

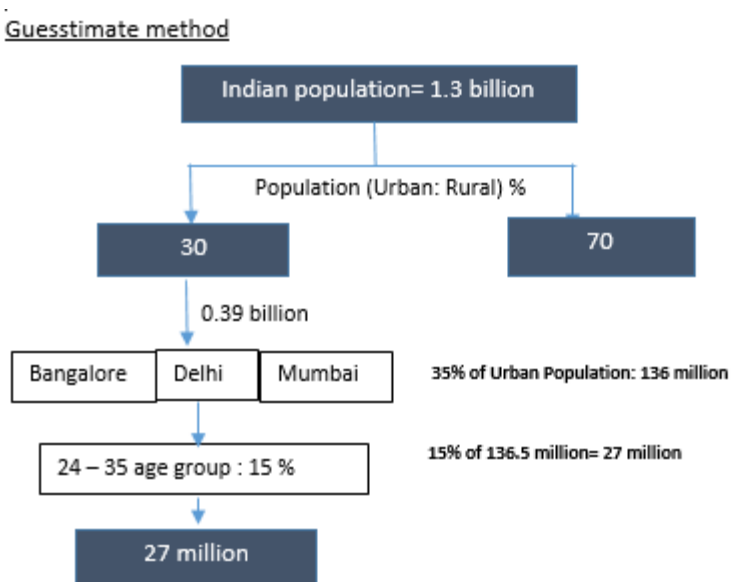


# Product Management Certification Program

*Industry Project - I*  
*Krishna*

# Part 1: Understanding the Market

## Guesstimate method



Top down approach

- Indian urban population is (urban proportion  $\times$  Indian population) =  $0.3 \times 1.3$  billion = 0.39 million
- Assume Bangalore, Delhi, Mumbai constitutes 35% of Urban Population ( $0.35 \times 0.39$ ) = 136.5 million
- Considering age group of 24-35 is 20% of 136.5 million = 27 million
- Population size = 27 million

The below finding deliberates the most popular method for any organization that starts with the interpretation of 5 forces for the target market. Porter's five forces is a model that identifies and analyses 5 competitive forces that shape every industry and helps determine the industry weakness and strengths. It also helps to identify where the power lies in the business situation. These 5 forces include, ***Threat of new entry, buyer power, supplier power, threat of substitutes, and competitive rivalry.***

- **Threat of new entry:** This defines how easily can a new business make an entry into the market. High brand loyalty, high fixed costs and economies of scale will lead to high entry barriers for an industry
- **Buyer Power:** This refers to the pressure consumers can exert on businesses to get them to provide higher quality products, better customer service, and lower prices
- **Supplier Power:** This is the degree of control a provider of goods and services can exert on its buyers

- **Threat of substitute:** This is the threat posed by the new businesses to the existing ones in the market. This is where there is availability of other products are there and where the customers could purchase from outside an industry
- **Competitive Rivalry:** This is the measure of the extent of competition among existing businesses

Porter's 5 forces help any organization to understand the players in the market, the potential threats associated with it, and what steps/initiatives can the organization take to ensure their play in the market.

Let's look at these 5 forces applied for an Indian food tech company in the next slide

# Porter's Five Forces Template

## Threat of new entry:

- In food tech company, the new entry threat is very low as the infrastructure cost to set up a restaurant is very high
- The acquisitions done by the big players like swiggy and zomato will hinder any new entry and causes the maximum entry barriers
- New entries can focus on tapping into tier 3, 4, and 5 cities as these are not yet tapped and which might pose as a threat to the existing ones

## Bargaining Power of Buyers:

- Bargaining power of buyers for a feed tech company is high
- Due to heavy scheme offerings, the bargaining power of the customer becomes high
- If the buyer could get the same services from other business, then the power of the buyer is high

## Competitive Rivalry

- Competitive rivalry for a food tech company is moderate
- As the competitors such as food panda and uber eats were acquired by the big players, the rivalry tends to be moderate

## Bargaining Power of Suppliers

- Bargaining power of the suppliers is moderate due to supply chain problems
- Direct suppliers will have problems especially when food is delivered in remote locations due to low volume requirements

## Threat of Substitutes

- Threat of substitution is high since there are applications available that are tech savvy and easily on the mobile devices
- Users tend to compare the food options in more than one platform while ordering
- More promotional offers also tend to make the users compare more products and hence high threat of substitution

- Major players in the Food tech industry: Swiggy, Zomato, Big basket, etc
- Two direct competitors DC1 & DC2: DC1 is Swiggy DC2 is Zomato

Company background and detailed analysis of Swiggy and Zomato are in the next few slides

Swiggy	Zomato
<b>Goal</b> is to revolutionize the way India eat	Connecting customers to restaurants is the <b>goal</b> of Zomato
<b>Mission</b> is to change the way India eats apart from servicing the customer better than last year and widening the assortment	<b>Mission</b> is to ensure nobody has a bad meal
<b>Strategy:</b> They run paid ads on facebook, google text ads/display ads to target the users, email marketing, social media marketing, and SEO	<b>Strategy:</b> SEO, usage of proper keywords, social media ads and paid ads
<b>Employee size:</b> 1000-5000 range (current no. of emp is 15K+)	<b>Employee size:</b> 1000-5000 range (12k+ employees)
15 rounds of investment (Series J) with 3.7B\$ total funding, 4 acquisitions so far	21 rounds of investments (Venture round) with 2.1B\$ as total funding, 14 acquisitions so far
Sriharsha Majety, Rahul Jaimini, and Nandan reddy are the founders of Swiggy	Deepinder goyal, Pankaj Cheddah, Gaurav gupta, Gunjan Pattidar are the founders of Zomato



**Target Market** of swiggy is 18-35 demographic, which has easy access to a smartphone, is fluent with using apps to get services and looks towards online platforms to fulfil their daily necessities

his includes students who cannot cook on their own and working professionals who face hunger pangs during office hours. This also includes people who have migrated for white-collar jobs and do not have a place to cook their own meals and families who prefer to skip cooking on certain days and order their food


Zomato's **target audience** includes people between 18 to 35 years of age who have access to smartphones and are comfortable in using apps. It targets two kinds of customers: The first group includes people who want to order their food home and the second group includes people who prefer to dine out. IN Lot of cases, these groups overlap. It offers food delivery to those who need it delivered as well as gives incentives to people to dine out through its Zomato Gold program.

Swiggy	Zomato
<b>Value added services:</b> Instamart (where groceries and other essentials can be delivered) this is an instant package delivery which is called swiggy genie. They also have super swiggy which doesn't charge for delivery fees from the customers. Swiggy go which is an instant pick up and drop service. Cashbacks and promotional offers	<b>Value added services:</b> Cashbacks and promo offers, restaurant directory, loyalty programs such as zomato gold and piggy bank ensures value to their money. They have rebranded gold to pro and users with zomato pro can get cashback and other benefits like money back from newly registers hotels etc
<b>Geographical reach:</b> Currently swiggy is present in 500 cities and 75 universities, especially tier I & II	<b>Geographical reach:</b> Zomato has a reach of 100 cities in India out of which it is live only in 36 cities currently in tier I & II cities
<b>Revenue Model:</b> YoY revenue for Swiggy is 2776 Crore Rs. Daily orders of Swiggy is 1.45 million, the average order value for swiggy is 2170 Rs.	<b>Revenue Model:</b> YoY revenue for Zomato is 2742 Crore Rs. Daily orders of Zomato: 1.05 lakhs orders, average order value is 400 Rs.
One of the major sources of revenue for Swiggy is through commissions They derive it from restaurants and other partners who come on board with Swiggy to deliver items to the customers. These partners are required to pay around 25 percent of every order placed through Swiggy.	Major revenue stream of Zomato is through advertisements, subscriptions, food delivery services, event organisations, and kitchens

# SWIGGY & ZOMATO USER RATING AND REVIEWS

upGrad

## Swiggy Rating and Reviews




Swiggy : Food Deliver...  
Swiggy


Open

4.1★


2M reviews



2M reviews



Editors' Choice



Order food, groceries & essentials online, & get quick doorstep deliveries.

Ads • Related to your search

Ratings and reviews ⓘ →

4.1

★★★★★

2,901,068

5 4 3 2 1

Vector G

★★★★★ 01/12/2021

Swiggy super is Swiggy One now, useless, as minimum order limit raised to 199, and it's clear that we end up paying much more th...

Was this review helpful?

Yes No

Swiggy 01/12/2021

Hey there, we understand your disappointment. However, we would like to have this investigated. Request

Lake Sidey


★★★★★ 29/11/2021

The new update is a step back in many ways. And seems to have changed the terms of my super membership midway which is not cool. ...

Was this review helpful?

Yes No

## Zomato Rating and Reviews




Zomato - Online Food ...  
Zomato  
Contains ads


Open

4.1★

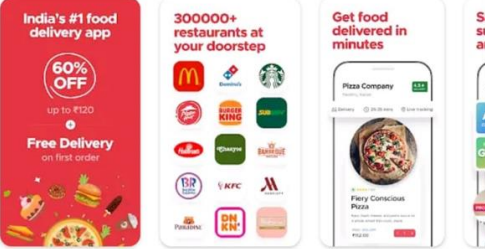
5M reviews



5M reviews



Editors' Choice



Order food online, check reviews and avail great offers on delivery and dining!

Ratings and reviews ⓘ →

4.1

★★★★★

5,873,214

5 4 3 2 1

Arvind Nadar

★★★★★ 29/11/2021

The UI is great, with multiple filter options to find restaurants and cuisines. But, in terms of delivery have had instances where food was ...

Was this review helpful?

Yes No

Deeksha D

★★★★★ 29/11/2021

If I had a chance to give 0 I definitely would have. The customer help service is ridiculous. There's literally no help. Suppose the food is ...

Was this review helpful?

Yes No

Zomato 29/11/2021

Hi Deeksha, we're sorry to hear that. We are constantly working to improve our support infrastructure. It would be

# Part 2: User Research

**Objective: To understand the user needs and demands (approximate target market, preferred products, preferred medium of buy/pay) for online food tech industry.**

**Hypothesis: The objective for the survey is based on these certain hypothesis:**

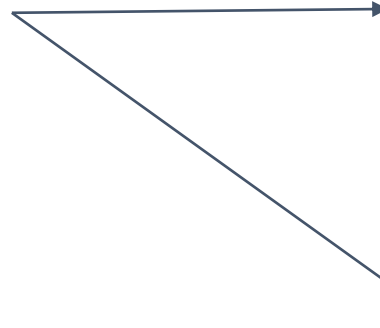
- Young Working Professionals in the age of 23- 35 usually order food online
- Most of the people are concerned about the quality of food
- People from urban cities prefer to use online food delivery app as it is convenient more than people from rural areas.
- Food quality is not the same as the quality when eating in a restaurant.
- Majority of people order food for 8-10 times in a month
- Post COVID customers will be very careful about ordering food from outside

SURVEY LINK : [https://docs.google.com/forms/d/e/1FAIpQLSfHVdMB2\\_IaWa\\_JPvzWIBDRDwg1thvoajUoZv2NOeZtpQiiWQ/viewform?usp=sf\\_link](https://docs.google.com/forms/d/e/1FAIpQLSfHVdMB2_IaWa_JPvzWIBDRDwg1thvoajUoZv2NOeZtpQiiWQ/viewform?usp=sf_link)  
<https://docs.google.com/spreadsheets/d/1ulq8hhKHKvQWAhxMIkj5rc18mAzaSXWeTakB3hIfmiM/edit?usp=sharing>

RESPONSE LINK :

**WE HAD RECEIVED AROUND 27 RESPONSES FOR THE SURVEY**

**87.5 % OF PEOPLE HAVE  
USED ONLINE FOOD  
ORDERING APP**

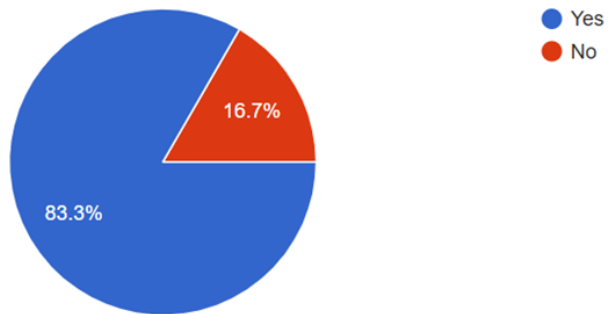


**OUT OF WHICH 40 % ARE  
YOUNG PROFESSIONALS WHO  
ARE SINGLE , FROM METRO  
CITIES**

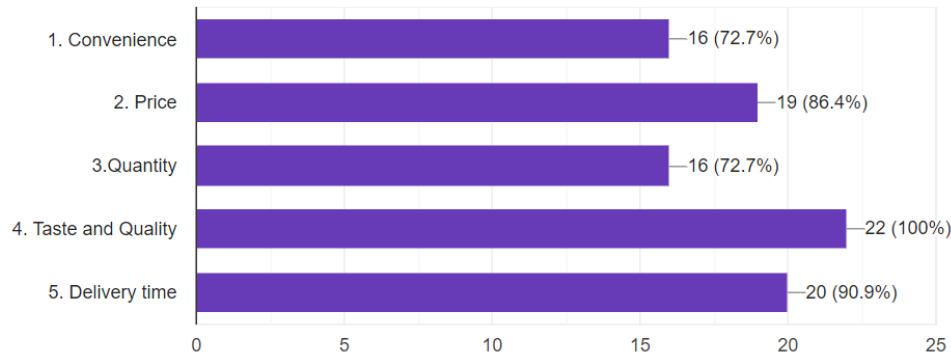
**87 % OF PEOPLE ARE STILL  
OKAY TO ORDER FOOD ONLINE  
POST COVID**

## MOST USERS PREFERRED TO BUY FOOD FROM ONLINE FOOD ORDERING APP BECAUSE OF CERTAIN REASONS

**Motivation of people:** Majority of the people are familiar with online food ordering app. The percentage of people who are used to order food from an online forum is 83.3%.

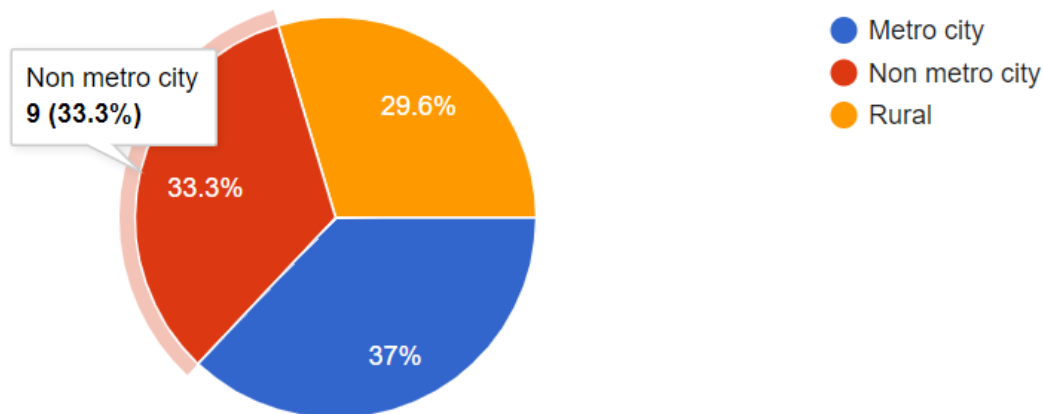


**Motivation of people:** Majority of people choose order food ordering app due to the taste and quality and delivery time. The percentage chose these reason are 90 % and 100% respectively



**Age group :** Out of 30 respondents 10 members fall in the 25 – 35 age group

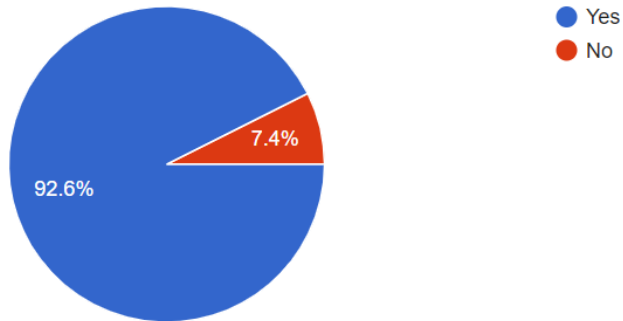
**Location: Mumbai, Bangalore and Chennai** comes in the metro city format and most the respondents are from either Bangalore / Chennai / Mumbai. People from metro cities are familiar with the usage of food ordering apps , non-metro city people are using but the percentage is not that much high. The percentage of people from metro city using online food ordering app is 37%, non-metro city people uses ordering apps with a percentage of 33.3 % and rural with 29.9 %.





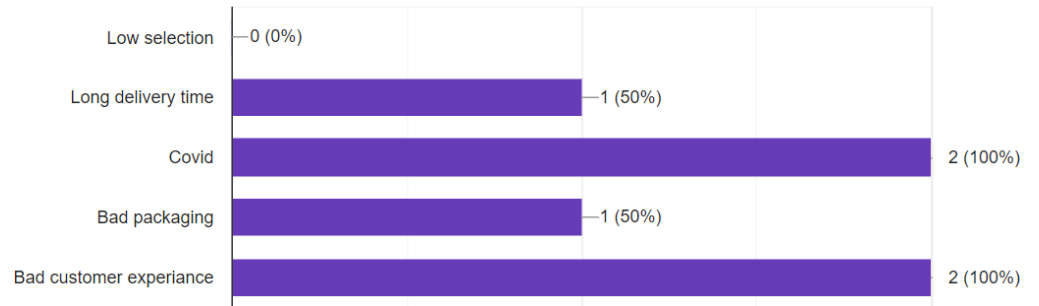
## POST COVID EFFECT

Covid have not reduced the usage of online food ordering apps among people. Majority of people are still okay to order food through an Online App post covid. As discussed majority of the people responded are from metro cities and due to covid restrictions people used to order online foods rather going outside and having.



## REASON TO AVOID ONLINE APP

Very few people are not okay to order food using online food ordering apps. There were total 5 main issues why people were not ordering food online. The main reason are Covid and Bad customer experience. The other main reasons are Longer deliver time and Bad packaging comprising 50 % each



The interview process will help in understanding the user needs more accurately. Apart from that, it would also help in understanding the food habits, understanding likes and dislikes more closely & will help in validating the problems & needs of the current end user

## Questions:

Q1. Whom do you live with? (Alone, with flatmates, with family)

Q2. Do you order food?

Q3. How do you order food?

Q4. Do you encounter any problems when you order food online?

Q5. How often do you order food in a week?

Q6. When you order food online, how much do you usually pay for a meal?

Q7. Would you prefer to per meal or pay for a week or so in advance?

Q8. Do you order home-cooked food? If no, why? Would you consider it? If yes, what do you like?

Q9. Would you prefer ordering food from a home cook instead of a restaurant?

Q10. If you have to order homemade food online, how much would you pay for a meal?

- Total number of questions: 10
  - Total number of interviewees: 2
  - Demographics: Ages 18–35 / Tier 1–3 cities / Both male and female / All professions
- USER INTERVIEW

<https://docs.google.com/document/d/1fx8oG-y4uTBkZwiRoiQSPZDIZlqwkPVU/edit?usp=sharing&oid=104300111118064339996&rtpof=true&sd=true>

Objective : To determine the demand for a new food delivery app

## Hypothesis

People are willing to order food from a new food delivery app during COVID-19

People will switch to a new food delivery app if it is cheaper

People will order food online at least once a week

People are more likely to increase their order frequency if there are staying alone

## Insights

- The most popular apps are **Swiggy. Zomato and amazon food**
- They consume home-cooked food
- People order food twice or thrice in metro cities and based on their work
- People mostly prefer online payment options like UPI payments
- They mostly order food which their families do not cook or is time-consuming to cook
- People will most likely not increase their order frequency - if they are staying alone

# Part 3: Minimum Viable Product Creation

A MVP is the most basic version of a product with enough features to attract early-adopter customers and validate the product idea in the early stages of development.

## User Features:

Login/Sign up page

Profile set up page (for business purposes)

Restaurant booking

Payments page

Blogs and content

Delivery tracking

Rating/feedback

Page share

Search function

Customer support

Menu page

Food selection

View cart

Offers & discount page

Check out

Features	Reasons for choosing must have
Login/sign up page	This is a prerequisite for setting up an account and helps the users to login/sign up uniquely by giving them an option to set up using mobile number/email address
Profile Setup	This is where the users can set up their profile and helps the business to identify them and document their activities in the application
Search function	In a food delivery app, users should be given an option to search and find the food of their choice, this ensures the users don't drop off from the the app
Food selection	In a food delivery app, selecting the food is really essential as this is where the users place their order by selecting food of their choice
View Cart	View cart lets the users to review and verify their order before placing it

Payment Page	This page allows the users to select the right set of payment option they should choose before they pay for the order. Different users have different options for payment and this is yet another essential page
Delivery Tracking	This allows the users to see and track where their order is as they should know about the arrival of the order
Rating/feedback	Enriches the database and documents customer satisfaction score. This also helps other users to filter the right restaurant that has higher number of stars or higher rating



- Restaurant booking
- Customer Support
- Profile set-up (Business Profile)
- Restaurant booking
- Offers/Discounts page
- Page share
- Blogs and content



Disclaimer: All content and material on the UpGrad website is copyrighted material, either belonging to UpGrad or its bonafide contributors and is purely for the dissemination of education. You are permitted to access print and download extracts from this site purely for your own education only and on the following basis:

- You can download this document from the website for self-use only.
- Any copies of this document, in part or full, saved to disc or to any other storage medium may only be used for subsequent, self-viewing purposes or to print an individual extract or copy for non-commercial personal use only.
- Any further dissemination, distribution, reproduction, copying of the content of the document herein or the uploading thereof on other websites or use of content for any other commercial/unauthorized purposes in any way which could infringe the intellectual property rights of UpGrad or its contributors, is strictly prohibited.
- No graphics, images or photographs from any accompanying text in this document will be used separately for unauthorised purposes.
- No material in this document will be modified, adapted or altered in any way.
- No part of this document or UpGrad content may be reproduced or stored in any other web site or included in any public or private electronic retrieval system or service without UpGrad's prior written permission.
- Any rights not expressly granted in these terms are reserved.