



# How to improve Food Delivery Revenue by 10% for Swiggy Food?

## Step 1: Pick an industry

The food delivery industry in India was a rapidly growing sector with several prominent players.

- **Dominant Players:** The food delivery market in India was dominated by two major players: Zomato and Swiggy. These companies had a significant market share and were constantly competing to expand their reach and offerings.
- **Rapid Growth:** The food delivery industry in India had experienced tremendous growth in the preceding years. Factors such as urbanisation, changing lifestyles, and increased smartphone penetration had fueled the demand for online food ordering and delivery services.
- **Diverse Cuisine Options:** Indian consumers had access to a wide variety of cuisines through these platforms, ranging from traditional Indian dishes to international cuisines like Chinese, Italian, and Mexican.
- **Delivery Models:** Food delivery platforms in India primarily operated on an aggregator model. They partnered with a vast network of restaurants and offered customers the convenience of ordering food online and having it delivered to their doorstep.
- **Innovation and Technology:** Companies in this industry were constantly innovating to enhance user experience. This included features like real-time order tracking, user reviews, and loyalty programs to attract and retain customers.

- **Competitive Pricing:** Intense competition in the market often led to competitive pricing and discounts, making it more affordable for consumers to order food online.
- **Challenges:** The industry faced various challenges, including issues related to quality control, food safety, and delivery logistics. Additionally, regulatory compliance and disputes with restaurant partners were common concerns.
- **Expansion Beyond Food:** Some food delivery platforms expanded their services beyond food delivery to include groceries, medicine delivery, and other essential items, especially during the COVID-19 pandemic.

## Step 2: Pick a product

Industry	Product
E-commerce or Marketplace	Swiggy

## SWIGGY-

Swiggy is one of the leading food delivery platforms in India. Swiggy offers a range of products and services aimed at providing convenient and efficient food ordering and delivery experiences.

- **Food Delivery:** Swiggy's core offering is food delivery. Users can browse through a vast selection of restaurants and cuisines on the Swiggy app or website, place orders, and have their food delivered to their doorstep. Swiggy's extensive network of delivery partners ensures timely and efficient delivery services.
- **Swiggy Genie:** Swiggy Genie is a service that goes beyond food delivery. It allows users to send and receive items other than food, such as documents, parcels, groceries, and even laundry. Swiggy Genie leverages the company's extensive delivery network to provide quick and reliable courier services.
- **Swiggy Stores:** Swiggy Stores is Swiggy's grocery delivery service. Users can order groceries, household essentials, and various products from nearby stores through the Swiggy app. Swiggy Stores aims to provide a one-stop solution for daily shopping needs.

- **Swiggy Super:** Swiggy Super is a subscription service that offers benefits to regular Swiggy users. Subscribers enjoy benefits such as free delivery on eligible orders, exclusive offers, and priority customer support. Swiggy Super is available in different subscription tiers.
- **Swiggy Pop:** Swiggy Pop is a curated single-serve meal option for individuals. It offers affordable and portion-controlled meals from popular restaurants, making it an ideal choice for solo diners.
- **Swiggy Daily:** Swiggy Daily is Swiggy's meal subscription service that provides daily home-style meals at affordable prices. It caters to customers looking for regular and cost-effective meal options.

### Step 3: Pick a metric

Industry	Product	Metric
E-commerce or Marketplace	Swiggy	Average Ticket Size

**Average Ticket Size-** The average amount of money each customer spends per transaction with your store

Formula:  $ATS = \text{Average price of product} * \text{Number of products}$

Variables:    1. Average price of product  
                      2. Number of products

## Business Lever Breakdown

Increasing the Food Delivery Revenue for Swiggy can be a broad term, so we will try to break down various factor that might affect the revenue & focus on them

1. Swiggy earns revenue from various channels such as-
  - Food Delivery
  - Commissions
  - Advertisements
  - Affiliate Income etc.
2. We will focus on Food Delivery Business- To increase the revenue from Food delivery-
  - a. Food Revenue= A.T.S\*No of orders
    - i. We can Increase the Average ticket Size
    - ii. Increase the frequency of orders.
  - b. Average ticket Size= Average price of product \* # of products
    - i. We can increase Average price per product
    - ii. We can focus in increasing no of products per order

## **Context:**

Swiggy is an E-commerce platform that offers a range of products and services aimed at providing convenient and efficient food ordering and delivery experiences. Since, we as a company are focusing towards profitability in the next 2-3 years, we want to focus more on increasing our AOV per order so that our overall revenue from food delivery will increase by 10%.

## **Goal:**

We want to increase the revenue by focusing on increasing the Average ticket size from each order. We will focus on how we can target different user groups based on their needs & requirements.

## Problem Space

### Persona:

This list consists of individuals who are already using Swiggy's food delivery platform. These users are familiar with the app, its features, and have a history of making orders.

1. **Busy Professionals/Office goers:** These users use Swiggy for quick and convenient meal solutions during workdays or when they don't have time to cook.
2. **Students:** Students often use Swiggy for a variety of meals, including late-night snacks, affordable options, and group orders with friends.
3. **Families:** Families use Swiggy for family meals, special occasions, or when they don't want to cook. They may place larger orders to cater to the entire household.
4. **Food Enthusiast:** These users are passionate about food and use Swiggy to explore diverse cuisines and try out new and unique dishes.
5. **Fitness Enthusiast:** Users seeking healthy meal options, such as salads, organic foods, and diet-specific dishes, choose Swiggy to cater those needs.
6. **Solo Diners:** Individuals living alone often use Swiggy for single servings or smaller meals that they can enjoy at home.
7. **Special Occasion:** Users order from Swiggy for birthdays, anniversaries, and other celebrations, which may involve larger orders with party food and cakes.
8. **Budget-Conscious Shoppers:** Some users are price-sensitive and look for discounts, offers, and budget-friendly options when ordering from Swiggy.

9. Late-Night Snackers: These users order from Swiggy during late hours, either for midnight cravings or for night shifts.

### **Characteristics:**

- Sonal, Marketing Manager, Age: 28, Urban area, busy lifestyle, Values- quick delivery and convenience.
- Amit, College Student, Age: 20, Looks for budget-friendly options, late-night snacks, and group orders with friends.
- Raj's Family, Parents with young children, Ages: 35 and 36, Orders family-sized meals and occasionally celebrates special occasions.
- Karan, Food blogger, Age: 30, Enjoys exploring diverse cuisines and trying out unique dishes.
- Varun, Orders late-night snacks and meals for midnight cravings or night shifts.

### **User Segmentation:**

We can categorise the list into different segments & reduce the overlaps of users. This can be made on the basis of lifestyle.

1. Lifestyle focused:
  - Working professionals
  - Solo diners
2. Occasions & events driven:
  - Family Dinners
  - Occasions celebrations
  - Corporate Events
3. Food Explorers:
  - Fitness enthusiasts
  - Travellers & Food Enthusiast

4. Budget friendly:

- Students
- Late night snackers
- Budget shoppers

## **Behaviour:**

1. Lifestyle focused:

- These users are typically busy professionals who are often on the move or don't have time to cook.
- They value quick and convenient food options, such as takeout or delivery.

(References- Did survey in my office mostly of bachelors)

2. Occasions & events driven:

- Families who order food for shared meals or special occasions.
- These users order food for business meetings, office events, or corporate gatherings
- Users who order food for special events like birthdays, anniversaries, or other celebrations.
- Their behaviour is motivated by the desire for customised and festive dining experiences.

(References- Spoke with the HR team in office & some of people who are married & have family)

3. Food Explorers:

- Food enthusiasts who are passionate about exploring new cuisines and flavours.
- Travellers who use food delivery services while on the go or in a new location.
- They are interested in sampling local or regional cuisines and may have limited knowledge of local food options.

#### 4. Budget friendly:

- They look for affordable meal options and discounts
- Cost-conscious individuals, including students and young adults.
- Users who prioritise discounts, deals, and promotions.
- These users order food during late hours, often looking for late-night delivery options.

(References- Spoken to some interns & even my younger siblings)

### **Needs:**

#### 1. Lifestyle focused :

- Quick and convenient meal options that can be grabbed on the way to work or during breaks.
- Healthy and balanced food choices to maintain energy and focus throughout the day.
- Options for takeout, delivery, or pre-ordering to fit their busy schedules.
- Smaller portion sizes or the option to order a variety of dishes without waste.

#### 2. Occasions & events driven:

- Family-friendly menu options, including children's meals
- Timely delivery, bulk ordering.
- Special deals or discounts for families.

#### 3. Food Explorers:

- Unique and diverse menu options.
- Information about the cultural and culinary significance of dishes.
- Recommendations for must-try dishes and popular local eateries.

#### 4. Budget friendly:

- Affordable meal options that fit a limited budget.
- Promotions, coupons, and meal deals to maximise savings.
- Quick service at night time



## **User Problems:**

### Segment 1:

- Limited time- They might have limited time to browse & order meals & it may be difficult to order something healthy.
- Delayed delivery- There might be cases where the person has limited time but ETA for the delivery is way too long(45-60 mins)
- Cost- Ordering food daily might be very expensive for most of the users.

### Segment 2:

- Right order- When families/corporates are organising events of lunch for large gathering, they want the right order to get delivered
- Delivery- Since, the gathering is quite large or it's a family dinner, we want the order to be delivered well on time or before it. Delays can be problematic.

### Segment 3:

- Discovery- Food lovers/travellers who want to try a variety of cuisines or any special dish of a particular place, they might be able to distinguish that from the menu.

### Segment 4:

- Discounts- Students or people who are on a budget are always looking to find something cheap.
- Late night delivery- Some students/snackers may face challenges in finding affordable and quality options during odd hours.

## **Prioritisation of User Segments & User Problems:**

Since the user segment 1-consisting of office going professionals or Bachelors makeup to most/majority of our users we will focus on them.

There are a few reasons why focusing on this user segment & prioritising their problems would be beneficial for us:

- Make up to almost 55% of the total user base.
- Have high paying capacity.
- We have a better chance of upselling on their orders.
- High order frequency (3-5 orders per week) which will help in further revenue generation.
- Word of mouth: They may recommend further colleagues to use our platform, hence more customer base.

## Business Impact:

Since we are focusing on the business impact that this user segment might have, we can make certain use cases to quantify them

- For Segment 1:
  1. We are assuming that they are 55% of the total users on the platform & hence make up the majority of them.
  2. Their Average Order Value = Rs 200
  3. Order frequency = 3 times/week

Out of 100 orders, 55 orders come from this segment.

Total spending per user per month =  $3(\text{times}) * 4(\text{weeks}) * 200 = \text{Rs } 2400$

Total Revenue from this segment =  $55 * 2400 = \text{Rs } 1,32,000$

If solving for them, let assume if the order frequency increases by 50%, i.e., people start ordering 5 times a week &

even if 30% of the total users adopt this, i.e. 17 users

Increased revenue =  $17 * 5 * 4 * 200 + 38 * 3 * 4 * 200 = 68,000 + 91,200 = \text{Rs } 1,59,200$

Total increase in revenue = 20.6%

Now, while proposing the solutions, even if we give a 10% reduction on the AOV (through discounts/coupons, subscriptions, free delivery, cashbacks), the overall increase in revenue remains positive.

## Solution Space

### Proposed solutions

Here are some list of possible solutions that might help or solve the problems of delayed delivery, indecisiveness to order food, health concerns etc.

- **Optimised Delivery :**

To solve for the longer delivery time we can try to deliver the orders via Drones & can call it Xpress Delivery. This will help to decrease the agitation among users due to long ETA.

- **Subscription Plans:**

We can make a custom subscription plan for the customers where can opt in for a monthly meal plan. This can be done in either of the 2 ways

- They can opt in for 1 meal a day plan.
- They can choose 2 meals a day (Breakfast & Lunch OR Brunch & Dinner).

Here, customers can also choose their diet preferences such as Veg/Non-veg, Vegan , Eggitarian etc.

They can also browse the various cuisines available such as North Indian, South Indian ,Chinese, etc.

They can select the time & 1 address on which the food will get delivered once a day.

- **Group Ordering:**

We can also partner with various companies which allow its employees/users to place orders with their colleagues. This can be useful as the user can select a dish from the menu that has been selected already. For eg: Rajma rice, Medium thali , Masala dosa etc.

- **Daily Special:**

We can introduce a Daily special menu where we can highlight the dish of the day to the users. We can also try to introduce some discounts on a combo order. We can also give away a special gift/coupons for a minimum order of a certain amount.

## **Pick the best solution**

After presenting some relevant solutions to the above scenario, here are some key takeaways.

- Delivery from the Drone would not be feasible right now because of technology & policies constraints. Maybe in the future this can be a solution.  
It would require High Effort & would have Medium Impact.
- The subscription plan solution is the most relevant solution keeping in mind the user problems & needs. It would also be feasible in terms of technology & resources.  
It would be of High Effort & High Impact.
- This solution will solve the problem but the impact will be low since we are not sure about how many companies would be interested in this, since it would require an additional cost to the company in terms of food etc.
- The 4th solution of Daily special is a solution of Medium Effort & Low Impact

Solutions		Effort	Impact
1	Xpress Delivery	High	High
2	Subscription Plan	High	Medium
3	Group ordering	Medium	Low
4	Daily Special	Medium	Low

Hence, I will be prioritising **Subscription plans** as my solution for this problem.

## Implement Details

### User Flows:

A user visits the application ➡ Browse the menu & looks for some food ➡ gets frustrated as he gets confused OR Gets frustrated seeing the long delivery time during lunch hours ➡ Goes to Profile page ➡ Selects Subscribe to Swiggy Subscription ➡ Put in the necessary details such as Food preferences, Veg/Non Veg/Vegan, Dairy preferences ➡ Subscribe for 1 month ➡ Make payment ➡ Become a Member



## Wireframes

### WIREFRAMES

## Product functionality details and edge cases

Some of the product functionality details are mentioned below:

- When a person wants to join the swiggy daily, they click on the join button & the details are already fetched from the profile.
- Users can add a preferred address & time for the delivery of food.
- When he clicks on subscribe, he can choose among the various food plans, 1 meal a day or 2 meals a day.
- They can add dietary preferences such as Veg/Non Veg , Vegan etc.
- With the Schedule feature the user's expectation is that once they select a delivery slot, they will get their food within that 30 min time slot without fail.
- Payment details can be stored & saved for future uses.

### Edge Cases:

- When the payment fails the money will be transferred back to the customers original payment method in 1-3 working days.
- They can change/upgrade/downgrade their meal plans.
- If the delivery gets delayed 3 times in a month, the customer will receive a 1 week extra subscription for free.

## **Metrics:**

### Customers:

- Number of subscribers joined at D1, D7
- Number of repeated subscribers at M2
- Churn Rate at M2
- Total no of orders successfully delivered at end of M1

### Business:

- % increase in orders per week per user due to scheduled orders
- % increase in average revenue per user due to scheduled orders

## **Counter Metrics:**

- Frequency of orders reduced per customer
- % decrease in the usage of new offers/services