

Swiggy all set to launch local commerce services on Dec 15

Kick-off in Gurugram; first step for the food tech company as it readies to unveil concierge service

PATANJALI PAHWA
Mumbai, 22 November

Bengaluru-based food tech company Swiggy is preparing to launch its local commerce services on December 15, three people with knowledge of the firm's activities have told *Business Standard*.

The first step in Swiggy's local commerce idea is to tie up with supermarket chains, pharmacies, meat shops, pet stores, flower vendors and others.

Tentatively, the vendors will be asked to give Swiggy a commission of 2-3 per cent for increasing sales. Apart from that, Swiggy will be slapping a delivery fee on every order. There may be some cash backs and discounts in the beginning to attract customers but the company plans to phase them out. This will be step one for Swiggy before it unveils its concierge service, which is internally called Dash and the name is bound to change once the service is announced.

Currently, even though Swiggy draws the largest number of orders for a food tech company, there is a lull between meal times. And it says it can use the lull to make other deliveries. Swiggy has been experimenting with batching, which is delivering multiple orders at the same time, and will use that to optimise its fleet.

But this is not just about optimising



its fleet. This is Swiggy's evolution from being a food-delivery company to a "deliver anything" unicorn. Local commerce is an add-on to its strength of delivering food from restaurants. It also creates more use cases. And with food being delivered consistently at an average ticket price of ₹300 with many users ordering almost five times a week, Swiggy has seen a reason to grow larger than the current pigeonhole of food delivery. A detailed questionnaire was sent to Swiggy, but there was no response.

Swiggy's vision, according to people in the know, is to be part of the local commerce ecosystem and is using the lowest-

BIG PLANS

- What is it?** Swiggy local commerce
- Who are they tying up with?** Supermarket chains, pharmacies, pet stores
- How much commission?** 2-3%
- Competition** Dunzo, MilkBasket, 1MG
- Funding raised** \$465 million

hanging fruit, which is grocery and pharmacy. The 2-3 per cent Swiggy charges initially will not be enough to break even on orders but it is planning to increase it as business picks up. Swiggy had done the same thing in food delivery and now it charges almost 15 per cent of every order from its high-usage restaurants.

Its closest competitor in the sector is Dunzo. This Google-backed concierge service recently expanded its footprint to Gurugram, Pune, Chennai, and Hyderabad, among other cities.

"Dunzo has managed to acquire customers and ease people into a service, which is completely new for many Indians," says a Dunzo executive. Swiggy will get to use the groundwork Dunzo has laid for it. But unlike Dunzo, which utilises its fleet during the lull to transport cus-

tomers, Swiggy will fall back on food.

When Swiggy unveils this service, its first casualty will not be Dunzo but pharmacy delivery start-ups such as IMG and grocery top-up firms such as Gurugram-based MilkBasket, which rely on local stores, supermarkets and wholesale outlets. It may even eat into the share of BigBasket's BB Express, where certain groceries are delivered within two hours. And this is one of the reasons why Swiggy is starting with Gurugram. Not only have the customers taken to these services faster in Gurugram compared to other cities, "the learnings from Gurugram are easily translated to other cities. It doesn't always hold true for Bengaluru," said a Swiggy executive.

Apart from the learning, Swiggy finds it easier to upend its delivery executive incentive programme. Earlier, the delivery executive just had to pick up and drop, now she or he will be asked to make decisions: "When to call the customer, when to call the company and when to make decisions independently," said the Dunzo executive. Now, delivery executives will be paid according to the speed of decisions made.

This is all very similar to one of Swiggy's biggest investors, Chinese technology company Meituan Dianping, which takes this concept a step further and lists stores from where customers buy things as small as pens and as big as TVs. It is Swiggy's ultimate aim to replicate that in India. For now, it all starts with Gurugram.

Volvo's plug-in hybrid car will be locally assembled

AJAY MODI
New Delhi, 22 November

Swedish luxury carmaker Volvo said it will do a local assembly of its plug-in hybrid cars in India by end of 2019. This will make India the third country after Sweden and Malaysia to have a local assembly of the brand's plug-in hybrid cars.

It will start with the local assembly of one model, the XC90 PHEV, and will add four models over three years to expand the hybrid range. These vehicles allow a user to cover a distance of 40 km using electric power upon full charge after which the vehicle shifts to fossil fuel using the hybrid technology. That makes these vehicles cleaner by 60 per cent, compared to a fossil fuel car, it said. The battery in these vehicles can be charged using an external source of power.

Volvo globally has decided to phase out conventional fuel powertrains and focus on electrification. The company said it is committed to a goal of featuring some form of electric propulsion in its models from 2019 onwards. The carmaker wants to sell a total



(From L to R) Charles Frump, MD, Volvo Car India, and HE Klas Molin, Swedish Ambassador to India at the embassy of Sweden

of 1 million electrified vehicles globally by 2025.

Charles Frump, managing director, Volvo Cars India, said, "The localisation of plug-in hybrids marks the future of electrification for us. Our customers are increasingly becoming aware about the rise in pollution levels and degrading environment... till the time we have supporting infrastructure, plug-in hybrids offer the intermediate solution."

The plug-in hybrid will be rolled out from the company's assembly facility in Bengaluru. Frump claimed

Volvo will be the first brand in the country to locally assemble a plug-in hybrid car.

Volvo said it will bring a full electric car to India within months of the global launch sometime in 2019. The luxury carmaker happens to be the fastest-growing luxury brand in the domestic market, though on a lower base. In the first 10 months of 2018 calendar year, the brand sold 2,194 vehicles in India, growing 40 per cent year-on-year. It sells a total of 10 models in the domestic market, of which three are assembled.

HCG talks global for next growth phase

SAMREEN AHMAD
Bengaluru, 22 November

With huge unmet demand for cancer care and rising cost of medication in India, HealthCare Global (HCG) Hospitals is coming up with a state-of-the-art hospital in Gurugram, which will work as a hub to service its 'spoke' hospitals in India and abroad. Housed over three acres, this centre will have a

capacity of around 200 beds.

HCG runs on a hub-and-spoke model. Currently, it has one hub in Bengaluru, which is the headquarters of the oncology chain. The company is expecting the Gurugram project to be completed in six to eight months. Aiming at becoming a multi-hub chain, HCG also has plans to develop its Ahmedabad and newly launched Kolkata centres into hubs.

"Our hub-and-spoke model is meant to look at the pan-Indian picture to treat cancer patients. We already have a centre of excellence in Bengaluru, which is our first hub, providing back-end facilities such as telephysics, teleradiology, and digital pathology to patients admitted to our spoke hospitals located in tier-II and tier-III cities," said HCG Chairman and Chief Executive Officer Dr Ajaikumar.

This model has improved the margins of the hospital chain significantly, as it creates a centralised pool of pharma, with specialists not required at each of the 21 HCG centres. Also, 80 per cent of the patients do not have to travel to the hub and can be treated sitting in the spoke hospitals.

According to Ajaikumar, this model has helped the health care chain to bring down the treat-

ment cost at HCG by one-sixth as compared to that in the US. He, however, said India was at a difficult stage in health care as people were not measuring the outcome but cost of medical assistance. Hence, the company with half-yearly revenue of ₹4.7 billion is now looking at international markets for its next phase of growth.

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LONG-TERM CUSTOMER LOYALTY IS STILL DRIVEN BY TRUSTED RELATIONSHIPS: DALE CARNEGIE EXPERTS



Chairperson and Managing Director of Dale Carnegie India, Pallavi Jha spoke about trust as a business imperative at Global Leadership Awards held on 31st October, 2018.



too, trust in the management is one of the most important drivers of employee engagement and loyalty.

'You have my best interest in mind', 'I can be myself with you', are some of the statements that reiterate what most of the people surveyed resonated while talking about trust. Dale Carnegie research states that 85% of customers, when asked about the behaviours most crucial to building trust, cited 'providing honest and complete information, doing what was right for them rather than trying to make the sale, and keeping promises'.

While it is essential to have some level of trust to even begin a relationship, it is an emotion that needs reiteration as the relationship grows over time too. Beyond trust, relationships also require a commitment on the part of both parties and a willingness to make short-term sacrifices to maintain the relationship, according to the insightful whitepaper by Dale Carnegie. Repeated positive interactions make trust a reciprocal action; eventually trust reinforces relationships and vice versa.

Another very important revelation that this survey makes is that personal relationships – strengthening bonds over shared interests and experiences – are nice to have but are not sufficient for creating trust in a buyer-seller relationship.

Some of the building blocks of trust, according to this whitepaper, are individual attributes like self confidence, positive attitude, empathy, benevolence, providing and communicating value along with social and professional competency. In the survey, 57% of customers identified "knowledgeable" as one of the top three attributes of their ideal salesperson.

Speaking over the topic, Pallavi Jha, Chairperson & Managing Director of Dale Carnegie India said that 'Approaching each interaction with an attitude and a set of skills that drive the right response is what creates and strengthens trusted professional relationships.'

Companies that focus on developing assets like the right individual attitude, skills and behaviours are bound to be more successful in today's hyper-competitive, customer-driven marketplace than their peers. The Trust whitepaper offers a wealth of research and insights on one of the most driving factors in the world that has repercussions on all the interactions and relationships across the world.

Someone truly said, trust is the hardest thing to find and the easiest thing to lose. The Dale Carnegie whitepaper on Trust explores this complex yet fragile emotion that drives both the consumer and the business side of the market. It examines concepts like reciprocal trust between a buyer and seller, as well as the flip side of the same coin, the buyer-seller relationship and their impact on long-term loyalty, testing the hypotheses with a survey of more than 1,600 consumers in the largest markets worldwide.

What comprises Trust? The panel discussion at Global Leadership Awards 2018 threw some interesting insights about this crucial factor that plays an essential role in any relationship. From being authentic to having faith that the other person has your best interest in mind, there are a lot of things that need to fall in place to build trust in any relationship. According to the Dale Carnegie whitepaper, trust also comprises of the perception of credibility, which forms the basis of any business exchange.

Trust brings with it a responsibility and code of conduct. Right from the start of any relationship, whether it's an employer-employee, business-stakeholder or salesperson-consumer, trust forms an important foundation for culture, partnerships and friendships too.

An interesting observation that the Dale Carnegie survey brings to light is that most

consumers would prefer to deal with trusted salespersons rather than getting the lowest price for the product! At the workplace

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