



Improving Average Order Value on Swiggy Instamart

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About Swiggy

Swiggy, founded in 2014 and based in Bangalore, is India's leading online food and grocery delivery platform.

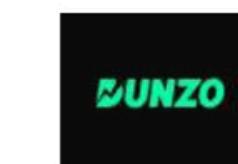
Operating in over **600+** cities, Swiggy offers on-demand grocery services through Instamart and same-day package delivery via Swiggy Genie, ensuring **convenience, speed, and reliability for urban consumers.**

Offerings



Competitors

Aspects



| | | | | | | | |
|---------------------|------|-----------|------|------------|-----------|-----------|------------|
| Average Order Value | ₹400 | ₹522-₹553 | ₹400 | ₹600-₹1000 | ₹300-₹600 | ₹300-₹600 | ₹600-₹1000 |
|---------------------|------|-----------|------|------------|-----------|-----------|------------|

| | | | | | | | |
|-----------|----------|----------|---------|----------|---------|---------|----|
| Discounts | 10% Avg. | 11% Avg. | 7% Avg. | 12% Avg. | 7% Avg. | 10%-15% | NA |
|-----------|----------|----------|---------|----------|---------|---------|----|

| | | | | | | | |
|---------------|---------------|---------------|---------------|----------------|---------------|---------------|-----------------|
| Delivery Time | 10-20 minutes | 10-20 minutes | 10-20 minutes | 60-120 minutes | 20-40 minutes | 20-40 minutes | 120-180 minutes |
|---------------|---------------|---------------|---------------|----------------|---------------|---------------|-----------------|

| | | | | | | | |
|------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------------|---------------------|----------------------------|
| Delivery Charges | ₹15-60 based on order size | ₹15-60 based on order size | ₹15-60 based on order size | Free for orders above ₹600 | Fixed + dynamic (surge, late night) | Free for all orders | Free for orders above ₹600 |
|------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------------|---------------------|----------------------------|

| | | | | | | | |
|--------------|----------------------|--------------------------|---------------------|----|----|----|----|
| Active Users | 2M transacting users | 1M weekly instant orders | 3 lakh daily orders | NA | NA | NA | NA |
|--------------|----------------------|--------------------------|---------------------|----|----|----|----|

| | | | | | | | |
|-----------|-----------|-----------|-----------|-----------|----------|----|-----------|
| Locations | 18 cities | 12 cities | 10 cities | 60 cities | 6 cities | NA | 60 cities |
|-----------|-----------|-----------|-----------|-----------|----------|----|-----------|

| | | | | | | | |
|------------|---------------------------------|--|-------------------------------|---|--|---|---|
| Technology | Dark store model voice ordering | Dark store model, predictive analytics | Dark store model, EV delivery | Traditional e-grocery, extensive warehouses | Dark store model, predictive analytics | Traditional e-grocery, extensive warehouses | Traditional e-grocery, extensive warehouses |
|------------|---------------------------------|--|-------------------------------|---|--|---|---|

| | | | | | | | |
|-----|-------------------------------------|---------------------------------------|---|-------------------------------------|--|--|--|
| USP | Wide range of products, partnership | High discounts, diverse product range | Fastest delivery times, focus on essentials | Established player, large inventory | Best for discounts on home care products | Integration with Reliance Retail, high user base | Integration with Amazon ecosystem, extensive product range |
|-----|-------------------------------------|---------------------------------------|---|-------------------------------------|--|--|--|



Market Growth

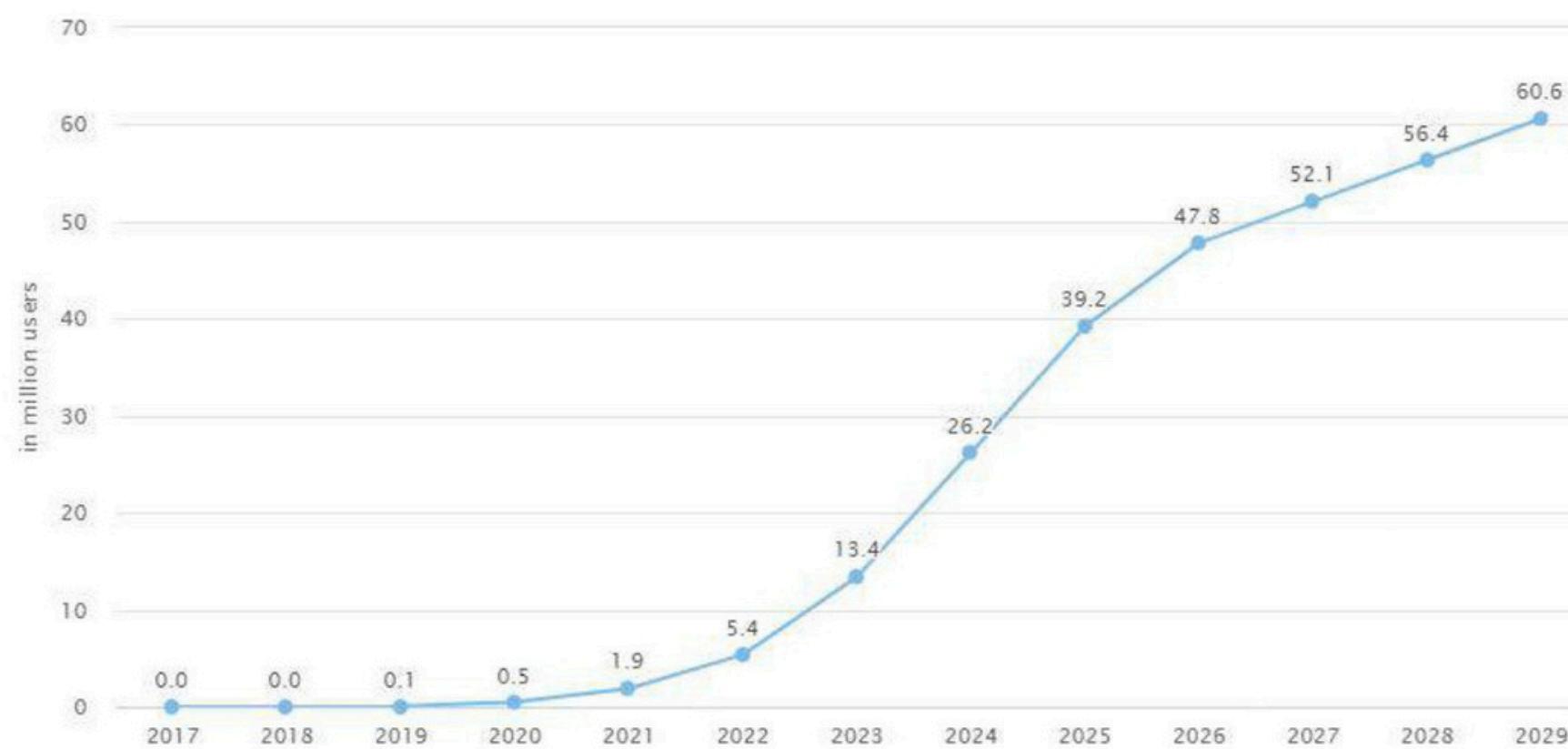
Market Growth of Quick Commerce in India in next 5 years

US \$3,349 Mn ————— **24.33% CAGR** → **US \$9,951.00m**

FY24 FY29

User Base Growth

By 2029, it is anticipated that the number of users in the Q-Commerce market in India will reach 60.6m users.



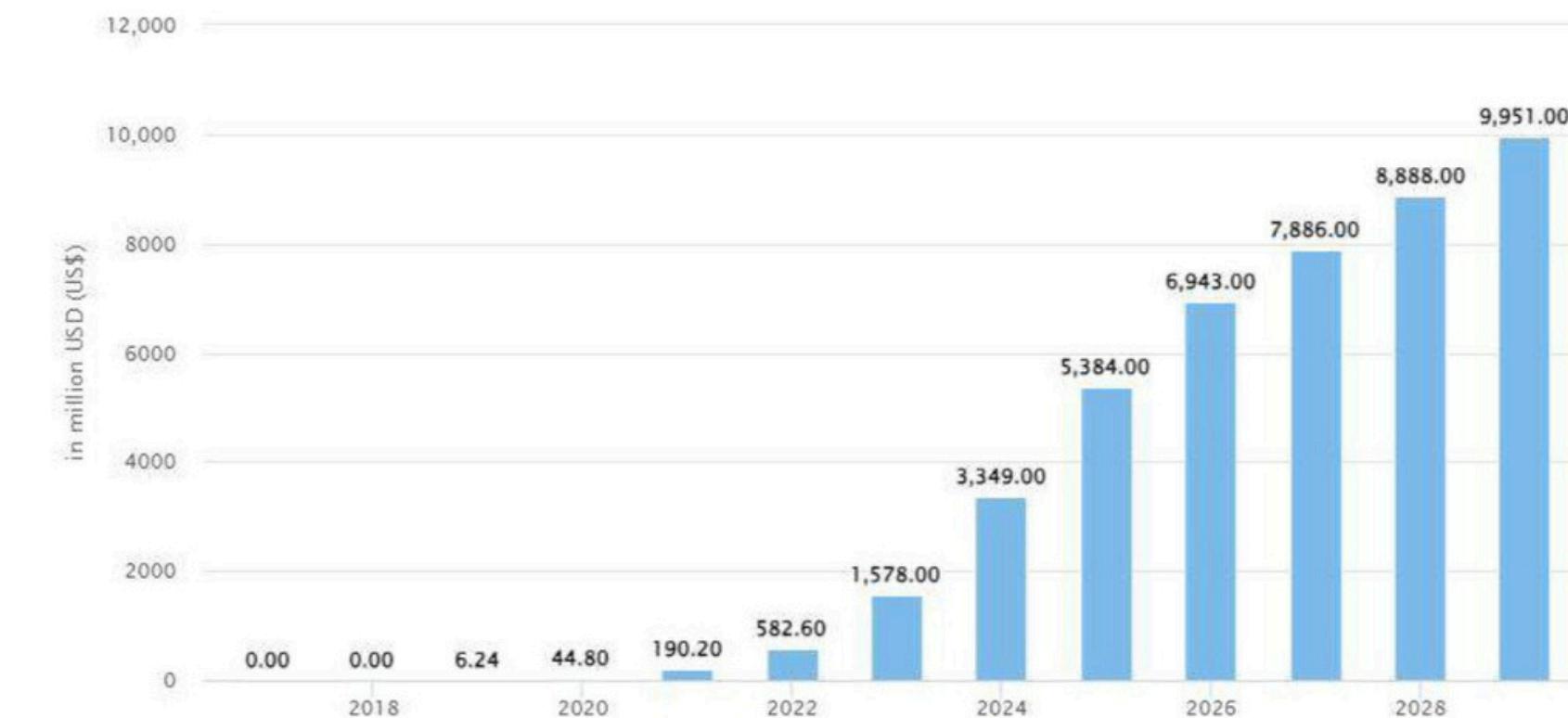
User Penetration Rate currently stands at 1.8% in 2024, is projected to rise to 4.0% by 2029



Source: Statista

Average Revenue per User (ARPU)

Average Revenue per User (ARPU) is estimated to be US\$127.70



Notes: Data reflects market impacts of the Russia-Ukraine war.

Consumer Insights

- India's growing middle class & increasing disposable income have contributed to the growth of the Q-Commerce market
- Indian Customers have shown a preference for convenience and speed.
- COVID-19 pandemic has also accelerated the growth of the Q-Commerce market, with customers preferring contactless delivery option
- Govt. push towards digitization & ease of doing business in India have attracted foreign investment & led to the development of digital economy
- Due to diverse set of population there is a need for localized marketing strategies to appeal to customers in different regions

Targeted User Personas



Riya | 20 | Student | Pune

Demographics:

- Age: 20
- Income: Upper Middle Class (no income)
- Location: Urban Area (Pune)

Behavior:

- High engagement with apps for daily activities
- Generally operate on a tight budget, leading to high price sensitivity
- Value convenience & quick delivery
- High demand for late night deliveries
- Tendency to make spontaneous purchases (small), influenced by offers & discounts

Needs:

- Snacks, beverages & ready-to-eat meals
- Quick access to daily essentials
- Personal care items
- Regular need for stationery & tech accessories

Strategies:

- Bundle Offers (study snacks, weekend party packs etc)
- Nocturnal Promotions to capture the night owl segment
- Referral Programs
- Trend based marketing
- AI-Driven Suggestions based on past purchases & browsing behaviors



Mayank | 27 | Corporate Finance Associate | Mumbai

Demographics:

- Age: 27
- Income: Mid to high income
- Location: Urban Area (Hyderabad)

Behavior:

- High reliance on online platforms
- Willing to pay a premium for quick deliveries
- Busy schedule, prioritizes health & fitness & convenience
- Preference for healthy & organic foods with regular use of health supplements
- Uses fitness trackers or smartwatches to monitor activity levels

Needs:

- Organic, whole & natural foods; avoids processed foods
- Supplements like protein powders, vitamins
- Health products & fitness gears
- Premium daily essential items

Strategies:

- Personalized meal plans & fitness packages
- Loyalty programs that rewards repeat purchases with discounts & exclusive offers
- Subscription boxes for regular delivery of health products & supplements
- AI-Driven Suggestions based on past purchases & health goals



Jaya | 35 | Mother & Manager | Delhi

Demographics:

- Age: 35
- Income: High Income (upper class)
- Location: Urban Area (Delhi)

Behavior:

- High-value & bulk purchases
- Preference for high-quality, premium brands
- Focuses on maintaining a healthy lifestyle
- Willing to pay for convenience and quality
- Busy schedule, prioritizes family health
- Participate in loyalty programs & memberships that offer exclusive benefits & discounts


Needs:

- High-quality, premium brands & organic products
- Bulk non-perishable items & household essentials
- Wide range of products to cater to various family members
- Child-centric purchases

Strategies:

- Create family-sized bundles & themed packages (family movie night snacks, weekend meal kits)
- Subscription plans for regular delivery of household staples & family essentials
- Create interactive tools such as meal planners, grocery lists
- Highlight customer reviews and ratings
- AI to suggest products based on past purchases and preferences



Product Feature #1

SHOP BY PACKS

Bundle Packages

Offer curated product bundles that cater to specific needs, such as Movie night packs or Study snack packs



Movie Night Pack



Late Study Session Pack



Weekend Party Pack

Discounted Combos Create discounted combos of frequently purchased items, encouraging customers to buy more items together.

Combos can be created on basis of past purchases and trends

SHOP BY MEAL KITS



Pasta Party Kit



Biryani Meal Kit



Sushi Meal Kit

Meal Kits

Create meal kits with all necessary ingredients & recipes for healthy, gourmet meals, catering to specific dietary needs like keto, vegan, or gluten-free

Health & Wellness Kits

We can create health & wellness kits, including organic produce, protein supplements, and fitness-related products



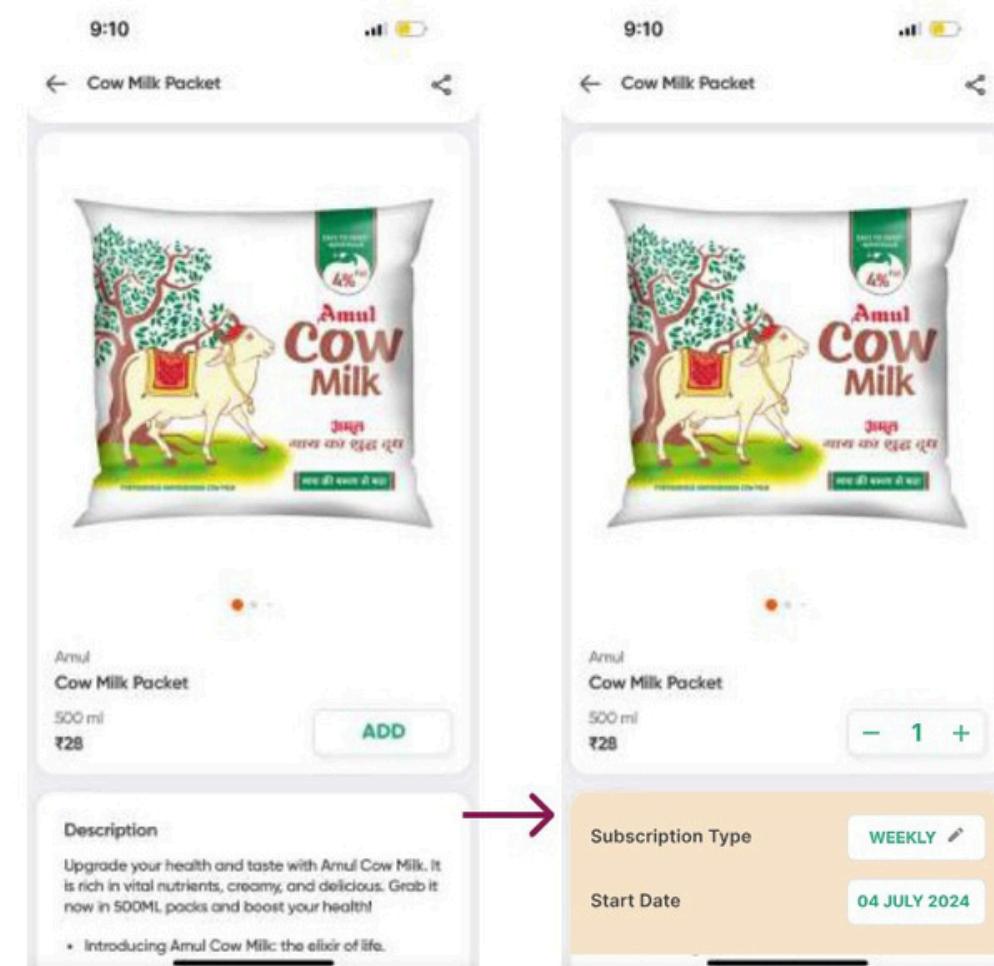
Product Feature #2

Subscription Services

Introduce subscription services for regular deliveries of staples, fresh produce & household essentials.

User will be able to select a subscription type and start date.

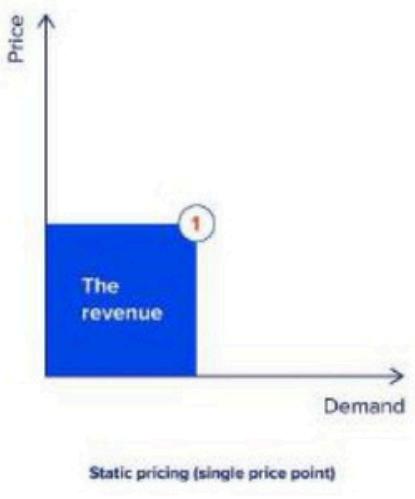
Swiggy Instamart should offer subscriptions for monthly deliveries of health supplements, protein shakes & fitness snacks to cater to health conscious user base



Product Feature #3 & #4

Personalized Shopping Experience

Implement **dynamic pricing strategies** changing multiple times a day based on factors like demand, competitor prices, and even customer browsing habits creating personalized discounts & deals



Use AI to provide personalized product recommendations based on past purchases & browsing behavior

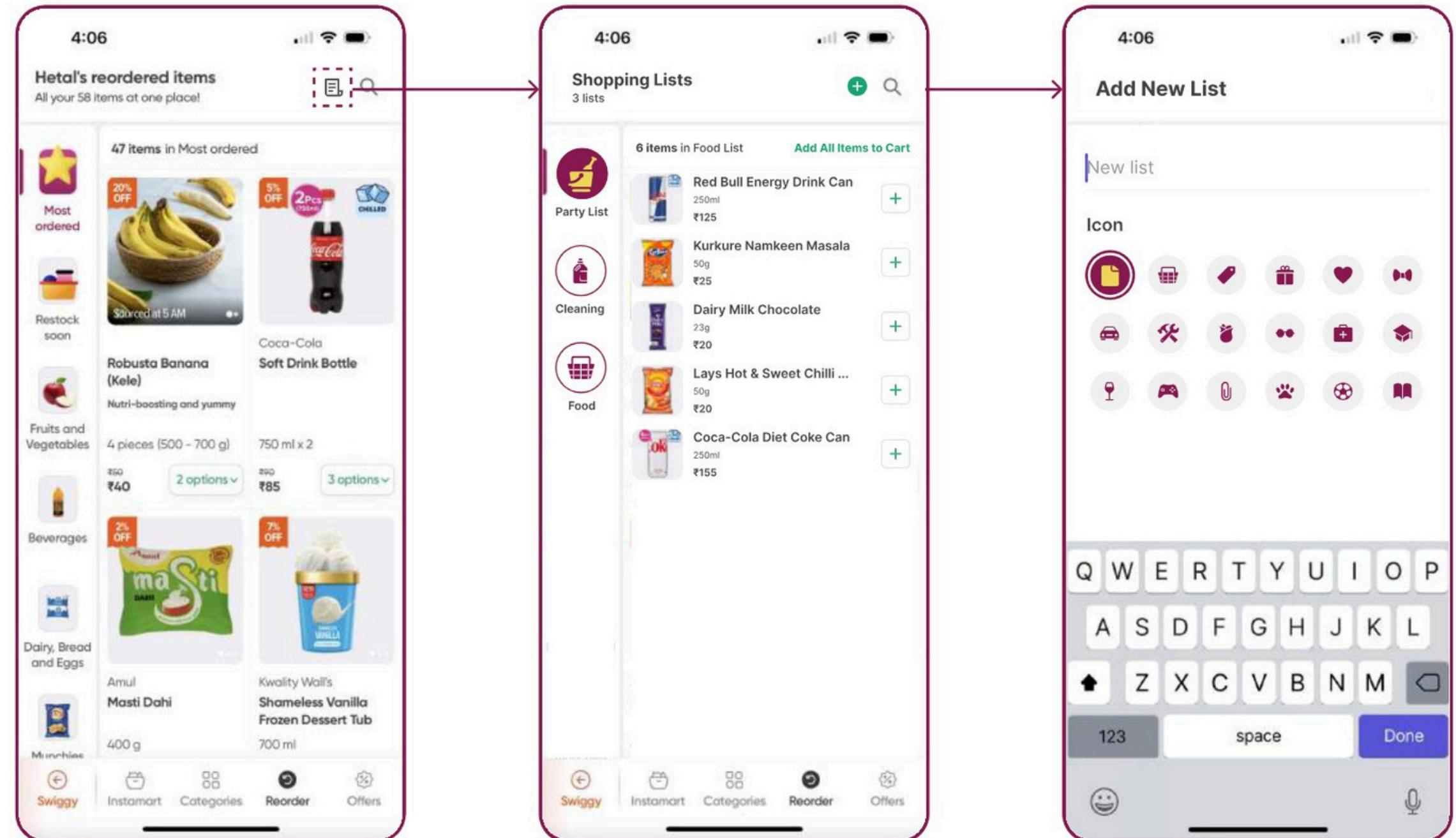


Product Feature #5

Shopping Lists:

Allows users to create, save & manage lists of items they frequently purchase. This functionality will simplify the shopping process, enhancing user convenience & encourages repeat purchases.

By integrating this feature into the Swiggy Instamart app's Reorder section, users can create lists and set auto-reorder to quickly reorder their regular groceries & essentials with minimal efforts.



Later in future AI can be used to provide personalized product recommendations based on past purchases & browsing behavior and the list can be automatically created





Prioritization of Features

Prioritization of Features using R.I.C.E. Framework

| Feature | Reach | Impact | Confidence | Effort | Total |
|------------------------------|---|---|---|--|-------|
| | <i>How many users will use this feature given period of time?</i> | <i>How much does these features affect users?</i> | <i>How sure are we about the effect & score we achieve?</i> | <i>How long will these strategies take to implement?</i> | |
| Curated Bundles & Packs | 8 | 7 | 8 | 5 | 89.6 |
| Subscription Services | 6 | 8 | 7 | 6 | 56 |
| Personalized Recommendations | 9 | 8 | 8 | 7 | 82.3 |
| Dynamic Pricing | 7 | 6 | 7 | 8 | 36.75 |
| Shopping Lists | 9 | 8 | 9 | 8 | 81 |

$$\text{RICE Score} = \frac{\text{Reach} \times \text{Impact} \times \text{Confidence}}{\text{Effort}}$$





Metrics to Measure

North Star Metric

$$\text{Average Order Value} = \frac{\text{Total Revenue}}{\text{No. of Orders}}$$

An increase in AOV indicates that customers are purchasing more or higher-priced items per order, which directly impacts revenue.

Supporting Metrics:

$$\text{Customer Retention Rate} = \frac{\text{No. of Returning Customers}}{\text{Total No. of Customers}} \times 100$$

High retention indicates customer satisfaction & loyalty, which can lead to higher AOV over time.

$$\text{Customer Lifetime Value (CLV)} = \text{AOV} \times \text{Purchase Frequency} \times \text{Customer lifespan}$$

CLV estimates the total revenue a business can expect from a single customer over their entire relationship. Higher CLV suggests effective strategies in retaining high-value customers.

$$\text{Upsell and Cross-sell Rate} = \frac{\text{Number of Upsell/Cross-sell Transactions}}{\text{Total Transactions}}$$

Evaluates the effectiveness of upselling & cross-selling strategies. Higher rates indicate success in encouraging customers to purchase additional or higher-value items.

$$\text{Average Basket Size} = \frac{\text{Total no. of Items Sold}}{\text{Total no. of orders}}$$

Increase in basket size suggests that customers are adding more items to their cart, contributing to a higher AOV.

$$\text{Subscription Rate} = \frac{\text{No. of Subscribers}}{\text{Total no. of Customers}} \times 100$$

It will measure the percentage of customers subscribing to regular delivery services. Higher subscription rates indicate a steady stream of recurring revenue and customer loyalty.



Secondary Research

- [Statista - Quick Commerce - India](#)
- [Linkedin - Decoding Q-commerce comparatives insights](#)
- [Zeebiz - 10 minute delivery service, which is better?](#)
- [Economic Times - Q-commerce apps nudge users to increase order sizes](#)

Consumer Insights

- [Fortune India - Foreign brokerage Jefferies compares discounts on Q-Commerce Sites](#)
- [Businesswire - India Q-Commerce Market Outlook Report 2022-2027](#)
- [Fortune India - Q-commerce e-tails great disruptor](#)
- [The Business Rule - Zepto vs Blinkit](#)

Reach Scale:

- 1: Very few users (1-2% of the user base)
- 5: A moderate portion of users (25-50% of the user base)
- 10: Nearly all users (90-100% of the user base)

Impact Scale:

- 1: Minimal impact (barely noticeable improvement)
- 5: Moderate impact (noticeable improvement in experience)
- 10: Massive impact (significant improvement or transformative change in experience)

Confidence Scale:

- 1: Very low confidence (estimates are highly uncertain).
- 5: Moderate confidence (estimates are somewhat uncertain).
- 10: Very high confidence (estimates are highly certain and well-supported by data).

Effort Scale: (*Inverse scale, where higher effort scores indicate more complexity*)

- 1: Minimal effort (few hours to a day).
- 5: Moderate effort (several days to a few weeks).
- 10: Very high effort (several months or more).



Thank You

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