

DoorDash: Delivering Growth Amidst Market Challenges

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The case discusses the strategies that propelled US-based online food delivery platform DoorDash to success and the challenges that lay ahead for it as it scaled its operations in the highly competitive on-demand US food delivery market. While its early innovations in AI-driven logistics, strategic market targeting, and customer loyalty programs had resulted in rapid growth, the company had later begun facing rising regulatory scrutiny, concerns over gig worker treatment, and the need to maintain profitability amid growing competition and operational complexities. This case examines DoorDash's business model, strategies, challenges, and future sustainability and offers insights into the company's ability to sustain a competitive edge in the evolving platform economy. The company, with its platform business model and gig economy perspective, had disrupted the traditional food delivery industry. Despite its remarkable success, DoorDash faced a number of challenges including legal disputes related to worker rights, tipping controversies, and data breaches which exposed customer, merchant, and Dasher information. Moreover, it had to continuously strive to keep pace with the rapidly evolving technology and innovation to maintain its competitive edge in the delivery industry. Going forward, some key challenges lay ahead for Tony Xu (Tony), CEO of DoorDash, as the company transitioned from hyper growth to sustainable profitability.

Keywords: Online food delivery, DoorDash, On-demand food delivery platform, Business model, Dashers, Operating model, Growth strategy, Gig economy
