

# DoorDash: How should the fee rollout be governed?

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On July 23, DoorDash announced a change to consumer delivery fees. The company said its Service Fee would vary with delivery effort, including distance and order size. The announcement described the update as a way to better match fees to delivery effort while keeping nearby orders affordable and allowing consumers to order from farther-away merchants. DoorDash said rollout across most of the United States would begin that day and continue over the coming months. It did not publish the formula, coefficients, order-level fee schedule, or market-by-market implementation calendar. [1]

The announcement also described changes to how fees appear in the app: an explainer, a “Farther Away” label, a cart tally that separates subtotal, fees, and discounts, and full fee and tax display again at checkout. The public announcement does not establish which display changes went live with the fee change in each market. If the price structure and its presentation changed together, their separate effects would be hard to identify.

For this classroom exercise, assume a fictional senior operating leader has been asked to propose how to govern the rollout during early October. This is a hypothetical assignment, not a reported DoorDash meeting or known internal disagreement. The question is how to proceed, what to measure, and what evidence should trigger changes-not what fee level would maximize profit.

## A three-sided service

DoorDash connects consumers, merchants, and Dashers. Its FY2025 filing describes competition for consumer selection, affordability, and service; merchant demand; and Dasher flexibility and earnings. It names Uber Eats and Grubhub among competitors. These disclosures establish a multi-sided operating context, but not comparable market prices or consumer sensitivity to a particular fee. [2]

The fee announcement described three fee elements. A Delivery Fee would remain fixed by merchant; a Service Fee would vary based on effort factors such as distance and order size; and a Long Distance Fee would continue for a small number of orders, typically trips over 10 miles. The company did not disclose the actual formula or how much any individual order’s fee would change. The update concerns consumer fees. It does not establish that Service Fee changes pass through to Dasher pay or change merchant commissions. [1]

DoorDash said its retrospective analysis found that “over 70%” of recent orders in a sample of relevant markets would have the same or lower fees, with a median saving of \$0.78 per order. The company also cautioned that actual fees vary and reductions are not guaranteed. It did not disclose the sample size, market list, distribution of changes, or uncertainty around the

estimate. The comparison is a company simulation, not an observed rollout result. [1]

The company reported 970 million Total Orders and \$33.078 billion in Marketplace GOV for Q2 2026, which ended June 30-before the July 23 fee announcement. These aggregate figures provide pre-rollout business-scale context only, not evidence about the update. DoorDash also reported that year-over-year Q2 growth excluding Deliveroo was 17% for orders and 23% for GOV. None of these totals isolates fee exposure or customer response. [3]

## **What should count as evidence?**

A consumer may react to the amount charged, to how early and clearly it appears, or to both. Order conversion and repeat use could move differently. A lower fee on a nearby trip might support one order cohort while a higher effort-linked fee changes the mix of longer trips. The effect could also vary by membership, basket size, distance, merchant type, and market. DoorDash has not published post-change estimates for these outcomes.

Merchant outcomes require care as well. A consumer fee is not a merchant commission, but any change in order volume or mix could affect merchants differently. In a study of restaurant platform adoption in Chicago in 2019, Li and Wang found platform participation associated with increases in both takeout and dine-in visits, with different takeout estimates for independent restaurants and chains. The study concerns adoption across three platforms, not DoorDash's 2026 fees; visits are not merchant profit. A separate study of local restaurant commission caps during the early pandemic found platform and merchant responses that varied across restaurant types. Commission caps are different from consumer service fees, and the study does not explain DoorDash's rollout exclusions. [4]

DoorDash initially excluded California, Chicago, Colorado, the District of Columbia, Massachusetts, Minnesota, New York City, Puerto Rico, and Seattle. The announcement did not state why. These are rollout facts only; the available evidence does not support an inference about the legal or commercial reason for any exclusion. [1]

## **The rollout choice**

The leader could recommend continuing the announced expansion while adding defined monitoring and review gates. That preserves momentum but risks broadening exposure before effects are distinguishable. Another option is to limit expansion to selected markets and cohorts, with a comparison design that separates the fee structure from display changes where operationally feasible. A third is to hold new expansion until exposure, baseline, and guardrail measures are reliable, while continuing to observe markets already changed. Each option trades learning speed, execution complexity, and customer consistency differently.

The public record does not reveal actual market-level launch dates, which fee and display features were bundled, or realized consumer, merchant, and Dasher outcomes. A targeted search did not find dated, market-matched competitor fee schedules suitable for comparing equivalent baskets and distances. The evidence therefore cannot answer which fee is optimal or whether DoorDash is cheaper than a competitor. It can support a decision about the quality of the rollout and the evidence required to govern it.

## **Discussion questions**

1. What is the strategic purpose of linking a consumer Service Fee to distance and order size? What important claims remain unverified?

2. Which rollout option would you choose for the next phase? What conditions would make another option preferable?
3. How would you separate the effect of fee amounts from the effect of the explainer, distance label, cart tally, and checkout display?
4. Build a small set of consumer, Dasher, and merchant measures. Define the population, comparison, review cadence, and guardrails for each.
5. What findings should trigger continuation, refinement, or a pause? How would you account for membership, distance, basket size, merchant type, and local exclusions?

## Exhibits

### Exhibit 1. Announced fee structure and presentation changes

| Element                   | What DoorDash announced                                                             | What remains undisclosed                                                           |
|---------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Delivery Fee              | Fixed by merchant                                                                   | Fee amounts and whether/how a given merchant's fee changed                         |
| Service Fee               | Varies based on effort factors, including distance and order size                   | Formula, weights, floors/caps, order-level distribution, and change from prior fee |
| Long Distance Fee         | Continues for a small number of orders, typically over 10 miles                     | Exact threshold application and fee distribution                                   |
| In-app explainer          | Explains the fee approach                                                           | Exposure, comprehension, and market launch date                                    |
| "Farther Away" label      | Identifies farther-away merchants                                                   | Which consumers saw it and when                                                    |
| Cart and checkout display | Cart separates subtotal, fees, discounts; full fee and tax appear again at checkout | Which displays were paired with the new formula in each market and their effects   |

*Source: DoorDash, July 23, 2026 announcement, "Updates to Delivery and Service Fees" and "Making Our Fees Even Clearer." "Effort-sensitive" describes the company's announced approach; no numeric formula is public.*

### Exhibit 2. DoorDash's retrospective comparison

| Company statement                                                                                            | Interpretation limit                                                                   |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Over 70% of recent orders in a sample of relevant markets would have the same or lower fees under the update | Sample size, markets, order mix, full distribution, and uncertainty were not disclosed |
| Median saving of \$0.78 per order                                                                            | Company analysis, not an observed post-rollout saving or customer response             |
| Actual fees vary; reductions are not guaranteed                                                              | Averages do not identify an individual consumer's price or outcome                     |

*Source: DoorDash, July 23, 2026 announcement and footnote. Management analysis, not independently verified here.*

### Exhibit 3. Initial rollout exclusions

California; Chicago; Colorado; District of Columbia; Massachusetts; Minnesota; New York City; Puerto Rico; Seattle.

*DoorDash said these were excluded "to start." The reason and any subsequent status are not established by the announcement or the information available for this case.*

## Exhibit 4. Selected company context

| Q2 2026 measure                           | Reported value                      | Limit for this decision                                     |
|-------------------------------------------|-------------------------------------|-------------------------------------------------------------|
| Total Orders                              | 970 million                         | Aggregate; no fee-exposure split                            |
| Marketplace GOV                           | \$33.078 billion                    | Aggregate; not DoorDash revenue or merchant profit          |
| Revenue                                   | \$4.454 billion                     | Aggregate; does not identify fee contribution               |
| Year-over-year growth excluding Deliveroo | Orders +17%; GOV +23%; revenue +24% | Company-reported adjusted growth; not a fee impact estimate |

Source: DoorDash Q2 2026 earnings release, “Second Quarter 2026 Key Financial Metrics” and “Operational Update.” All measures are company-reported; Q2 totals do not isolate the July fee update.

## Exhibit 5. Academic findings for context, not prediction

| Study            | Setting and finding                                                                                                                                                       | Limit                                                                                                    |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Li & Wang (2025) | Chicago, 2019. Adoption of any of three delivery platforms was associated with higher weekly restaurant visits; takeout results differed between independents and chains. | Platform adoption, not the 2026 consumer-fee change; visits are not profit.                              |
| Li & Wang (2024) | 68 U.S. localities, March-September 2020. Restaurant commission caps were associated with differentiated merchant and platform responses.                                 | Pandemic-era commission regulation, not a consumer service fee. Does not explain the rollout exclusions. |

Sources: Li and Wang, “On-Demand Delivery Platforms and Restaurant Sales,” Table 4 and Table 5; Li and Wang, “Regulating Powerful Platforms: Evidence from Commission Fee Caps,” Tables 1-7. Interpret as research mechanisms and boundaries, not DoorDash forecasts.

## Source notes

All company information is limited to what was available by October 2, 2026, 4:00 p.m. ET. Later rollout outcomes are not included.

1. DoorDash, “[DoorDash is Updating Fees to Better Match Delivery Effort](#),” July 23, 2026, sections “Updates to Delivery and Service Fees,” “Making Our Fees Even Clearer,” “What It Means for Dashers and Merchants,” and footnotes.
2. DoorDash, FY2025 Form 10-K, [SEC filing](#), Part I, Item 1, “Our Business” and “Competition,” printed pp. 5-7 / filing lines 212-245.
3. DoorDash, Q2 2026 earnings release, [company release](#), “Second Quarter 2026 Key Financial Metrics” and “Operational Update.”

4. Zhuoxin Li and Gang Wang, “On-Demand Delivery Platforms and Restaurant Sales,” *Management Science* 71(7) (2025), 5788-5804, DOI, §§3-4, Tables 4-5, §7.3; Zhuoxin Li and Gang Wang, “Regulating Powerful Platforms: Evidence from Commission Fee Caps,” *Information Systems Research* 35(4) (2024), DOI, §§3-5, Tables 1-7.

**Teaching case.** The leadership assignment is hypothetical. The case does not disclose DoorDash’s internal rollout governance, fee formula, or actual effects on consumers, Dashers, or merchants.