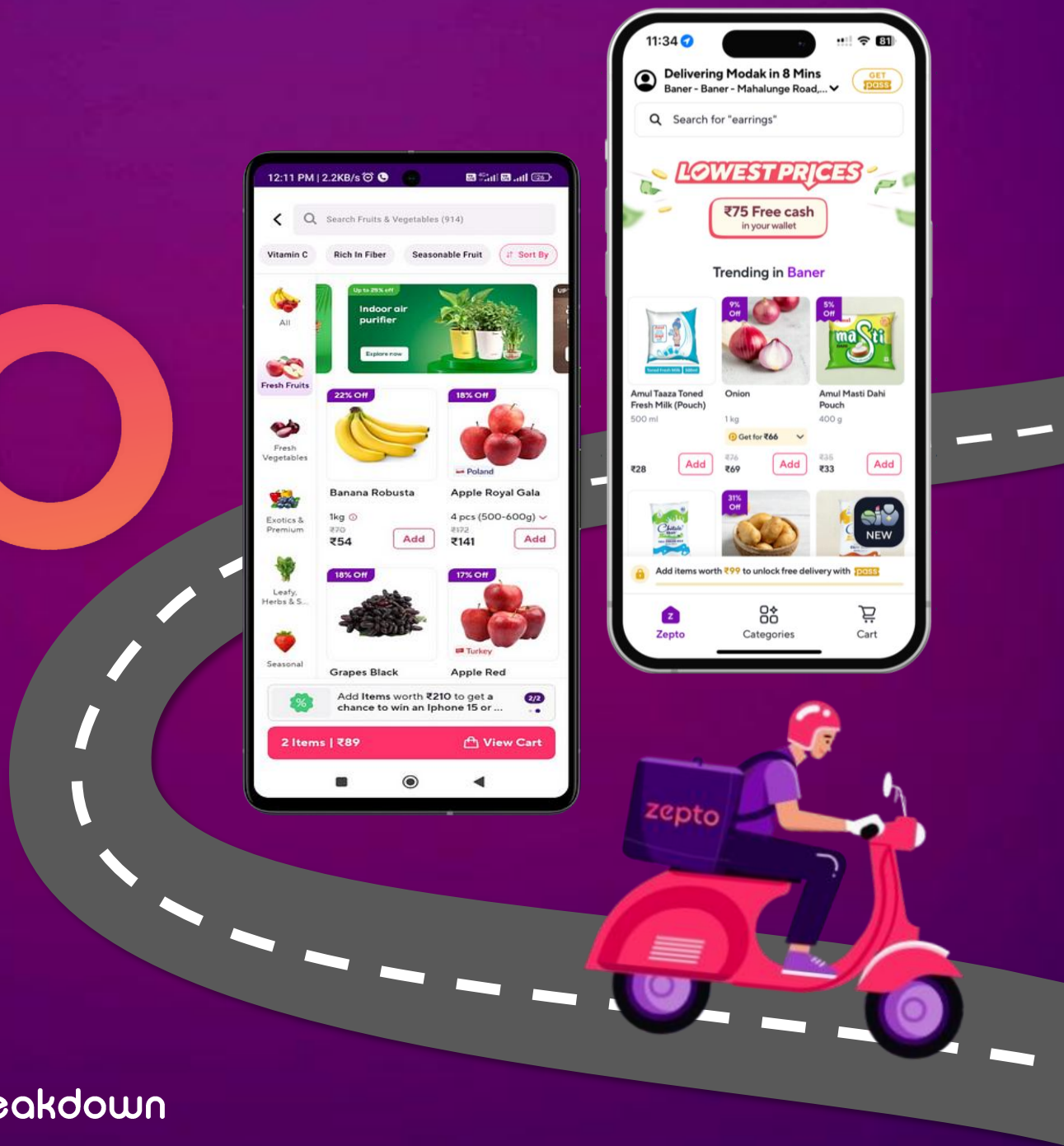
next leap

zepto

Product Challenge

Increase adoption of scheduled delivery ⏱



Milestone 1 : Understanding the market & Problem breakdown

Market Landscape

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MARKET VALUE

$3.34B → $9.95B

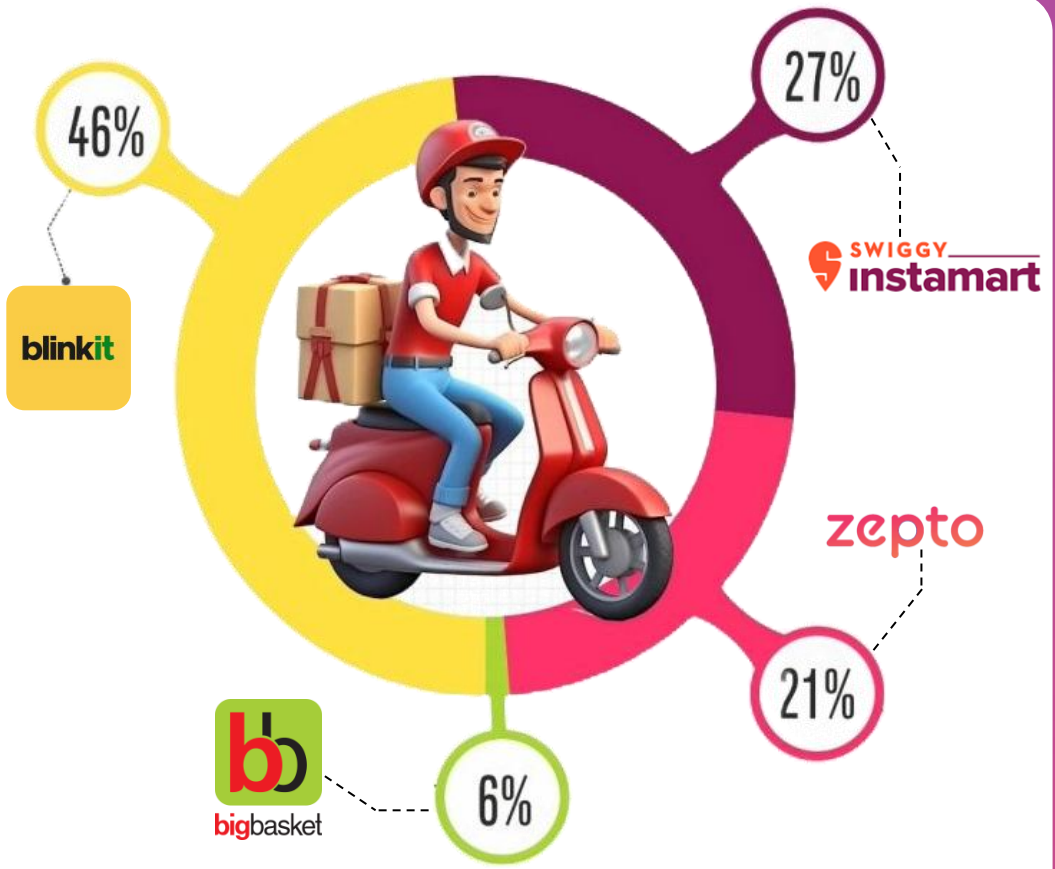
Current — Projected by 2030

India's Quick Commerce Brigade

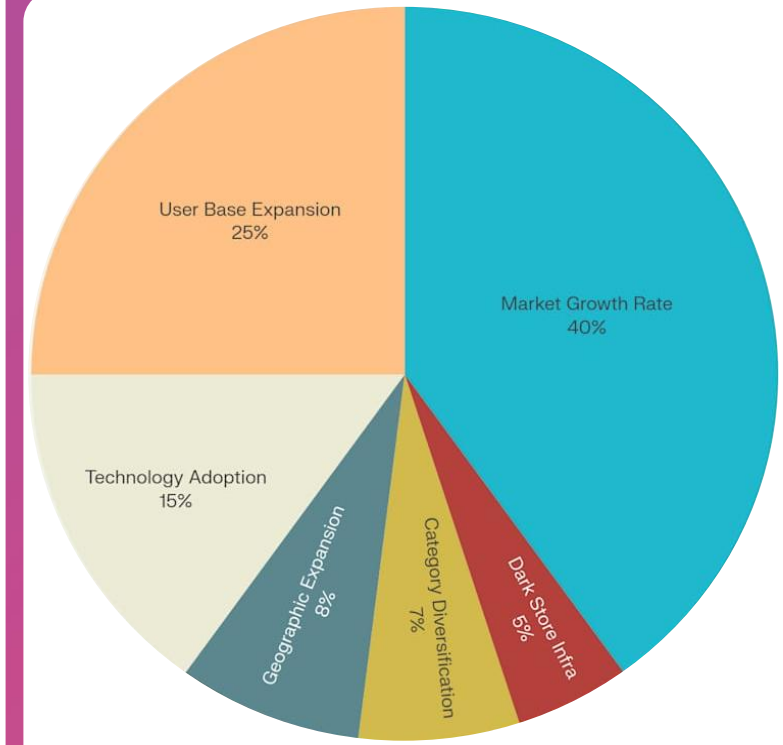
blinkit, bigbasket, zepto, DUNZO, Flipkart MINUTES, SWIGGY instamart, amazon fresh

Operational Model:

Ultra-fast 10-30 minute deliveries

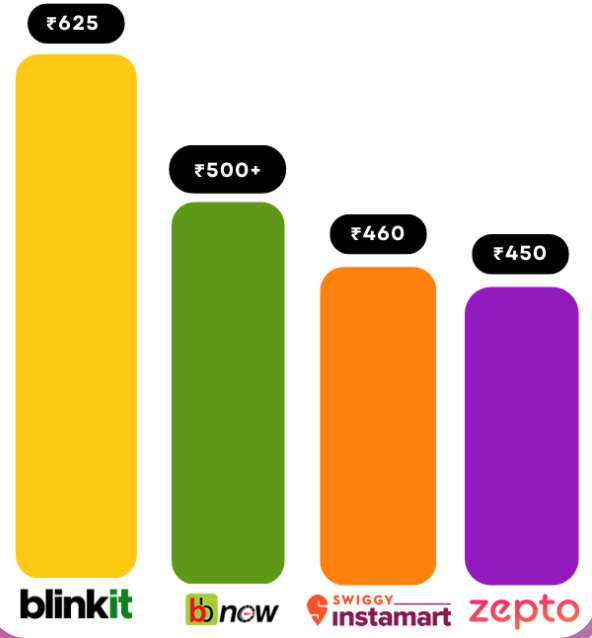


India's Quick Commerce Market Share (2024-2025 Q1)



Market Dynamics & Growth Drivers

Average Order Value



Competitor Analysis

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Competitor Scheduled Delivery Matrix

Competitor Name	Primary Delivery Model	Scheduled Delivery Offering	Scheduled Delivery Key Features	Notes
blinkit	Instant (10 min)	No	N/A	Pivoted from scheduled model to instant-only
SWIGGY instamart	Instant (10-30 min)	Yes (via Swiggy platform)	Pre-order up to 48 hrs in advance, flexible time slots	Swiggy's broader app supports scheduling for various services
amazon fresh	Slotted (2-hr/Same-day), piloting Instant	Yes	Select date & time at checkout, for eligible items	Also testing ultra-fast delivery
bigbasket	Slotted (2-3 hr) & Instant (10-20 min)	Yes (Historically strong)	Specific cut-off times for slots, limited modification	Actively moving away from slotted deliveries to pure quick commerce
DUNZO	On-demand (within hours)	Yes	Select preferred date/time slot at checkout	Hyperlocal, multi-category delivery

Zepto's "Schedule My Order" Feature Offering

- Date and time slot selection with options like 8-10 AM, 6-8 PM.
- Real-time slot availability display during checkout
- Pre-delivery reminders and notifications
- Inventory management ensuring product availability for scheduled slots

Unit Economics Impact

Based on Zepto's current commission structure ranging from 2% to 18% depending on product price, scheduled deliveries offer improved unit economics:

- Higher Average Order Value: 1.5x increase due to bulk purchasing behaviour.
- Reduced Delivery Costs: ₹20 savings per order.
- Lower Customer Acquisition Cost: Bulk buyers show higher retention rates.
- Improved Inventory Management: 50-70% wastage reduction better demand foresee.

Key Takeaway

While quick commerce emphasizes speed, a significant market segment values planned delivery. Zepto can differentiate by excelling in this space.

Planned Enhancements:

- Reschedule and cancel options before product dispatch.
- AI-powered slot suggestions based on past ordering patterns.
- Auto-schedule functionality for recurring weekly/monthly deliveries.

Competitive Flow Analysis : User Experience Comparison

Platform	Advance Booking	Slot Options	Delivery Windows	Cancellation Policy
BigBasket	Multi-day	Premium slots	2-hour windows	Until cut-off time
Swiggy Instamart	2-48 hours	Flexible	30-minute windows	Until Dispatch
Blinkit	Limited	High-value only	30-minute	Limited availability
Amazon Fresh	Same/next day	Standard	2-hour windows	Standard e-commerce
JioMart	2-4 days	Toggle mode	Variable	Standard policy
Zepto	Real-time slots	Standard	Variable	Before Dispatch

Competitive Positioning Matrix

Platform	Cities Covered	AOV	Market Positioning
Zepto	10 major cities	₹450-480	Speed-focused with emerging scheduling
Blinkit	30+ cities	₹614	Premium quick commerce
Swiggy Instamart	100+ cities	₹450-480	Integrated ecosystem
Big Basket	300+ cities	₹1,000+	Scheduled delivery leader

Strategic Positioning

Zepto's Current Market Position

2X Upto ₹4,454 Crores

5-10% of Revenue

2-3km radius

1147 Stores

Operational Cost Comparison

Operation Parameters	Instant Delivery (10-minute) Costs	Scheduled Delivery Costs
Total Cost per Order	₹48-59	₹25-34
Delivery Personnel	₹30-35 (dedicated rider per order)	₹15-20 (batched deliveries)
Fuel & Vehicle Maintenance	₹8-10 (higher due to rush deliveries)	₹4-5 (optimized routes)
Order Fulfilment	60-90 seconds under high pressure	2-3 minutes with less pressure
Failed Delivery Rate	5-8% due to time pressure	1-3% with better planning

This represents a **40-45% overall cost reduction** for scheduled deliveries, primarily driven by **batching efficiency** and **route optimization**.

Target Market Scope

Speed-First Disruptor
Leading quick commerce with unmatched delivery speed.

Strategic Opportunity
Shift Select use-cases to Scheduled without cannibalizing core.

Portfolio Expansion
Beyond urgency-based to weekly grocery shopping

Zepto's Operational & Business Impact : Instant vs Scheduled Delivery

Aspect	Instant Delivery (Current State)	Scheduled Delivery (Potential Benefit)
Fulfilment Cost	High	Lower (due to batching & optimized routes)
Delivery Success Rate	Moderate (prone to delays)	Higher (reduced time pressure)
Demand Predictability	Low (reactive to real-time spikes)	High (enables resource optimization)
Operational Strain	High (especially during peak hours)	Reduced (alleviates peak hour pressure)
Profitability	Lower Margins	Improved Margins (cost reduction)
Customer Motivation	Urgent/Impulse needs	Planned/Bulk purchases, convenience
Average Order Value	Generally Lower	Higher (for planned, larger orders)
Environmental Impact	Higher Carbon Footprint	Lower Carbon Footprint (optimized routes)

Operational Challenges & Mitigation

Operational Challenges	Viable Solution
High Operational Costs	Lower Fulfillment Costs through Batching
Last-Mile Delivery Inefficiencies	Higher Delivery Success Rates
Workforce Strain	Predictable Demand Patterns
Inventory Management Complexities	Reduced Operational Strain
Profitability Pressure	Potential for Higher Average Order Value (AOV)
Sustainability Concerns	Improved Sustainability Profile

Problem Breakdown and Business Outcomes

WHY Scheduled Delivery matters for Zepto

Increasing the adoption of scheduled deliveries is critical for Zepto's strategic objectives and long-term viability, driving several key business outcomes:

- **Increased Profitability**
- **Enhanced Operational Efficiency**
- **Improved Customer Satisfaction & Retention**
- **Diverse & Strategic Market Differentiation**
- **Sustainability Impact**

HOW does it help Zepto

Despite achieving impressive 120% revenue growth to ₹4,454 crores in FY24, the company continues to face significant losses of ₹1,249 crores, representing 28% of revenue. The expansion of scheduled deliveries offers multiple interconnected mechanisms to reduce these losses and achieve sustainable profitability.

Fundamental Cost Structure Improvements
Delivery Batching and Route Optimization | Reduced Operational Strain During Peak Hours

Enhanced Unit Economics Through Higher Order Values
Bulk Purchasing Behaviour | Improved Customer Lifetime Value

Operational Scalability and Infrastructure Optimization
Dark Store Network Efficiency | Technology-Driven Efficiency Gains

Strategic Market Positioning and Competitive Advantages
Differentiation in the Quick Commerce Market | Expansion of Addressable Market

Long-Term Profitability Pathway
Measurable Financial Impact | Sustainable Growth Model

KPI for Scheduled Delivery Adoption

Funnel Stage	Key KPI	Definition/Calculation	Business Impact
Awareness	Feature Exposure Rate	Percentage of active users who have been presented with the scheduled delivery option (e.g., via banners, prompts, checkout options).	Drives initial discovery and consideration of the feature.
Activation	Scheduled Order Conversion Rate	Percentage of exposed users who successfully complete their first scheduled delivery order.	Measures the effectiveness of converting interest into initial trial; indicates feature appeal.
Usage	Repeat Scheduled Order Rate	Percentage of users who have placed more than one scheduled delivery order within a defined period (e.g., monthly).	Ensures feature stickiness and integration into customer routines; crucial for realizing batching benefits.
Usage	Average Order Value (AOV) for Scheduled Orders	Total revenue from scheduled orders divided by the number of scheduled orders.	Indicates value capture from planned, larger purchases.
Retention	Scheduled Delivery Retention Rate	Percentage of users who continue to place scheduled orders over subsequent periods.	Measures long-term loyalty and sustained engagement with the feature.
Satisfaction	Scheduled Delivery CSAT/NPS	Customer Satisfaction Score (CSAT) or Net Promoter Score (NPS) specifically for scheduled delivery experiences.	Indicates customer happiness and likelihood of advocacy; identifies friction points.
Operational Efficiency	Slot Utilization Rate	Percentage of available scheduled delivery slots that are successfully filled.	Measures efficiency of capacity planning and demand fulfilment.
Operational Efficiency	Delivery Success Rate for Scheduled Orders	Percentage of scheduled orders delivered successfully on the first attempt.	Directly impacts customer satisfaction and reduces re-delivery costs.
Operational Efficiency	Cost Per Scheduled Delivery	Total operational cost associated with scheduled deliveries divided by the number of completed scheduled deliveries.	Directly measures the financial benefit and efficiency gains from batching.

Problem Breakdown

- # Scheduled Deliveries
  - # Total Scheduled Deliveries
    - % of Scheduled Delivery checkouts completed
      - % of Customers Aware & Placed Scheduled Deliveries
        - New Users of Schedule Delivery
        - \+
        - Regular Users of Schedule Delivery
        - \+
        - Returning Users of Schedule Delivery
      - % of Customers selecting but not placed Scheduled Delivery
        - % Of Users interacting with scheduling UI
        - Add-to-cart with scheduled slot selected
    - % of Scheduled Delivery checkouts not completed
      - Cart abandonment rate (scheduled vs. instant)
      - Churn Rate of First-Time Scheduled Users
  - ×
  - # Total Scheduled Orders
    - Avg no. of Orders / Customer
    - —
    - Avg no. of Scheduled Orders / Customer

Product Outcomes To Be Focused On

Product Outcome	Mapped Business Outcome
Increased % of users exposed to scheduled delivery	More users consider the lower-cost fulfilment model, improving marketing ROI & demand predictability
Higher engagement with time slot selection (UI/UX interactions)	Better user experience leads to increased adoption of cost-efficient delivery models
Increased % of scheduled deliveries completed	Reduced operational strain during peak hours; better route planning = lower cost/order
Improved repeat usage of scheduled delivery (retention)	Stable, predictable demand = more efficient supply chain & cost savings
Higher average order value (AOV) for scheduled baskets	Improved margins due to higher basket size + lower fulfilment costs
Lower cart abandonment rate for scheduled delivery	Reduced lost revenue opportunities and improved conversion funnel efficiency
User learns to plan recurring needs	Long-term user retention and higher lifetime value
Slot fill-rate optimization via incentives and AI	Maximized delivery density and batching = lower last-mile cost

Click for list of documents, articles & links used

Problem Breakdown By – Raman Choudhary