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**Vellore Institute of Technology**  
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**MGT 1022 – LEAN STARTUP MANAGEMENT**  
**PROJECT REPORT**

**Group - 06**

**MealZilla – Dabbawala at your doors!**

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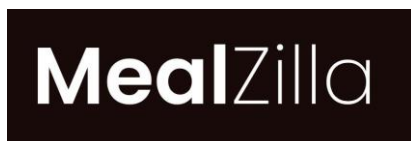
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## **ABSTRACT**

Food Industry has always been a profitable industry not only for manufacturers, suppliers, but also for the users, distributors. The online food delivery system is the need of hour because of the recent changes in the industry and the increasing use of the internet. A Real-time online food ordering system for the customer is our proposed system. The traditional queueing system drawbacks and disadvantages are overcome by our system application. Food can be ordered online in a hassle-free manner through our proposed system from home cooks and dabbawallas. The food order taking methods from customer are improved by our system application. A Food Menu is set up online and as per thalis and customers can simply place their order through the proposed system. For the initial implementation of the system application pay-on-delivery payment system is used. Separate accounts are maintained for each user for more secured ordering by providing an ID and a password.

## **INTRODUCTION TO MEALZILLA**

An online food menu is set up by the proposed food ordering system and as per their will customers can easily place the order. Also, customers can easily track the orders with the food menu. The management improve food delivery service and preserves customers database. Motivation to develop the system is from the Dabbawalla system in Mumbai. To get the services efficiently the users of the system provides various facilities. Home cooks and dabbawalla are considered by our system for the customers. Mostly these users are person who are shifted to new cities and this can be considered as a motivation to our system. Another motivation can be considered as the increasing use of smart phones by the customers, so that any users of this system get all service of the system.

There's a need for the system due to lack of a full fledge application that can fulfill the customer requirements by providing him food from home cooks/dabbawalla. For the students studying in different cities, our system will be very helpful. There will be no limitation on the amount of order the customer wants by ordering food from our system. As a lean- startup Business for the developers the same system application can be used. Real time customers feedback and ratings are provided by our system with the comments to the restaurants/mess owner. It gives appropriate feedbacks to users, so if there is any error happened, then there will be a feedback dialog toward users.

To avoid users doing fatal errors and inappropriate action our system application is designed. Input will be taken by the user from the graphical user interface. The major

attributes such as name, address, email-Id, mobile no, other personal related values will give input to the dataset. The User/Customer's Order, Bill, Feedback and Recommendation will provide the output. For the initial implementation of the system we have considered 3 thalis and partnered with few home cooks and dabbawallas.

## **ENVIRONMENTAL ANALYSIS**

### ***SWOT***

A SWOT Analysis is a powerful tool to develop business strategies for start-up firms as well as for existing companies. This simple framework is used to evaluate the positioning of a firm in a competitive market. SWOT analysis of MealZilla can lead the company towards making effective and wise business strategies.

The SWOT stands for

\* Strengths

\* Weaknesses

\* Opportunities

\* Threats

#### **STRENGTHS:**

- The presence of the company in various metropolitan cities is a big boon to the company as most of the big MNCs are present in metropolitan areas.
- The wide variety of dishes and various restaurants gives the customer to choose his food and purchase them
- Strong online marketing will be a big boon to the company as most of the employees are constantly active in social media
- Company's strong balance sheet and financial statement can let it invest in new and diverse projects, diversifying the revenue stream and increasing Return on Sales (RoS)
- Strong relationship with the existing customers will build the company linearly
- Modified subscription plans can help in the growth of the company and the profits

#### **WEAKNESS:**

- High traffic in the metropolitan areas may lead to the delay in the orders

- Social media marketing in all platforms needs to be increased since it can produce a lot of reach in the youth
- Environmentalists may criticise the organisation for its inadequate waste management policies and inability to incorporate sustainability into its operations.
- Less expenditure on the research and development activities can weaken the company growth in the coming future

#### OPPORTUNITITES:

- High density population areas create more profits and opportunities
- Using Machine learning and Artificial Intelligence in developing the MealZilla improving the company food recommendation to users, lowering costs and transforming processes
- E commerce website can be helpful for both the customers and the logistic partner to get to know about the orders that are being booked and to which location the order should be delivered
- Customers use their time wisely so using the subscription plans can reduce their time in placing order
- Expansion into international market can boost the business growth, It can also aid in attracting talent into the domestic market and expanding into new fields

#### THREATS:

- Transportation costs differ from place to place so the prices differ from place to place
- Under increasing pressure from protest groups and non-governmental organisations, companies should keep a watch on rapidly changing government rules, particularly in the areas of environmental and labour safety.
- Shortage of the skilled labour in the market can make it difficult to the company
- The rise in inflation increases the cost of production and affects the business profitability.
- Globalisation forces organisations to cross national borders and deal with cultural variety, which can be problematic if the organisation lacks cultural intelligence.

## *Micro Environmental Factors*

### Competitors:

Uber Eats

Zomato

Swiggy

DoorDash

ChowNow

Postmates

GrubHub

UrbanPiper

### Customers:

Online food conveyance administration has gotten momentum, particularly in the midst of the COVID-19 pandemic when the cafés were closed down for eat in. With larger part of recent college grads and more youthful age, liking to arrange food on the web, the interest for online food conveyance administrations continues to rise. The principle benefit of the food conveyance administrations is the arrangement of food at whatever point and any place the client needs. This is a key component adding to the development of the food conveyance administration stage as individuals have progressively bustling timetables and no chance to go out and eat like bygone eras.

### Marketing Intermediate:

Around the world, the market for food conveyance remains at €83 billion, or 1 percent of the absolute food market and 4 percent of food sold through eateries and cheap food chains. It has proactively developed in many nations, with a general yearly development rate assessed at only 3.5 percent for the following five years.

By a wide margin, the most well-known type of conveyance is the conventional model, where the purchaser puts in a request with the neighborhood pizza parlor or Chinese café (albeit numerous different sorts of eateries, especially in metropolitan regions, presently offer conveyance) and trusts that the eatery will carry the food to the entryway. This customary class has a 90 percent portion of the overall industry, and the majority of those orders — just about  $\frac{3}{4}$  — are as yet positioned by telephone.

Nonetheless, as in such countless different areas, the ascent of advanced innovation is reshaping the market. Buyers familiar with shopping on the web through applications or sites, with most extreme accommodation and straightforwardness, progressively expect similar experience with regards to requesting supper.

### ***Macro Environmental Factors***

#### **Political:**

Governments around the world have extensive regulatory frameworks for all aspects of the food industry. These include the cleanliness of commercial kitchens, product storage and transportation standards, as well as the requirements of workers in the food industry. This undoubtedly makes the food industry one of the most regulated industries. On the plus side, this ensures that consumers are not exposed to substandard nutrition, but regulatory complexity certainly eats up grocery store margins.

#### **Economic:**

##### ***Growing Disposable Incomes***

As a general trend, the world's population is becoming more and more affluent. This means that lower, middle and upper class people can spend more on luxury goods, including restaurant food. As a result, sales of the food industry as a whole are increasing as individual food is reduced and eating out increases. This has a positive impact on every corner of the space, including restaurant owners, grocery store owners, and individual workers who play a role in these businesses.

##### ***Increasing Labor Costs***

Disposable income is growing for reasons: Workers are making more money these days. Overall, the cost of hiring workers is increasing in all industries. This is caused not only by increasing demand for workers, but also by increasing government expectations for the minimum wage. As in many other industries, the impact of rising labor costs is simple. In other words, the profit margin of the business owner is low, and therefore the profit is low.

#### **Sociocultural:**

##### ***Health Consciousness***

Today, scientists know more about the relationship between food and our body. There is a clear relationship between the food we eat and our health, and consumers are aware of it. As a result, many are looking for healthier ways to fuel their bodies. This does not necessarily have a positive or negative impact on the food industry, but it does mean that companies need to adapt to stay relevant. fast food companies will need to move from traditional high-calorie fried foods to healthier alternatives such as salads.

### *Dietary Restrictions*

In addition to better understanding which types of foods are healthy and which are not, consumers are also more knowledgeable about their individual dietary restrictions. For example, many people now understand the negative effects of gluten on people with celiac disease. This has led consumers to expect more understanding from people working in the food industry. Again, that's not necessarily a bad thing, but it does mean that the we needs to make changes to keep customers happy.

### Technical:

#### *Automation*

The more opportunities the food industry uses technologies, including robots, the fewer workers are needed. Overall, this is good for the industry as it allows businesses to improve profitability and reduce the potential for human error.

### Legal:

#### *Safety Standards*

As explained in the policy section of this PESTLE analysis, the food industry has high standards for safety issues. In particular, there are numerous regulations in each country regarding the transportation, storage and cooking methods of food, including instructions on the temperature at which different types of food can be reached and how to wash them. This is certainly a major political issue, but if you violate any of these regulations, it becomes a legal issue. Therefore, food companies must take great care to stay within these rules to avoid costly proceedings.

### Environmental:

#### *Impact on meat*



There is growing awareness of the environmental impacts of the foods we eat, as well as the health effects of the foods we eat. One of the food groups of particular concern from an ecological point of view is meat. The production of meat, especially lean meat, uses large amounts of water and leaves significant carbon dioxide emissions. Last but not least, the meat industry is destroying large amounts of forest to make room for farms. As a result, more and more people are switching to plant-based diets, and the government is beginning to take an interest. Again, this is not necessarily negative for food companies, but food companies need to be aware of the long-term implications of this change.

## **STP STRATEGIES**

The STP Marketing Model can assist you in analyzing your product offering as well as how you convey its benefits and value to specific audiences.

- \* Segment your market.
- \* Target your best customers.
- \* Position your offering.

The concept is useful because it allows you to identify your most valuable customer types and then create products and marketing messages specifically for them. This allows you to better engage with each target group, personalize your messaging, and, as a result, increase sales.

### **Segmentation:**

Market segmentation is the process through which marketing managers at Mealzilla System can divide the large market into smaller segments based on distinct needs, characteristics, or consumer behavior. Mealzilla System can do segmentation based on following criteria – geographic, demographic, usage, user status, income, lifestyle, value proposition priorities, benefits sought, loyalty status, gender, social class, self-perception, psychographic factors, and other attitudes.

### **Targeting:**

Once the overall market is divided into various segments then Mealzilla System needs to choose a target segment or few target segments. The key is not to be everything to everybody as the products can only deliver specific value proposition.

First step in targeting process is to conduct Segment attractive analysis.

### *Mode of competition and business models*

Our business model is to take the order from the respective person who prepares the food and delivery the dabba to the person who ordered on subscription basis. Potential competition for our business model is through swiggy and tomato.

### *Maturity of the market*

We have to also look the potential buyers and the profits that we get through the concept of mealzilla

### *Customer Behavior and Loyalty Analysis*

We have to also analyse how customers are behaving in each segments. Loyalty analysis is also a critical factor in analyzing the conversion rate.

### *Profitability in various segments*

We have to check for the various segments where we could get higher profits.

### Positioning:

Positioning is the position of brand in minds of the targeted customers based on the features, qualities and functioning Identifying the unique value proposition of the company in the minds of customer.

Choosing the advantages that are compatible with Mealzilla and the strategies which are more profitable Finally Positioning the brand as a deliverer of superior value to the target segment and effectively communicating that position to consumers using marketing mix and promotion mix.

## **7Ps OF THE MEALZILLA**

product, price, promotion, place, people, process, and physical evidence. The 7 Ps are a set of marketing tactics, which can be used in any combination to satisfy customers in a target market. The 7 Ps are subject to the internal and external marketing environments. Combining these different marketing tactics to meet your customers' needs and wants is known as using a 'tactical marketing mix'.

### Product:

The service or product to be sold should be at the centre of every element of the marketing mix.

Fundamentally, it allows to address the questions key to sales conversion like what problem or issue does our website have to solve for customers? Why is our website the best one to solve it among the others food delivery platforms?

#### Price:

The pricing of the product needs to be based on what the customers are prepared to pay according to the quality and quantity of the food and the distance of the stores available , costs such as retail mark-up and manufacturing, as well as other considerations.

#### Promotion:

Successful marketing strategies include all the promotional activities across the marketing mix, including advertising, direct marketing, and in-store promotional activities.

The possibilities of digital promotion are limited only by your imagination and can include online events, chats, social media groups, and livestreams. In our Mealzilla website, we are focusing more on our digital promotion through , YouTube, Instagram and WhatsApp.

#### Place:

Where and how our product is displayed and sold is directly informed by the customers. The main focus of us are the customers, the places and the availability of the website are all done according to the customers. A deep understanding of their purchasing patterns and targeting them at the right stage in their buying cycle, makes it clear where the promotion and selling of the products should be done and how that fits into our online and real-world marketing mix.

#### People:

Excellent customer service not only converts to sales, but also increases the customer base by referrals. Acquiring these referrals by people who love our food delivery Dabbawala systems can be a great example of how our marketing efforts can support our sales process.

#### Process:

The process of delivering the product to the consumer should be designed for maximum efficiency and reliability, but may also include features that are in line with our website, such as being consumable and available at correct times. With the rise in online

shopping, digital partnerships and logistics have become an essential part of the marketing mix.

#### Physical Evidence:

Physical evidence incorporates aspects that proves our website exists and that a purchase took place.

The marketing mix also take into consideration all the things of what the customer sees, hears , smells and tastes in relation to our service and also the aroma of the homemade dabbawala food This, of course, includes packaging and branding, but should also bring in the ways products that are displayed in the website, where they are placed, and the context in which they sit, as well as digital placement, including on the website and social media.

### **SOURCE OF FUNDING**

Mealzilla's main costs are associated with marketing, software requirements and increasing awareness about the benefits of choosing it over existing food delivery platforms. Our revenue is solely earned from the 12% ommission per order we charge with each partner(small mess, home businesses, etc). There will be no costs on food/packaging charges as we plan to deliver thalis packed in tiffin boxes which will be collected and returned to the respective owners(the food providers). The delivery agents will work for 3-5 hours with the pay differing on factors such as time taken to deliver order, on-demand hours(when there is an increase in deliveries ,estimated to be 11 am to 2 pm).They will also need to own their bikes and a portion of the salary given will be added to their life insurance after they pass the initial recruit period.

*The meet our financial requirements above we need a source of funding and below are the options for consideration with their merits and demerits:*

#### Personal savings or self financing:

In the initial stages, when it will be difficult to meet the requirements for a loan or gain the interest of venture capitalists, this is the best option. It means that the investment money is from the owner's pocket.

#### *Merits:*

- We can know the exact amount of funds available to make business decisions and implement them. There is no hassle involved unlike securing bank loans or pitching to investors.

- We have more control over our business , that is, we do not have to consult other people when making business decisions(in case of equity sharing) ,we do not have to pay back lenders, investors and so on.
- Since we are aware of our funds available and make decisions accordingly, we will avoid excessive spending and try to minimize expenditure as much as possible(bootstrapping).

*Demerits:*

- Puts a strain on their personal lives in terms of standards of living, health and so on. It is of utmost importance to set up a contingency fund.
- If our business were to fail, you could lose your home and other personal possessions.
- Many investors and venture capitalists can also provide mentoring and networking opportunities for you and your business – if you fund your business alone, you will have to develop your own contacts and mentoring opportunities.
- We should estimate the exact amount of money required, shortage of funds is prevalent in this option.

*Angel investors:*

Angel investors comprise of various types such as friends and family, crowdfunding, wealthy individuals, investors and so on.

*Merits:*

- Credibility from being associated with the investor.
- Contacts for potential customers or employees
- Contacts with investment bankers, accountants, lawyers and other professionals
- Marketplace knowledge and strategies used in similar companies.

*Demerits:*

- Loss of equity. We might have to give 10%-50% of the company's shares
- Angel investors expect a substantial return on investment ten times the amount in the initial years (5-7 years).
- Less control over business. Loss of financial freedom impacts business decisions as investors are also involved( for example, the investor can sell the

business to a bigger cooperative or they might replace owner with a more experienced person if they are granted too much equity.

### *Bank Loans:*

Borrowings from banks are an important source of finance to companies. Bank lending is still mainly short term, although medium-term lending is quite common these days.

Short term lending may be in the form of:

- a) An overdraft, which a company should keep within a limit set by the bank. Interest is charged (at a variable rate) on the amount by which the company is overdrawn from day to day.
- b) A short-term loan, for up to three years.

Lending to small company like ours will be at a margin above the bank's base rate and at either a variable or fixed rate of interest. Lending on overdraft is always at a variable rate. A loan at a variable rate of interest is sometimes referred to as a floating rate loan. Longer-term bank loans will sometimes be available, usually for the purchase of property, where the loan takes the form of a mortgage. The bankers also assess your qualifications for the loans based on the following factors( 5 C's):

Character: applicant's credit history.

Capacity: the applicant's debt-to-income ratio.

Capital: the amount of money an applicant has.

Collateral: an asset that can back or act as security for the loan.

Conditions: the purpose of the loan, the amount involved, and prevailing interest rates.

### *Merits:*

- We can obtain a large investment, if necessary.
- We can retain 100% ownership and freedom to make business decisions.
- We can safeguard our personal lives and use our savings for a rainy day or living expenses instead.
- We can increase our business credit. By taking out and paying back a smaller loan amount first, owners increase the chance of their business being approved for a bigger loan in the future. It may also help secure lower interest rates.

### *Demerits:*

- It is difficult to fulfill all requirements and obtain the investment.
- Term loans typically require monthly payments for some combination of interest and principal. Missing loan payments can mean irreparable damage to business and personal credit.
- Less need for bootstrapping. Due to the large amount of funds, we might incline towards excessive or unnecessary spending and will be less likely to explore cheaper but creative methods.
- Personal credit at risk. If the business defaults then our personal assets or whatever we leveraged as guarantee might be ceased.

At the current state of our business, we cannot look into venture capitalists as they rarely do invest in startups. Right now , mealzilla's best prospectives for funding are angel investors(including VIT incubation cell) and self financing.

### **SUMMARY**

The main theme of our project i.e, Mealzilla is to deliver the home cooked food to all the the people from Dabbawalas. Since most of the people prefer to order food through online we have created a webpage where people can order their food online and get delivered food to door step. We are offering food both with attractive prices of daily and subcription basis where we provide subscription plans for week, month,yearly basis.We are patnering with some specific dabbawalas where we offer or display food in our website.We are also hiring the delivery persons on our own without having any third parties since it is a lean start up we will hire 7-10 people to deliver our food. Once we successfully installed we are planning to expand our network around the cities.