STAGE 1
OBJECTIVE
Creating a product strategy for swiggy to increase its daily customers
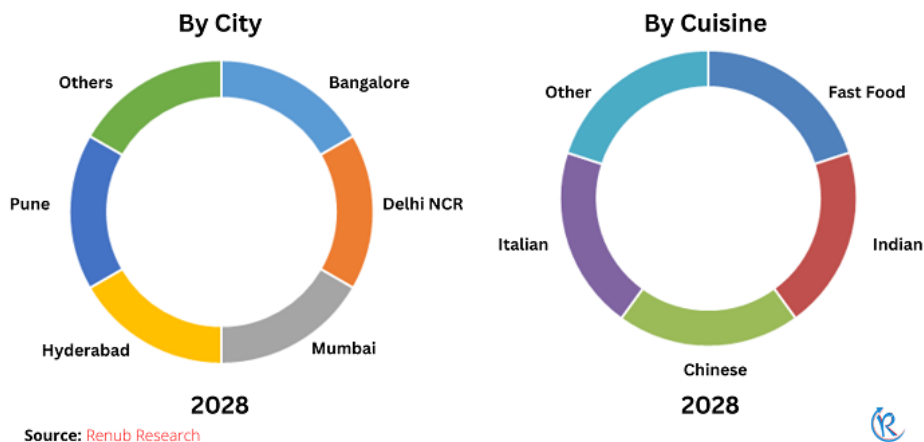**UNDERSTANDING THE ONLINE FOOD DELIVERY INDUSTRY**
overall online food delivery industry:

1. market size
- The Online Food Delivery market in India is projected to reach a revenue of US$33.36bn in 2023.
- The food delivery market share in India is expected to increase by USD 716.53 million from 2021 to 2026, and the market's growth momentum will accelerate at a CAGR of 28.13%.

India Online Food Delivery Market Share (Percentage)

By City — Others, Bangalore, Pune, Delhi NCR, Hyderabad, Mumbai — 2028

By Cuisine — Other, Fast Food, Italian, Indian, Chinese — 2028

Source: Renub Research

Growth projections
- It is expected to show an annual growth rate (CAGR 2023-2028) of 19.68%.
- This growth will result in a projected market volume of US$81.91bn by 2028.
- in the Meal Delivery market in India, the number of users is expected to reach 346.6m users by 2028.
- The user penetration in this market will be at 16.2% in 2023.
- India's online food delivery market is experiencing rapid growth due to the increasing demand for convenience and the wide range of cuisines available

Key players
>
> The major players in the market are Zomato Limited, Bundl Technologies Pvt Ltd (Swiggy), Foodvista India Private Limited (FreshMenu), Jubilant FoodWorks Ltd., Yum! Brands, Inc., Plaza Restaurants Private Limited, Curefoods India Private

Limited, Rebel Foods, Sky Gate Hospitality Pvt Ltd, and Poncho Hospitality Pvt. Ltd., among others
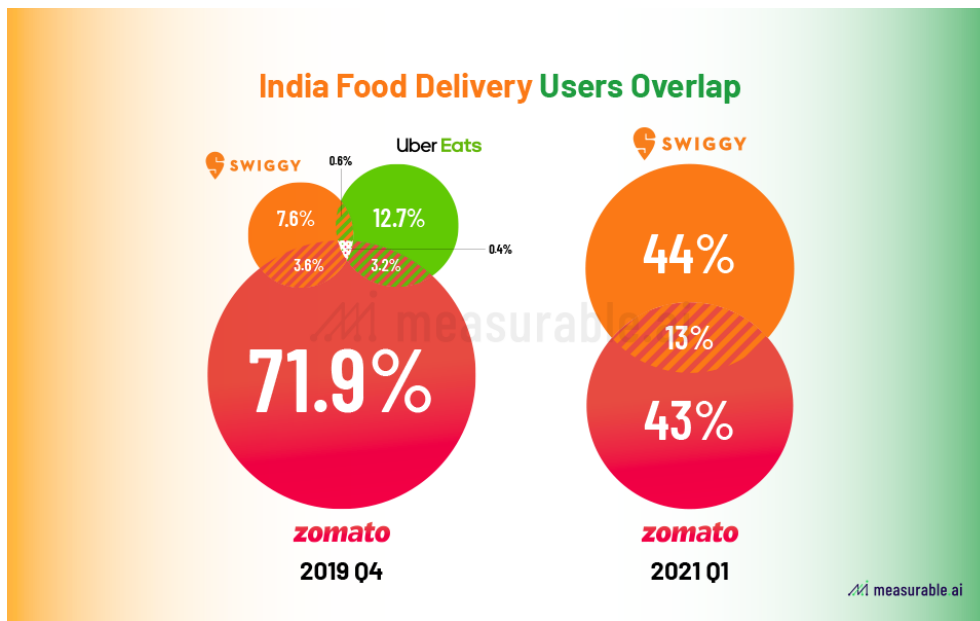
identify any regulatory or legal considerations affecting the industry
- ● Food safety and standard acts 2006:
  All Food Business Operators essentially to be either registered or licensed under the Food Safety and Standards Act, 2006

CUSTOMER ANALYSIS:

Swiggy's target audience and customer demographics.
- ● Swiggy's main target audience is the 18-35 demographic, which has easy access to a smartphone, is fluent with using apps to get services and looks towards online platforms to fulfil their daily necessities.
- ● iincludes students who cannot cook on their own and working professionals who face hunger pangs during office hours.
- ● includes people who have migrated for white-collar jobs and do not have a place to cook their own meals and families who prefer to skip cooking on certain days and order their food.

Gather customer feedback through reviews, surveys, and social media to understand their preferences, expectations, and satisfaction level

On a popular software reviews site G2.COM , swiggy has total 309 reviews
Overall ratings
- - 5 star - 219
- - 4 star - 66
- - 3 star - 6

- 2 star - 3
- 1 star - 15

Competitor Analysis:
Identify Swiggy's main competitors in the online food delivery space
1. Zamoto-Online platform offering a discovery platform for food ordering and delivery from restaurant
2. Zepto-Application-based platform offering on demand grocery delivery service
3. Blink it- Online platform offering ultra-fast grocery supply delivery
4. Dunzo- Offers a platform providing on-demand hyper-local delivery services
5. eatsure-App-based platform offering online food ordering and delivery services

Analyze competitors' strengths, weaknesses, market share, and unique selling propositions.

Basis of distinction	*Swiggy*	*Zomato*
Precision of location tracking	*More accurate than Zomato*	*Every time, a person must turn on the locations, it constantly questions if it is turned on.*
Payment ease	*Do not get more payment options to explore and at many places, COD is not applicable*	*Payment in Zomato is easier and simpler; has Zomato pay*
Delivery time	*Swiggy is faster than Zomato, before time delivery*	*Considerably slower than Swiggy*
Market share	*45% as dec 2022 ended*	*55% as dec 2022 ended*

Marketing strategy	Swiggy uses social media to engage with its millennial target audience. With 304K followers on Instagram, it regularly posts on the platform on food order-related themes	brand's marketing plan emphasizes creativity and adaptability. Zomato gets the majority of its traffic directly through its searches-66.41% compared to referrals, social media or other paid marketing campaigns, and other sources-31.36%
Revenue and pricing model	Revenue - 5704.9 cr (2022') Loss - 3628.9cr (2022)	Revenue - 4687.3 cr(2022) Loss - 1220.3 cr (2022)

SWOT ANALYSIS:

STRENGTH

1. **Extensive Restaurant Network**
2. **Robust Technology and Logistics Infrastructure**: Swiggy's advanced technology platform and efficient logistics infrastructure allow for seamless order placement, tracking, and delivery. .
3. **Strong Brand Recognition**
4. **Strategic Partnerships**: Swiggy has formed strategic partnerships with restaurants, cloud kitchens, and food aggregators, expanding its reach and enabling access to exclusive menus.

Weaknesses

1. **Dependent on Third-Party Delivery Personnel:** it also poses challenges related to delivery reliability, quality control, and customer experience.
2. **Market Concentration**: The majority of Swiggy's operations are concentrated in major cities, limiting its presence to smaller towns and suburban areas.
3. **Margin Pressures**: Swiggy faces the challenge of maintaining profitability while offering competitive pricing and attractive incentives to customers and restaurants.

Opportunities

1. **Expansion into Tier 2 and Tier 3 Cities:** Swiggy can capitalize on the growing demand for online food delivery in smaller cities and towns. By expanding its operations and tailoring its services to these markets, Swiggy can tap into untapped customer segments and gain a competitive advantage.
2. **Diversification into Adjacent Services**: Swiggy has the opportunity to diversify its offerings beyond food delivery by expanding into adjacent services like grocery delivery, medicine delivery, or other on-demand services. Leveraging its existing infrastructure and customer base can facilitate the expansion into these segments.

Threats

1. **Intense Competition**
2. **Regulatory Challenges**
3. **Changing Consumer Behavior:** Consumer preferences and behaviors can evolve rapidly, and Swiggy needs to stay attuned to these changes. Shifts in consumer habits, such as increased cooking at home, health-conscious choices, or preference for dine-in experiences, can affect order volumes and customer acquisition

MARKET TRENDS AND INNOVATION

1. Integration of AI and machine learning in food delivery apps - offers personalized recommendation
2. Utilizing data analytics for personalized recommendations
3. Adoption of blockchain technology for enhanced security and transparency
4. Delivery optimization and logistics
5. Introduction of drone and autonomous vehicle delivery system
6. Real time tracking and route optimization for efficient deliveries
7. Collaboration with third arty delivery serves for expanded reach
8. Contactless delivery and safety measures
9. Focus on environmentally friendly packaging materials

TECHNOLOGY AND PLATFORM ANALYSIS

- Swiggy is a *complete* real-time platform. For every instance that the app is opened, thousands of calculations occur instantaneously — food preferences, the live snapshot of delivery executives in your area, which restaurants are live, are you seeing enough variety, the range across all price points and cuisines
- All of this is possible thanks to focus on big data and an impressive engineering team that is constantly working to ensure the roadblocks such as order preparation time, delay of the DE etc. are cleared quickly.
- Swiggy is being able to capture and develop significant intelligence on delivery and restaurant volumes and their variations

STAGE 2 CUSTOMER SEGMENTATION

Swiggy's Customer Segmentation:

1. Demographic Segmentation:
   - Age: Swiggy likely targets a broad age range, with a focus on working professionals, college students, and families. Young professionals may use the

platform for convenience, while students and families might value the variety of food options.
- Income :Swiggy's services may appeal to individuals with disposable income who are willing to pay a premium for the convenience of food delivery.

2. Psychographic Segmentation:
   - Lifestyle: Swiggy caters to individuals with busy lifestyles who seek the convenience of having restaurant-quality meals delivered to their doorstep.
   - Tech-Savvy Consumers:Swiggy attracts users comfortable with technology and mobile apps, reflecting a tech-savvy and digitally connected lifestyle.

3. Behavioral Segmentation:
   - Frequency of Use: Swiggy users may include both frequent and occasional users. Frequent users may rely on Swiggy for daily meals, while occasional users might use it for special occasions or when seeking variety.

4. Geographic Segmentation:
   - Urban Centers: Swiggy is likely to have a significant presence in urban and metropolitan areas where people have busy schedules and diverse culinary preferences.
   - Tiered Cities: There may be efforts to expand into tier 2 and tier 3 cities to tap into emerging markets and cater to a broader audience.

5. Occasion-Based Segmentation:
   - Casual Dining:Customers looking for quick and casual dining options without the hassle of cooking or dining out.
   - Celebratory Occasions: Swiggy may be used for ordering food during special occasions, celebrations, or gatherings.

SWIGGY
MINIS
STRATEGIES

MARKET SEGMENTATION
*Cater diverse customer segments
*Acknowledges small & quick market orders

PAIN POINTS
*Demand for smaller, more time-sensitive deliveries that their existing ecosystem couldn't fully serve

CUSTOMER-CENTRIC APPROACH
*Streamlines the order process for small items
*Customizing user experience,on what they want, when they want it

MARKET REACH
*Tapped on an untapped market segment
*Strengthens their competitive advantage

COMPETITIVE EDGE
*Diversifying their offerings to compete with other players to capture a larger market

SCALING ECONOMY
*Expanding the product range
*Focus: smaller & more manageable orders
*Optimize logistics

SWOT ANALYSIS OF ZOMATO

Strengths-

- Zomato possesses a strong global presence with services in almost twenty-four nations. The online presence of Zomato sets an example of creating interesting online content which gets user attention, and they respond and share it further.
- Quick and quirky content of the user-friendly app attracts the target group through innovative visuals, graphics, texts, and short videos/ Reels.
- It started contactless dining, encouraged cashless payment and food takeout services to prevent spreading of COVID-19 and provide confidence in restaurant partners, customers, and deliver
- With their strong presence on digital platforms, they have a wider reach. The company has made best use of its presence on social media, giving timely responses and updates whenever needed.
- make best use of social media platforms in sharing innovative content using trending topics, which instantly strikes a chord with the netizens.

Weaknesses -

- Strong competition from other food delivery apps and search engines could pose a challenge. The upcoming online food delivery apps also follow the same model and are beginning to succeed.
- It has also been observed that competitors like Swiggy have introduced new options like instamart and delivery of homemade food for people who wanted to support their loved ones during the lockdown but could not move out due to restrictions.

Opportunities-

- Rapid development in technology and increasing internet penetration in India, gives scope of growth to the company
- the recent challenges that surfaced due to Covid-19 were utilised best by Zomato when they took strict measures to ensure safe delivery of food and safety of its employees as well.
- It has also helped upcoming restaurants with the concept of cloud kitchens, which saved them from the procedures required to open an actual restaurant. Zomato is only built for food/restaurant discovery - Therefore, it has a very targeted audience.

Threats- There is intense competition in the online food delivery services sector which could affect their business as customers have a variety of food aggregator apps options to order from. The business model is easily replicated by the competitors and that adds to more competition. This also leads to a saturation point in the growth of their business