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FLAVIA DE MORAES INNOCENCIO

WHY FOOD RETAILERS JOIN FOOD DELIVERY PLATFORMS:

A MULTI-CASE STUDY IN BRAZIL

RIO DE JANEIRO

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Master's dissertation presented to the Instituto Coppead de Administração, Universidade Federal do Rio de Janeiro, as part of the mandatory requirements in order to obtain the degree of master's in business administration (M.Sc.).

Advisor: Prof. Leonardo Marques, PhD.

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ABSTRACT

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This paper aims to understand the drivers that influence food retailers to join food delivery platforms and integrate in their operations. In this study, we use two theories as theoretical lenses, Resource Based View (RBV) and Information Processing Theory (IPT). While RBV is adopted to understand how companies explore their distinguished internal capabilities to sustain their competitive advantage in the market and grow, IPT is used to explain how companies use the access to information to develop their internal capabilities and create knowledge. This study discusses why food retailers decide to join food delivery platforms and which drivers are involved in this decision.

To this end, a qualitative study was conducted with 15 food retailers located in Rio de Janeiro. The sample interviewed restaurants that use and do not use food delivery platforms in their operations. During the analysis, this study made a comparison of the results in order to identify the main drivers that influence in this decision. As a result of this research, we classified the restaurants in four groups according to their type of business and identify which drivers influence them to join food delivery platforms.

The most relevant drivers that motivate younger restaurants to join food delivery platforms are grow customer base, implement delivery operations and automatize daily routines, such as receive orders and payment, and to increment revenue. For them, those drivers are relevant and could be decisive to make them join food delivery platforms. Those drivers could also influence older restaurants to join food delivery platforms. Although, it raised them reservations regarding dependence on platforms and sustainable growth. The main concern regarding platform dependence is because they will lose information regarding customer´s preferences which would influence in their ability to make decisions. The other concern is regarding sustainable growth, older restaurants believe that the platform doesn´t provide sustainable growth regarding the customer base. This study makes a deeper analysis of those drivers and how they influence restaurants to join food delivery platforms.

Keywords: Food delivery platforms, Resource-Based View Theory, Information Processing theory

RESUMO

Este trabalho visa entender os fatores que influenciam restaurantes a participarem de plataformas de delivery e, desta forma, integrarem o delivery em suas operações. Neste estudo foram utilizadas duas teorias, *Resource Based View* (RBV) e *Information Processing Theory* (IPT). A primeira, visa entender como companhias utilizam as suas capacidades internas para sustentar a sua vantagem competitiva no mercado e alavancar o crescimento sustentável. A segunda, explica como companhias utilizam do acesso à informação para desenvolver as suas habilidades internas e construir conhecimento. Este estudo utiliza duas teorias para tentar compreender o porquê restaurantes decidem participar de plataformas de delivery e quais são os fatores que influenciam nessa decisão.

Desta forma, um estudo qualitativo foi conduzido com 15 restaurantes localizados no Rio de Janeiro. Na amostra, continha restaurantes que utilizam e não utilizam plataformas de delivery nas suas operações. Como resultado da pesquisa, este estudo fez uma classificação dos restaurantes baseados no tempo do negócio e no tipo de operação e comparou os resultados de modo a identificar os principais fatores que influenciaram na decisão de aderir ou não a plataformas de delivery.

Os principais fatores que influenciam restaurantes mais jovens a aderirem a plataformas de delivery de comida são crescimento da base de clientes, implementação do delivery e automatização de operações de rotina, como por exemplo, o recebimento de pedidos e pagamento, e a geração de receita incremental. Para eles, esses são os principais fatores no processo de decisão de adesão às plataformas de delivery. Esses mesmos fatores podem influenciar restaurantes com mais tempo de negócio, porém estes possuem algumas ressalvas relacionadas a criação da relação de dependência do negócio com a plataforma e o crescimento sustentável. A principal preocupação em relação a dependência da plataforma é sobre a questão da perda de informação sobre os clientes, o que dificultaria nos processos decisórios. A outra preocupação é em relação ao crescimento sustentável, o qual restaurantes com mais tempo no negócio não acreditam que o crescimento da base de clientes através da plataforma seja considerado um crescimento sustentável. Este estudo analisa esses fatores e como eles influenciam os restaurantes a aderirem a plataformas de delivery de comida.

Palavras-chave: *Plataformas de Delivery de comida; Resource-Based View Theory, Information Processing theory*

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LIST OF ABREVIATIONS

RBV – Resource Based View Theory

IPT - Information Processing Theory

SME – Small and Medium Enterprises

Food Providers - Restaurants

Food Retailers - Restaurants

Food Delivery Platforms – A platform that integrates consumers, who need are seeking convenience when order food, and restaurants.

SUMÁRIO

CHAPTER 1 - INTRODUCTION

1.1 Understanding consumer behavior and the rise of technology in the twenty first century

Technology improvements has been playing an important role regarding changes in the society specially about consumer behavior shifts. Those improvements brought speed in our daily lives. Then, we are suddenly drowning in tones of instant messages, emails, photos, social networks interactions which consume hours of our daily-routine and massively changed the way people interact, consume goods and discover new things. According to GSM Association (2016), worldwide we have more than 5 billion people using smartphones which represents almost 67% of total world population. In Brazil, according to Instituto Brasileiro de Geografia e Estatística (IBGE), there were more than 130 million smartphone users in 2015, which represents more than 60% of total population; around 80% of the urban population and 50% of rural population have access to devices. Each year we have more 10 million smartphones´ users added in this account in Brazil. Some factors are direct responsible for influence people´s decision to purchase a smartphone such as income and education. The number of users is higher among representants with higher education and income when compare with low income and education users. Although, the smartphone access is spread among classes C and D because of the increased of purchasing power in Brazil.

According to the 2018 Global Digital Report, Brazilians spend, on average, more than 9 hours daily on internet, where 3 and half hours is spending only on social networks apps. Surprisingly, this number is 50% bigger than the hours spent by a global internet user, which spends just 6 hours daily on the internet. Consequently, this dissemination of portable devices that support mobile electronic transactions associated with the consolidation of high-speed internet networks were responsible for the strengthening and growth of the m-commerce (Tiwana, 2013).

The evolution of self-service technology, for example, promoted a deep change in the way customers interact with companies in service purchasing, where face-to-face has been gradually replaced by the “do yourself” with the use of machinery and electronic assistance anywhere, anytime.(Eisenmann, Parker, & Alstyne, 2006; Jonash, Koehler, & Onassis, 2007; Tiwana, 2013) Actually, the mobile platform has fundamentally revolutionized the manner in which companies maintain customer relations by creating the unique, novel, and personalized experience (Eisenmann et al., 2006; Jonash et al., 2007; Tiwana, 2013). Companies are aware of the importance to have a good image on the internet thus they are engaging customers

through it. Many changes happened in the relationship between customers and companies. Therefore, companies have started to use apps to increase brand awareness and enhance brand experience, resulting in higher sales (Eisenmann et al., 2006; Jonash et al., 2007; Tiwana, 2013). Those technological improvements that facilitates trade could bring benefits such as reduction of transaction costs and possibility of more information to participants, increasing access to a wide range of products, efficiency gains as well as result in welfare improvements for the entire economy (Eisenmann et al., 2006; Reinartz, Wiegand, & Imschloss, 2019).

However, because more consumers are choosing for the convenience of digital shopping and the mail-order delivery, many physical retailers are seeing foot traffic plunge. Multiple forces give rise to internet-based retailing's dynamic growth. On one hand, the consumer perspectives include more and better information availability about a product. This readily available information enables customers to make a well-informed decision. On the other hand, in instances where such information is not available, the customer will not be inclined towards using the mobile app (Eisenmann et al., 2006; Jonash et al., 2007; Tiwana, 2013). Other factors such as larger assortments, greater transparency across vendors and potentially lower prices because of lower fixed-cost operations also influence the consumer decisions to purchase online (Eisenmann et al., 2006; Reinartz et al., 2019). Certainly, new players such as manufacturers or online platforms increasingly enter the retailing arena and challenge that interface, thereby contributing to physical retailing's decline in importance (Eisenmann et al., 2006; Jonash et al., 2007; Tiwana, 2013).

Indeed, digital transformation facilitates and enables new ways of value creation because it allows for the fulfilment of long-standing consumer needs in unprecedented ways. The basic premise is customers will prefer to interact with the players that best provide the benefits sought in each buying situation (Eisenmann et al., 2006; Reinartz et al., 2019). Previous research in this area identify this following dimensions as sources of value creation, automation, individualization, ambient embeddedness, interaction, and transparency and control combine plenty of activities and processes which not only will influence on consumers decisions on purchase as well as will go further than that, for instance, user experience sharing or effects on product use value (Devaraj, Krajewski, & Wei, 2007; Jonash et al., 2007; Pigatto, Guilherme, Ferraz, Negreti, & Machado, 2017; Tiwana, 2013).

1.2 Food Delivery World Context

Mobile communication technologies triggered mobile commerce development across the world. The rapid adoption of smartphones and subsequent development of mobile applications

("app" or "apps") have been changing the ways in which customers interact with a brand. Suggesting that apps have deeply penetrate the daily lives of smartphone users. Today, everything can be practically purchased online, from daily grocery to flight or hotel bookings, ordering food or even buying a house(Eisenmann et al., 2006; Jonash et al., 2007; Tiwana, 2013). Consumers accustomed to shopping online through apps or websites, with maximum convenience and transparency, increasingly expect the same experience when it comes to ordering dinner (Eisenmann et al., 2006; Reinartz et al., 2019). The possibility of buying food online while remaining more time at home or at work, for example, has become an option for many people. Technology penetration, mainly smartphone and online penetration, has only been slightly relevant to the speed of adoption so far due to the geographic expansion of food players. We believe that the food category will grow in line with the smartphone category as new smartphone users adapt their behavior to take full advantage of the technology (Devaraj et al., 2007; Jonash et al., 2007; Pigatto et al., 2017; Tiwana, 2013). Thus, changes in the lifestyle, along with the use of smartphones in the daily routine, allowed the emergence of the online delivery model, which could be viewed as a business opportunity(Eisenmann et al., 2006; Jonash et al., 2007; Tiwana, 2013).

Consumer demand for online delivery is growing rapidly and their interest in food delivery is up year over year. Worldwide, the market for food delivery stands at €83 billion, or 1% of the total food market or 4% of food sold through restaurants and fast-food chains. It has an overall annual growth rate estimated at just 3.5% for the next five years. Furthermore, as in so many other sectors, the rise of digital technology is reshaping the market (Eisenmann et al., 2006; Reinartz et al., 2019). Meanwhile, more restaurants, including some large fast food chains, are now making delivery part of their strategies (Devaraj et al., 2007; Jonash et al., 2007; Pigatto et al., 2017; Tiwana, 2013). Many factors contributed for this growth such as the increased purchasing power of C and D classes associated with the need for fast food a result of the lack of time, extra convenience, improvement in telecommunication infrastructure and the low cost of smartphones, among other factors, allowed the rapid growth and exponential of this new business model (Hult et al., 2012).

According to Morgan Stanley´s report, in 2016, 43% of consumers who ordered food for delivery say it replaced a meal at a restaurant, up from 38%, suggesting incremental cannibalization of dine-in meals. Besides, share of orders placed online through a delivery service website or app increased to 18%, vs. 15% last year (Eisenmann et al., 2006; Jonash et al., 2007; Tiwana, 2013). Customers drawn to the new online food-delivery platforms have a

different set of needs and expectations from the traditional pizza customer (Eisenmann et al., 2006; Reinartz et al., 2019). In 2015, Mckinsey & Co held a consumer research in three continents in order to uncover the following important traits regarding platform´s user behavior: speed of delivery reveals to be the most important variable in consumer´s satisfaction; almost 82% of orders were placed from home against only 16% were place from the workplace; the highest-volume days for online platforms were Friday, Saturday and Sunday where 74% of orders were placed. Besides, this previous study reveals that once customers sign up for a platform , 80% never or rarely leave for another platform, creating a strong winner takes all dynamic.

By 2022, digital food delivery may comprise 11% of total market, vs. 6% today. Delivery has become a driving force in the restaurant industry and a key investor debate (Devaraj et al., 2007; Jonash et al., 2007; Pigatto et al., 2017; Tiwana, 2013). More than two-thirds of today's urban delivery start-up action is in one category: prepared-food delivery. A new set of competitors, which are on-demand urban delivery providers, has since entered the B2C delivery market. These start-ups, including Deliveroo and Foodora in Europe, as well as DoorDash and Postmates in the United States offer a different form of service: they integrate demand aggregation via their own mobile platforms with dedicated in-house operations to enable (almost) instant delivery. (Hult et al., 2012)

Noting that restaurants have started looking beyond dedicated delivery startups to potentially working with much bigger players in retail, and beyond, who could offer robust logistical infrastructure, greater operational scale and broader consumer reach, which creates value for food providers (Eisenmann et al., 2006; Jonash et al., 2007; Tiwana, 2013). Namely, the success of the urban delivery market depends on scale at a level that is only possible with heavy up-front investment. Winners in this space are already emerging, and their dominance is clear (Eisenmann et al., 2006; Reinartz et al., 2019) As a result of these investments, between 2014 and 2015, the two largest companies, iFood and HelloFood, which the last was sold to iFood in 2016, captained by international groups, acquired nine Brazilian companies that provided such services in different regions of Brazil (Devaraj et al., 2007; Jonash et al., 2007; Pigatto et al., 2017; Tiwana, 2013). On a national level, there are typically two or three competitors that dominate, mostly driven by their ability to build a large user base (Eisenmann, 2006). As with other forms of two-sided markets, retail platforms give rise to network effects because the platform's overall value to sellers and buyers increases with a growing user base on either side (Hult et al., 2012). Hence, large platforms tend to grow even more while small

competitors are pushed out of the market, resulting in winner-takes all outcomes (Eisenmann et al., 2006; Reinartz et al., 2019).

Furthermore, one of the main benefits to join a platform is because players in this category provide the logistics for the restaurant. This allows them to open a new segment of the restaurant market to home delivery: higher-end restaurants that traditionally did not deliver. The new-delivery players are compensated by the restaurant with a fixed margin of the order, as well as with a small flat fee from the customer (Devaraj et al., 2007; Jonash et al., 2007; Pigatto et al., 2017; Tiwana, 2013). Consequently, at the supplier side, with the arrival of digital platforms, commercial establishments have gained the option and opportunity to focus only on process operation steps, such as in their core business as well as it was possible to reduce tasks and investments in non-core activities (Eisenmann, 2006). Moreover, companies have started to use apps to increase brand awareness and enhance brand experience, resulting in higher sales. There are plenty of attributes for a mobile app or website, which influences a consumer's purchase intention (Hult et al., 2012). Meanwhile, for these companies, the increasing use of the service by a growing number of consumers has generated the highest number of accesses, a factor that serves as an indicator to attract new restaurants to its website and investors for business expansion to other regions (Eisenmann, 2006).

However, besides all possible gains when join a platform, one of the challenges faced by them is because of their nature to be generalist, lack on creating more individualized relationship with users. Retailers and brands may offer solutions, expertise, and tailored customer experiences for products and thus serve as gatekeepers with respect to many decisions once made on online retail platforms. As consequence, the attractiveness of general platforms may also suffer (Devaraj et al., 2007; Kumar & Pugazhendhi, 2012). In addition, brands fear losing access to their customers, transaction commissions tend to be significant, and some platforms choose to sell their own versions of certain products once they realize the revenue potential of those products, that might threat revenue of current users. Therefore, some brands will not consider selling on those platforms and other brands withdraw after their negative experience with the platform. Brands often search for ways to be independent of those platforms, especially large brands that do have enough clout on their own (Hult et al., 2012).

Indeed, platform businesses have revolutionized many retailing markets and forced traditional players to exit the market or consider far-reaching strategy adaptation (Eisenmann, 2006). The mobile platform has fundamentally revolutionized the way companies maintain

customer relations by creating the unique, novel, and personalized experience (Devaraj et al., 2007; Kumar & Pugazhendhi, 2012). Transformative business model innovations often become necessary, because competing head-to-head on product sales with fully grown retail platforms is almost always a lost cause. Consequently, platforms have come to dominate online retail sales. Digitization breaks up retail's monopolistic ownership of the customer interface and provides opportunities for new gatekeepers to emerge. It shifts traditional retail functions to different players, rendering the creation of competitive advantage based on these functions increasingly difficult. Moreover, digitization also gives rise to new sources of value creation, which address long-standing customer needs more effectively than previously possible (Hult et al., 2012).

1.3 Food Delivery - The Brazilian Context

Society has been changing in a fast pace. Nowadays, time is an important asset in everyone´s lives. The increase of convenience aligned with the shortage of available time gave space to develop a new market of food delivery platforms (Eisenmann, 2006). In Brazil, a survey conducted in 2017 by Sebrae with about 1,800 small business that operate in the away-from-home food segment found that half of the restaurants and eateries offer the service. In addition, 19% said that they want to bet on delivery services (if they don´t have one yet) and 28% plan to invest in online ordering over the next two years (ABRASEL - Associação Brasileira de Bares e Restaurantes, 2019).

Regarding the Brazilian´s consumption and preferences of this type of service, a study held by the QualiBest Institute shows that the food digital platforms has 93% of knowledge rate by the public. Despite of iFood isolated leadership, the number of competitors has been increasing and jeopardizing the " *winner takes all dynamics*". Uber Eats is cited by 32% of respondents, followed by apps from restaurants themselves with 28%, Pedidos Já appears with 20%, Rappi with 17%, Delivery Much with 14%, Glovo with 11% and Rapiddo with 7%. Moreover, according to the survey, 60% of users using food delivery applications belong to class A and B and 65% reside in the Southeast of Brazil. The average ticket per registered person was R$38.00 and the app usage intensifies on weekends and holidays (Instituto Qualibest, 2019).

Certainly, ordering food via apps is already common habit among consumers. In October of 2018, ifood accounted for 390,000 orders per day in Brazil. This number surpassed by 109% from the number of daily orders in October 2017. Other food delivery platforms such as Uber Eats agreed with this Brazilian growth although, they didn´t disclosure their numbers. The

demand for food delivery in Brazil is notable growing more than other places such as US, Europe and Asia (ABRASEL - Associação Brasileira de Bares e Restaurantes, 2019).

Indeed, platforms are changing the way consumers and food providers are interacting all over the world. There are recent investigations that have already addressed the value created by platforms for customers. However, few studies addressed the value creation to food providers and the main reasons they want to join food platforms. Thus, in order to understand how this value is perceived by food brands and food providers in Brazil, this study aims to answer the following research question:

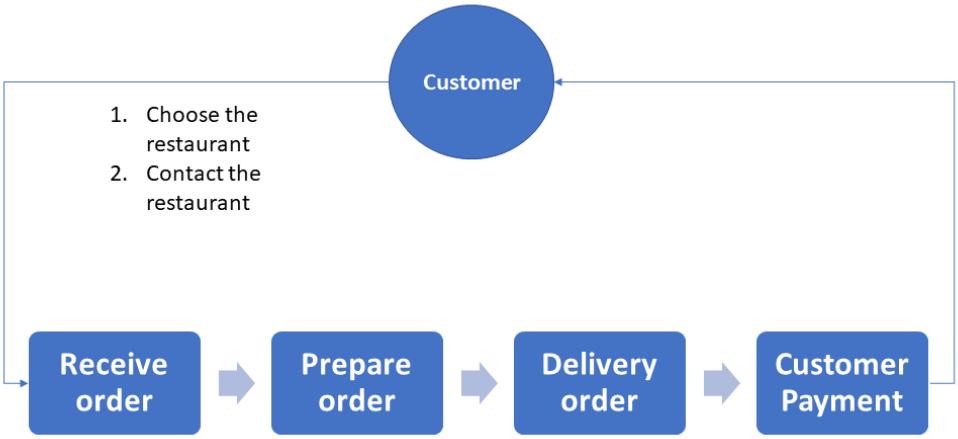
RQ: Why food providers want to join food delivery platforms?

1.4 The role of food delivery platforms for food retailers

It is well-know the service that food delivery platforms provide for customers: facilitate payment options and delivery, different kinds of menu options available, easy access in a friendly-user app and the security if you have any problem with your order that would be solved by the platform. On the other hand, what are the services that platforms provide for the restaurants?

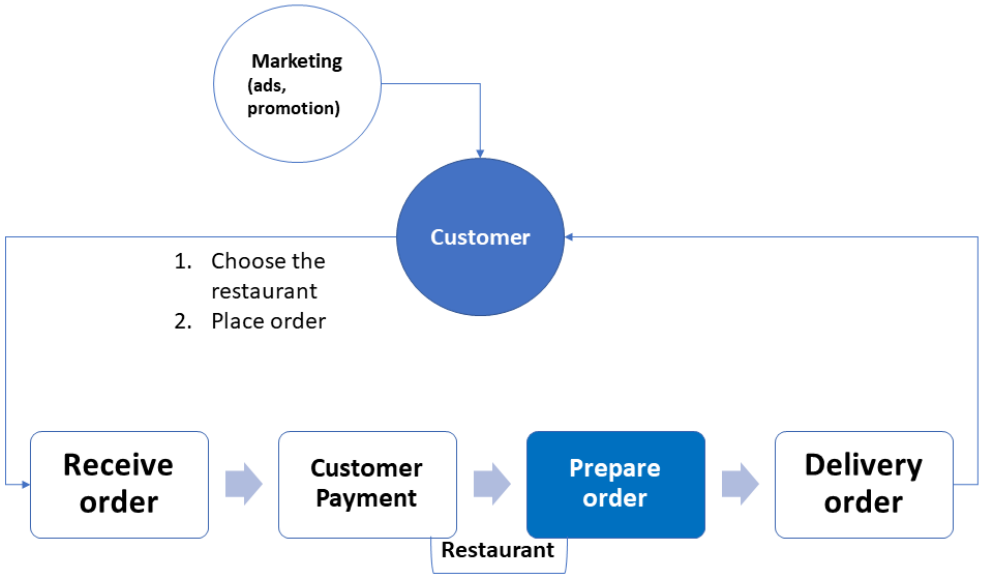
When platforms are integrated with the restaurant´s operations, it can perform many activities that usually is done by many workers. Platforms offer to food retailers automatization of operations' activities, deepening specialization in the sector and access to huge customer network which the platform deeply understands their preferences and needs. Basically, restaurants operate the following activities presented in the figure 1 below:

Figure 1 - Restaurant´s Operations



Source: Author

Figure 2- Platforms activities in the food retail



Source: Author

In the figure 2, some activities such as marketing, receive orders, payment and delivery could be performed by food delivery platforms if the restaurant decided to join. Despite of exploit the advantages of automatization of routine operations in the restaurant, food retailers join food delivery platforms because they expect and seek to other advantages that in this study will call as drivers for them to join.

First, one of the advantages of use food delivery platform, that this study believes that could be a possible drive to food retailers decide to join platform, is the information about the customer network. Food delivery platform have access to relevant information regarding customer such as demographic (social class, income , gender, age, etc) and their preferences (preferences of kind of food, how many times order per week/ month, each days usually to order more, from where they usually order food - work or home, etc). This relevant information plays a big role when the platform decides to promote a restaurant to target/reach new customers with this preference. The promotions are more efficient because they align customer needs to what the restaurant offers that could be a specific kind of food, quality or price, for instance. This study believes that food retailers want to join food delivery platforms in order to increase revenue to the business. There are two possible ways of doing it which are: by raising products´ prices or by increasing volume of sales. The second option is more viable for food business because this sector is very price sensitive. As consequence, in order to increase volume of sales,

this study believes that the access to this customer network, in order to reach new clients, could be a driver that make food retailers want to join food delivery platforms.

Second, as another possible driver to stimulate restaurants to join food delivery platforms is the possibility to exploit the food platform expertise in the automatized operations and the third possible driver might be the possibility to third-party the delivery operation through the platform. The *packetization* of services, which could be described as the possibility of use an automatized operation system to receive orders outsource the delivery, might be another driver that stimulate food retailers to join food delivery platforms. The drivers mentioned will be discussed and analyzed later in this paper.

This paper is organized by the following structure: chapter 2 covers the Literature Review regarding the value created by platforms in supply chains and describing the theories lens used in this research in order to analyze and answer the RQ. Chapter 3 covers the Methodology used in this research regarding the research design, data collection and how the interviews were designed. Chapter 4 addressed the analysis and its evaluation linking with the background theory explained in the chapter 2. Chapter 5 covers the conclusion and the summary of the results, limitations of this study and what could be addressed in Future Researches.

CHAPTER 2 – LITERATURE REVIEW

2.1 Value Creation in the supply chain

2.1.1 Traditional Business versus Platform Business

In traditional markets, the concept of pipeline is quite common. The pipeline is considered a linear supply chain as it follows a single path: the company produce and makes the product or service available in the market then, the customer buys. It is the system used by most companies to create and transfer value, with fixed places for producers and consumers. Incumbent business models in retail are challenged by new competition and evolving consumer expectations as retail has increasingly moved online. New business models take advantage of digitalization and changing consumer expectations, requiring managers to understand and react to the changing retail landscape.(Hult et al., 2012) While traditional store labels participate in that shift via multichannel strategies, a significant chunk of the trade goes to new players. According to the Rocket Internet's CEO, *" Stores only existed because the Internet hadn't been invented."* (Hult et al., 2012) The shift from the traditional system to platform models has had numerous implications on business processes and outcomes by changing not only the form

of interaction and consumption relationships, but the whole usual trading mindset. The platform model goes beyond the pipeline in many ways, for example when it eliminates intermediates in processes.

Advancements in technology and communication gave space to the emergence of platforms inside the business landscape. Platforms business models goes beyond firms' supply chain. It has changed the way firms interact in the ecosystems and spread value. In platform models, which work in a multilateral way, producers, consumers and even the tool establish a variable set of interactions and value exchanges. Platform business has been widely used to transform business process and activities and even to create entirely new business models and markets.(Hult et al., 2012) They are responsible to transform the nature of exchange in retail as platforms by linking consumers with independent supplier base, in other words, the marketplace. (Hult et al., 2012)

The migration of competition from products to platforms -in technology and nontechnology industries alike– requires a different mindset for managing them. Managing platform-based business requires an entirely different mindset for strategy.(Tiwana, 2013) As a result, platform business has changed the way companies conduct their business and the way competition has been establish among players. Additionally, platforms enable to dramatically expand business possibilities, eliminating gatekeepers. Consequently, companies could exploit the opportunity to reduce costs and makes processes more transparent and agile, allowing for greater negotiation. Another highlight, comparing to the traditional business, platforms offers more interaction among parties, feedback and improvement points can be continuously evaluated and upgraded, generating benefits for all involved. In addition, companies are massively using data, as a powerful asset, and increasingly investing in their platforms using features such as Artificial Intelligence and Internet of Things (IoT), for instance - which could provide more accurate results.

Furthermore, platforms change the logic for value creation in the supply chain. Value creation in platform ecosystems comes from the interaction between independent participants around the platform that together form an ecosystem. The difference between the traditionally platform ecosystem and the multisided digital platform is that the last one has a platform ecosystem that extends to include competitors that may form a secondary or complementary platform. (Hänninen et al., 2018) In sum, it means that instead of following a single path, value generation is created and can even be modified according to user demand. Where all users have active participation in processes, sometimes even performing different roles.

Despite all transformation in the business environment, the effects of the platform economy and platform-based business on the retail sector have received limited attention from academics so far. Recent research on retailing in the digital era has looked at topics such as consumer engagement and interactivity in online retail channels. Although, just a few studies addressed the need for further enhancing managerial understanding of the unique business models and strategies of multisided platforms, especially because they have significant repercussions on the retail industry value chains.(Hänninen et al., 2018) Besides, the evolvability of platform business in unforeseeable ways is a key to thriving in platform markets but is rarely the dominant emphasis on academic research (Tiwana, 2013)

2.1.2 The power of growth platforms in two side markets- how they create value for its users

Emerging technologies are science-based innovations that are capable to transform an existing industry or creating a new one. Emerging technologies include discontinuous technologies derived from radical innovations as well as more evolutionary technologies formed by the convergence of previously separate research streams. The term technology is used broadly in business and science to refer the process of transforming basic knowledge into useful application. The purposed of emerging technologies is to expand the knowledge base through the application in existing markets or in the creating of the new one.(Day & Schoemaker, 2000) Managing alliances and other partnerships is one of the central activities in successfully developing and commercializing emerging technologies. Then, the structures of these relationships determine the payoffs from the process.(Day & Schoemaker, 2000) One of the biggest mistakes that companies make is not paying adequate attention to the connections between them to the parent firm. Companies that do recognize this challenge can create formal coordinating mechanisms and structures to keep both parts of the organizations in the sync.(Day & Schoemaker, 2000) In this scenario, platforms took advantage of technologies advancements and could enhance their capability to provide to create an infrastructure and rules that facilitate transactions between two groups of users or companies.(Eisenmann, Parker, & Alstyne, 2006) The definition of Platforms could be better explained in the statement below:

"*Platforms are powerful launching pads for new ideas, products, services and businesses. They help define and organize strategically relevant innovation activities and initiatives, and they are essential frameworks for focusing an organization toward true sustainable growth."*(Jonash, Koehler, & Onassis, 2007)

Platforms are creating an entirely new blueprint for competition – one that puts ecosystems in head-to-head competition. They are transforming competition, in many industries and markets, from product and service to platform based. These transformations in the ecosystem are driven by 5 forces described below:

1. Deepening Specialization: Increased need for deep expertise due to growing of complexity of products and services. The consequence is simultaneously shrinking and expanding firm boundaries.
2. Packetization: Digitization of some processes. activities, product or service that was not previously digitized. The consequence is seeing as location-independent distribution ability of work and the company is capable of focus on their own core capabilities.
3. Software embedding: Baking a routine business activity into software. As consequence, products to service transformation and convergence of adjacent industries.
4. Ubiquitous networking: The growing omnipresence of cheap and fast wireless internet data networks. As consequence, loosely coupled networks rival efficiencies of firms, alters who can participate from where, alters where services can be delivered, scale without ownership.
5. Internet of Things (IoT): Ability to direct talk using an Internet protocol. As consequence, deluge of data streams from networked objects(Jonash et al., 2007; Tiwana, 2013).

Basically, platforms enable the company to connect the capabilities and assets of different organizational units and external partners.(Jonash et al., 2007; Tiwana, 2013) The potential power of platforms ecosystems comes from leveraging the unique expertise of many, which is impossible to replicate within a single organization.(Tiwana, 2013) Essentially, platforms throws the brainpower of thousands of small firms, mixes it with their hunger to succeed in the market and lets the market determines the winners and losers. (Tiwana, 2013) When some companies discovered the power of growth platforms, which is a strategic link or anchor in a stream of growth and innovation opportunities that connects differentiated internal capabilities (or capabilities that could be attained) with external market needs.(Jonash et al., 2007)

The most compelling platforms are found at the intersection of unmet customer needs and distinct capabilities available to the firm. Many authors described some steps to considered

before the company join a platform and better exploit its opportunities and it is where they create value for its users:

1. Develop a deep understanding of customer markets and identify new unmet market needs. In order to accomplish this, companies need to update their analytical toolkits, capabilities and processes for generating insights.
2. Identify existing or potential internal capabilities and competencies. This requires that sophisticated processes and tools are developed and deployed.
3. Finding opportunities at the intersection of market needs and capabilities and clustering innovation opportunities around strategic platform
4. To do this, leaders need to look across their organization – across business units, geographies, and their company boundaries – for the right talent to lead and support growth platforms. Then leaders need to visibly drive platform initiatives. Platforms can face some of the biggest challenges from within their own organization. It is the attention and support of senior leaders that will ensure their success.
5. Investing in the innovation pipeline and executing on the strategic growth platforms and their opportunities. (Jonash et al., 2007; Tiwana, 2013)

Furthermore, companies might have many benefits when join a platform. They help to focus on company's creative and analytical forces. They are an effective mechanism to both integrate innovation in business unit strategy and to anchor it in the structure of the organization.(Jonash et al., 2007) Although, it is well-known that growth platforms could also enable companies to be successful innovators and harvest the financial rewards over the long-run because companies could take advantage of factors such as networking effects and winner-takes all dynamics(Eisenmann et al., 2006; Jonash et al., 2007) . Networking effects has two sides. On one hand, networking effects could help business to increase returns on scale because users will pay more for access to a bigger network, so, margin improve as user base grows(Eisenmann et al., 2006). On the other hand, fueled by the promise of increasing returns, competition in two-sides network industries could be fierce.(Eisenmann et al., 2006)

Indeed, platform business incorporates both digital and physical businesses (Hidding, Williams, & Sviokla, 2011). Besides, platforms serve as a very tangible vehicle to drive cultural change in companies and even to redefine the perception of the company in the marketplace. (Jonash et al., 2007) The common denominator of all platforms is that they facilitate interactions between two distinct groups (or sides) that want to interact with and need each

other (Tiwana, 2013). One of the main gains to be part of a platform business, is that it collaborates to increase information sharing among supply chain partners by sharing information regarding demand forecasts and production schedules, for instance.(Devaraj et al., 2007)(Jonash et al., 2007) Moreover, they are an effective way to communicate the long-term strategic priorities and growth prospects to investors and employees. And when a company manages a portfolio of platforms effectively, the result is sustained growth and success in the marketplace (Day & Schoemaker, 2000).

2.1.3 The challenges facing by food retailers in the Sharing Information era

The business environment is a competitive arena where companies fight to survive. In order to stay alive, they have to keep consumers´ expectations high by attending their needs and offering products with speedy delivery.(Hult et al., 2012; Kumar & Pugazhendhi, 2012; Lotfi, Mukhtar, Sahran, & Zadeh, 2010; Marinagi, Trivellas, & Reklitis, 2015; Wu, Chuang, & Hsu, 2014). On one side, consumers are more demanding and expecting customized products and services with high quality in less time. On the other side, companies are trying to improve their operations to attend consumers' needs in order to stay competitive in the market. Consequently, to achieve their quality standards, they acknowledge the importance of integrate and coordinate supply chain activities through information sharing. Therefore, information sharing serves as an essential approach for enabler of supply chain integration and achieve performance goals.(Lotfi et al., 2010) According to Frohlich et al (2001) , there are many previous studies that suggests that the high level of integration with suppliers and customers could lead to better performance results.

Many studies have already addressed the materials flow between suppliers and customers. According to Hult (2012), supply chain is traditionally viewed as a material or production system, even though is equally valuable to see as an information processing and interpretation system as well. However, it is very recent that studies start to present the importance of sharing information among members of the supply chain and its high correlation with firms increasing their performance.(Lotfi et al., 2010) In this scenario, companies start to understand and acknowledge the importance of information sharing in supply chains, which it is noticeable that has become more efficient by the global introduction of long-term cooperation and coordination. As a result of, it leads ultimately to the improvement of companies' competitive advantages.(Lotfi et al., 2010; Marinagi et al., 2015; Wu et al., 2014)

Technological advancements in information and communication provided tools to make this integration attainable for companies.(Liu, Wei, Ke, Wei, & Hua, 2016; Lotfi et al., 2010; Marinagi et al., 2015; Wu et al., 2014; Yu, Ting, & Chen, 2010) A lot of tools emerged on the

market to facilitate the information sharing. One classical example is the ERP (enterprise resource planning), which integrates information regarding demand, finance, warehouse with all members of the organization. There are many types of internally and externally information that could be shared by the company. So, it could be classified as: strategic or tactical; logistical or pertaining to consumers. Each type of shared information could provide a potential benefit for the company.(Kumar & Pugazhendhi, 2012) Although, share information it is not a simple task for companies.

First, previous studies acknowledge that not all firms could benefit from information sharing. Some parties could obtain different benefits of sharing information which, sometimes, could be a factor that influence supply chain partners to not share their own information.(Kumar & Pugazhendhi, 2012) Because of unbalanced gains, companies who gain the most benefits give trading partners incentives in order to balance the benefits between them. There are still few studies that evaluate the effectiveness of this mechanism and no evidence that make companies start to collaborate. (Kumar & Pugazhendhi, 2012) Furthermore, company's culture plays a big role regarding information sharing. Many authors mentioned that the willingness to share information comes from company's culture values and this sharing behavior must be embedded inside the organization. (Fawcett, Osterhaus, Magnan, Brau, & McCarter, 2007) Even though, the statement " *The information is power*" is still true in the business arena. This idea plays against information sharing and collaboration. Thus, managers could feel demotivated to share important information among their supply chain partners specially if they feel that could become a potential threat. Therefore, trust and collaboration are only built when companies are willing to share vital information in order to perform better.

Second, to unlock this capability, it requires high upfront investments in technological tools and systems.(Hult et al., 2012; Kumar & Pugazhendhi, 2012; Marinagi et al., 2015) These tools are customized designed to share all information across the company's areas attending their specific needs. The main goal of those systems is to provide the right information delivered to the right people at the right time in order to support managers during the decision-making process. (Hult et al., 2012) One implication is as much customized is the tool, as more expensive to buy and complex to implement. So, because of this issue, IT companies decided to develop standard versions of information systems that could be used in a wide variety of companies. On one hand, those standard tools might lack on efficiency to provide the right information or the right people. (Devaraj, Krajewski, & Wei, 2007) On the other hand, some companies overspend

to acquire the most advanced, and usually the most expensive, technology at the market when modest ones can better meet existing needs (Fawcett et al., 2007).

Third, regarding the implementation of an information technology system, it might lead to another problem. If the information technology tool were not designed to fulfill the specific needs to the organization's strategy, the information delivered could be inadequate, insufficient or even irrelevant for managers which could overwhelm them with a heavy flow of useless information.(Fawcett et al., 2007) According to Hult (2012), "*The flow of information has a curvilinear link with the outcomes, being described as where an inflection point can be reach at which dealing with more information is overwhelming".* On one hand, inadequate or insufficient information sharing limits an organization´s expertise to leverage. For instance, this information, if well managed, could respond quickly to customer changes creating an advantage for inter-related companies. On the other hand, the excess of information sharing could overwhelm managers who could implicates in a bad decision making. Consequently, the lack of information sharing as well as the overwhelming information sharing results in inefficiency of coordinating actions within units in the company or organization (Lotfi et al., 2010).

Indeed, information technology has vast potential to facilitate collaborative planning among supply chain partners by sharing information on demand forecasts, providing real-time information regarding product availability, inventory levels, shipment status and product requirements. The outcomes of those inputs could impact important decisions such as market positioning, the perception of shifts in the consumer behavior, adjusting production and inventory levels, which could enhance companies' strategy, performance and the creation of value for customers (Fawcett et al., 2007). Despite of some firms have successfully integrated technologies into their business models, others still struggle with this implementation which implies that if the company cannot have the capabilities to exploit the opportunities create in this implementation, they will be unable to improve their performance and leverage (Devaraj et al., 2007; Fawcett et al., 2007).

However, information sharing alone is not capable to improve company's performance. Managers use information sharing as a resource to help them to interpret the business environment in order to obtain knowledge. This knowledge acquired will serve to drive decisions and develop strategies for the business. The basis of better management is in the challenge to translate information into knowledge, which make information-processing activities very tied to firm's performance. So, it is important to clarify the difference between information sharing and information processing. (Hult et al., 2012) According to the book *"The*

theory of the growth of the firm" discussed deeper later in this paper, a firm´s rate of growth is limited by the growth of knowledge within it. So, the firm expands through exploiting it unused managerial services, the so-called managerial limits to expansion. In order to expand, it is fundamental to increase experience of managers that could be developed in two ways – changes in knowledge acquired and changes in ability to use knowledge. (Penrose, 1959)

Nevertheless, under uncertainty, managers could find difficulties to acquire and use knowledge to make decisions. Uncertainty is an obstacle to implement information sharing, transparency, and ultimately collaboration among firms. It could be understood as the root cause of information processing needs. The information processing theory (IPT) is concerned with the link between environmental uncertainty and a firm´s information processing needs, as well as with the question how firms can cope with these needs(Busse, Meinlschmidt, & Foerstl, 2017). Thus, the difference between the amount of information required to perform the task and the amount of information already possessed by the organization it is the focus of this theory. (Teece, Gary, & Shuen, 1997)

2.2 Information Processing Theory

Information Processing Theory (IPT) was evolved in the 1970s with an intraorganizational focus, in response to organizational design problems of large firms. IPT encompasses the gathering, interpreting, and synthesizing of information.(Hult et al., 2012) IPT posits that firms must achieve fit between information processing needs and their own information processing capacity to foster performance. On the other hand, this misalignment impairs performance. In striving for fit, the organization must adopt a strategy to either reduce the information necessary to coordinate activities or to increase its capacity to process more information or apply a combination of both strategies. (Busse et al., 2017)

As a contingency-type theory, IPT assumes that the external business environment is rather inert, whereas the internal firm process is relatively more adaptable. IPT refers to information processing mechanisms aimed at the creation of additional information processing capacity, such as investments in suitable information systems, as well as at firm-internal coordination mechanism supposed to mitigate the effects of uncertainty on information processing needs. Instead of modifying its own structure and processes, the organization can attempt to modify its environment. It is important to investigate whether firms adapt their business environments to their sustainability related need in order to facilitate the further evolution of information

processing theory, but also to foster the impact on their supply chain management (SCM). (Busse et al., 2017)

The goal of SCM is that optimizing value-creating activities across organizations may generate more value than the individual firms could create on their own. Transparency and information sharing between the supply chain partners foster such collaboration.(Busse et al., 2017) Consequently, it is important for companies articulating the confluence between materials/products and information within the SCM context. Furthermore, it is not just an opportunity to assess just knowledge but also to exploit a valuable opportunity to use knowledge created.(Hult et al., 2012) Knowledge acquisition activities enhance each supply chain node´s knowledge flows. Since productive knowledge is embodied, it cannot be accomplished by information sharing. Companies acquire knowledge through their own cycle learning of trying to improve their core competences and develop their own capabilities. Consequently, according to Hult (2012), "*the more knowledge acquisition activities are emphasized, the greater knowledge flows grow, and the more outcomes can improve*." Thus, as much information sharing translated into knowledge a company could create more valuable opportunities for its business.

Indeed, previous studies have frequently applied IPT as a theoretical lens to explain various phenomena such as the value of internal and external supply chain integration.(Busse et al., 2017). IPT will be an interesting approach to understand the value created by platforms to members of supply chain in a food industry by using the interconnection of information flow in order to access and create internal knowledge. IPT is an interesting lens that could be complemented with other theory that provides an understand of how those platforms could enhance supplier´s internal capabilities generating a competitive advantage for them. In the next section of this present paper, Resource-Based View theory (RBV) explains how companies could exploit internal resources in order to gain a competitive advantage in the market.

2.3 Resource Based View Theory (RBV)

One fundamental question regarding strategy is how organizations achieve and sustain competitive advantage. Many theories emerged trying to explain it through hypothesis and frameworks considering aspects such as competition, price and performance rivalry, innovation and existing competences. Authors such as Michael Porter and Edith Penrose develop interesting approaches regarding companies' competences and how they influence the creation and the sustenance of the competitive advantage. Despite those approaches are quite different

in terms of their perspectives, it is important to provide information regarding both to prove why one was chosen for this proposed research instead of the other.

The Theory of the Growth of the company published in 1959 from Edith Penrose is the book which originated the resource-based view of the firm theory. Many proponents of this theory were researches such as Jay Barney with his published work " *Firm resources and Sustained competitive advantage"* and Birger Wernerfeld with his work "*The resource-based view of the firm".* Moreover, this theory was the basis of other theories that come from posteriorly such as the Resource orchestration-based theory and dynamic capabilities theory (Teece et al., 1997)

The resource-based view theory (RBV) is based on the notion that firm´s performance is founded on this unique tangible and intangible resources – assets, processes, skills, information, knowledge, etc - that are hard to imitate, such as resource heterogeneity and immobility. When these resources are combined, they create *Business Capabilities* some of which, either individually, or in combination, create a set of *Core Competencies*, that provide a sustainable competitive advantage to the firm.(Penrose, 1959)

Every organization has a set of core competences and weaknesses that distinguish one organization from the other. Therefore, what firms could do is not only exploit the opportunities that it appears, but also to maximize their gains depends on the abilities they can muster.(Teece et al., 1997) For instance, previous studies have shown that the ability of a firm to develop and exploit new technologies and organizational processes, including e-business capabilities, will lead to sustainable competitive advantages.(Devaraj et al., 2007) Although, according to RBV, firms are being profitable not because they engage in strategic investments, such as e-business tools, that may raise prices above the long-run costs, but because they have the ability to have lower costs align with the offering of high quality products or services. The influence of the RBV has also been increasing in prominence in the operations management area. Some have argued that the operations area is at the heart of developing organizational capabilities that create competitive advantage.(Mcivor, 2009) The development of capabilities is strongly influenced by competitive priorities, such as cost, quality, flexibility and delivery, which are the organization's operational strategy.(Mcivor, 2009)

Moreover, in order to create competitive advantage, companies must anticipate shifts in the industry. Some valuable resources in a previous industry setting may be a weakness or even useless in a new industry setting. Companies cannot expect gain sustainable advantage when

resources are evenly distributed among firms and highly mobile. (Barney, 1991) In order to hold a competitive advantage companies should have resources that are valuable, in the sense that it exploit opportunities or neutralize threats, resources should be rare among firms of the same industry and competitors, resources should be imperfectly imitable and cannot have any strategically equivalent for this. (Barney, 1991)

Indeed, resources and capabilities are valuable assets because they could allow the organization to exploit opportunities and counter threats in the business environment. (Teece et al., 1997) This approach focuses on firms-specific resources rather than the economic profits from product market positioning. As expected, company´s success or its future development lies in the ability to find and create a competence that is truly distinctive in the market. (Penrose, 1959)

Many researches already addressed the theme of how to develop a strategy to build a competitive advantage. Some of them have different approaches such as Porter´s five forces and RBV. The difference between Penrose and Porter´s views are while the first focuses on solely within the firm , the second lies on the context that the firm is inserted. The theory developed by Porter determines how capabilities and endowments companies develop their competitive advantage lies as much in the environment as in an individual firm. His proposed theory claims that the environment shapes how activities are configured, how resources are assembled uniquely and what partnerships could be successfully made.(M. Porter, 1991) A comparison of the resource-based approach and the competitive forces approach in terms of their implications for the strategy process is revealing. One major difference among both approaches is that according to Porter´s perspective, the process of identifying and developing the requisite assets is not particularly problematic while according to the resource-based perspective, firms are heterogeneous with respect of their resources, capabilities and endowments. Further resources endowments are sticky, at least in the short-run, firms are to some degree stuck with what they have and may have to live with what they lack. However, Porter believes that if a capability is not already possessed by the firm, it could be easily be acquired. (Teece et al., 1997)

For the following study, RBV would provide the lens to analyze the problem that will be discussed carefully in the next chapter. RBV could be an interesting perspective to understand the reasons why food providers want to enter, stay or leave food platforms. Because RBV has a focus on firms developing certain abilities internally in order to sustain or build their

competitive advantage, it could assistance to understand important implications regarding which activities companies should internalize, and which ones should be outsourced by the platforms, for instance.(Mcivor,2009) Furthermore, by analyzing companies' internal capabilities we aim to understand: If food providers could be able to adapt and create a competitive advantage to sustain their business in this new environment when they engage in a food platform.

2.4 RBV and IPT as the basis for research

Platforms interconnect players and it is a powerful tool to exchange information among parties, access knowledge and enhance companies' ability to process information in order to create their own knowledge. The potential to explore their own internal capabilities in order to create a competitive advantage, it is well-known explain by RBV theory (Barney, 1991; Penrose, 1959; Teece et al., 1997) The influence of the RBV has also been increasing in prominence in the operations management area. Some have argued that the operations area is at the heart of developing organizational capabilities that create competitive advantage.(Mcivor, 2009) The development of capabilities is strongly influenced by competitive priorities, such as cost, quality, flexibility and delivery, which are the organization's operational strategy.(Mcivor, 2009) While, the ability to collect and processing information in order to create knowledge or a competence it is well-known explained by IPT (Busse et al., 2017; Hult et al., 2012). Both presented theories go along and could help explain the phenomenon we aim to study. Previous studies believe that the application of RBV to IPT contexts has the potential to identify key drivers of superior business performance. (Wade & Hulland, 2004)

The use of RBV required the introduction of new considerations that should be consider during researches. First, resources definitions must be narrowed in order to help fine-tune the understanding of specific resources and their effect in competitive position and performance given setting. This caution is because resources´ definition could be misunderstood or have a dual interpretation by the interviewee which could lead to difficulties to interpret and generalize results to new contexts or potentially relevant resources can quickly put away for practical research use. Second, when mixed both theories, IPT and RBV, and because of the nature of RBV, that is related to sustain the competitive advantage, needs to put an information in a time perspective or using a baseline as a comparison parameter. For instance, in the question "what were the gains to join a food delivery platform? ", the interviewee could respond a gain of %

of market share, sales, and so on. Indeed, both of theories are complementary for this study and provide important insights for this proposed research.

This research aims to answer the following question: "*Why food providers want to join food delivery platforms?"* We could previously infer that are some drivers that influence food retailers to join food delivery platforms. The table below previously identify some of the drivers we want to analyze in this study, because we believe that might justify why food retailers adhere to food delivery platforms:

Table 1- Drivers to join food delivery platforms

Theory	Construct	Possible Drivers of the research supported by the Literature
Information Processing Theory	Information capacity	Grow customer base and access information
Resource Based View	Valuable	Outsource Operations - Delivery
Resource Based View	Valuable	Reduce operational Costs
Resource Based View	Valuable	Operation Automatization
Resource Based View	Valuable	Increase Revenue
Information Processing Theory	Information capacity	Learning with the platform´s expertise in operations

Based in the table above, this study interviews food retailers and develop the future analysis of those drivers.

CHAPTER 3 – METHODOLOGY

3.1 Research Design

This study is an exploratory and qualitative research. It aims to understand the impact of the food delivery platforms used by food providers. In order to conduct a more thorough investigation of how online food platforms could benefit food providers by enhancing their internal capabilities, it is essential to gather data from restaurant operators themselves to learn about their goals and understand how they perceive the impact of join a food delivery platform. A better way to conduct such research is through the exploratory method of investigation. Because of the characteristics of this research, the qualitative method that is best applied when research addresses descriptive or explanatory questions and aims to produce a first-hand understanding of people and events (Yin, 2014).

3.2 Data Collection

In order to gather information to progress with this proposed study, interviews were held with 15 owner and managers of small and medium size restaurants located in the second biggest economic city in Brazil. Rio de Janeiro was chosen as a location to develop this research because Rio is the second economic biggest city in Brazil and is a worldwide megalopolis with almost 15 million urban citizens (IBGE, 2019). Besides, Rio de Janeiro is one of the 50th cities with the highest PIB in the world. Moreover, Rio is worldwide famous touristic city which receives millions of Brazilian citizens and foreign tourists every year, potentialize during some seasons, such as summer, as well as important events, such as Carnival and music festivals. Both urban citizens and tourists are potential users of delivery food apps which, according to a study develop by the platform leader, generates more than 2 million orders per month just on this platform.

Indeed, because of the characteristic of the city, Rio de Janeiro is an interesting location to do this research because it is easier to compare to others megalopolis around the world and could serve as basis for future researches. Furthermore, the impact food delivery platforms are generating in people´s lives and changing their consumer preferences needs a further investigation on the impacts generated at the supplier side.

In order to develop the research and gather data, the interviews were structure using a questionnaire with open questions based on the proposed theoretical lens used in this study. The questionnaire was used as a framework to explore the adoption and implementation decisions during the interviews with restaurant´s owners and managers. The questions were designed to assess views on important aspects related to the impact of the decision to join a food delivery platform and specially the following areas: operational and strategic

The proposed interview guide is in the Annex I in this paper.

3.3 Restaurant´s Profile Scan

At the beginning of the research, our first idea was to interview only restaurants who use food delivery platform in their operations. The research question was based to understand the reasons to why they adhere to food delivery platforms, continue using it or leave the platform. Basically, we were interested to understand the relevant factors that influence them to join, stay or leave platforms and the impact of the adherence to their business.

However, after the first interviews, we noticed that was important to also interview restaurants that do not use food delivery platforms in order to avoid biases and fulfill possible

gaps in the research. Moreover, could be interesting to compare answers based on both perspectives for a better understanding of the problem. In order to interview restaurants that do not use food delivery platforms, we adapt the questionnaire´s questions for those who do not use food delivery platforms in their operations to understand their perspective regarding the business and this choice. Indeed, after data gathering and consolidation, it was possible to make better analysis because we have data of both perspectives which also become this research more relevant. In order to summarize and expose some differences among the chosen restaurants that participated of the research, the table below display the main information about their profile. This profile summary will be helpful to understand the sample chosen for the research.

Table 2 - Restaurants´ Scan Profile

Interviews	Business Age	Product	How long the business use food delivery platforms	Interviewee/ Gender
Restaurant 1	Less than 1 year	Fast food - Burguer	Less than 1 year	Owner/Male
Restaurant 2	Less than 1 year	Fast Food - Snack	Less than 1 year	Owner/Male
Restaurant 3	Between 1 to 3 years	Fast Food - Burguer	Between 2 to 3 years	Owner/Male
Restaurant 4	Between 1 to 3 years	Pizza	Between 2 to 3 years	Owner/Male
Restaurant 5	Between 3 to 5 years	Fast food - Açaí	Between 3 to 5 years	Owner/Male
Restaurant 6	Between 3 to 5 years	Fast food - Burguer	Between 3 to 5 years	Owner/Male
Restaurant 7	Between 5 to 10 years old	Healthy Food/ Salad	Between 3 to 5 years	Owner/Male
Restaurant 8	Between 5 to 10 years old	Japanese Food	Between 3 to 5 years	Owner/Male
Restaurant 9	Between 3 to 5 years	Deserts	Between 3 to 5 years	Owner/Male
Restaurant 10	> 10 years	Healthy food	N/A	Owner/ Female
Restaurant 11	Between 3 to 5 years	Deserts	N/A	Owner/ Female
Restaurant 12	Between 3 to 5 years	Fast Food - Snacks	N/A	Owner/ Female
Restaurant 13	Between 5 to 10 years old	Pizza	N/A	Owner/Male
Restaurant 14	> 10 years	Self - Service (Lunch and Dinner)	N/A	Manager/Male
Restaurant 15	Between 5 to 10 years old	Vegan/Vegetarian	N/A	Manager/Male

The table above presents the restaurants´ profile chosen to be part of the sample analysis of the research. There is information regarding the business age, the culinary expertise, their adherence of food delivery platforms and who was interviewed for this research.

In order to analyze the data collected during the interviews, the following methodology was used to promote a better analysis. The restaurants were organized in four categories, according to the age of the business and the type of business plan adopted. After the restaurants

classification we analyzed each one of the categories by some aspects such as variability of products, customization, price and costs involved in the operation. At the end, this study consolidates the responses, compare and evaluate them among the restaurant´s category and correlate with the previous literature.

CHAPTER 4 – DATA ANALYSIS

4.1 Context

When food delivery platforms emerged in the food ecosystem, they were responsible for many changes in how things are usually done. Those platforms arrived with a proposed solution to connect customers, that are looking for convenience to order meals, to the right food retailers. The platform mediates this triangle interaction providing access to diverse kinds of restaurant options for customers align with the convenience to order by app while for food retailers platforms provide access to a huge customer network and third-party logistics in the restaurant´s operations.

The benefits that platforms provide for customers were previously studied and could be enumerated as following: convenience in the way to order and pay for a meal, ease access, variety of restaurant options and so on. However, the benefits platforms could provide for food retailers are still blur and the drivers that make them join or not a food delivery platform aren´t clear. In order to clarify and understand the role of platforms in the food retail business, in the following chapters this study will describe the role of platforms for them, their expectations when they decide to join food delivery platforms and the impact in the business. On the other hand, this study also interviewed food retailers that also decided to not join food delivery platforms in order to have a better understanding of the problem.

Restaurants that do not use food delivery platforms, or even before it emerged in the ecosystem, are basically responsible for the following activities described in the figure 1 in this paper. They are responsible of provide marketing actions in order to target their potential customers and convert them as meal orders through ads or promotions. After received a customer order, they process the information about the client and the order, received through telephone or website, and start the order preparation (prepare meal). After the food is prepared, they start to pack the order to be delivered and separate them according to their localization and queue. Some restaurants have their own staff to delivery orders while others outsource this

activity. When the customer receives their order at your home or work location, they make the payment for the restaurant, nowadays by credit/debit card or cash. This is another activity that the restaurant usually outsources in order to have more options available to the customer and, because of it, do not lose any possible order because of restrictions of method of payment.

4.2 Factors that influence in the adherence of food delivery platforms

During the interviews, different kinds of restaurants participated in the research. One interesting difference among the sample we studied was how long were they in the food business. The range varies between 2 years and 20 years old.

Undoubtedly, the age of the business is one of many factors that influence on the use or not of the food delivery platforms. Some of restaurants of the sample have more than 20 years old and, of course, back then food delivery apps did not exist. In order to build their operations, the restaurant must design it considering the basic structure: rent a place, design their own production operations (receive orders, prepare, delivery food, payment, and so on), hire staff, promote the restaurant, everything by their own. Additionally, if they decide to receive orders by phone or website, they must also implement the delivery operation and hire staff to delivery orders to customers. All activities previously described requires expertise in many areas of the business (marketing, delivery, operations and so on…) and, consequently, those activities have been developed and improved by those mature restaurants all over the years.

After the implementation of food delivery apps in this sector, we could observe changes in the business model and movements towards the digital business model. First case, some restaurants that already exists decided to adapt their operations in order to add the use of food delivery platforms. Second case is when restaurants that already existed in the market, as local neighborhood store, for instance, decide to close the local store and only operates through food delivery platforms. Third possible case is when restaurants emerged in the market because of the possibility to join food delivery platforms in order to enter in the food business. The fourth case is when restaurant decides to maintain the original business model and not join any food platform.

In our sample, we were able to observe that mostly of younger restaurants are adepts of second or third case while mature age restaurants tends to adhere to the first or fourth options. During the interviews, owners of younger restaurants that have local store tends to adhere to food delivery platforms expecting gains with incremental revenue and access to a customer

network. The most common quote used by them during the interviews was: *"We opened the business mostly because of the possibility to the use of food delivery platforms. Among other reasons, the possibility to promote the business to a huge customer network and to generate additional revenue for our restaurant".* Additionally, another benefit provided by platforms was the possibility to the owners test the product or the business model before they decide to open a local store. Another owner mentioned that because of the platform he was able to test his product before they make an investment to open a local store, *"We were able to test our product and see how the sales goes during some sort of the time. Besides we had the chance to organize our operation, evaluate costs, competitors and better perform before we opened the local store. This trial was essential for us to decide to open a local store".*

Furthermore, we analyzed some examples of restaurant´s owners that decided to close their local store and only operate through food platform. During the interview, he explained that because of the high fixed costs he used to have with a local store and the growth in the number of orders through the delivery platform, he decided to have a lean operation by only using the platform in his business. *" When we decided to use food delivery platform in the restaurant, we join it mostly because our competitors were using it, after some time our revenue through the platform were more than 70% of our total revenue. That was the reason we decided to close the operation at the store and stay only with the food platform. The advantages: we could reduce our operational costs and have more flexibility to open the restaurant only in the hours that we think is more relevant for us."*

Since food delivery arrived in the ecosystem it makes possible for entrepreneurs or restaurant´s owners of the food industry have access to a huge customer network which could leverage sales and rise the scalability of the business. In some cases, it is possible to start in this industry with lower investments than if needs to open a store. Moreover, platforms have an expertise in the business in some areas, such as marketing or delivery, that younger or unexperienced entrepreneurs still not have and could help at the beginning of the business. Those are few reasons that make owners change or adapt their business model for one that includes the platform business model.

However, even with all advantages to join a platform described above why some restaurants decided to not use them in their operations? What are the gains they see in their business not joining a food platform? At first sight, the restaurants that decided to not use food delivery platforms seems to be resistant to adhere to new technologies such as food delivery

platforms and to the changes in the business environment. What the advantages of not join a platform have they seen that younger and enthusiastic entrepreneurs are not seen? These questions were raised during the interviews and demonstrated that was not enough to understand the problem and try to answer the research question looking only through the perspective of the restaurants that are adepts of food delivery platforms.

The typical profile of the ones that do not use food delivery platforms could be described as following: most of the traditional restaurants interviewed for this research have more than 10 years old and a loyal customer base. Moreover, because of the time and experience they have in the business and the inexistence of platforms when they start, they had to understand and operate in each area of the business and of course they gained experience on those. Besides, all interviewed have their own delivery operation established or already outsourced this activity for lower costs than if they use through the platforms. Even though, their biggest concern to enter in the platforms is the relationship with the customer: *"We are in this business almost for 20 years, our growth is organic, basically we grow our customer base through mouth-to-mouth, our customers are very loyal to the restaurant and keep them close to us make us understand the business and see what we could do better for them."* – said the owner of one of the interviewed restaurants. Another testimony was *"For us, join a platform doesn´t make sense for our business. We work with customized products for our clients we need to be in touch with them to really understand their need. Unfortunately, platforms doesn´t support that kind of interaction with your customer and according with some other entrepreneurs that use it, you do not have too much information (age, gender, preferences, address, so on…) regarding your customer*."

Indeed, there is more complexity in the decision to adhere or not to food delivery platforms. Many factors could impact in the owner´s decision to join or not food delivery platforms. This study aims to go through over some of these factors that was mentioned during the interviews in order to found out the impacts of this in the business.

4.2.2. Resource Based View

As previously mentioned in this paper, Resource based view theory aims to understand the internal distinguish competences of an organization that make them sustain their competitive advantage. So, during the interviews, we collect information regarding food retailer´s internal competences that make them stand out in this fierce market. The most frequent answers were related to the following characteristics: Price – *"Our product aligns quality and price and it*

has the best cost- benefit that our target consumers could get." Quality of the product – *" As the restaurant's proposition, we value use the best products in our dishes, in order to achieve the tastiest healthy food that it is something that our customers are looking for."* Variety of the menu – *" In our restaurant, we have more than 1000 receipts. Every day we serve a different type of dish available for our customers. It is always a surprise for them."*. Another restaurant mentioned about variety and customization– *" Our client finds in our restaurant the possibility to create the dish (salad) the way they want. This is the difference in our restaurant; our customer could order from different channels and have a customized meal exactly the way they want."*.

One of the challenges of join food delivery platforms is to consider those internal capabilities, as an important tool to keep the competitiveness in this market. The challenges when they adhere to food delivery platforms are to adapt and enhance those abilities through the platform, especially because they increase the number of sales and reach new clients. Many food retailers face difficulties to adapt their special and distinguish abilities using food delivery platforms and that is one of the drivers that they decide to not to adhere to it. In the following, this study is going to expose the impacts and the challenges faced by food retailers to keep their internal competences when they decided to use or not food delivery platforms. It will be analyzed the internal competences mentioned by them during in the interviews and described previously: price, quality of the product, variability and customization.

The impact of Operations 'costs in the products 'price and quality

Some restaurants need to adapt their internal process and operations in order to adhere to food delivery platforms. When restaurants, that already operate in other platforms or in a store, decide to join food delivery platforms, they must adapt their operations to support the implementation of one more channel and deal with the increase of the volume of sales. Food delivery platforms brings facilitation in the implementation because of the characteristic called *packetization*, mentioned in the literature, when activities are easily conducted in a friendly user application. During the interviews, some owners explained how they integrate the restaurant operations in the food delivery platform. To exemplified, in the study we identified three different cases described in the following.

In the first case scenario, before the opening, the restaurant already planned to use food delivery platforms together with the store: "*Before the restaurant´s opening, we´ve already have in mind we will join food delivery platforms, then when we built our operations, we already*

considered its volume of orders and how we will manage both operations (store and delivery*) together.".* The advantage to be in this situation is because the owner could decide how they are going to slip costs considering both operations, in store and delivery. Moreover, they previously planned the size of the operations (kitchen, staff, so on) to attend both channels.

In the second case scenario, it could be described when the restaurant just operates through food delivery platforms: *"Food delivery platforms facilitates to open a new business because of the easiest way to conduct activities: ´packetization which enable owners/ managers to integrate their business to a friendly user application facilitating daily operations, such as delivery, marketing and so on. For us, food delivery platforms were responsible to create opportunities for new businesses because platforms made it possible to open a business with lower capital than before."* One deepest analysis of this testimonial, might explained some reasons behind this drive: owners who just want to operate through platforms decide to join because they could exploit the expertise of operations, which the platforms offer, while they could just focus in the core business, prepare the food.

On one hand, this could be one of the drivers that make owners join food delivery platforms. On the other hand, this rule cannot be generalized to all cases as an example described as following in the third case scenario. When the restaurant has already set up their operation in a store and do not use or previously planned to use food delivery platforms, it is more complicated than the other cases to set up their operation to join platforms. Unless, they already have infrastructure to support an additional volume of sales coming from the platform this implementation will not be difficult as if they need to implement other changes. However, if it is not the case, when those restaurants decide to join food delivery platforms, most of them have a lot of work to do in order to provide the infrastructure required to support an additional channel of sales. Most of the interviewed restaurants that belong to this profile mentioned "*When we decided to join food delivery platforms, we had to expand our kitchen´s operation to receive more orders and had to change some of our operations in order to separate orders coming from delivery and the store. Adhere to the platforms was initially costly then the strategy we adopted was to use different menus with different prices for customer from the delivery and the ones from the store. We had to transfer some of the platform costs to them in order to pay off some of the extra expenses we have to sell through it.".* Another restaurant mentioned that *" we couldn´t transfer all costs coming from the platform to our clients. Because if doing so, our product will become less competitive."*

Many food retailers that increase their operations ´costs when they adhere to food delivery platforms transfer some of those additional costs for the product´s final price. Many of them said in the interviews that they use menus with different price tags between the store and the delivery. It is a risky strategy once the food market is very price sensitive. In the interviews, some food retailers mentioned that they adopted this strategy in their business " *We had to add some of the operational costs to the products we sell through the platform. Our restaurant operates with different menus - one for the store, other for delivery- We increase around 30% to 40% of the price, it depends on the product."*

Furthermore, when it relates to establish a price to your product, it should be considered costs involved in the production and margin. Because the food market is a very price sensitive market, restaurants must be aware of costs in order to have better prices and be more competitive. When they decide to join food delivery platforms, in some cases described above, these operational costs could raise, in order to keep the same margin, some of restaurants decided to not transfer platform costs to their customers instead they change the quality of the product because they start to use cheaper products in order to decrease costs. In the following testimonial, the owner decides to not join food delivery platforms because of the importance for them to provide good quality of food to their customers*:" Our ticket in the restaurant is already above the average, when compare to self-service restaurants. However, we are in the niche of the market and it is a reasonable price for good quality healthy food. We didn´t want to have different price tags just because we are using the food delivery platforms. If we decide to adhere to it, we feel that we are "fooling" our customers. Besides, we grew over the years because of our reputation of good quality and taste food, we don´t want to compromise that using low quality products.".* When restaurants decide to change their quality in order to increase the sales through the platform, it is a risky strategy. If quality is one of the core competences that make the restaurant gets more sales, it could compromise the restaurants reputation and could have a reverse result.

4.3 Information sharing in food delivery platforms - Is it an advantage?

4.3.1 Which information are (really) shared with restaurants

According to the information processing theory (IPT) mentioned in this study, the process to gather information and how companies process it in order to generate knowledge it is crucial to guarantee the continued improvement of the business and, consequently, the sustainable growth. Therefore, this study previously believed that companies also decided to join food delivery platforms because they want to exploit the opportunity to have access to a customer

network and to its information. In practice it does not happen. Food retailers that use food delivery platforms have restricted information regarding the customer that reach them by food delivery platforms.

Surprisingly, this study previously believed that because food retailers would reach new clients, they could exploit the opportunity to better understand their preferences and be able to evolve their internal capabilities to meet the demand of their customers. Although, food retailers have less information regarding their customer through platforms than if they decide to attend them without platforms. On one hand, one of the cons of the use food delivery platforms is because food retailers have almost none information regarding their customer which difficult the process to make them loyal to the brand and the process to study and understand what competences should evolve to attend this demand. According to the interviews held with owners of those establishments, they explicit that, in order to not lose this important information of their customers, they start to offer better promotions for those who order directly from restaurant in order to gather the information regarding the customer and try to retain them in the customer database. According to one of owners, he explicit in his testimonial: "*Our restaurant´s clients we know their preferences and which meals are preferable to offer each day in the week and they participated in our customer loyalty program different of what occurs with the food platform´s clients that we have to make strategies to try to gather the information regarding this client. In my restaurant, when a client orders through platform we send a flyer that inform if they order next time directly with the restaurant, we will give a discount, which could be free delivery or discount on the product."* Another testimonial described the same strategy adopted in another restaurant: *" One disadvantage to the use of food delivery platforms is because we don´t know anything about the client we are serving. On one hand we reach new clients but on the other hand we lose information regarding our potential consumers. In the restaurant we develop ways to collect this information, but it is not much efficient which make us more dependent to the platform."*

On the other hand, food retailers that do not use food delivery platforms in this research have their competitive advantages more focus on customer-centric such as variability or customization of products and quality in the customer service, for instance. For these food retailers, food delivery platforms do not meet their needs because of limited information regarding their customers that are essential for them to exploit their competitive advantage. Information such as gender, social class, address, how often this customer order and which kind of product they usually order. For food retailers that provide customized products and need to

interact with the client to provide the right product, food delivery platform does not attend their needs once they have limited communication with the client. This difference makes this study conclude that as more customer-centric is the restaurant less are the chances to join food delivery platforms.

4.3.2 Impacts in the decision-making process

Another disadvantage of the use of food delivery platforms is also related to the lack of available information to the restaurants and how much it impacts in the decision-making process. Because restaurants have few information regarding the customers reached through the platform, as more dependent the business become to the platform more difficult is the decision-making process. Some restaurants reported difficulties when they have to make decisions related to growth, for instance one restaurant interviewed reported: *"We (the restaurant) wanted to open another store in another neighborhood in Rio. Although, we have many questions regarding which one was the best to choose. We considered few criteria's: we prefer to choose a neighborhood that we find few competitors and close to potential customers, this last information we do not have. In order to solve this problem, we hire a service provided by the platform (B2B), which is a consulting for restaurants, they understand our problem and make recommendations for us. It is not included in what we already pay for them, it is an optional service can hire."*

Indeed, we could conclude by the testimonials that food delivery platforms do not intend to share information with food providers, and they value and monetized the information they hold. Looking at the platform strategy, they develop ways to keep food providers close and locked int his system even though they give up of relevant aspects such as information, ability to learn in the process and be able to make decisions and the proximity with their potential customers.

4.3.3 Dependence on purpose – How does it affect sustainable growth?

Moreover, the questionnaire in this study asked owners regarding their dependence relationship with food delivery platforms. In the sample chosen for this study, only one restaurant does not have more than 50% of their total revenue coming from the food platform. It shows the dependence of the business to the food platform. This dependence also is one factor that some restaurants decided to not join food delivery platforms, *" We are afraid to lose control of our business because if everything are coming through the platform we will have the feeling that we are serving them and not our customers."* Another owner raised the factor of sustainable growth in the answer, *"Today we understand the factors that would make us grow*

in the long run. For 20 years, we are growing, and this was possible because our hard work and the relationship we developed with our customers. We understand that all services provided by the platform we could do in the house, which reasonable makes no sense for us to join them. We are afraid if we join the food platform, we will have the feeling that we are growing while we are not. We value our organic growth."

Those relevant aspects raised many questions regarding the sustainable growth. The testimonial above mentioned organic vs inorganic growth while we could understand as a sustainable growth in the long run. This is not the purposed of this study and it requires another deep study to understand this aspect in the firms who use food delivery platforms. However, some questions in the questionnaire asks the restaurant´s owners their perceptions regarding the restaurant´s sustainable growth using or not food delivery platforms and their dependence vs independence relationship with food delivery platforms. Most of them have clue regarding the dependence of their business to the food delivery platforms, especially, when they answer that they will run out of business if food delivery platforms decided to shut operations. The words *"Collapse"* and *"Bankruptcy"* were the most use to answer this question. Although, none of those owners have clue regarding their growth. *"The growth through food delivery platforms it is a little bit blur. We just measure through number of orders, but we do not know our clients very well."* This statement shows that even owners do not understand if their growth are sustainable or not in the long run, but they demonstrate considered growth if they are increasing number of orders. Our study did not collected information to answer this aspect and this is not the purposed of this study. The matter of sustainable growth in food business that use food delivery platforms needs further investigation.

CHAPTER 5 – Conclusion

5.1 Conclusion

This study was conducted based on two theories, Resource Based View and Information Processing theory. The decision to choose those theories was because both are aligned with how companies acquire and manage their internal capabilities in order to sustain competitive advantage and growth. Resource based view (RBV) theory fulfill the importance to look at internal competences while Information Processing theory (IPT) presents the importance to have access to information to create and develop knowledge.

Inside this context, the purposed of this study aims to understand why food providers decide to join food delivery platforms. In the previous chapter, we presented many drivers, which were mentioned in the literature and supported by the theories chosen, that could influence food retailers to join or not food delivery platforms. During the research field, this study interview 15 food retailers that use and not use food delivery platform in their restaurants in order to understand their motives regarding food delivery platforms.

As we understand based in the research field held with owners and restaurant´s managers, some of this decision drivers varies according to the type of business plan the restaurant adopted while others are the same for all restaurants. Furthermore, in the results of the research we found out some of the pros and cons on each driver observed. In order to summarize our research finding, the table below explains the pros and cons of each driver studied:

Table 3 - Pros and Cons of Drivers found in the field research

Drivers mentioned by food retailers	Pros	Cons
Grow customer base	Reach new clients which could increase the volume of sales	However, does not have any information regarding customers which make it difficult identify customer needs and develop competences to sustain growth
Implement delivery Operation through the food delivery platform	Satisfy the customer demand attending for convenience	Increase the operational costs which could unviable the product in the market
Incremental Revenue	Increase the volume of orders	It is not only incremental; it become most of the revenue and create dependence to the platform
Feeling of Threatened by competitors	Tends to adhere to platforms if see competitors joining.	Join food delivery platform could not be the best strategy for the business
Promote the restaurant in other channels	Reach new clients which could increase the volume of sales	Give up of information regarding customers which it is important to sustain growth. Create more dependence to the food delivery platform
Reach other areas which local store does not attend	Expand the business.	Because lack of sharing information with the platform, does not know where the best places are to expand

Moreover, other drivers were found regarding some specificities to each business in the sample which complements our analysis and were discussed in the previous chapter. In order to summarize the findings, the table below present those drivers and the conclusions about it:

Table 6: Summary of Drivers found in the field research

Theory	Construct	Drivers found in the research	Quote
Information Processing Theory	**Information capacity**	**Grow customer base and access information**	*" One disadvantage to the use of food delivery platforms is because we don´t know anything about the client we are serving. On one hand we reach new clients but on the other hand we lose information regarding our potential consumers. In the restaurant we develop ways to collect this information, but it is not much efficient which make us more dependent to the platform.*" (R-11*)*
Resource Based View	**Valuable**	**Outsource Operations – Delivery**	*"We decided to join food delivery platforms mostly because of the option to implement delivery to our customers." (R-3)*
Resource Based View	**Valuable**	**Reduce operational costs**	*Not applicable to all cases*
Resource Based View	**Valuable**	**Operation Automatization**	*"Food delivery platforms facilitates to open a new business because of the easiest way to conduct activities: ´packetization which enable owners/ managers to integrate their business to a friendly user application facilitating daily operations, such as delivery, marketing and so on. For us, food delivery platforms were responsible to create opportunities for new businesses because platforms made it possible to open a business with lower capital than before." (R-1)*
Resource Based View	**Valuable**	**Increase Revenue**	*" We thought that when we will join the platform, we would have na incremental in our revenue. Today, it represents more than 70%." (R-5)*
Information Processing Theory		**Learning with the platform´s expertise in operations**	*"When we decide to join food delivery platforms, we expected to learn from the automatization of the operations and regarding the profile of our potential customers" (R-8)*
N/A		**Feeling of Threatened by competitors**	*"We do not join food delivery platforms, but our direct competitors are joining . However, in some days of the week, we could notice a fall in our sales because people prefer to order through food delivery platforms instead of coming to our store." (R- 10)*
Information Processing Theory	**Information capacity**	**Promote the restaurant in other channels**	*"We opened the business mostly because of the possibility to the use of food delivery platforms. Among other reasons, the possibility to promote the business to a huge customer network and to generate additional revenue for our restaurant". (R-2)*
Information Processing Theory	**Information capacity**	**Reach other areas which local store does not attend**	*"We opened the business mostly because of the possibility to the use of food delivery platforms. Among other reasons, the possibility to promote the business to a huge customer network and to generate additional revenue for our restaurant". (R-7)*

N/A		**Age of the business (younger business)**	*"We opened the business mostly because of the possibility to the use of food delivery platforms. Among other reasons, the possibility to promote the business to a huge customer network and to generate additional revenue for our restaurant". (R-2)*
N/A		**Age of the business (older business)**	*"We are in this business almost for 20 years, our growth is organic, basically we grow our customer base through mouth-to-mouth, our customers are very loyal to the restaurant and keep them close to us make us understand the business and see what we could do better for them." (R-14)*
N/A		**Type of the business plan adopted**	*"Food delivery platforms facilitates to open a new business because of the easiest way to conduct activities: ´packetization which enable owners/ managers to integrate their business to a friendly user application facilitating daily operations, such as delivery, marketing and so on. For us, food delivery platforms were responsible to create opportunities for new businesses because platforms made it possible to open a business with lower capital than before." (R-1)*
N/A		**Customer centric**	*"For us, join a platform doesn´t make sense for our business. We work with customized products for our clients we need to be in touch with them to really understand their need. Unfortunately, platforms doesn´t support that kind of interaction with your customer and according with some other entrepreneurs that use it, you do not have too much information (age, gender, preferences, address, so on…) regarding your customer." (R-11)*
N/A		**Costs of implementation**	*" We had to add some of the operational costs to the products we sell through the platform. Our restaurant operates with different menus - one for the store, other for delivery- We increase around 30% to 40% of the price, it depends on the product." (R-6)*
N/A		**Dependence of the food delivery platform**	*" We are afraid to lose control of our business because if everything is coming through the platform, we will have the feeling that we are serving them and not our customers." (R-13)*

5.2 Limitations of the research

5.2.1 Theories chosen

This research analyzed the problem through the lens of resource-based view and information processing theory. Both theories together were used as a tool to analyze the impacts of information in the process of build or enhance internal capabilities when restaurants use food delivery platforms as a tool in their operations. The research question was based on what factors influence them to join those platforms and how they could help them in the process of sustainable growth.

Among many factors, we noticed, in our sample, that the environment could also influence in the owner´s decision specially if they see their competitors join platforms while they decide to not what could be explained by another theory- the platform theory. This could be an interesting approach for another study once this study will focus on the internal factors of restaurants that make owners decided to join food deliver platforms.

Indeed, this same problem could be analyzed through different theory lens such as platform theory or institutional theory are able to explain and analyze the same problem but with a different focus.

5.2.2 Local chosen for the research

Rio de Janeiro located in Brazil was a place chosen to develop this research. Rio de Janeiro is a considered a metropolis and the second biggest economic city in Brazil. Besides, Rio de Janeiro is a touristic place and very culture diverse. Those factors could influence in the research because the restaurants, where the research was held, belong to areas that people have more income and higher levels of education. Perhaps, in other areas of the same town or in a city with different characteristics the same research could present different results.

5.3 Future Research

As mentioned in the previous chapter, this study raised many aspects related to the use or not of food delivery platforms. One of the aspects that requires further investigation is the sustainable growth of the restaurants in a long run. For future research, could be analyzed how those food retailers evolve their internal competences over the years and compare the organic growth with and without the use of food delivery platforms.

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APPENDIX A

Interview Guideline – Restaurants with food delivery platforms

Demographic questions

Business Profile	Close Questions
Business Age (tempo do negócio) – Quanto tempo o seu negócio está em operação?	Less than 1 year
	1-3 years
	3-5 years
	5-10 years
	> 10 years
Quais são os canais de venda utilizados pelo seu estabelecimento? Como o seu produto chega até o consumidor final? Marque as alternativas que se aplicam	Loja Física/ Venda Direta
	Website/ app da própria marca
	App (food delivery/ plataforma de produtos)
	Rede Social (Ex.: Facebook/ Instagram)
	Venda indireta/ através de representante comercial
Se o restaurante utiliza alguma plataforma digital de food delivery, dizer qual.	Pergunta aberta
Quanto tempo o restaurante tem de experiência com plataformas digitais/ apps de Food Delivery?	1-2 anos
	2-3 anos
	3-5 anos
	> 5 anos
Qual é a média de pedidos realizados através da plataforma por mês?	< 100
	100 -300
	300-500
	>500
Qual é o valor médio do pedido pelo aplicativo? Existe diferença entre este ticket e o do restaurante?	> R$10
	R$10 - R$20
	R$20 - R$50
	R$50 - R$80
	R$80-R$100
Existe algum pagamento para se inscrever na plataforma?	SIM
	NÃO
Existe algum pagamento de comissão para a plataforma?	SIM
	NÃO
Se sim, Quanto (%)?	Pergunta aberta

Bloco 1 – Processo de Decisão	
1	Porque o restaurante decidiu aderir/ingressar nas plataformas digitais de food delivery?
2	Quais foram as expectativas de ganhos em relação ao uso dessas plataformas digitais?
3	Quais atividades que foram terceirizadas com a utilização da plataforma digital?
4	Por que a sua organização considerou terceirizar essas atividades do negócio?

5	Como o impacto dessa atividade realizada pela plataforma digital influenciou nos custos operacionais e na receita do restaurante?
6	O quão representativo são as vendas realizadas através da plataforma em relação ao total do negócio (%)?
Bloco 2 – Avaliação das Atividades Operacionais	
1	No momento do processo de avaliação de terceirização, como seu desempenho na atividade se comparava ao de seus concorrentes / fornecedores? E agora, com o uso da plataforma, como está esse desempenho comparado com a concorrência? Por quê?
2	Quanto tempo levaria para replicar os níveis de desempenho superiores do líder da indústria nesta atividade, por exemplo, mais ou menos de 2 anos? Por quê?
3	Antes de considerar a terceirização, até que ponto sua abordagem para realizar essa atividade foi altamente personalizada para as necessidades de sua organização. Por quê?
Bloco 3 – Integração das operações do negócio com a Plataforma	
1	Até que ponto o relacionamento com a plataforma dependia de mecanismos colaborativos como solução conjunta de problemas, confiança, compartilhamento de informações, comunicação frequente?
2	Você consegue gerenciar operações e possíveis imprevistos de maneira remota?
3	A plataforma permite que os consumidores façam avaliações dos produtos na plataforma? As avaliações ficam visíveis para todos (outros consumidores e restaurante) no app?
4	Os produtos/ serviços oferecidos pela ferramenta possuem as informações necessárias para efetuar a compra?
5	O consumidor consegue acompanhar uma ordem/pedido através da ferramenta?
Bloco 4 - Pontos negativos em relação ao uso da Plataforma	
1	Quais são as desvantagens percebidas no negócio em relação a utilização de Plataformas de delivery?
2	Você já considerou sair da plataforma de delivery? Se sim, por quê?
3	Qual seria o impacto esperado no negócio, caso o negócio utilizasse alguma plataforma?

Interview Guideline – Restaurants without food delivery platforms

Demographic questions

Bloco 1- Processo de Decisão	
1	Porque o restaurante decidiu não aderir/ingressar nas plataformas digitais de food delivery? Por quê?!
2	Quais seriam as expectativas de ganhos caso o negócio utilizasse dessas plataformas digitais?
3	Quais atividades que poderiam ser terceirizadas caso utilizassem a plataforma digital?
4	Por que a sua organização não considerou terceirizar essas atividades do negócio?
Bloco 2- Avaliação das Atividades Operacionais	

1	Qual é o diferencial no seu negócio comparado aos seus concorrentes? Por que os clientes preferem o seu produto comparado ao da concorrência?
2	Como o seu desempenho nessa atividade se comparava ao de seus concorrentes?
3	Quanto tempo levaria para replicar os níveis de desempenho superiores do líder da indústria nas atividades do negócio, por exemplo, mais ou menos de 2 anos? Por quê?
4	Alguma atividade do seu negócio é terceirizada? Se sim, qual?! (pagamento, entrega, produção...)
5	Se sim na pergunta anterior, antes de considerar a terceirização, até que ponto sua abordagem para realizar essa atividade foi altamente personalizada para as necessidades de sua organização. Por quê?
Bloco 3 – Integração do Negócio com a Plataforma	
1	Como funciona a sua interação com os clientes? Quais informações vocês utilizam para determinar o perfil do seu consumidor? Vocês têm acesso a essas informações (perfil de cliente, endereço, gênero, faixa etária)? Se sim, como o negócio aproveita essa informação para gerar mais receita?
2	No seu negócio, você consegue gerenciar operações ou possíveis imprevistos de maneira remota?
3	Como os clientes conseguem obter informações sobre os seus produtos? O seu negócio utiliza alguma plataforma, website, rede social para divulgação? Os produtos/ serviços oferecidos possuem as informações necessárias para efetuar a compra?
4	Como os consumidores fazem avaliações dos seus produtos? As avaliações de outros consumidores ficam visíveis para todos os outros clientes?
Bloco 4 – Pontos a serem considerados caso utilizem Plataforma	
1	Você já considerou ingressar em alguma plataforma de delivery? Se sim, por quê?
2	Qual seria o impacto esperado no negócio, caso o negócio utilizasse alguma plataforma?