

NINJACART CASE STUDY

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Key Performance
Indicators

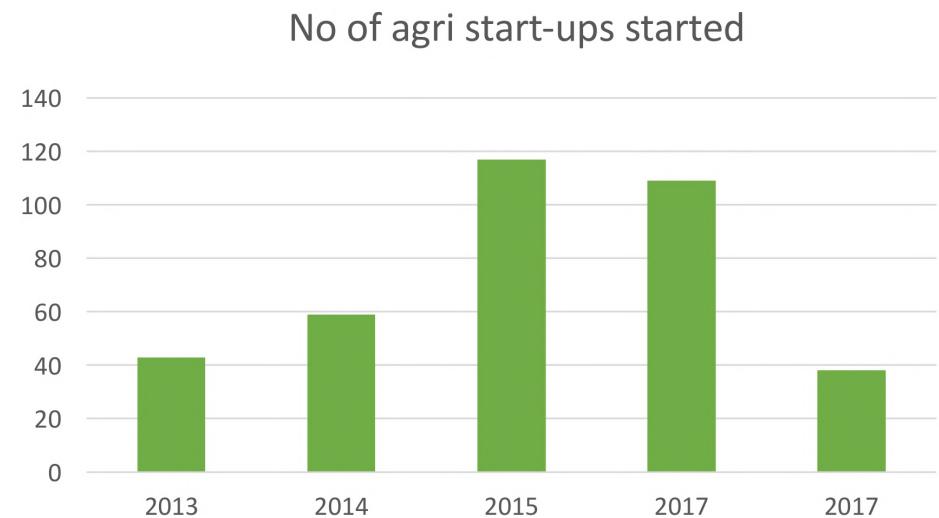


INDUSTRY OUTLOOK : AGRI-TECH

-  450 start-ups exist
-  Annual growth rate 45%
-  Recession Proof
-  Urbanization shifting consumption from food grains to fruits, vegetables.
-  Horticulture production has grown at twice the rate of other agricultural crops.

Ninjacart is **India's largest B2B fresh produce supply chain platform.**

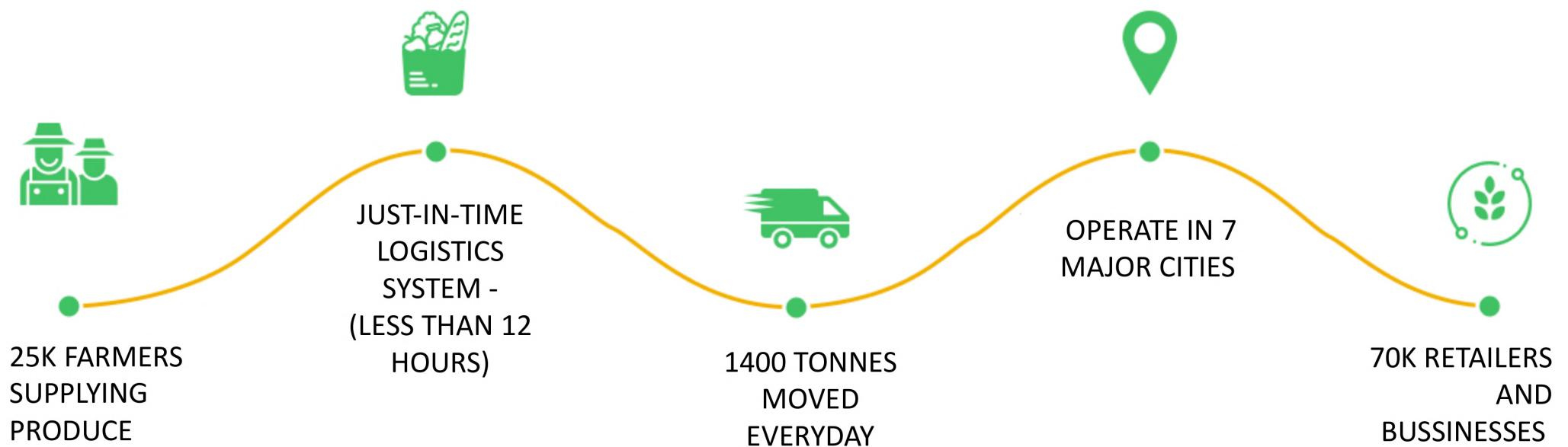
Ninjacart connect **producers of food** directly with **retailers, restaurants, and service providers** using in-house applications that drive end to end operations.



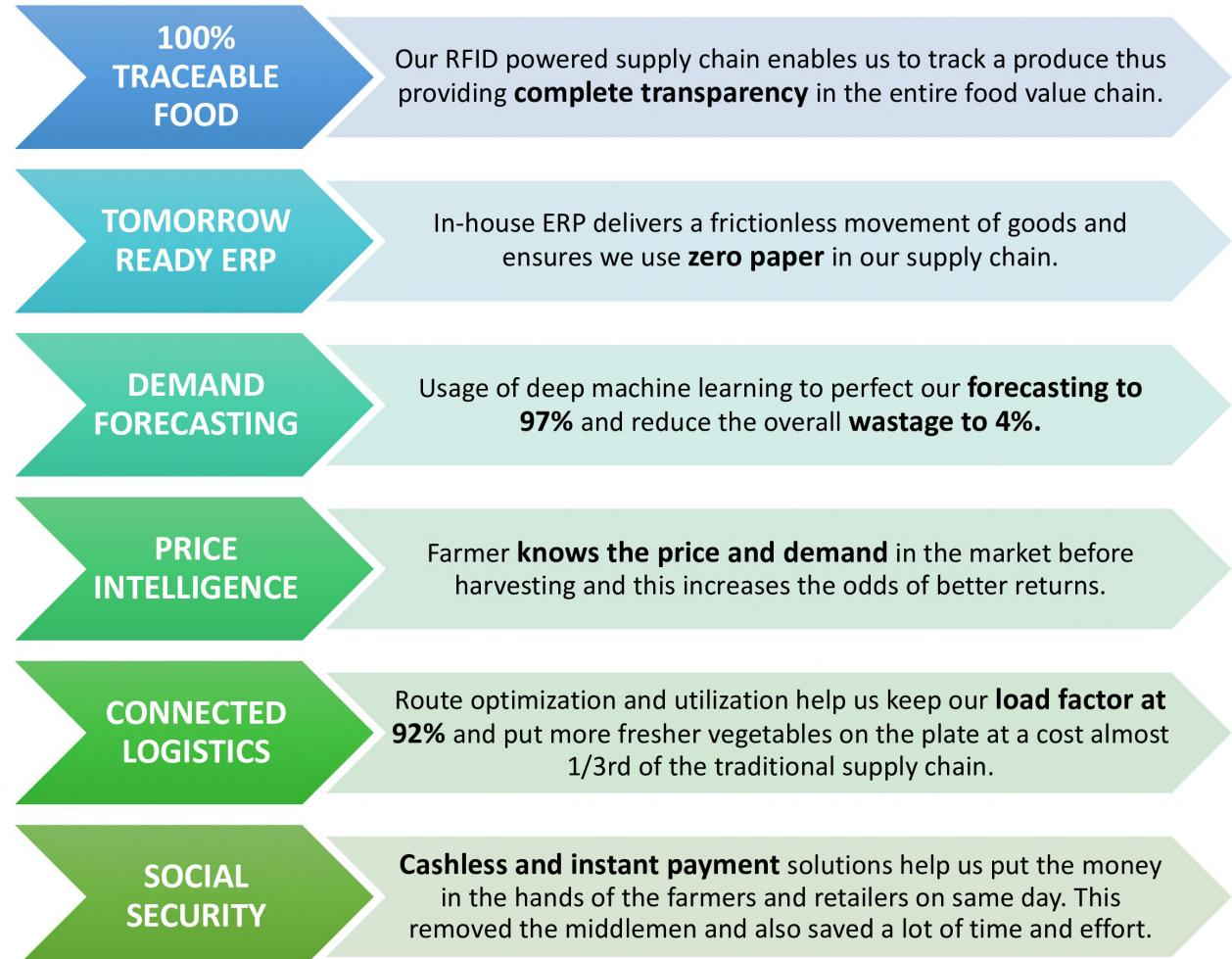
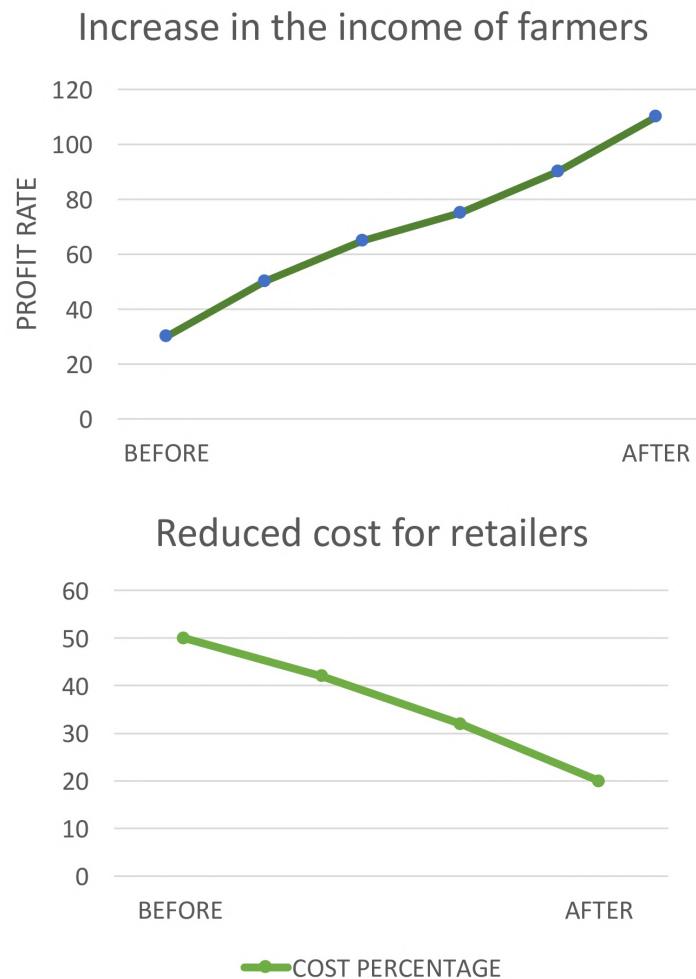
HOW DOES THE CHAIN WORK



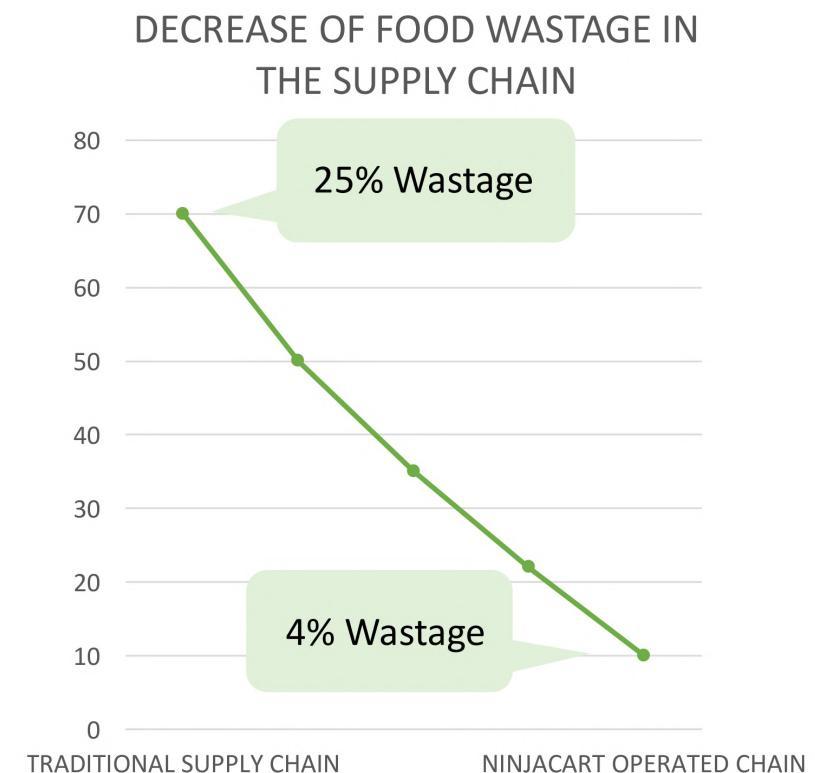
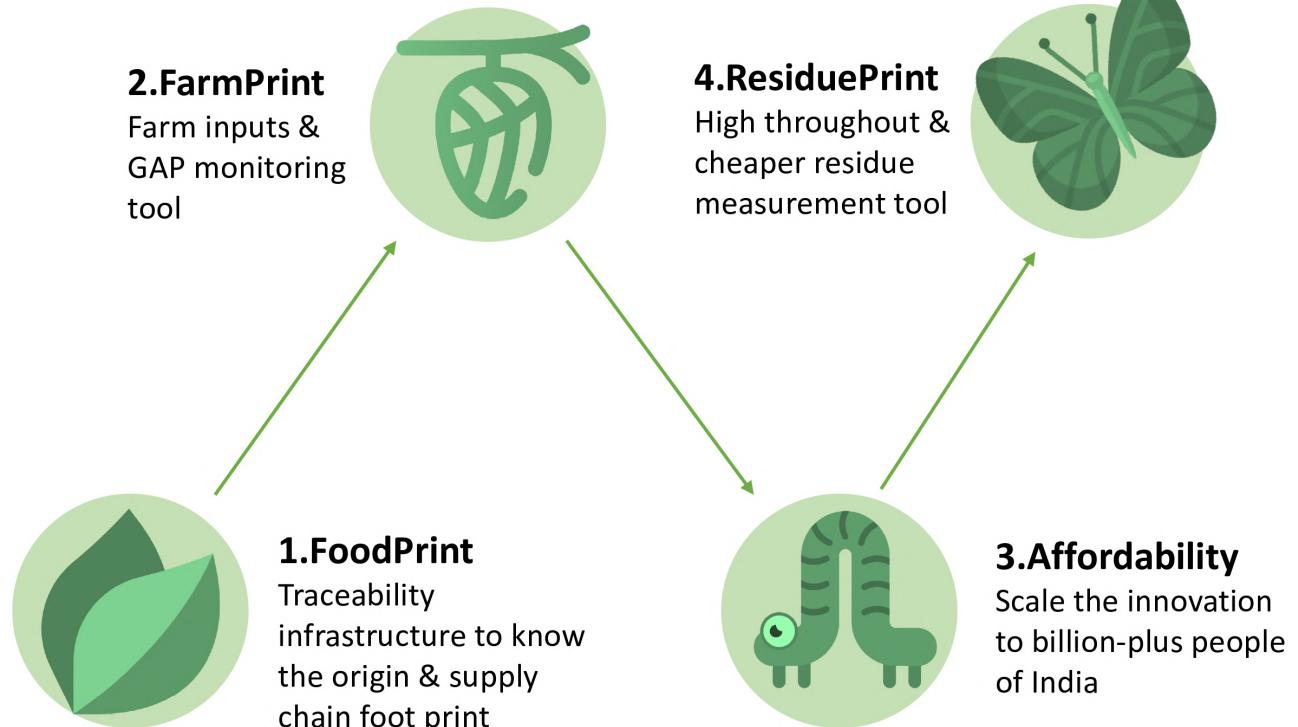
THE NEW FARM FORMULA



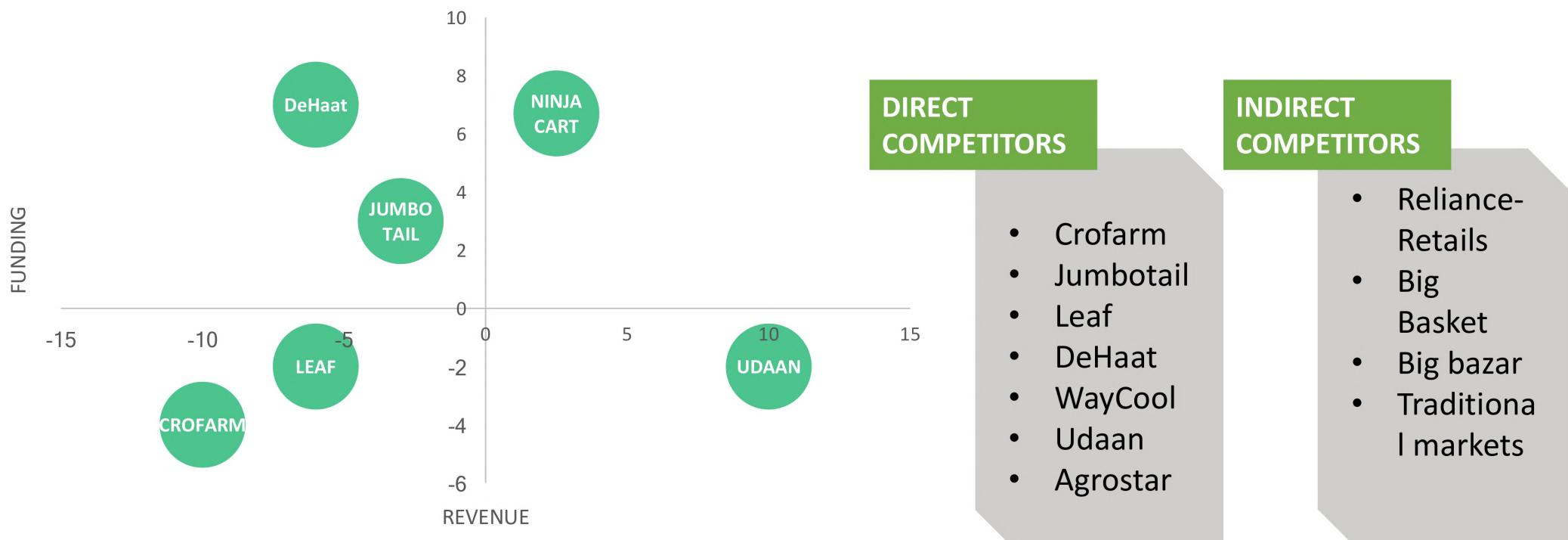
IMPACT IN THE MARKET



FUTURE GOALS



MARKET ANALYSIS AND COMPETITION



REVENUE VS FUNDING PLOT OF NINJA CART AND ITS COMPETITORS

WHERE NINJCART WINS?

WHERE COMPETITORS WIN ?

STRENGTHS

Quick delivery of **digitalised money** to farmers **without commission**

Several agriculture related **teaching schemes** for farmers.

100% **traceability** & 99% **fulfilment rate**

They provide **loans for buyers** and **working capital for producers**

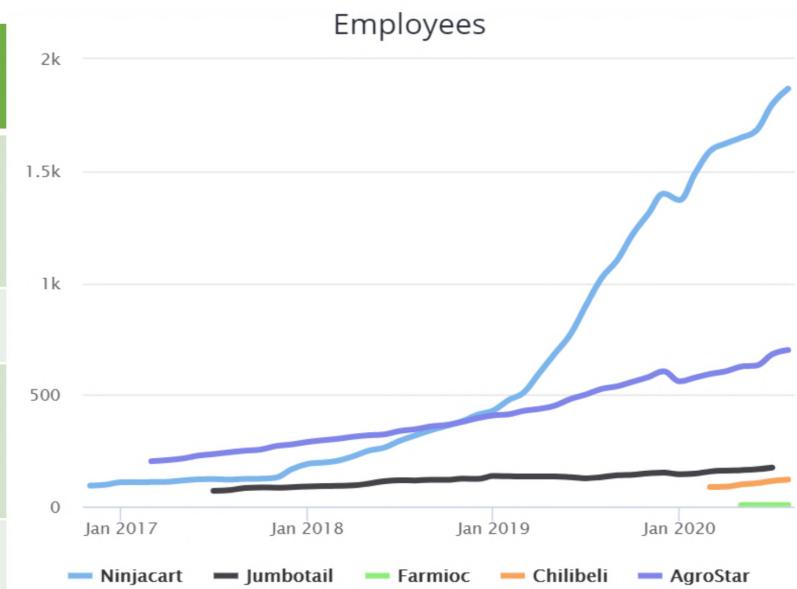
Networks **more cities and towns** than NinjaCart.

Provisions like **electronic book-keeping**, advance payments, and individual rating system.

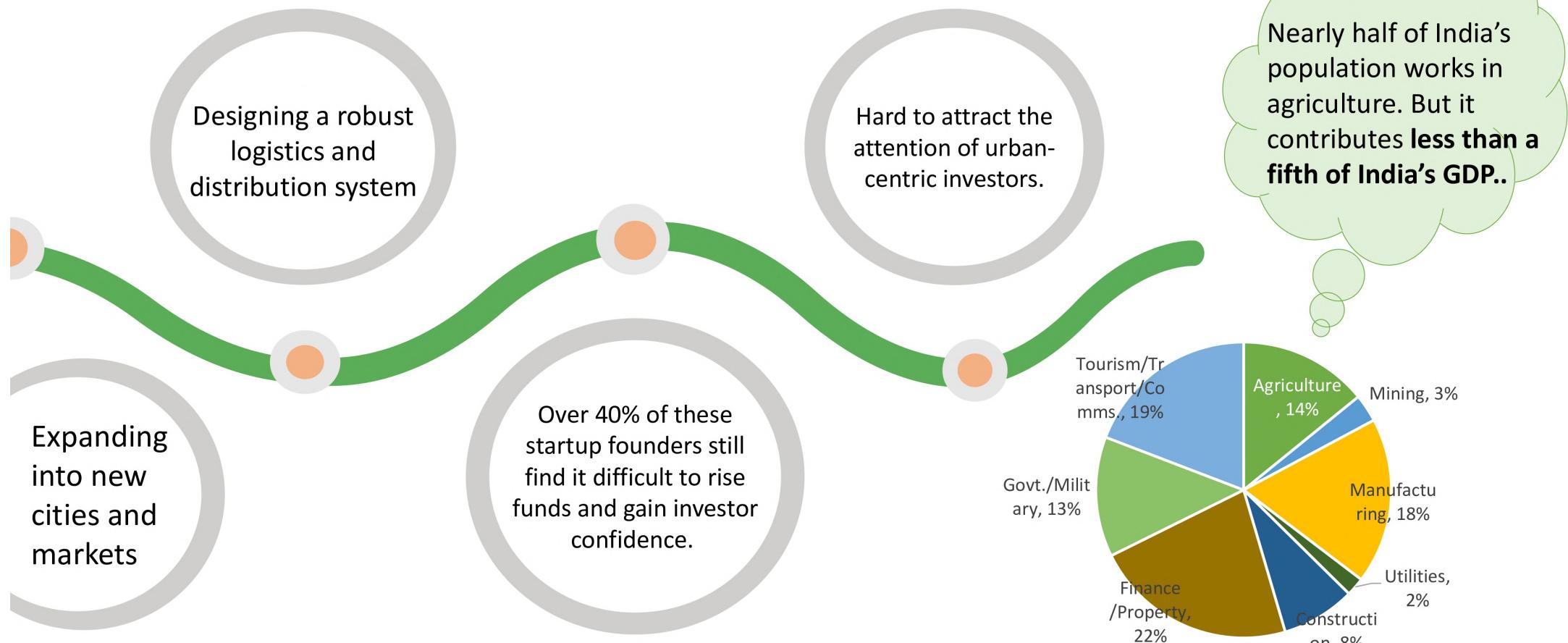
COMPETITIVE ANALYSIS



	NINJACART	JUMBOTAIL	FARMOIC	CHILIBELI	AGROSTAR
FOUNDING DATE	2015	2015	2018	2019	2008
TYPE	Private	Private	Private	Private	Private
LOCATION	Bengaluru, IN HQ	Bengaluru, IN HQ	Hyderabad, IN HQ	ID HQ	Pune, IN HQ
TOTAL FUNDING	\$ 154.1m	\$ 23.2m	---	\$ 10m	\$ 41m

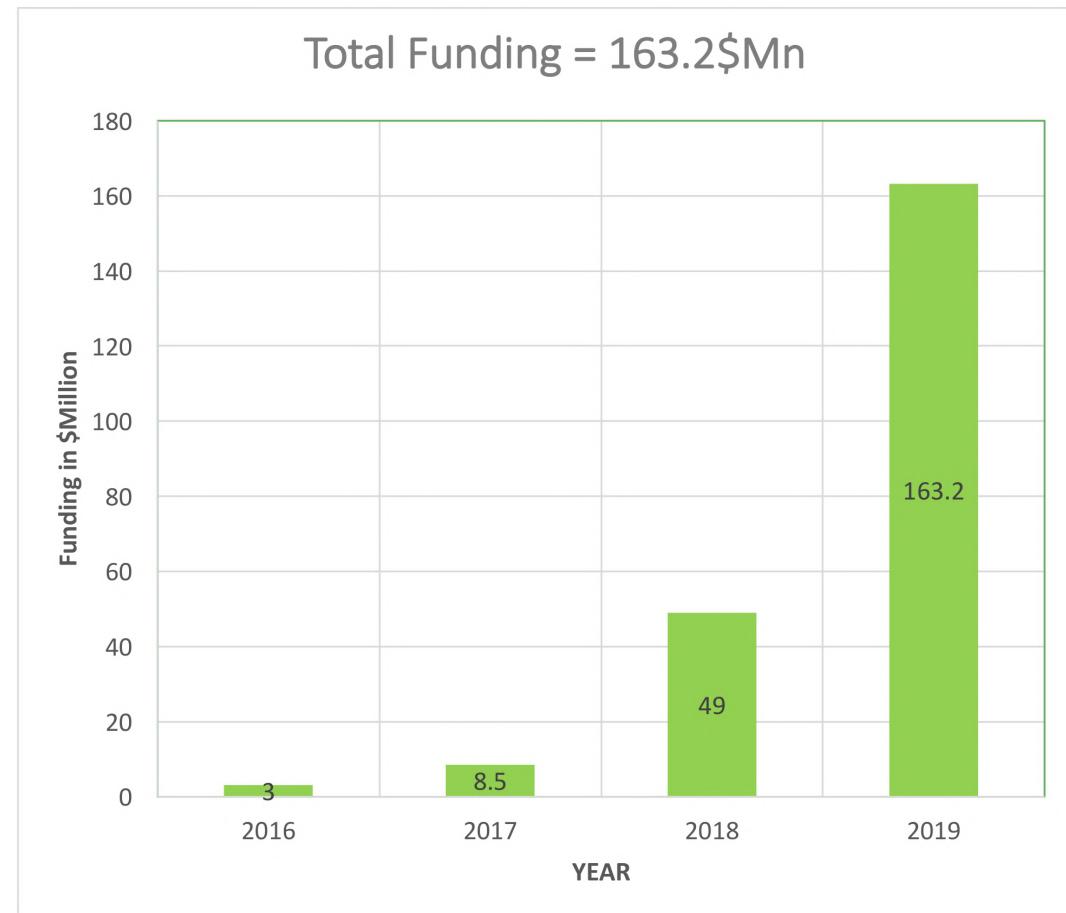


CHALLENGES

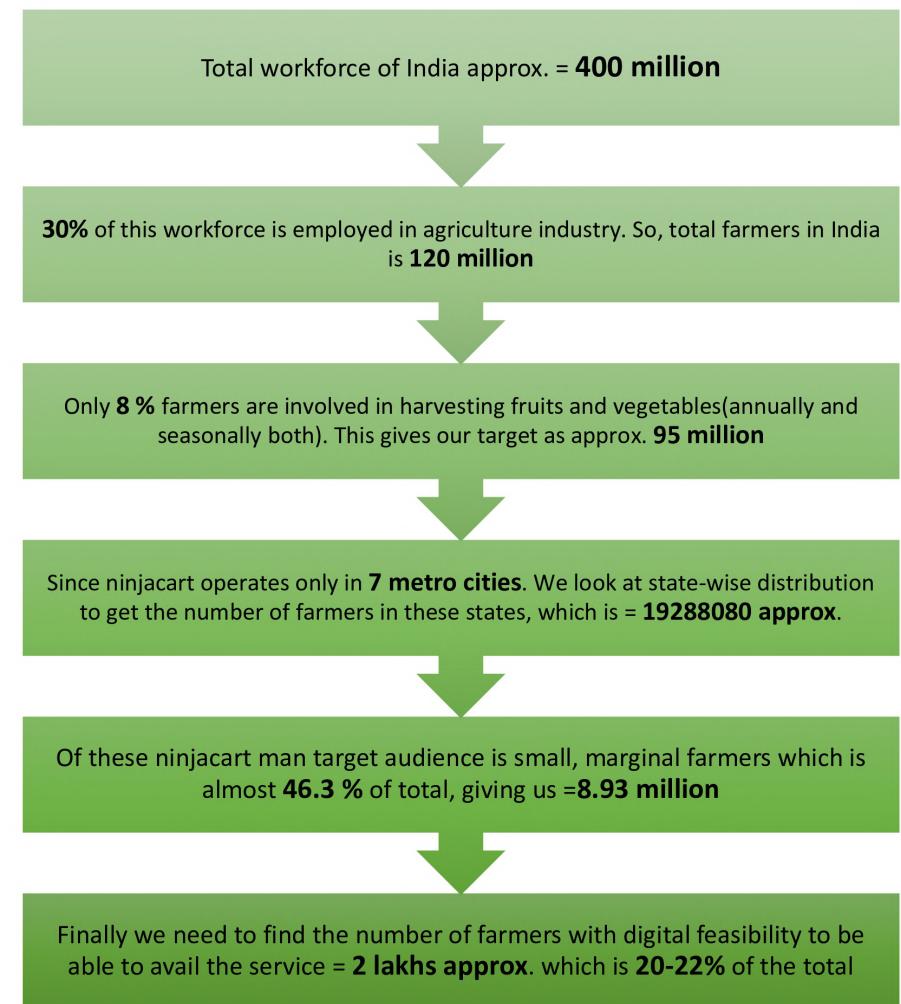
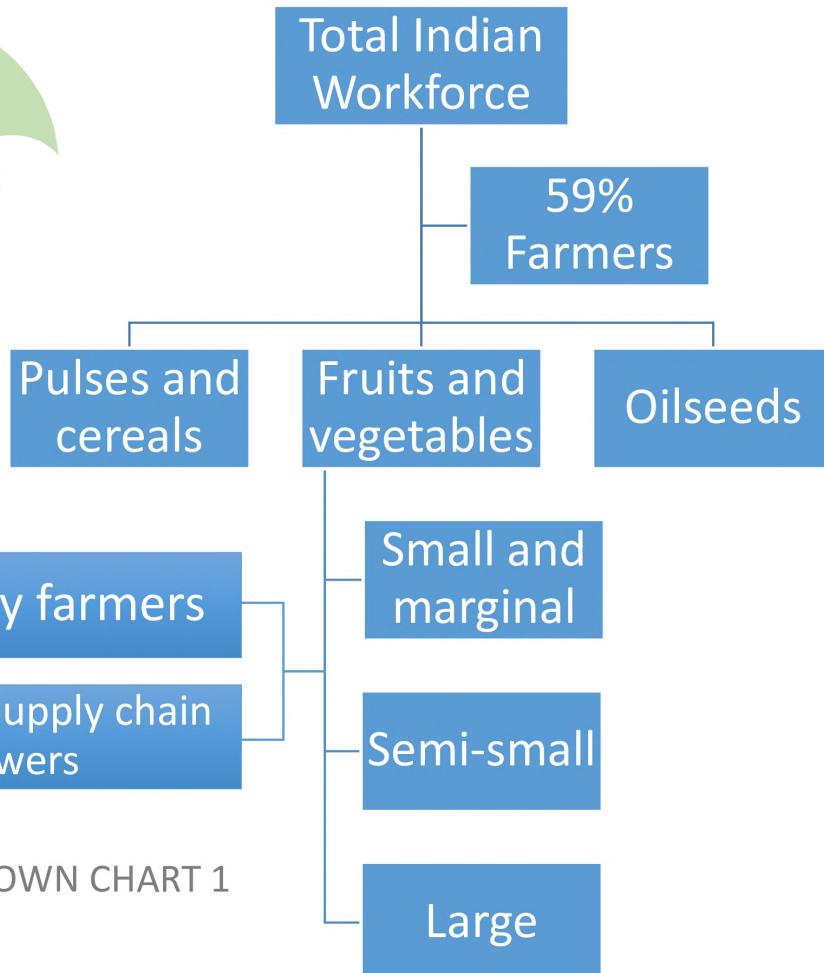
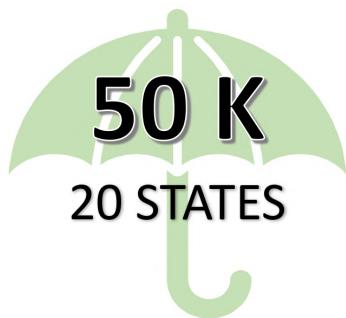


MARKET TRENDS AND SCENARIO

- This space has seen funding close to **\$248 million** till June 2019, as compared to the 2018 number of around **\$73 million**— a **300% growth** in less than a year.
- It is believed to be an **underserved** market by investors. In the backdrop of this increased funding, **48%** of Agri-tech CEOs believe there is an **agri-tech unicorn** coming in the **next three years**.
- In the last five years, more than **5 global Agri-tech companies** have ventured into India, as compared to more than 25 Indian Agri-tech companies with global presence.

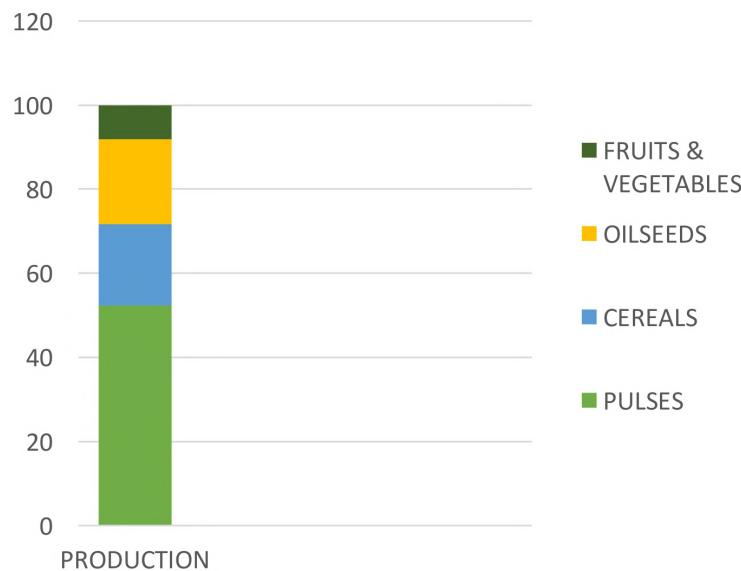


TARGET AUDIENCE 1 : FARMERS



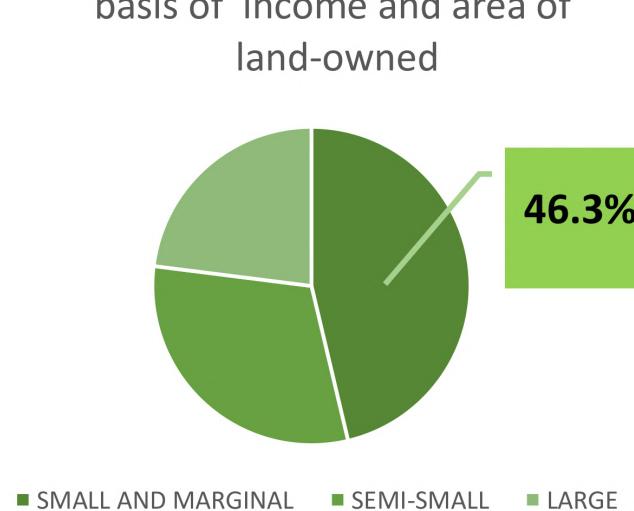
WORKING OUT THE GUESSTIMATE -1

Distribution of total farmers based on the produce they cultivate



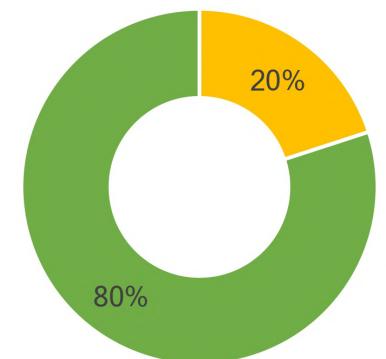
Ninjacart only **deals with fruits and vegetables**, hence , this graph gives us the relative percent of farmers we need to target

Distribution of farmers on the basis of income and area of land-owned



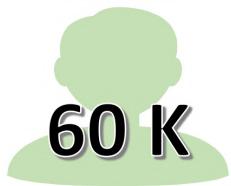
Small, marginal farmers are our the ones who are most likely to buy our services due to increasing problems in supply chain

■ 7 target states ■ Rest

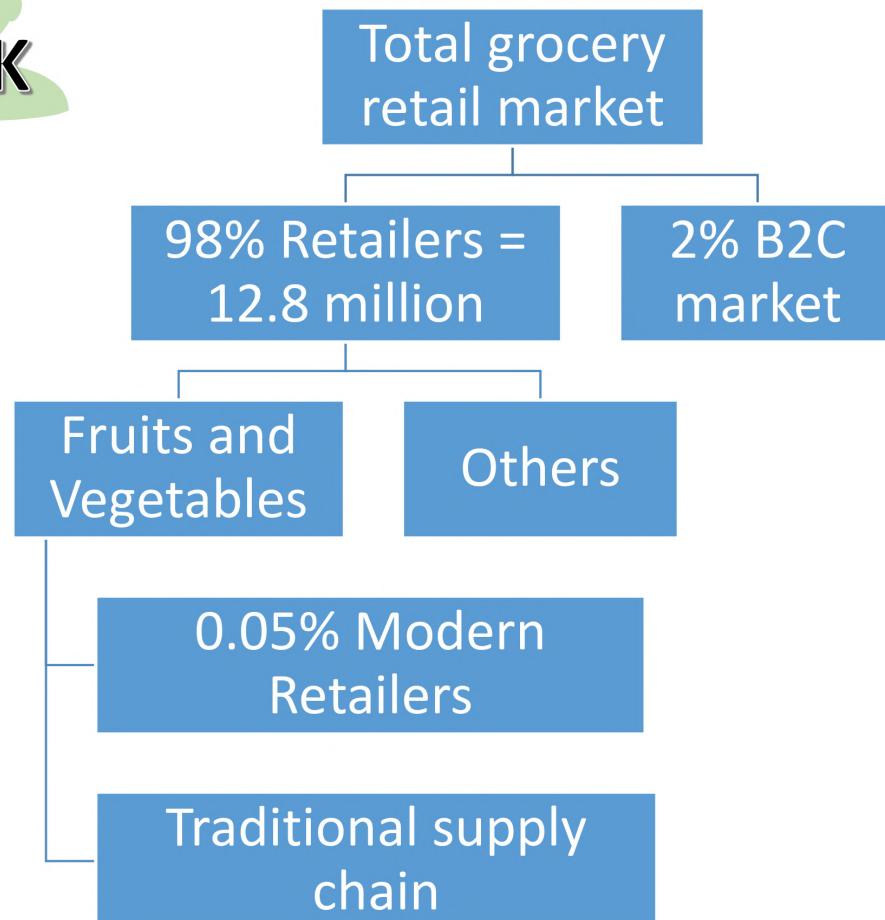


Ninjacart operates in **7 cities** only so we need to calculate that proportion also

TARGET AUDIENCE 2 : RETAILERS



IDEA BREAKDOWN CHART 2



The retail stores in India contribute as much as **97-98%** of the total market but these includes everything from kirana walas to malls

We have almost **12.8 million** traditional retail outlets in India.

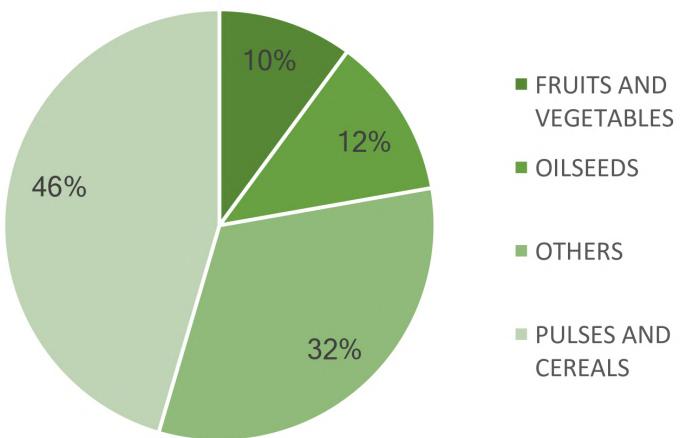
of these we calculate the stores that sell fruits and vegetables as these will be our customers. It is about **10-15%** giving us = **1.28 million retailers**.

Of these retailers only a mere **8-9 %** of retailers have digitalized their shops and will avail to our services.

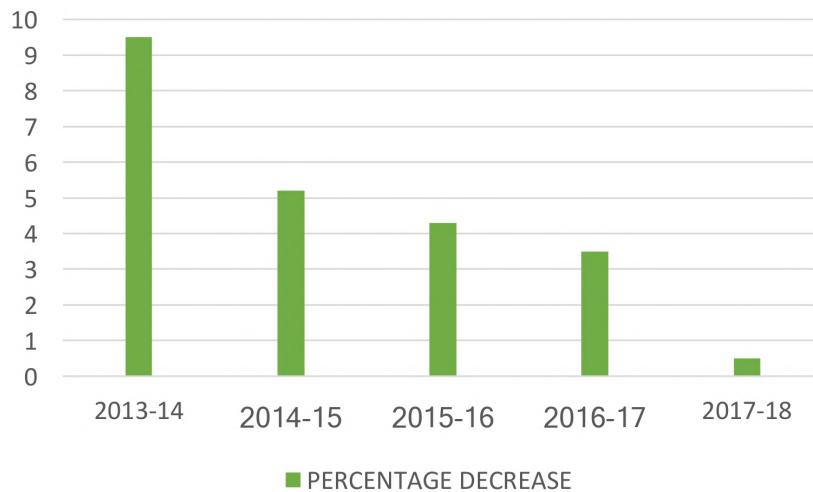
This gives us a final target market of **102400 retail shops**

WORKING OUT THE GUESSTIMATE -2

Distribution of items at a standard kirana store



Decrement in the usage of traditional supply chain methods



We need retailers who sell **fruits and vegetables**.

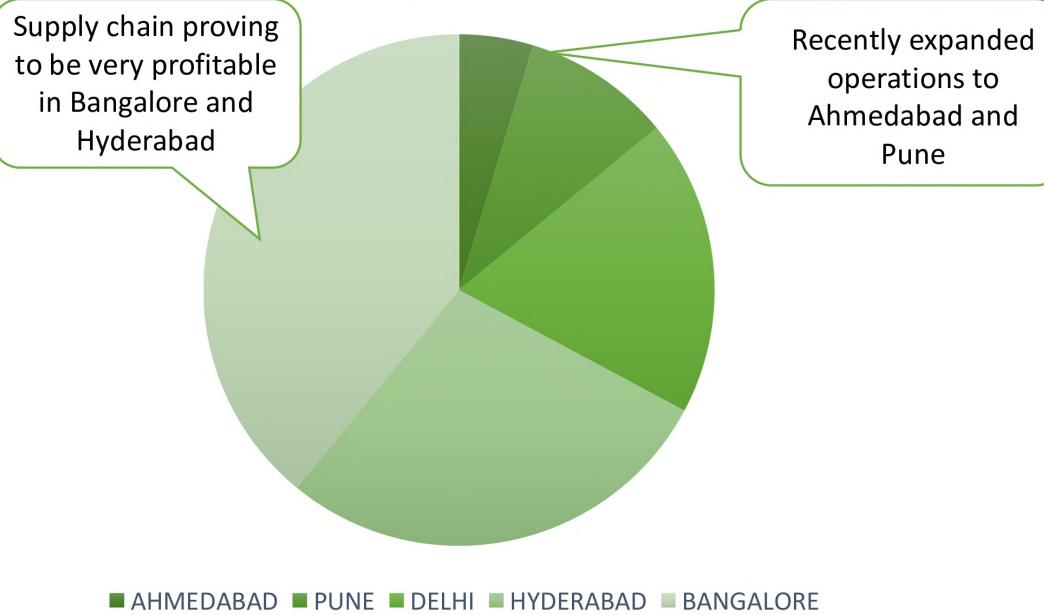
Retailers with **digital awareness** are prime audience for Ninjacart



Relative chart

SOME MORE INSIGHTS ...

STATE-WISE DISTRIBUTION OF TARGET MARKET



TARGET AUDIENCE 3: These make up for a small proportion of the target market relatively !

- Restaurant -Owners
- Seasonal cultivators
- Wholesalers
- Society/Apartment stores

USER PERSONA 1:

Reaping what you sow: A farmer's journey - **Dilip Papanha, Farmer at Kodihalli**



PAIN POINTS

- Transportation was difficult.
- Paying policy by vendors was inadequate and irrational.
- Had to bargain and settle for lower price for the produce.



35 years



Kodihalli, Karnataka.



Farmer

DREAMS & ASPIRATIONS

- Gets paid on daily basis.
- Able to grow variety of vegetables
- Can spend more time with family

Technology Exposure



User Satisfaction



Feasibility



USER PERSONA 2:

A Modern Trade Retailer's Story - **Hamzath**, The Owner of Xpress Hyper Market.



40 years



Bangaluru , Karnataka.



Retail marketer

PAIN POINTS

- Hard to get produce from the nearby mandi.
- Always had to buy in bulk.
- Wastage of food during local logistic means.

DREAMS & ASPIRATIONS

- Did not have to wake up early to haggle with wholesalers.
- The prices are reasonable and the quality is fresh.
- Problem with logistics solved.

Technology Exposure



User Satisfaction



Feasibility



USER PERSONA 3:

Big Business Dreams : Ranjith Reddy-Owner of big business retail shop, VEG-MELA



PAIN POINTS

- Lost a lot of time and money going to the market
- Was unable to focus on other parameters of his business.
- Delayed payment.

Technology Exposure



DREAMS & ASPIRATIONS

- Able to dedicate all my time to my shop
- Helped in expanding business and in return helping farmers as well.
- Cashless instant payment.

User Satisfaction



38 years



Hyderabad

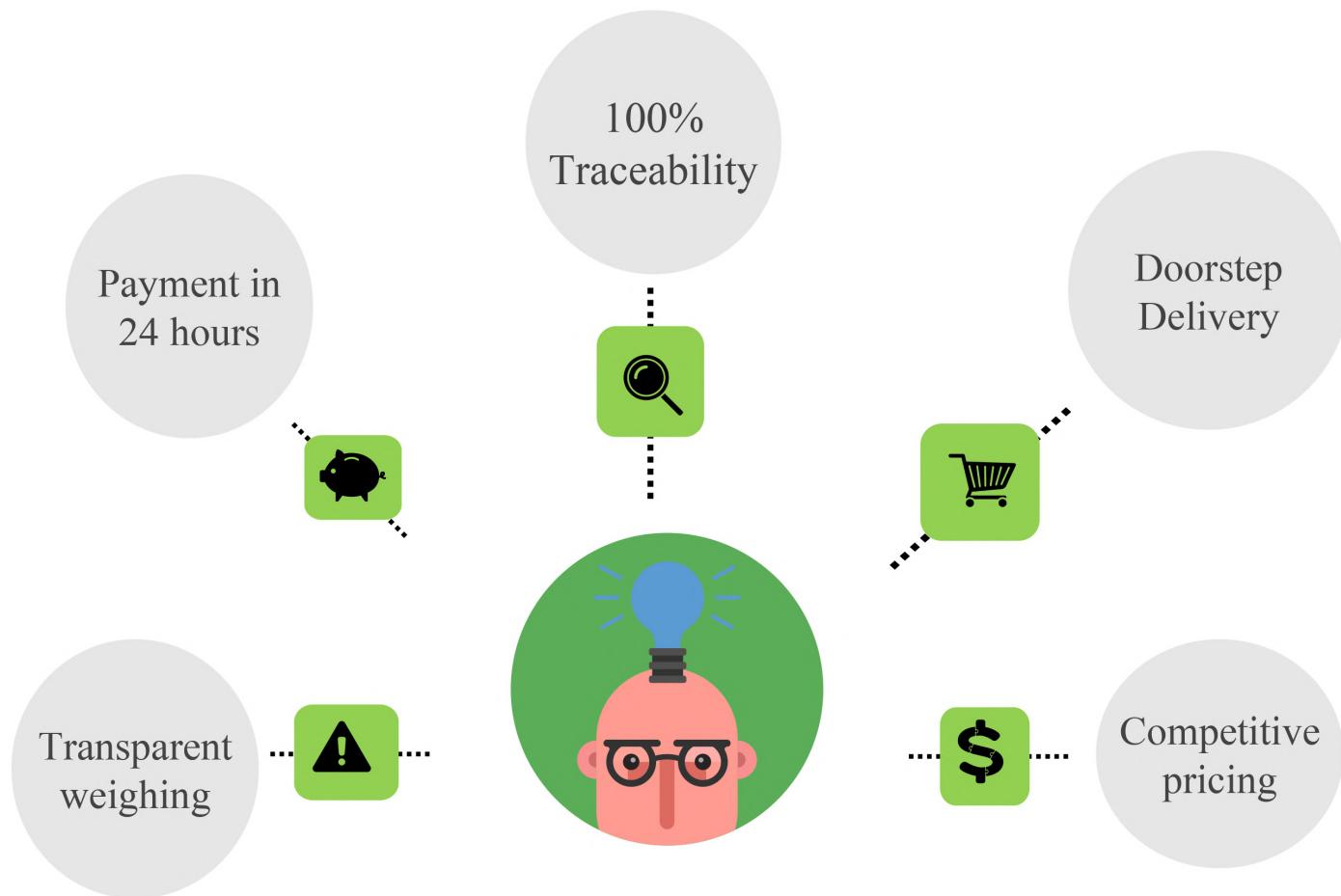


Small scale Businessman

Feasibility

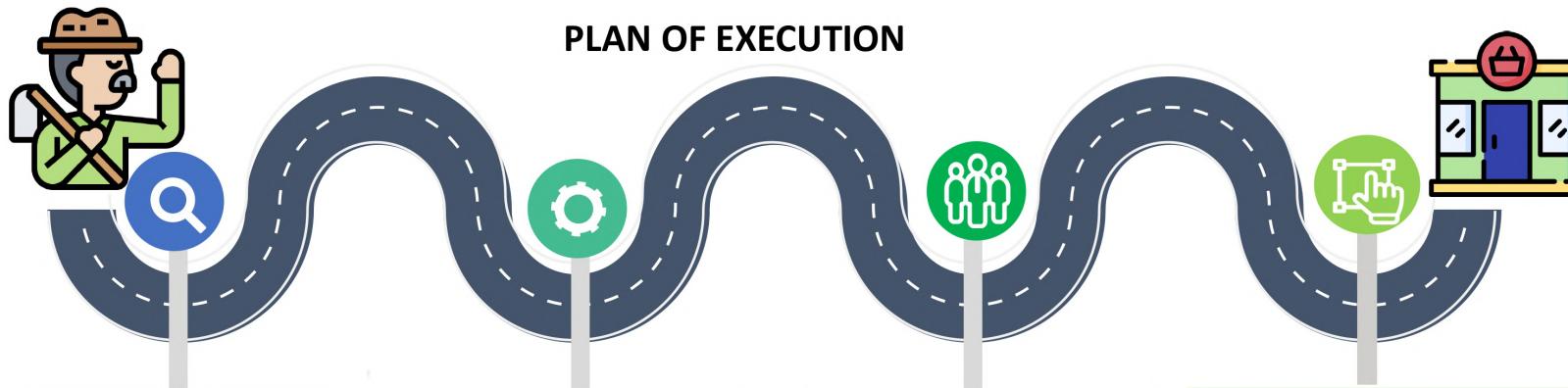


NINJACART MINDMAP



LOYALTY MARKETING

STRATEGY 1



1. RECOGNITION
Farmers and Retailers who have been using Ninjacart for **more than a year** get **special offers**, awards and benefits based on their time-period like 1 year, 2 year so on

2. NINJALOANS
The customers get **yearly membership discounts and access to issue loans** from Ninjacart for their farming (cultivators) or their shops (retailers). They **can unlock more benefits** with more years they spend with Ninjacart

3. NINJA-AWARDS -
Giving awards to acknowledge the loyal efforts of farmers and retailers . Special awards given to those who get new customers . A collection of 5 or more awards allows one to benefit from **scholarship** provided by the company

4. ACTION REPLAY -
Company employees go to village and retail shops for **one-to-one pitching and campaigning** about the program. Special days set every year to acknowledge the members, in an **award function** and provide loans to loyal members

BENEFITS

- Recognition system easily identifies the **loyal worthy customers**
- Monetary benefit makes sure that **retention is maximum** for farmers as well as retailers.
- Distribution of awards **acknowledges the efforts of everyone** and hence works as an morale boost.

COST ESTIMATE -1

- Total estimated annual revenue = \$ 134 M = Rs. 1003.1 crores
- A B2B firm in average spends 8.6% of total annual revenue for marketing = \$ 11.524M = Rs. 86.28crores

Providing discounts,
loans and scholarships

Ninjacart operates in **7 cities** and the total approximate households in these add up to **1.03 M**. If the **average load per an agricultural and retail household** is **Rs.50,000**. Then by calculating the number of household which use Ninjacart and then estimating the ones eligible for loans to be **1-5 %**, would give us an expenditure of **51.05 crore**.



Conducting award functions for acknowledgement

We take an average of $7 \times 10 = 70$ localities where regional yearly award function is held then the rent cost will be **Rs 15000** and including prices and other preparations will give us an **rough figure of 11 lakhs**.

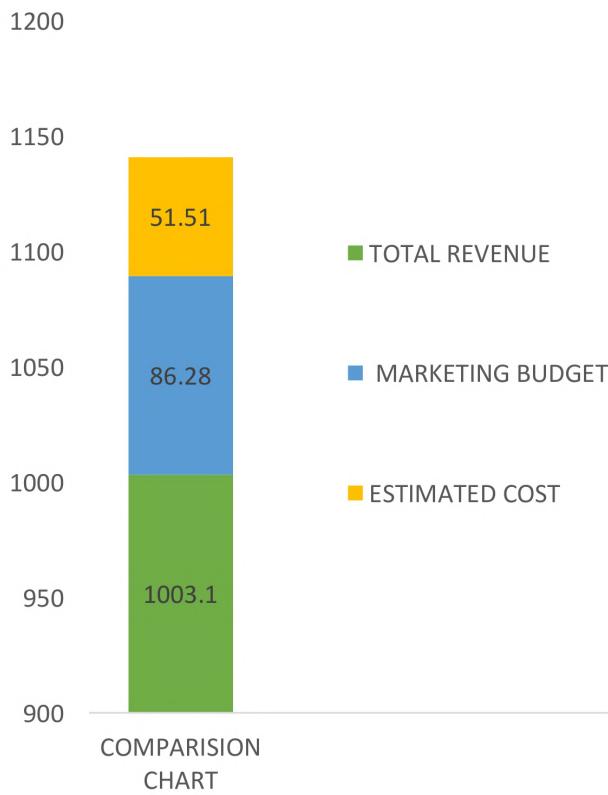


Conducting campaigns , pitching programs and special events to spread awareness

Campaign costs and conduction of **promotional events** will require additional motivational fee to get **volunteer employees** apart from the campaign cost. The campaign will be promoted on all platforms – social media, posters in cities and one-to-one pitching. This will need an annual budget of $45-50 K \times 12$ (months) = approx. 35 lakhs.

**Total annual expenditure to implement this strategy will be
= Rs. 51.51 crore**

FEASIBILITY



- The strategy needs about **59.7 % of the total marketing budget**.
- The **awards, discounts, loans and scholarships** given , works as morale boosters as well as ensures that :-
 1. **Employees volunteer for campaigns and promotional events** as it gives them an edge in the company and a benefit to seek for promotions.
 2. **Farmers and retailers** want to work with Ninjacart as well as be recognized as **leaders of their community** as it inspires them as well as benefits them through **various monetary profits**.
- Thus apart from being **affordable it also inculcates an unity** amongst the farmer and retailer community and bring everyone closer to establish a healthy **transparent market**.

KPI FOR STRATEGY 1

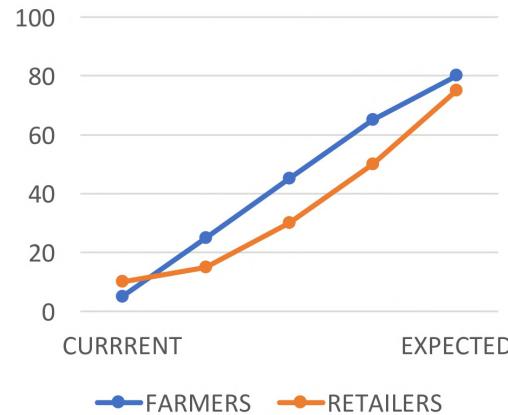
LOYALTY REDEMPTION RATE

- Tracks **customer's active engagement** with our loyalty program.
- Determine who are the **most enthusiastic loyal members**
- Indicate **which types of points and rewards are redeemed more than others**

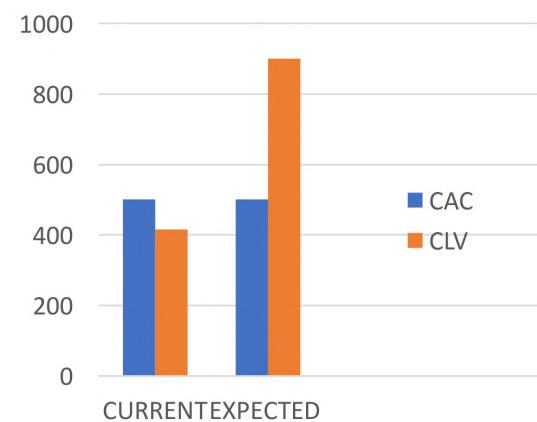
CUSTOMER LIFETIME VALUE

- Tracks the **value that existing customers have already brought** to our brand
- Also predicts the **future value** of each customer.
- Hence help decide which **customers are the most valuable** to your business

Increase in redemption rate in span of 3 years



$$\text{Redemption Rate} = \frac{\text{Total Points Spent}}{\text{Total Points Issued}}$$

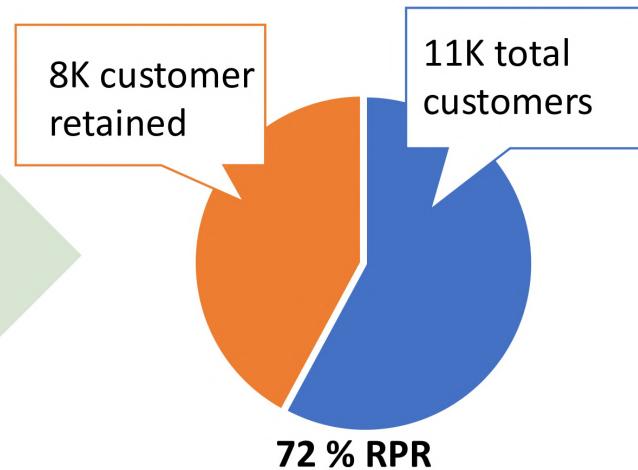


CLV =
Customer revenue -
Costs of acquiring and
serving the customer
Customer Acquisition
Cost (CAC) < Customer
Lifetime Value (CLV)

KPI FOR STRATEGY 1

REPEAT PURCHASE RATIO

- The RPR is the **percentage of customers that have returned** to buy from your company again
- Here the number of **farmers or retailers** getting awards, taking loans and the number of **employees who volunteer repeatedly** will be counted



$$\text{Repeat Purchase Ratio} = \frac{(\text{Number of Total Customers})}{(\text{Number of Total Customers})}$$

CHURN REDUCTION RATE

- Churn rate is the percentage of “at-risk” members that you can save from leaving the program.
- This KPI directly impacts your **total company revenue**
- The **longer your customers stay, you'll reduce churn rate** and make your business stronger



$$\text{Churn Rate} = \frac{(\text{Customers lost over a period})}{(\text{Total customers at the start of the period })}$$

Annual churn rate < 5-7 %

LOCALITY MARKETING

STRATEGY 2



BENEFITS

- Will gather attention of large number of people and have a greater influence due to **one-to-one** and **local marketing**.
- Since this is a **monopolistic** market , this strategy will help in vanishing **price differentiation** among the prevailing retailers and farmers.
- Also helps in marketing of retailers by providing them **larger audience**.
- Best **usage of surplus produce** stock which was going to be dumped .

COST ESTIMATION -2

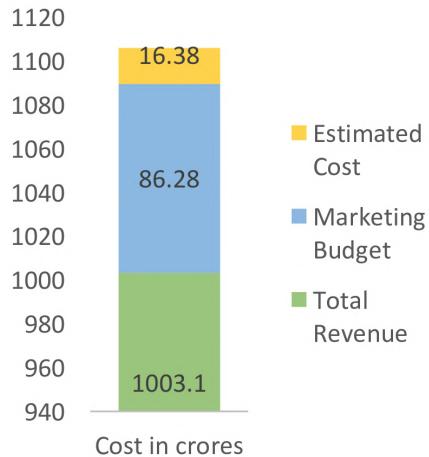
- Total estimated annual revenue = \$ 134 M = Rs. 1003.1 crores
- A B2B firm in average spends 8.6% of total annual revenue for marketing = \$ 11.524M = Rs. 86.28crores



- Ninjacart operates in about 7 cities . Lets assume it organises the exhibition in 10 different places nearby its cities of operation . Total places= 7×10 localities
- Frequency of exhibition cum mandi-mela =Thrice a month

Total annual cost incurred = $65,000 \times 7_{(\text{cities})} \times 10_{(\text{localities})} \times 3_{(\text{frequency})} \times 12_{(\text{months})}$ = Rs. 16.38 crores

FEASABILITY



- This strategy only consumes **19 %** of marketing budget
- Hence it is very **cost-effective** and **cost-feasible** allowing company to focus on other marketing strategies
- Since retailers have **incentive** of their **brand marketing**, a **larger audience** and a platform to determine **price differentiation**. They wouldn't hesitate to come forward.
- Gathering audience wont be much difficult as the entry would be free and produce sold by retailers would be **relatively subsidised and premium quality**.

KPI FOR STRATEGY 2



- Each step holds the potential for **delays, wasted money, and errors.**
- Companies that boast the highest **perfect order rates** carry less inventory, experience shorter cash-to-cash cycle times than their competitors.

Order entry accuracy

98%

Surplus availability /thrice month

90%

Retailers agreement

95%

Local Audience availability

92%

Perfect Order Probability

88%

84%

77%



- The best approximation of the **total cost** of acquiring a **new customer**.
- Tracks how effective a company is at acquiring each of their customers.
- **CAC = Marketing cost / New Customers**

$$\text{Customer Acquisition Cost} = \frac{\text{Total sales spend}}{\text{Total number of customers acquired}}$$

Cost per customer per Mela



- Marketing cost per station
- Cost incurring New customer

*Assuming 20 New leads are generated per station

KPI FOR STRATEGY 2

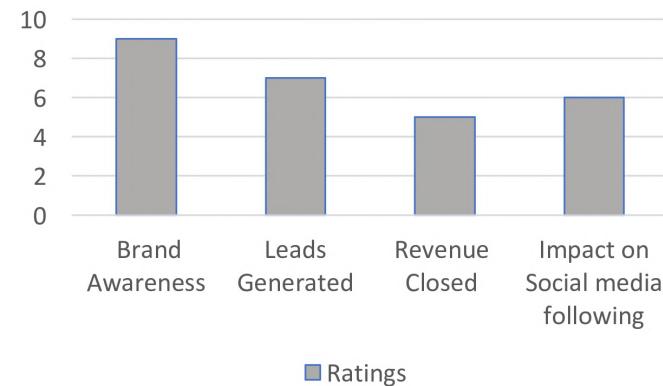
EVENT ROI

- Helps in determining **event success**
- Tracking how much revenue was **closed on the sales.**
- Determine no. of **MQLs** and **SQLs** did your event deliver, brand awareness etc.

NET PROMOTER SCORE

- Measures whether customers will **recommend** your products or services to others
- If your NPS is lower than you want it to be, focus on the **customer satisfaction** KPIs

Ratings



$$NPS = \% \text{ } \smiley - \% \text{ } \frowny$$