

## A case study on Swiggy's new venture Genie: Will Genie produce a miracle

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**Abstract:** Swiggy since its inception in 2014 has become increasingly popular and has grown by leaps and bounds in the country. It reached an overwhelming valuation of \$3.3 billion in 2019 after a series of fundings. But the Covid'19 situation has posed a series of problems for the online food ordering giant. Will the new feature Swiggy Génie will be able to rescue them from this pandemic or the future looks bleak.

**Key Words:** Swiggy, Genie, Covid'19, Online food ordering.

### 1, INTRODUCTION:

Nandan Reddy and Sriharsha Majety completed their education from the Birla Institute of Science and Technology and had tried their hands at one more on the partnership venture before starting Swiggy. They started their first venture in the year 2014 when they launched Bundl, a Logistic Company which served as an intermediate between small and medium company to the courier service network. The business was doing fine for a Start-up venture, but they had realized that instead of the field of courier they needed to shift their focus to the food industry. They had realized that there was an urgent need for online Logistic Company in the burgeoning food industry in India. They turned their dreams into reality by launching Swiggy in the year August 2014. Swiggy was India's first online food delivery platform. For this business they also roped in Rahul Janimini an alumnus of Indian Institute of Technology Kharagpur for doing the coding and designing work for the online platform. Swiggy was started from the official premises of the venture in Koramangala, Bangalore. In the start they had just six delivery executives and twenty-five restaurants who were their partners in a small neighbourhood. After 4 years Swiggy got a national presence in all the major cities of India and they had hired close to 13000 delivery executives and had partnered with over 12000 restaurants in their very successful business model. The online food ordering business in India is still at the nascent stage but has tremendous untapped potential. Swiggy as the countries most used online delivery platform Consistently aims to improve the process and the experience of ordering and delivery of food online. Swiggy had become a leader in a rapidly growing market by improving its delivery time processes and offering an unmatched customer experience. Swiggy was a way ahead of its competitor like Zomato and Uber eats. The model was such that it became tremendously popular with the youth of India along with the housewives who found it very easy to order on this online platform which offered visual menus, a little delivery time and also benefits like no minimum order quantity along with good discounts and deals. Swiggy definitely had established itself as the top player in the industry. To maintain the winning streak Swiggy launched a number of exciting features like Swiggy Pop, Swiggy Access and Swiggy Schedule and continuously strived to improve their average delivery time and constant innovations in technology which were customer friendly. The figure below shows the revenue breakdown of Swiggy in the year 2019.

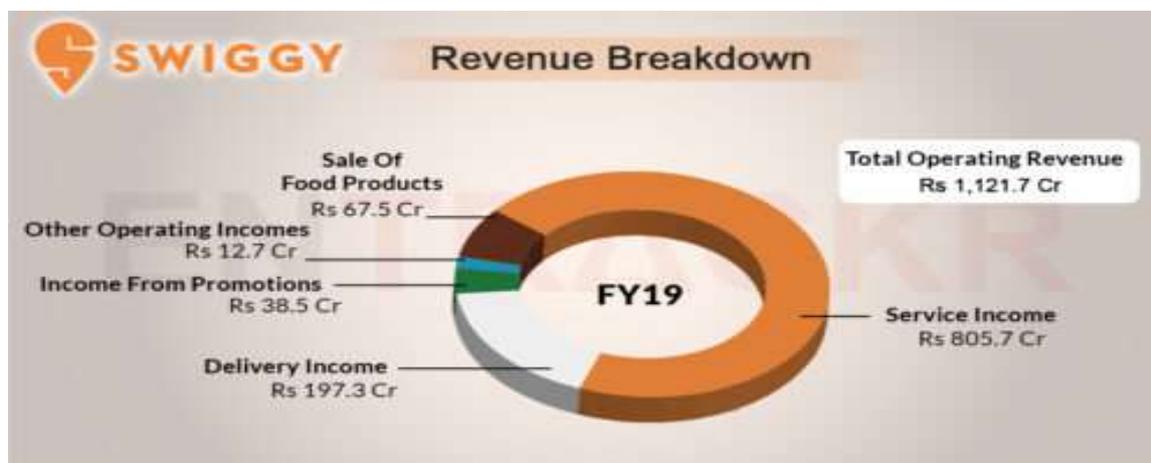


Figure 1

Swiggy also raised \$113 million in a funding round Prosus along with China's Meituan Dianping and US-based asset manager Wellington. Swiggy was valued at around \$3.3 billion in December 2018. It was definitely on the road of creating one of the most remarkable success stories in the history of Indian startups. But it was still to become profitable and had net loss of Rs 2,345 crore. In the year 2019 but the future seemed very bright for the young startup with no dearth of venture capitalist and investors who wanted to fund the company. The figure below shows the history of fundraising by Swiggy

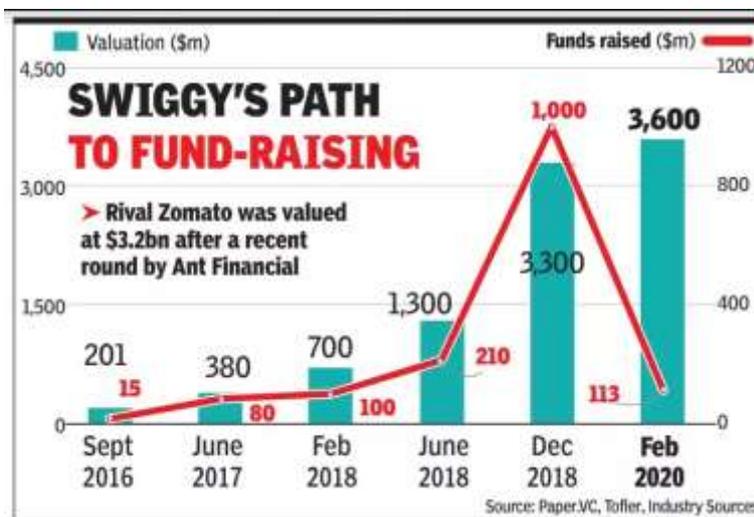


Figure: 2.

Swiggy currently had \$3.3 billion valuation but the challenges were plenty. There was also need of constant innovation in reducing the delivery time and handling the orders with utmost customer satisfaction. They also had to stay ahead to maintain the delivery time and customer satisfaction despite rains, traffic jams surge in orders and congestion. But apart from the path breaking success Swiggy was also facing certain challenges and their constant Innovation and stiff competition given by the competitors like Zomato and Uber eats. The popular food chains in the country like McDonalds Pizza Hut Dominos and KFC starting their own online delivery platforms. The other challenges were timeliness of delivery, packaging of the food when delivery, food quality, huge cost involved in logistics but the margins on orders are very low to operate and how to increase more order delivery by each delivery boys. They also launched exclusive membership program like Swiggy super in order to increase the customer retention. But for this business to become profitable customer satisfaction was the key. Zomato and the big players had outsourced their delivery to third party but Swiggy wanted to build a very strong delivery network which was in house. The strength of the Swiggy was very strong Customer Care Network which resolve the customer's queries and disputes within minutes. They were even willing to offer a full refund in case of disputes. Due to their very strong and efficient customer service network the customers did not even mind Swiggy charging a delivery free when they made their orders. This was the most important part which could lead them to profitability. Swiggy had also realized that in order to grow that they needed to increase their partner restaurants along with the customer base. Swiggy had launched Swiggy store in the year 2019 in Bangalore which did not receive immediate success, but the road ahead seemed bright for Swiggy.

Swiggy and Covid'19 But with the advent of 2020 the entire world came under the seize due to the Covid-19 and things started to look bleak for online food delivery platforms. By February as the virus spread to some parts of India people became conscious of ordering food online considering that whether the food was safe or not. By 24th of March 2020 the entire country had gone into a log town and the entire business of Swiggy another online delivery platform came to a halt. Even after the lock down open people who were instilled with fear would be vary of ordering food from outside keeping in mind the virus threat and contamination issues. Due to the situation and the going losses Swiggy started laying of its employees which went up to 1100 across the nation. The threat was that even if the industry recovered from the pandemic make it would be without 50% of its business. To combat the situation squeaky launched Genie in April 2020. Swiggy had realized that the lockdown had created necessity of delivering the groceries at the doorstep of people and this was a wonderful opportunity to branch out new business leaf. The government also gave permission for the online grocery delivery. Initially the Genie was launched in the Tier 1 and Tier 2 cities, but it received good response. The motive behind this was that people if were given the facility of grocery delivery at doorstep it would be instrumental in keeping them in doors at the time of this pandemic. So Swiggy Go became Swiggy Genie in a new avatar.

The business model was the same a customer could choose grocery from an array of grocery partners and they were home delivered by Swiggy Genie. Apart from grocery it also allows users to deliver packages like lunch boxes,

documents medicals and any other essential supplies from any part of the town. The payment was based on the distance calculations. They also gave customers the option of service charges cancellation when store was closed or when the Swiggy delivery partners for not able to pick up the consignment. Swiggy also immediately tied up with Vishal Mega Mart and other leading FMCG consumer good brands and were also in the process of Nationwide collaborations to make hyperlocal delivery to the customers. But soon its competitor Zomato also ventured into the online grocery platform which gave it a little tough time. But Swiggy was again were relying on its USP which was 100% customer satisfaction and delivery within the promised time frame. By the end of 2020, the government also gave permission of food delivery to online delivery platforms and the business started rolling out again but it was very sparse from the peaks it had seen and would take a long time to recover. They also had to ensure safety and precautionary measures were followed by the restaurants and the delivery boys. But young into this field Swiggy also was learning the ropes of the business and also facing competition from platforms like Big basket and Grofers. But the features of Genie which included the facility of pickup and drop off any items like documents medicines parcels from the doorsteps of people was unmatched. Will Genie help Swiggy recover from the losses it had suffered due to Covid-19 and keep it on the path of success that needs to be seen but as of now what is in the three partners do in order to keep the winning streak of Swiggy maintained.

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