



Case Study on working of SWIGGY

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ABSTRACT

India is young developing country and has lot of potential which is yet untapped. Food business is one of them. Covering that gap Swiggy and is growing day by day and expanding business to large scales. Swiggy is a customer oriented company, and has online platform to improve the experience of food delivery. Swiggy by improving consumer experience and shrinking delivery time is on a path to become the leader of food delivery business.

Research Objective :

To Study the past and present scenario of Swiggy

To analyze the Swiggy business model

To grab the details about funding opportunities for the Business

Link to Theory: Business Model Theory, Financial Management Theory

Phenomenon Studied: The research is conducted using descriptive research methodology. The main focus is on study of literature review. The paper aims to describe the way the things are and how can they help the customers and create value for business.

Findings: The case study aims to study the business model of Swiggy how Swiggy has managed to tap the market of different cities. The case study also highlights the various sources of revenue and expenses of Swiggy and also creates awareness about the future scope of business. The paper will have great impact for customers and various online food businesses and will help to understand the business model used by the firm.

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Swiggy: - Journey lived

Swiggy is one of the India's most valuable and largest online food delivery platforms. Swiggy was founded and established in Bangalore in 2014 and since then it has been growing and expanding its business throughout the nation. In 2019 it has further expanded its business into general products also under the name Swiggy stores. Presently Swiggy is operating in almost 100 cities all over the nation. September 2019, Swiggy further decided to expand and launched the idea of quick pickup and dropout service under the brand name Swiggy Go. Under Swiggy go the company was dealing in picking and dropping variety of items like laundry, parcel or documents to various customers and business clients.

Swiggy has started its business with only 25 partner restaurants and 6 delivery executives. Now Swiggy has almost covered all major cities including Mumbai, Delhi, Pune, Hyderabad, Bangalore, Kolkata and Chennai. Today they have 12000 partner restaurants and 13000 delivery executives.

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a customer oriented company, and has online platform to improve the experience of food delivery. Swiggy by improving consumer experience and shrinking delivery time is on a path to become the leader of food delivery business.

Since its launch, the business has managed to grow at rapid pace and generate a large amount of money for its firm. Starting from online menus to massive delivery, Swiggy has covered majority of the path towards success. It is now the highest preferred online platform for food delivery and has gained the top position in this market. It is regularly working on improvements and launching technical advancements on regular intervals to improve experience and value to their business. Swiggy has introduced many exciting features like Swiggy Access, Swiggy Pop and Swiggy Schedule etc

Present scenario- A business that is changing lives

Swiggy has now become the largest food delivery platform in India. It is providing its services in more than 100 cities in present scenario. It is largest brand when we talk about food. It has made huge customer



base in few years and has managed to create a Goodwill in mind of customers. The business started with basic delivery process and his now expanded in providing diversified services.

Key member of business: - CEO Sriharsha, COO Vivek, CFO Rahul

Swiggy Business Model

Swiggy operate on demand food delivery model. The business model has two main features first to aggregate the partner restaurants and second one to organize the group of delivery partners who can deliver the food as per demand on prescribed time. Thus business consists of two categories of partners: -

Delivery partner: - Their work is to pick food from the restaurant and deliver it to the customer on time.

Restaurant Partner: - Their menus are available on Swiggy website and apps. They accept the Swiggy orders and deliver the desired meal to customers.

How it works: -

Swiggy has online website and app for ordering a wide range of meals from neighborhood restaurants. Swiggy make partnership with the restaurants near one locality and make their menu cards available online. The consumers can easily check the menu online along with price list and can order food in just one click. Then Swiggy's delivery partners visit the restaurants to pick food from the restaurant and deliver it to the customer on time at their doorstep. The business aims to bridge the gap between the restaurants and the customers.

The customers can easily open the app on their mobile phones or can log in to their website and will find the list of restaurants and cuisines near their location. Once the customer selects the restaurant he wants to order from and the meal he wants. He can pay online or select COD option and then place the order. As soon as the restaurant receives the order, it starts preparing it and then Swiggy's delivery agent visit the restaurant to pick the order and deliver it to customers doorstep. Customers can also track the time of delivery and location of delivery agents on Swiggy website and app.

Funding opportunities

Swiggy is blessed with good investors in Indian market. It has managed to raise fund of around 75.5 million dollars from wide range of investors including Venture Partners, Bessemer, Norwest Venture, SAIF Partners, Accel, RB investments, Harmony venture and Apoletto.

How Swiggy earns: -

Swiggy is the early mover in this food delivery business and has set up his space in Indian market. Swiggy make earning from variety of ways which include: -

Commission – Swiggy charges around 15 to 25 % of order as commission from the restaurant which is inclusive of GST charged above the menu. Some restaurants that exclusively make them visible only on Swiggy have some benefits like Swiggy make them on top while showing the restaurants or decrease the commission by 2% for these restaurants. The percentage of commission charged depends on the frequency of the orders received.

Delivery Charge – Swiggy also charge some delivery fee especially on orders below 100Rs depending on the distance of delivery location. This is another medium for Swiggy's earnings. It also on other hand stimulates customers to place order of high amount.

Advertising – Swiggy also earns from two advertisements models which are Priority listing and Banner promotions.

Restaurants – Swiggy has also established their own restaurants which are displayed on top on their websites and apps with greatest visibility. These Swiggy restaurants have been launched in Bangalore and soon are established in Hyderabad and Mumbai markets.

Swiggy Access – it is the new concept of central Kitchen. This technique will help the restaurants to establish the kitchens in those areas where they are not actually present. It was launched last year in Bangalore and is now expanded to Mumbai, Delhi, Kolkata and Hyderabad.

Swiggy Super – this technique is also recently launched by Swiggy in this there is a membership

scheme for regular customers to get benefit of unlimited free delivery. For this scheme the customers need to pay an amount of 149 for 1 month subscription and 349 for 3 month subscription.

Affiliate Income – Swiggy also make some affiliate incomes from other sources like by referring partner bank credit cards. The company has managed to be in partner with many banks like Citibank, HSBC, ICICI etc and many other financial institutes. Which help them to extend their earnings and generate greater revenues.

Expenses incurred by Swiggy

Every business needs to incur some expenses in order to manage their day to day business. Same needs to be done by Swiggy. Swiggy high expenses in year 2018 made him loose the greater amount that he earned in 2017 but in 2019 Swiggy managed to come back with increased market share and has earned huge profits.

Various expenses that Swiggy needs to incur includes: -

Incentives and payment of salary to the delivery agent. The amount expended varies based on frequency and time of delivery

Website and App development charges

Website and App maintenance charges

Salaries to full time employees

Administrative expenses

Marketing and advertisement cost

Discounts and offer expenses

Refunds and returns

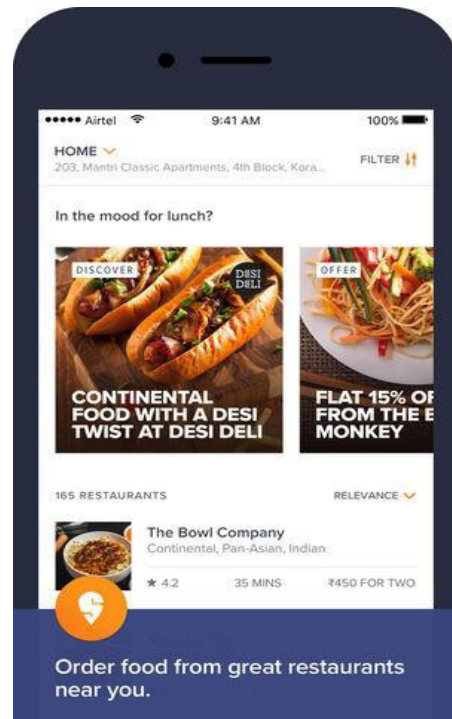
Other miscellaneous costs

Marketing Tactics

Swiggy is marketing on both offline and online platforms with strong marketing campaigns. Online it is performing marketing via Twitter, Face book, Pinterest, Twitter and Instagram. Some of its famous advertisement campaign were Diwali ghar ayi, second to mom Sing with Swiggy, see food walking your area etc. The campaigns have helped Swiggy to create brand awareness and have managed to connect with customers and create strong customer base. Swiggy also use online platform to handle customer grievances and reduce dissonance among customers.

Target Customers of Swiggy

The main target customers for Swiggy are those who do not want to move out or visit restaurants and enjoy having delicious food at home without making efforts. They want their food easily readily available at their door step.



The business has managed to expand its customer base by targeting more customer and adding more products apart from food in their delivery list including pharmacies, groceries, electronics, gift shops, flowers etc. E.g. of some store available on Swiggy app are Garg Dastak, Sodhi Super Marche, VM retail and best basket etc.

Competitors entering market

This new market of food delivery system has managed to value at 15 billion dollars further expected to grow at rapid pace. The direct competitors of Swiggy include Zomato and other small scale business like Faso and Food Panda. Recently Uber has also entered the market with the brand name Uber eats and is giving tough competition to Swiggy. Despite of tough competition Swiggy has managed to keep its market share high especially in major cities including Pune, Mumbai, Bangalore, Chennai, Hyderabad, Delhi, Kolkata and Gurgaon.

Future of Swiggy- Conclusion and Discussion

Swiggy is one of the India's most valuable and largest online food delivery platforms. Since its launch, the business has managed to grow at rapid pace and generate a large amount of money for its firm. Starting from online menus to massive delivery, Swiggy has covered majority of the path towards success. It is now the highest preferred online platform for food delivery and has gained the top position in this market. It is regularly working on improvements and launching technical advancements on regular intervals to improve experience and value to their business. Swiggy has introduced many exciting features like Swiggy Access, Swiggy Pop and Swiggy Schedule etc. The main target customers for Swiggy are those who do not want to move out or visit restaurants and enjoy having delicious food at home without making efforts. They want their food easily readily available at their door step.

Swiggy in future will be able to capture the Market of almost all the cities of the nation. The business is expected to grow further as it has not stopped chang-

ing its strategies. The business is continuously changing according to the need of the environment and is trying to improve the experiences. In order to cover the cost it has also established partnership with many banks and financial institutes which help it to generate more income apart from their core business. The dynamic view of business looking 360 degree into its environment has helped Swiggy to gain this position but maintaining position is also a major task as Swiggy is now continuously facing Competition from many other competitors like Food panda, Zomato and Uber eats.

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