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Unleashing The Power Of Convenience: A Study Of Consumer Behavior And Market Dynamics In The Online Food Delivery Industry Through The Lens Of Swiggy –“SURVIVING AND THRIVING”

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ABSTRACT:

Unleashing the power of convenience, after the covid how Swiggy bounced back in the industry. SWIGGY was founded in 2014 and time taken by Swiggy to become unicorn in India is 4 years, Swiggy took much less time compared to Zomato because it entered when the market in India had matured a bit more and the concept of food delivery had gained some traction but COVID-19 pandemic has had a significant impact on Swiggy's operations and financial performance, both during and after the pandemic.

During covid outbreak, According to Swiggy's financial statements for the fiscal year 2020, the company's revenue decreased by 43% to INR 2,776 crore, compared to INR 4,966 crore in the previous year. Additionally, the company's losses increased to INR 3,920 crore, compared to INR 3,368 crore in the previous year and for the fiscal year 2021, the company's revenue increased by 18% to INR 3,142 crore, compared to INR 2,650 crore in the previous year. Additionally, the company's losses decreased to INR 1,973 crore, compared to INR 3,920 crore in the previous year.

Swiggy had expanded its services beyond food delivery, offering hyperlocal services like grocery delivery and medicine delivery, also expanded its services to include Swiggy Go, a hyperlocal delivery service that delivers anything from documents to essentials. The company also launched Swiggy Genie, a pick-up and drop service that allows users to send and receive packages.

In this Research the condition of how COVID-19 pandemic has had a significant impact on Swiggy's financial performance, leading to a decline in revenue and increased losses. The past and present are analyzed and endeavored to predict future condition of Swiggy. This research focuses on significant increase of Swiggy online food delivery system in India and future of it by analyzing in terms of financial profit and loss using financial analysis tools such as Social Mention, Survey Monkey, Google Analytics, ratio analysis, data interpretation and comparing financial statements.

Keyword's: Swiggy, Swiggy genie, food ordering, covid-outbreak, food delivery, ratio analysis, data interpretation, Financial Statement analysis, survey monkey, social mention, hyperlocal services.

INTRODUCTION:

This Research focuses on how the world of food delivery is monetizing the food business, and how it survives and thrives due to shifting trends in ordering food to where we are and the changing swiggy market before and after the pandemic. The current situation has led to this study of how the COVID-19 pandemic has significantly impacted Swiggy's financial performance, leading to reduced revenue and increased losses. It analyzes the past and present and attempts to predict Swiggy's future state.

Covid pandemic outbreak was the largest problem for the swiggy business in India. Studies of this research led us to identify the associations of swiggy like offering hyperlocal services and medicine delivery, also expanded its services to include Swiggy Go, a hyperlocal delivery service that delivers anything from documents to essentials it also launched Swiggy Genie, a pick-up and drop service that allows users to send and receive packages and how all this businesses of swiggy overcame the covid outbreak, as the lockdowns and social distancing measures disrupted the restaurant industry and reduced the demand for food delivery, With people staying at home and many offices closed, the demand for food delivery services decreased significantly. So at that time this resulted in a decline in Swiggy's revenue. So, despite these challenges, Swiggy was able to survive the pandemic by adopting new strategies such as launching new services, expanding its business to new cities, and partnering with local grocery stores to deliver essential items. Swiggy also implemented strict safety measures to protect its employees and customers from the virus. Swiggy provides a convenient way to order food from your favorite restaurants without having to leave your home or office. Swiggy has a vast selection of restaurants to choose from, offering a wide range of cuisines and dishes it has a reputation for fast delivery times, and its delivery partners are known for their prompt and courteous service. Swiggy also allows customers to track their orders in real-time, giving them an idea of when their food will arrive, and frequently offers discounts and deals on food orders, making it an attractive option for customers looking to save money, accepts multiple payment options, including cash on delivery, credit and debit cards, and mobile wallets. Swiggy also has a partner program that allows restaurants to reach a wider customer base and increase their sales.

Swiggy loss during covid outbreak did affect the revenue of India, since swiggy generates revenue from its food delivery services in India, it incurs various expenses, such as payments to delivery partners, marketing and advertising expenses, employee salaries, technology expenses, and other operating expenses. If the revenue generated from its operations is greater than its expenses, Swiggy makes a profit. However, if its expenses exceed its revenue, Swiggy incurs a loss, such that Swiggy's profit or loss is closely linked to its revenue generated from its food delivery services in India. If the revenue generated from its operations in India increases, it has the potential to increase its profits. Conversely, if the revenue generated decreases, it may lead to a loss for Swiggy. Its success may lead to increased employment opportunities, higher tax revenues for the government, and overall economic growth. On the other hand, if Swiggy suffers a loss, it will result in layoffs, reduced tax revenue and slowdown in economic growth. Swiggy's success and growth could have a positive impact on the Indian economy.

REVIEW OF LITERATURE:

- H.S. Seth and Bhavya Saini (2016), their idea was to analyze people's perception, behavior and satisfaction with online food ordering and delivery apps. Their research shows that online food ordering apps save their time because of their ease of use. It was also found that having their favorite food in sight at all times and always having access to free internet data were the main reasons for using these apps.
- Based on research by Sheryl Kimes (2019), which found that perceived control and convenience associated with online food ordering services matter to users and non-users alike. Nonusers need more personal attention and have high uncertainty about using early technology.
- According to Varsha Chavan (2018), consumers' use of mobile smartphone interfaces to

view and track orders help restaurants deliver consumer orders instantly. The increased use of smartphones and computers provides a platform for the service industry. Their analysis concluded that the process is practical, efficient and easy to use, and should be increasingly refined in the coming era.

- Eswaran, Dr.V. Bhuvanewari, Sivasankari, A.S. Kiran, and E. Aravind (2019), emphasized that occupation plays a crucial role in the type and time of food ordered online and mobile apps were used selectively by the customers for food ordering online at different times.
- Dang and Tran (2018), stated that mobile internet plays an important role to create and increase the awareness of online applications for food ordering and delivery. It also helped the customers to search restaurants, menu items, and comparing their prices with the competitors.

PROBLEM STATEMENT:

Present generation facing problem due to lack of time to eat food of their wish due to their busy schedule, there is no 100% awareness of people to food delivery system swiggy in India, and also Swiggy needs to identify the reasons why customers switch to other platforms and develop strategies to retain them, should increase its Delivery efficiency by reducing delivery time and ensuring the timely delivery of orders. Needs to expand its restaurant partnerships and ensure that the restaurants listed on its platform maintain high-quality standards, maintain Cost efficiency to reach out for every ordinary people out there and needs to expand its restaurant partnerships and ensure that the restaurants listed on its platform maintain high-quality standards.

OBJECTIVE:

The main AIM of this research is to know about how Swiggy's success and growth can have a positive impact on India's economy and how Swiggy is surviving and thriving during and after covid outbreak the condition of how COVID-19 pandemic has had a significant impact on Swiggy's financial performance, leading to a decline in revenue and increased losses. The past and present data are analyzed and endeavored to predict future condition of swiggy in India.

METHODOLOGY:

- For research purpose, the study was conducted through a questionnaire sent online i.e., google forms under Purposive sampling method where number of samples are 260.
- Form is circulated via social media platforms like What's app, Instagram, Telegram and Facebook.
- Through financial statement of the company, Swiggy expenses breakdown, revenue breakdown was analyzed of financial year 2021 and 2022.

Tools Used for Analysis:

- Correlation and trend analysis.
- Various ratio analysis tools applied to assess the following:
 - a. Short term analysis
 - b. Profitability ratio

ANALYSIS:

Short Term Solvency

❖ All monetary values are in Millions of INR

Years	During covid -19 (2021)	After covid -19 (2022)
Current assets	20,258	1,21,336
Current liabilities	7,031.05	16,838
Current ratio	2.88	7.206
Liquid ratio	1.62	5.7

The standard liquid assets ratio is 2:1. In other words, for Swiggy to meet its short-term goal, its liquid assets **must** double the amount of its liabilities.

However, the data here shows that Swiggy met its short-term goals better after covid-19 than during covid-19. Even after covid-19, Swiggy's short term goals are not up to standard but better than they were during covid-19, because during the pandemic, most people have lost faith in Swiggy because of the covid situation, so the financial growth of Swiggy after covid is more than during covid-19 period, 7.206:1 > 2.88:1.

The **standard ratio of liquidity is 1:1**, The researcher can see that there is an increase by comparing both the cases that is during and after covid-19, that says it is lesser during covid than after covid-19. 5.7:1 > 1.6:1.

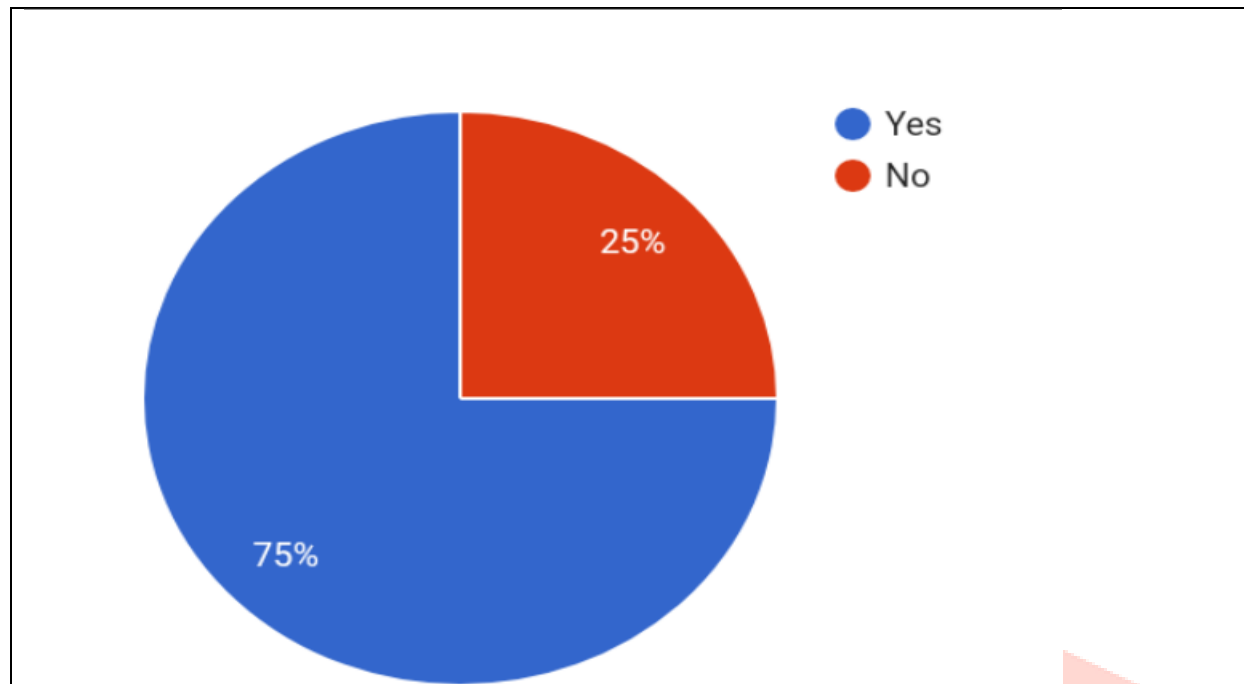
Profitability Ratio:

Years	During covid-19 (2021)	After covid -19 (2022)
Net profit ratio	51%	71%
Operating profit ratio	41%	70%
Operating ratio	59%	30%

- **Researchers** can see that gross margin is very low during the COVID-19 period compared to the **post-COVID period**, because there is **little** financial growth for Swiggy at the time, which is reflected in the gross margin ratio.
- During covid-19 the net profit ratio is 51%, but after covid the after pandemic the net profit ratio increased to 69%, the researcher can see that huge difference in net profit ratio during and after covid. The difference here that researcher could see is 20%.
- During covid-19 the operating profit ratio is 41%, but after covid it increased to 70%, here the researcher could see the difference before and after covid-19 is 30% because of covid-19 outbreak.
- During covid-19 the operating ratio is 59%, but after covid-19 the operating ratio decreased to 30%, the difference between the before and after the pandemic period is 30%, here the researcher can see the difference because of covid-19 outbreak.

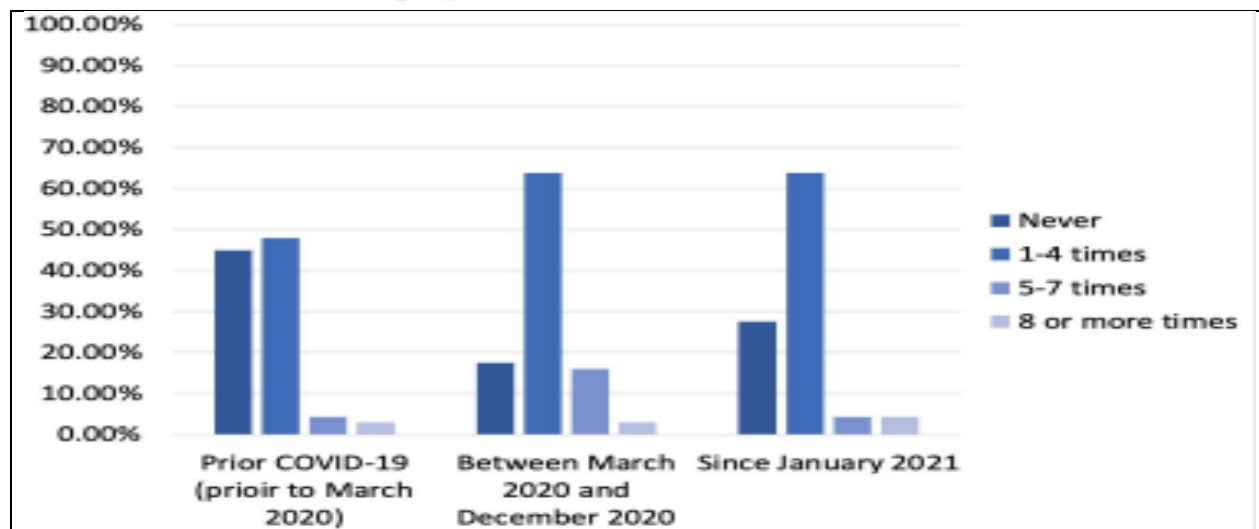
Peoples interest on swiggy system:

We conducted survey, so as per the survey study people are very interested in swiggy food delivery system. 75% of the respondents say they are interested in swiggy food ordering system, only 25% of the respondents are not interested in swiggy. This clearly shows that people are very much interested in Swiggy food delivery system.



Swiggy app usage by people:

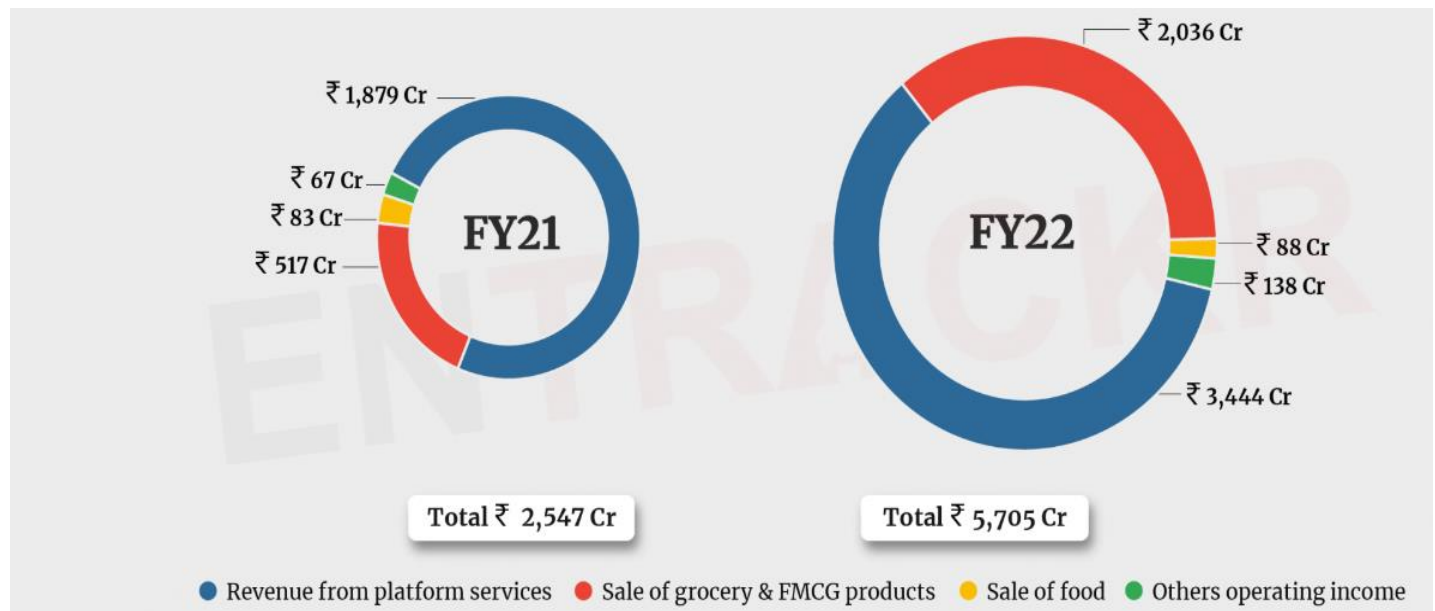
Swiggy's user-friendly interface and seamless ordering process have made it a popular choice among customers. The app offers various payment options, including cash on delivery, online payment, and digital wallets. Additionally, Swiggy offers several discounts, offers, and cashback deals to attract and retain customers, so here are some responses of people of certain area, about the usage of app about how appropriately people are using the app in an average monthly percentages of prior covid-19, during covid-19 and after covid-19 are collected through google forms are shown below, as per the flow chart analysis the usage of app between 1-4 times is more between march 2020 to December 2020 also since January 2021.



Swiggy revenue breakdown:

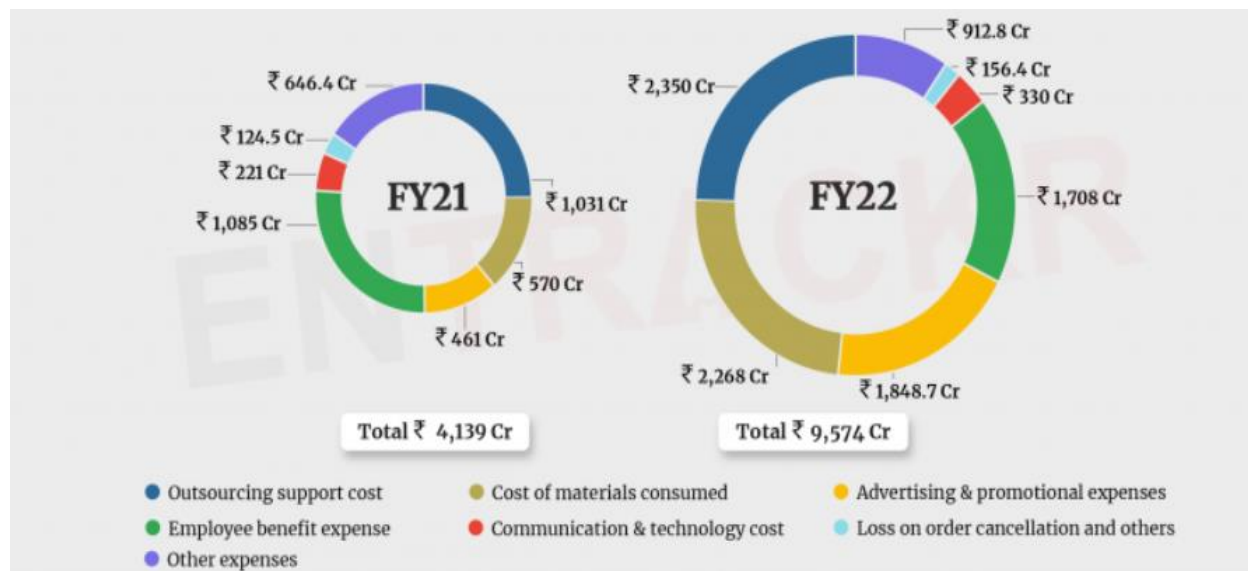
Swiggy generates revenue primarily by providing online platform services, advertising service, food and merchandise sales, subscriptions and other platform services to merchant partners. Revenue from delivery platform services increased by 83.3% to Rs 3,444 crore in **FY22** from Rs 1,879 crore in **FY21**. Unlike the fiscal 21, there was no service-related revenue disruption in the prior fiscal year, and sales of grocery and select consumer packaged goods appeared to be the second largest revenue driver. Revenue in the previous fiscal year, and revenue in the same fiscal year increased from fiscal 21 5.17 billion rupees in 2019 soared 3.9 times to 20.36 billion rupees,

according to the following analysis



Swiggy expenses breakdown:

Huge cost spread, outsourced support costs accounted for 24.5% of total expenses and these costs increased 2.3 times from Rs 1031 crore in FY21 to Rs 2350 crore in FY22. These cost increases can be attributed to the hiring of outsourced labor for delivery and the establishment of buying centers, technology costs increased by 57.4% and 49.3% to Rs 1,708 crore and Rs 3,300 crore in FY22. It is important to note that the employee benefit expenditure also includes share-based payments of Rs 5,134 crore in FY22 and the breakdown of the expenditures given below.



Drawbacks of swiggy which people think

- What makes you prefer other food delivery apps over swiggy? What do you think are the drawbacks of Swiggy food delivery system?
 - High delivery fees compared to other food delivery systems.
 - Swiggy offers less discounts and promotions compared to other food delivery systems.
 - Swiggy relies heavily on technology for its operations so there are some errors in the app, people are facing many issues while ordering food.
 - No detailed analysis of information about the restaurants and menu's they contain.
 - Swiggy's customer service can be slow or unresponsive at times, which can be frustrating for customers who have issues with their orders.
 - packaging used by Swiggy for food delivery is not environmentally friendly.

FINDINGS

- The Respondents are more interested in Swiggy food delivery system.
- The Respondents are major part of existing users of the App.
- The Respondents feel delivery fees are more.
- The Respondents feel at some times swiggy is sometimes slow or unresponsive.
- The Respondents feel packaging used by swiggy are not environmentally friendly.
- The Respondents feel that there is no detailed analysis of the restaurants menus from which they get food.

RECOMMENDATIONS

- Improve Delivery Times since Customers often complain about long delivery times by increasing delivery points so that nearer people get food delivery quickly, we can overcome this problem.
- Offer More Discounts and Promotions than other food delivery systems by providing coupons to the regular customers such that they can use those coupons for their next order and get discounts so that customers feel satisfied.
- Make sure there is no error/bugs in the system so that there will be no problem while using the app by keeping experienced technicians near by the software's 24/7, so that page will not be unresponsive, if in case error occurs it can be resolved shortly by technicians.
- Make packaging environmentally friendly don't use plastic packages, use paper bags instead for packaging so that they can be disposed easily in to the soil.
- Making the checkout process more streamlined, and providing more detailed information about each restaurant and menu item, by adding separate page in the app about each and every detail about the restaurant & food, also provide what are their special menus like what they are famous for.
- Swiggy should prioritize customer satisfaction and work towards providing a seamless and enjoyable experience for its customers by providing daily feedbacks from people so that the delivery systems make regular changes according to peoples wish so that they can be satisfied.

RESULT:

The ratio analysis and correlation study prove that there is a smaller number of financial growths in Swiggy during covid-19 period. All the ratios comparably show a significant loss in Swiggy and it is not up to the standard.

LIMITATIONS OF THE STUDY:

- The main tool used by the researcher is Ratio analysis and questionnaires sent through google forms, which have some 'thumb rule' to reveal the families financial growth.
- In this paper, the researcher only used the tool of ratio analysis to unfold the financial growth of the Swiggy.
- The researcher used a ratio analysis, which only helps us to find the dilemma and problems in the financial growth of the Swiggy.
- The study mainly reveals only the past financial statements are not forever and they are not the future.

WAY FORWARD:

- a. Further research can be done using various technological tools like Apache open office, google sheets, WPS office, etc.
- b. Further research can be done using data collection tools like combination research, focus groups, observation, qualitative research and quantitative method.

CONCLUSION:

The marrow of the topic is pertaining to know how company like Swiggy has become wealthier by increasing its delivery system efficiency and by doing more collaborations with restaurants all over the India. After reviewing previous and current year financial records, it is deemed that the banks overall financial performance is satisfactory. Swiggy should continue to focus on finding and developing a better and more innovative way to serve the customer, which will not only maintains its marketing strategies in online business .From researcher point of view, the researcher concluded that covid-19 pandemic had effected complete Swiggy Wealth wise ,but

it got back to its form after covid-19 and it taught us to stay hygienic and health conscious about Food And we have to appreciate the efforts and initiatives taken by Swiggy like keeping packing and employees hygienic during the worst pandemic situation by delivering the day-to-day food orders to all over the India. These statistics show that the swiggy financial performance has been improving year after year, but it still has to work more.

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