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Communication Plan for 2023 | Glovo's Q-Commerce Area

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Master in applied management

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BUSINESS SCHOOL

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Finally, this thesis is for me, for all the times I failed to believe I could do it. May it inspire me for many years to follow.

Abstract

Glovo is a Spanish company dedicated to fast-delivery, which was born in Barcelona in 2015 and arrived in the Portuguese market three years later. Since its founding, the focus has been on giving its customers any product they need that is available in their city.

Glovo's offer is essentially divided into four verticals: food (restaurants), quick-commerce (which includes the groceries, health and retail segments), the Quiero service and the courier service.

Glovo's growth in Portugal has been strong, with 2022 showing numbers of more than half a million orders per month.

Until this year, Glovo's focus on communication has been modest. However, this year brought a strong investment in marketing, carried out mainly with television, out of home and social media campaigns. However, this effort has been mainly focused on the food area, leaving aside the quick-commerce vertical.

Quick-Commerce area has been increasing its penetration within Glovo’s overall business volume, and currently represents around 13% of global Gross Merchandise Value (GMV).

Since this is a segment in which Glovo stands out, as it has a stronger and more diversified offer, it is essential to design and implement a strong communication strategy that leverages the notoriety and visibility of this sector among Portuguese consumers.

Glovo's communication plan for the Quick-Commerce area has as main objectives increase brand awareness and visibility, raise new customers, increase business volume, increase customer's trust and loyalty and migrate food customers to Q-Commerce.

For its elaboration, it was fundamental to deeply know the market where Glovo operates and the type of behavior of the target customer of that same market. An internal and external analysis of the company was also carried out, and finally an action plan was outlined in order to achieve the proposed objectives.

Keywords:

Quick-Commerce, Fast Delivery, Delivery Apps, Communication Plan

JEL Classification:

M39

Resumo

A Glovo é uma empresa espanhola vocacionada para a entrega rápida, que nasceu em Barcelona em 2015 e chegou ao mercado português três anos depois. Desde a sua fundação, o foco tem sido oferecer aos seus clientes qualquer produto que eles precisem e que esteja disponível na sua cidade.

A oferta da Glovo divide-se essencialmente em quatro verticais: *food* (restaurantes), quick-commerce (que inclui os segmentos de *groceries, health* e *retail*), quiero e courier.

O crescimento da Glovo em Portugal tem sido forte, com 2022 a registar números de mais de meio milhão de encomendas por mês.

Até este ano, o foco da Glovo na comunicação tem sido modesto. No entanto, este ano trouxe um forte investimento em marketing, feito sobretudo com campanhas televisivas, out of home e redes sociais. No entanto, esse esforço tem se concentrado principalmente na área de *food*, deixando de lado a vertical de comércio rápido.

A área de Quick-Commerce tem vindo a aumentar a sua penetração no volume global de negócios da Glovo, representando atualmente cerca de 13% do Valor Bruto de Mercadoria (GMV) global.

Sendo este um segmento em que a Glovo se destaca por apresentar uma oferta mais forte e diversificada, é fundamental desenhar e implementar uma forte estratégia de comunicação que potencie a notoriedade e visibilidade deste setor junto dos consumidores portugueses.

O plano de comunicação da Glovo para a área de Quick-Commerce tem como principais objetivos aumentar a notoriedade e visibilidade da marca, angariar novos clientes, aumentar o volume de negócios, aumentar a confiança e fidelização dos clientes e migrar os clientes de *food* para o Q-Commerce.

Para a sua elaboração foi fundamental conhecer mais a fundo o mercado onde a Glovo atua e o tipo de comportamento do cliente-alvo desse mesmo mercado. Também foi realizada uma análise interna e externa da empresa, e por fim foi traçado um plano de ação para atingir os objetivos propostos.

Keywords:

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1. Introduction

Glovo is a Spanish start-up, founded in 2015 in Barcelona by Oscar Pierre and Sacha Baron. Its multi-category app allows its customers to order anything they want with a click, and have it delivered to their home within 30 minutes, doing justice to its motto: 'To give everyone easy access to everything in their city'.

After 7 years, Glovo is now present in more than twenty-five countries and 1500 cities, having 3500 employees and more than seventy-six million delivered orders since 2015.

In 2021, Glovo was part of one of the biggest deals in the technology sector in Spain, when it was acquired by the giant Delivery Hero, in a deal that valued Glovo at $2.6 billion excluding debt. (reference).

In 2018 Glovo Portugal was born. Five years later, it is present in more than sixty cities, and will soon reach its millionth order per month (predictably before the end of 2022).

While its core business remains being 'ready-to-eat food', other verticals have been gaining space withing the business. In Glovo's language, these 'non-food' areas are known as Q-Commerce (although, as we learnt in Literature Review, the term Quick-Commerce is used for all goods delivered through fast delivery apps). In Glovo, this vertical is currently divided into three main categories: Groceries, Shops and Health & Beauty.

The weight of Q-Commerce vertical in Glovo's total Gross Merchandise Value has been growing non-stop, as the awareness arises among customers that products such as groceries, medicines, cosmetics, electronic appliances, or books are now available in the comfort of their home, being delivered within 30 minutes.

As such, it is increasingly important to have a strong communication plan for the Quick-Commerce vertical of Glovo, in order to (i) increase brand awareness and recognition, (ii) raise new customers, (iii) increase business volume, (iv) increase customer's trust and loyalty and (v) migrate food customers to Quick-Commerce.

This project is divided into five chapters. It begins with a brief introduction to the thematic, to the objectives and relevance of this plan, in chapter 1. In chapter 2 we have the Literature Review of three different topics: Quick-Commerce, Unicorn Companies and Digital vs. Traditional Communication Strategies. In chapter 3, we have the methodology for the project Next, in chapter 4, we have the conducted survey. Chapter 5 presents Glovo's Q-Commerce Communication Plan for 2023 and is divided into several subchapters where we find the Executive Summary, Glovo's internal and external analysis of the company's environment. Later, the communication strategy is defined, and the objectives of the communication plan are outlined, and an action plan is presented, as well as its budget. Lastly, we have the form of control and evaluation of this communication plan and the chronogram of implementation of the communication initiatives described in the action plan. Chapter 6 presents a conclusion of this project.

2. Review of Literature

2.1 Quick-Commerce

According to Stojanov (2022), Quick-Commerce or delivery-on-demand (or Q-Commerce for short) is an upgraded form of e-commerce in which the delivery of physical products takes place within extremely short intervals from the moment of the order to the delivery, which are not only within the day of the order, but most often between 30 minutes and one hour.

Quick-Commerce is a form of product exchange that optimizes the processes in the so-called “last mile”, where a significant part of the economic parameters is determined by the speed of execution of orders. Moreover, the speed of the service implies that the price is calculated in the total value of the order, so it is naturally established that customers are willing to spend about 20% more on groceries delivered through an app than they would pay in shops (Clarence-Smith, 2021). As stated by D’Mello (2021), 40% of online shoppers mention fast delivery as an extremely important criterion in the decision-making process.

According to Stojanov (2022), from a conceptual standpoint, there are no restrictions on the types or characteristics of products that can be delivered, as long as their physical supply is within a conditionally small distance of the customer's actual collection location and desired delivery location. Platforms with quick delivery make it easy for segment operators to "push" more products by allowing for cross-selling and impulsive purchases. Because of the larger size of the basket and the greater number of advertising opportunities (paid for by a third party) at the point of contact, growing revenue streams can be generated in this manner by providing alternatives to related and substitute commodities.

Stojanov also found that Quick-Commerce limits the characteristics of consumer demand to goods for which the consumer already has a preference or goods that have already been consumed in the past. Therefore, important deciding variables include brand familiarity and loyalty, purchasing requirement, the ability to acquire products easily and receive them quickly, price terms of exchange, the size of the opportunity cost of visiting a store to make a self-trade, restrictions on self-purchase, etc.

According to a recent study by McKinsey & Company, while ready-made food is still top-of-mind when talking about fast delivery, other types of products have been gaining adherence in this vertical, such as groceries, medicines, cosmetics, electronic consumables, books, and others.

Throughout the global pandemic, many customers got even more used to ordering goods online, increasing their demands for quicker deliveries (Gramling et al., 2021). Although a trend towards rapid e-commerce development was in place long before the pandemic, it presented a windfall for home delivery companies to increase their market share (Alfonso et al., 2021).

Paché (2022) found that the Covid-19 pandemic has provided extraordinarily quick development prospects to Quick-Commerce firms by capitalizing on the financial struggles of numerous independent physical stores due to the decline in their customer base. Madhani (2021) emphasizes that any store must therefore consider how to enhance its value proposition to the client by being flexible and nimble.

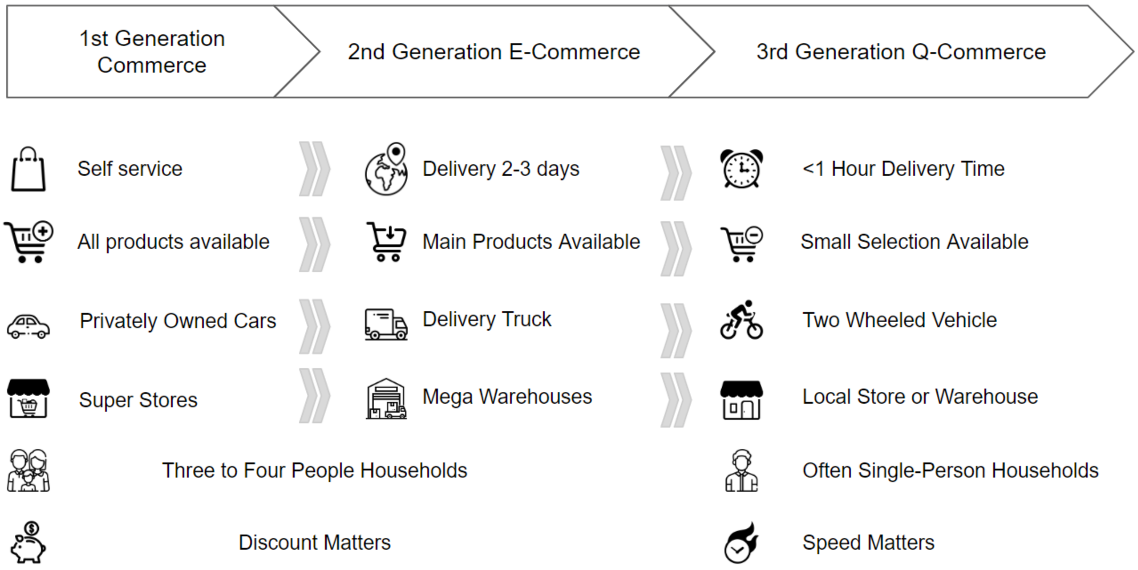
According to Stojanov (2022), the key factors behind the success of Quick-commerce model are the rapid shift in the modern person's way of life and physical activity, in which some people do not have time to plan their purchases and must act quickly to meet certain needs, the epidemic-induced restrictions or preferences for social exclusion, and the fast development of digital competences and skills, such that for some people, using electronic communication channels to place product orders is a natural part of their digital existence and normal state in the digital age.

One the other hand, and according to Stojanov (2020), this market has some inherent risks that should be taken in account: the lack of digital skills and competencies of the participating parties' (customers, traders, and couriers), escalating immediate courier service operating costs, difficulties and dangers associated with urban transportation (for both the courier and the ordered goods, the compromise of the quality of the product, difficulties in filing complaints and organizing product returns and refunds for paid orders, as well as the possibility of omissions regarding the protection of final customers' personal data and unfair behavior by trade exchange participants.

According to Paché (2022), the retailing sector has undergone significant transformation for decades, both in terms of the introduction of new retail formats and the adoption of fresh perspectives on customer interactions. Therefore, the current expansion of Quick-Commerce is not a surprise; it is consistent with an evolution of e-commerce for which the marketing promise is that of nearly immediate access to items ordered online.

Figure 1 schematizes the evolution of commerce, from 1st to 3rd generation.

Figure 1 - Evolutionary generations of commerce.



Source: Adapted from Mirkovic (2021)

2.2 Unicorn Companies

Unicorns are typically defined as startup companies, often private, with values above $1 billion and no profits (and often deep losses) (Koller, 2021).

The term unicorn was first used by Aileen Lee in a 2013 TechCrunch article entitled 'Welcome To The Unicorn Club: Learning from Billion-Dollar Startups' to describe thirty nine software companies from the United States of America. Nowadays, the unicorn label is a clear valuation benchmark that Venture Capital-backed entrepreneurs strive to achieve (Gornall & Strebulaev, 2020).

In August 2013, transportation network company Uber Technologies, Inc. became the first unicorn following a third round of funding from private initial public offerings of which Venture capital investors participated that included companies such as Google Ventures, TPG Growth and Benchmark and in that round, it obtained US$258 million, becoming a company with market valuation of more than US$ 1 billion and keeping its capital closed, that is, it was not listed on the stock exchange.

Cowden et al. (2020) stated that only 1% of small and microenterprises and startups that use venture capital become unicorns or are successful in exits through initial public offerings like Facebook and exits through acquisitions and mergers like WhatsApp.

According to May and Dominguez (2022), despite the global pandemic, 2021 saw more companies attain the unicorn status than ever before.

Currently, there are more than one thousand unicorns around the world, with Silicon Valley being the number one Startup Ecosystem, followed by New York City and London (Bruns, 2022). It is important to say that when a company goes public, it is by definition no longer a unicorn. Therefore, 1000 current unicorns mean many more companies than that have been, at some point, unicorns.

Notable former U.S.-based unicorns include Uber, Facebook, Pinterest, Dropbox, Groupon, Airbnb, DoorDash, and Glovo.

According to Lynch (2021), it is difficult to place a valuation on ‘unicorn’ companies. The problem lies withinside the reality that those corporations are not legally obliged to disclose its financial records and are regularly notably innovative, that means it is tough to examine them. Venture capitalists use numerous strategies to attempt to cost unicorns, however nobody's approach is unique or universally accepted.

The most used valuation methodology for this sort of company stems from its growth opportunities and expected development within the long-run for its potential market. However, in reality, a unicorn’s worth ultimately relies on the money flow it will generate, that successively depends on its potential revenue, profit, and return on investment (Koller, 2021).

This difficulty means that, in many cases, Unicorns are overvalued. According to Ravon (2017) the world’s main unicorns are overvalued through extra than 25%.
According to Lynch (2021), one of the hassles with a mistakenly excessive valuation is that it can result in losses in cash and time. This was the case for WeWork, an American company working in the real estate market that was valued at about $47 billion, just before its leaders planned to take it public. After the organization filed obligatory legal documents, buyers and personnel raised questions about the organization’s enterprise version and real cost. The IPO fell through and WeWork was revalued at ‘only’ $8 billion. While that cost lets WeWork maintain its unicorn status, it means that investors did not get the return they anticipated.

Other examples of overvalued unicorns that eventually fell through are even more dramatic. Theranos, a blood-testing company founded by Elizabeth Homes, was valued at about $10 billion, just before a news article revealed that the company’s technology could not do what its founder said it could. Theranos folded completely after that, owing more than $60 million to creditors.

From those examples, it's clean that a higher valuation system, primarily based totally on greater than simply hype and guarantees from charismatic entrepreneurs, is necessary.

Achieving unicorn status garners increased attention from the media, analysts, regional politicians, and the public. Stewart Butterfield, the CEO of Slack, a unicorn venture that recently went public, has observed that being a unicorn makes a difference psychologically. One billion in valuation is better than $800 million because it is the psychological threshold (Griffith & Primack, 2015).

2.3 Traditional vs Digital Communication

When talking about traditional vs digital communication, its essential to address the profound change we have been seeing in the last years. The entire world has gone digital. According to Kotler et al. (2017), political, social and religious patterns of civilisation are being abolished in favour of a more inclusive and horizontal system.

Kotler et al. (2017) found that the demographic dividend of a younger, more productive population benefits the emerging market while established economies struggle with an aging population. These customers are not just young, but they are also moving quickly into cities and loving the urban lifestyle. The majority are from the middle class or even higher, thus they have money to spend. Coming from a lesser socioeconomic background, they strive to do remarkable things, experiment with more advanced products, and adopt the mannerisms of the upper classes. These characteristics make them an alluring market for advertisers.

Social media has changed how individuals interact with one another, by enabling them to forge connections that transcend demographic and geographic boundaries (Kotler et al., 2017).

Brand-related casual interactions are more trustworthy than audience-specific advertising initiatives. Social networks have surpassed marketing messages and even personal preferences as the primary source of influence. When choosing a brand, customers frequently take their peers' recommendations into account. It appears people are creating a fortress out of their social networks out of fear of misleading brand promises or sneaky advertising tactics (Kotler et al. 2017).

But their propensity to be mobile is what sets apart this new type of consumer from other marketplaces we have seen before. They live quickly, travel often, and frequently work away from home. Time should be saved, and everything should happen instantly.

They search for things on their mobile devices when they are curious about something they see on television. They look online for information on pricing and quality before making a purchase in a physical store. They may make purchases using a variety of devices and locations since they are digital natives.

Products obtained through the internet also permit transparency. Social media platforms like Twitter and Instagram let individuals showcase and share their shopping experiences, encouraging other customers of the same class or lower to look for a comparable experience.

We have come to understand that the future of marketing will involve a constant blending of online and offline encounters thanks to the features of new consumers.

Online versus offline interaction is one of the paradoxes that the shifting environment forces marketers to face. Both must work together to provide a better customer experience, and they must both coexist and be complementary (Kotler et al, 2017).

Social media and television, two traditional and modern forms of commercial communication, will also support one another. Many people use Twitter to find the most recent news, but many eventually switch back to watching the news stations on television in order to find more trustworthy and in-depth news coverage. On the other hand, viewing TV frequently motivates individuals to use their smartphones for online activity. A television movie, for instance, can prompt a search for an online review. A commercial that airs in between shows can potentially influence individuals to make online purchases (Kotler et al, 2017).

Early adopters and trialists of e-commerce have a solid awareness of and first-hand acquaintance with its great benefits, according to Chaurasiya (2020). As a result, companies are cutting back on their mass media advertising for e-commerce that appeals to early adopters and trialists. More advertiser-friendly options are being introduced by major digital platforms like Google, Facebook, Twitter, YouTube, and others, allowing both small and large businesses to efficiently market to early adopters. As a result, spending on digital marketing is increasing.

According to Debbarma and Nandi's (2014) research, some of the most well-known and in-demand aspects of digital marketing include keyword optimization, search engine optimization, or pay-per-click advertising, social media marketing, content marketing, mobile marketing, web analytics, marketing automation, content creation, and rate optimization.

Kaushik (206) found that in the modern world, having a significant online digital presence is crucial for corporate success. For this reason, a company should include a strong digital strategy while designing its marketing plan. New client acquisition, brand recognition, and significant revenue-generating prospects are likely to suffer without a digital advertising plan in place (Kaushik, 2016).

3. Methodology

This project aims to define a communication strategy for Glovo and design the communication plan for 2023.

The communication plan was created based on the literature research, internal analysis (with data collection), external analysis (macro, market, customer, and supplier analysis) and competitive analysis in SWOT. Based on all these analyses and after creating a benchmark on the policy of real player communication, development of company stock proposals communication to achieve the outlined goals, as well as the registered budget and form of control.

To serve as a support to this communication plan, and with the goal to better know the way the population sees the market of delivery apps, a survey was developed in Qualtrics platform and distributed via social media, between September 29th and October 25th. A total of 264 valid responses were obtained.

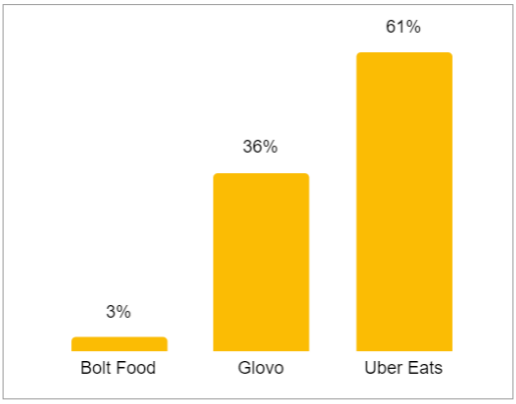
The survey contained 30 questions, divided in 7 parts: 1) Personal Data; 2) Knowledge about fast delivery apps; 3) Use of fast delivery apps; 4) Knowledge of the Glovo app; 5) Using the Glovo app; 6) Sector Visibility and 7) Glovo brand visibility.

4. Results of the Survey

About 53% of the respondents are women, the predominant age range being 25 to 34 years (38%) and 35 to 44 years (20%). The majority of the respondents live in Lisbon (63%) and are employed for another party (71%).

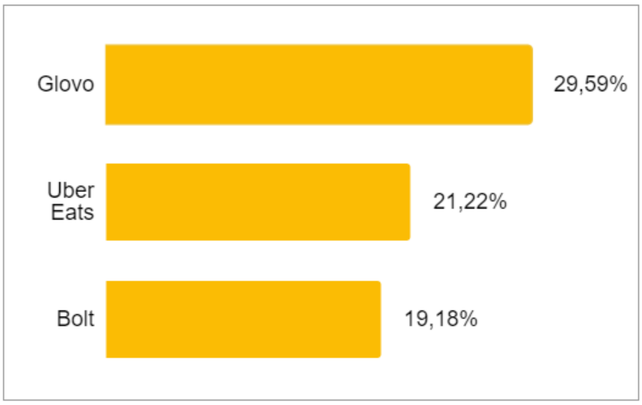
The top-of-mind awareness brand of fast delivery apps is Uber Eats (61% of respondents), followed by Glovo (36%) and Bolt Food (3%). When asking 'Which ones of these apps do you know?', that is, the brand recognition, Uber Eats and Glovo had once again the highest rates, with 95% and 93% respectively, followed by Bolt with 73%. The least known brands were Bairro Shop, with 12%, and Volup, with 19%.

Figure 2 - 'What's the first brand that comes to mind when you think of fast delivery apps?'



Source: Survey

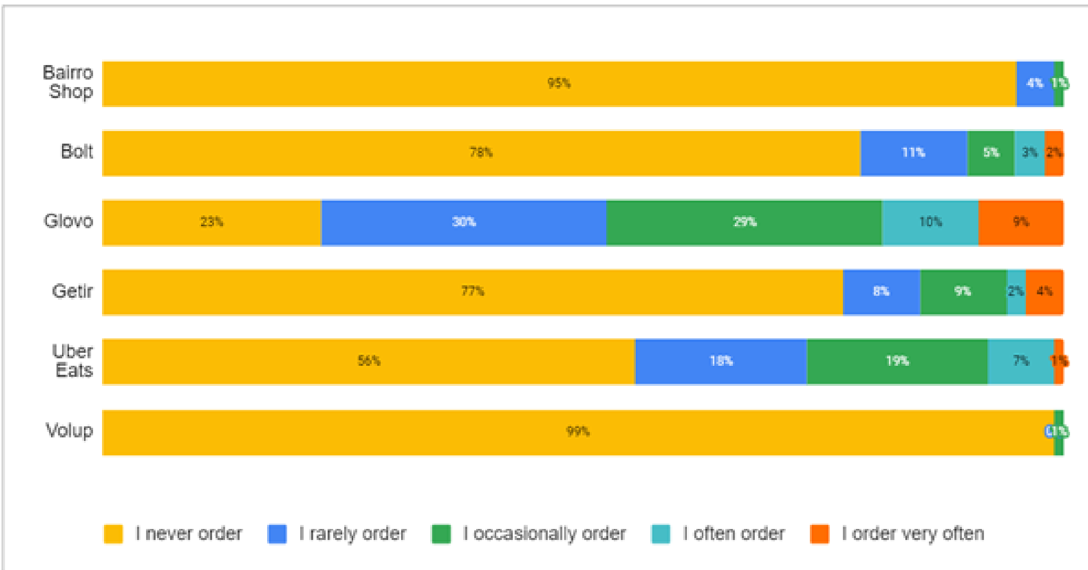
Figure 3 - 'Which of these apps do you know?'



Source: Survey

84% said they have used this fast delivery apps, but only 46% used it for products other than meals (like supermarkets, retail stores or pharmacies). The most chosen app is Uber Eats (30%), followed by Glovo (21%). The least chosen apps are Volup, Bairro Shop and Getir, with 99%, 94% and 92% of respondents having never use or rarely use these apps, respectively. Interestingly, when we specifically refer to the order of products besides meals, Glovo is the most chosen app (19%), far ahead of Uber Eats (9%), reassuring its status as the 'Everything app'.

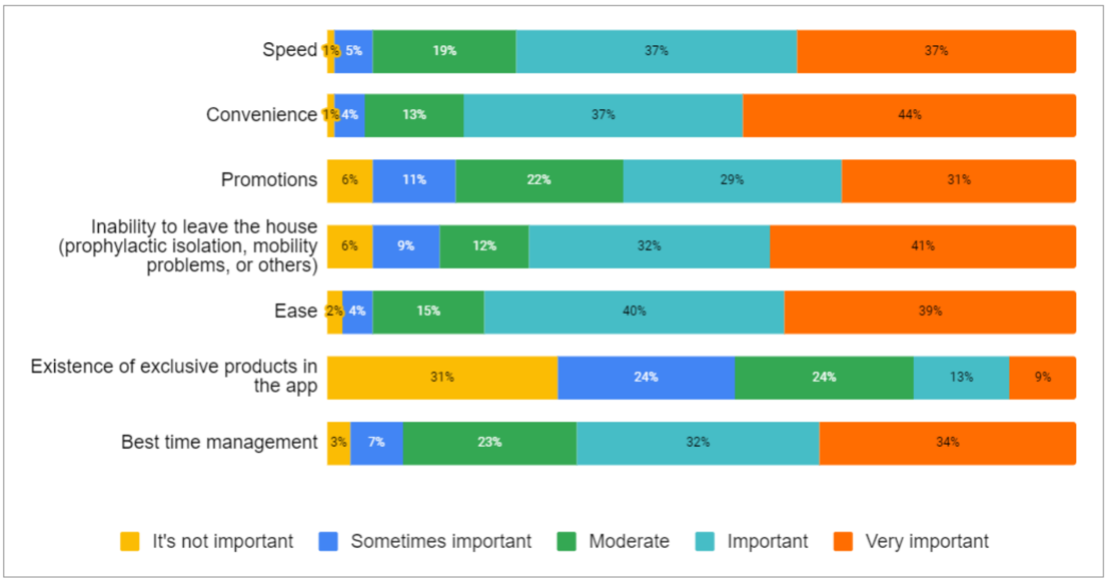
Figure 4 - 'How often do you order products other than meals (example: supermarket, stores, pharmacy) through the following fast delivery apps?'



Source: Survey

On average, the factors that customers consider more important in their decision to buy products in fast delivery apps instead of doing it in person in the store are Convenience, followed by Easiness and Speed, %), with 81%, 79% and 74% of the respondents considering these factors are important or very important in their decision, respectively. On the other hand, the least important factors is Existence of exclusive products in the app, considered important or very important by only 22% of the respondents.

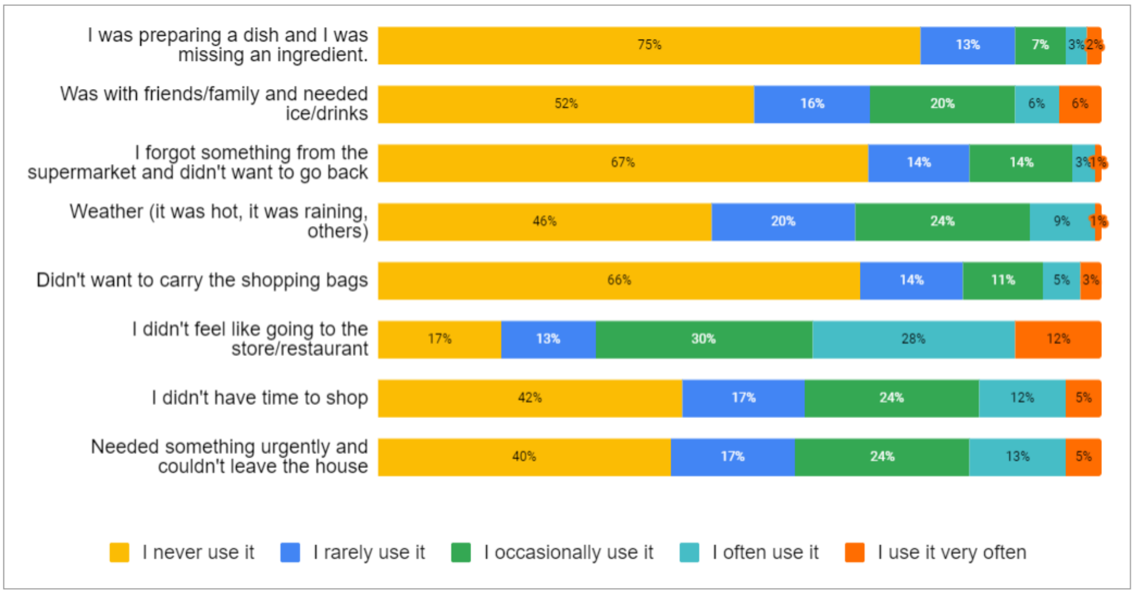
Figure 5 - 'Indicate the degree of importance you attach to each of the following factors in your decision to buy products in fast delivery apps instead of doing it in person in the store:'



Source: Survey

In terms of circumstances leading to the act of ordering goods through a fast delivery app, or reasons not to do so, the majority of the respondents who ordered through apps claim they did it because they did not feel the will to cook (40%), while the reason to not do so was mainly the delivery fee being too high (41%) and not feeling the need (39%).

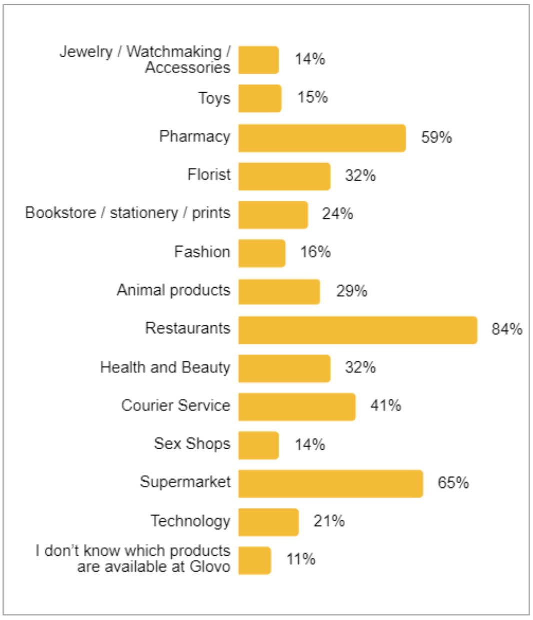
Figure 6 - 'How often have you used a fast delivery app in each of the following circumstances?'



Source: Survey

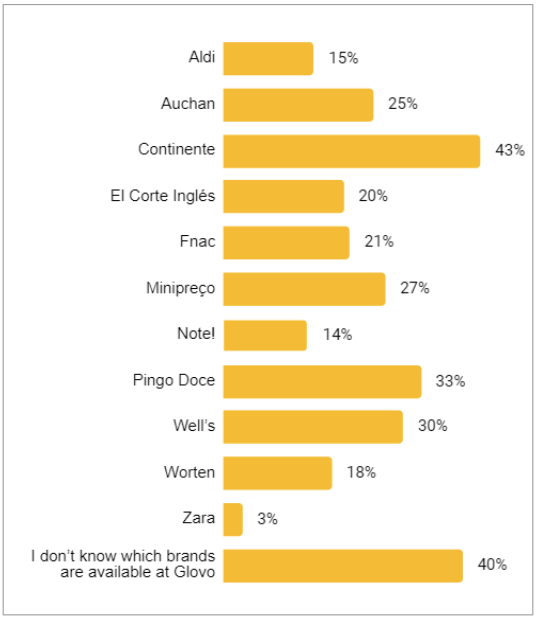
As regards to the people’s knowledge about the Glovo app, when asked about ‘What products do you know to be available in Glovo’, the most chosen options were Restaurants, Supermarket and Pharmacy, with 84%, 65% and 59% of the answers, respectively. The least chosen types of products were Jewelry, Sex Shops and Toys, with 14%, 14% and 15% respectively. Regarding brands (and in the survey were only included options of brands that are not restaurants) the most chosen options were Continente, Pingo Doce and Well’s, with 43%, 33% and 30% of answers, and the least chosen options were Zara, Note! And Aldi, with 3%, 14% and 15% of answers respectively. In this question it is important to note that 40% of the respondents answered, ‘I don’t know which brands are available at Glovo’, which is very worrying and shows the importance of this Communication Plan. Regarding pricing, the majority of people (57%) presume the products are more expensive at Glovo than buying directly from the store.

Figure 7 - 'Select all product types that you know are available from Glovo'



Source: Survey

Figure 8 - 'Select all the brands that you know are available from Glovo'



Source: Survey

Respondents were also asked how they feel about the utilization of Glovo app. About half of the respondents (51%) said they have ordered goods, other than meals, through Glovo, with the majority (64%) stating they use it less than once a month. About one third of respondents (32%) have bought Restaurants, Supermarket (31%), and Pharmacy (28%) from Glovo, and almost none have bought Jewelry (0%), Fashion (2%) or Sex Shops (3%). Regarding brands, 28% of the respondents stated that they have ordered from Continente, 18% from Well's and 16% from Minipreço. The average degree of satisfaction with Glovo app is 3,71 out of 5.

Finally, it was evaluated the visibility of fast delivery apps in general and Glovo's app in particular. 76% of respondents stated they recall seeing any kind of advertising containing delivery apps in the last 6 months. When asked about what brands were in these communications, 83% answered Glovo and 82% answered Uber Eats. Most of these ads were on social media (70%), TV (56%) and Youtube (35%). When asked specifically about Glovo ads, 80% of people said they remembered seeing some kind of advertise in the last 6 months, with 56% recalling seeing it on social media, 55% on TV and 29% on Outdoors.

5. Glovo – Q-Commerce Communication Plan

5.1 Executive Summary

The communication plan for Glovo's Quick-Commerce vertical for 2023 has as its central objectives to: (i) increase brand awareness and recognition, (ii) raise new customers, (iii) increase business volume, (iv) increase customer's trust and loyalty and (v) migrate food customers to Quick-Commerce.

Bearing in mind these general objectives, it was first made a diagnosis of the current situation of the Quick-Commerce vertical inside Glovo's business, the external environment was analysed, and some competitors were identified and studied, as well as the market where Glovo operates, thus enabling the structuring and organization of actions to be developed and implemented.

When analysing the company, its growth, and its potential as an organization, it is clear that an investment in an effective communication plan should be done, in order to become top-of-mind in the Portuguese market.

While Glovo has been investing in communication in the year of 2022, these efforts have been mostly aimed to the food sector (ready-to-eat food), leaving aside a vertical where it should strengthen and consolidate its position (non-food areas have been the only ones where Glovo is Top 1 in Portugal). What this means is that, even though Glovo is relatively known among Portuguese customers (93% of survey's respondents stated they know about Glovo app), most of them do not know what this app offers besides restaurants (according to the same survey, only 33% of the respondents know about other verticals being present in the app). This is an even bigger problem when we acknowledge that its main competitors are increasingly investing, both in partners, communication, marketing, and promos in this vertical, decreasing the distance to Glovo, still top one in this category.

This lack of prioritisation and potential loss of *momentum* has been the starting point for the elaboration of this Communication Plan. With it, Glovo should be able to entrench its place as number one app for 'everything you need.'

Table 1 summarizes Glovo's communication objectives for 2023 and the main proposals for action to be put into practice to achieve these objectives, which are presented with more detail in chapter 4.7.

Table 1- Communication plan goals and actions

Goals	Actions
Increase brand awareness and visibility Raise new customers Increase business volume Increase customer's trust and loyalty Migrate food customers to Q-Commerce	Prepare and carry out Out of Home campaigns Boost TV presence through ads Invest in store visibility Improve Social Media Presence Distribute physical communication Increase Customer Relationship Management (CRM) Strengthen presence in news media In App communications Establish strategic partnerships Be present in social events

Source: Elaborated by the author

5.2 Internal Analysis

5.2.1 Description of the company and its activity

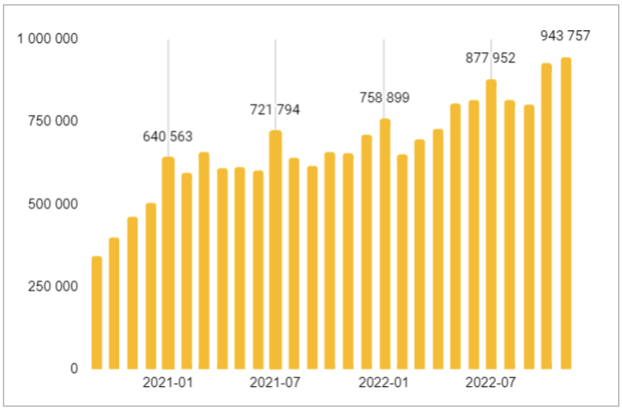
Glovo is a multi-category on-demand delivery platform that connects users, businesses, and couriers. Partners (restaurants and retailers), couriers and users are at the center of the platform, and the objective is to provide economic opportunities and convenience to all, through technology, while transforming the way users acquire what they need, making cities more accessible.

In Portugal, Glovo launched in October 2017 and is currently present in more than seventy cities with two different offices: one in Lisbon and one in Porto. Glovo is also expanding its network of Micro Fulfillment Centers (MFC's), small warehouses that allow us to deliver on-demand groceries in a brief period of time in a neighborhood. There are 7 MFC's in the Lisbon area and one in the Porto region, with another scheduled to be opened. Since the start of Glovo in Portugal, the number of users, partners and riders that interact with the app has constantly grown up, consolidating the new consumption habits based on on-demand delivery.

Out of curiosity, in the first months after the launch of Glovo in Portugal, only a few thousand orders were made, but the number grew exponentially. Over time, the number of orders placed grew, surpassing half a million orders in a month. And the numbers continue to grow every month. As with the number of orders placed, the number of Partners that collaborate with Glovo also grew by more than 30% in the first half of 2022. As for users, in the last year, the number of active users almost tripled.

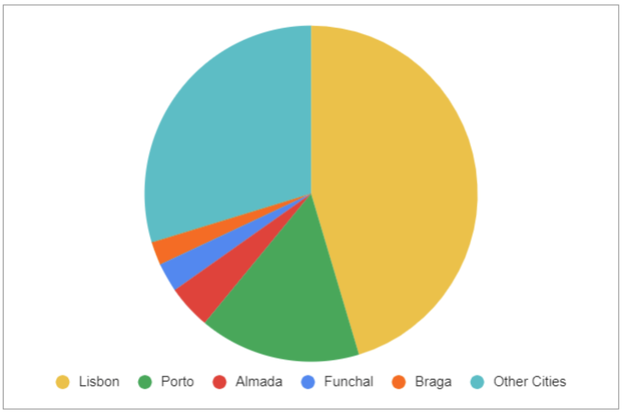
Customers can choose from a wide range of local restaurants and shops in their city, bringing enhanced convenience because of the concentration of multiple product options. Independent restaurants or retailers outside city centers that were limited by their geographical area, usually delivering only in their respective boroughs, are now able to reach customers in a larger radius and trade outside their usual local area. Customers who have never heard of those businesses before, are now aware of their brands and can order their products from their city more conveniently. To use the app, users only need to download Glovo App from the iOS or Android app store, or they can also use Glovo's website to place an order. Users pay a delivery fee for each order based on the distance of the delivery (except for "courier" and "anything" features that is a fixed fee) or they can join Glovo Prime, which is a monthly flat rate of 5,99€, that applies to most partners. Figures 10 and 11 represent the evolution of total number of orders and its geographical distribution, respectively.

Figure 10 - Evolution of total number of orders



Source: Data supplied by Glovo. Elaborated by the author

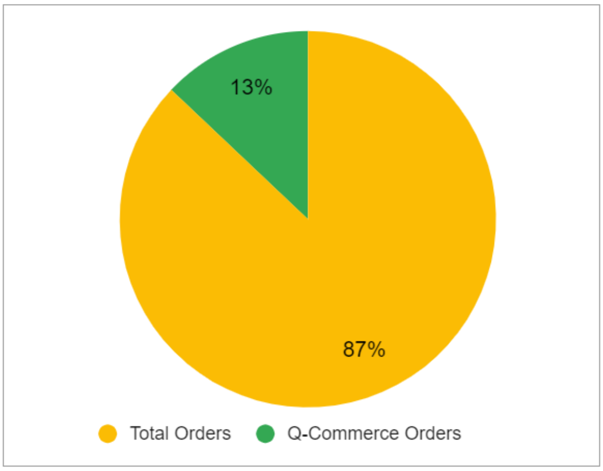
Figure 9 - Number of orders geographical distribution



Source: Data supplied by Glovo. Elaborated by the author

Glovo's activity can be split between four different verticals: food and non-food. Non-food is everything sold through the app besides ready-to-eat food, such as groceries, flowers, electronic appliances, book, medicines, and so on. In terms of Quick-Commerce representation within Glovo's business, it has been constantly increasing, representing around 13% of Glovo's total GMV (Gross Merchandise Value). Figure 11 represents the split between total orders from Glovo and Q-Commerce orders.

Figure 11 - Split between Total Orders and Quick-Commerce orders

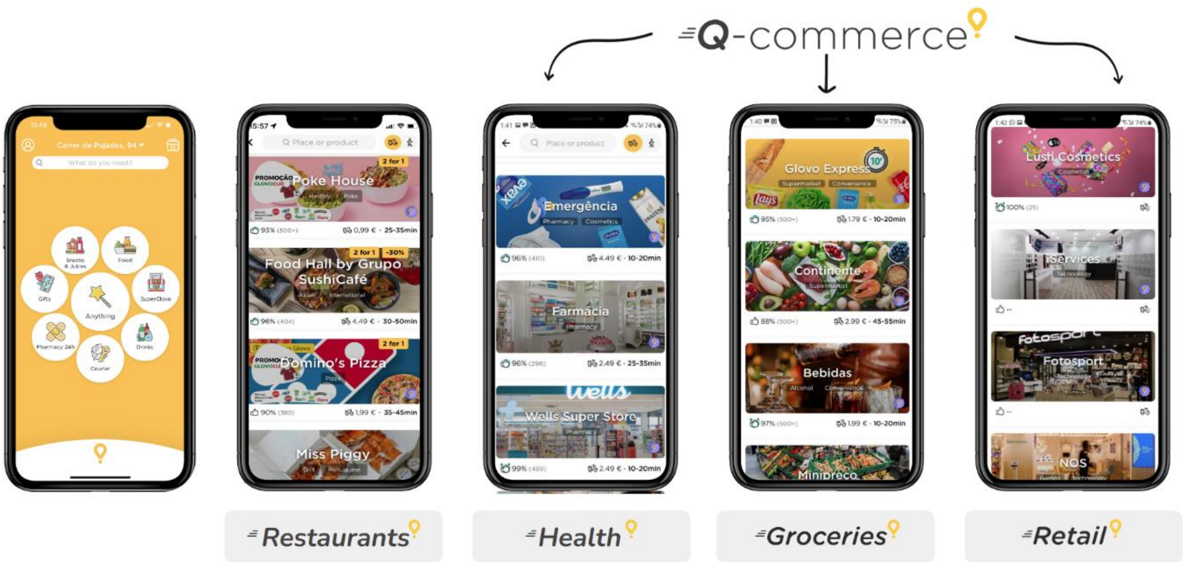


Source: Data supplied by Glovo. Elaborated by the author.

5.2.2 Glovo App overview

Figure 12 shows Glovo app aesthetics and how it is divided between its verticals: food, health, groceries, and retail. Besides these areas, it also has a courier service and the 'anything' service, where the customer can order any product, from any store, as long as it is in reach.

Figure 12 - Glovo App Overview



Source: Glovo

5.2.3 Key Success Factors

Table 2 describes the key success factors of Glovo as a player in the Quick-Commerce market.

Table 2 - Glovo's Key Success Factors

High Effective Partnership Network	Attractive to local merchants who see an added value and new opportunities to compete against giant online retailers
Lower Pricing Strategy	By receiving commission from its partners for every product bought through the app, Glovo can transfer part of its revenue to its customers in the form of lower delivery prices
Wide Variety of Products	Medicines, stationary, groceries, drinks, flowers, food from takeaway shops or restaurants, documents, keys, clothes, etc.
Response to Changes in Lifestyle	Glovo App was created to respond to the social behavior of wanting things without moving from their houses
Fast Growth Strategy	The business focused its strategy on growing extremely fast and investing a lot of capital in improving its process to position as a reference delivery App

Source: Elaborated by the author

5.2.4 Mission, Vision, and Values

Glovo's mission is 'To give everyone easy access to everything in their city.' This choice of words was not trivial, as each one of them represents the way Glovo sees the business and its surroundings:

- Everyone: No one is left behind, the entire community is considered, from customers, to partners, to couriers. Glovo should be accessible to anyone, whether they are looking for a high-quality product or with less economic resources.
- Easy: Seamless, direct, without complications.
- Access: Glovo does not provide goods or services. It offers the possibility to reach anything if it is in reach.
- Anything: The possibility to connect the customer to infinite possibilities.
- City: Glovo is a local and urban company. The products and services the customer can access are the ones available in his city.

To fulfill this mission, Glovo supports itself in six core values, represented in Figure 13.

Figure 13 - Glovo's values

Gas	Good Vibes	Stay Humble	Care	Glownership	High Bar
Driven to deliver quality results quickly	Bring positivity and communicate openly	Self-aware and open to learning	Uplift people and the planet	Act as proud owners	Focus on Top Performance

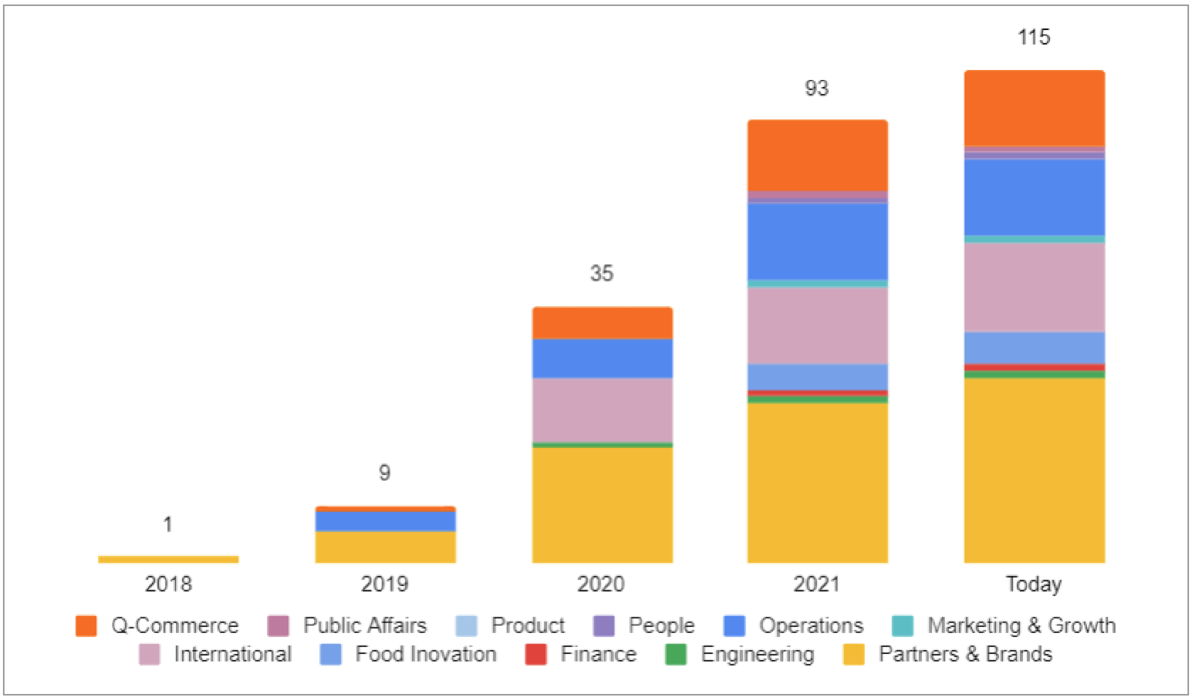
Source: Data supplied by Glovo. Elaborated by the author

5.2.5 Resources

5.2.5.1 Human Resources

Glovo Portugal has currently around 115 employees. This number has been increasing since the company first start operating in the country.

Figure 14 - Number of employees throughout the years



Source: Data supplied by Glovo. Elaborated by the author

5.2.5.2 Physical and technological resources

Glovo Portugal has its headquarters in Lisbon, and a smaller office in Porto. The company also has as all the office supplies, stationary, furniture, computers and other technological devices and the warehouses used for the Micro Fulfilment Centres (9 in total).

Being a tech company, the most valuable resource Glovo has is its technology (apps and other specific software).

5.2.5.3 Financial resources

Being a start-up, Glovo’s financial support is gathered through raisings. The first round of funding (140k €) happened in 2015 and helped Glovo’s development when there were only 6 employees, and the company was at an embryony state.

Three years late, and while the business was rapidly growing, so were the losses. These were challenging times for Glovo, financially speaking. At this time, Uber-McDonalds global delivery exclusive deal was broken, allowing Glovo to acquire this key partner and leading to pre-money valuation of 45M €, and consequential raise of 23M € through another round of investment.

In late 2019, Glovo achieved a break-even operation margin, meaning the company was not losing money on a per order basis no longer.

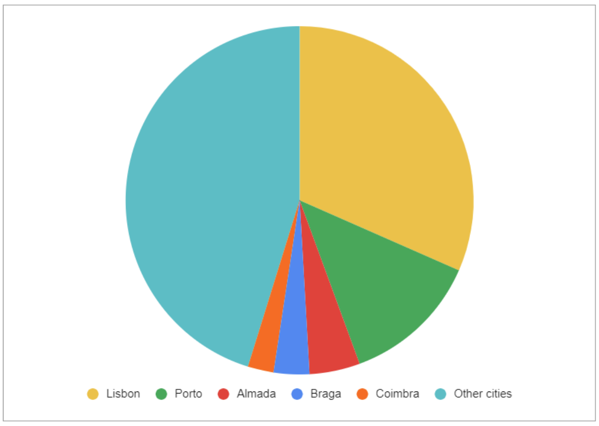
In December 2021, Delivery Hero, a German delivery group, acquired a majority stake of Glovo, with the deal being effective in June 2022. This transaction valued Glovo at 2.3 billion euros on a fully diluted and debt free basis before certain adjustments.

With this agreement, Delivery Hero committed to provide a backstop financing of up to approximately 250 million euros to Glovo in several tranches in the course of 2022.

5.2.6 Partners

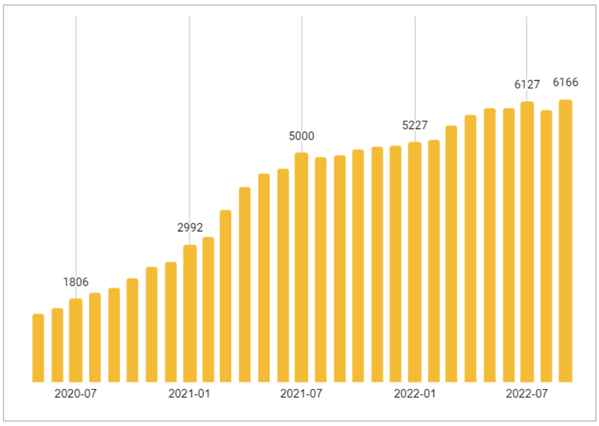
Glovo Portugal has Currently around six thousand partners. This number has been growing as shown in figure 16.

Figure 16 - Partner distribution throughout geographical areas



Source: Data supplied by Glovo. Elaborated by the author

Figure 15 - Evolution of the number of partners



Source: Data supplied by Glovo. Elaborated by the author

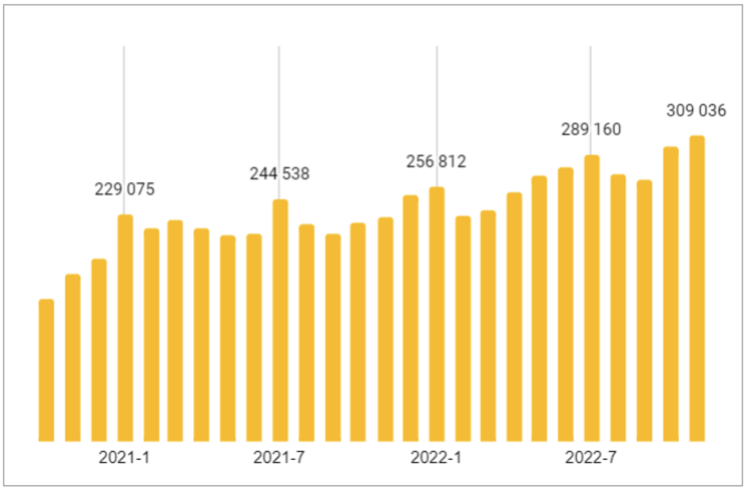
Analysing the orders from the last 24 months (from September 2020 to November 2022), we conclude that the ten top partners represent approximately half of the total number of orders.

From these 10, 3 are Quick-Commerce partners (2 are supermarkets (Continente and Minipreço) and one is Glovo's Micro Fulfilment Centre), representing more than 9% of the total number of orders.

5.2.7 Customers

Glovo Portugal has currently around 300k active users. This number has been growing as shown in figure 17.

Figure 17 - Evolution of number of active users



Source: Data supplied by Glovo. Elaborated by the author

5.2.8 Communication politics

Since its entry into Portugal, in 2018, until the present year of 2022, Glovo's commitment to communication in the national territory had been relatively modest. With constant profitability challenges, until now there has been no financial availability for large investments in marketing.

In 2022, this paradigm changed, and publicity campaigns both off and online were constant, namely with TV ads, out of home campaigns and advertising on social networks. These adds were highly effective, with 80% of the respondents of the survey conducted stating they recall seeing a Glovo add in the last six months.

These campaigns were mostly of a call-to-action nature, that is, publicizing temporary campaigns, thus calling customers to the app (for example, publicizing “2 for 1” promotions or product offers “When buying two McMenus, get a box of McNuggets for free”, a partnership made in conjunction with McDonalds). This type of promotion brought Glovo an increase in the number of downloads of the app, having stood out in this metric compared to its direct competitors: Uber Eats and Bolt Food.

It should be noted that the overwhelming majority of the marketing actions implemented were focused on the “food” sector, that is, the dissemination of the Glovo vertical that includes the delivery of meals, thus leaving aside all others (Groceries, Health and Retail).

The fact that Quick-Commerce is still an area with low penetration in terms of orders for what is the overall order of the app led to the strategic decision to leave this area out.

However, this ended up bringing undesirable results, as Glovo lost market share in these same verticals to the competition over the last 12 months. While Glovo was solely committed to the food sector, companies such as Uber Eats took the opposite decision, increasingly focusing on communicating with their key partners in the Groceries area, such as Continente. Interestingly, Continente is also a Glovo partner, but only 43% of the respondents of the survey conducted know it’s available there. Likewise, only a small percentage of the respondents know about other stores being available (18% for Worten, 14% for Fnac, 30% for Well’s).

This said, it’s obvious than during 2022 Glovo ended up 'letting slip' the advantage it had in being seen as the 'Top 1 multicategory app'. In 2023, it is intended to recover lost ground and strongly communicate the quick-commerce vertical.

5.3 External Analysis

5.3.1 PEST

5.3.1.1 Political and Legal Context

- The current government is formed by the Socialist Party, which has won absolute majority in the last Legislative Elections, in January 2022. With a history of agreements with other left-wing parties, it has a tendency for social protection policies.
- In January 2021, it was implemented in Spain (Glovo's number one country in terms of business volume) a special law entitled 'Ley Rider', a legislation whose main objective is to recognize the employment relationship between parcel delivery people and the company. Glovo's position was to maintain about 80% of its couriers in the flexible model agreement, and this issue is currently being examined by the Spanish Labor Inspection Agency.
- In Portugal, this topic has been discussed in the Parliament since 2019. The current government intends to implement strict regulation to the labor law for this segment. Regarding the couriers, there is two distinct lines of thoughts: while a part of the couriers demands a more effective labor protection, there is also couriers wanting to remain as independent workers, having even delivered in the Parliament a document with more than a thousand signatures aiming to prevent alterations to the current situation.

5.3.1.2 Economic Context

- The rate of inflation has been rising sharply since 2021, aggravated by the war between Russia and Ukraine. This has been causing the loss of purchasing power of households and food insecurity. According to the OECD, food price inflation in August in Portugal was 15.3%, while the OECD average was 15%, 14% in the European Union and 12.4% in the Eurozone.
- In addition, inflation shows no signs of slowing down and, in Portugal, the price inflation of fresh products reached the record of the last 32 years and, according to INE, rose to 9.9% in November.
- In the recent October Economic Bulletin, Bank of Portugal warns of the uneven impact that rising inflation can have on households in Portugal. Naturally, its impact will be linked to the different evolution of the prices of the different goods and services and their weight in the consumption basket of each family. And, as this Bank of Portugal report states, "the estimates of inflation by characteristics of the families presented (...)

are important to assess the distributive effects of rising prices and can be useful to inform public policies aimed at mitigating the increase of the cost of living".

- Additionally, the world is still recovering from the Covid pandemic, which had unprecedent effects on the global economy.

5.3.1.3 Social Context

- In the last decade, the use of mobile apps has been increasing, practically all over the world. The number of mobile app downloads worldwide has grown from 140 billion in 2016 to over 230 billion in 2021 (Statista, 2022). The number of goods and services we can orders via internet has also grown exponentially.
- Cultural and social changes are also impacting our relationship with mobile apps, with convenience and speed being increasingly a priority, especially in the younger generation. Work-life balance and time management are more and more relevant, and people are becoming more demanding in the ways they shop and order services, preferring many times to pay more, in order to save time.
- The Covid-19 pandemic, with its associated lockdowns, has led to a sharp rise in consumer adoption of mobile apps (+40% Year On Year average monthly hours spent in mobile apps in the second quarter of 2020, as stated by data.ai report), and this habit has not changed since then.

5.3.1.4 Technological Context

- Portugal has a substantial proportion of people with cellular phones and computers, with 84% of the population having a *smartphone* (Marktest, 2018).
- Portugal also has a high rate of internet penetration, with more than 84 percent of the population having access to the internet on a regular basis (Statista, 2021). These are particularly good numbers for an EU country.

5.3.2 Market and Competitors

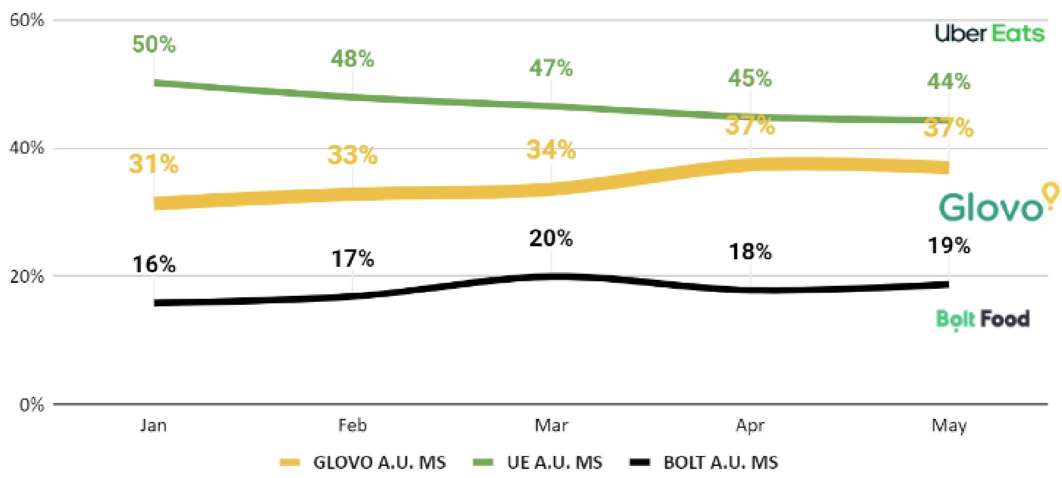
In the competitive risk aspect, Portugal's fast delivery market is very crowded, in a sense that it has a considerable number of players, given the dimension of the country. At the moment, the main players are Glovo, UberEats and Bolt Food.

In Portugal, Glovo is the challenger brand after the leader Uber Eats. Glovo has a more balanced brand awareness among main cities and the rest of the cities than Uber Eats. In

Portugal, at the total market level, Uber Eats is the brand with the highest level of awareness, capturing three out of every five Top of mind mentions of awareness. Bolt Food is a brand under construction, which are spontaneously cited by only 2.5% percent of the respondents of the survey conducted.

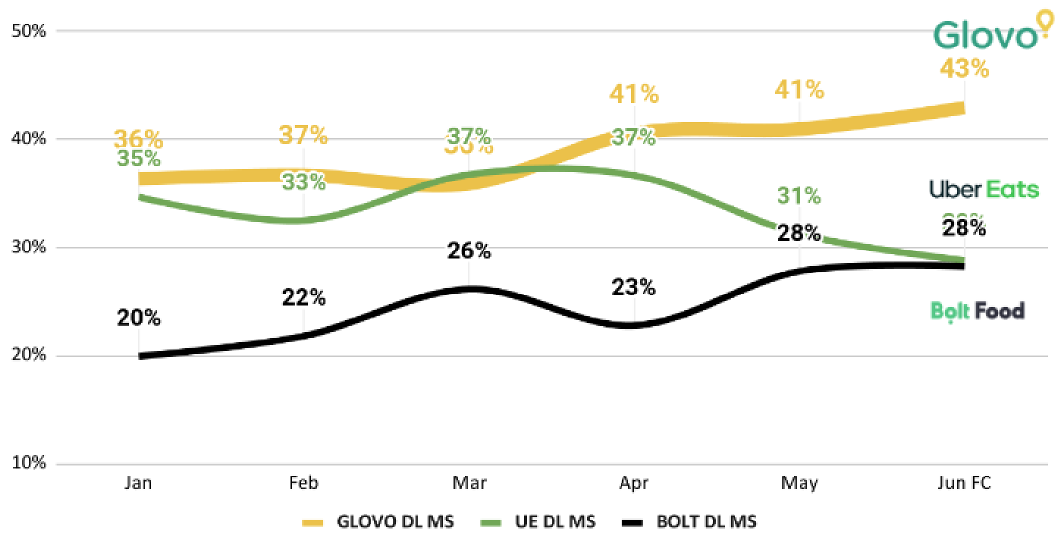
In figures 18 and 19 are represented, respectively, the Active Users and Monthly App Downloads evolution for each one of these Brands. These numbers are estimates carried out by experienced companies in the sector of forecasting, since neither Uber nor Bolt release statements regarding these metrics.

Figure 18 - Evolution of the number of Active Users in the main delivery market players



Source: App Annie

Figure 19 - Evolution of the number of downloads in the main delivery market players



Source: App Annie

As shown above, Glovo has been stable as number one player in app downloads but is still behind Uber Eats when it comes to Active Users, which might mean that it has not been able to convert visitors into customers.

Table 3 summarizes the biggest differences between these 3 players:

Table 3 - Comparison between Glovo and its competitors

	Glovo	Uber Eats	Bolt Food
Marketing Investment	Mid-low	Agressive	Low
Pricing	Promo based - Medium	Promo based - High	Promo based - High
Differentiating assets	Courier service, Anything service, Glovo Express	MBWay service	Bolt Market
# of Cities	70	90	20

Source: Elaborated by the author

5.4 SWOT Analysis

Table 4 constitutes the SWOT Analysis for Glovo.

Table 4 - SWOT Analysis

Strengths	First player in Portugal to invest in Quick-Commerce verticals, other than food.
	Only player selling products such as OTC (Over The Counter medicines)
	Strong relationship with top partners in Portugal
	Biggest and most diverse offer of partners among all competitors
	Exclusivity deals with key partners such as Aldi and Auchan
Weaknesses	Low investment capacity
	Focus on profitability may obstruct growth
	Low visibility among potential customers
	Marketing initiatives have been targeted towards the food vertical solely
Opportunities	Sign deal with Portuguese Authorities to allow the sale of products such as tobacco
	Explore new areas (fashion, house appliances)
	Expand working schedule
Threats	Exclusive partners to break exclusivities
	Non-exclusive partners to become exclusive with competitors
	Competitors investing increasingly more in the Quick-Commerce vertical

Source: Elaborated by the author

5.5 Communication Strategy for Q-Commerce of Glovo

For 2023, the communication strategy should focus on Quick-Commerce verticals, with the aim to set itself apart from its competitors as the number one multicategory app. It should become more visible to the population what stores and products they can buy from through Glovo.

The survey conducted showed that only a small part of the respondents is aware of all the products available in the app (for example, only one in four respondents knows that are Bookstores in the app), which is a clear sign that the message is not being well spread around potential customers.

With this in mind, the main goals to be pursued are 1) Increase brand awareness and visibility, 2) Raise new customers, 3) Increase business volume, 4) Increase customer's trust and loyalty and 5) Migrate food customers to Quick-Commerce.

5.6 Positioning and target segment

5.6.1 Positioning

Glovo follows, from the beginning, a positioning strategy of differentiation, based on a diversified offer and high quality standards. This strategy has sustained the company's growth over the years.

Glovo's aim is to be perceived as a strong, dynamic, and reliable company, which invests more and more in the offer it has for its customers, and which is capable of establishing partnerships with the largest and most important partners operating in the Portuguese market, namely in the retail segment. On the other hand, it also focuses on increasing its geographic coverage, reaching more and more customers throughout the country.

In a market increasingly occupied by different players, it is important that Glovo manages to continue to stand out from its competition by offering a wide variety of products and services, some of which are exclusive to Glovo, maintaining its position as number one multi-category app.

5.6.2. Target Segment and Customer Personas

When designing this communication plan, it has been made clear that there is not a single ideal market, since there are several segments appropriate for targeting. Primarily, the Glovo app, and especially the Quick-Commerce verticals, will address a market that prioritizes the benefits of saving time.

The definition of the customer personas below was made based on my knowledge of the market and experience working in this sector. Although it might be discussible, I consider there are three key profiles that should be took into account when defining communication targets for Glovo's Quick-Commerce vertical, as presented below.

a) Tertiary Students

This group of people makes up the majority of Glovo's customers and could become permanent users. Most of them are low-income earners or have no income at all, relying on parent's allowance. Their age is usually between eighteen and twenty-four. Owning a car is not practical for this group. They prioritize ready-to-eat food, daily necessities, learning materials and groceries. They have a lazy attitude and are happy to use this service if the price is acceptable. Their time requirements are not strict and does not require an extremely fast and punctual delivery service.

b) Busy Professionals

People in this group generally earn high wages but work long hours. Age interval is 25 to 45. They are educated and strive for a high quality of life. This type of person becomes a considerable amount of the customer base because they understand that time is the only commodity that does not lose value over the years. For this reason, they prefer to save time by spending an affordable price on Glovo to have its desired goods delivered instead of going out to get them.

c) Retired Elders

This group of people is mostly over 60 years old. This type of person does not occupy a substantial proportion of Glovo's customers because they are slow to accept new things and have a tendency to be technology-challenged. Nonetheless, this group has many needs that can be met through Glovo, since most times they do not want to, or cannot move or carry heavy weights. The goods they mainly order are medicines, groceries, and daily necessities.

d) Busy Parents

This group is composed mostly of women between the ages of 26 and 40, with more than two children. Their time is spent with childcare and household chores. They need to meet the daily needs of their families, such as children's daily necessities and stationery. Most of the time they need to stay at home to take care of their baby. Children's supplies are often urgent, such as milk powder and diapers. They prioritize mainly pharmacy and groceries items.

5.7 2023 Goals

The goals for the Q-Commerce vertical of Glovo's Communication Plan for 2023 are related to the company's mission and positioning, and the action plan is then designed with the aim to attain them. The defined objectives are the centre of the communication plan and are quantified by the goals that the company intends to achieve.

Table 5 presents Glovo's goals for 2023:

Table 5 - Goals for the Q-Commerce vertical of Glovo's Communication Plan for 2023

Goals	KPI's	Target
Increase brand awareness and visibility	Notoriety, measured through quest	50%
Raise new customers	Number of new customers	65 thousand
Increase business volume	Number of Q-Commerce orders	2 million orders
Increase customer's trust and loyalty	% Retention	40%
Migrate food customers to Q-Commerce	Penetration	25%

Source: Elaborated by the author

5.8 Action Plan

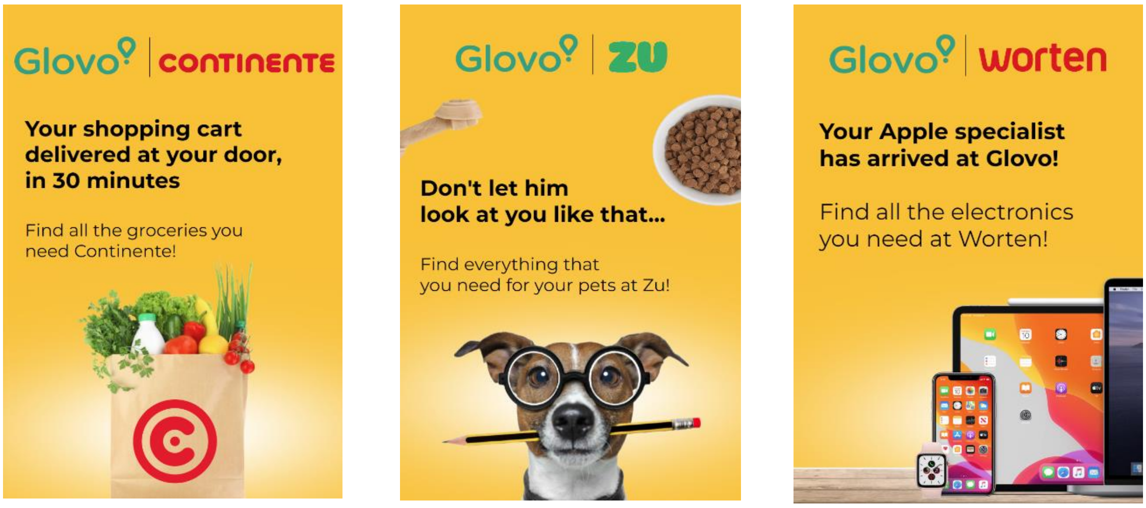
5.8.1 Out of Home Campaigns

Out of home campaigns are one of the most effective means to communicate with potential customers. This type of advertising reaches a mass market and creates brand awareness, recognition, and recall.

The plan for 2023 is to have four campaigns throughout the year, with each one having a duration of 2 weeks, in Lisbon and Porto Metropolitan areas. The choice of focusing these campaigns in these areas is related to the contribution of orders of these cities, compared to the rest of the country (over 75% of the total number of orders is originated from Lisbon and Porto Metropolitan areas).

All these campaigns will be call-to-action, with the goal of raising awareness to the app, the stores, and the products sold through it. Figure 20 shows some examples of the proposed campaigns.

Figure 20 - Out of Home campaign proposals



Source: Elaborated by the author

5.8.2 TV Ads

While we might tend to believe that TV advertising is obsolete, this is not true at all. TV's reach is unrivalled and is frequently the first media that comes to mind when considering how to quickly reach a large number of people.

Glovo should invest in two types of videos: small clips (15 seconds) with a strong and simple message: '[Name of the partner] at your door? Yes, in 30 minutes. Order Glovo!,' and longer clips (30-45 seconds) with a short story behind, such as a young parent, changing a diaper to its infant child, and realising it's out of diapers, then getting them delivered at the door by Glovo, or a big family at dinner time running out of napkins, and ordering them through Glovo app.

These ads should be screening in cable channels, such as Fox Movies, Fox Comedy, Hollywood and SportTV.

5.8.3 Store Visibility

Promoting Glovo inside the stores is an effective way to convert users, since it targets customers to a new, sometimes unknown channel. This visibility actions can be the following types:

- Visible couriers' pick-up point;
- Glovo animation in the stores' screen and video-walls;
- Glovo logo on products' price tag.

Some examples of this actions could be seen in Figure 21.

Figure 21 - In store visibility examples

Source: Partners' stores

5.8.4 Social Media

In the current situation, social media is an important part of any brand's communication strategy and can help reaching a large number of people in seconds. Having a strong presence in these platforms is a wonderful way to interact with customers and connect with them on a personal level.

Glovo's communication in social media will be conducted through posts on its own social pages in Instagram and Facebook, ads in these platforms, and also partnerships with influencers.

Stories in Instagram should mainly contain Glovo's different partners, such as Continente, Worten, Well's, and others, while posts should be mainly institutional.

Regarding influencers, it is important to make sure it is aligned with the target segments established to the brand in this communication plan.

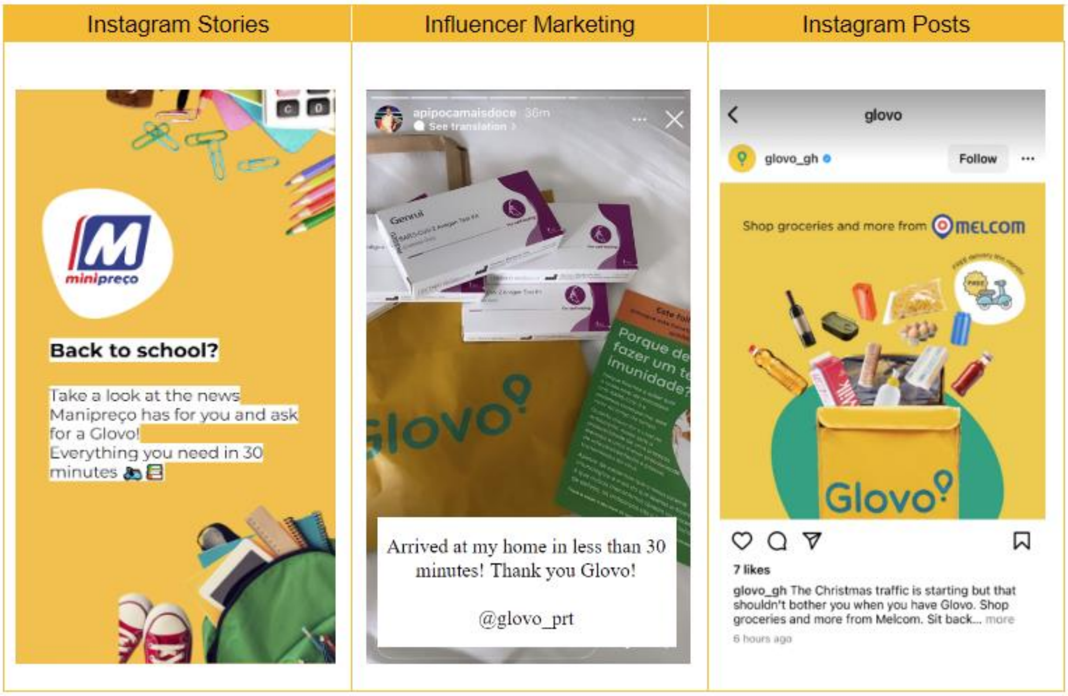
This said, three different influencers were selected as possible choices:

- Wuant (851k followers) – aiming to customer persona 1 – Tertiary Students
- Ana Garcia Martins (866k followers) – aiming to customer persona 2 and 4 – Busy Professionals and Busy Parents
- Manuel Luís Goucha (862k followers) – aiming to customer persona 3 – Retired Elders

Working with these personalities will help Glovo attract the right audience customers with the right information, at the right time.

Figure 22 shows some examples of ideas that may be posted in social media.

Figure 22 - Social Media communication examples



Source: Glovo's Instagram page

5.8.5 Physical Communication

Another way of communicating with the customer personas targeted at this communication plan will include the distribution of pamphlets in highly frequented locations, such as the subway stations at busy hours, universities entries at lunch time, or around sports venues at match days.

5.8.6 Customer Relationship Management (CRM)

Investing in Customer Relation Manager (CRM) is key to both retain customers, and migrate customers from food to Quick-Commerce verticals (users that regularly orders meals through the app, but never ordered other types of products).

This can be done in three separate ways:

1. Newsletter – To be sent to every person registered in the Glovo app (whether they are active users or not). It should include new features of the app, recent added stores / partners and promotions that are live at the moment.
2. In-app – Reaching customers when they open the app, redirecting them to Quick-Commerce verticals.

3. Push Notifications – Aiming all users with Glovo app installed on their phones, it shows a *call-to-action* type of notification (for example ‘Continente near you is currently offering the delivery fee. Order now!’).

Below, Figure 23 shows some examples of actions that may be done.

Figure 23 - CRM examples

Source: Elaborated by the author

5.8.7 News presence / Press Releases

A strong presence in Portuguese press must also be carried out in 2023. Glovo should aim to strengthen relations with the biggest lifestyle newspapers, magazines, and regional media, to be able to communicate wherever there is a big event at the app, an important partner acquisition or an expansion to a new working area.

In annex B is an example of press release, to be sent to press, regarding the launch of a new partner.

5.8.8 Strategic Partnerships

Establishing partnerships with other companies and institutions is also an effective way of communication that Glovo should invest in. College Students’ Unions, for example, are a great way to reach students, and because they usually organize a large number of events throughout the school year, there are many opportunities for brand activations, such as parties, freshman welcome events, and others. In these events, Glovo could distribute promocodes for first customers, or invest in a sponsorship kind of activation (offering the DJ, for example, and communicating ‘Today’s music is brought to you by Glovo’).

Other partnerships may involve sports clubs, with Glovo being present at stadiums (you could order from your seat and having your meal delivered there). Same model can be applied to music festivals and other cultural events.

5.9.9 Events

Events conducted in our app will be previously defined, to anticipate festive days / seasons. Table 6 presents the events expected to happen in 2023.

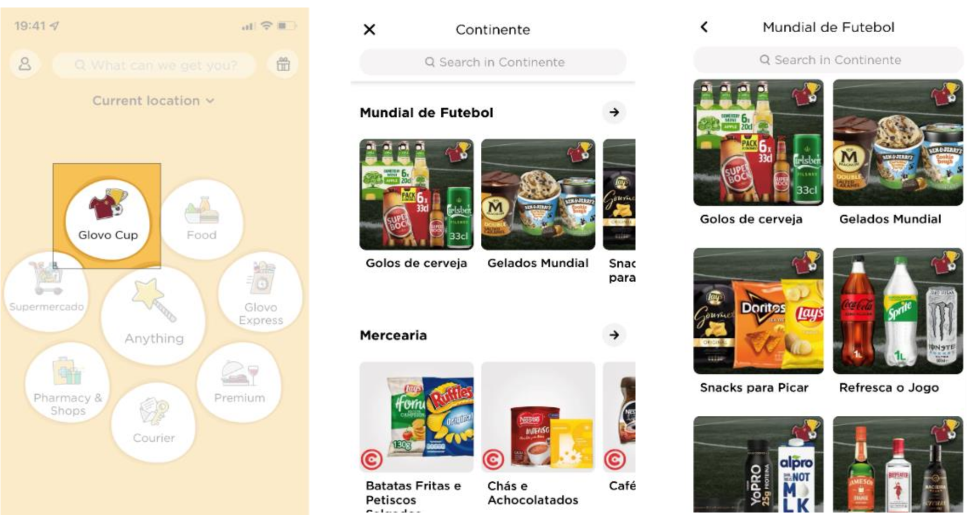
Table 6 – List of events to happen in 2023

Week	Event	Main Scope
6	Valentine's Day	Gifts, Sweets, Drinks
16	Easter	Supermarket, Gifts, Sweets
24	Santos Populares	Drinks, House Decorations, Appetizers
27	Welcome Summer	Pharmacy (solar protection), Accessories
33	Super Summer	Pharmacy (solar protection), Accessories
37/38	Back to School	Books, Stationary, Electronics
43	Halloween	Sweets, Gifts
46	Black Friday	Electronics
51/52	Christmas	Supermarket, Gifts, Drinks
53	Let's Celebrate	Supermarket, Drinks, House Decorations

Source: Elaborated by the author

These events will have an allocated bubble in the app, and the involved partners will have a dedicated menu, with the products referred in the ‘Main Scope’ Column being highlighted in each one of them (example below in Figure 24).

Figure 24 - In app event examplo

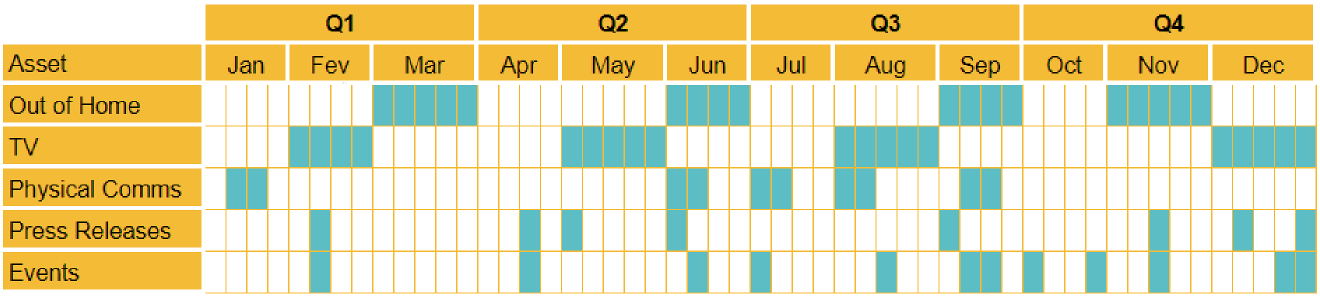


Source: Glovo

5.9 Calendar

Figure 25 represents a possible schedule for the some of the activities described before. The store visibility actions, social media communications and partnerships are not included here, since they should be conducted consistently throughout the year.

Figure 25 - Marketing initiatives calendar



Source: Elaborated by the author

5.10 Budget

Table 7 presents the budget for execution of the activities described above.

Table 7 - Budget for Glovo's Communication Plan for the Quick-Commerce vertical

	Total Q1	Total Q2	Total Q3	Total Q4	Total 2023
TV	75 000	75 000	75 000	75 000	300 000
OOH	25 000	25 000	25 000	25 000	30 000
Ground activation	1 000	1 000	1 500	1 000	4 500
TV & OOH production/shooting	5 000	5 000	5 000	5 000	20 000
PR agency fees	4 000	4 000	4 000	4 000	16 000
PR Events	2 000	2 000	2 000	2 000	8 000
Influencers	2 000	2 000	2 000	2 000	8 000
Point of Sale	750	750	750	750	3 000
Performance Marketing Web + Mobile	100 000	100 000	100 000	100 000	400 000
1st order promocodes	20 000	20 000	20 000	20 000	80 000
Total	**234 750**	**234 750**	**235 250**	**234 750**	**939 500**

Source: Elaborated by the author

5.11 Monitoring and Control

Following the strategy outlined during the plan, it is necessary that the evaluation and control are in accordance with the objectives and strategies defined in the Communication Plan. According to the information presented in the goals section, each objective will have one or several associated indicators, in order to carry out a more effective and real control and evaluation of the actions proposals.

The indicators will be exported largely from Glovo’s management software. Some more specific indicators such as spontaneous notoriety, assisted notoriety and the net promoter score will be measured through questionnaire surveys with the target audience. These surveys will be essential to measure awareness and recognition of the brand, measure the performance of signage and advertising billboards, as well as the impact of the slogan creation.

This performance and evolution will be evaluated and corrected through monthly meetings between management and the team responsible for implementing the action plan.

6. Conclusions

Glovo is a multi-category app that allows its customers to order anything they want with a click, and have it delivered to their home within 30 minutes.

Glovo's biggest advantage over its competitors is the fact that it is multi-category, being divided essentially into 4 verticals: food, Quick-commerce (which includes the areas and groceries, health and retail), Quiero service and courier service.

Within the many categories of products present in the app, Quick-Commerce has been the one with the biggest growth, having achieved 1.3 million orders and increase penetration to 13%.

Nonetheless, the Glovo investment in marketing focused on this vertical has been close to none, while its competitors have been spending increasingly more, which may jeopardize the current leadership of Glovo in this vertical. The fact that food vertical still represents the biggest part of the overall business Gross Merchandise Value makes it the main candidate for visibility investment, which is, of course, comprehensible.

In this scenario of great growth, it becomes crucial that Glovo’s communication plan results from a process of reflection and planning and that follows the best market practices, hence the creation of this communication plan.

This project began with a literature review regarding Quick-Commerce, Unicorn Companies and Traditional vs. Digital Communication. By using data collected from the company, an internal analysis was made, followed by an external analysis of the company’s environment. A survey was made to potential customers to better know their profile, the brand awareness and all the important things about customer’ habits and preferences. With this information gathered, the communication strategy was designed, along with the correspondent action plan, schedule and budgeting.

From that starting point, and also reviewing the benchmark on the current communication policy of competing players, the goals for the plan were set, being: 1) Increase brand awareness and visibility; 2) Raise new customers; 3) Increase Business Volume; 4) Increase customers’ trust and loyalty and 5) Migrate food customers to Quick-Commerce.

Given these five goals, a plan was developed, consisting of nine actions and with a total budget of € 939,500.00 for 2023.

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Annex A – Survey

Part I. Personal Data

1. Gender

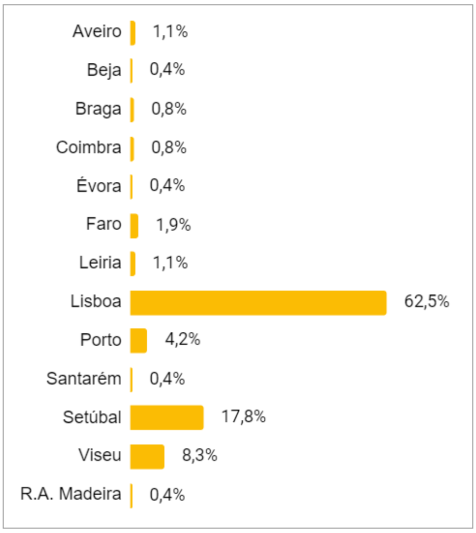
	Frequency	Percentage
Female	141	53,4%
Male	123	46,6%

2. Age (years)

	Frequency	**Percentage**
<=24 years	29	11,0%
25-34 years	101	38,3%
35-44 years	53	20,1%
45-54 years	40	15,2%
55-64 years	33	12,5%
>=65 years	8	3,0%

3. What is your District of residence?

	Frequency	Percentage
Aveiro	3	1,1%
Beja	1	0,4%
Braga	2	0,8%
Coimbra	2	0,8%
Évora	1	0,4%
Faro	5	1,9%
Leiria	3	1,1%
Lisboa	165	62,5%
Porto	11	4,2%
Santarém	1	0,4%
Setúbal	47	17,8%
Viseu	22	8,3%
R.A. Madeira	1	0,4%

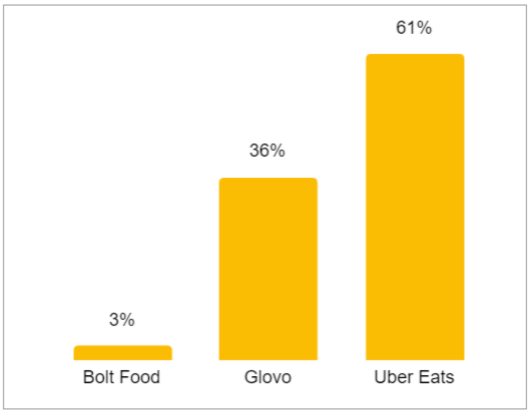


4. Professional situation

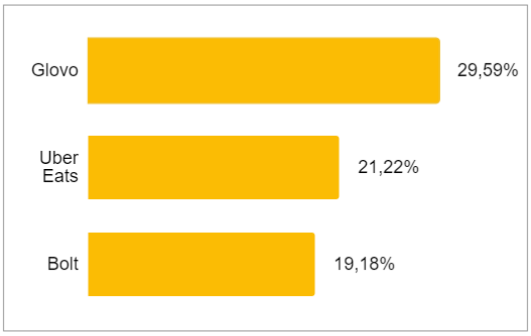
	Frequency	Percentage
Student	15	5,7%
Employee for another	188	71,2%
Self-employed	42	15,9%
Retired	10	3,8%
Unemployed	9	3,4%

Part II. Knowledge about fast delivery apps

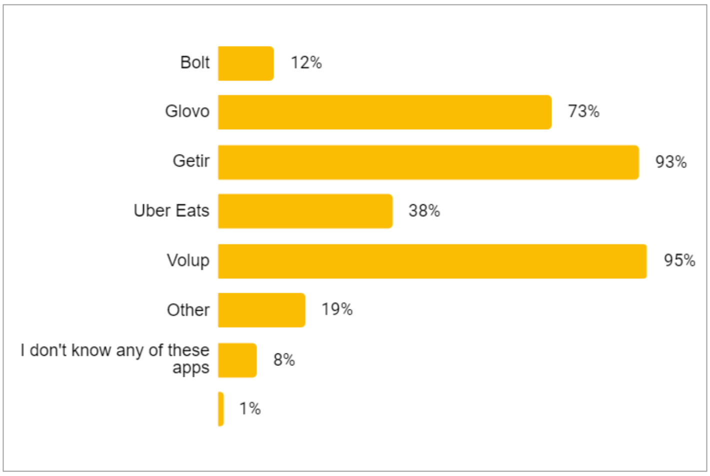
1. What's the first brand that comes to mind when you think of fast delivery apps?



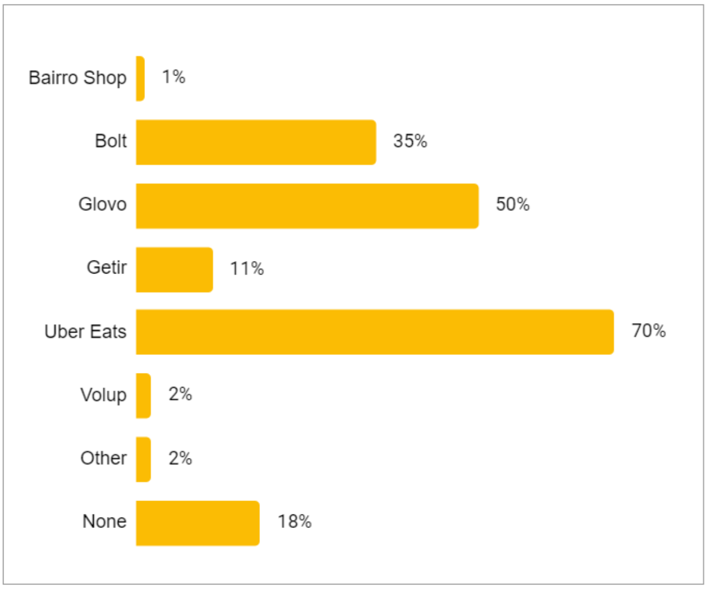
2. What other fast delivery apps do you know? (Please separate brand names with ";")



3. Which of these fast delivery apps do you know?



4. What fast delivery apps do you have installed on your phone?

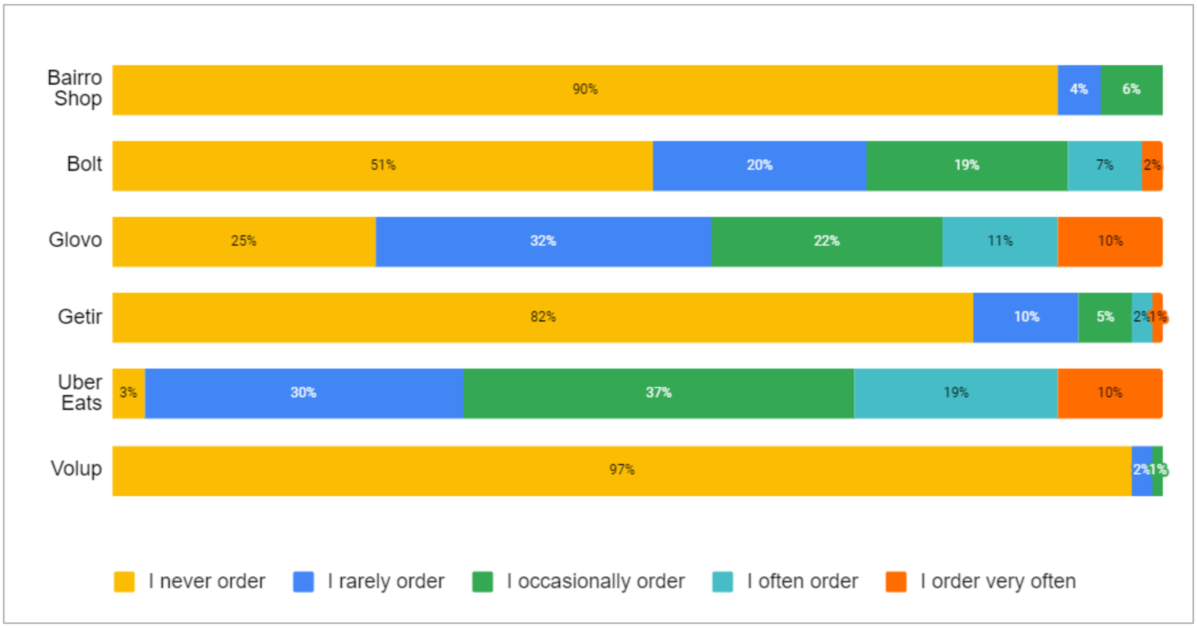


Part III. Use of fast delivery apps

5. Have you ever used fast delivery apps?

	Frequency	Percent
Yes	213	84%
No	40	16%
Total	253	100%

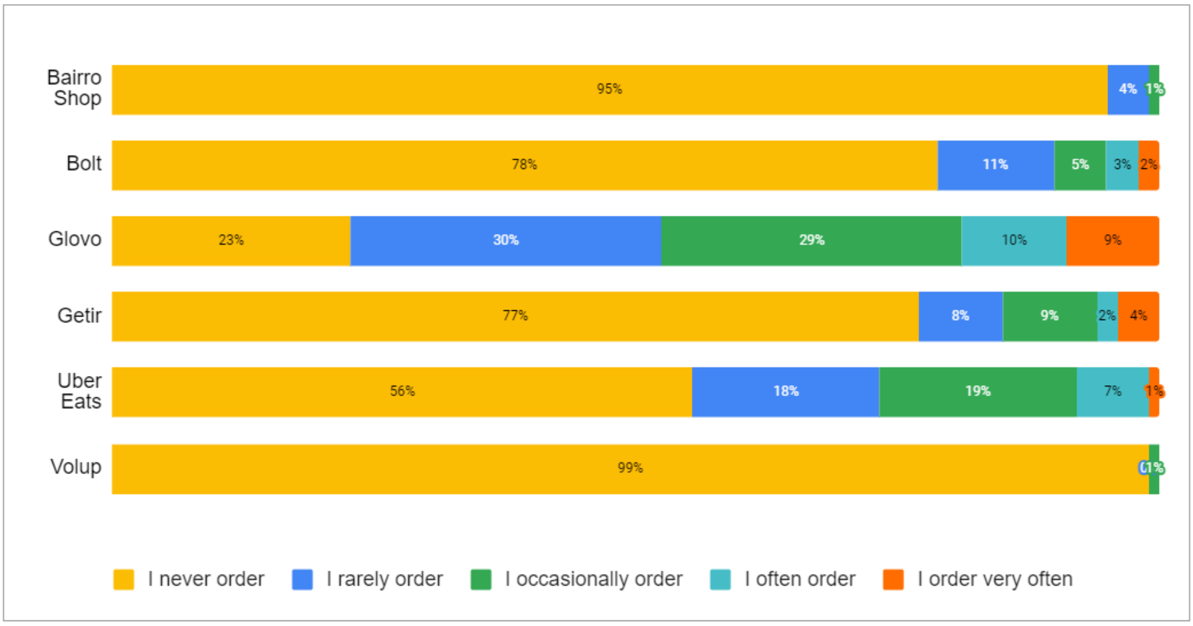
6. How often do you use each of the following fast delivery apps?



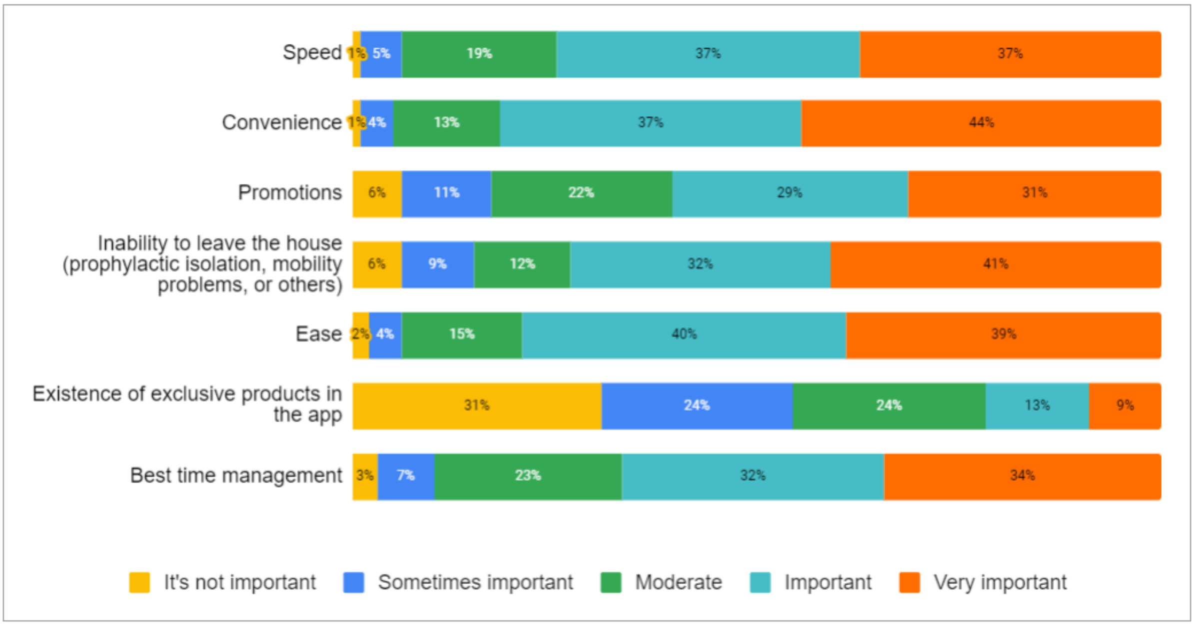
7. Have you ever used the fast delivery service through fast delivery apps for the purchase of products other than restaurants (example: supermarket, stores, pharmacy)?

	Frequency	Percent
Yes	96	46%
No	114	54%
Total	210	100%

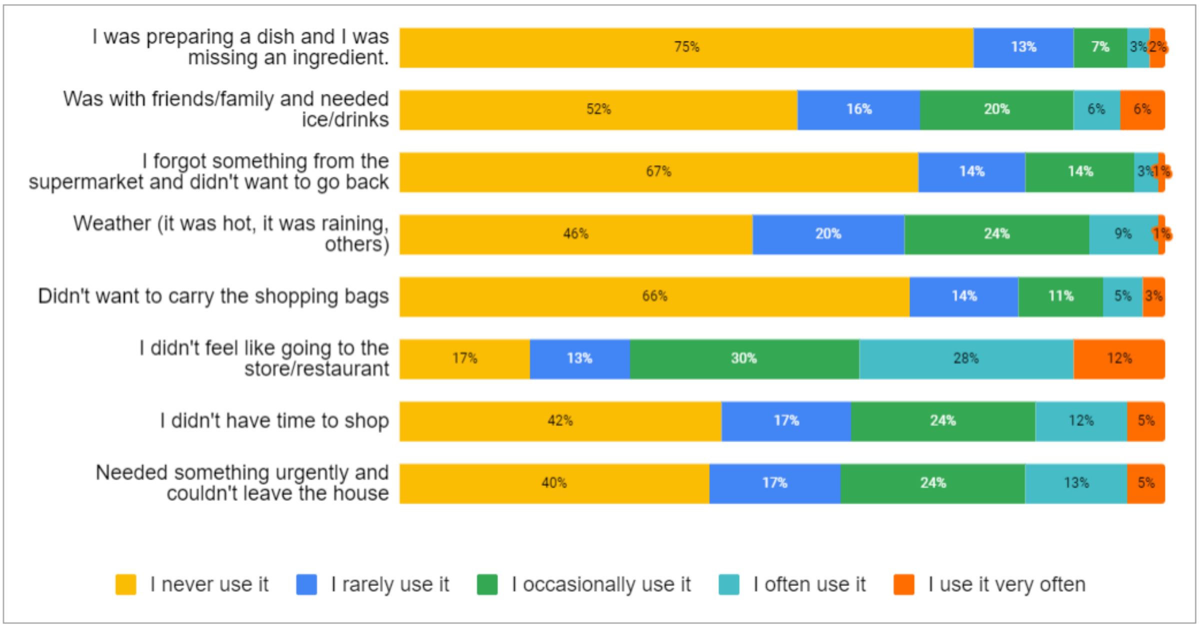
8. How often do you order products other than meals (example: supermarket, stores, pharmacy) through the following fast delivery apps?



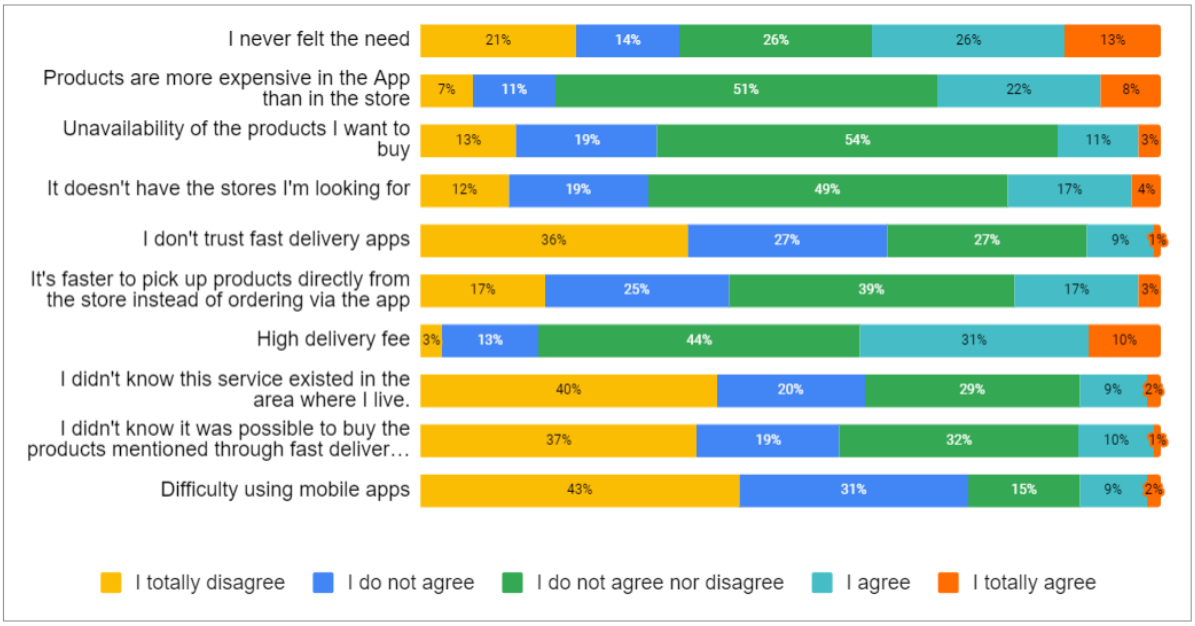
5. Indicate the degree of importance you attach to each of the following factors in your decision to buy products in fast delivery apps instead of doing it in person in the store:



6. How often have you used a fast delivery app in each of the following circumstances?

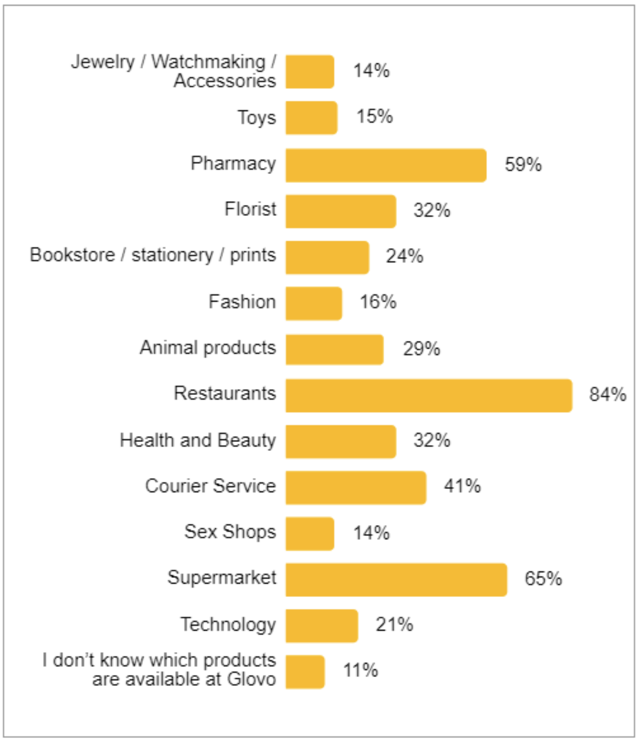


7. What are the reasons why you have never used fast delivery apps? Rate the following statements.

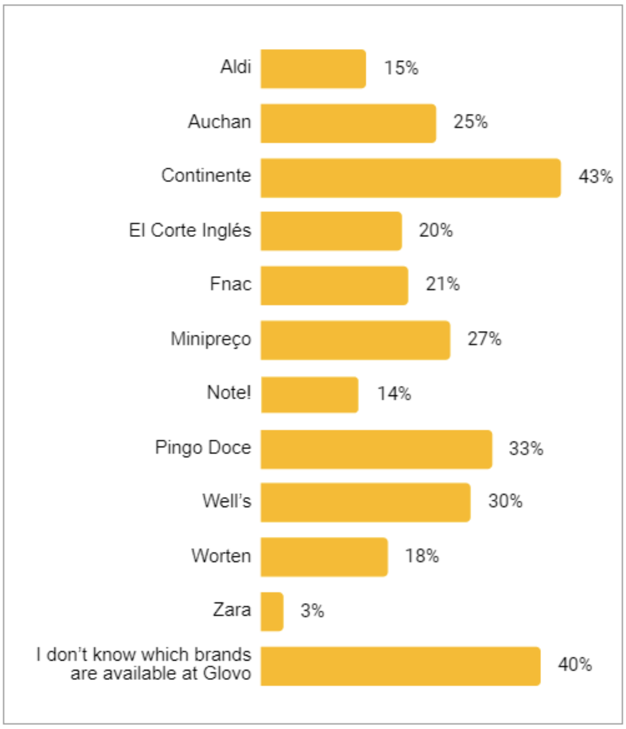


Part IV. Knowledge of the Glovo app

1. Select all product types that you know are available from Glovo:



2. Select all the brands that you know are available from Glovo:



3. What is your perception, in terms of price, of the products sold at Glovo compared to physical stores?

	Frequency	Percent
Products are more expensive at Glovo than buying directly from the store	78	33%
Products are cheaper at Glovo than buying directly from the store	1	0%
The price of the products is the same at Glovo and directly in the store	22	9%
I don't know	136	57%
Total	237	100%

Part V. Using the Glovo app

1. Have you used the fast delivery service through the Glovo app?

	Frequency	Percent
Yes	109	46%
No	128	54%
Total	237	100%

2. On average, how often do you use the Glovo app?

	Frequency	Percent
Less than once a month	63	58%
Between 2 and 5 times a month	26	24%
More than 5 times a month	20	18%
Total	109	100%

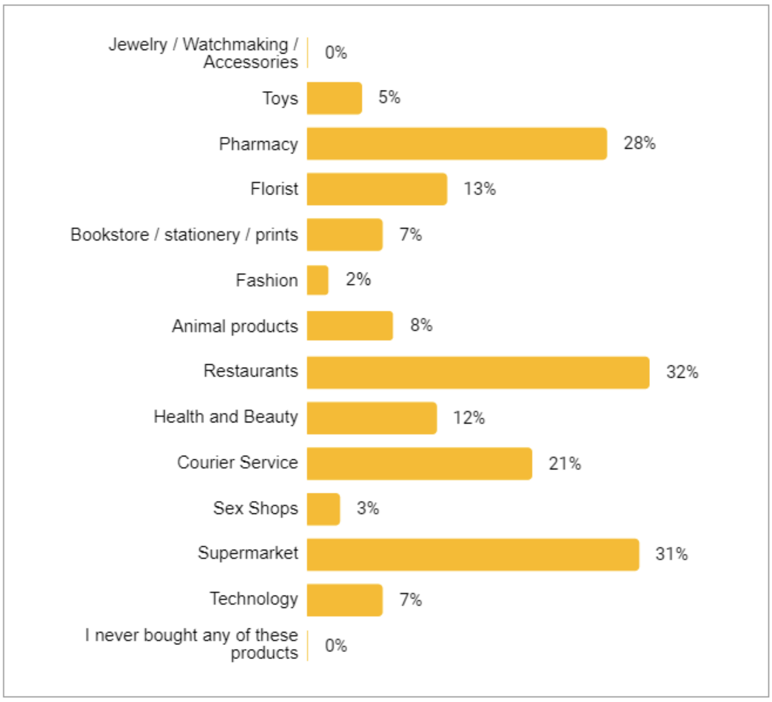
3. Have you ever used the fast delivery service through the Glovo app to buy products other than restaurants (example: supermarket, stores, pharmacy)?

	Frequency	Percent
Yes	56	51%
No	53	49%
Total	109	100%

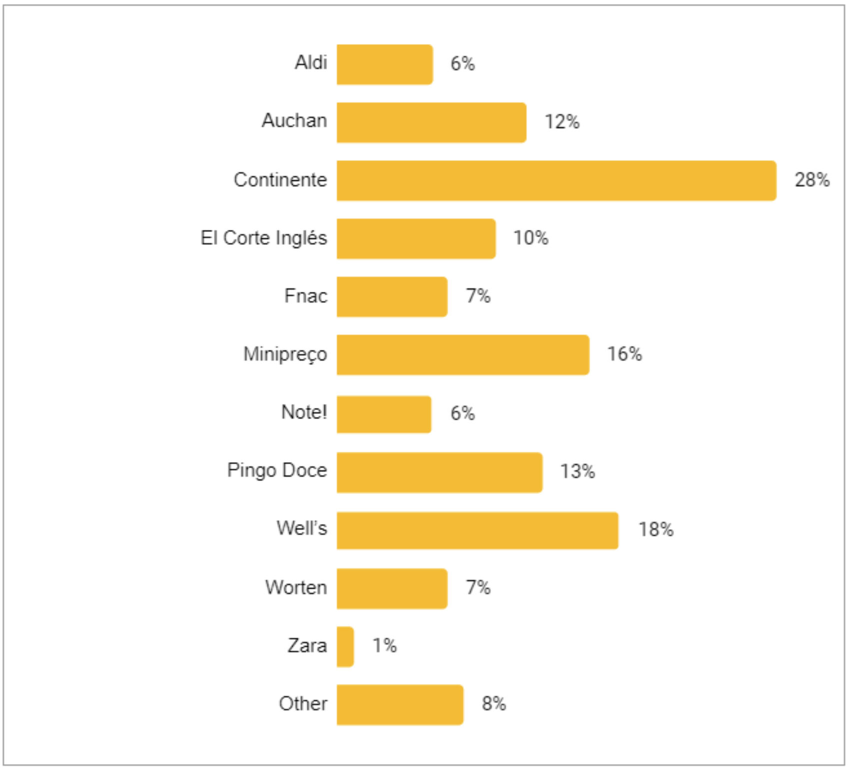
4. On average, how often do you use the Glovo app to buy products other than restaurants (example: supermarket, stores, pharmacy)?

	Frequency	Percent
Less than once a month	34	64%
Between 2 and 5 times a month	12	23%
More than 5 times a month	7	13%
Total	53	100%

5. Which of these product types have you bought from Glovo?



6. Select all the brands that you've bought from Glovo:

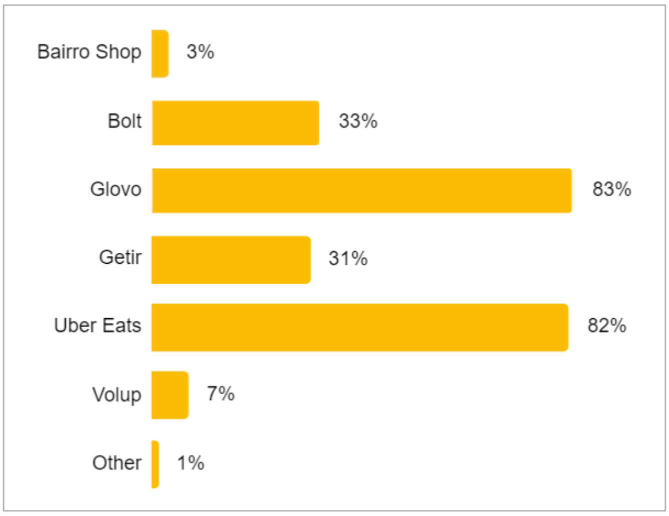


Part V. Sector Visibility

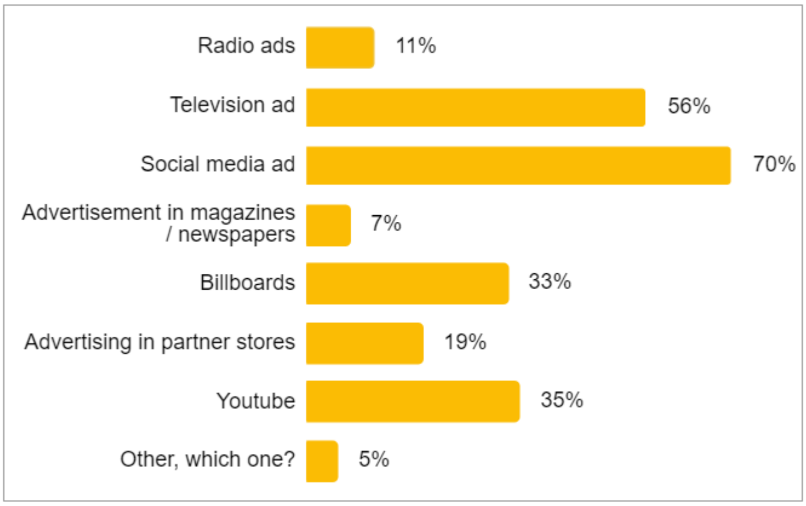
1. In the last 6 months, do you recall seeing or hearing or reading any advertisements about fast delivery apps?

	Frequency	Percent
Yes	178	76%
No	55	24%
Total	233	100%

2. Select all the fast delivery brands you remember seeing, reading, or hearing in an ad recently



3. Where do you remember seeing these ads?

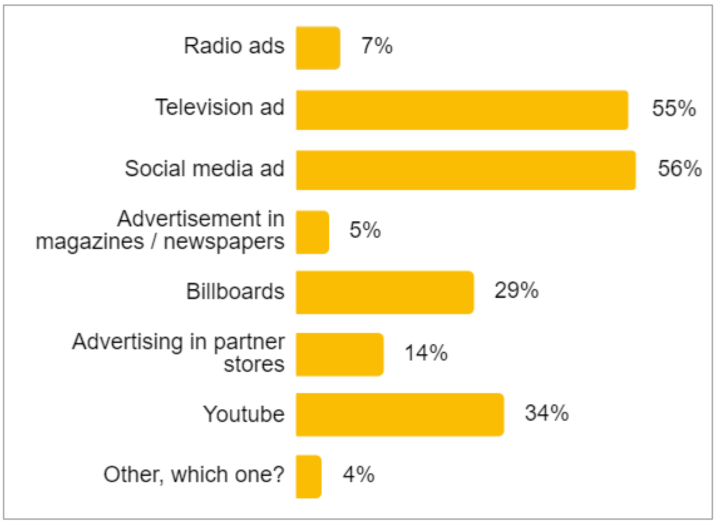


Part VII. Glovo brand visibility

1. In the last 6 months, do you remember seeing or hearing any Glovo advertisements?

	Frequency	Percent
Yes	141	80%
No	35	20%
Total	176	

2. Where do you remember seeing these ads?



Annex B – Press Release Example

"Glovo delivers Worten appliances in Lisbon and Porto"

Lisbon, April 20, 2022

Glovo, the application that allows you to buy, collect and deliver any product in the same city, has started delivering Worten appliances in Lisbon and Porto.

Users from Lisbon and Porto will now be able to order Worten products such as accessories for PCs or tablets, game and gaming consoles, kitchen accessories such as frying pans or storage boxes, photo, and video accessories such as chargers and batteries, calculators, small household appliances for male and female personal care, lighting, printers, as well as small household appliances such as juicers, centrifuges, yoghurts, electric jars, or sandwich makers, among many others.

Joaquín Vásquez, Country Manager of Glovo in Portugal, states that "Worten is a very popular brand among the Portuguese, whose prices are very competitive, and these are two attributes that are of special importance at this time. This is of course another partnership that we believe brings value to users of the application."

Glovo, in addition to food, snacks, grocery stores, delivers "Anything", being the only application that offers this possibility, provided that the order is made in a geographical area covered by the application and fits in the backpack of Glovo.

In Portugal, the application is present in 60 cities, namely Amadora, Almada, Aveiro, Barreiro, Braga, Cascais, Coimbra, in Covilhã, in Ermesinde, Évora, Faro, in Funchal, in Guimarães, Lisbon, Leiria, Loures, Maia, Marinha Grande, Matosinhos, Odivelas, Oeiras, in Porto, in Ponta Delgada, Póvoa de Varzim, Queluz, Rio Tinto, Seixal, Setúbal, Sintra, Torres Vedras, Viana do Castelo, Vila Nova de Gaia , Vila Real, Viseu and, more recently Figueira da Foz.

Founded in Barcelona in January 2015, Glovo has revolutionized the way people consume in cities, giving them the ability to ask for what they want, whenever and wherever they want.