



Product case study

Swiggy

Swiggy is an Indian online food delivery platform that was founded in 2014 to provide food delivery services from restaurants to customers.

○ by **Gurvinder**

Market Overview



Trend

The trend of ordering ready-to-eat food is growing, with millennials being the largest buyers looking for convenience and variety.



Competition

Swiggy is competing with other multinational companies like Uber Eats, Zomato, and Foodpanda, which also offer similar services.



Online Presence

The penetration of smartphones and the internet have given the food delivery industry a massive boost in the last five years with tremendous potential for growth in the future.

Company Background

The Founders

Swiggy was co-founded by Sriharsha Majety, Nandan Reddy, and Rahul Jaimini in Bangalore, India.

Fundings and Investments

Swiggy has raised around \$1.6 billion from investors such as Naspers, Tencent, and DST Global. A major proportion of the funds raised is used for expansion purposes and upgrading technology.

Services Offered

Swiggy offers customers a feature-rich web and app platform to choose from a wide range of restaurants and cuisines along with real-time delivery tracking.

Challenges Faced by Swiggy

Inefficient Partner Network

Many of Swiggy's restaurant partners were found to be inefficient, causing delayed delivery and decreased customer satisfaction.

Low Internet Penetration

The internet penetration rate in India still remains low, with just over 50% of the population having access to the internet, resulting in a limited online market base.

High Competition

The food delivery industry in India is highly competitive, with Swiggy competing against established players such as Zomato, Uber Eats, and Foodpanda.

Solution Offered by Swiggy

Dark Kitchens

Swiggy is setting up exclusive, delivery-only “dark kitchens” that allow restaurant partners to serve more customers without increasing overhead costs.

1

Partner Support Systems

Swiggy implemented an elaborate support system to assist its partner restaurants in providing quality food, quick delivery, and better customer experience.

2

3

Investments in Technology

Swiggy is investing heavily in technology to enable fast and seamless delivery while ensuring the quality and safety of the food.

Revenue Streams and Maintaining Partners

① Delivery Charges

Swiggy charges restaurants a commission on every order and a minimal delivery fee for each order delivered.

② Partner Incentives

Swiggy provides its partners with various incentives, including discounts on packaging and ingredients, to maintain a healthy and rewarding relationship.

③ Brand Advertisements

Swiggy allows its partner restaurants to advertise their brand on the Swiggy app, providing additional exposure to the partner restaurant.

Impact of Swiggy on the Market



Increased Use of Delivery Services

Swiggy's user-friendly platform has made food delivery services accessible and convenient for many people, leading to an increase in the use of food delivery services.



Increased Sales for Restaurants

The app's simple design and user-friendly interface has allowed smaller, less-known restaurants to be discovered more easily, thereby increasing their sales and revenue.



Encouraging New Cuisine Exploration

Swiggy's diverse range of cuisines and restaurants has allowed people to explore and discover new foods that they may not have tried otherwise.

Downfall of Competition and Keeping up with New Changes

Downsizing Competitors

With the growth of the food delivery industry, many competitors have faced a decline in their market share, with Swiggy emerging as one of the leading companies in the market.

Innovative Business Models

Swiggy is keeping up with the rapidly-changing market by experimenting with new business models, offering subscription plans, and partnering with brands like HDFC Bank and ICICI Bank.

Changing Consumer Habits

Swiggy has been quick to adapt to consumers' changing habits by introducing new features such as contactless delivery, ensuring customer safety during the COVID-19 pandemic.

Success Metrics and Achievements

Number of active users	42 million
Number of delivery partners	over 200,000
Number of restaurants and cuisines	over 110,000

Future Plans and Innovations

1

Expansion into New Regions

Swiggy has outlined its plans to expand into new geographies, including smaller towns and cities that have untapped potential in the food delivery sector.

2

Upgrade of Technology

Swiggy is investing in the upgradation of technology to provide customers with more enhanced features, such as personalized recommendations and 24/7 customer care support.

3

Robust Ecosystem

Swiggy plans to build a more robust ecosystem by exploring new opportunities in adjacent segments such as cloud kitchens and online grocery delivery.