



**International Journal of Advanced Research in  
Education and Technology (IJARETY)**

**CASELET**

**Volume 11, Issue 1, January 2024, Impact Factor: 6.421**



# Zepto

Savitri Biradar, Nikil Patel, Anushri, Krishnakanth

Department of Management, AIMS IBS Business School, Bengaluru, India

Zepto is an Indian e-commerce company specializing in groceries and food delivery. Zepto is not just another food delivery app, but a 10-minute food delivery platform that aims to revolutionize food sales and delivery. With Zepto by their side, customers can easily purchase over 5000 products and have them delivered to their doorstep within 10-minutes using Zepto's e-grocery delivery app.

Aadit Palicha and Kaivalya Vohra, both 19-year-old childhood friends, founded Zepto in 2020 after leaving Stanford University's famed computer science department to return to their home country of India, and start the company. They launched Zepto to provide customers with fast grocery delivery. Founded in April 2021, Zepto has become one of the fastest-growing technology startups in Indian history.

The company started its operations in Bandra, Mumbai and is present in 10 major cities of the country including Gurgaon, Noida, Delhi, Pune, Ghaziabad, Bangalore, Hyderabad, Kolkata & Chennai. The company employs over 1000 people and supplies over 5000 products to Indian families, including fresh fruits and vegetables, staples, dairy products, health and hygiene products, etc.

Zepto is known for its specializing in various pre-changing food products. In 2021, the company over 86 dark store owners in thirteen different areas and generated over one million shipments. To fulfil orders quickly, Zepto uses a network of 'stake stores' or micro-warehouses.

Zepto's motto is "**Groceries delivered in 10 minutes**". They do this using Darkshops. These are nothing more than warehouses that aren't open to the public and are located in a similar area in a neighborhood where demand is high. These warehouses only store frequently ordered goods, precluding the loss of unsold stock. Zepto's dark stores are designed to process orders as fleetly as possible, reducing time effectively and efficiently. To achieve this, they use technology.

The secret of Zepto trading lies in its ability to systematically offer a wide range of products with delivery in less than ten minutes. This is the core of everything the company does and the reason why it is suitable for such rapid growth while maintaining incredible customer loyalty.

The company uses artificial intelligence (AI) to enhance the effectiveness of its delivery network by taking into account variables like rainfall, traffic, business patterns, population, geography, and the availability of last-mile supplies.

The co-founders were able to strengthen the company's roots by recruiting to talent as soon as they started building a team. They manage to convince many famous executives from Dream11, Amazon, Uber, Pharm Easy, and Flipkart. (Source: LinkedIn). These good leaders have helped Zepto achieve unit profitability and capital efficiency. This has allowed Zepto to find place in the food delivery industry.

With state-of-the-art technologies and optimized delivery centers, the company is transforming the Indian food sector. As fast commerce grows, Zepto's innovative approach positions itself as a leader in the food delivery industry, leveraging the growing demand for faster delivery services in India.

In August 2023, Zepto achieved unicorn status by raising \$200 million in a Series E funding round, increasing its valuation to \$1.4 billion. This marked the end of an 11-month drought in India. Therefore, the StepStone Group carried out a financing round in which Goodwater Capital and existing investors participated. Zepto's emergence as India's first unicorn in 2023 demonstrates its remarkable growth and potential in the high-speed trading sector, even in a challenging market.

Among the shareholders, Nexus Ventures holds the largest stake in Zepto with 20.9%. Other notable owners of Zepto include Y Combinator, Lacy Groom, Galde Brook, and co-founders Aadit Palicha and Kaivalya Vohra.

**Learnings from the caselet:-**

Zepto's business strategy is to provide fast services to all users. To stand out from the competition, they offer numerous marketing elements. One of the Zepto's best aspects is its free delivery, which sets it apart from competitors like Amazon Fresh and Instacart. Zepto is well-positioned for further growth in the coming years. The high-speed foreign exchange market in India is expected to grow rapidly and Zepto is one of the key players in this market. The company has a strong team and a clear vision for the future. Acquiring new customers and retaining existing customers is the biggest challenge for Zepto. The reason for this difficulty is that there are a large number of such organizations that employ a large of employees. When we think about the future of the Zepto app, dark stores are one of the things this service needs. Zepto's goal is to increase the number of dark stores to increase order flow. Next, Zepto then plans to start charging fees for convenience once it has managed to retain a large customer base. It would be crazy to say that Zepto will face obstacles on its path to success. However, we know that the young founders of this service will treat them with dignity.



## International Journal of Advanced Research in Education and Technology

ISSN: 2394-2975

Impact Factor: 6.421