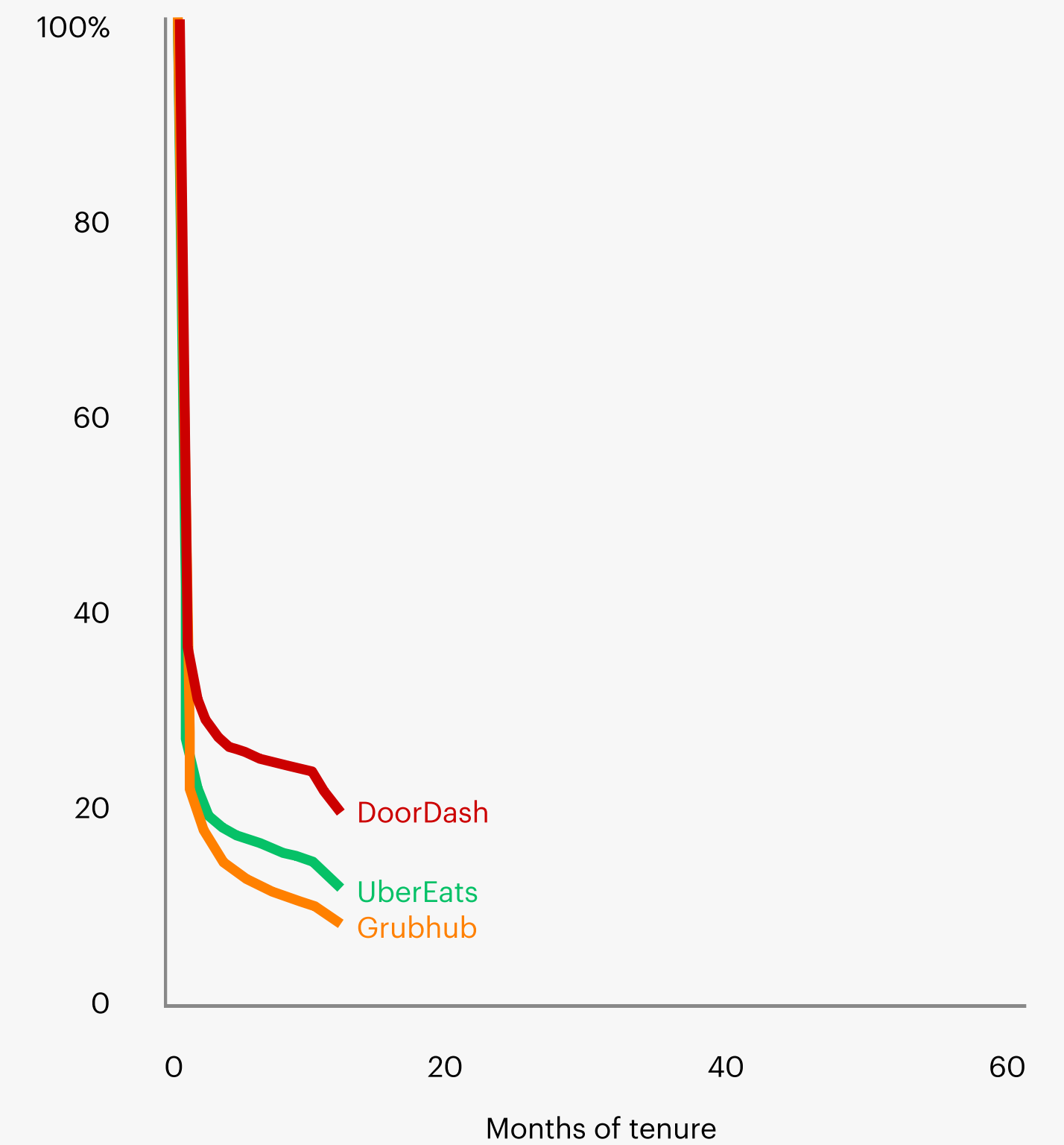
## 2019 Vintage

% of vintage active



## 2021 Vintage

% of vintage active



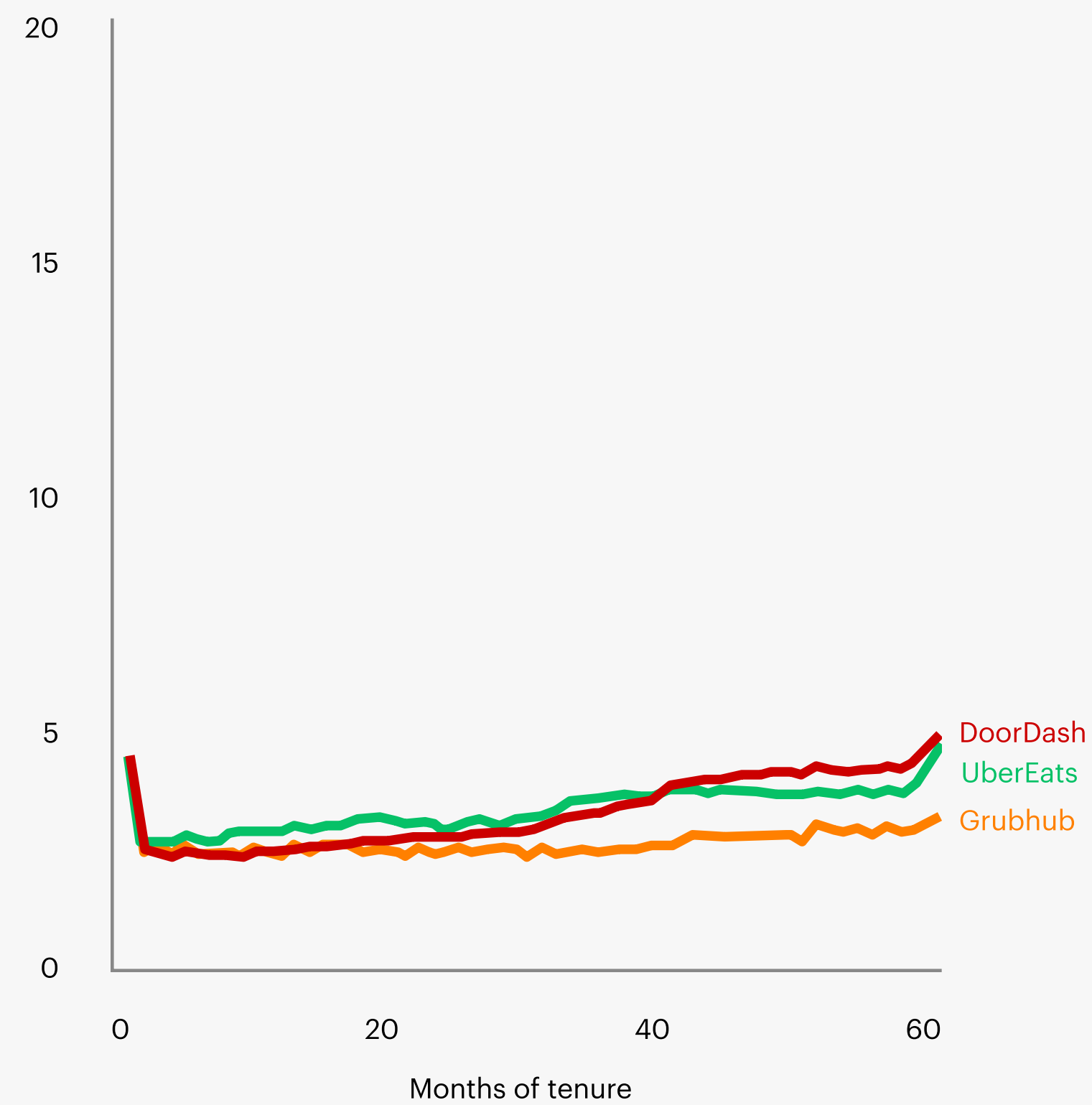
Note: Does not track individual customer behavior, represents percentage of users in each vintage that were active (i.e., made at least 1 order) during respective month, 2022 data excluded across vintages | Source: Pyxis Credit & Debit Card Data



## While customers' average number of transactions is similar across DoorDash and competitors...

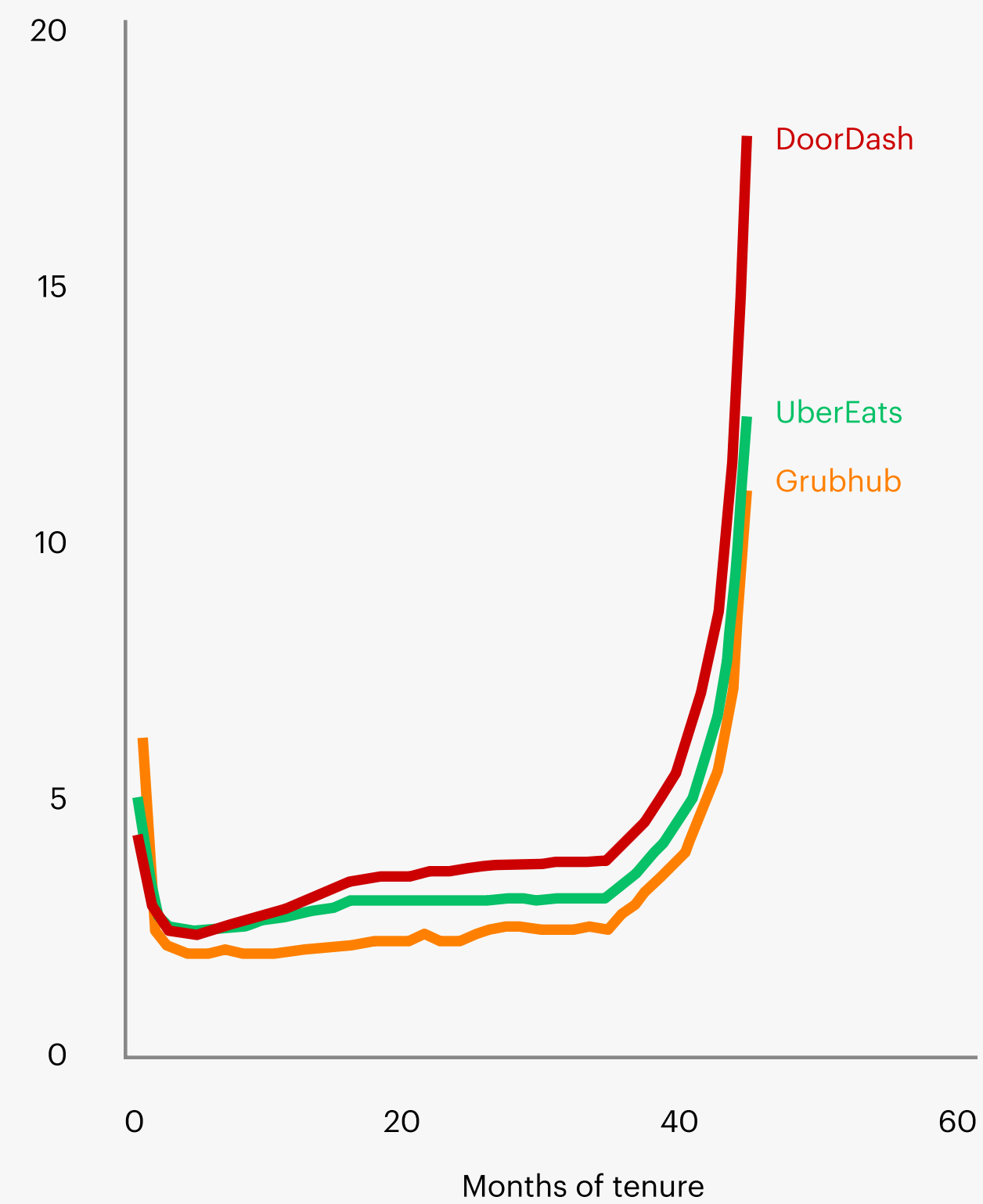
### 2017 Vintage

Average number of transactions



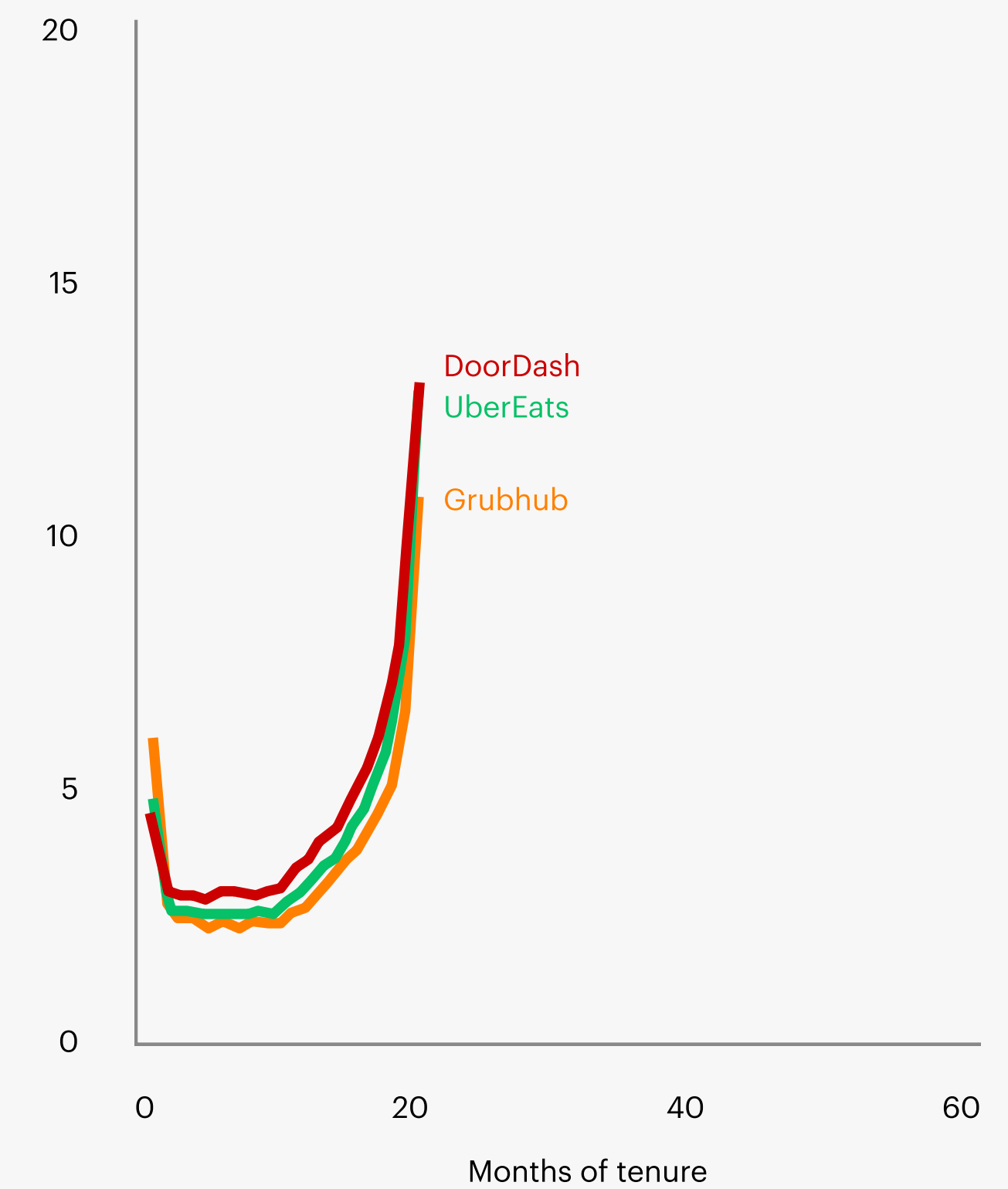
### 2019 Vintage

Average number of transactions



### 2021 Vintage

Average number of transactions



Note: Average number of transactions calculated as monthly incremental transactions divided by total monthly active users  
Source: Pyxis Credit & Debit Card Data



# DoorDash customers spend much more per order

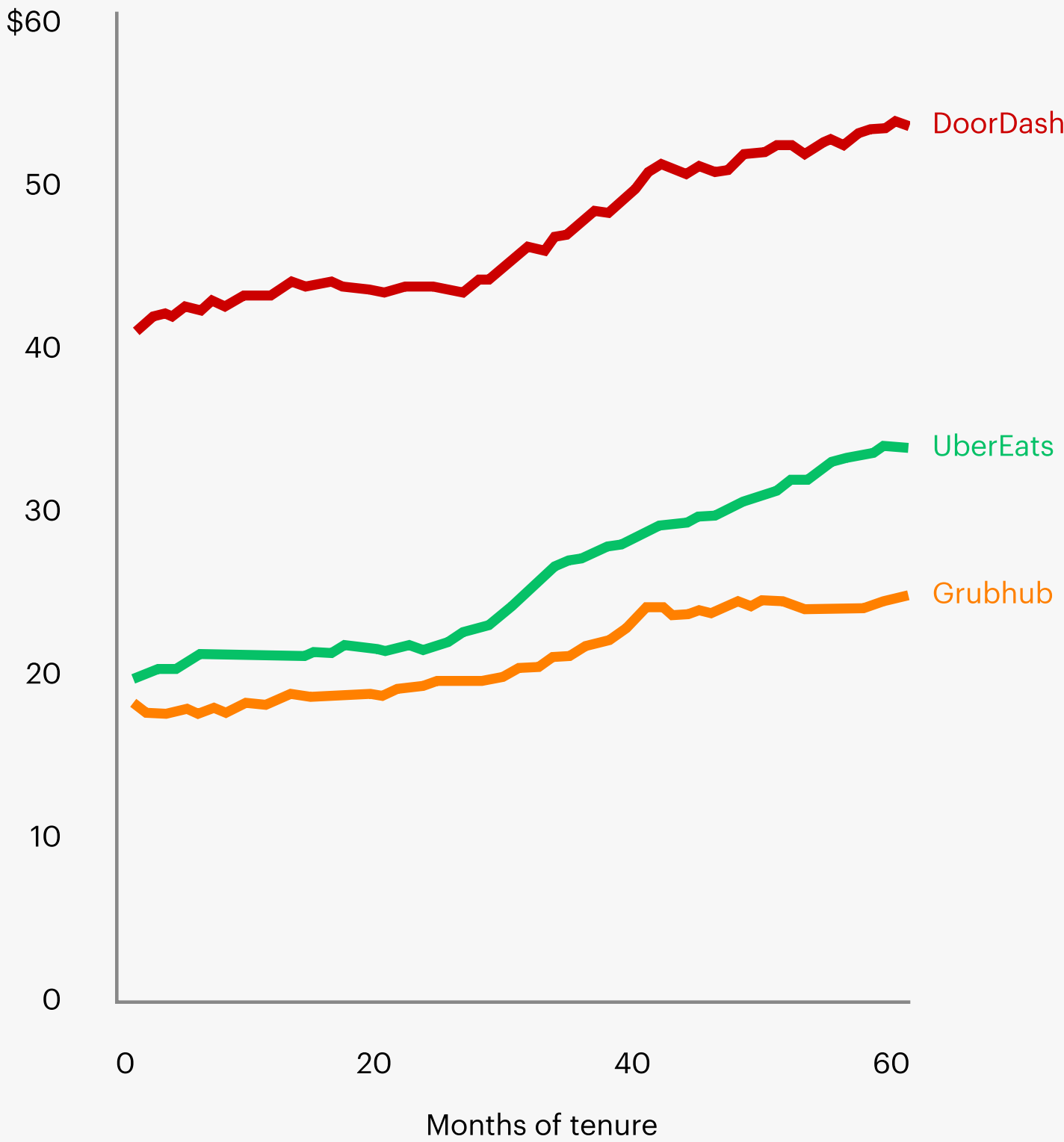
LEGEND

Historical

Projection

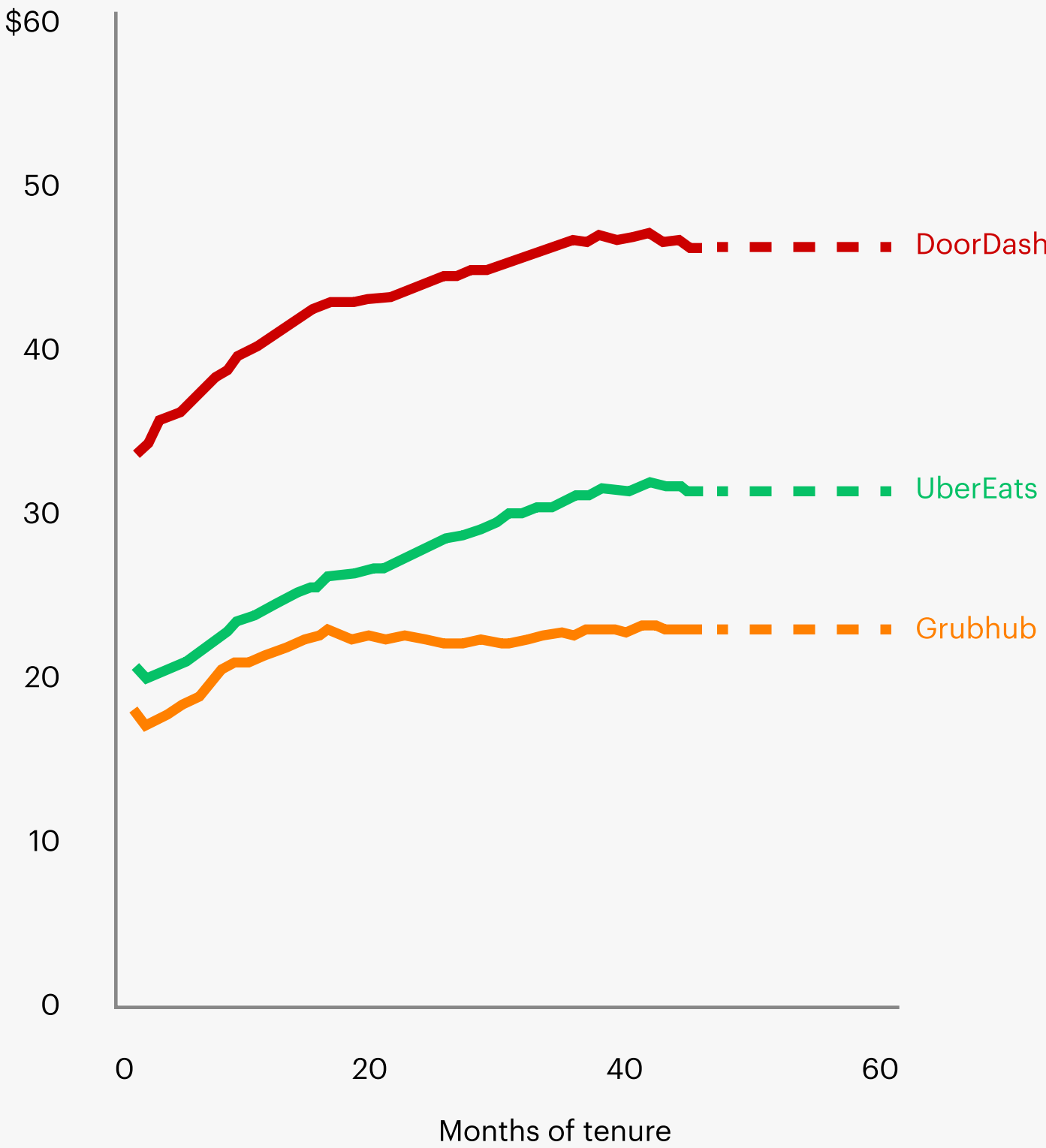
2017 Vintage

Average order value (in \$)



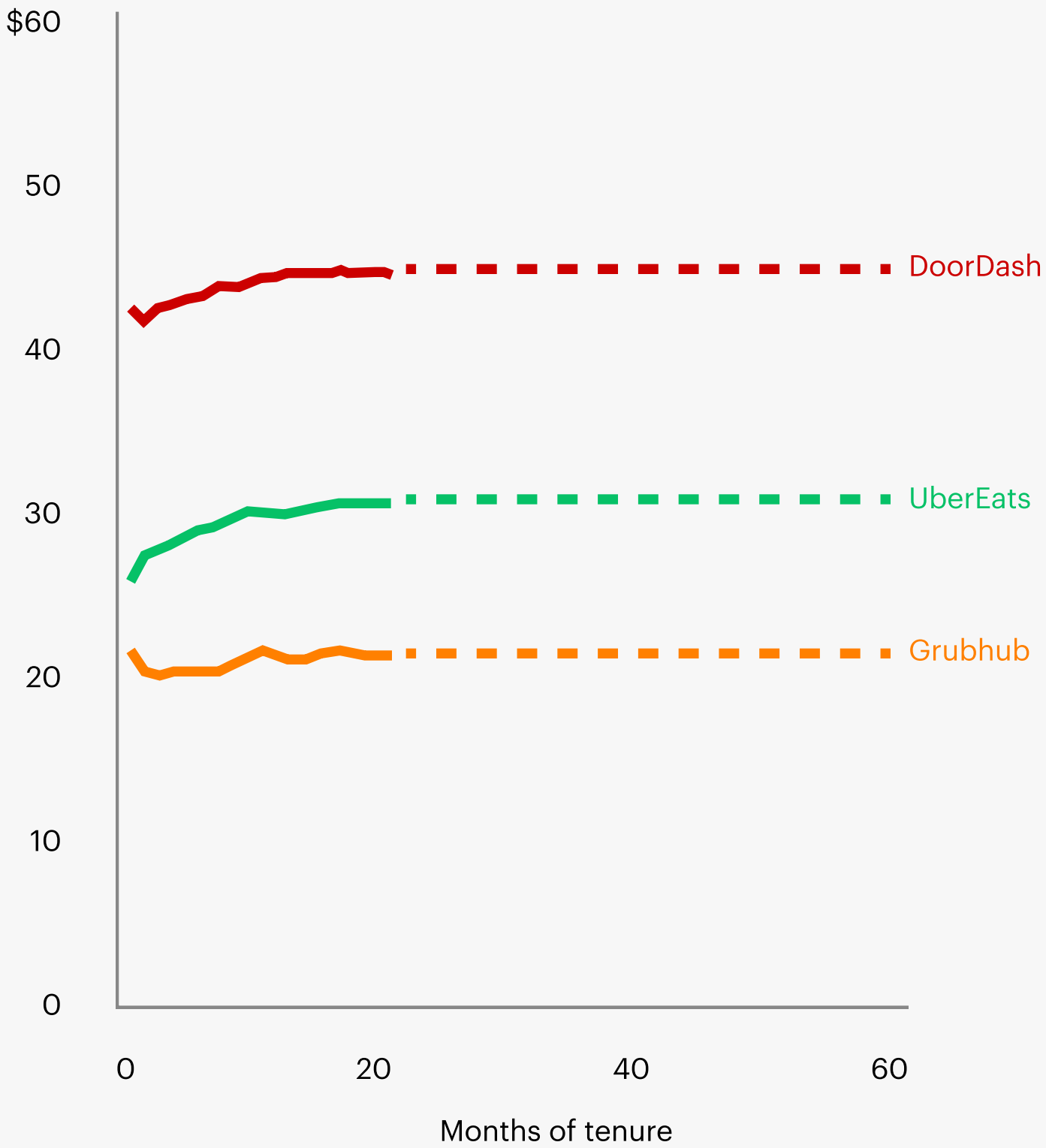
2019 Vintage

Average order value (in \$)



2021 Vintage

Average order value (in \$)



Note: Average order value defined as amount spent by customers on the platform per transaction before take rate | Source: Pyxis Credit & Debit Card Data



Hence, DoorDash's total order revenue (before take rate) is greater than competitors, driven by higher quality, more loyal customers

Number of monthly active users

×

Average monthly transactions per customer

×

Average monthly order value

×

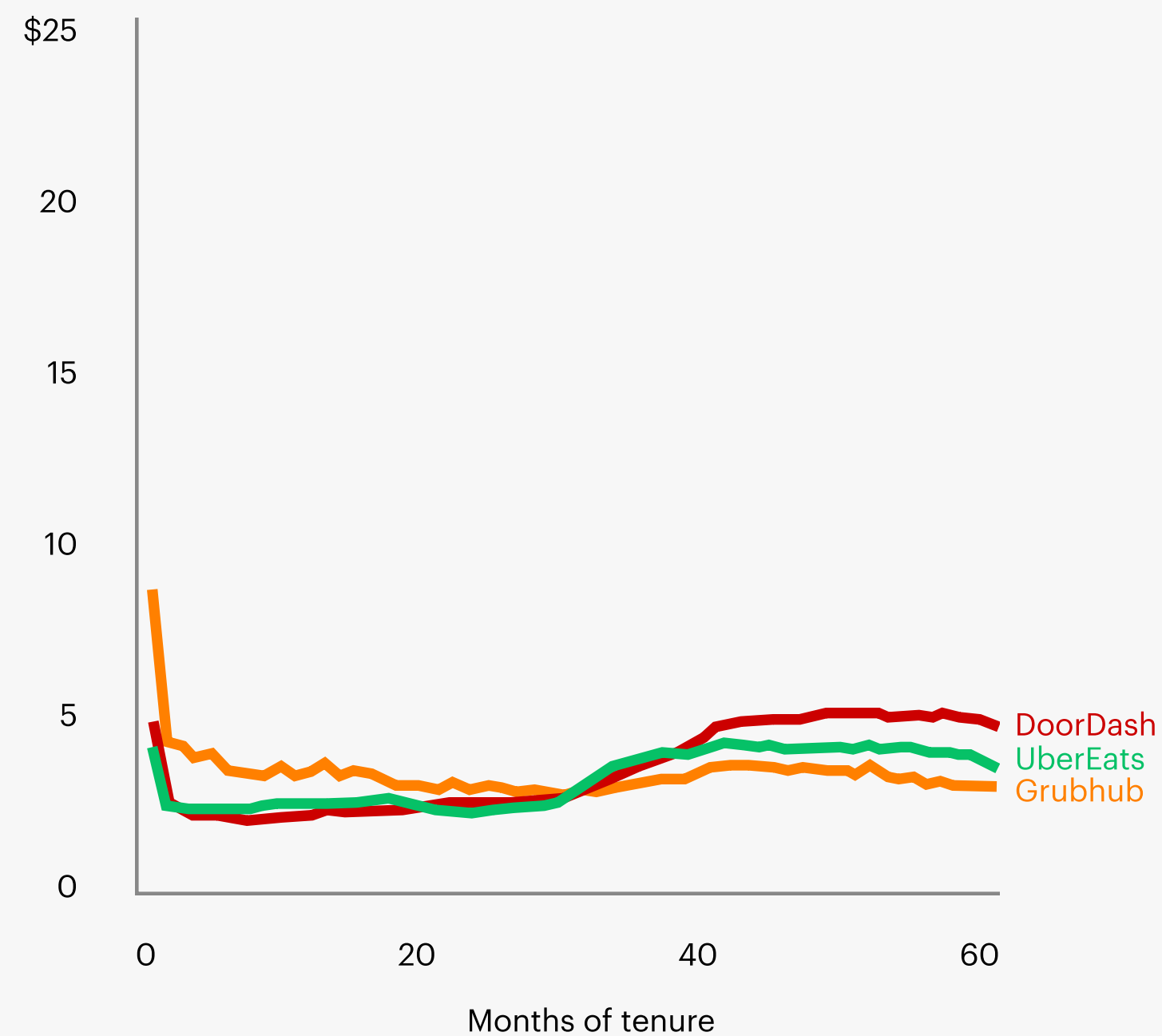
Take rate commission (not included)

=

Monthly revenue (before take rate)

### 2017 Vintage

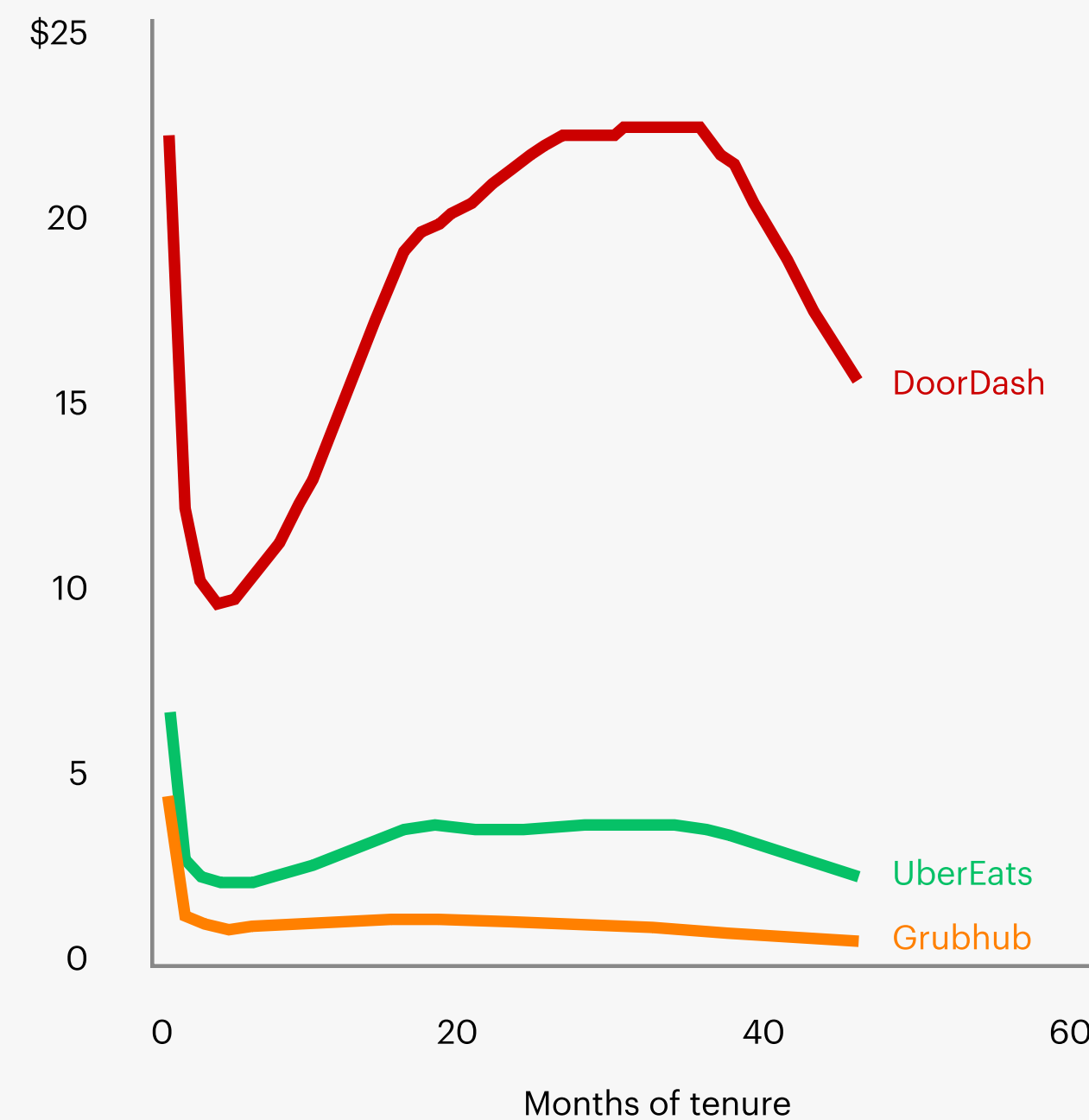
Order revenue (in \$M)



Source: Pyxis Credit & Debit Card Data

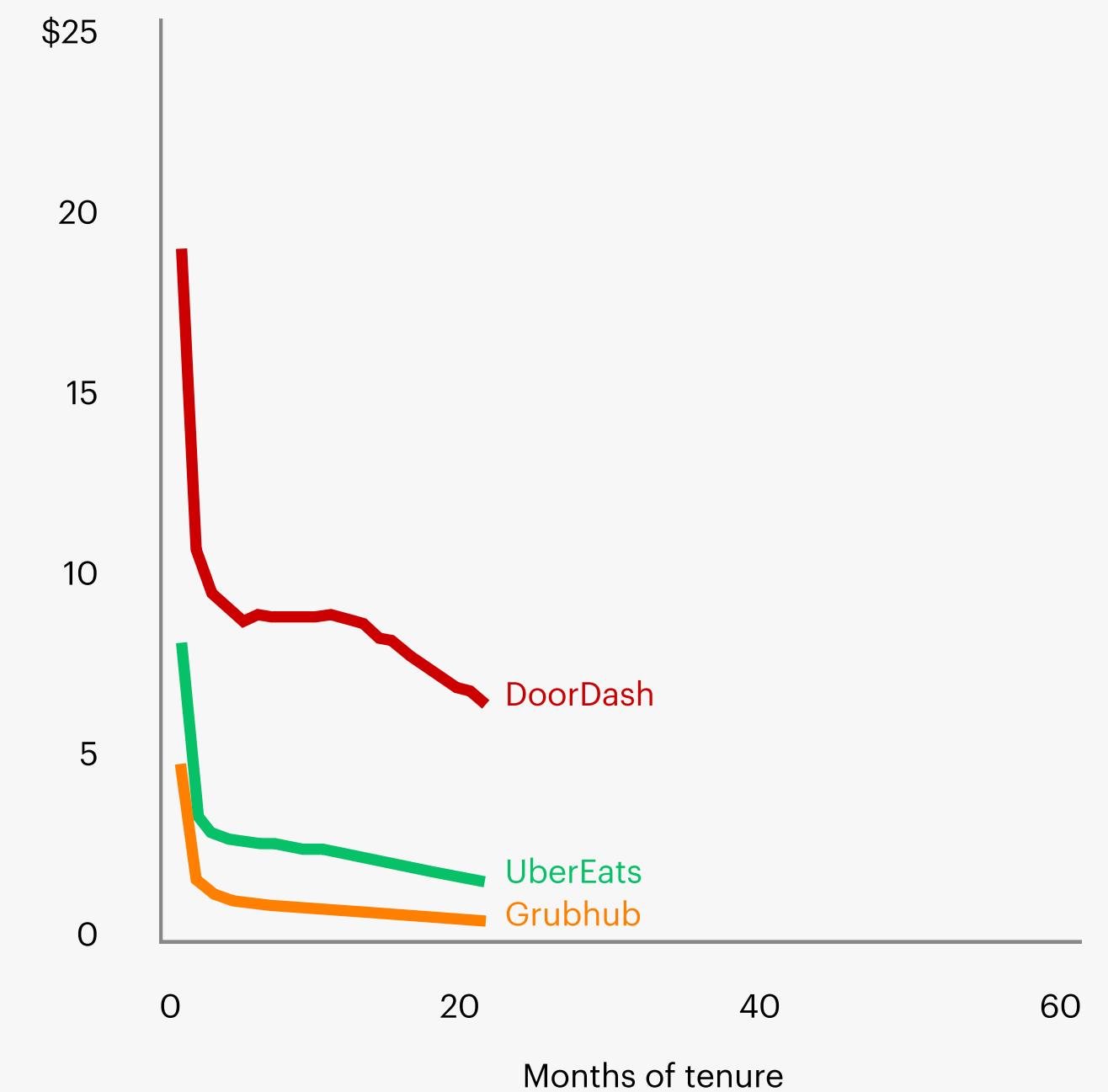
### 2019 Vintage

Order revenue (in \$M)



### 2021 Vintage

Order revenue (in \$M)





REVENUE — TAKE RATE

Despite having a lower take rate, DoorDash revenue for each vintage exceeds or is on par with competitors

Number of monthly active users

×

Average monthly transactions per customer

×

Average monthly order value

×

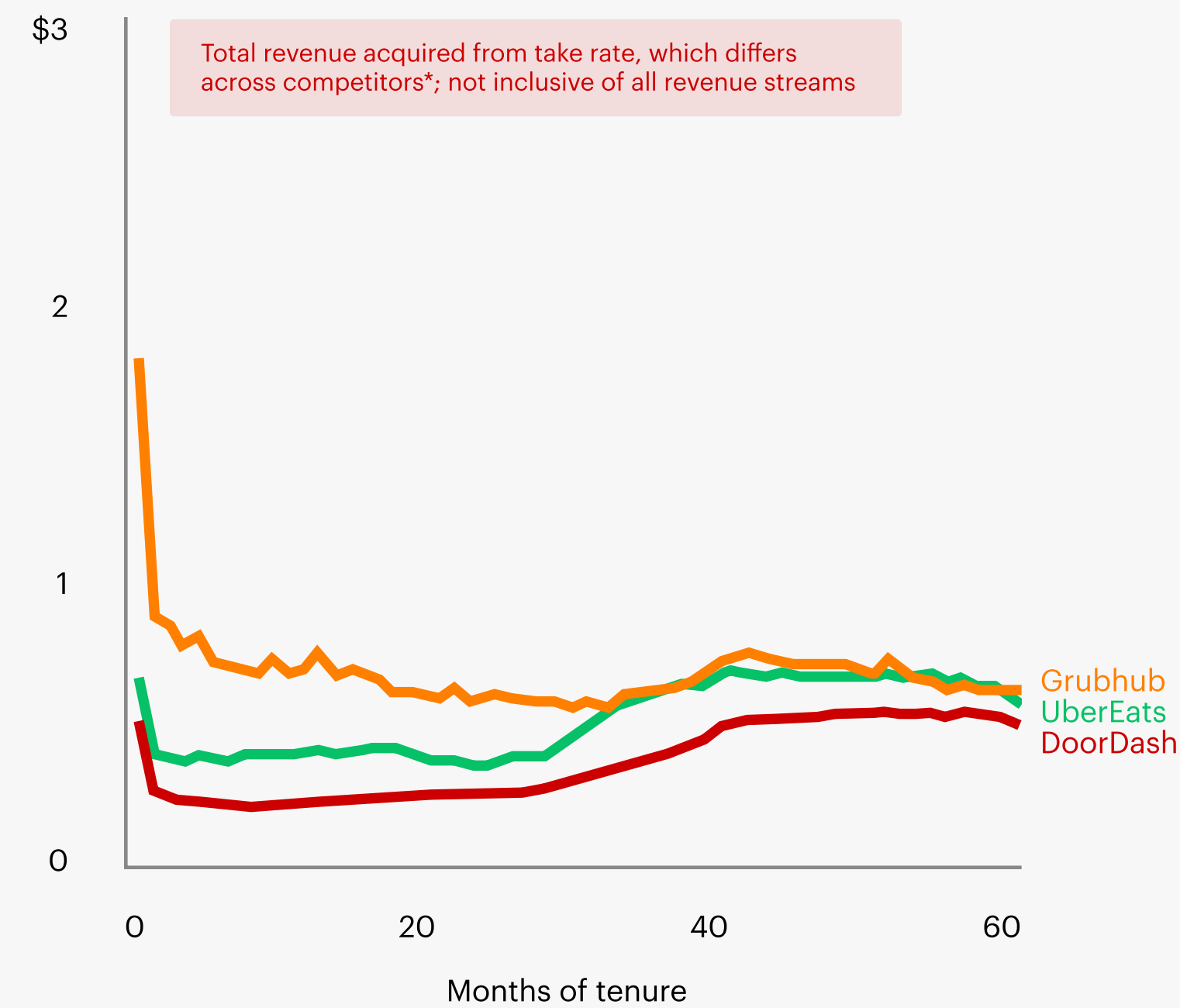
Take rate commission

=

Monthly take rate revenue

## 2017 Vintage

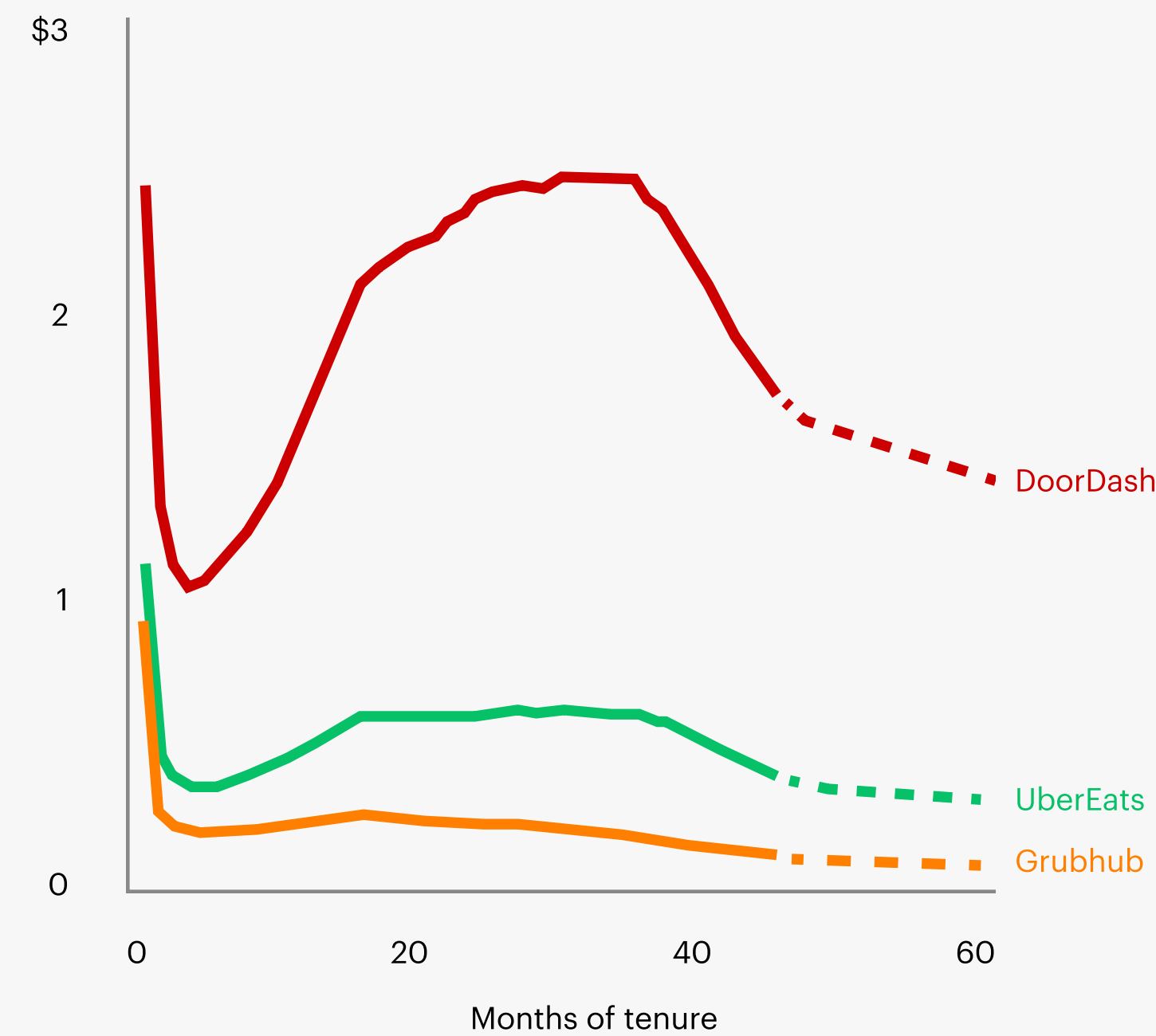
Take rate revenue (in \$M)



Note: (\*)Assumed take rates DoorDash ~11%, Uber Eats ~17%, Grubhub ~21% | Source: Pyxis Credit & Debit Card Data

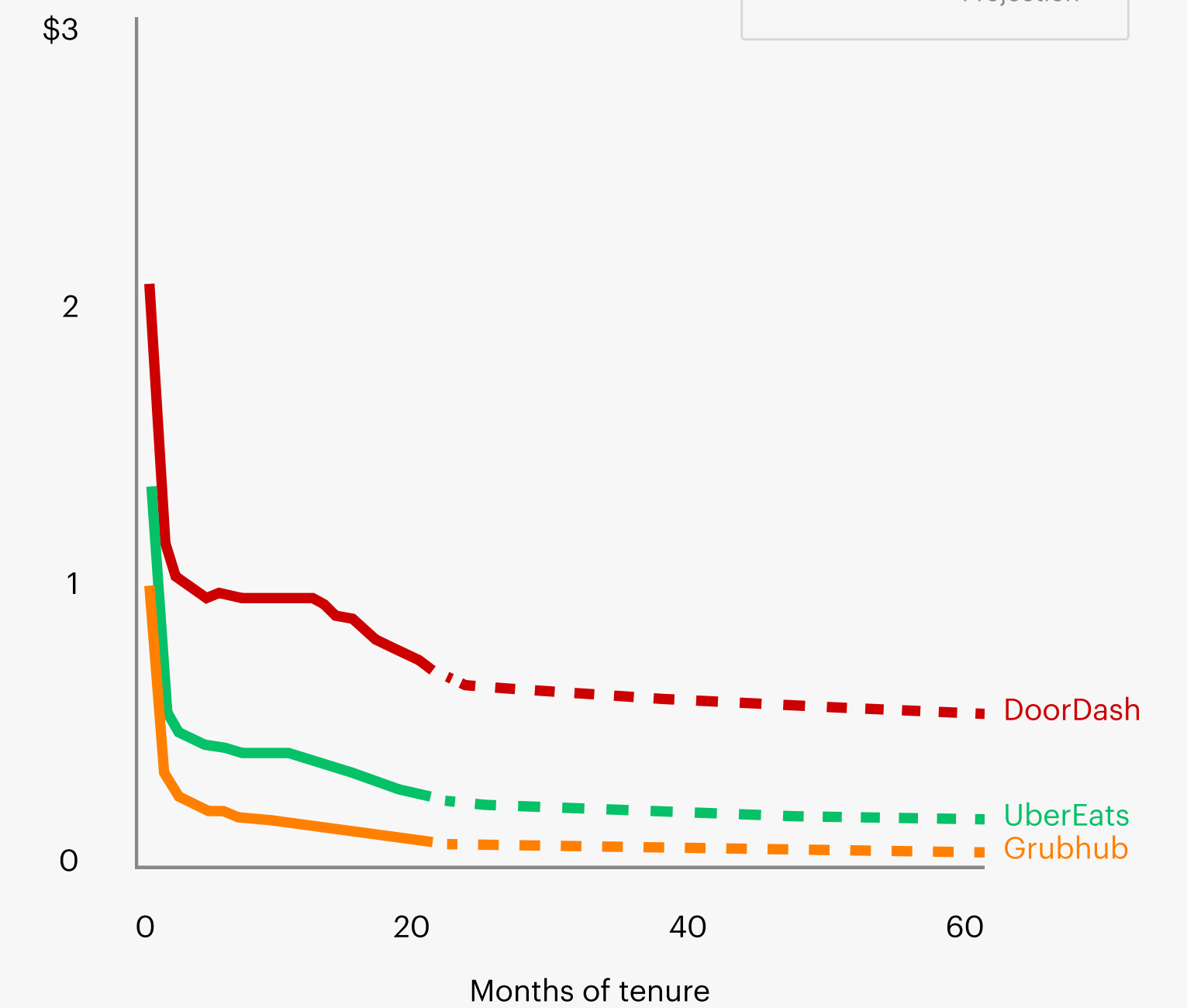
## 2019 Vintage

Take rate revenue (in \$M)



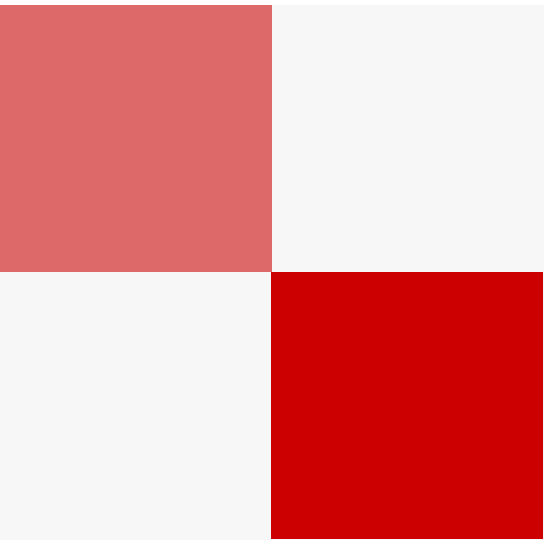
## 2021 Vintage

Take rate revenue (in \$M)

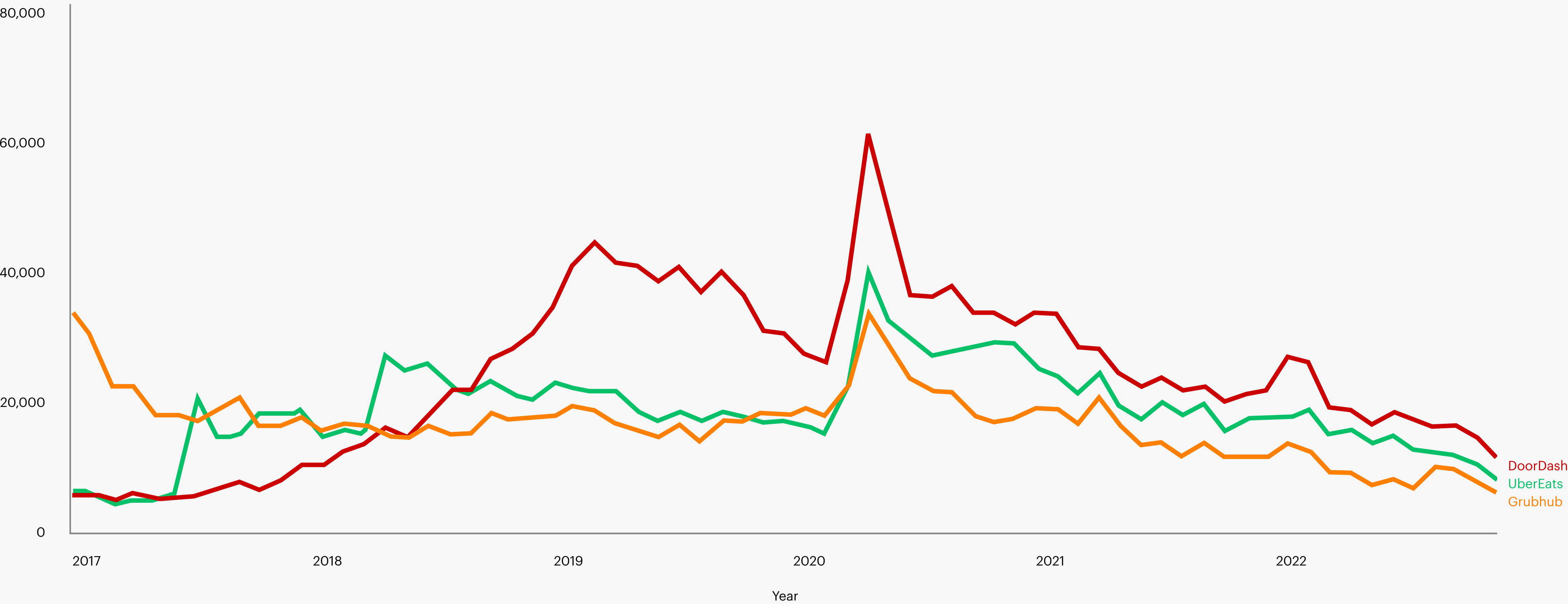




Not only does DoorDash have a more loyal customer base, but it also has been more successful in acquiring new customers



New customer acquisitions by competitor '17 - '22

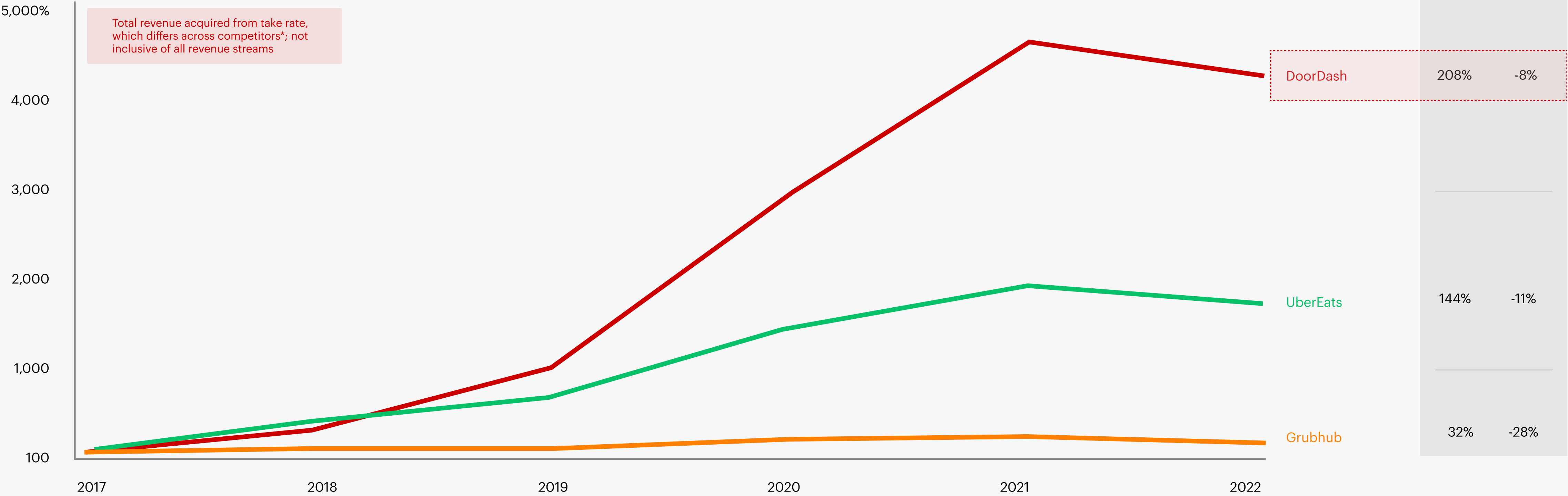


Note: Illustrates acquisitions from 2017 February - 2022 October | Source: Pyxis Credit & Debit Card Data, Secondary Research

REVENUE — TAKE RATE

# These factors together allowed DoorDash to achieve higher organic growth than Uber Eats and Grubhub

Take rate revenue (as a % of 2017 revenue)



Note: (\*) Portion of revenue earned through take rates DoorDash ~11%, Uber Eats ~17%, Grubhub ~21%; 2022 revenue January through October | Source: Pyxis Credit & Debit Card Data





Contact Pyxis to unlock competitor intelligence

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# To summarize...

Growth in top-line revenue may not fully represent the potential of a company’s future performance, as it does not comprehensively reflect information about the changing quality of a company’s customer base.

Customer lifetime value (CLV) incorporates more **granular customer-level behavior analysis** to understand new customer acquisition, loyalty, and purchase power across vintages\*.

One of the biggest challenges of conducting a CLV analysis for oneself and against competitors is collecting and cleaning transaction data.

Reach out to Pyxis to get clean and structured data required for CLV analysis including:

- |                                    |   |
|------------------------------------|---|
| ■ Number of new customers acquired | ■ Total # of active customers at period end |
| ■ Number of orders by cohort       | ■ Total revenue                             |

Note: (\*) Vintage defined as new customers acquired during respective calendar year

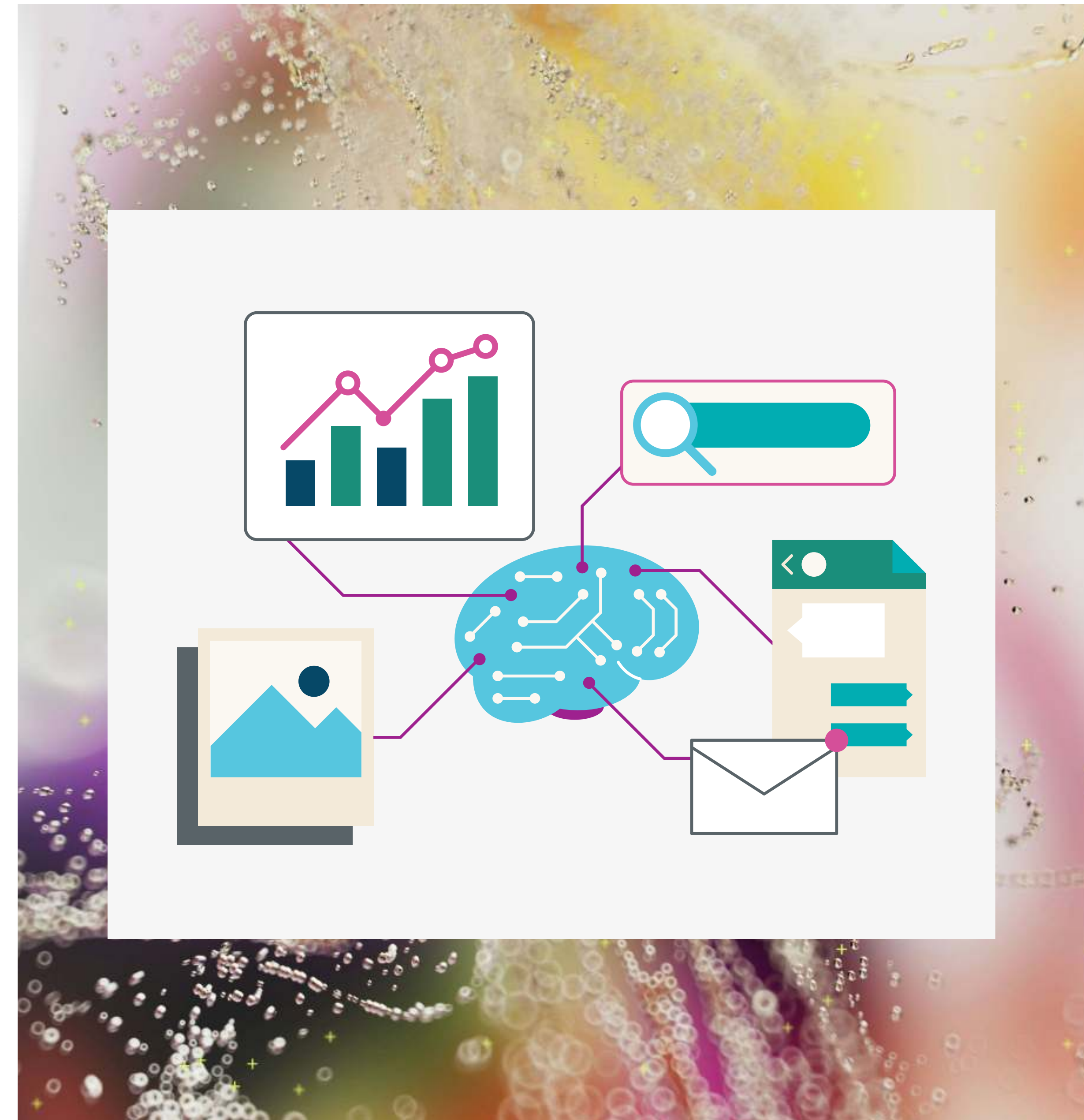




Theta is a predictive analytics firm that leverages Customer Lifetime Value (CLV) frameworks and its own Customer-Based Corporate Valuation® (CBCV) to deliver actionable insights into customer behaviors and company value.

Theta helps investment firms and corporations discover, understand, and apply predictive customer value insights by forecasting future customer dynamics and behavior – then incorporating cost data to link their insights explicitly and directly to overall company and customer base health. Their unique data science approach empowers clients to make better, bolder business decisions based on an unrivaled understanding of predictive customer valuation and what it means for how well a company is performing.

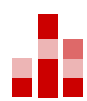
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