



## Product Vision

When going grocery shopping, I'm usually interested in one of the following:



**S**

Buying a small (S) number (1-3) of items like medicine, snacks, or warm deli meals



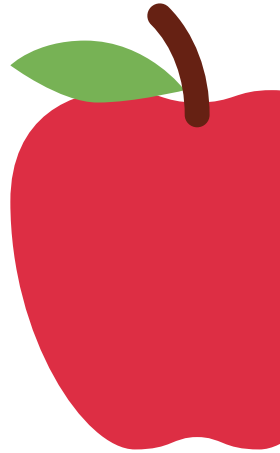
**M**

Buying a medium (M) number (4-15) of items to last me a whole week



**L**

Buying a large number (L) of items (16+) for events like parties or barbecues



It all comes down to **basket size**.

Because basket size is the primary differentiator between my grocery shopping needs, I wondered if there were any trends regarding basket sizes when placing an order. I then took a look at *The Instacart Online Grocery Shopping Dataset 2017*, which provides details on about 3.4 million Instacart orders. Through the data, I learned that the **average Instacart order was approximately 10 items**.

I created **three different groups** based on the size of an order.



**Specific**

The Specific Shopper, who wants to order < 4 items



**Savvy**

The Savvy Shopper, who wants to orders 4-15 items



**Social**

The Social Shopper, who want to order 16+ items

Between these three groups, the **Specific Shopper placed only ~4% of orders** (~136,000 orders had < 4 items) and the **Savvy Shopper placed ~20% of orders** (~680,000 orders had > 16 items). There were numerous times when a Specific Shopper did not complete an order due to delivery fee or minimum cart total. **How do we encourage our Specific Shoppers to place more orders, explore retailers, and try new products?**

I believe that users are attracted to certain retailers for three reasons:



### Proximity

The user's proximity to a certain store



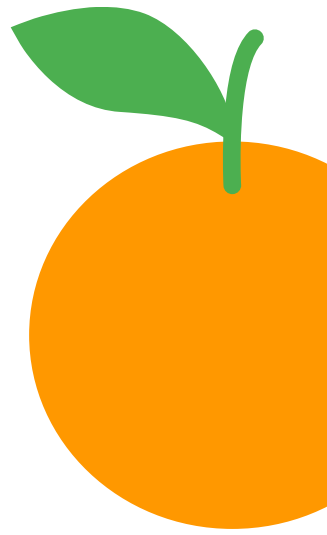
### Deals

Sales and coupons



### Diversity

Range of products available at one store



Instacart eliminates the user's proximity to the retailer because there is a standardized delivery fee. Although all the delivery fees are equal, I usually find myself virtually shopping at my in-person store of choice. Similarly, if I find a product that I like, I will reorder that same exact product multiple times.

**So, how do we encourage users to try new brands or retailers?**

Here are a few.



### Sampling

Discounts & free sampling on brands and products that are similar to the user's current favorites



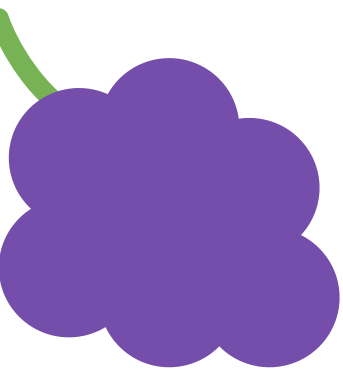
### Waived Delivery

Waived or discounted delivery fees for a user's cart when new products make up 50% of their cart

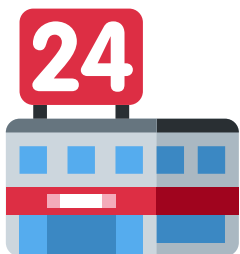


### Store Discount

Discounts on delivery from locations that are outside the user's frequently visited stores



**What can we expand to next?**

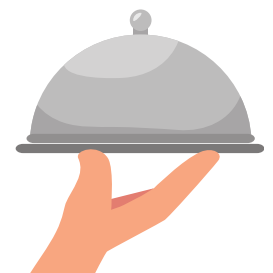


### Smaller locations — bodegas, gas stations, and convenience stores

While living in San Francisco, I often had trouble finding my desired products at large grocery stores. Instead, I shopped for high-quality, niche products in bodegas and convenience stores. By including smaller sellers on its platform, Instacart can expand its catalog and provide its users access to niche products that they would not have been able to get otherwise.

### Restaurants that have transformed into grocery stores

Since Instacart Meals plugs directly into existing OMS, these "pseudo grocery stores" can provide users with not only groceries through Instacart, but also warm, customizable meals. For example, *Vik's Chaat* in Berkeley has a grocery store, but it also sells hot food. Thus, users could buy groceries from Vik's store and purchase a hot meal at the same time.



# Feature Development & PRD's

<b>Feature</b>	Shop on your own. Split delivery with Neighbor.
<b>Description</b>	Users can order a small basket (3 items or less) with no minimum cart total and discounted delivery from a store where a user close to them just ordered a medium or large basket (3 items or more).
<b>Background &amp; Context</b>	Because I have personally experienced issues when trying to order a small basket on Instacart, I decided to focus on improving the experience of the Specific Shopper.
<b>User Problem</b>	<p>To understand why the Specific Shopper is underserved, let's look at the pain points this user segment faces:</p> <ul style="list-style-type: none"> <li>🥕 The delivery fee without Instacart Express is \$7.99 and with Instacart Express delivery fee is only free when your cart total is &gt; \$35. Some users only want to buy 1-2 items and don't want to pay a delivery fee that's almost <math>\frac{2}{3}</math> of the price of their cart total.</li> <li>🥕 The minimum basket requirement is \$10 on Instacart. People want to buy 1-2 items, but don't want to spend money purchasing unnecessary items.</li> </ul>
<b>Consumer Value</b>	Specific shoppers can now place orders without having to worry about an egregious delivery fee or a minimum cart total. These orders will also be fulfilled at similar times to if they were ordering a medium or large basket.
<b>Instacart Value</b>	<ul style="list-style-type: none"> <li>🥕 It encourages Specific Shoppers to use Instacart more. Also improves customer acquisition — maybe new Specific Shoppers users will use the app. Improves customer lifetime value (CLV) since users can place more small basket orders when previously they couldn't → Increases Sales.</li> <li>🥕 Encourages users to explore retailers. If a user needs a couple of items and usually shops at Publix, but there is already a shopper at Walmart at that time, the user would rather shop at Walmart and save money instead of ordering unnecessary items on Safeway to fulfill the cart requirement.</li> <li>🥕 It could help Instacart expand into smaller stores. Smaller stores can use Instacart as a platform to sell groceries and also fresh meals. This feature allows the user to buy a fresh meal without needing to order anything else unnecessarily. Now, users who want only a fresh meal, and users who want to buy groceries are satisfied, thus bringing more revenue to the smaller store.</li> </ul>
<b>Instacart Shopper Value</b>	<ul style="list-style-type: none"> <li>🥕 Allows shoppers to take on more orders. Shoppers don't have to add much extra time shopping as new orders are small, but shoppers still get compensated and tipped.</li> <li>🥕 Also improves shopper experience because they can just shop once and get multiple tips from multiple deliveries</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>🥕 Shoppers are okay with shopping in the same store for up to three more items for a different user.</li> <li>🥕 There are a lot of Instacart users who have wanted to buy only a few items but decided not to due to delivery fees or minimum cart total.</li> <li>🥕 Over the long term, revenue generated by specific shoppers exceeds the revenue that would have been created by users adding items to fulfill the minimum cart requirement.</li> <li>🥕 Shoppers have control whether or not they want to pick up another order in the same store.</li> </ul>

## Phase 1 – Initial Rollout

After figuring out if there is a need for the product, the feature is rolled out in a small region in a larger metropolitan area such as the Mission District in San Francisco. This initial rollout is to garner initial reactions from users and shoppers about the new feature. After every feature-based delivery, both shoppers and users will fill out a survey of their experiences. There must be minimal technical and fulfillment issues and overwhelming feedback from both the users and shoppers from the survey to move to the next phase.



## Phase 2 – Rollout & A/B Testing

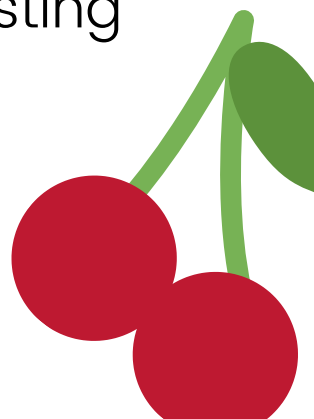
Once phase 1 is complete and successful, we will roll out this feature across San Francisco. We will also do A/B tests as the increase population size will allow the results to be statistically significant. Users will randomly get one of three different user experience designs of the new feature. Further rollouts will use the design that leads to the most feature-based orders. At this step, we start looking at success metrics to begin rolling out this feature across the country.

**Example success metrics include:** The number of new users' first Instacart order was a basket that was less than four items increase MoM. An increase in total profit while the percentage of orders with baskets less than four items also increases. The number of fulfilled orders by an Instacart Shopper increases MoM.

**To move to the next phase, we need to consider four factors:** Success Metrics pass a certain threshold. A certain percentage of Instacart shoppers and users are satisfied with the feature. (Users and shoppers still get a survey after every order) Minimal technical and fulfillment issues. Duration of the current phase.

## Phase 3 – Additional Roll Outs & More A \ B Testing

Since the feature performed well throughout all of San Francisco, we can confidently roll out in regions in large metropolitan areas across the country, such as Little Five Points in Atlanta, GA. Various factors, such as revenue generated and the number of users, shoppers, and retailers, will determine the next optimal rollout locations. Further, A/B testing will also optimize the feature's design and nuances. The success metrics are the same as the ones listed in Phase 2. These three phases will be the blueprint for expanding across the United States.





# Instacart Product Features

By: Santhosh Subramanian

**I. Item Search**

**II. Instacart Recipes**

**Tosh loves buying his groceries via Instacart.**



**But, because he has a busy schedule, he values saving as much time as possible.**



**In between meetings, Tosh is planning to buy groceries. The main item on his list is soju!**

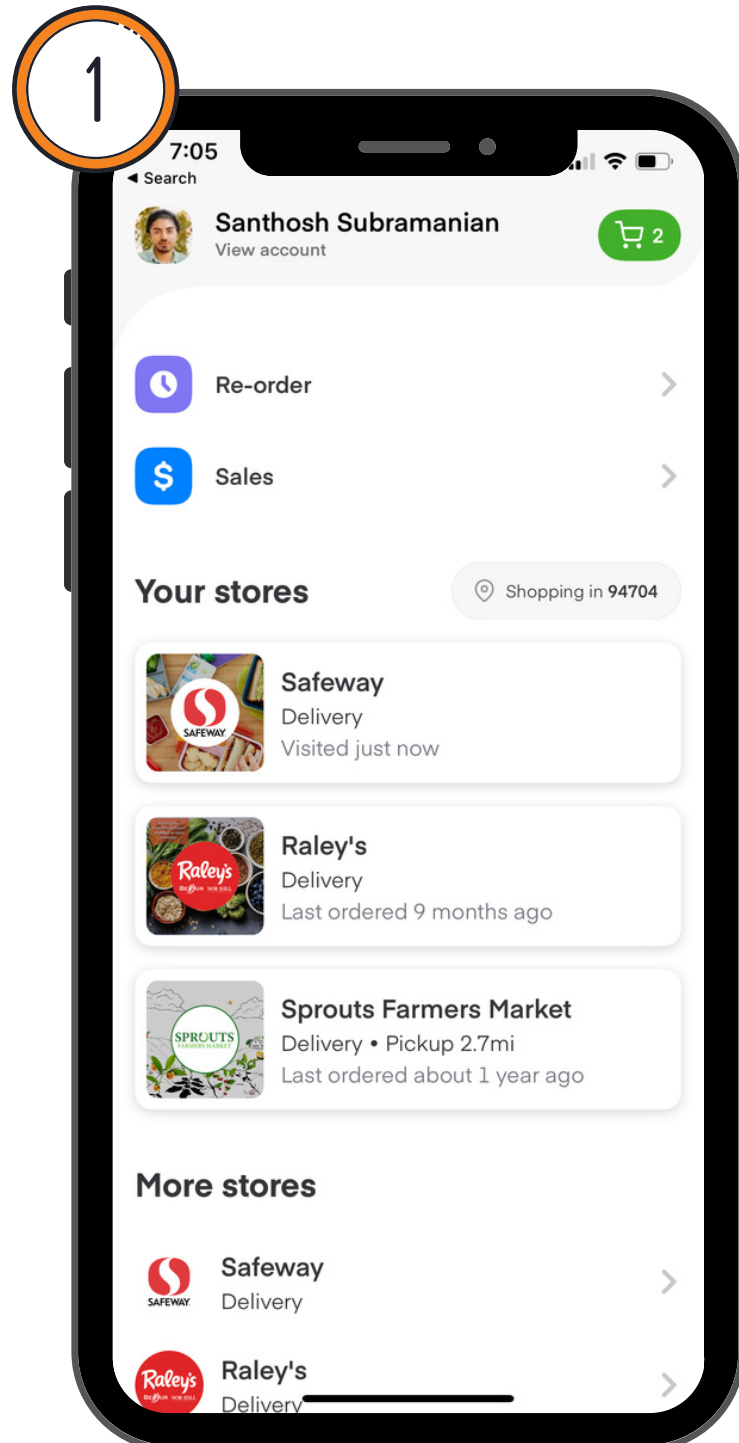


**But, he doesn't know which store sells soju.**

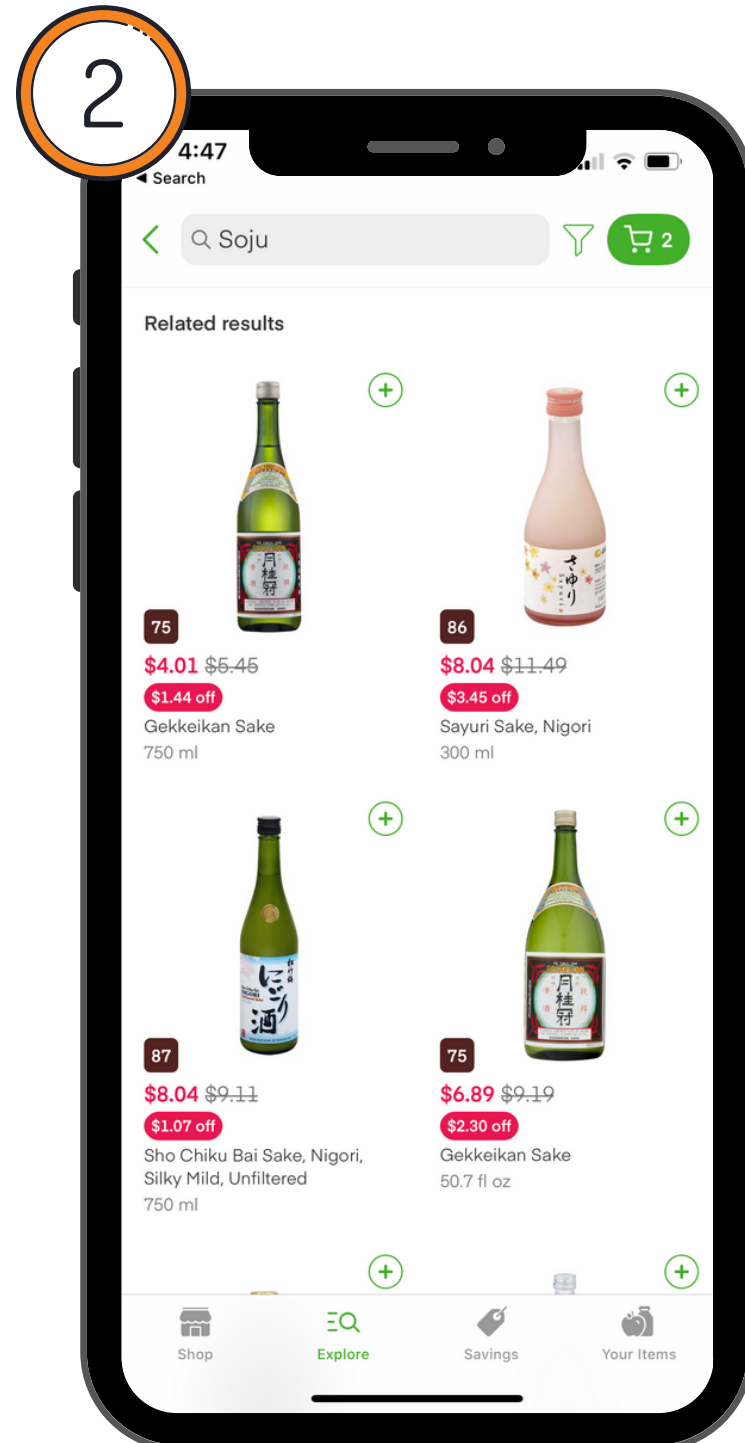


# What's the current way of finding soju?

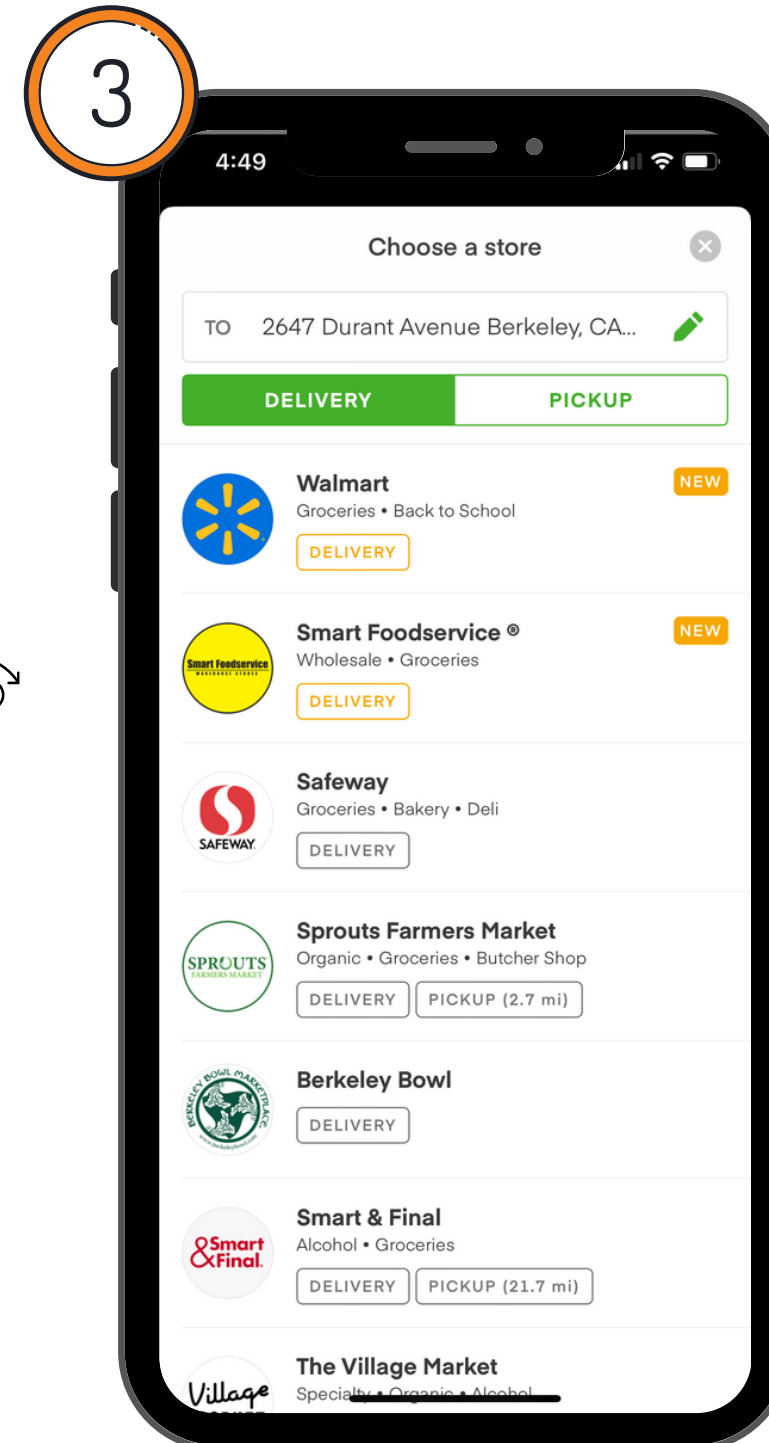
Tosh always shops at Safeway, so he looks there first.



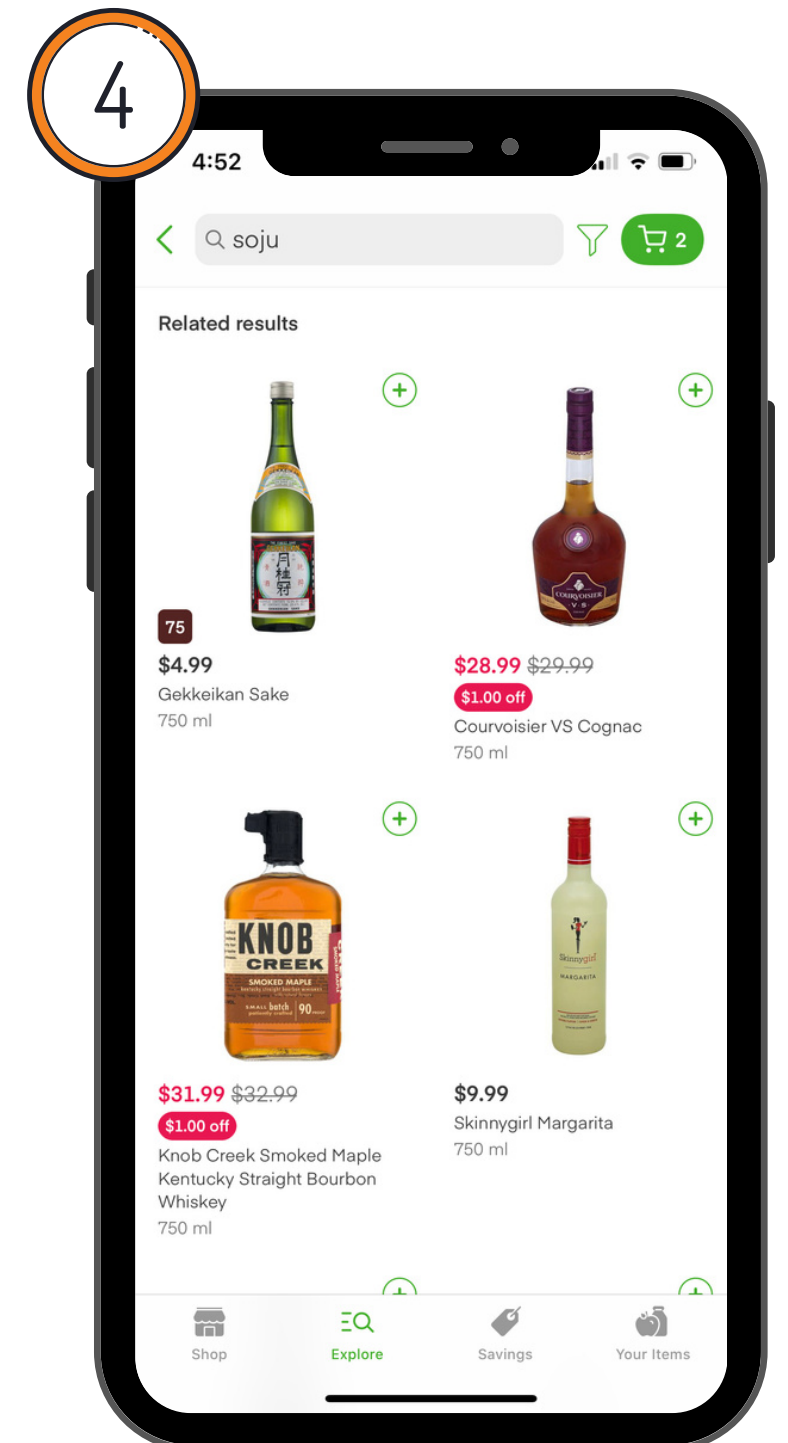
He searches for soju, but he can't find it.



He's a little bothered, but he continues his search at Walmart.



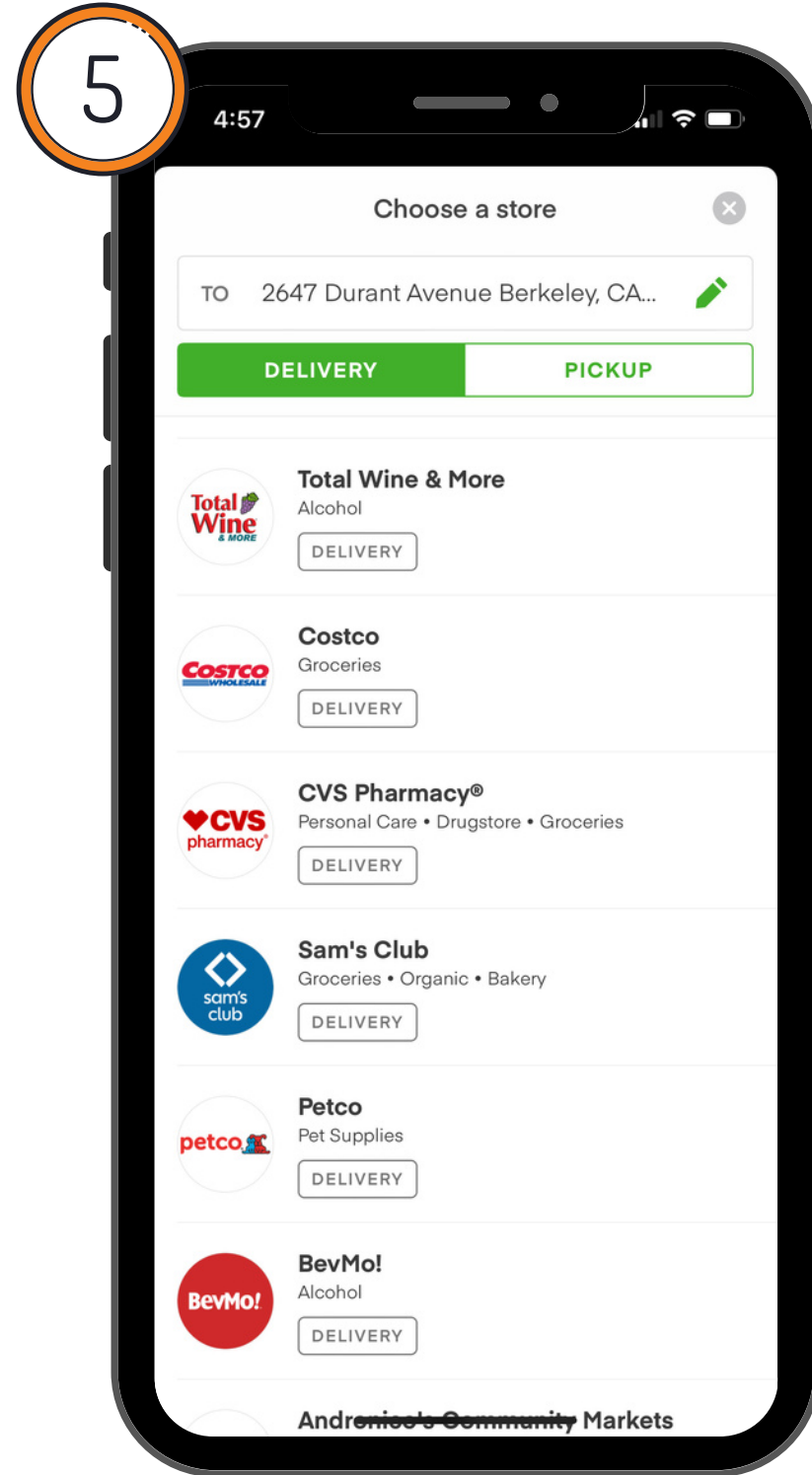
Even at Walmart, he still can't find soju!



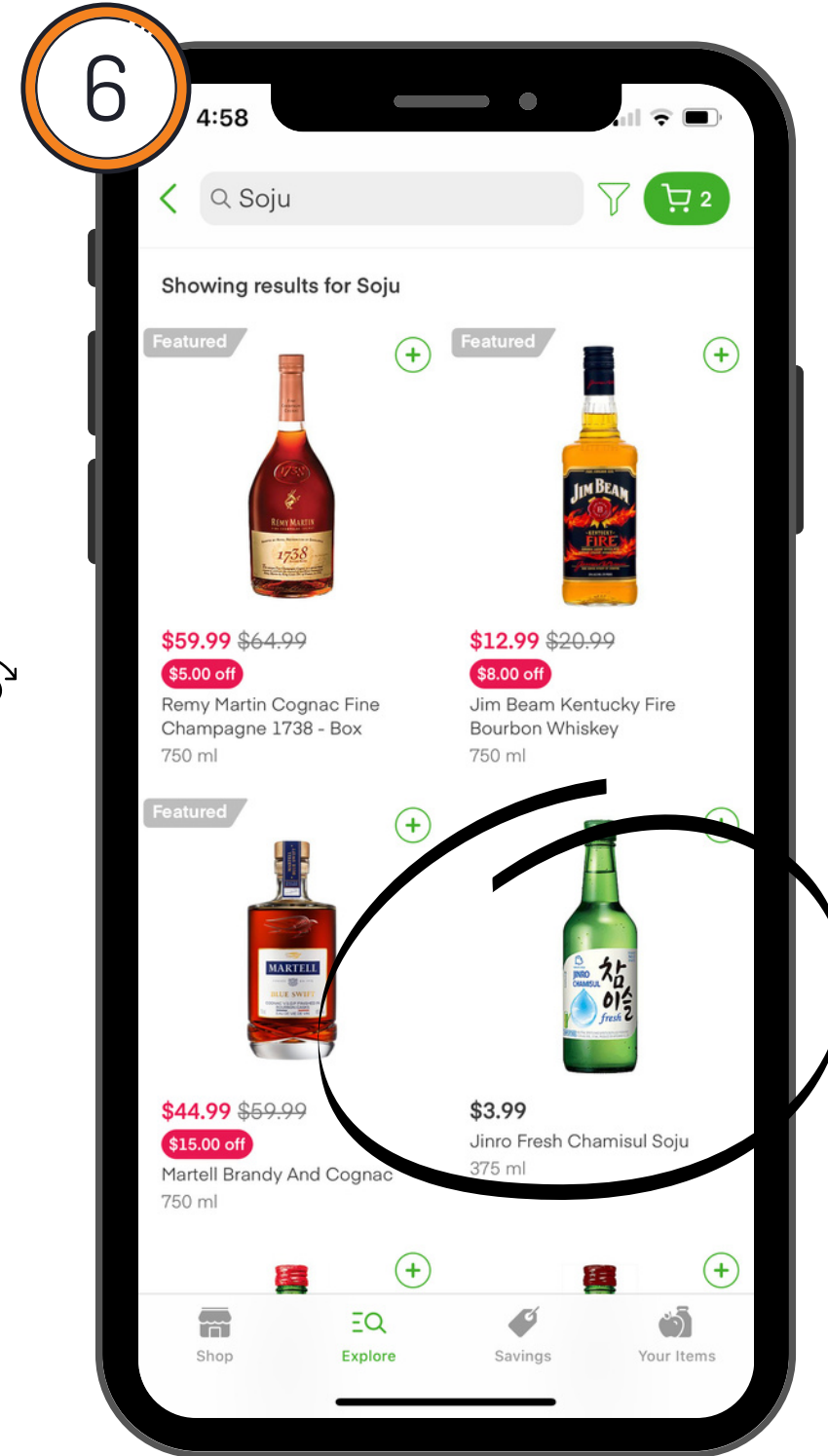
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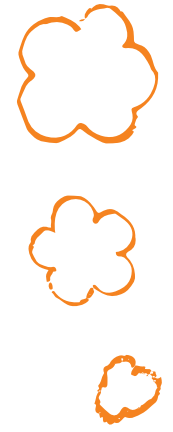
Annoyed, he then chooses a new shop, Bevmo.



Finally, on his third search he finds soju!



I wish this process was a little more efficient. Why is it so hard to find a specific product I need?



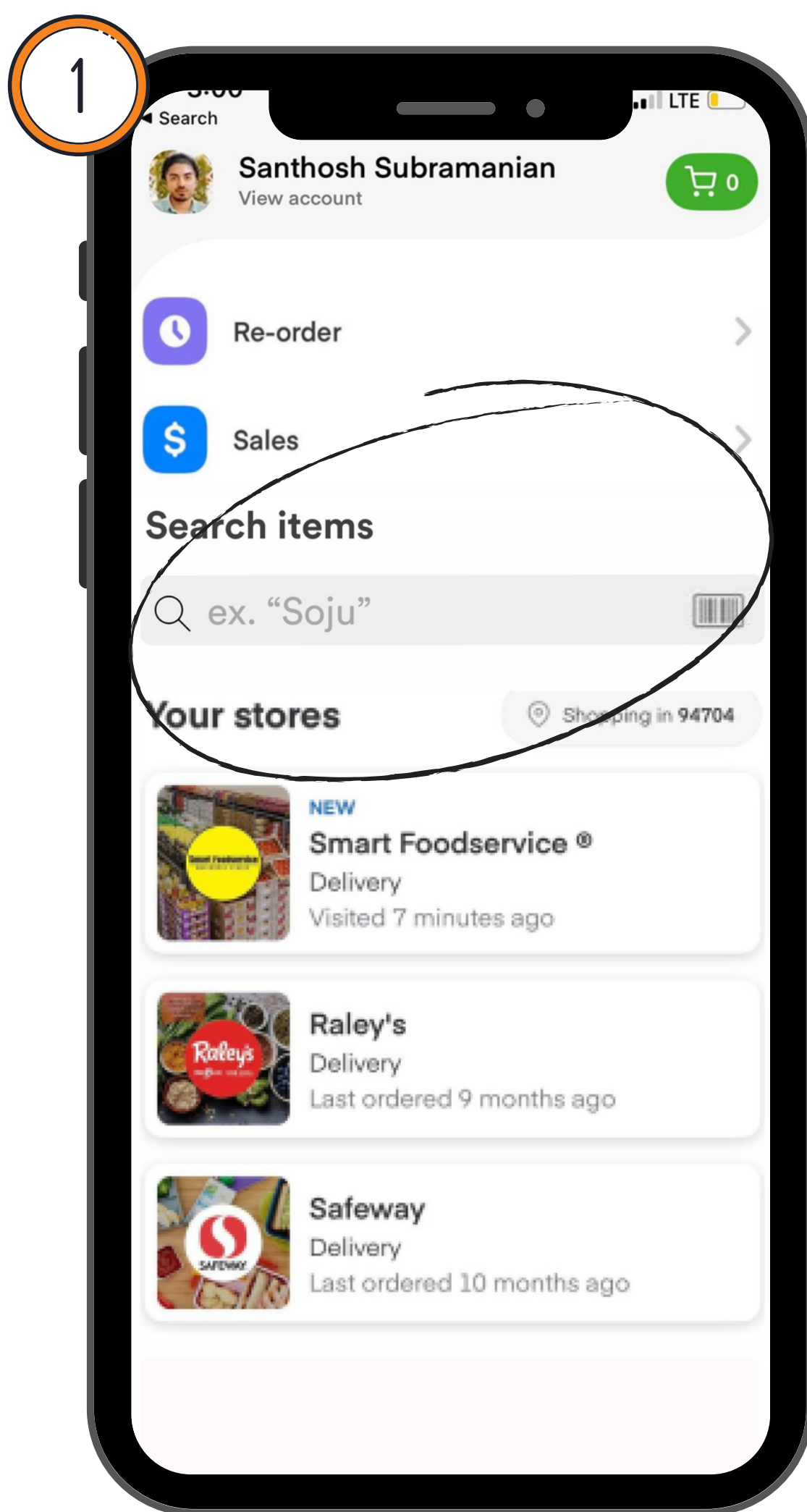
Tosh

The Solution:

# Item Search

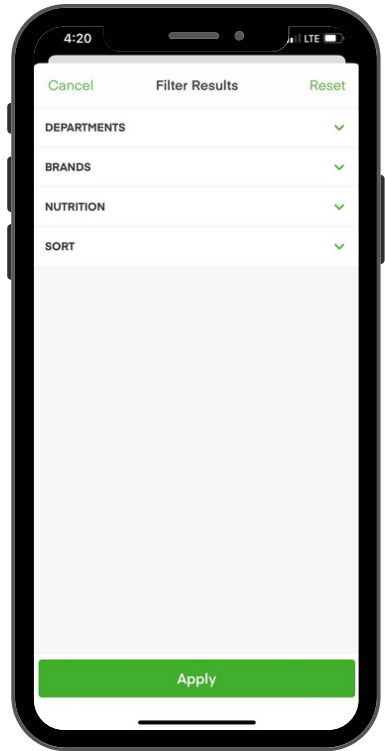
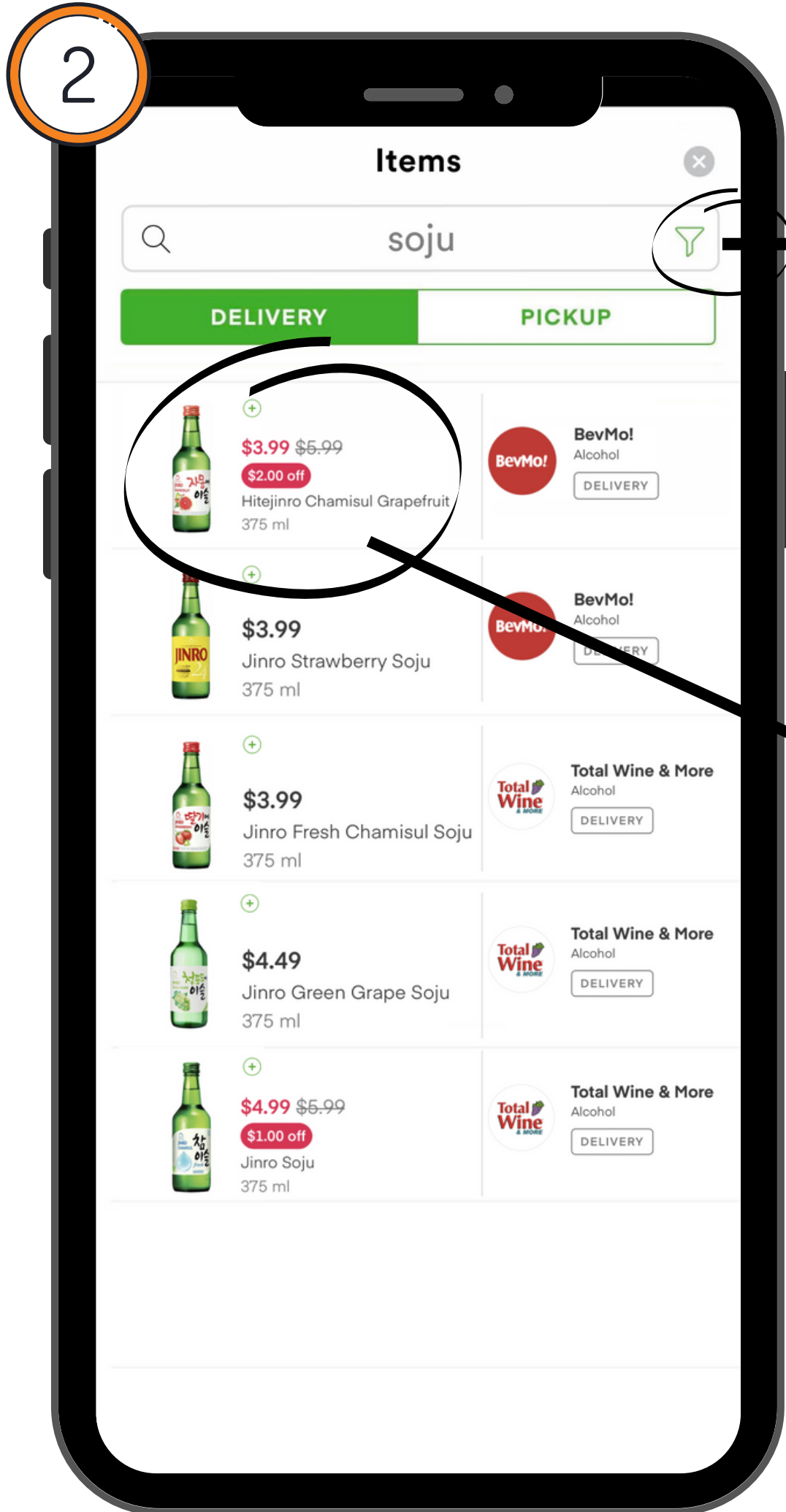
Q ex. "Soju"



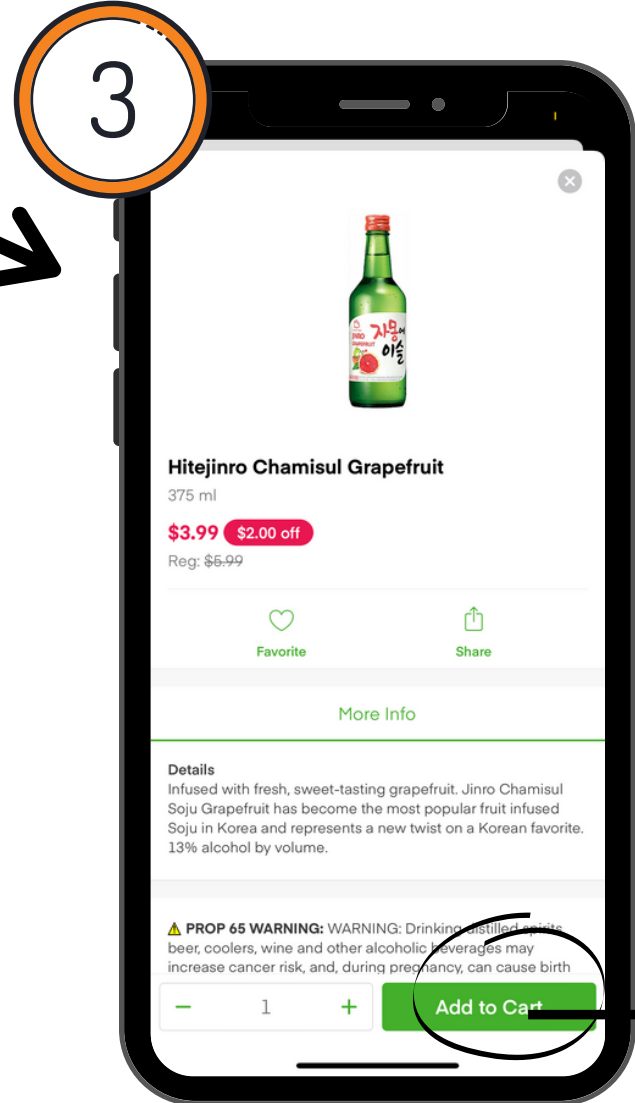


Above  
**Your stores,**  
there is a search  
feature where users  
can search for  
specific items.

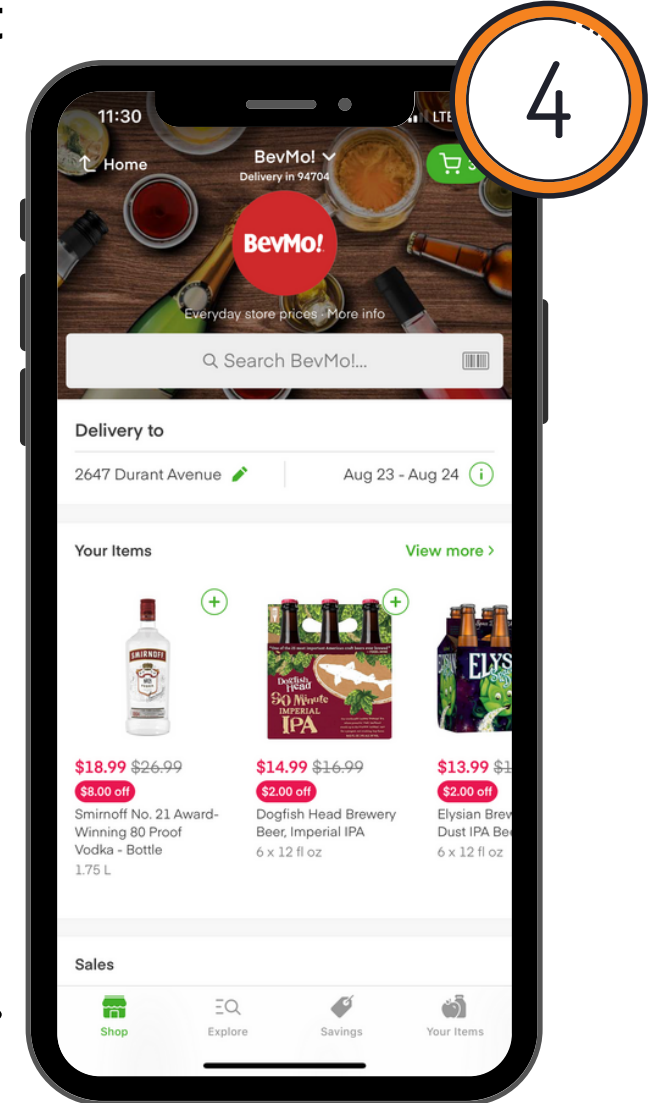
For example, let's  
search "Soju".



Filter & Sort



Product Page



Shop page where the product is sold

Tosh saved some time, so he is relaxed about his big upcoming meeting!



He saves money by buying the cheapest soju in the area.



He's happy that he didn't have to go back and forth multiple times in the app.



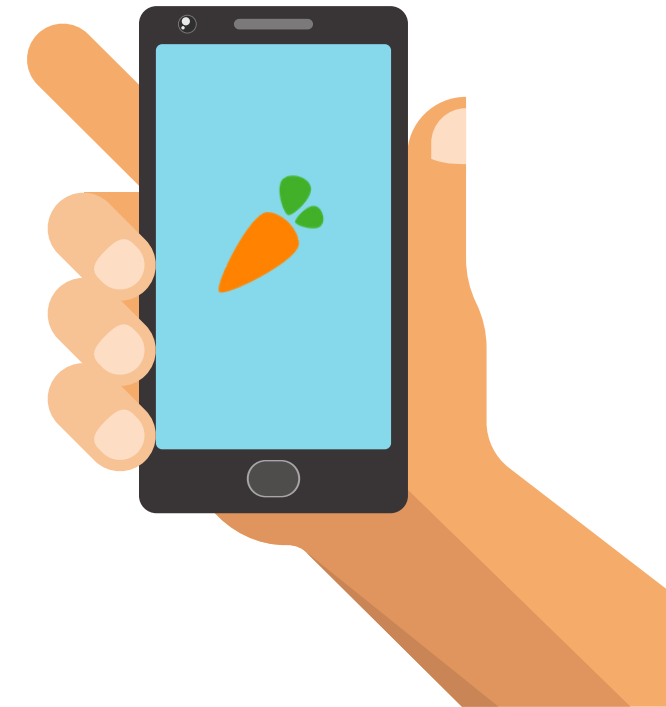
# Instacart Recipes

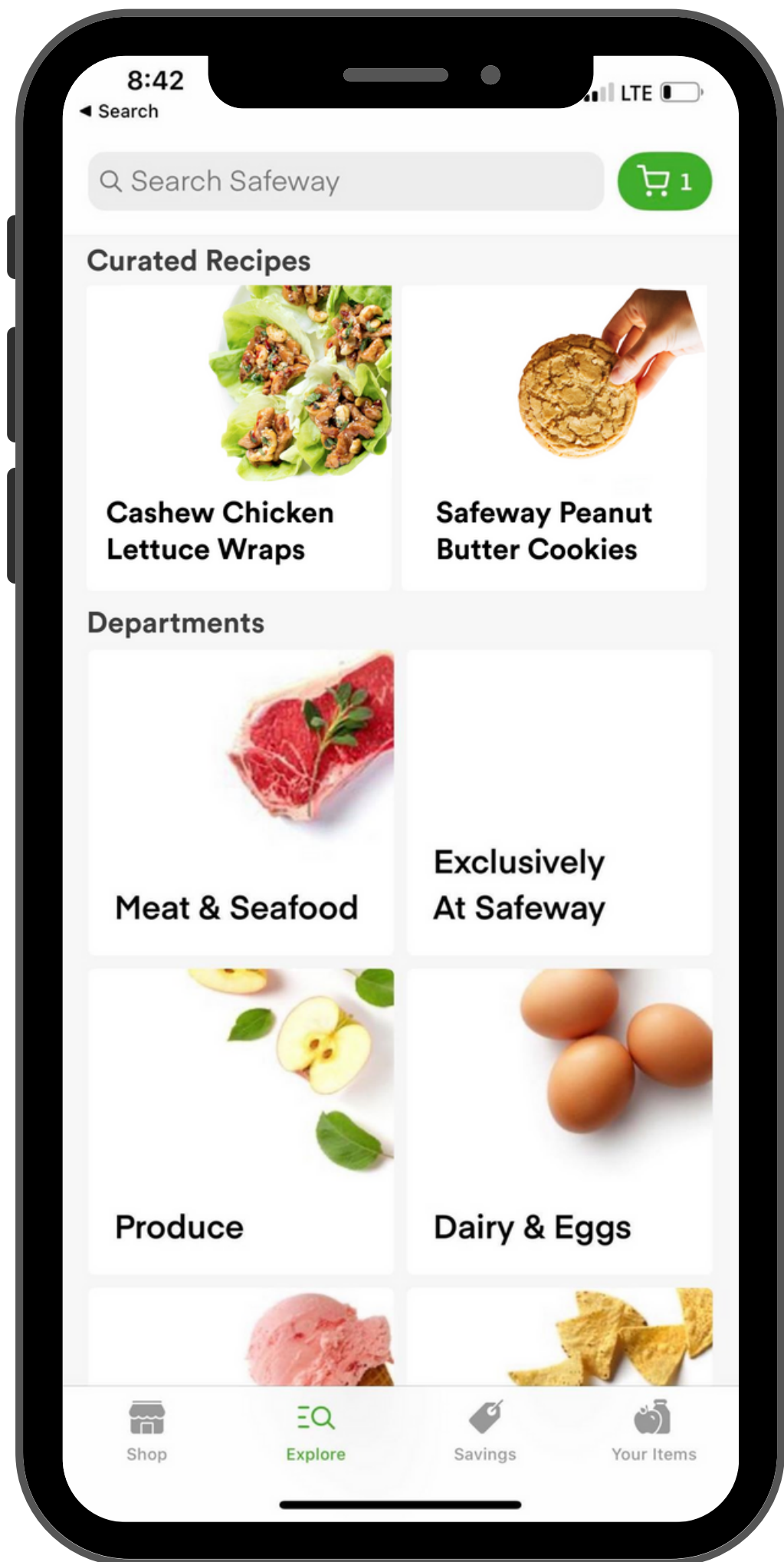
(A small thing that I thought would be cool to add to the Consumer Experience)

Tosh loves trying  
new recipes

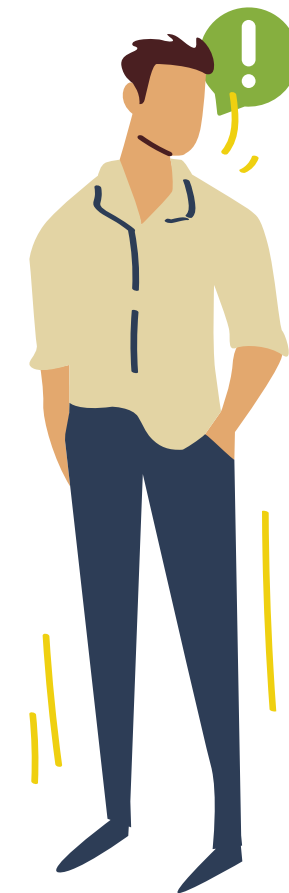


He opens his Instacart  
to buy groceries from his  
favorite store, Safeway.





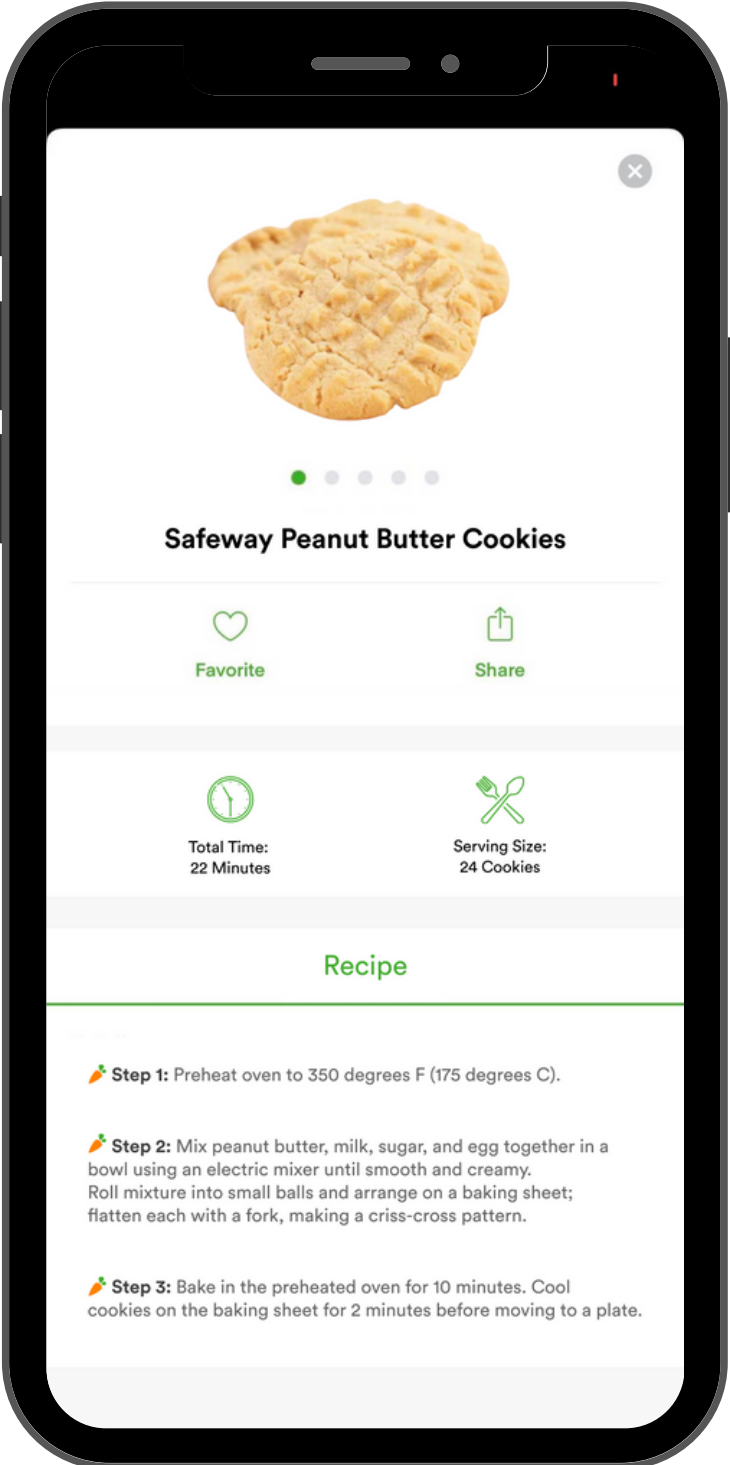
Tosh sees a cool new feature, "Curated Recipes". Where Instacart displays recipes users can check out!



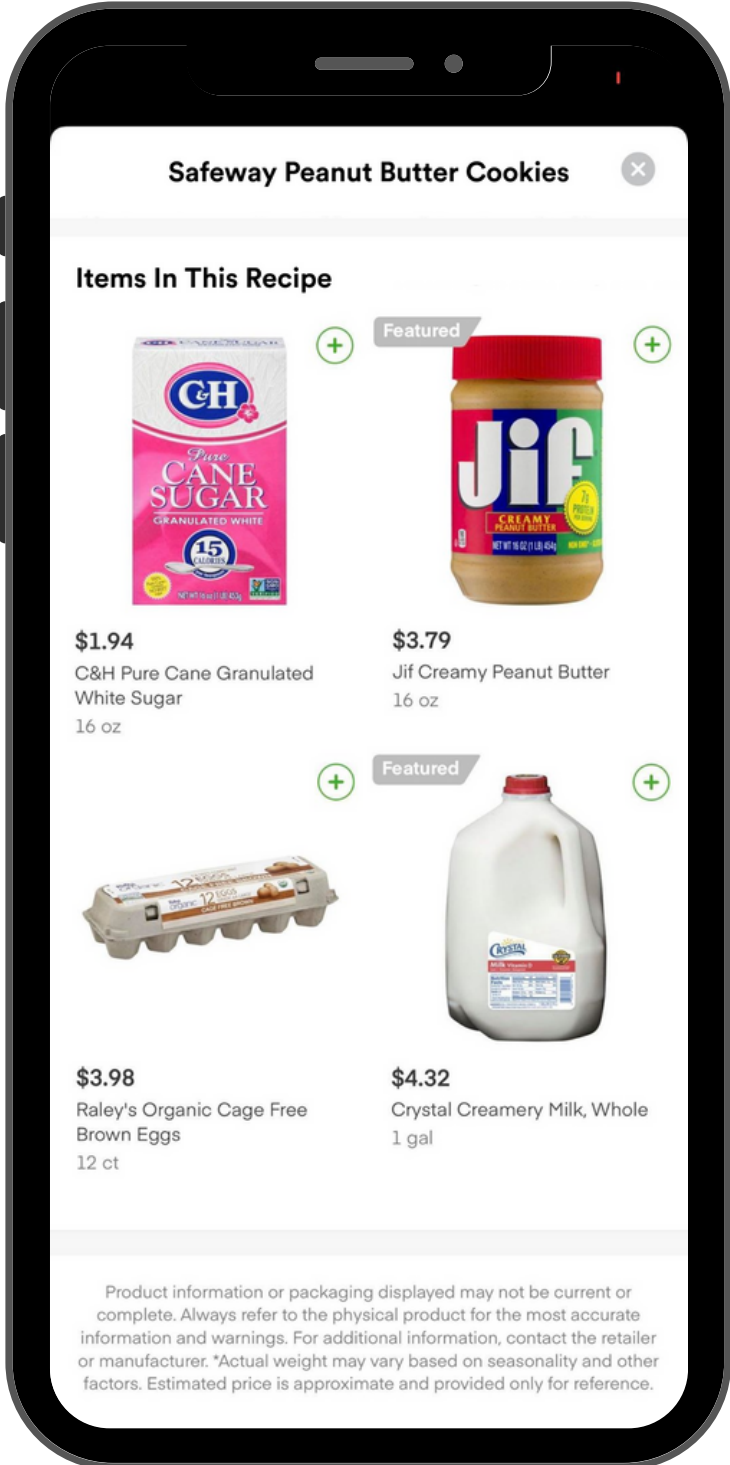
Being someone who loves to cook, he excitedly clicks the Safeway Peanut Butter Cookies Recipe.



All the information of the recipe is displayed!



As he scrolls, the ingredients are also listed. He can easily add these straight to his cart!



Because of Instacart, Tosh is able to cook and eat delicious peanut butter cookies!