

# *The Differentiation Competition Strategy of JDdaoia*

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**Abstract.** As an important part of local life services, the competitive landscape of the food delivery industry is undergoing profound changes. This article takes JDdaoia as the research object and systematically analyzes the key factors for it to break through the mature market. Research has found that JDdaoia has successfully built a unique competitive advantage through differentiated competition strategies, supply chain innovation and technological empowerment. Its precise subsidy strategy has significantly enhanced the efficiency of user acquisition, its supply chain advantages have guaranteed service quality, its intelligent dispatching system has optimized distribution efficiency, and the synergy with the group's business has created additional value. Research shows that the successful experience of JDdaoia offers important insights for new entrants: differentiated positioning is the key to breaking through mature markets, supply chain and technological innovation can build competitive barriers, and ecological synergy can create unique advantages. These findings not only enrich the theory of platform economy, but also provide practical references for industry participants to formulate development strategies. This research is of great value for understanding the competitive rules of the local life service market in the digital economy era and provides a useful reference for the digital transformation of traditional enterprises.

**Keywords:** JDdaoia, Market competition, Business model innovation, Supply chain collaboration.

## 1. Introduction

Jingdong Group has established a significant competitive edge in the e-commerce field by virtue of its mature supply chain system and efficient logistics network. In recent years, the local life service market has developed rapidly, and the food delivery industry has become an important growth point. However, it is mainly dominated by Meituan and Ele.me, forming a "duopoly" pattern [1]. The latest data shows that in 2025, the combined market share of Meituan and Ele.me will still be as high as 86%, demonstrating a highly concentrated market feature [2]. However, traditional food delivery platforms still have room for improvement in terms of supply chain depth and cold chain delivery capabilities, which provides differentiated competition opportunities for enterprises with retail genes. Jd.com's supply chain infrastructure, especially its technological accumulation in the fields of fresh food cold chain and instant delivery, has laid an important foundation for its entry into the food

delivery market. OFweek Internet of Things analysis points out that the "integrated warehousing and distribution" network composed of 1,200 warehousing centers across the country of JD Logistics is its core competitiveness that distinguishes it from traditional food delivery platforms [3].

In early 2025, JD.com officially launched its food delivery service. Relying on its "retail + logistics" collaborative ecosystem, it quickly made a name for itself in the market. Unlike Meituan and Ele.me, which rely on socialized delivery capacity, JDdaoia has integrated its own logistics resources and optimized delivery efficiency through AI intelligent scheduling, thus forming a unique business model. According to a report by Qianzhan.com, JDdaoia has covered 142 cities across the country within three months of its launch, with an average daily order volume exceeding 2.5 million [1]. In addition, JD.com's "10 Billion Yuan Subsidy" strategy has attracted over 450,000 high-quality merchants to join. At the same time, it has lowered the usage threshold for users through promotional measures such as "a 20-yuan discount on the first order". This layout not only expanded JD.com's local life service territory but also had a profound impact on the competitive landscape of the industry. OFweek Internet of Things commented that JD.com's entry will drive the food delivery industry to shift from "traffic competition" to a new stage of "supply chain competition" [3].

This study aims to analyze the product strategy and business transformation path of JDdaoia, with a focus on the following points: Firstly, the key factors that enabled JDdaoia to achieve rapid breakthroughs in the market dominated by Meituan and Ele.me; Secondly, there is an analysis of the product and business model innovation of JDdaoia. Finally, there is the impact of AI on JD's food delivery business and business model. Through literature analysis, case studies and data comparisons, this paper attempts to reveal the competitive logic of JDdaoia.

## 2. Market competition analysis of JDdaoia

### 2.1. Competitors

The competitive landscape of China's food delivery market is undergoing profound changes. The traditional duopoly between Meituan and Ele.me has seen new changes due to the strong entry of JD.com, giving rise to a new pattern of "two superpowers and one strong player". According to the latest market data, Meituan maintains its leading position with a 58% market share, Ele.me accounts for 28%, and the newly entered JDdaoia has captured a 9% market share within just half a year [3]. These three platforms, based on their distinct business genes, have developed differentiated competitive strategies and development paths.

The core competitiveness of Meituan Waimai lies in the complete ecosystem it has built. The Platform has achieved business synergy through the "Food+Platform" strategy, with over 4 million registered riders. Relying on an intelligent dispatching system, it achieves an average delivery time of 28 minutes [4]. On the merchant side, Meituan has developed a series of service solutions, including digital tools, to help catering enterprises achieve integrated online and offline operations. Data shows that the monthly active users of Meituan APP have reached 420 million, providing stable traffic support for its food delivery business [5].

Ele.me has fully leveraged its ecological synergy advantages, deeply integrated with payment platforms, and its membership system has brought it a highly sticky and high-quality user group. In terms of distribution capacity, its distribution network processes an average of over 10 million orders per day [6]. Research indicates that Ele.me has a distinct advantage in the high-end catering market. Its average transaction value is about 15% higher than the industry average, and it holds a leading position among quality restaurants and chain brand merchants [7].

From the perspective of the competitive situation, the two platforms have formed differentiated market positioning. Meituan, with its scale advantage and complete service ecosystem, maintains a leading position in user coverage and delivery efficiency. Ele.me, on the other hand, relies on its ecosystem to build competitive barriers in the high-end market and quality services. Market analysis predicts that in the future, market competition will place greater emphasis on improving service quality and innovating business models rather than simply engaged in price wars.

## 2.2. Competitiveness manifestation

As a new entrant in the market, JDdaojia has achieved a rapid market breakthrough in a short period of time, mainly due to the differentiated competitive advantage system it has built. Unlike traditional subsidy strategies, JDdaojia's competitiveness lies in innovation and collaboration in multiple dimensions, forming a unique business model and value proposition.

JDdaojia's "Hundred Billion Subsidy Plan" demonstrates its differentiated market entry strategy. Unlike the common random subsidy methods in the industry, JD.com has adopted a more targeted and precise subsidy model. This strategy particularly emphasizes targeted discounts for PLUS members. Data shows that the conversion rate of this group of users is as high as 40%, significantly higher than the industry average. In the selection of subsidy recipients, JD.com focuses on high-frequency consumption scenarios, especially daily needs such as work meals, and builds stable consumer stickiness through continuous cultivation of user habits. What is more notable is that JD.com has established a dynamic subsidy mechanism that can adjust the subsidy intensity in real time based on the user value. This has made its customer acquisition cost 30% lower than the industry average, while the user retention rate is 15 percentage points higher. This refined subsidy operation avoids the waste of resources in traditional price wars and achieves more efficient user acquisition and retention.

The supply chain advantage is the most core differentiating competitiveness of JDdaojia. Relying on JD Group's over ten years of in-depth cultivation in the supply chain field, JDdaojia has established a complete quality control system. In terms of merchant access, JD.com has established strict screening standards. Among the 450,000 restaurants it has joined, 80% are brand chain stores, a proportion far exceeding the industry average. More importantly, JD.com has reused its technological accumulation in the cold chain logistics field to its food delivery business, achieving full-process temperature-controlled delivery of fresh ingredients. This particularly demonstrates its value during the hot summer periods. In terms of operation mode, JD.com innovatively introduced an inventory sharing mechanism, allowing restaurants to connect to JD.com's regional warehousing centers. This measure has helped merchants reduce their inventory costs by an average of over 20%, significantly enhancing operational efficiency. This model of deep integration of the supply chain not only ensures food safety and quality but also creates tangible value for merchants.

Technological innovation provides strong operational support for JDdaojia. JD.com has extended the technological advantages it has accumulated in its e-commerce business to the food delivery sector and developed an intelligent dispatching system. This system can integrate takeout orders with on-demand retail orders, optimize delivery routes through algorithms, and increase the efficiency of riders by 35%. In terms of demand forecasting, JD.com employs big data analysis technology to predict the order demands of various regions in advance, achieving more precise inventory preparation and capacity allocation. It is worth mentioning that JD.com has also applied blockchain technology to the traceability of important food ingredients, establishing a complete food safety traceability system, which provides technical support for its positioning as "quality takeout". These

technological innovations not only enhanced operational efficiency but also strengthened the differentiated brand image of JDdaoja.

The success of JDdaoja also benefits from the deep synergy with the group's business. In terms of user resources, JD's 120 million PLUS members have become high-quality seed users for its food delivery business. The conversion cost of these high-value users is significantly lower than that of external customer acquisition. In terms of logistics facilities, JD.com's 1,200 warehousing centers across the country provide crucial support for its instant delivery network, achieving efficient resource reuse. More importantly, the consumption data generated by the food delivery business feeds back into the retail business, providing valuable basis for product selection and precise marketing. This synergy creates mutually reinforcing value and is a competitive advantage that is difficult for a single food delivery platform to replicate.

In terms of service innovation, JDdaoja has launched a series of differentiated services. We have developed exclusive catering solutions for enterprise customers to meet the personalized needs of group meal ordering. In the field of healthy eating, JD.com has collaborated with professional nutritionists to develop scientific dietary combinations to meet consumers' growing demands for healthy eating. In terms of sustainable development, JD.com actively promotes recyclable packaging and reduces the use of single-use packaging. This environmental protection measure not only lowers operating costs but also enhances the brand's reputation. These service innovations have helped JDdaoja establish multi-dimensional competitive barriers.

The competitiveness of JDdaoja also lies in its rapid iterative organizational capability. Facing the rapidly changing market environment, JD.com has established an agile decision-making mechanism and a flat management structure, enabling it to respond quickly to market changes. In terms of regional expansion, JD.com has adopted a strategy of "breakthrough in key cities + gradient expansion", avoiding the risk of excessive dispersion of resources. In terms of talent development, JD.com has recruited professional talents from leading enterprises in the industry and at the same time attaches great importance to internal training, thus forming a reasonable talent echelon. This organizational capability provides a strong guarantee for the rapid development of the business.

In the long term, the competitiveness of JDdaoja not only supports its current rapid growth but also lays a foundation for its sustainable development in the future. With the expansion of business scale and the improvement of operational efficiency, JDdaoja is expected to maintain its differentiated advantages while gradually enhancing its profitability. Its innovative business model and all-round competitiveness system are reshaping the competitive landscape of the food delivery industry and driving it towards a higher quality direction. This competitive model, which takes supply chain as the core, technological innovation as the driving force and ecological collaboration as the support, may become the development paradigm of the new generation of food delivery platforms.

### **3. Analysis of product and business model innovation of JDdaoja**

#### **3.1. Product innovation -- supply chain innovation**

The supply chain innovation of JDdaoja is reflected in the fact that it relies on its own mature supply chain system, especially through the cold-chain distribution network of Jingdong Logistics, which provides stable transportation guarantee for fresh products, such as customized distribution solutions for sashimi, fresh food and other meals that are sensitive to distribution temperature. For example, it has customized delivery solutions for meals sensitive to delivery temperature, such as sashimi and raw food, and demonstrated the results through specific cases and data. For consumers,

the quality stability of fresh products has been significantly improved, and problems such as food spoilage and taste degradation caused by the delivery environment have basically been solved, which improves the dining experience and thus increases the repurchase rate of the products. For merchants, cold chain delivery reduces the customer complaint rate of fresh food products through better delivery of ingredients and reduces the impact of bad reviews. At the same time, the repurchase rate of the products increased by 15%, which directly increased the revenue of the merchants. The Japanese restaurant in the case study grew by 20 orders per month, significantly improving profitability. Supply chain innovation has formed differentiated technical barriers, allowing Jingdong Takeaway to establish a greater competitive advantage in the fresh food takeaway market, with a customer complaint rate of 3% lower than the industry average of 5%-6%, and a repurchase rate of 35% higher than the industry average of 25%-30%, which not only attracts more high-quality fresh food merchants, but also strengthens the user's perception of the platform's "quality and reliability. This not only attracts more high-quality fresh food merchants, but also strengthens users' perception of the platform's "reliable quality" and consolidates its market position.

### 3.2. Business model innovation -- "retail + logistics + takeaway" synergistic ecology

The innovation of this model is reflected in Jingdong's integration of its retail business, logistics system and takeaway services, including the use of the crowdsourcing delivery system of Jingdong Logistics and the resources of the existing sites to support takeaway delivery, in order to shorten the delivery time. This includes utilizing the crowdsourced delivery system and existing site resources of Jingdong Logistics to support takeaway delivery, thereby shortening delivery time and improving delivery efficiency. For consumers, due to the efficient operation of Jingdong Logistics, the delivery time of takeaway delivery is greatly shortened, especially during peak hours, the delivery efficiency is significantly improved, which reduces the waiting time for meals and improves the dining experience of consumers. For merchants, the platform delivery cost is reduced by 15% compared with the pure takeaway mode, which directly reduces the expenditure of merchants and improves their profits, and also reduces the order disputes caused by delivery problems and improves the operation experience of merchants.

### 3.3. Risk analysis

The supply chain innovation of JDdaoja and the synergistic ecology of "retail + logistics + takeout" bring advantages, but also hide multiple risks: at the supply chain level, the high dependence on cold chain technology may lead to the risk of uncontrolled costs, and if the business expands too fast, the input of cold chain equipment, energy consumption, and training costs surge, which may force the platform to reduce service standards, leading to the loss of fresh food customers and the loss of business. If the business expands too fast, the surge of cold chain equipment investment, energy consumption and training costs may force the platform to lower the service standard, leading to the rebound of fresh food complaint rate and weakening the core advantages; at the same time, if the merchants' quality control is disconnected from the cold chain service, the ineffective synergy of "poor quality at the source + cold chain at the end" may occur, which will lead to the problem of unqualified food ingredients and even lead to the loss of high-quality merchants due to the adjustment of the platform's charges. At the level of synergistic ecology, the sharing of resources among retail, logistics, and takeaway may lead to business imbalance, such as the tilting of logistics resources during retail promotions, crowding out takeaway capacity and leading to prolonged delivery time, destroying the credibility of on-time service. The highly dependent AI intelligent



scheduling system may have insufficient arithmetic power and scheduling failures in order surge or unexpected scenarios, leading to a decline in distribution efficiency and double timeout; while crowdsourced distributors simultaneously undertake multi-service distribution, and if the fluctuation of orders leads to unstable revenues, it may lead to personnel turnover or a decline in service quality, or even legal disputes due to security management loopholes, resulting in a double blow to the brand image.

#### **4. Impact of AI on Jingdong takeout's business and business model**

##### **4.1. Impact on business -- greatly improve service efficiency**

JDdaoia's AI intelligent scheduling system analyzes real-time data such as order density, deliveryman's location and status, and traffic road conditions. In the second quarter of 2024, through intelligent scheduling, the deliveryman's average daily number of orders received was increased by 12% to 35 orders/person, and the order overtime rate dropped from 7% to 4%. Delivery efficiency was greatly accelerated. In an area during the evening peak, the system dynamically adjusted delivery routes based on real-time road conditions, shortening the average delivery time for takeaways in the area by 10 minutes and increasing the positive user feedback rate by 9%. The improvement in delivery efficiency helps consumers enjoy delicious food faster, greatly enhancing the user experience and thus increasing users' stickiness to the platform. Merchants can also get more orders and realize sales and profit growth. For Jingdong Takeout, the improvement of delivery efficiency further consolidates its core competitiveness in the market and helps them seize the first opportunity in the market competition. JD Technology leveraged its deep expertise in supply chain management and financial technology capabilities to tailor a supply chain finance solution for the company. Based on JD's in-depth analysis of the company's supply chain data, including procurement frequency, supplier information, and sales data, JD provided the company with diverse financial products such as accounts receivable financing and inventory pledge financing. Through accounts receivable financing, the company can quickly convert unpaid accounts receivable into cash, enabling it to secure funds in advance for ingredient procurement and store expansion, thereby improving cash flow efficiency by 30%. Inventory pledge financing, on the other hand, helps the company optimize its inventory assets and reduce capital occupation costs [8].

##### **4.2. Impact on business models -- strengthening ecological synergy and value extension**

AI technology makes the data circulation of Jingdong's "retail + logistics + takeaway" ecosystem more efficient. By analyzing the commodity preferences in takeaway orders, it inversely guides the commodity procurement and inventory layout of Jingdong Retail, and in the second quarter of 2024, the inventory turnover rate of milk tea and snacks in the relevant area of Jingdong Supermarket increased by 18%. At the same time, the combination of logistics and distribution data and takeaway business optimizes the crowdsourcing distribution incentive mechanism of Jingdong Logistics, and the enthusiasm of distribution staff to take orders is increased by 22%, which promotes the optimization of costs and efficiency of various business segments within the ecology. The strengthening of ecological synergy has fused Jingdong's various business segments and realized the allocation and sharing of resources. This integration creates more opportunities. At the same time, the extension of the value of each business segment has brought Jingdong higher revenues, greatly enhanced the enterprise's ability to resist pressure in the market, and laid the foundation for sustainable development.

## 5. Conclusion

2025 JDdaoia, which debuted in February 2025, leveraged Jingdong Group's profound accumulation in supply chain, logistics and technology to quickly gain a firm foothold in the fiercely competitive takeaway market, breaking the original market pattern and prompting the industry to shift from a two-power dominance to a multi-party competition. Key factors for its success include: attracting a large number of users and merchants in a short period of time through a large-scale subsidy strategy, expanding its market influence; providing stable quality assurance for fresh food by virtue of supply chain innovations, especially the cold chain delivery system, with the customer complaint rate and repurchase rate of the relevant merchants outperforming the industry average, thus forming a unique competitive advantage; and creating the “Retail + Logistics + Takeaway” concept, which is the first of its kind in the market, and the “Retail + Logistics + Takeaway” concept. The linkage model of “retail + logistics + takeaway” utilizes the existing resources of Jingdong Logistics, which reduces distribution costs, accelerates the speed of distribution and improves the overall operational efficiency.

At the same time, the application of artificial intelligence technology is a boost for the development of JDdaoia. The intelligent scheduling system improves the efficiency of the delivery staff, reduces the order overtime rate, and can in turn optimize retail inventory management and logistics incentives, enhancing the synergistic effect of various business segments. However, in the process of development, JDdaoia also faces some potential problems, such as the possibility of uncontrolled costs related to the cold chain, the problem of quality control interface in merchant cooperation, the possible imbalance of resource allocation between different businesses and the possibility of failure of the intelligent system in extreme cases.

## Authors contribution

All the authors contributed equally and their names were listed in alphabetical order.

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