

SNEHA ROY

is a



nextLeap

Product Manager Fellowship

nextLeap

Mission Accomplished!

SNEHA ROY

has successfully taken their NextLeap and
completed the

Product Manager Fellowship

8 Weeks · 8 Milestones · 1 Graduation Project

Product and Problem Overview

- Sneha Roy

Company Mission

To deliver groceries,
in **10 mins**

Revenue Model

Sales Based

Profit margin by
selling products

Subscription Based

Subscription and
Membership
Plans

Advertisement Based

Different brands
Advertisement

Note: All underlined items are clickable links



5M

Registered Users



7K+

Products



20+

Categories



Rs 2024Cr

Revenue FY23



28%

Market Share FY24



10

Major City presence



200

Dark Stores



5L

Daily orders



Rs 430-470

AOV FY24

zepto



4.5

Play Store Rating

Purpose

To propose a **comprehensive strategy** aimed at **enhancing Zepto's Average Order Value (AOV)**, consequently increasing the **company's overall revenue**.

$$\text{Average Order Value (AOV)} = \frac{\text{Total Revenue from Product Sales}}{\text{Total Number of Orders}}$$

Assumption

- Infinite Tech Bandwidth
- Solving for Mobile App Users

Overview



Need

The Users

Problem Framing

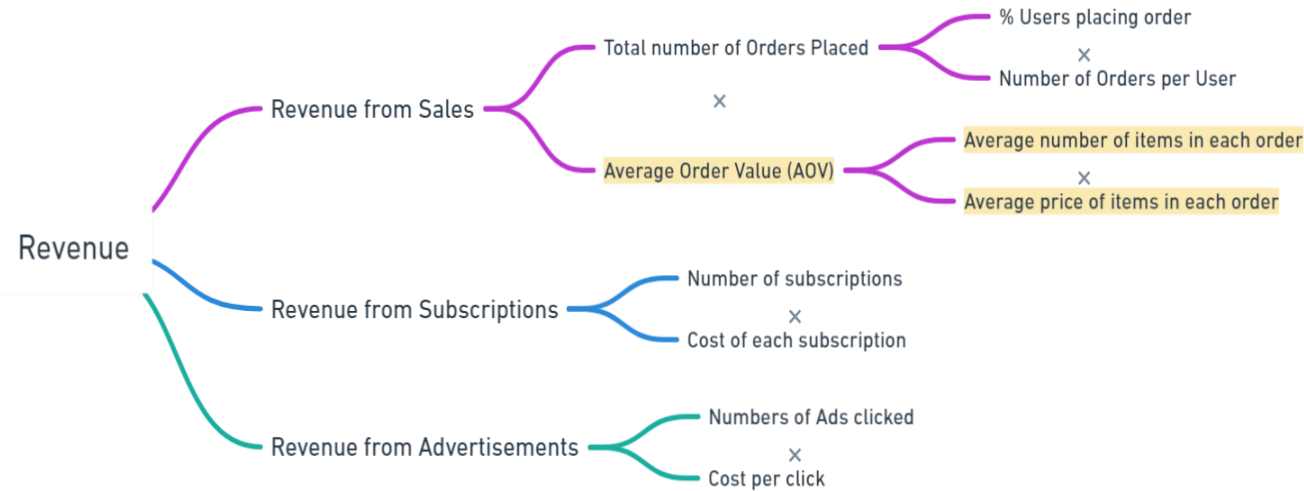
Solution

Design

Metrics

Challenges

What is the need for Zepto to care about 'Average Order Value' ?

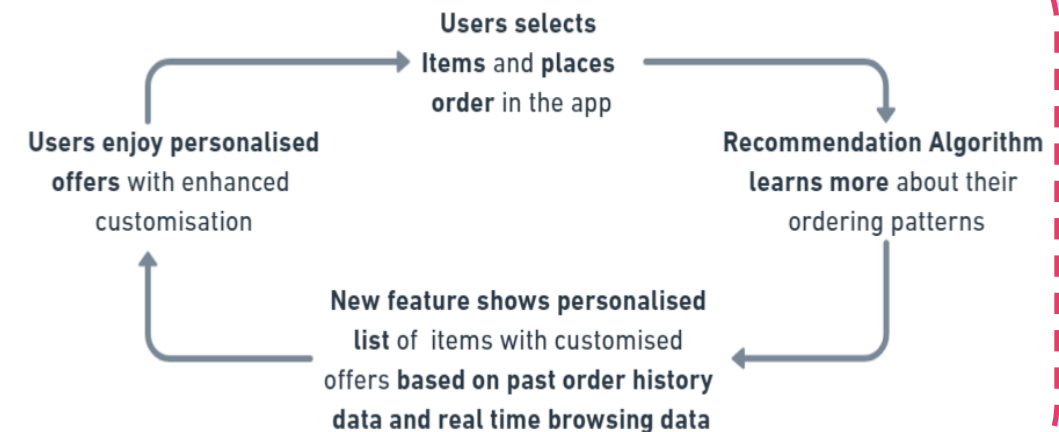


"For the scope of this project only 'Revenue from Sales' has been expanded to the corresponding product outcomes"

Clearly by impacting the Product Outcomes

- ✓ **No. of Items per Order** → **Need to be Increased**
 - ✗ **Price of each Items** → **To outstay Market Competition should not be increased**
- AOV** can be impacted which will directly enhance the Business Outcome i.e **Revenue**

Growth Loop



Actors in the System



Problem Hypothesis

Limited product bundling choices and absence of personalized upselling strategies often hinder larger orders, leading to **lower AOV**.



Let's See what our Users have to say



User Survey

18

[View](#)



User Interview

5

[View](#)



User Journey

[View](#)

Some Key Highlights

- 94.4%** people buy fresh foods, packaged food & beverages from these apps
- 66.7%** people's order get influenced by discounts & promotions
- 50%** people use these apps for speedy delivery
- 50%** people place 0-5 orders in a month
- 44.4%** people buy extra products to get free delivery
- 35.3%** people feel the need for personalized recommendations
- 33.3%** people prefer bundle offers for their items

Meet Our Ideal Users

Young (20-35 years), Tech-Savvy individuals living in urban India, using Quick commerce apps at least twice a month and looking for exclusive deals on various products

Anjali Sharma
Marketing Manager
Bangalore | 28 years



"I keep forgetting items, so I end up placing multiple orders and paying extra for delivery charges"

NEEDS :

- Convenience & Time Savings
- Efficient Ordering process
- Access to Essentials

PAIN POINTS :

Has to place multiple orders as she keeps missing out items while placing order

Rahul Khanna
Software Engineer
Mumbai | 32 years



"I often feel like I'm overpaying because I can't compare prices across all apps for every delivery."

NEEDS :

- Efficiency & Exclusive Deals
- Time Efficiency
- Access to various product categories

PAIN POINTS :

Unsatisfied with offers, often leaves out many items when ordering



What is the True Problem?

Though the platform offers various categories of items and deals, **most users don't find the offers appealing**. Majority of users only place order to meet the free delivery threshold or for essential items **resulting in lower order values**.

Is it a Real Problem?

Survey and interviews reveal that during order placement, most users are dissatisfied with offers and item recommendations, **adversely affecting the customer experience** and resulting in **lower AOV**

Why Solve it Now?

- In FY22, the company spent Rs 3.75 to earn a rupee, resulting in a **loss of about Rs 390 crore**.
 - In April 2023 the **cash burn** was Rs 55 crore.
- Increasing cart size is crucial for the company's long-term growth, profitability, and sustainability.

Jobs To Be Done

When I am shopping groceries and foods online
But I struggle to find appealing deals and recommendations
Help me find relevant offers and products
So that I can have efficient and value for money purchase

What are the values generated by solving it?

For Business

Increased customer satisfaction and loyalty will drive **higher** average order values(AOV) and **revenue** for the business.

For Delivery Partners

Increased order sizes will result in **higher earnings per trip** increasing overall earnings for delivery partners.

For Users

Improved offers and recommendations tailored to users' purchase behavior will **enhance their shopping experience**, resulting in more **efficient and value-driven purchases**.



How can it be Solved?

- Sneha Roy

Genie

What is it?

A virtual shopping assistant which **provides real-time assistance to find best deals**. E.g. - Simply asking for 'Palak Paneer', it will **curate a basket** with all the essential ingredients, **with the best deals** available which can be **directly added to the cart** as is or **customized as needed**.

How does it help users?

- **Curated baskets** with best priced ingredients
- **Time saving & Convenient** shopping experience

DealCraft

What is it?

AI driven recommendation engine which creates **custom product bundles** tailored to specific user preferences **based** on their **purchase history , browsing behaviour, current cart content**.

How does it help users?

- **Personalize Shopping Experience** with exclusive personalized deals
- **Cost Effective shopping** eliminating individual buys

FreshPoints

What is it?

Provides exclusive **multi-tiered membership program** with various **exciting perks, discounts and rewards** unlocking at different levels. These different membership levels can be **reached by earning virtual coins** depending on each order value.

How does it help users?

- **Exclusive perks** having Sale day, personalized offers
- **Early access** to new products & offers

Based on User Interviews the below priorities for the features have been determined for the initial update

Priority : Medium

Despite **limited impact on cart additions**, it's a preferred choice for smooth, efficient shopping.

Priority : High

Users **prefer personalized bundle offers** often leading to **increased cart value**

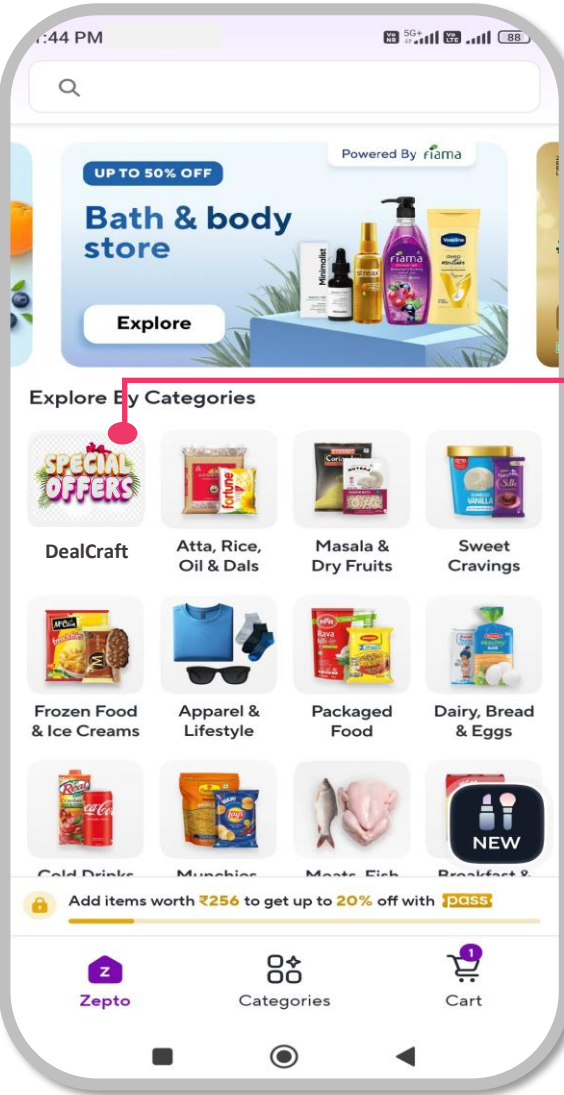
Priority : Low

Users **prioritize immediate offers** over future rewards when making purchases.

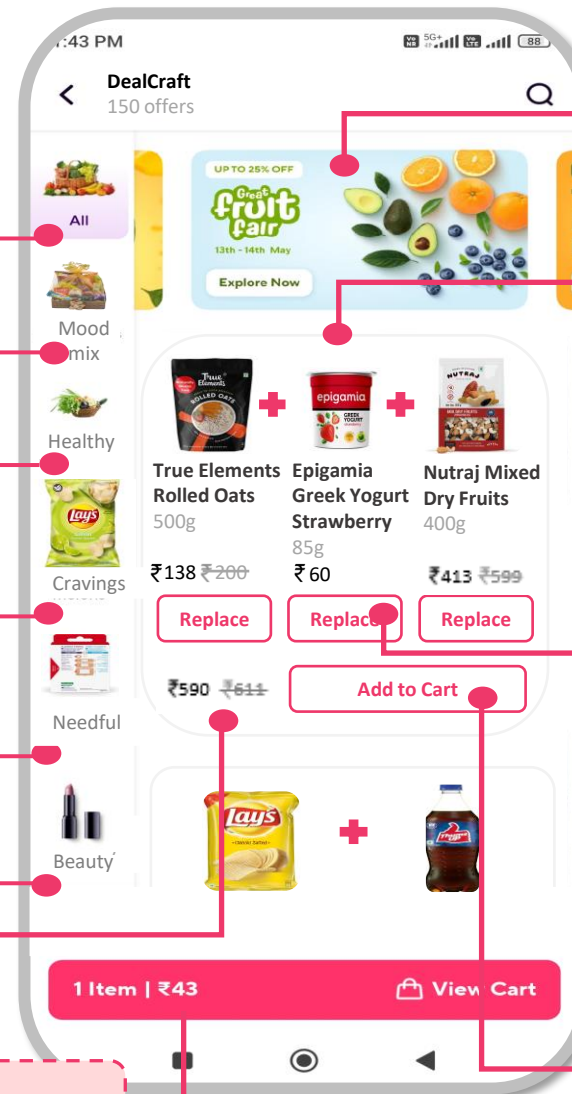
What does the solution look like?

- Sneha Roy

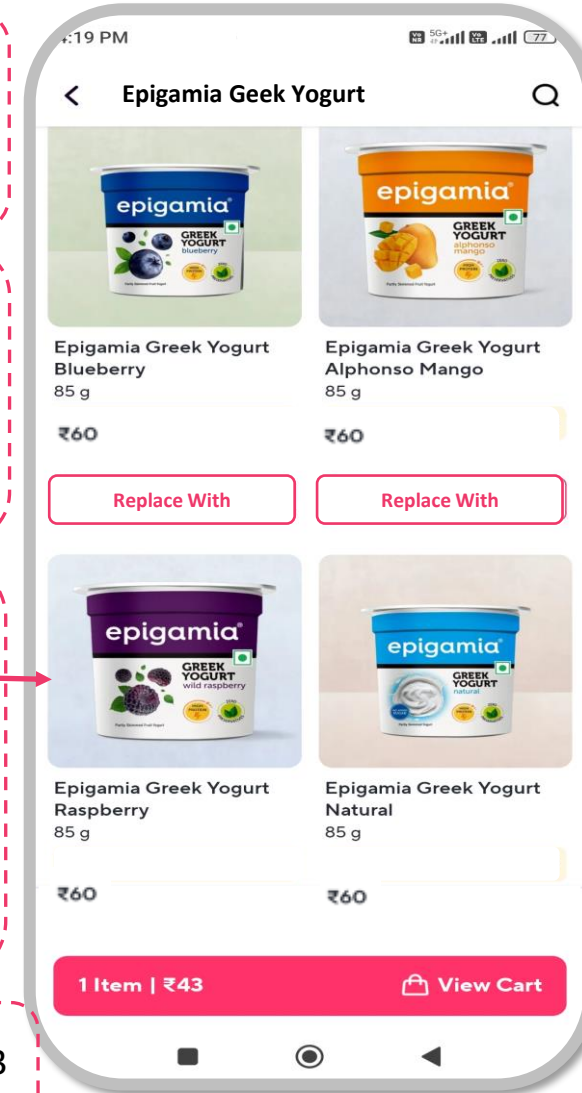
Home Page



DealCraft Feature Page



Replaceable Item list Page



DealCraft, added in Categories, displays **tailored bundle offers** for each user

These **categories** will be created based on users' **purchase history and activity**.

This shows the **bundle discount** on top of individual item discount

Banners notifying users about **upcoming sales & offers**

This **AI-generated bundle offer** includes three items, each featuring standard discounts

Items can be **replaced** within **same category & brand**, maintaining **same profit margin & user flexibility**. Clicking will show available options

Directly adds all the 3 items to the cart

Initial Order Value

Overview

Need

The Users

Problem Framing

Solution

Design

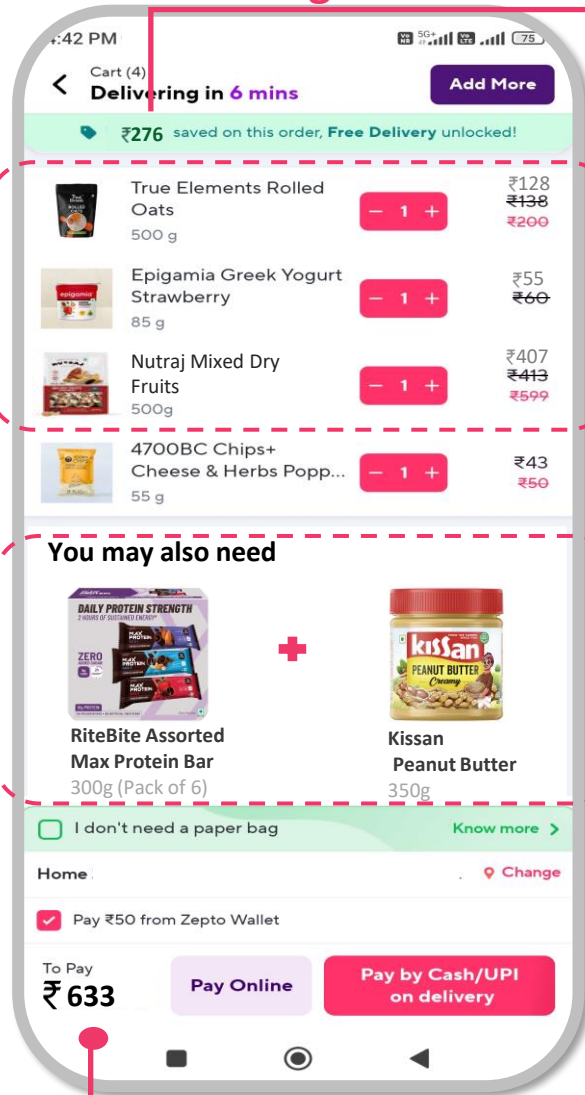
Metrics

Challenges

What does the solution look like?

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Cart Page



Displays saved amounts **boosting CSAT** and encouraging users to explore more bundle offers, **driving up order values**

All the 3 items gets added to cart showcasing the **bundle discount** on top of individual discounts. **Atleast 1 qty** of individual item in the bundle **should be kept to avail the bundle discount**. The quantity of the individual items **can be increased** and discounted price will be adjusted accordingly **boosting order Value**

At Checkout personalized bundle **recommendations** shown using **real-time data analysis**. Our AI suggests **similar offers based on present cart items**, enticing users to increase order value. Here breakfast bundle is added in cart, so AI recommends similar healthy snack bundle.

Final Order Value

Why will the Solution work?

- DealCraft enables users to **effortlessly explore** diverse **item combinations** tailored to their **purchase preferences**.
- Users have the **flexibility** to seamlessly **replace any item within the suggested bundle** with their preferred choice.
- Uses **purchase and browsing history** to offer diverse item combinations tailored to **user preferences and activity, preventing missed items**
- Combinations and offers** are **constantly updated in real-time** via data analysis, providing users with the most current and relevant options.
- The bundled discount, in addition to individual discounts, **incentivizes users to order multiple items**, thereby **boosting the Average Order Value (AOV)**.

"This new feature helps me save a lot of money & time while also preventing multiple orders"

- Satisfied User



How do we measure Success of the Solution?

- Sneha Roy

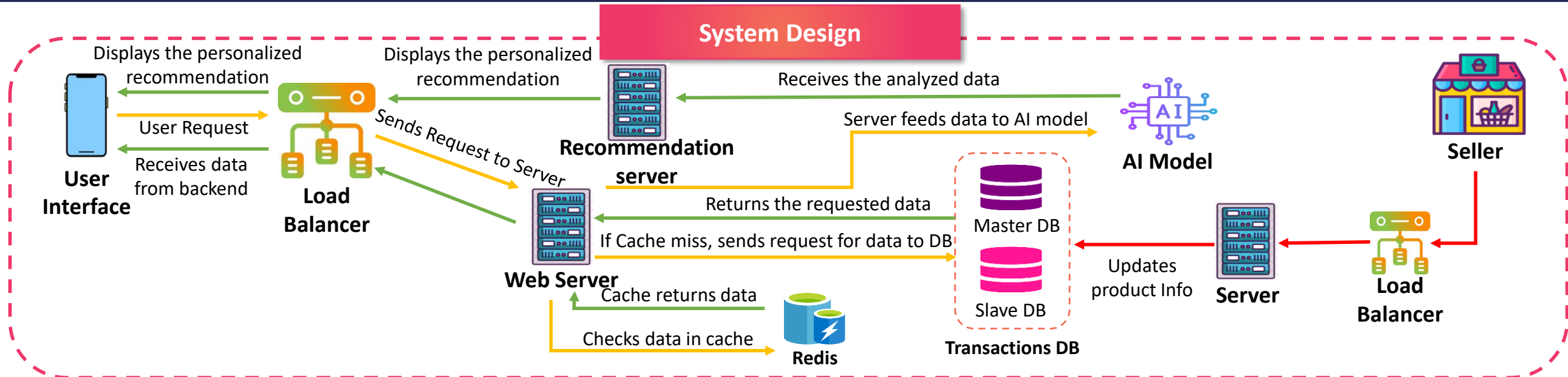
North Star Metric = %Increase on AOV post feature introduction

Type	Metric	Goal
Awareness	#Users opening the feature at least once after launch ↑	<ul style="list-style-type: none">Indicates extend of DealCraft feature visibility to the users
Activation	#Users placing order from DealCraft at least twice a month ↑	<ul style="list-style-type: none">Measures whether the recommendations of DealCraft are aligned with user preferences
Adoption	#Orders having items directly from the DealCraft offers in a week ↑	<ul style="list-style-type: none">Reflects the efficacy of the DealCraft feature
Engagement	% of Time spent in this DealCraft Page compared to Total App Usage Time ↑	<ul style="list-style-type: none">Reflects the engagement of the users with the DealCraft feature
Retention	%Increase in Active Users (2+ orders/month) post-feature launch ↑ #Users exiting without Placing Order after browsing DealCraft ↓	<ul style="list-style-type: none">Indicates how many users are becoming potentially active on Zepto post DealCraft feature launchIndicates users not affected by DealCraft feature introduction
Revenue	%Increase on Revenue from Daily Sales of products ↑	<ul style="list-style-type: none">Measures increase in Daily Revenue of Zepto from Product Sales



Pitfalls and Mitigation - What can go wrong?

- Sneha Roy



Pitfalls & Mitigations

Pitfall

Users may worry about their **data privacy** for personalized recommendations

Mitigation

Strong data encryption methods should be implemented along with **transparent privacy policies**, enabling users to manage their data and **opt-out when needed**

Pitfall

AI algorithms may **exhibit bias**, leading to **unfair or discriminatory recommendations**

Mitigation

AI algorithms should be **audited** at **regular intervals** to identify and address biases. **Diverse datasets** should be used **during training** to minimize bias

Pitfall

User skepticism may **hinder** initial adoption of personalized recommendations, limiting comprehensive **AI algorithm training**

Mitigation

Users should be **made aware** about **how the personalization feature works**, emphasizing the benefits of personalized bundles

