

## 7.8: Case Study

### 7.8.1 Pitching Your Ideas and Final Product - The Journey of UberEats

**Introduction:** UberEats, launched by Uber in 2014, has become a prominent player in the food delivery industry. This case study explores how UberEats utilized design thinking, developed a robust business plan, created an effective business model, and employed prototyping to pitch their idea and secure funding and market share.

#### Design Thinking and Problem Identification

**1. Problem Identification:** UberEats identified a significant gap in the market for efficient and reliable food delivery services. They observed that both consumers and restaurant partners faced challenges with existing food delivery options, including long wait times and limited cuisine choices. By understanding these pain points, UberEats aimed to create a solution that addressed the needs of both sides.

**2. Design Thinking Process:** UberEats employed design thinking by empathizing with users (both consumers and restaurant partners), defining their problems, ideating potential solutions, prototyping, and testing these solutions. This iterative process ensured that the final product was user-centric and effectively met market needs ([TrainingHub](#)) ([Harvard Business School Online](#)).

#### Business Plan and Business Model

**1. Developing a Business Plan:** UberEats' business plan included:

- **Market Analysis:** Identifying the growing demand for convenient food delivery services and the potential market size.
- **Value Proposition:** Offering a diverse range of cuisines with quick delivery times and real-time tracking.
- **Revenue Model:** Charging restaurants a commission for each order and implementing delivery fees for consumers.

**2. Creating a Business Model:** UberEats operates on a platform model, connecting restaurants with consumers through their app. Key components of their business model include:

- **Platform Development:** Building an intuitive and user-friendly app for ordering food.
- **Data-Driven Insights:** Using technology to optimize delivery routes and improve service efficiency.
- **Scalability:** Expanding the platform to include a wide range of restaurants and cuisines globally ([SpringerOpen](#)) ([SpringerLink](#)).

#### Prototyping and Initial Pitch

**1. Prototyping:** The initial prototype of UberEats was a simple app that allowed users to order food from a limited selection of restaurants. They used this prototype to gather feedback and iterate on the design.

**2. Pitching to Investors:** UberEats pitched their idea to investors by highlighting the significant market opportunity, the user-centric design of their app, and the initial traction they had gained. They emphasized their innovative approach to solving common pain points in the food delivery industry.

**3. Securing Funding:** UberEats leveraged Uber's existing investor network to secure initial funding. This funding allowed them to refine their app, expand their restaurant network, and scale their operations rapidly ([TrainingHub](#)) ([Harvard Business School Online](#)).

#### Growth and Subsequent Funding

**1. Scaling the Business:** With the initial funding, UberEats focused on expanding their service areas, onboarding more restaurants, and improving their delivery logistics. They also invested in marketing campaigns to increase brand awareness and user acquisition.

**2. Series Funding Rounds:** UberEats continued to raise funds through various series funding rounds. Each round was used to further scale operations, enhance technology, and enter new markets. The strategic use of funds helped them maintain a competitive edge and rapidly grow their market share.

**3. Continuous Improvement:** UberEats continuously used design thinking to iterate on their app and service offerings. By regularly gathering user feedback and analyzing data, they implemented features like personalized recommendations and enhanced real-time tracking to improve the user experience ([SpringerOpen](#)) ([SpringerLink](#)).

## Conclusion

UberEats' success highlights the importance of utilizing design thinking, developing a comprehensive business plan, creating a scalable business model, and effectively prototyping and pitching ideas. Their strategic approach to addressing user needs and leveraging technology for optimization serves as an exemplary model for digital entrepreneurs.

Sources:

- The Knowledge Academy: Design Thinking Case Studies
- Toptal: A Design Thinking Case Study
- [HBS Online: 5 Examples of Design Thinking in Business](#)

## 7.8.2 : Pitching Your Ideas and Final Product - Revisiting The Journey of Airbnb

**Introduction:** Pitching an idea effectively can be the difference between success and failure for a digital entrepreneur. This case study examines how Airbnb founders Brian Chesky, Joe Gebbia, and Nathan Blecharczyk utilized design thinking, developed a compelling business plan, created a robust business model, and used prototyping to pitch their idea and secure funding.

### Design Thinking and Problem Identification

**1. Problem Identification:** The idea for Airbnb emerged in 2007 when Brian Chesky and Joe Gebbia struggled to pay rent for their San Francisco apartment. They noticed that during a local conference, hotels were fully booked, leading to a shortage of affordable accommodations. Recognizing this problem, they decided to rent out air mattresses in their living room and offer breakfast, effectively launching the concept of "Air Bed & Breakfast."

**2. Design Thinking Process:** The founders used design thinking to empathize with potential users (travelers and hosts), define the problem (shortage of affordable accommodations), ideate solutions, create prototypes, and test them. This iterative process ensured that their solution addressed real user needs and provided a unique experience.

### Business Plan and Business Model

**1. Developing a Business Plan:** Airbnb's business plan was crucial in attracting investors. The plan included:

- **Market Analysis:** Highlighting the growing demand for affordable travel accommodations and the potential market size.
- **Value Proposition:** Emphasizing the unique experience of staying in local homes instead of hotels.
- **Revenue Model:** Detailing how Airbnb would make money by taking a commission from each booking.

**2. Creating a Business Model:** Airbnb's business model is a classic example of a marketplace model, connecting hosts with travelers. Key components of their business model included:

- **Platform Development:** Building a user-friendly website and mobile app.
- **Trust and Safety:** Implementing a review system and ensuring secure transactions.
- **Scalability:** Allowing the platform to scale globally while maintaining a consistent user experience.

### Prototyping and Initial Pitch

**1. Prototyping:** The initial prototype was a simple website that allowed hosts to list their spaces and travelers to book them. The founders used their own apartment as the first listing to test the concept.

**2. Pitching to Investors:** Airbnb's early pitches to investors were met with skepticism. However, they persisted, refining their pitch based on feedback. They emphasized the problem they were solving, the traction they had gained, and their vision for the future.

**3. Securing Seed Funding:** After numerous rejections, Airbnb received \$20,000 in seed funding from Y Combinator in January 2009. This funding was pivotal, allowing them to refine their platform, improve user experience, and grow their user base.

### Growth and Subsequent Funding

**1. Scaling the Business:** With the seed funding, Airbnb focused on expanding their listings and improving the platform. They rebranded from "Air Bed & Breakfast" to "Airbnb," reflecting a broader range of lodging options.

**2. Series A Funding:** In 2010, Airbnb secured \$7.2 million in Series A funding from Sequoia Capital and Greylock Partners. This investment was based on their refined pitch, showing significant growth and market potential.

**3. Continuous Improvement:** Airbnb continued to use design thinking to iterate on their platform, adding features like Instant Book, Experiences, and improved search algorithms based on user feedback and data analysis.

### Conclusion

Airbnb's journey from a simple idea to a billion-dollar company highlights the importance of design thinking, developing a solid business plan, creating a scalable business model, and effectively prototyping and pitching ideas. Their persistence and strategic approach to addressing user needs and market demands serve as an exemplary model for digital entrepreneurs.

Sources:

- Airbnb's Story - From Air Mattresses to a \$31 Billion Company
- [How Airbnb Used Design Thinking to Disrupt an Industry](#)
- Airbnb's Early Pitch Deck

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### Attributions

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