Group no: 4508 Section: \$4-\$5

# Swiggy: Case Study

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# Introduction: What is this Swiggy?

- > Food ordering and delivering company
  - >> Based in Bangalore
- > Provides a single window for ordering
  - > From a wide range of restaurants around
- A complete food ordering and delivery solution
  - Connects neighbourhood restaurants with urban foodies.



# Introduction: Founders [2]

- ➤ Nandan Reddy, Sriharsha Majety, and Rahul Jaimini in August 2014.
  - ➤ Nandan Reddy aged 29 and Sriharsha Majety aged 31 both are both alumni of BITS Pilani
  - Rahul Jaimini aged 31 is an alumnus of IIT Kharagpur.
- They spotted the need for an online hyperlocal logistics company in the restaurant industry
- August 2014, consequences the roll out of the online food ordering and delivery startup 'Swiggy'

### The journey so far: Early Life [3]

- ➤ Began its Journey from Bengaluru with
  - ➤ Six delivery executives
  - >25 restaurants on its platform
- >Inspired by the thought of providing
  - Complete food ordering and
  - ➤ Delivery solution that connects neighbourhood restaurants with urban foodies.
  - In the time of 3 years, it scaled up with
    - ➤Over 6,000 delivery executives across India



### The journey so far: Early Profile [4]

- Currently, operates on more than 8 cities like Delhi-NCR, Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata, and Pune.
- > Has their own exclusive fleet of delivery personnel
  - ➤ Who pick up orders from restaurants and deliver it to customers.
- ➤ Main value proposition
  - >No minimum order policy on any restaurant
  - >Accepts online payments



SWIGGY

6

#### STRENGTHS

Quick Delivery

Good Brand Image

Trained people for making delivery

Good Organisational Structure & Managers

Better Customer Support

Wide range of restaurants offered

Delivery is free

Neat Packaging(Hygiene)

#### WEAKNESSES

Orders Only available from restaurants that are located in the zone of the order placed

Low awareness of Brand or low marketing

Delivery charges in some cities Price differences in menu and app prices

#### **OPPORTUNITIES**

Pioneer in Food Delivery Business Growing Market for Potential Customers Increasing Market Share Only few other food delivery businesses Cost effective and good quality food delivery options are lacking in the marke Provide better and effective service

#### THREATS

Present Customer base is low Increasing health consciousness Increasing potential competitors Negligence of potential competitors



# Target Customers

- ➤ Age 20-30
- ➤ College Students
- > Working professionals
- > E-commerce savvy
- Away from home crowd



## Business Model 6

- ➤ Consists of two major revenue streams.
- Major part of Swiggy's revenue from commission it collects from restaurants and for serving as a delivery partner.
- Swiggy also charges a nominal delivery fee from customers on orders below a threshold value (200 rupees for most cities.)



#### Swiggy's Business Model

ey Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
Resturants and Retail / Food	Build a Relationship with retail	Consumer Comes first	Customer Support Chat	Customer
Delivery Supplier	Hire Delivery Supplier Freelance or Full Time	Strive for Excellence	Social Media  Rating, Review and Feedback System	-> A person who does not want to go and buy from the shop> A person who wishes to order food> A person who wants to have food at their doorstep.
		Be Humble		
	Customer Acquisition	Stand-up, Disagree and Commit	System	
	Manage Customer Order and Process for Delivered	Always be Curious, Always be Learning		
	Build and Manage Tech Infrastructure	Exhibit bias for Action		Merchant
		Be honest, display highest levels of integrity		-> Eatery those not having food service
		Act like an owner		delivery on demand> Those who wish to
	Vou Decourage		Channels	give their own services in as Swiggy's partners  Delivery Providers  -> Freelance who works to earn some extra money
	Key Resources		Channers	
	Partnership with local provider		Mobile App(Android/iOS)	
	Technoology		Website	
	Freelance Delivery provider		Digital Marketing	-> Delivery guy also receives the tips from the customers.
		Revenue Stream		

Customer

Delivery fees

Merchant

Commission for every

service via Mobile App

(android/iOS).

Pay salary for permanent employee and freelance

delivery provider

Tech Setup and running cost

)

## Customer Interface

- ➤ Web Application: <a href="https://www.swiggy.com">https://www.swiggy.com</a>
- Android Application: Playstore Link: https://play.google.com/store/apps/details?id=in.swiggy.android&hl=en\_IN
- Social media also is a channel to engage with its customers
  - From solving the grievances
  - ➤To taking the feedback



# Financing the Venture

- ➤ Raised funds<sup>[7]</sup> of \$255 Million from 3rd April 2015 to 8th February 2018
- ➤ Acquisitions: 48East on 13th December 2017.
- Revenue in FY 2017: Rs 133 crore<sup>[8]</sup>, compared to FY 2016: Rs. 23.59 crore<sup>[9]</sup>
- Market Valuation of \$400 million (as on May 2017)



# Swiggy: Profit and Loss [17]

- Losses rose to Rs. 205 crore in FY 2017 as opposed to Rs. 137 crore in FY 2016
- Although its not profitable as of yet,
  - > Revenue is increasing
- Swiggy now delivers 40 lakh orders a month!



# <u>Competitors</u>[10]

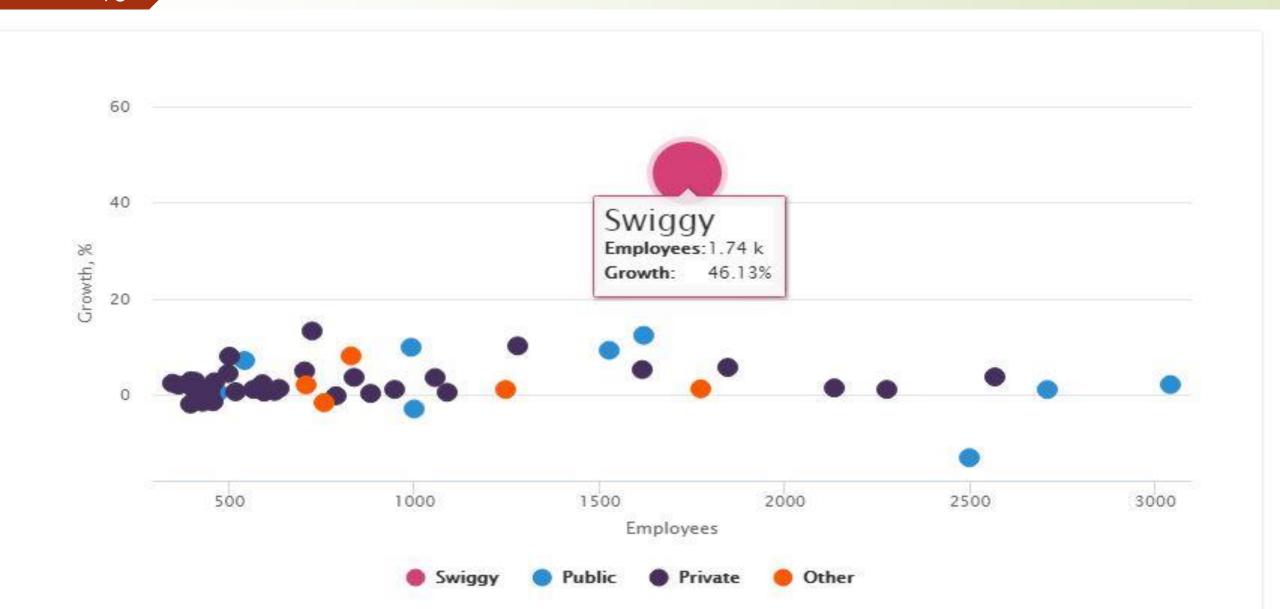
- ➤ Direct competition with major on-demand food aggregators
  - ► Like Zomato
  - > Other Startups like Foodpanda and Faasos.
  - ➤ UberEATS
- Aiming to maintain its market share by keeping their maximum focus on 8 major cities
  - Mumbai, Pune, Bangalore, Hyderabad, Chennai, Delhi, Gurgaon, and Kolkata.

### Marketing Strategies [11]

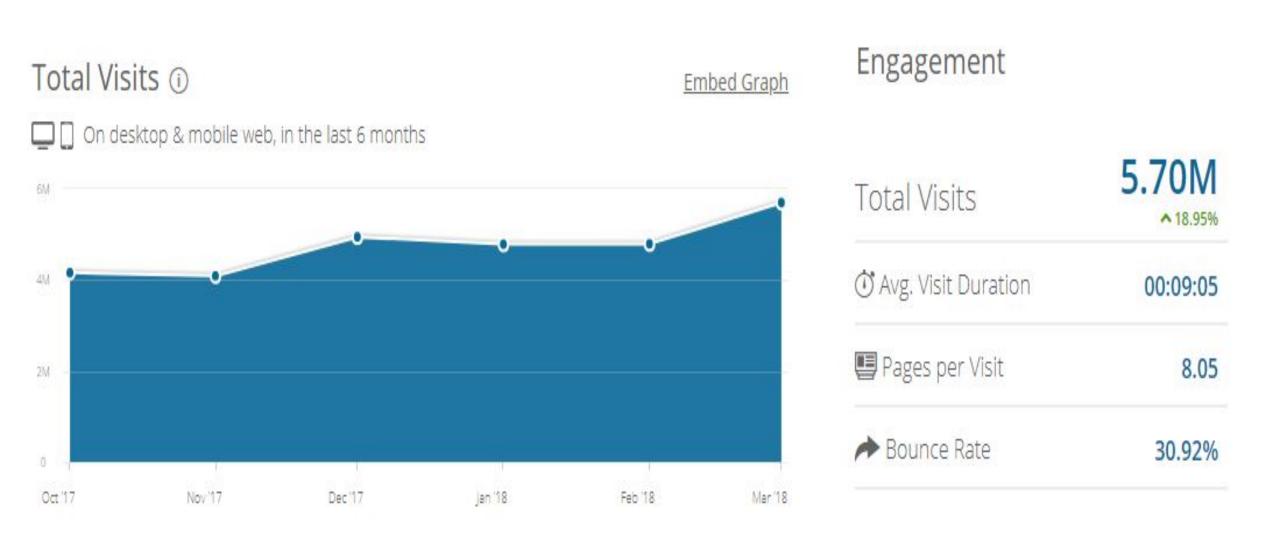
- Marketing strategy consists of both online and offline marketing campaigns.
- Promotes its campaigns via Facebook, Twitter, Youtube, Pinterest, and Instagram.
  - Some campaigns include Secondtomom, #DiwaliGhayAayi, #SingwithSwiggy
  - ➤ Know your food series of pictures
  - > food walks in a local area.



# Market Position of Swiggy [12]



# Swiggy's Web-traffic Analysis [13]



# Swiggy's Social Media Presence [14]:(1)

17



30.47k Twitter followers



# Swiggy's Social Media Presence [15]:(2)

18



488.31k Facebook followers



#### The road ahead...

- Challenges Faced:
  - Timeliness of Delivery
  - Food Quality
  - Routing Algorithm
  - High costs in logistics

- Opportunities:
  - Present in nine cities currently with profitable only in two.
  - Can become profitable in all.
  - Expansion in more cities.
- Future Performance:
  - Growing it's fleet of delivery boys
  - Increase in market share
  - Higher revenue



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