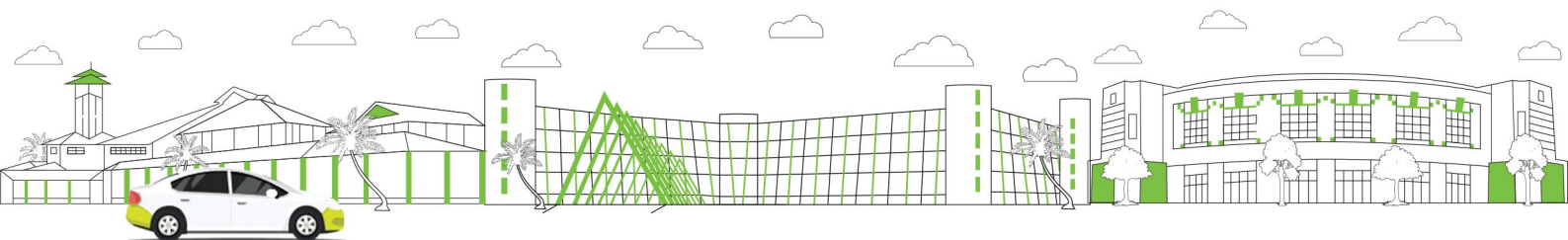# OLA

CAMPUS CONNECT CHALLENGE

OLA FOODS CASE STUDY

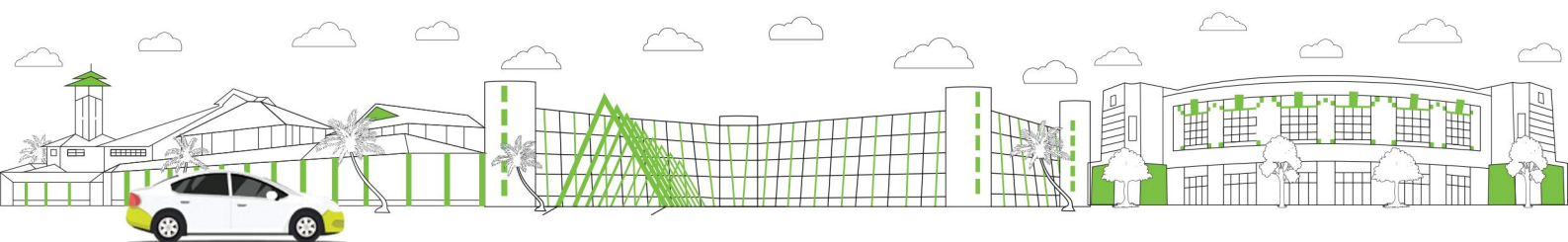# OLA FOODS CASE STUDY

Background:

India's food delivery market is scaling up rapidly — from a 15 mn order run-rate as of March 2018, the market has scaled up to ~65 mn orders currently, higher than earlier expected. The Food services is a $70B market, growing at a 15% CAGR, expected to reach $90B by 2021 & food delivery is a $3 million market with a 4% penetration, expected to grow to 10% by 2021. With so much potential in this space, there is a huge demand for innovation and disruption.

Trends in delivery:

- While consumers are becoming more experimental with food, food delivery is still about the classics (butter chicken, biryani, pizza and burgers)
- Midnight hunger is on the rise (growing 25% faster than overall food delivery)
- Consumers want to eat right, however, there is still a lack of healthy choices
- An increasing need for affordable and variety in daily meals
- Local food is gaining prominence with consumers and making inroads, both nationally and internationally
- An increasing need for quality, hygiene and lack of trust on food delivery platforms to deliver it

Hyperlocal food consumption (Case of a district in Bengaluru, Karnataka):

Marathalli	
Online Food delivery	Order/day of 16K
Offline delivery	Order/day of 4K
Top tier restaurants	70 outlets with rating >4
Customer profile	30% Students, 40% Working, 30% Residents
Locality	High posh with 12 RWA society and 2 large corporate parks with a strength of 50k
Population	84 Lakhs

OLA FOODS CASE STUDY

Problem Statement:

Business Plan

Suggest an alternate disruptive food distribution system and create a business plan around that.

The current players in these industries use varied means to deliver food viz. Swiggy and Zomato use a third party aggregator model, Mumbai's dabbawala's use a subscription model, local restaurant owners use their own delivery boys, Big basket, an online grocery delivery service, uses BB Instant.

Please note: For any model, you will have a trade-off between cost and control on service. Please take this into account when creating a plan and how you will mitigate the challenges of your model according to the cost and service levels.

Guidelines:

• No need to stay restricted to delivery only
• Restrict to this micro-market for data analysis, do not use external data
• Do not restrict to models stated in the case, you can innovate
• Assume that the restaurant chain, you are making the model for, is top tier, on all aggregators.