next leap

zepto

GOAL : INCREASE ADOPTION OF SCHEDULED DELIVERIES ON ZEPTO

MILESTONE 1 : UNDERSTANDING THE MARKET & PROBLEM BREAKDOWN

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Cohort 36

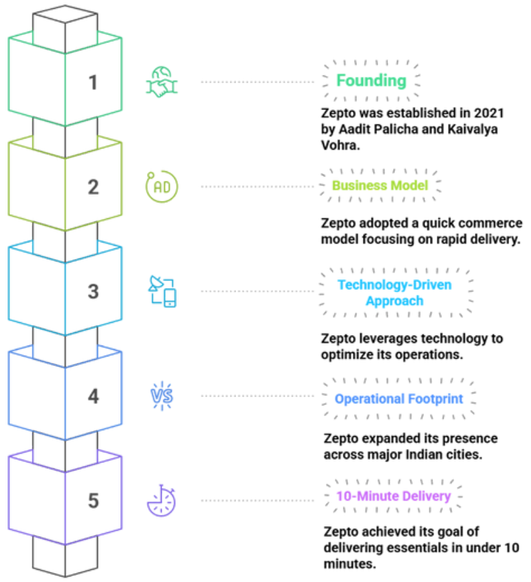
ZEPTO – AT A GLANCE

🛒 About Zepto:

📅 Founded in 2021 by Stanford dropouts Aadit Palicha and Kaivalya Vohra, Zepto is a Mumbai-based Quick Commerce (Q-Commerce) startup that delivers groceries and daily essentials in under 10 minutes using a dense network of dark stores.

🔧 Tech-Driven: Leverages real-time inventory, route optimization, and predictive analytics for hyperlocal efficiency.

🌆 Presence: Operating in 10+ major Indian cities (Mumbai, Delhi NCR, Bengaluru, etc.) with hundreds of micro-warehouses.

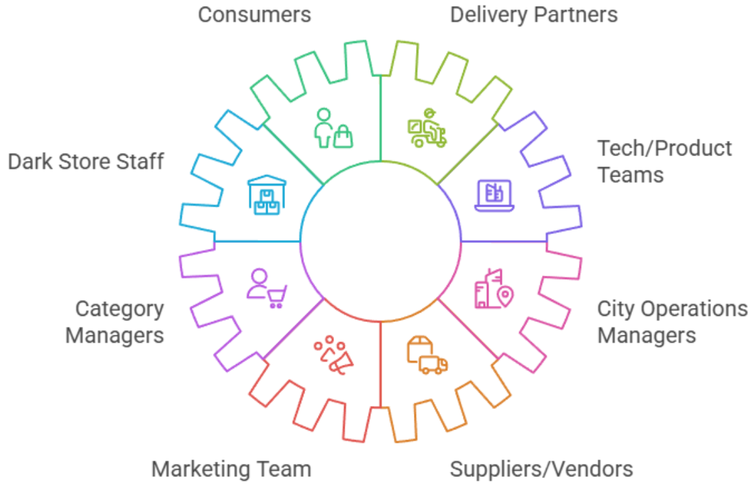


📈 Growth Drivers – Fueling Zepto's Rise

Goal for the case study

Increasing adoption of scheduled deliveries on Zepto

👥 Actors Involved – Who Powers Zepto



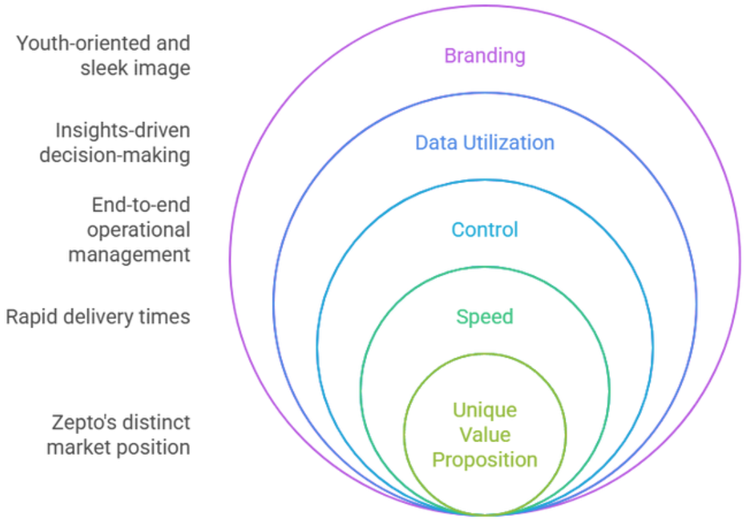
Zepto's ecosystem includes several key stakeholders:

Consumers place both instant and scheduled orders through the app. **Delivery partners** handle last-mile fulfillment. **Dark store staff** manage inventory and order picking. **Tech and product teams** build and maintain the app, algorithms, and user experience. **Category managers** oversee vendor relations, pricing, and assortment. **City operations managers** ensure SLA compliance and store efficiency. **Marketing teams** drive customer acquisition, retention, and engagement. **Suppliers and vendors** provide daily essentials and FMCG products.

🎯 Key Consumer Segment

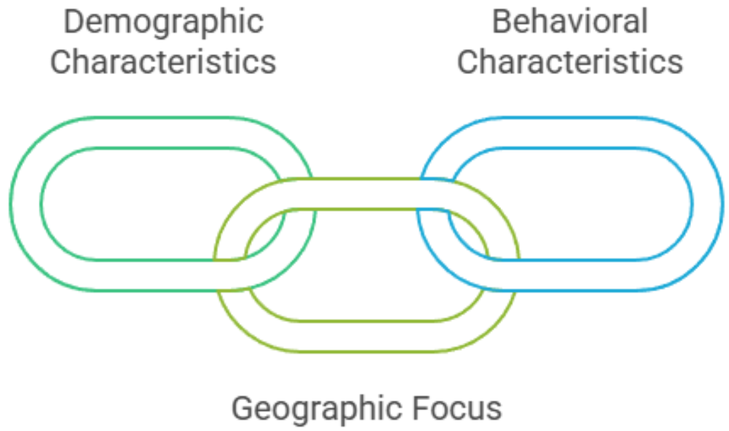
- Age: 18–35 years, urban professionals, students
- Geography: Tier 1 and Tier 2 cities in India
- Behavior: Mobile-first, frequent low-basket orders, impulsive buying, discount-seeking

✨ Key Differentiators



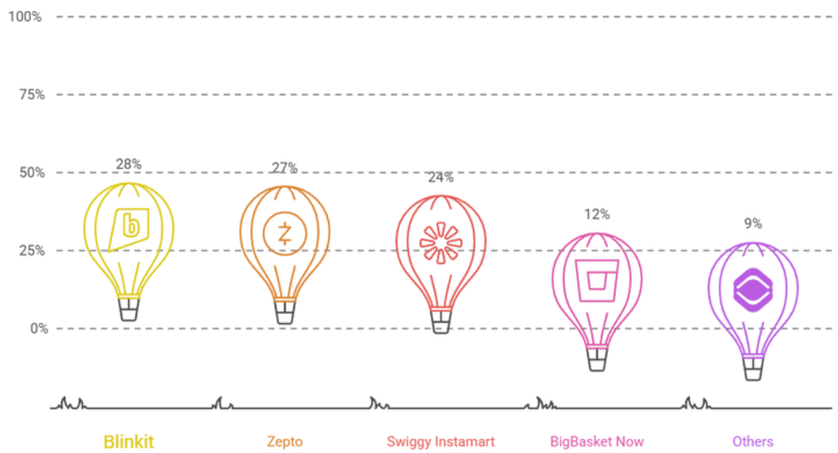
Zepto delivers groceries in **under 10 minutes** through dark stores within a **2–3 km** radius. With full control over inventory and operations, it ensures high efficiency and consistency. ML-driven insights power demand forecasting and personalization. Its youth-centric app, **95%+ order accuracy**, and optimized last-mile delivery enhance user experience. Even low-value orders are made profitable through scale and operational control.

📱Key Consumer Segment - Who Uses it!!



ZEPTO – MARKET ANALYSIS

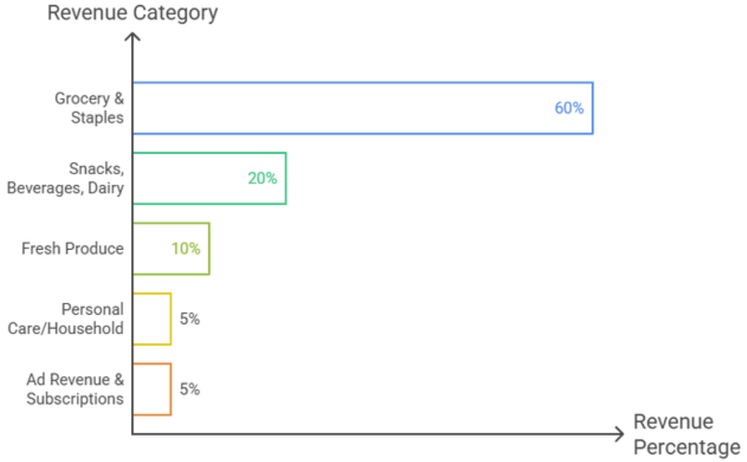
📊 Market Share (Source)



📊 Zepto Market Share – Key Facts

- **~29%** of India's quick-commerce market as of March 2025, just behind Blinkit (~40%) and ahead of Swiggy Instamart (~26%) .
- Market share grew from **15% in March 2022 to 28% by January 2024**, indicating strong upward momentum .
- In **major metros** alone, Zepto commands **~32%**, second only to Blinkit (~37%) .
- Competitors market share breakdown: Blinkit (~45–46%), Swiggy Instamart (~25–27%), BigBasket Now (~7%) .
- Zepto processes approximately **1.45–1.55 million orders daily**, trailing Blinkit (~1.65–1.75 million) and ahead of Instamart (~1.05–1.15 million) as of March 2025 .

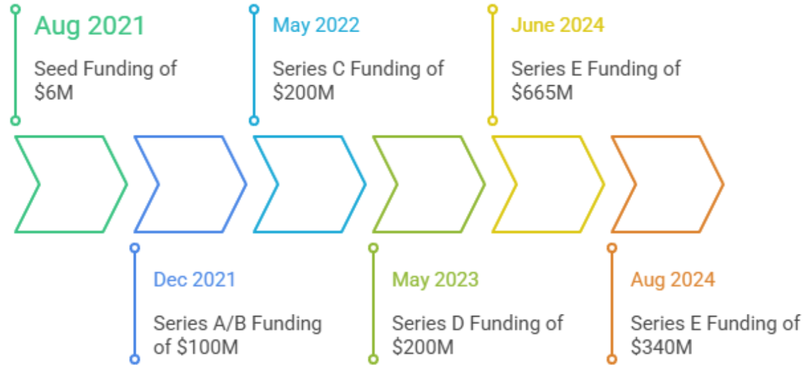
💸 Revenue Split (Source)

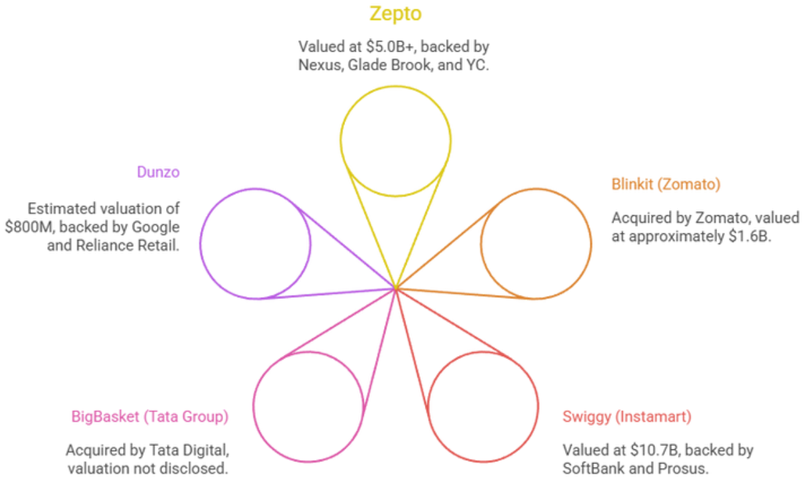


💸 Zepto – Revenue Model

- **Product Sales (~89%)**: Core revenue from selling groceries and essentials via dark stores.
- **Delivery & Handling Fees (~5–6%):** Charges on small or peak-time orders, supports logistics.
- **Advertising (~4–5%):** In-app brand promotions through Zepto's ad platform "Jarvis."
- **Subscription (Zepto Pass):** Paid plans offering free delivery and perks; boosts retention.
- **Private Labels & Others:** Early-stage own-brand products with higher margins.
- **Non-Operating Income (~1%):** Interest from cash reserves and deposits.

🏷️ Valuation (Source)





⏰ How Scheduled Delivery Boosts Revenue : (Guesstimates)

- **Basket Value Growth:** Avg. order size can increase from **₹300 to ₹600+** (2x boost).
- **Repeat Rate:** Scheduled users show **20–30%** higher retention than instant-only users.
- **Logistics Cost Saving:** Delivery cost/order can reduce by **15–20%** via route clustering.
- **Product Mix Expansion:** Adds low-urgency SKUs (e.g. cleaning supplies, bulk groceries), increasing gross margin by **~3–5%**.
- **Revenue Uplift:** Can drive **10–15%** incremental revenue in metro clusters alone.

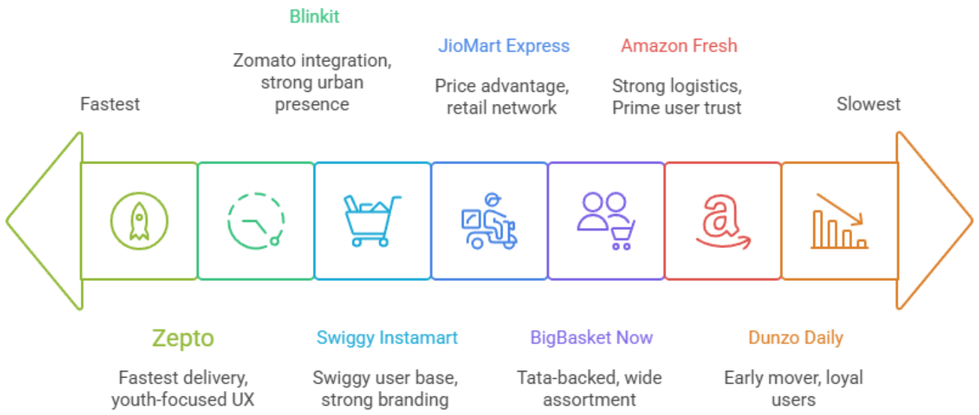
🔮 Strategic Implications of Zepto's Valuation

- Strong funding allows continued city expansion and dark store density growth
- Capital to invest in scheduled delivery, loyalty, and basket-size uplift
- High valuation builds pressure to demonstrate profitability by **FY26**
- Investors expect long-term differentiation, not just speed — including personalized experiences, premium SKUs, and user retention

ZEPTO – COMPETITOR ANALYSIS & POSITIONING

🏁 Competitor Analysis

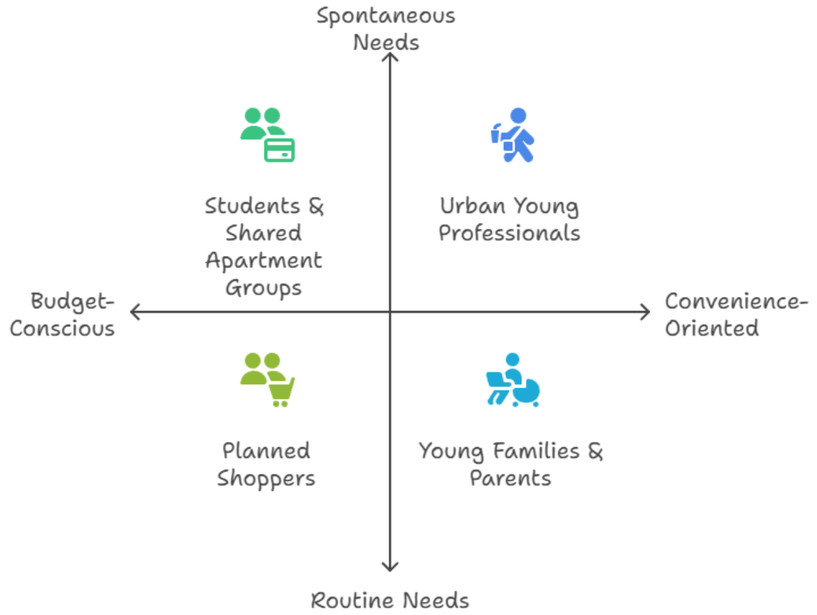
Player	Delivery Speed	Strengths	Weaknesses	Target Audience
Zepto	⚡ ~10 mins	Fastest delivery, owned dark stores, youth-focused UX	Smaller user base than Swiggy/Zomato, high ops cost	Youth/Urban
Blinkit	⏱️ ~10–15 mins	Zomato integration, strong urban presence, first-mover advantage	High burn rate, limited control over inventory	Urban Impulse
Swiggy Instamart	🕒 ~15–20 mins	Swiggy user base, strong branding, cashback-driven engagement	Slower fulfillment, semi-outsourced inventory	Swiggy Users
BigBasket Now	⏳ ~30–60 mins	Tata-backed, wide assortment, trusted for groceries	Not focused on instant delivery, less appeal to Gen Z	Families
Amazon Fresh	🕐 2–4 hours	Strong logistics, Prime user trust, wide range	Not in Q-commerce, lacks delivery speed	Value Seekers
JioMart Express	~30–60 mins	Price advantage, Reliance retail network	Inconsistent experience, weak brand in fast delivery	Price Shoppers
Dunzo Daily	📉 Shrinking ops	Early Q-commerce mover, loyal users in a few metros	Funding issues, scaled down in most cities	Local Micro-Users



🎴 Zepto Brand Promise & Positioning

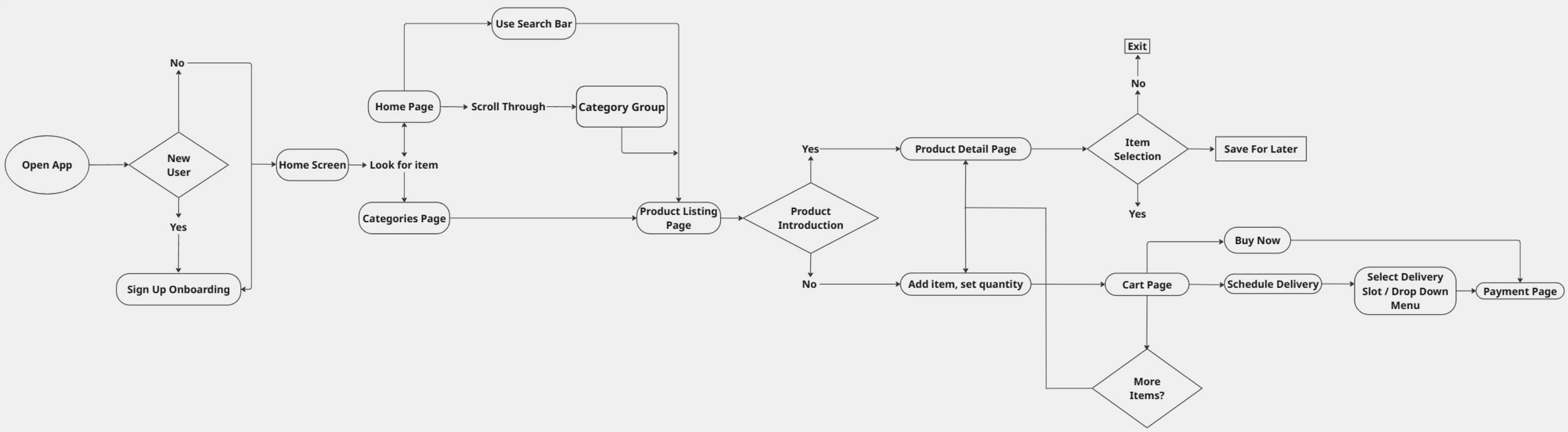
- **Core USP:**
  Ultra-fast 10-minute grocery delivery via owned dark stores.
- **Target Audience:**
  Urban, time-sensitive consumers who prioritize speed and convenience.
- **Brand Perception:**
  Seen as a premium, convenience-first brand—ideal for urgent, high-frequency needs (e.g., missing ingredients, sudden guests).
- **Smart SKU Curation:**
  Focus on essentials to enable speed and stock accuracy.
- **Youth-Centric UX:**
  Gamified, intuitive interface appealing to Gen Z and Millennials.
- **Operational Differentiator:**
  Dark store model + optimized delivery fleet.
- **Objective:**
  Lower operational strain, reduce costs, and enhance delivery reliability.
- **Target Use Cases:**
  Planned, routine purchases like weekly groceries, dairy, and fruits.

👥 Zepto User Segment



USER FLOW OPTIMISATION & SCHEDULED DELIVERIES BENEFITS (USERS)

User Flow for Scheduled Delivery



Why Companies Are Shifting to Scheduled Deliveries

Operational Efficiency & Cost Savings :

- Enables route optimization and order consolidation
- Reduces fuel costs, labor hours, and idle fleet time
- Minimizes inefficiencies of instant dispatch models

Enhanced Customer Satisfaction :

- Offers flexibility and predictable delivery windows
- Empowers customers to choose slots that fit their schedule
- Boosts trust and long-term loyalty

Improved Reliability & Fewer Delivery Failures :

- Reduces missed deliveries due to unavailability
- Lowers costs of re-attempts and wasted resources
- Strengthens perception of professionalism & dependability

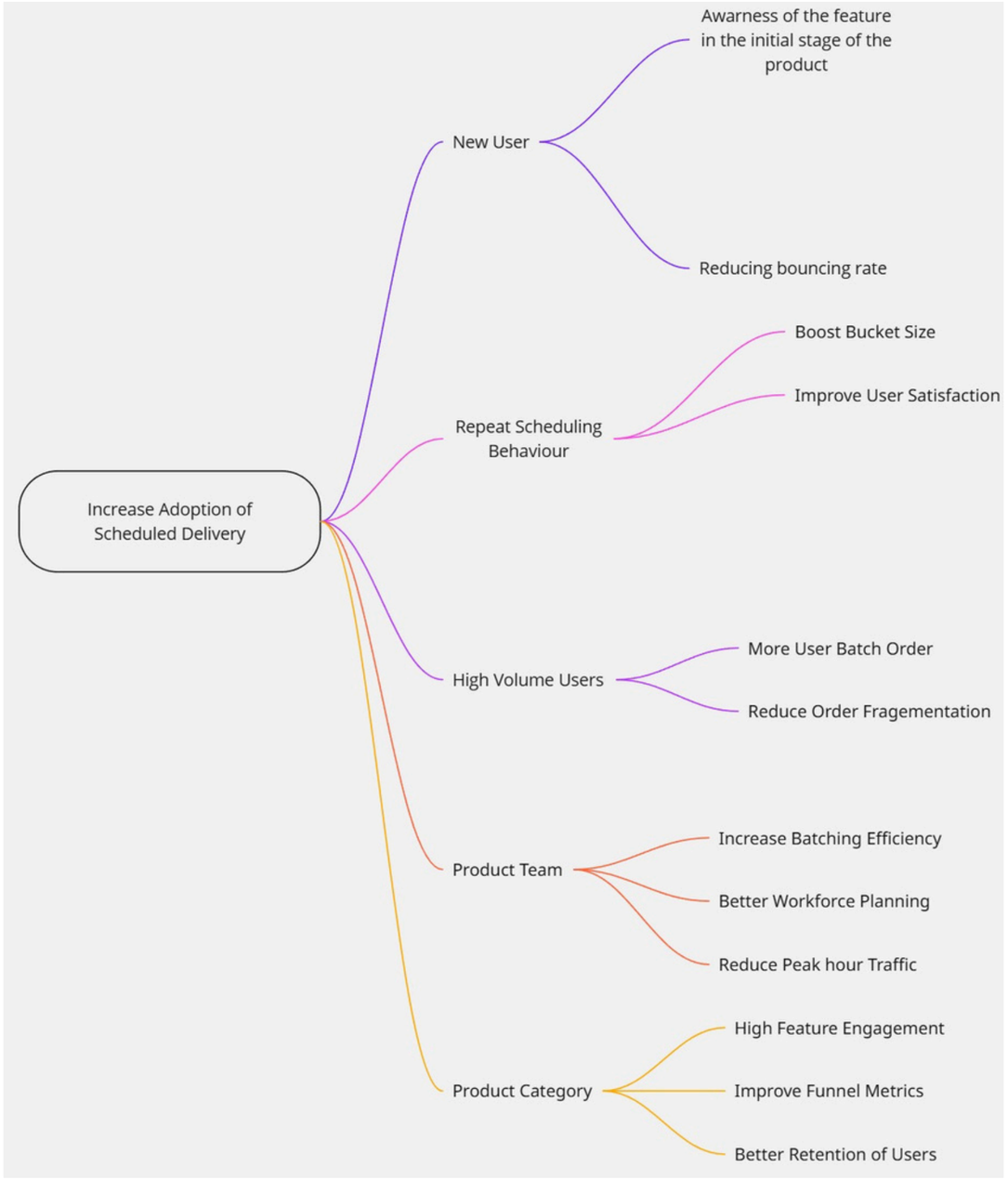
Aligned with Evolving Consumer Preferences :

- Majority of users prefer scheduled over instant for routine orders
- Example: 61% of online grocery shoppers prefer 3–24 hour delivery slots
- Reflects a shift toward planned, value-driven consumption

BENEFITS OF SCHEDULED DELIVERIES

IMPACT MAPPING & OPERATIONAL COST IMPLICATIONS

Impact Mapping



Operational Cost Implications

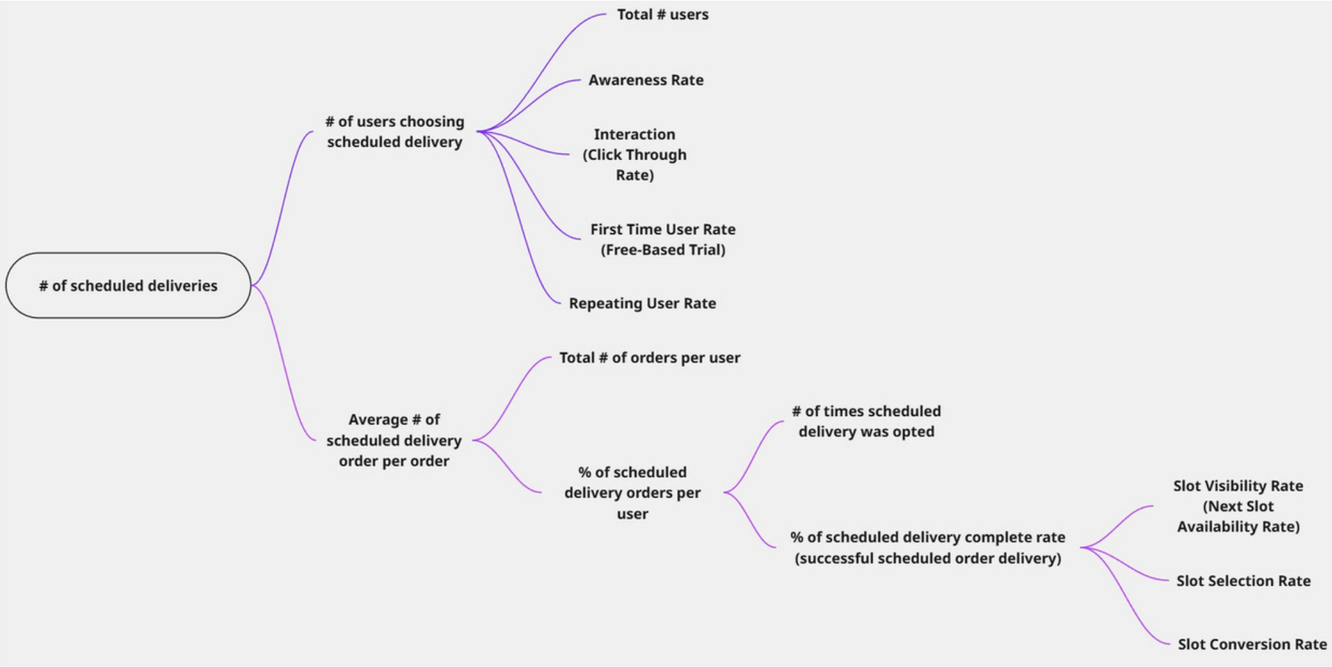
Cost Driver	Instant Order (₹)	Scheduled Order (₹)	Savings (₹)	Explanation
Rider + Fuel	35–40	25–28	10–12	Batching & route optimization enables 1 driver to deliver multiple orders efficiently.
Fulfillment Labor	20–25	18–22	2–3	Steadier labor utilization through predictable shifts reduces idle time & overtime.
Inventory Spoilage	5	~2.5	~2.5	Just-in-time replenishment cuts perishables waste from 10% → 5%.
Lower Cancellation Impact	~3	~1–2	~2	Scheduling reduces last-minute cancellations & returns.
Higher AOV Effect (Cart Size)	Fixed cost/unit drops	Same	~3	Higher basket sizes spread fixed fulfillment costs better.

Conclusion

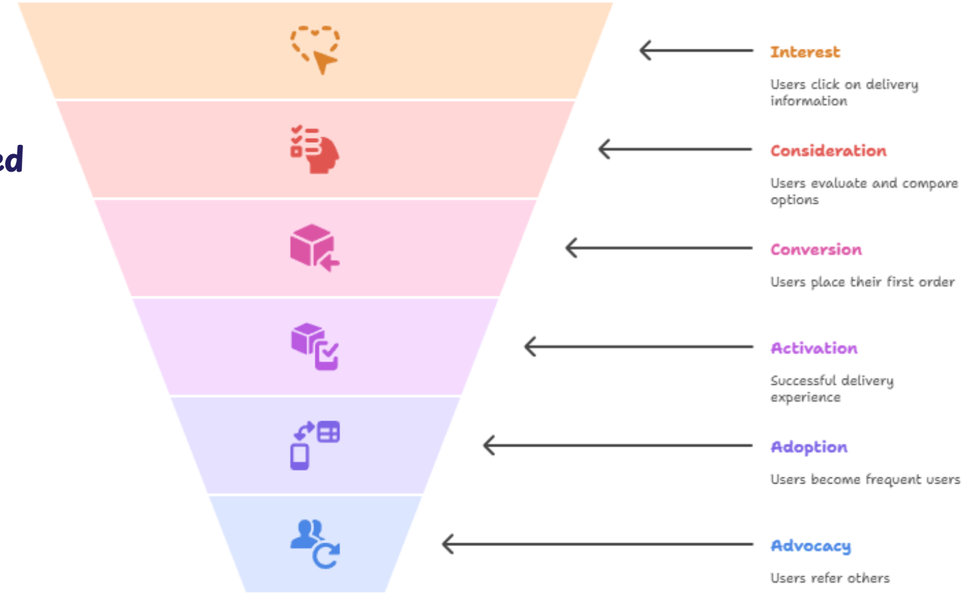
- **Route Batching Saves Big:** Efficient routing reduces rider + fuel costs by ₹10–12 per order.
- **Better Labor Utilization:** Predictable shifts cut idle time, saving ₹2–3 on fulfillment labor.
- **Reduced Spoilage:** Just-in-time stocking slashes waste, saving up to ₹2.5 per order.
- **Fewer Cancellations:** Scheduled slots reduce last-minute order drops, saving ₹1–2.
- **Higher AOV, Lower Unit Cost:** Larger baskets on scheduled orders reduce per-unit costs by ~₹3.
- **Net Cost Savings:** Zepto saves ₹17.5–25 per ₹200 order (up to 12.5% savings).

KEY PERFORMANCE INDICATORS & OUTCOMES

📊 Key Performance Indicators Trees



🚚 Stages for Scheduled Delivery Adoption



🧪 Product Outcome

Feature Rollout Success:
- Rollout in 5 Tier-1 cities within 4 weeks, covering 60–70% of active user base.
- < 2% bug rate during launch phase across platforms (iOS, Android).

Uptake & Usage Growth:
- Scheduled delivery share grew from 0% → 18% of total orders in 2 months.
- Repeat usage rate for scheduled orders: ~42% within first 3 weeks of adoption.

Higher Average Order Value (AOV):
- AOV on scheduled orders: ₹260 vs ₹200 for instant (+30% increase).
- Higher SKU count: 6.5 items/order (scheduled) vs 3.8 items/order (instant).

Improved Customer Experience:
- Missed delivery rate dropped from 9.2% → 3.1%.
- App store ratings improved from 4.4 → 4.6, citing "flexibility" and "convenience".
- CSAT (Scheduled Orders): 87% vs 78% for instant deliveries.

Operational Benefits via Product Integration:
- Rider batch utilization improved by ~45% (avg. 3.1 deliveries per trip vs 1.8).
- Order fulfillment time reduced by 22% (due to advance prep via batching).

Picking efficiency improved:
+18% orders/hour per picker during scheduled windows.

💼 Business Outcome

Cost Savings Per Order:
- Net operational cost reduced by ₹17.5–25 per scheduled order.
- ~10–12.5% decrease in cost per ₹200 order.
- Fuel & labor cost per delivery dropped by ₹10–12 through batching.

Revenue Growth:
- +30% increase in AOV on scheduled orders (₹260 vs ₹200).
- +6–8% overall revenue uplift in scheduled-enabled zones.
- +12% increase in order frequency for scheduled users.

Improved Customer Retention & Loyalty:
- Scheduled users show 18–22% higher 30-day retention.
- Net Promoter Score (NPS) improved by +7 points in test cohorts.
- Repeat purchase rate up by ~15% vs instant-only users.

Operational Efficiency:
- Delivery fleet productivity improved: +45% more deliveries per trip.
- Picker productivity up by 18–20% in scheduled slots.
- Delivery failure rate reduced by 6–7%, lowering reattempt costs.

Waste & Inventory Loss Reduction:
- Perishable spoilage dropped by ~50% (from 10% to ~5%).
- Inventory forecast accuracy improved by ~25% via slot-based prep.
- Waste-related loss savings: ~₹2.5 per scheduled order.

THANK YOU!!

HAPPY ORDERING.....