



zepto

PRODUCT REQUIREMENT DOCUMENT

THE OBJECTIVE

PURPOSE:

The purpose of this teardown is to thoroughly evaluate Zepto, an ultra-fast grocery delivery app, in terms of its features, design, functionality, and user experience. The insights gained will help highlight Zepto's strengths, weaknesses, and potential areas for future improvement, which is valuable for product managers, UX designers, and developers.

AUDIENCE:

This teardown is geared towards **product managers, UX/UI designers, developers, and marketing teams** who are interested in understanding Zepto's current offering, how it compares to competitors, and identifying areas for growth.

PRODUCT INSIGHTS

PRODUCT :

Zepto – A rapid delivery e-commerce platform specializing in delivering groceries within minutes (typically 10-15 minutes). This product operates primarily in urban areas where consumers demand speed and convenience for grocery shopping.



ACCESS TO THE PRODUCT:

Zepto is available as a **mobile app** on both **iOS** and **Android**, and can be downloaded from the respective app stores. The app operates on a freemium model, offering free delivery on first orders and discounts for frequent users.

THE CONTEXT

COMPANY CONTEXT:

- **MISSION:** Zepto aims to provide ultra-fast delivery of essential grocery items in under 10 minutes, ensuring a seamless user experience.

- **Vision:** To be the fastest and most reliable grocery delivery app, offering convenience and speed in busy urban centers.
- **Target Audience:** Urban dwellers, especially young professionals, who prioritize convenience, speed, and quality in grocery shopping.
- **Market Position:** Positioned as a direct competitor to services like **Blinkit** (formerly Grofers) and **BigBasket**. Zepto differentiates itself by emphasizing delivery speed (10 minutes or less), which is the main draw for consumers.

USER FEEDBACK & PERCEPTION:

- **Positive:** Zepto receives praise for its quick delivery, quality of produce, and a user-friendly interface. The speed of delivery is the most valued feature.
- **Negative:** Some users report issues with product availability in certain regions, higher prices for certain items, and limited product selection compared to larger e-commerce platforms like BigBasket.

THE USER JOURNEY

ONBOARDING:

- **Sign-up Process:**
 - The onboarding experience is smooth, requiring minimal effort to start. Users can sign up via mobile number and OTP verification.
 - Users are prompted to enter their location (to show the service area) and optionally provide payment details.
 - There is a brief introductory guide on how to use the app, though it could be more comprehensive, especially for new users who are unfamiliar with ultra-fast grocery delivery apps.
- **First Impressions:**
 - The first interaction is clean, with a focus on ease of use. However, the app could improve the "Welcome" screen by introducing the speed promise more clearly to new users. There's no deep tutorial to explain how to navigate the app's various sections, such as tracking delivery in real-time.

CORE FLOWS:

- **Browsing & Shopping:**
 - The app offers simple navigation with a clean layout, broken down into categories like "Fresh Produce," "Snacks," and "Beverages."
 - The **search function** is quick, with product recommendations based on previous purchases.
 - Products can be added to the cart easily, with a simple swipe-to-add functionality.
- **Checkout Process:**
 - The checkout process is fast with payment options including UPI, debit/credit cards, and wallets.
 - There's an estimated delivery time clearly visible, which reinforces the ultra-fast delivery promise.

- The flow is intuitive and efficient, but users could benefit from an order review page before final confirmation, to avoid accidental errors.

RETENTION FEATURES:

- **Push Notifications:** Zepto uses **push notifications** effectively to alert users about new product launches, special offers, and updates about their current orders. However, they can sometimes be frequent, which could cause users to disable them.
- **Personalization:** While Zepto offers personalized recommendations based on browsing behavior, it lacks advanced personalized features like custom deals or reminders for frequently purchased items.

BREAK DOWN THE FEATURES

MAIN FEATURES:



1. **Speed of Delivery:** Zepto promises deliveries within 10-15 minutes, which sets it apart from competitors. This is its core value proposition.
2. **Product Range:** While the app offers a wide range of groceries, it doesn't have the depth of selection as other platforms like BigBasket. Zepto focuses on high-demand, quick-turnover items such as fruits, vegetables, dairy, snacks, and essential groceries.
3. **Search and Browse:** Easy-to-navigate interface, allowing users to search and filter products quickly. Product images are high-quality, but some users have mentioned that the descriptions could be more detailed.
4. **Payment Integration:** Multiple payment methods (credit card, UPI, wallets) are available. It supports popular digital wallets and payment systems, making transactions seamless.
5. **Order Tracking:** Real-time order tracking is a key feature, allowing users to track their deliveries minute by minute.
6. **Customer Support & Feedback:** In-app chat support and phone support are available, which is crucial for a delivery app where customers may need assistance with issues like delays or missing items.

THE DESIGN AND USER EXPERIENCE (UX)

VISUAL DESIGN:

- **Color Scheme and Aesthetics:** The app has a modern and youthful design with a bright and inviting color palette. The visual design is clean, consistent, and visually appealing, with vibrant colors like green and white to represent freshness.
- **Typography:** The typography is readable and aligned with the minimalistic aesthetic. It is simple yet modern.

INTERACTION DESIGN:

- **Navigation:** The app's navigation is fluid and intuitive. It employs a bottom bar with icons for easy access to Home, Search, Cart, and Profile. A hamburger menu could be added for less frequently used features.
- **Responsive:** The app responds well to user input and loads quickly. The interface is designed to minimize friction in completing tasks like adding products to the cart or checking out.

ACCESSIBILITY:

- The app provides basic accessibility features like readable fonts and easy-to-click buttons. However, it could improve in terms of accessibility for users with disabilities, like offering voice command integration or a high-contrast mode for users with visual impairments.

DELIGHTFUL DETAILS:

- Zepto includes subtle animations when adding items to the cart, confirming orders, and updating delivery times, providing a sense of polish and responsiveness.

THE TECHNICAL ASPECTS

PERFORMANCE: Zepto generally performs well, with minimal delays or slowdowns even during high-traffic periods. However, it can face minor latency during peak hours or when tracking orders.

SECURITY: Zepto uses SSL encryption for transactions, ensuring data security for users. It also supports secure payment gateways and provides basic authentication methods (OTP, mobile number verification).

SCALABILITY: Zepto appears to be able to scale to a large number of users, especially in urban areas where its core offering—fast delivery—works best. However, scaling to new regions or adding more categories will require infrastructure enhancements.

APIS AND INTEGRATIONS: The app integrates well with third-party payment processors and delivery tracking systems. It could benefit from more integrations with grocery suppliers or even third-party delivery services for better speed and reliability.

BENCHMARKING COMPETITORS

ZEPTO VS. BLINKIT:

Both apps emphasize speed, but Zepto focuses more on ultra-fast delivery (within 10 minutes), while Blinkit offers broader geographic coverage and a wider product range.



ZEPTO VS. BIGBASKET:

BigBasket offers a larger catalog of products and services but is slower in delivery times (often 10 minutes to 30 minutes). Zepto's focus on speed gives it a competitive edge in urban environments.

Zepto, despite its 10-minute delivery promise and rapid growth, faces several scalability challenges compared to Blinkit, Zomato, and Swiggy. Here are some key reasons why Zepto is still not as scalable:

1. Limited Geographic Presence

- **Blinkit, Swiggy Instamart, and Zomato have a wider reach**, covering more cities.
- **Zepto is still expanding** and operates in select metro cities, making it less scalable in terms of market reach.

2. Hyperlocal Model with High Operational Costs

- **Dark store model requires high upfront investment** in warehousing, logistics, and technology.
- **Blinkit and Swiggy Instamart have stronger supply chains** and deeper partnerships with vendors.
- **Zomato and Swiggy benefit from a restaurant-first model**, which is more adaptable than a pure grocery dark-store model.

3. Stronger Funding & Market Position of Competitors

- **Zomato acquired Blinkit**, giving it massive financial backing and existing customer synergies.
- **Swiggy Instamart is backed by Swiggy's deep pockets**, allowing for aggressive expansion.
- **Zepto, being a newer player, still needs continuous funding rounds** to sustain growth and compete at scale.

4. Customer Retention & Brand Recognition

- **Swiggy and Zomato already have a loyal customer base** from food delivery, making it easier to cross-sell quick commerce.
- **Zepto, a newer brand, is still building loyalty**, and customer acquisition costs remain high.

5. Limited SKU Range Compared to Blinkit & Swiggy Instamart

- **Zepto primarily focuses on groceries**, while Blinkit and Instamart offer a broader range, including electronics, pet supplies, and home essentials.
- **Zomato's marketplace model allows easy diversification**, whereas Zepto needs to establish deeper category offerings.

6. Logistics & Delivery Fleet Scalability

- **Swiggy and Zomato have an extensive delivery fleet**, making expansion easier.
- **Zepto relies on dedicated delivery fleets**, which take time and investment to scale efficiently.

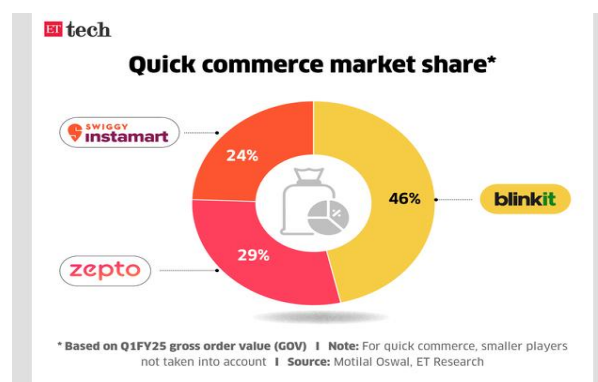
7. Competition from Kirana Stores & Local Grocery Apps

- **Traditional Kirana stores and apps like JioMart** offer a strong local alternative.
- **Zepto's success is dependent on user habit formation**, whereas Blinkit and Swiggy Instamart leverage existing customer behaviors.

CONCLUSION:

Zepto has strong potential, but scaling up to the level of Blinkit, Swiggy, or Zomato requires:

1. Faster expansion into Tier 2 & 3 cities.
2. More category diversification beyond groceries.
3. Better capital efficiency to sustain growth.
4. Stronger fleet management and delivery network expansion.



SUMMARIZE INSIGHTS

STRENGTHS:

- Fast and reliable delivery within 10 minutes.
- Clean, modern design with user-friendly navigation.
- Real-time order tracking enhances user experience.

WEAKNESSES:

- Limited product selection compared to larger grocery platforms.
- Higher prices for certain items, which might deter price-sensitive customers.
- Push notifications could be overwhelming at times.

OPPORTUNITIES FOR IMPROVEMENT:

- Expand product variety to compete more effectively with larger competitors.
- Offer better pricing or promotions to attract more price-sensitive users.
- Improve personalization features to enhance user engagement and retention.

SOLUTION DOCUMENT

OPTIMIZING PRICING STRATEGY & IMPROVING CUSTOMER RETENTION AND PERSONALIZATION FOR ZEPTO



1. OVERVIEW

Zepto is a rapidly growing grocery delivery service that focuses on ultra-fast (10-minute) deliveries. However, it faces challenges related to **pricing**, **customer retention**, and **personalization**. To build sustainable growth, Zepto must address these challenges to ensure competitive pricing while keeping users engaged and loyal.

This document focuses on **Optimizing Pricing Strategy** and **Improving Customer Retention and Personalization**, both of which are critical for increasing user satisfaction, driving long-term growth, and reducing churn.

2. GOAL: RETENTION AND GROWTH

The **primary goal** is to **improve customer retention** by enhancing the user experience through competitive pricing and personalized engagement. This will be achieved by:

- **Optimizing pricing** to make Zepto accessible to a wider audience while maintaining profitability.
- **Increasing retention** through personalized experiences, offers, and rewards that drive repeat usage.

- **Enhancing the value proposition** by creating loyalty among existing users to foster long-term relationships.

3. PAIN POINTS

Based on user feedback and internal data, the following pain points have been identified:

Pricing Challenges:

1. **Perceived High Pricing:** Zepto's prices are higher than competitors, making it less appealing to price-sensitive users.
2. **Lack of Bulk Discounts/Promotions:** Zepto lacks options for bulk discounts or subscription models which competitors, like BigBasket, offer.
3. **No Dynamic Pricing:** Prices are static, even during high demand periods when users might expect surge pricing or discounts.

Retention and Personalization Challenges:

1. **Limited Personalization:** The app provides basic suggestions, but lacks tailored product recommendations or personalized offers.
2. **Low Customer Engagement:** Users are not receiving personalized notifications or reminders that encourage frequent orders.
3. **Minimal Loyalty Programs:** Zepto has a basic loyalty program, but it doesn't offer significant value or incentives to make users feel appreciated.
4. **Customer Support Delays:** Slow responses from customer service during peak times lead to frustration and potential churn.

4. PRIORITIZE THE PAIN POINTS

To address the pain points that directly impact customer **satisfaction** and **retention**, based on the urgency and impact on growth (using MoSCoW & RICE Framework), the pain points should be prioritized as follows:

Top Priority Pain Points:

1. **Perceived High Pricing** – This is the most urgent issue, as customers are often comparing prices with competitors and making decisions based on price.
2. **Limited Personalization** – Without personalized offers, users do not feel engaged or incentivized to return, leading to low retention rates.
3. **Low Customer Engagement** – Lack of engagement means users are not returning frequently, thus affecting retention.
4. **Minimal Loyalty Programs** – A more robust loyalty program will provide tangible incentives to return.
5. **Customer Support Delays** – Though important, this is less immediate compared to pricing and personalization issues.

5. SOLUTION

OPTIMIZING PRICING STRATEGY:

1. **Introduce Dynamic Pricing:** Implement dynamic pricing based on demand, location, and time of day. This could include:
 - Surge pricing during peak times (e.g., weekends or holidays) to maximize margins.
 - Discounts during off-peak hours to encourage customers to shop during quieter periods.
2. **Introduce Subscription/Discount Models:**
 - **Zepto Prime:** Revamp the Zepto Prime membership to offer exclusive benefits like **discounts on bulk purchases** and **priority delivery**.
 - **Volume Discounts:** Introduce discounts for bulk purchases (e.g., 10% off on orders above ₹1000) to appeal to price-sensitive users.
3. **Promotional Campaigns:**
 - Introduce periodic sales, **flash deals**, or **refer-a-friend programs** to lower entry barriers and incentivize more frequent use.

IMPROVING RETENTION AND PERSONALIZATION:

1. **Personalized Recommendations:** Implement algorithms that suggest products based on **user behavior, location, and time of day**. For example, suggest quick breakfast items or snacks in the morning and dinner ideas in the evening.
2. **Customer Segmentation and Targeted Offers:** Segment customers by frequency of purchase or purchase type, and create **tailored offers** for each segment (e.g., discounts on baby products for parents, or snack deals for students).
3. **Enhanced Notifications and Reminders:** Implement **push notifications** that alert users about items running low, limited-time offers, or restocked items. Set up **reminder notifications** for frequent items (e.g., milk, bread) to ensure regular orders.
4. **Loyalty Program:** Revamp the loyalty program by offering more significant rewards, such as **discounts on future orders, exclusive deals, or priority access** to limited stock products.
5. **Improve Customer Support:** Implement an **in-app chat** function with an AI-powered chatbot for faster resolution. Provide **priority support** for Zepto Prime members to address urgent issues.

6. PRIORITIZE THE SOLUTIONS

To ensure efficient execution, the solutions should be prioritized as follows:

HIGH PRIORITY SOLUTIONS:

1. **Introduce Dynamic Pricing** – Immediate impact on affordability and competitiveness. Start with small-scale testing in high-demand areas.
2. **Personalized Recommendations** – Key to improving retention. Personalization should be a priority feature for the next app update.
3. **Enhanced Notifications and Reminders** – Provides a quick win to engage users, encouraging them to return more often.

MEDIUM PRIORITY SOLUTIONS:

1. **Subscription/Discount Models** – This will require more resources and longer-term planning but should be introduced within the next quarter.
2. **Loyalty Program Overhaul** – Revamping this can take time, but it's essential for long-term retention.

LOWER PRIORITY SOLUTIONS:

1. **Improve Customer Support** – While essential, this can be a follow-up after addressing the pricing and personalization challenges.

7. LAUNCH PLAN

PHASE 1: Q1 (IMMEDIATE FOCUS)

- **Launch Dynamic Pricing** in selected areas (test with limited SKUs and customer segments).
- **Introduce Personalized Product Recommendations** with initial push notifications based on shopping behavior.
- Implement **Targeted Offers** through customer segmentation and provide promotions for frequent users.

PHASE 2: Q2 (EXPANSION AND ENGAGEMENT)

- Roll out **Subscription/Discount Models** like Zepto Prime with clear benefits.
- Begin testing **Loyalty Programs** with an early access model for selected users.
- Expand **Enhanced Notification System** to include low-stock reminders and new product updates.

PHASE 3: Q3 (ONGOING IMPROVEMENT)

- **Refine Dynamic Pricing** based on customer feedback and usage data.
- Analyze the effectiveness of the **loyalty program** and adjust based on user engagement.
- Scale **Customer Support Improvements** with better AI integration and live chat options.

8. AI INTEGRATION

As of Feb. 2025, Zepto has integrated several AI-driven features into its app to enhance user experience and operational efficiency. Here's an overview based on the previously discussed AI integration areas:

1. **Personalized Recommendations:** Zepto is focusing on AI-powered hyper-personalization to create bespoke experiences tailored to individual preferences.
2. **Chatbots & Virtual Assistants:** There is no specific information indicating that Zepto has implemented AI-powered chatbots or virtual assistants in its app as of now.
3. **AI-Powered Search & Voice Search:** Zepto is exploring voice-enabled commerce as a disruptive force, aiming to enable seamless, hands-free shopping experiences.

4. **Dynamic Pricing & Demand Forecasting:** Zepto leverages AI for demand forecasting, optimizing inventory and supply chains to reduce waste and ensure seamless deliveries.

5. **Fraud Detection & Security:** There is no publicly available information detailing Zepto's use of AI for fraud detection and security measures.

6. **AI-Powered Supply Chain & Logistics:** Zepto employs AI to enhance operational efficiency, including route optimization and inventory management, contributing to its rapid delivery capabilities.

7. **AI-Based Marketing & Retargeting:** Zepto has introduced 'Jarvis,' an AI-powered advertising service designed to boost brand visibility and sales through targeted and optimized campaigns.

In summary, Zepto has actively integrated AI into various aspects of its app, including personalized recommendations, demand forecasting, supply chain optimization, and marketing. However, specific implementations of AI-powered chatbots, fraud detection, and security measures have not been publicly detailed as of this date.

CONCLUSION:

By focusing on **Optimizing Pricing** and **Improving Retention/Personalization**, Zepto can foster stronger customer loyalty and position itself as a competitive player in the fast grocery delivery market. Prioritizing dynamic pricing, personalized experiences, and improved engagement will have an immediate impact on retention, while long-term solutions like loyalty programs and support improvements will ensure sustained growth.
