Product Discovery:- Understanding the Market landscape and competitors

Zepto is a quickly-growing grocery delivery platform in India and promises to deliver groceries to your doorstep within 10 minutes.

VISION is to reduce the delivery time as much as possible and provide quick service to the customer

Business Model

"Source"

- **Commission and fees**

Zepto charges **a commission fee from grocery stores and customers** for each order they receive through the platform, Additionally, zepto also charges grocery stores for advertisements.

- **Subscription**

Zepto offers additional services such as **Zepto pass a subscription-based programme** that provides free delivery and exclusive offers, generating additional revenue system.

Market Size

- The online Grocery market size is estimated to reach **$ 455.90Billion** by 2029
- Will grow a **CAGR of 23.7%**

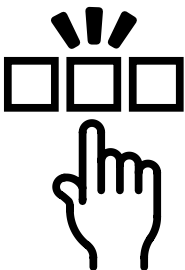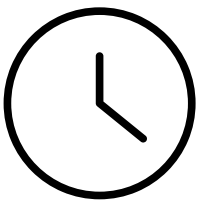## Common Problem faced by users

- Product Quality Issue
- Personalization and Recommendations
- Digital payment Failure
- Delay in Delivery

Competitors

bigbasket

blinkit

DUNZO

Jio Mart

Instamart

Value Proposition

Wide variety 5000+ Products

24 * 7 Delivery avaliable

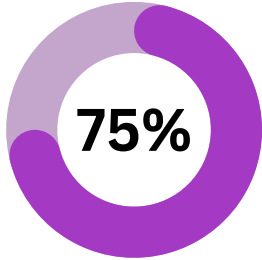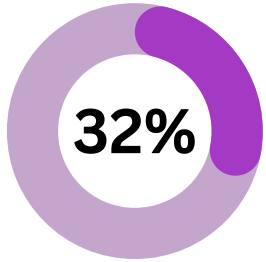Free delivery above 199/-

Flexible payment

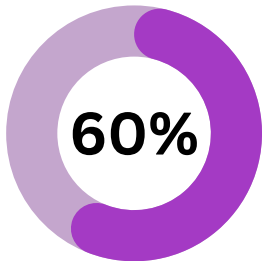20% Coupon off

Multiple coupon offers

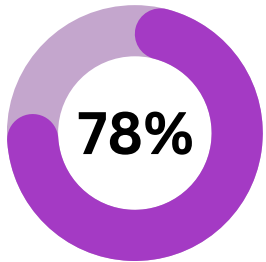ultra fast delivery in 10 minutes

User survey & Interviews

- Slightly satisfied
- Extremly satisfied

(Bar chart: Personilization & recommendation, Delivery, Product Quality Control, Scalability; y-axis 5% to 40%)

75% Not able to search for exact quantity in search bar.

32% Products out of stock

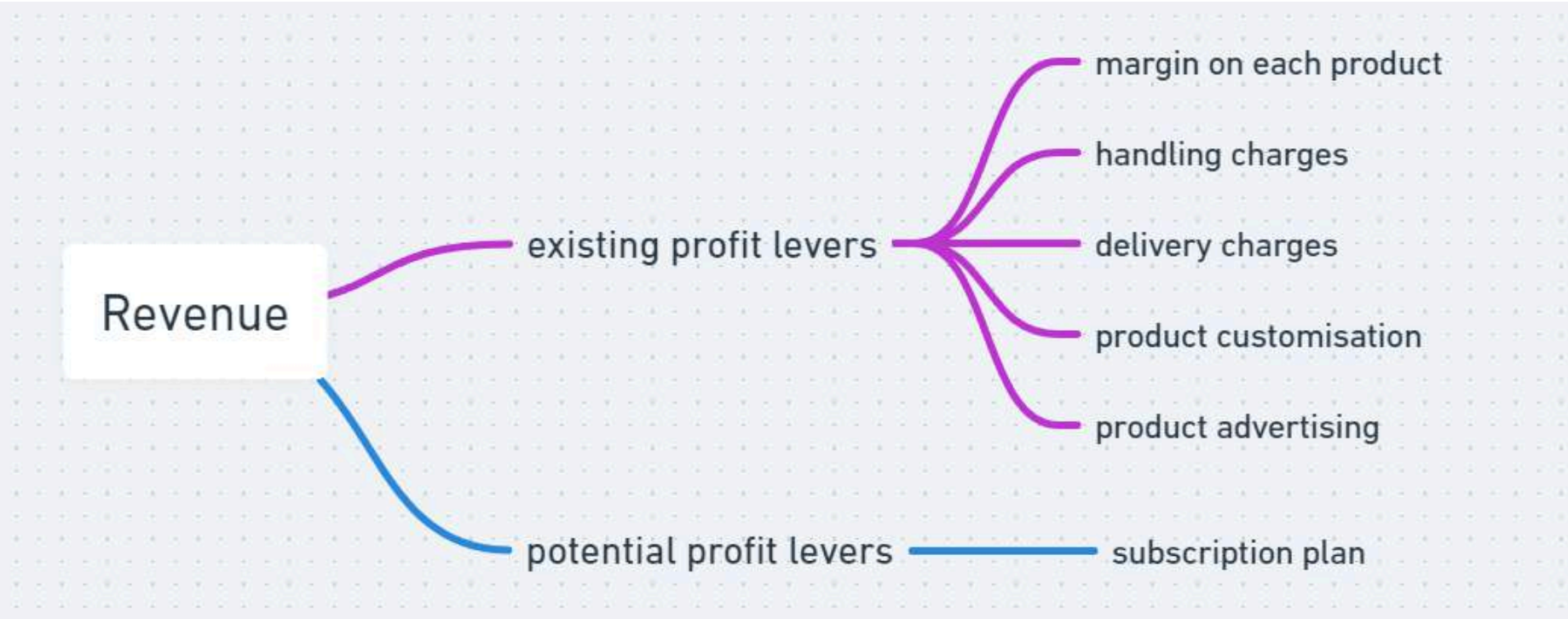**60%** Difficulty in finding health food option

78% Need more Personilization & Recommendation

Survey insights

- Users are unhappy due to expired products being delivered
- Almost 45% of users are unhappy with the delivery being late
- Given that 32% of users are Browsing through various categories and adding individual items to the cart can be time-consuming
- Especially given the fact that there are worse return policies, which dissatisfies the user.

Revenue Model 🔗

Revenue
- existing profit levers
  - margin on each product
  - handling charges
  - delivery charges
  - product customisation
  - product advertising
- potential profit levers
  - subscription plan

Secondary research

"Source"

Rotten product

★☆☆☆☆ Oct 10, 2023 07:27 PM 👁 724 Views (via Mobile)

iamgirishkafalia
India

2 Reviews
1 Follower

Hello

I am regularly buy goods through Zepto but today they sold me rotten sweets.

Zepto sold fafundi lagi mithai to customers. If customers suffering from illness who is responsible.

Zepto fafundi lagi Mithai sold to customers Bina customers k swasth ka dhyan.

Who are we solving the problem for?

Customers are more likely to prioritize convenience, variety, and quality of products, rather than traditional in-store experiences. Additionally, they may be more receptive to promotions, personalized recommendations, and loyalty programs offered by online grocery platforms, as they seek to streamline their shopping experience and save time."

Target User

- **Demographic**:- Age - 25- 45
- **Gender**:-both male & female
- **Location** - Tier 1 & 2 cities
- **Psychographics** -
- 1)Busy lifestyles with demanding work schedules
2)Preference for convenience and time-saving solutions

User Persona's

Name:- Yash Dayal
Age:- 28
Profession:- Software developer
Family:- Married

Pain points:-
- expired product delivered and unable to return due to useless return policies.
- Yash lives a healthy life and cannot usually find healthy options online or check nutritional requirement
- find it difficult to save orders and make ingredient lists for recipes and weekly shopping experience
- Likes to window shop but is unable to find daily needed products on the homepage
- When products are out of stock he needs to walk down to the local vendor shop because he is unaware when the product will be available back in stock.

JTBD:-
Efficiently search, select, and purchase groceries without spending too much time

Name:- Sheetal Bharadwaj
Age:- 37
Profession:- Housewife
Family:- Married

Pain points:-
- Sheetal is not very tech-savvy so she finds difficult to order groceries online
- she hesitates to pay delivery charges and also prefers cash on delivery
- The quantity measurement is not easy to figure it if it will be sufficient for 3 people, prefers measurement as per individuals
- Difficulty finding groceries and would love to have recommendations
- She faces difficulty in finding out information about products like what the products are good to use.

JTBD:-
Always looking for new products and wants personalized recommendations, so that she can discover items that match my preferences and dietary needs.

Deep dive and solution space

The Problem

Finding and selecting each individual item required for meals or specific occasions took considerable time and effort. Customers have to search through numerous categories and listings, which makes the shopping process inconvienent .

Why?

Customers want a convenient shopping experience that saves time and effort.

Why?

Customers may not naturally think to add complementary items to their cart, leading to smaller orders.

Why?

Customers may experience a fragmented shopping journey when they have to search for individual items.

True Problem

Based on primary, secondary, and market research found that there has been a **significant increase in window shoppers** in India since 2021, there are almost no platforms in the market that **provide combo items**, which leads to less time and effort consumption.

Why should we solve this problem now?

- The online grocery market is growing at 26.8% CAGR and is **expected to cross 645 Billion** in upcoming years.
- There is a significant increase in consumer adaption, the market **expanded by 17 % to 21 %** in the past 2 years and is estimated to grow up to 27 % in upcoming years
- Today people are busy and require **genuine and quick delivery** of items with good quality.

Value generated

For Business

Introducing combo items generate substantial value for businesses by **increasing average order values, improving inventory turnover, enhancing customer retention, and providing marketing efficiencies.** These benefits contribute to higher overall profitability and a stronger market position.

For Users

After introducing combo items users find it **less time-consuming and enhance the shopping experience** by providing tangible **benefits like convenience** and often come with a **discount** compared with buying separately and reducing delivery fees, and providing access to special promotions. These benefits collectively **improve the shopping experience, making online grocery platforms more attractive and user-friendly.**

Proposed Solution

Voicesence

Integrate voice search functionality that enables customers to add items to their cart by speaking. This can be implemented using virtual assistants like Google Assistant, Amazon Alexa, or a proprietary voice assistant.

Value proportion

Integrating a voice assistant into a grocery platform offers significant value by enhancing convenience, personalizing the shopping experience, increasing accessibility, and driving customer engagement and loyalty with this technology, grocery platforms can create a more user-friendly, efficient, and enjoyable shopping experience

Showcase

This involves a dedicated section with the Zepto app that highlights timely notifications and reminders and personalized offers via push notifications to encourage customers to complete their shopping.

Value proportion

Curated and easy access to new items launched with timely notifications which easily grabs user's attention with heavy discounts and promotions

Combooffer's

Quickcombo, Highlight combo deals prominently on the homepage and in key site areas, which Ensure that combo packs can be added to the cart with a single click to simplify the shopping experience and Allow customers to easily substitute items within a combo pack if they prefer different brands or varieties

Value proportion

utilize AI ML to recommend combos based on the user's previous purchase history and guide users to discover new combos and discover new items that align with users intrest

System Thinking

Backend

- Using Previous data to identify commonly purchased items together and create initial combos
- Generates personalised combos based on based on previous purchase using "AI"

- Regularly gathering feedback on combo offerings to refine and adjust them based on customer preferences and demand

Product Table

Pro. Id	Category	Price	Nutritional Info.

CustomerTable

Cus.Id	name	Phone.	Address

Order Table

Order.Id	Cus.Id	Tot.Am

User Zepto App on mobile/web

Load balancer

Application server"API"

Database Server

Cache server

Content Management System

Feedback collection

① Sending request for combo's

⑦

② Retrieve potential combo's

⑦ List of potential combo's

③ Read from Database

④

⑤ Save any potential combos

⑥

⑧ Collecting feedback for customer preference and demand
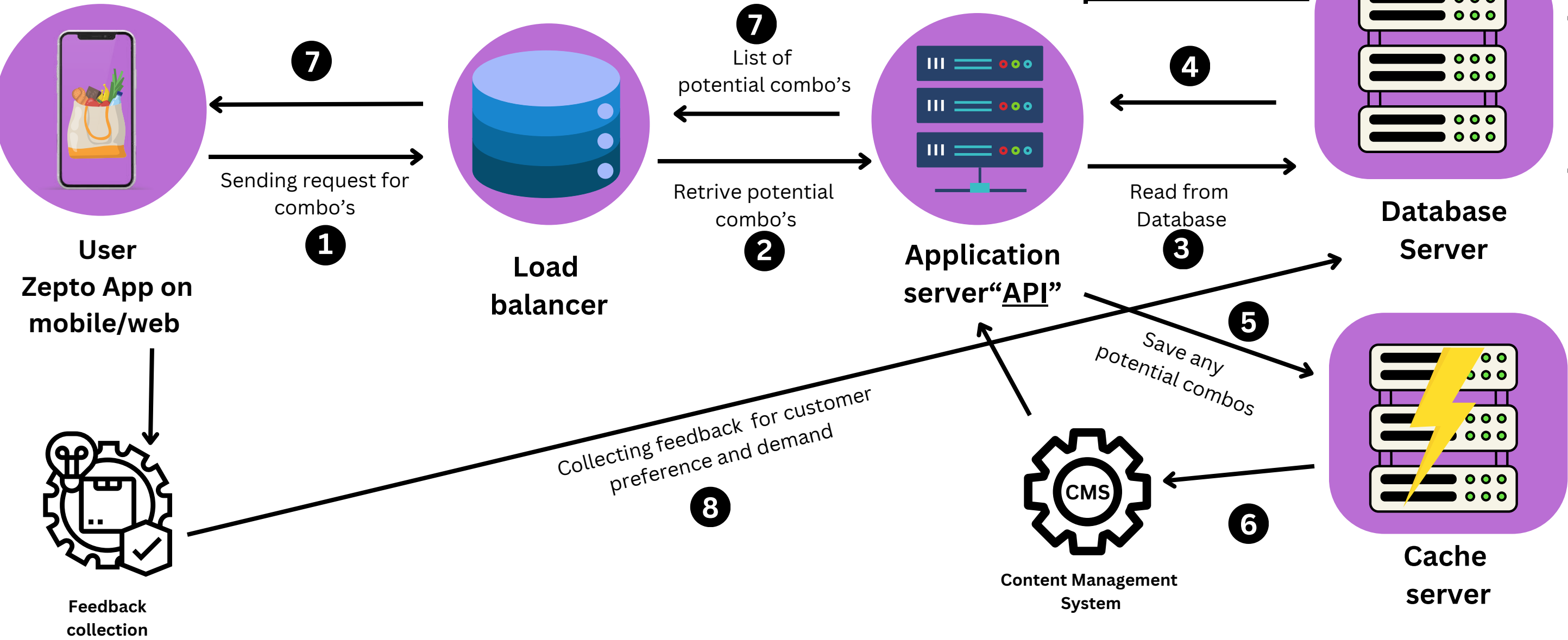
Wireframe - Solution developement

Delivery in 7 Mins
Home - Sukh Nagari, Bijali Nagar,...
GET pass

Search for "almond milk"

HOME CARNIVAL
UP TO 60% OFF

Kitchen STORE
Bed & Bath STORE

Buy Again

15% Off
Madhur Pure & Hygienic Sugar
1 kg
Get for ₹53
₹55   Add

Harpic Toilet Cleaner Liquid - M...
500 ml
Get for ₹107
₹110   Add

Sunny Premium Green Phenyl Floo...
200 ml
Get for ₹55

NEW

Add items worth ₹99 to unlock free delivery with pass

Zepto   Categories   COMBO OFFER!   Win ₹1Cr   Cart

Made with Whimsical

zepto

😉 Generating combo's for the BEST of your INTREST

Quick Combo
Delivered in 10mins

10% Off
Basic combo
Sugar, Tea, masala ...
₹399
Add to cart

Quick & healthy
Whole grain, milk, fresh...
₹299
Add to cart

Meal Spcl combo
Oats, cereals, bread ...
₹425
Add to cart

7% Off
Party Combo
Buns, cold drink, lays...
₹325
Add to cart

5% Off
Meat combo
Chicken wings, boneles..

Cleaning essential
room freshner, detergent...

3) In the quick combo landing page, zepto asks users about what combo they are looking to purchase with more than 10+combo available by "AI"through purchase history, users select this combo as a preference
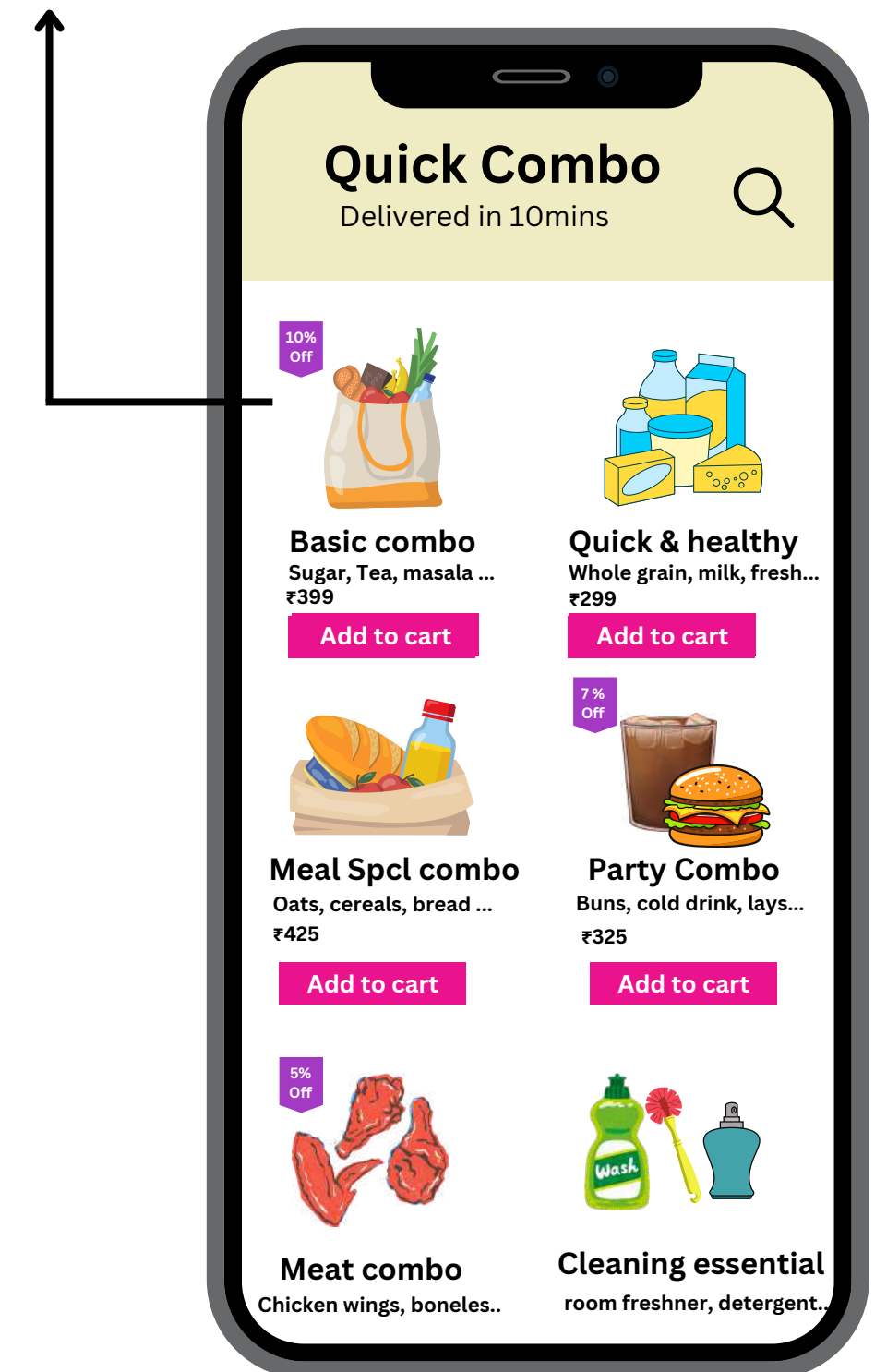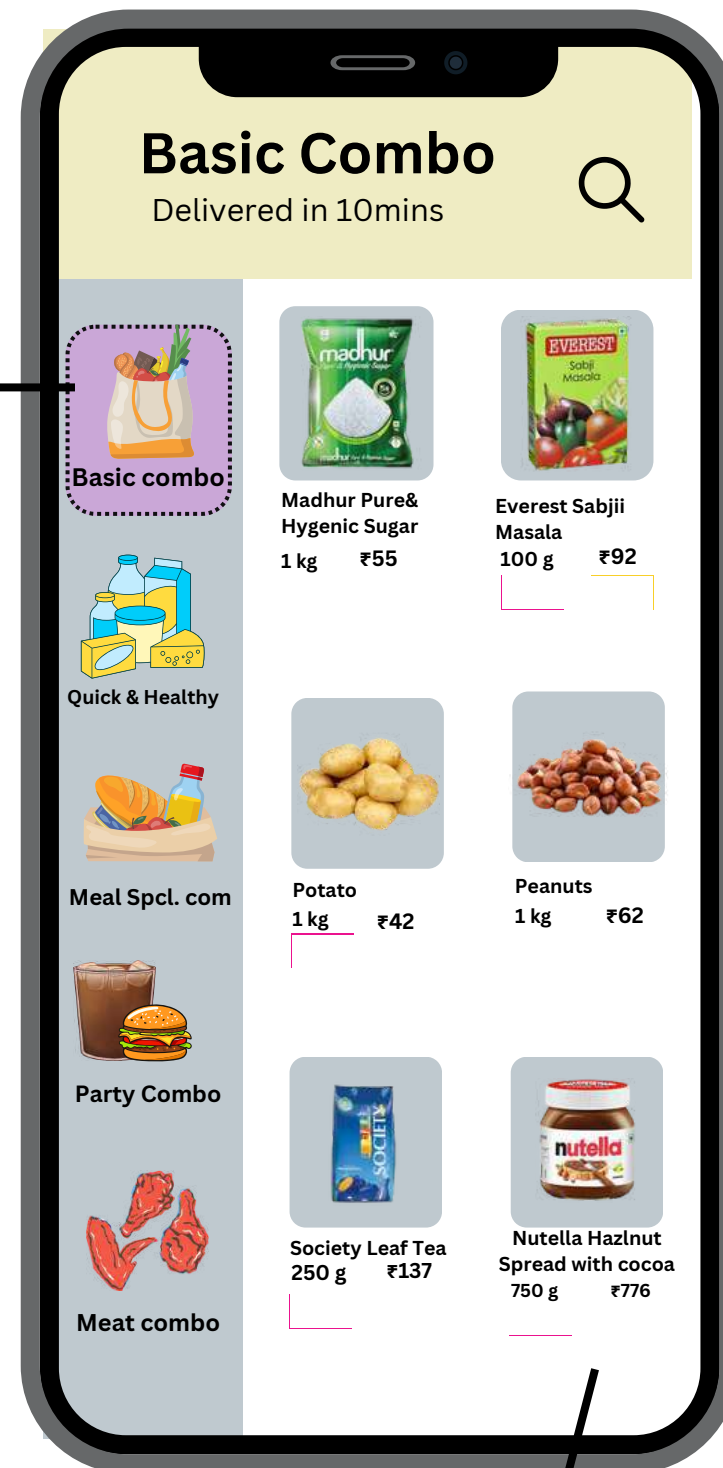
1) As soon as users open the app the zepto combo offer feature is available in the navigation bar of the home screen with **high** discoverability

2) Loading page of combo offer to let the recommendation engine hit API of the database to generate the best combo and update regularly

Basic Combo
Delivered in 10mins

Basic combo

Madhur Pure&
Hygenic Sugar
1 kg   ₹55

Everest Sabjii
Masala
100 g   ₹92

Quick & Healthy

Meal Spcl. com

Potato
1 kg   ₹42

Peanuts
1 kg   ₹62

Party Combo

Society Leaf Tea
250 g   ₹137

Nutella Hazlnut
Spread with cocoa
750 g   ₹776

Meat combo

Cart
Delivered in 10mins

Basic combo   — 1+   ₹399
Sugar, Tea, masala ...   ₹99

You MIight Have Missed

Amul Milk & Eggs
500 Ml   1 kg
Add to cart

Brown Bread
12 pieces
Add to cart

To Pay   ₹99 **₹399**
Inc. all taxes and charges

Delivery Instruction
Delivery partner will be noted

HOME: Bijalinagar, Chinchwad   📍Change

To Pay   **CONTINUE TO PAYMENT**
₹399

Users select his desired combo marked in purple

4) Users has the choice to add more quantity or remove the product if they don't need it in the combo
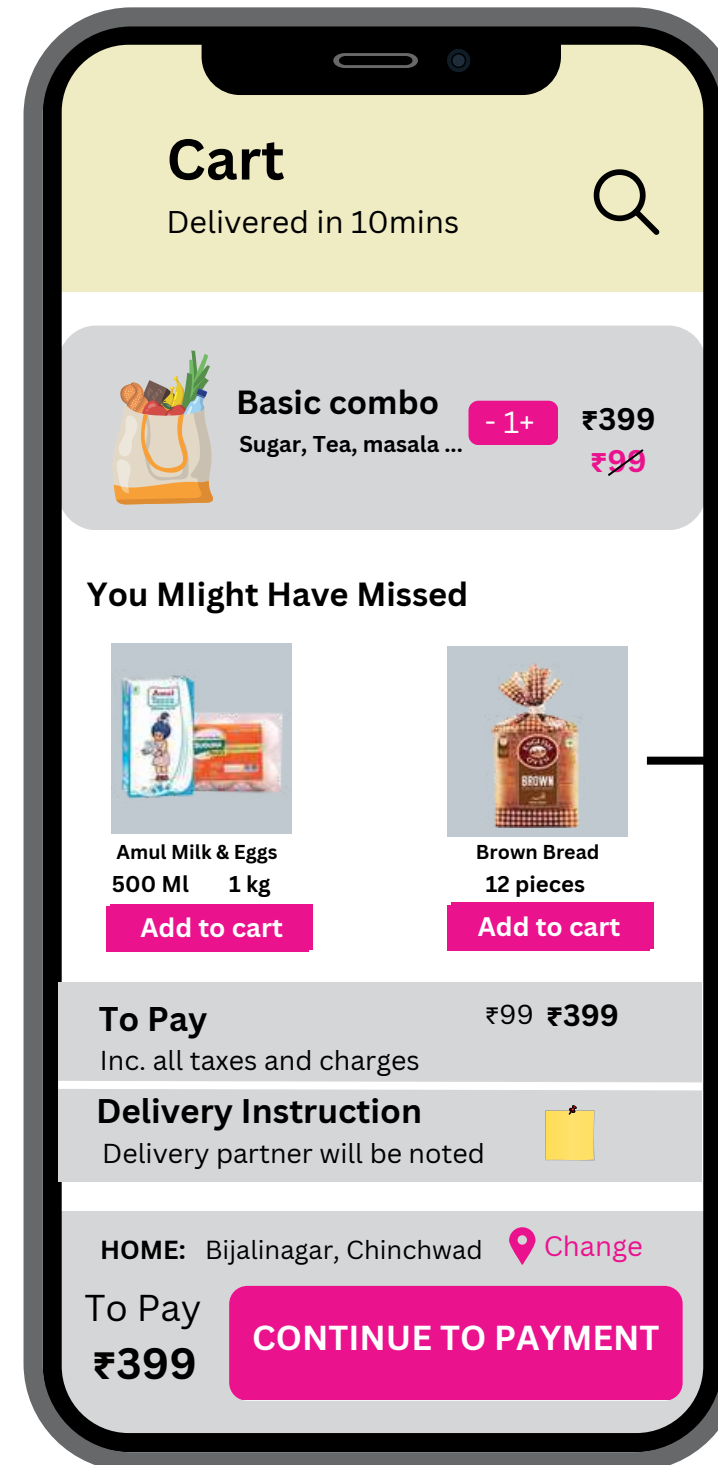
5) Coming to the final stage after users have selected their desired combo but if users find that they are missing some item they can find it on the cart page before making payment

By systematically implementing these strategies, a grocery platform can effectively use combo offers to boost the AOV while also enhancing customer satisfaction with quick shopping and loyalty.

Success Metric

Metrics

North Star Metric = Total no. of combo Purchased

Awareness = % of users who have once visited the combo offer section (out of total app visit)

Activation = No. of users who took action on the combo offer section(added item or looked for particular combo)

Adoption = % of users who are actively participating in the combo offer section in a monthly basis

Engagement = Avg increasing in time spend per user on the app

Retention & satisfaction = Increase in order value per users

Pitfall

Stock Availability:- If one or more items in a combo are frequently out of stock, it can frustrate customers and lead to lost sales.

Unpopular Products: Including items that are not popular or frequently purchased can result in combos that don't sell well.

Perceived Lack of Value: If customers don't see a significant value or savings in the combo, they may prefer to buy items separately. Combos need to offer a clear financial benefit.

Mitigation

Implement an inventory management system that provides real-time tracking of stock levels across all locations.

Use promotions, discounts, or buy-one-get-one (BOGO) offers to increase the appeal of less popular items in combo.

To mitigate the perceived lack of value in product combos on a grocery platform, it is crucial to design combos that clearly demonstrate financial benefits and added value to customers. Here are strategies to ensure customers perceive the combos as valuable: