

An Analytical Study of Service Quality and Measurement of Swiggy Foods

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Abstract:

Swiggy was founded by Nandan Reddy, Sriharsha Majety, and Rahul Jaimini in August 2014. Nandan Reddy aged 29 and Sriharsha Majety aged 31 both are both alumni of Birla Institute of Technology and Science (BITS) Pilani while Rahul Jaimini aged 31 is an alumnus of IIT Kharagpur. Nandan Reddy and Sriharsha Majety in 2013, started their first venture named Bundl, which was a logistics aggregator that connected small and medium companies to courier service providers. After almost a year in business, they realized their focus had to change. They had spotted the need for an online hyper local logistics company in the restaurant industry. Then In August 2014, the duo rolled out the online food ordering and delivery start-up Swiggy, along with Rahul Jaimini.

Swiggy is a leading food ordering and delivery startup in India. The company started operations in 2014 and is headquartered in Bengaluru. Swiggy works by acting as a bridge between customers and restaurants.

Swiggy began its Journey from Bengaluru with 6 delivery executives and 25 restaurants on its platform. In the time of 3 years, it has scaled up with over 6,000 delivery executives across India in more than 8 cities like Delhi-NCR, Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata, and Pune.

It utilizes an innovative technology platform that allows customers to order food from nearby restaurants and get it delivered at their doorstep. With Swiggy, customers do not have to keep the contact numbers of various restaurants and eateries in their locality. Swiggy works as a single point of contact for ordering food from all restaurants that may be there at a particular location. Swiggy has its own team of delivery professionals who pickup orders from restaurants and deliver it at the customer's doorstep. This has made the task of ordering food a lot easier for customers. Restaurants also gain by getting more orders and avoiding costs and efforts associated with maintaining their own delivery personnel.

In 2019, it's imperative that you provide excellent service to your customers. With a wealth of competition, companies that don't compete on customer experience will lose customers to those that

are continually delighting and providing a high quality of service. However, even companies that understand the need to provide exemplary experiences have a hard time measuring their service quality. Since it's a qualitative measurement, rather than a quantitative measurement, it can be challenging to assess. Even some researchers have struggled with the issue of how to measure service quality and understand how you're impacting your customers.

It has secondary as well as primary data and Technical Analysis including – SERVQUAL , Post service rating , Follow-up survey , In- App survey , Customer Effort Score (CES), Social Media Monitoring , Documentation Analysis , Objective service metrics.

Finally, the study concludes that the Swiggy has grown as a brand. It has given a tough competition to other counterparts due to its online presence. Swiggy has been way active on digital marketing team has utilized platform brilliantly.

□ **Keywords :**Swiggy, Service quality and measurement, Marketing strategies.

1. Introduction

Swiggy means 'Swadisht Bhojan'. Swiggy is India's largest and most valuable online food ordering and delivery platform. Founded in 2014, Swiggy is based out of Bangalore, India and, as of March 2019, was operating out of 100 Indian cities. In early 2019, Swiggy expanded into general product deliveries, under the brand name Swiggy Stores.

In September 2019, Swiggy launched instant pick up and drop service Swiggy Go. The service is used to pick up and drop off a diverse array of items, including laundry and document or parcel deliveries to business clients and retail customers.

In 2013 two founders, Sriharsha Majety and Nandan Reddy, designed an e-commerce website called "Bundl" to facilitate courier service and ship goods within India. Bundl was quickly paused, and they moved into the food delivery market. At the time, the food delivery sector was in turmoil as several notable startups, such as Food panda (later acquired by Ola Cabs), Tiny Owl (later acquired by Zomato) and Ola Cafe (later closed) were struggling. Majety and Reddy approached Rahul Jaimini, formerly with Myntra, and founded Swiggy and parent holding company Bundl Technologies in 2014. The company built out a dedicated delivery network and grew rapidly, primarily driven by the focus on logistics and locking in key resources.

2. Funding

Swiggy has received investments worth USD 155.5 million via six rounds of funding. Investors include SAIF Partners, Harmony Partners, Naspers, Norwest Venture Partners, Bessemer Venture Partners, and Accel Partners.

3. Investments and acquisitions

By 2015, the company began attracting external investments. The first was a \$2 million investment from Accel and SAIF Partners, along with an additional investment from Norwest Venture Partners. The next year, Swiggy raised \$15 million from new and existing investors, including Bessemer Venture Partners and Harmony Partners.

In 2017, Naspers led an \$80 million funding round into Swiggy. Swiggy received \$100 million from China-based Meituan - Dianping and Naspers in 2018 and then later a string of investments took the company's valuation to over a \$1 billion.

Swiggy acquired Bengaluru-based Asian food start-up 48East in 2017. Swiggy later acquired Mumbai-based Scootsy Logistics, a struggling food and fashion delivery service. In 2019, the company invested Rs 31 corer in Mumbai-based ready-to-eat food brand Fingerlix.

4. Partnerships

Swiggy has partnered with Burger King for providing delivery services. It has also partnered with Google Local Guide to facilitate customer reviews, and with Sodexo to enable customers to pay through meal cards. Swiggy has partnered with Indifi Technologies to facilitate a financing program for partner restaurants.

5. Swiggy Marketing Strategies

Swiggy's marketing strategy consists of both online and offline marketing campaigns. It promotes its campaigns via Facebook, Twitter, Youtube, Pinterest, and Instagram. Some of its campaigns include Second tomom, Diwali GhayAayi, Sing with Swiggy and Know your food series of pictures and food walks in a local area. The company has successfully built its brand awareness and connects with its audience through these channels. Their Facebook page is quite active with regular updates, averaging to one post a day. Swiggy uses its Social media not only for campaigning but to engage with its customers from solving the grievances to taking the feedback

6. Objective of study

1. To understand Service quality and measurement of Swiggy.
2. To study quality parameters by Swiggy.
3. To understand service provided by Swiggy.
4. To understand business model of Swiggy.

7. Research Methodology

A) **Primary Data** : Questionnaire from the employees and customer.

B) **Secondary Data** : Data collected from e –book, computer and reference material.

8. Technical Analysis

I) SERVQUAL

This is the most common method for measuring the subjective elements of service quality. Through a survey, you ask your customers to rate the delivered service compared to their expectations.

Its questions cover what SERVQUAL claims are the 5 elements of service quality : RATER.

- **Reliability** - the ability to deliver the promised service in a consistent and accurate manner.
- **Assurance** - the knowledge level and politeness of the employees and to what extent they create trust and confidence.
- **Tangibles** - the appearance; of e.g. the building, website, equipment and employees.
- **Empathy** - to what extend the employees care and give individual attention.
- **Responsiveness** - how willing the employees are to offer a speedy service.

II) Post Service Rating

This is the practice of asking customers to rate the service right after it's been delivered. With Userlike's live chat , for example, you can set the chat window to change into a servicerating view once it closes. The customers make their rating, perhaps share some explanatoryfeedback, and close the chat.

III) Follow-Up Survey

With this method you ask your customers to rate your service quality through an email survey– for example via Google Forms .

IV) In-App Survey

With an in-app survey, the questions are asked while the visitor is on the website or inthe app, instead of after the service or via email.

V) Customer Effort Score (CES)

This metric was proposed in an influential **Harvard Business Review** article. In it, they argue that while many companies aim to "delight" the customer.

VI) Social Media Monitoring

This method has been gaining momentum with the rise of social media. For many people, social media serve as an outlet. A place where they can unleash their frustrationsand be heard.

VII) Documentation Analysis

With this qualitative approach you read or listen to your respectively written or recorded service records.

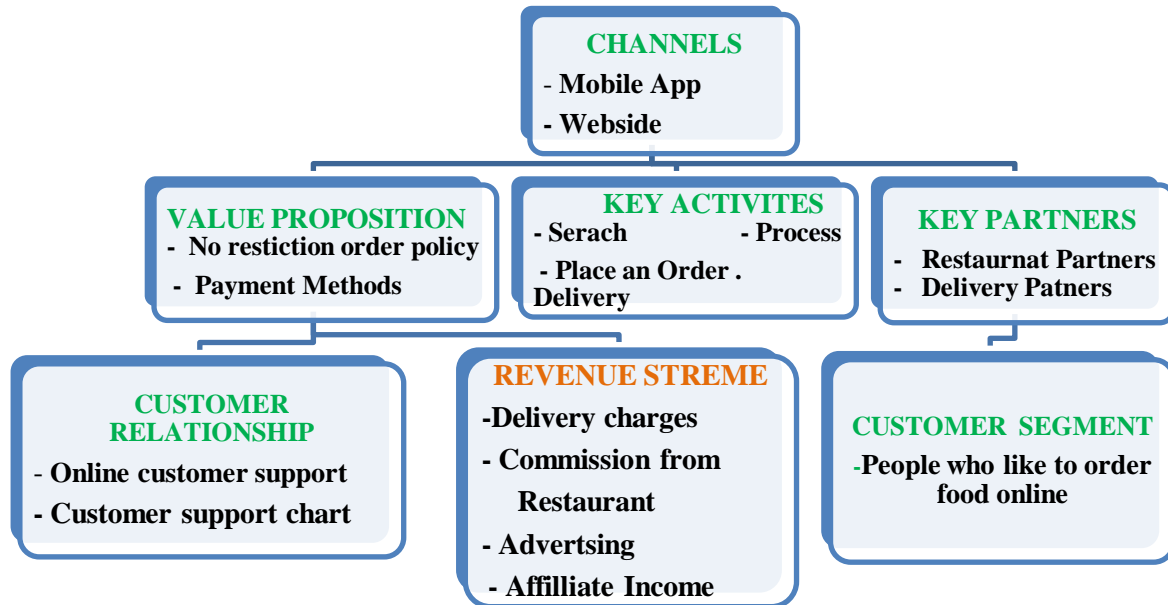
VIII) Objective Service Metrics

These stats deliver the objective, quantitative analysis of your service. These metrics aren't enough to judge the quality of your service by themselves, but they play a crucial role in showing you the areas you should improve in.

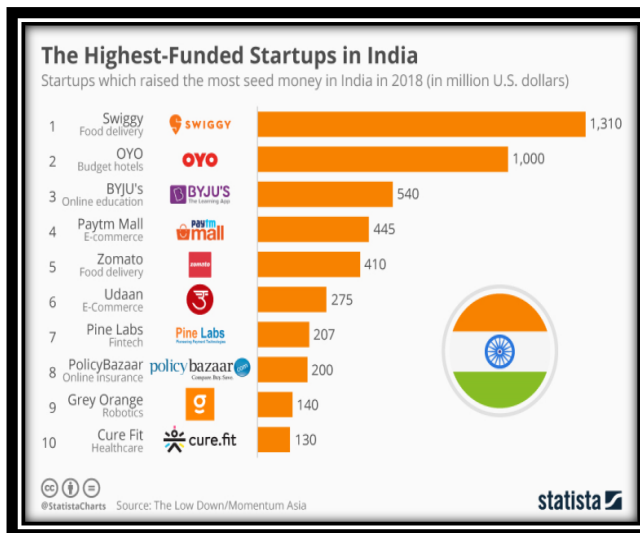
- **Response time.** This is the total average of time between responses. So let's say your email ticket was resolved with 4 responses, with respective response times of 10, 20, 5, and 7 minutes. Your response time is 10.5 minutes. Concerning reply times, most people reaching out via email expect a response within 24 hours; for social channels it's 60 minutes. Phone and live chat require an immediate response, under two minutes.
- **First contact resolution Ratio.** Divide the number of issues that's resolved through a single response by the number that required more responses. Forrester research showed that first contact resolutions are an important customer satisfaction factor for 73% of customers.
- **Backlog Inflow/Outflow.** This is the number of cases submitted compared to the number of cases closed. A growing number indicates that you'll have to expand your service team.
- **Customer Success Ratio.** A good service doesn't mean your customers always find what they want. But keeping track of the number that found what they looked for versus those that didn't, can show whether your customers have the right ideas about your offerings.

9. Swiggy Business Model

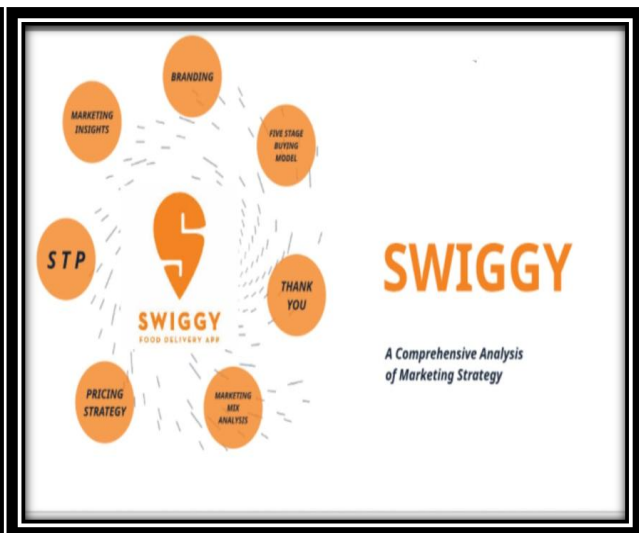
Customer is the major source of revenue for any organization. The majority of customers segment of Swiggy are those people who do not wish to go to restaurants and want their food to be delivered at home.



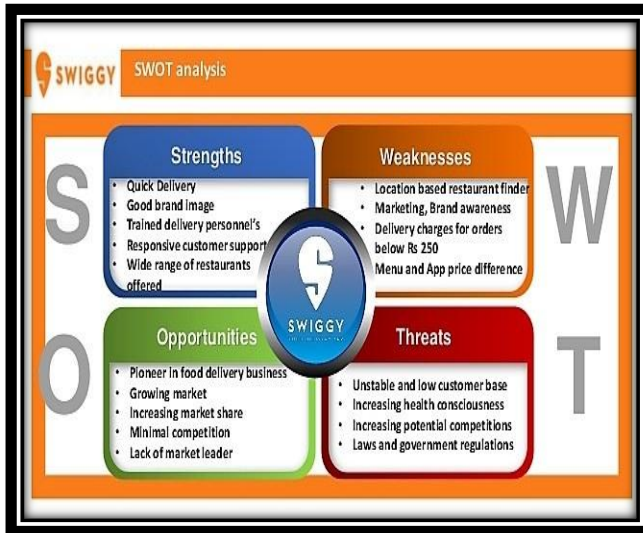
10. Data Analysis and Interpretation



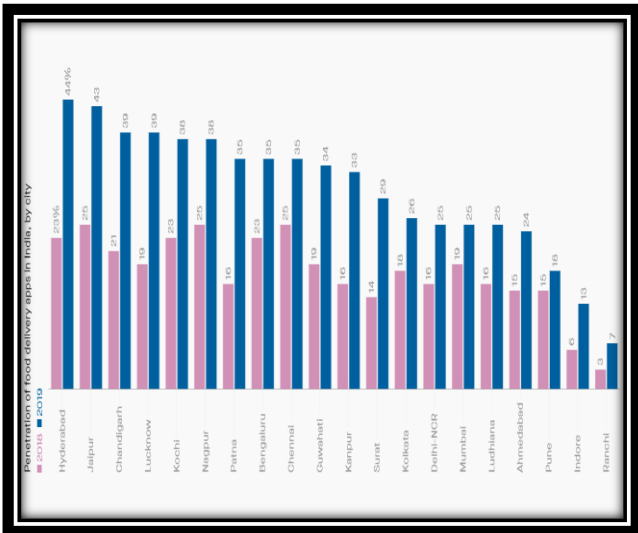
10.1 Swiggy-Highest Funded in India



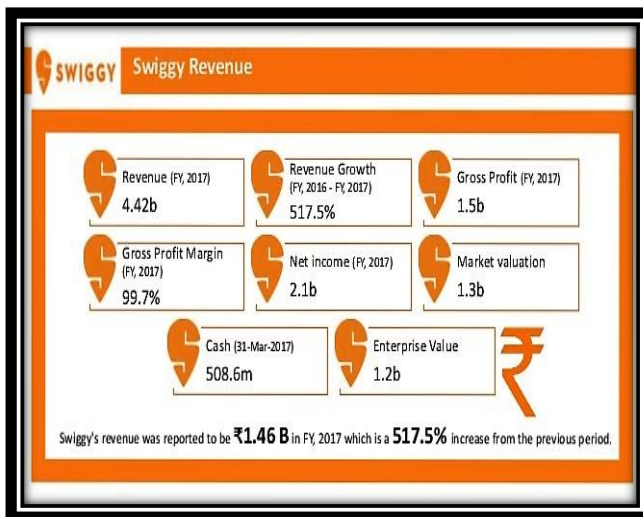
10.2 Swiggy-A comprehensive Analysis of Market Strategy



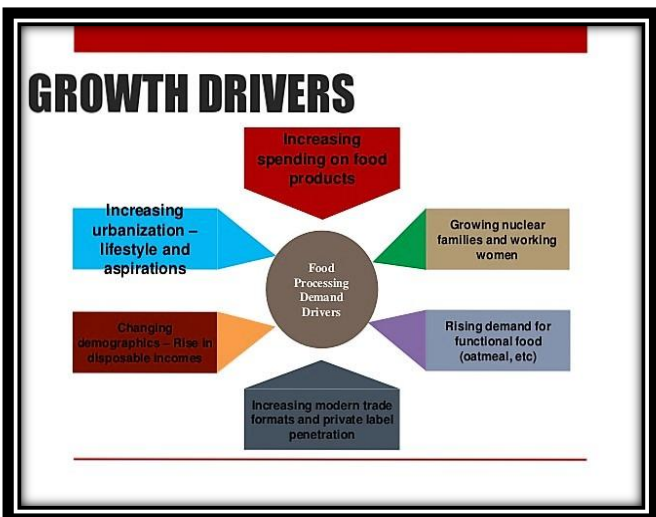
10.3 Swiggy- SWOT Analysis



10.4 Different food delivery Aaps- Indian city



10.5 Swiggy- Revenue



10.6 Swiggy-Growth Driver

11. Swiggy Make Money

Swiggy is a location based search engine where one can order food online from the list of restaurants near his/her location. Once an order is placed, Swiggy delivery personnel are assigned to the order who picks up the food from the restaurant and then delivers it to the location of the customer. Swiggy makes money by charging a commission from the restaurant based on the order value.

Commission from Restaurants

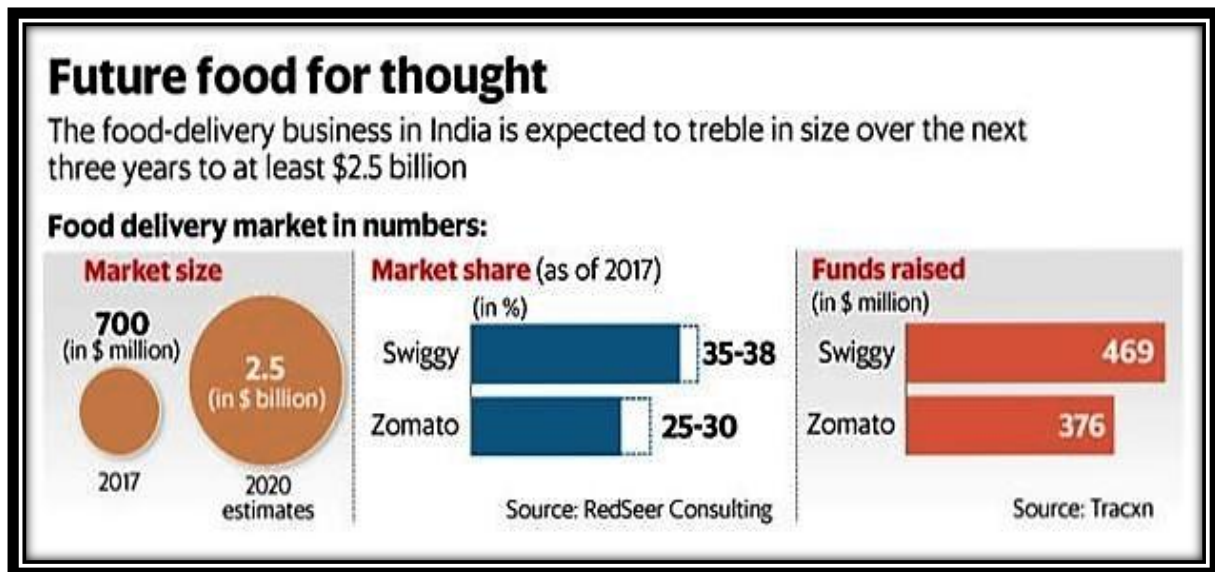
The commissions earned from restaurants form the primary source of revenue for the company. The quantum of commission depends upon a lot of factors which include the value of the order as well as the location and popularity of the restaurant.

12. Revenue Sources

- 1. Featured Lists:** Swiggy charges restaurants fees for featuring them in curated list of restaurants on the Swiggy app/website. Being featured on such curated lists often helps these restaurants find more business.
- 2. Swiggy Access:** Swiggy Access is a paid service which helps restaurants to open delivery only kitchens (i.e servicing only through the Swiggy platform) across various parts of the country. This service would help restaurants expand their geographic presence and find more customers.

13. Sharp focus on logistics

Swiggy's success is part of a bigger trend in the startup ecosystem: companies that have controlled the entire value chain of customer experience have triumphed over pure marketplaces. Swiggy got a lot of things right, but the driving force behind its success is in its excellent logistics operations.



14. Conclusion

The quality of service in Swiggy is an important factor of successful business. The existing trend of complete quality management in Swiggy ensures the achievement of competitive advantage and is therefore the subject of contemporary research into service quality and measurement in Swiggy.

So , at last , I Just want to say that after understand the business model of these onlinefood delivering companies we can hope in future we can eat directly home we will not haveto go to restaurant.

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