



A Pan India Courier Service Offering Embedded Into Dunzo

By Vishnu Murali

Contents

Executive Summary	2
Background	3
Hyperlocal Segment (India)	3
Courier Industry (India)	4
Current Pain Points in the industry	7
Why Should Dunzo do it?	8
Who would use it?	10
What would be the benefit for the Courier Provider?	11
How can Dunzo solve the Problem?	12
Product Design	13
Overall process flow	13
Detailed User and Process Flow	14
Proposed Design	16
Tracking feature	19
How to evaluate the service with metrics?	19

Executive Summary

- In this document, we identify the **pain points** in the services offered by major market players in the courier service industry, discuss **why** Dunzo should try to mitigate these pain points and **how** Dunzo can leverage its existing platform to solve this problem.
- The solution detailed in this document takes Dunzo one step closer to its goal - “**Change the way people move things**”



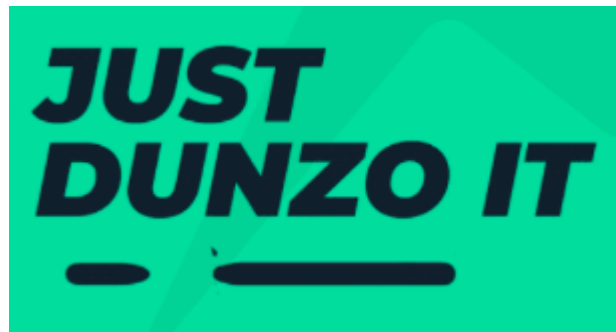
- The first half of the document contains an overview of the current current scenario in the courier industry, and the pain points faced by customers, and the proposed solution that can be integrated into Dunzo.
- The second half of the document details the proposed solution, it contains the **detailed process flow, user personas for the targeted users, product design for the new feature, tracking ability, setting up a Dunzo Delivery hub** to streamline delivery and ends with the metrics that can be used to evaluate the feature after release and the probable risks associated.

Background

Started in 2014, currently operating in multiple cities all over India with an average of over 10 Lakh orders monthly.

Product Vision

“Dunzo can change the way you move things, how you shop and lets you access your city like never before. We’re an app that connects you to the nearest delivery partner who can make purchases, pick up items from any store or restaurant in the city and bring them to you.”

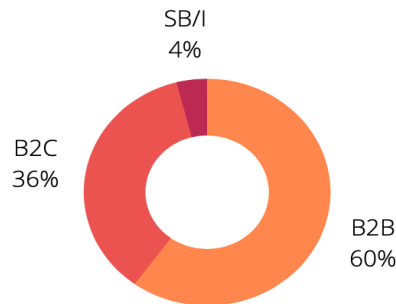


Hyperlocal Segment (India)

“Hyperlocal commerce can be described simply as building connections between local retailers and consumers in a particular area”. The segment is steadily growing with users wanting rapid service + convenience at the tap of a button.

Courier Industry (India)

- A **22,000 Cr** Industry that has grown at a **CAGR of 12%** till 2020, the pandemic has accelerated this growth
- **Extremely Fragmented** market, especially when it comes to Non-Metros and Non-Tier 1 cities.
- Almost all players are **DROP** focused when it comes to retail customers and not **PICKUP and DROP** focused as they are with bulk/corporate customers.
- **Industry Segmentation:** The segment currently contains B2B (~60% Value), B2C (~36%), and small businesses and individuals (C2C) - (**4%**).



880CR Market
12% CAGR↑

- **~1000 Cr Revenue Opportunity for Dunzo:** The courier industry in India has projections to reach **44,000 cr** in the next 10 years. In this solution, we are going to target the small business and individual customer segment, a **4%** market share that translates into an **880 Cr** opportunity.

- Major players include Blue Dart (2000Cr Revenue), DHL, Gati, FedEx etc.

Let's take the example of India's biggest private player - **Blue Dart**



- Delivers **16 Shipments every second** as of today.
- Covers over **98%** of pincodes in India, second after India Post.
- Delivered over **~200 million** domestic shipments in the last financial year.
- BlueDart is trying to optimise its technology stack to improve efficiency and harness the power of technology in the field of Logistics & Supply Chain to improve efficiency and be digital-first.

Deep dive into C2C Segment:

- **C2C** (small businesses and individuals):
 - The **top 7** Indian cities - Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Mumbai, Pune are the most frequented (85%) sectors for delivery.
 - A **high margin business** that is ridden with customer pain points.
 - Few players dominate the market, the major chunk is the international players (~**80%**) whereas the rest is fragmented with local players (~**20%**).
 - A recent survey suggested that **70%** of the C2C customers trust only the big brands for the courier service. This opens up a potential market for Dunzo, which is one of the biggest names in the food delivery business.

Reference - https://www.eiciindia.org/images/Indian_Express_Industry_2018.pdf

Current Pain Points in the industry

- **Accessibility & Convenience**

- Users have to manually search for a service provider and visit the center in person to the to place the order.

- **Tracking**

- **Tracking is poor** and not available to most of the users currently. Once the order is sent, only very few providers give an option to track the package. The user just has a vague idea about the estimated delivery time.
- Those providers that provide a tracking facility, **currently give a receipt** with all the details as an invoice cum tracking slip. The user has to manually enter the details in the provider's website each time and keep checking them. Most of the time this feature doesn't work, the tracking system faces heavy downtime and the tracking data is not granular/clear.
- **No SMS/email tracking** system is available in most cases.
- Most of the existing providers don't give a confirmation message after delivery, the onus is on the user to check.
- It is difficult for the end-user to be available to receive the package, without clear information regarding the arrival of the package.

- **Cost**

- Existing home delivery services **charge a hefty premium** to the customer thus making it difficult for the user to avail it.

Why Should Dunzo do it?

- It would **resonate** with fundamental service of “**Change the way people move things.**”
- Would be one of the **first providers** in this offering, thus will be able to onboard users and cross-sell this as a value add to existing users.
- **Dual Stream of revenue** - Charges can be collected from the user and a commission from the service provider.



- More efficient use of the delivery associate, reducing the current idle time thus generating more revenue for the associate and more **operational efficiency** for Dunzo.
- An highly fragmented, under-penetrated industry and the current providers have not fully **used technology to address pain points**, especially from the user perspective.
- Dunzo can be the **technology-driven** service in this sphere, that focuses on the user's pain point **especially in Non-Metros and Tier 2 & 3 cities**.
- Gives more control to Dunzo in the whole last-mile delivery process, thus giving Dunzo an edge in delivering a tech-driven, efficient and seamless solution to its users.
- Can be used as a **base to enter into the logistics/supply chain industry**, which can be further expanded to solve last-mile delivery problems across multiple verticals.

What would be the benefit for the Dunzo User?

- An additional feature to use within the **Dunzo** app which adds on to the **USP of the Hyperlocal environment** - Local Services which offers convenience at fingertips.
- Current players in the market do not have such a feature yet, thus making it an exciting new entrant that solves the user's pain point.
- The existing courier service providers do not offer the **app-based/good technology experience** that Dunzo could offer especially when it comes to the tracking system.

- Door Pickup Service (Traditional Providers) are **more expensive** than the rates Dunzo currently charges per km for a Dunzo service, thus benefiting the user to use a more **cost-effective option**.
- Gives more information to the user in the whole delivery process, can get **real-time updates** on the package, can get more **granular level tracking data**, faster delivery times as Dunzo connects directly with the provider.

Who would use it?

- Two major segment of users -
 - **Individuals** - Can be used for sending personal documents, e-commerce returns etc.
 - **Businesses** - Small Ecommerce firms/Small businesses

Given below are some user personas -

Name of User	User Type	User details	How does this feature help the user?
Ram	Customer	Male 40, Working Professional	<ul style="list-style-type: none">● Busy with work, need a convenient solution to send a courier with a option to pick up from office.
Radha	Customer	Female 60, Retired	<ul style="list-style-type: none">● At home, difficult to search for providers, need a simple convenient way to send from home
Sneha	Customer	Female 20, Student	<ul style="list-style-type: none">● Need to be able to do task through the phone as they are used to hyperlocal services.

● What would be the benefit for the Courier Provider?

- Traditional Non-tech focussed providers would be able to harness Dunzo's tech front with their partnership.
- Can **streamline their last-mile delivery** process by the addition of Dunzo's delivery associates.
- Since the industry is fragmented, most of the providers run on tie-ups with especially in Tier 2 and 3 cities, they can now use the power of Dunzo's last-mile solution to cater to their needs.
- Can get **more volume of orders/users** through Dunzo's customers.

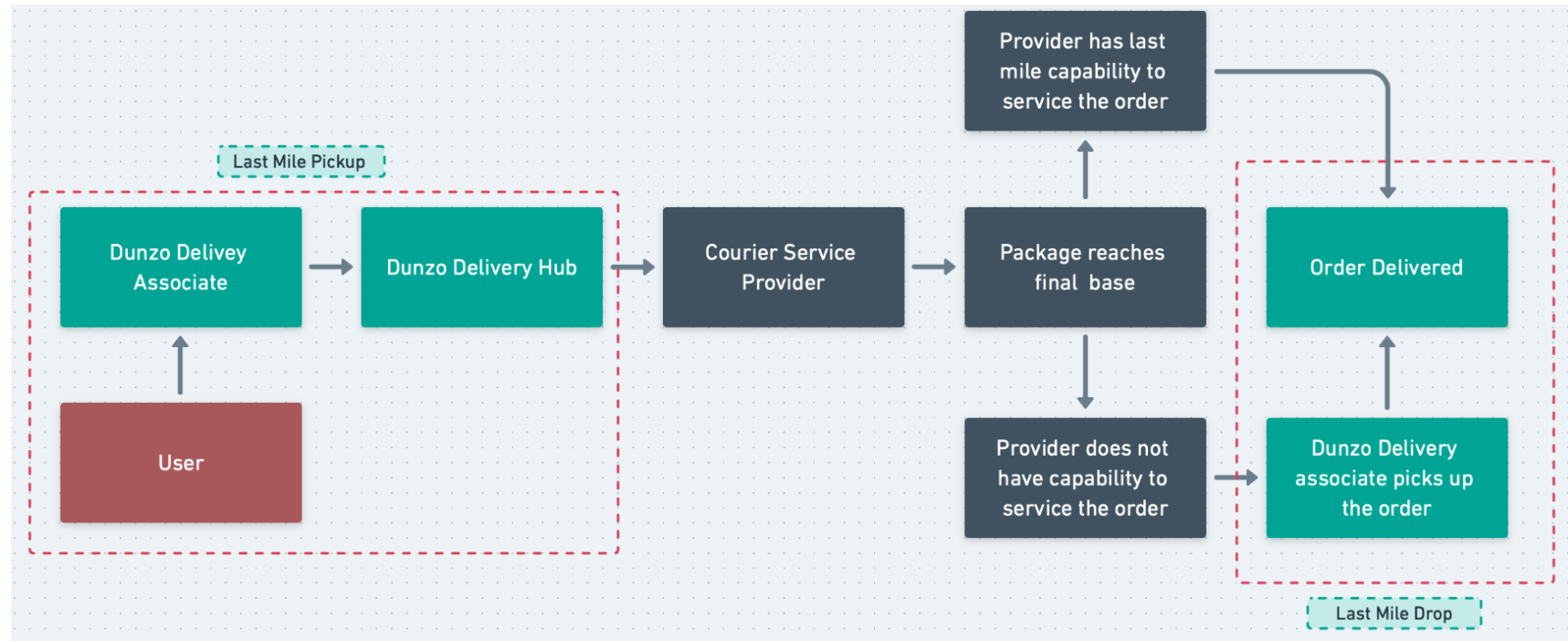
How can Dunzo solve the Problem?

Introduce a Courier Service option as a feature in Dunzo

- The Current **Just Dunzo It** service can be expanded by adding the courier service feature, which banks on the **crux** of the Dunzo offering,
- The Delivery associate can act as a **link** between the customer(Dunzo app user) and the Courier service provider (Eg Blue Dart).
- Dunzo can set up necessary warehouses and tracking infrastructure between these providers and be at the **centre of the ecosystem**.
- Currently, Courier service in India is **not user friendly**. The service by Dunzo can solve this problem by focusing on the user experience.

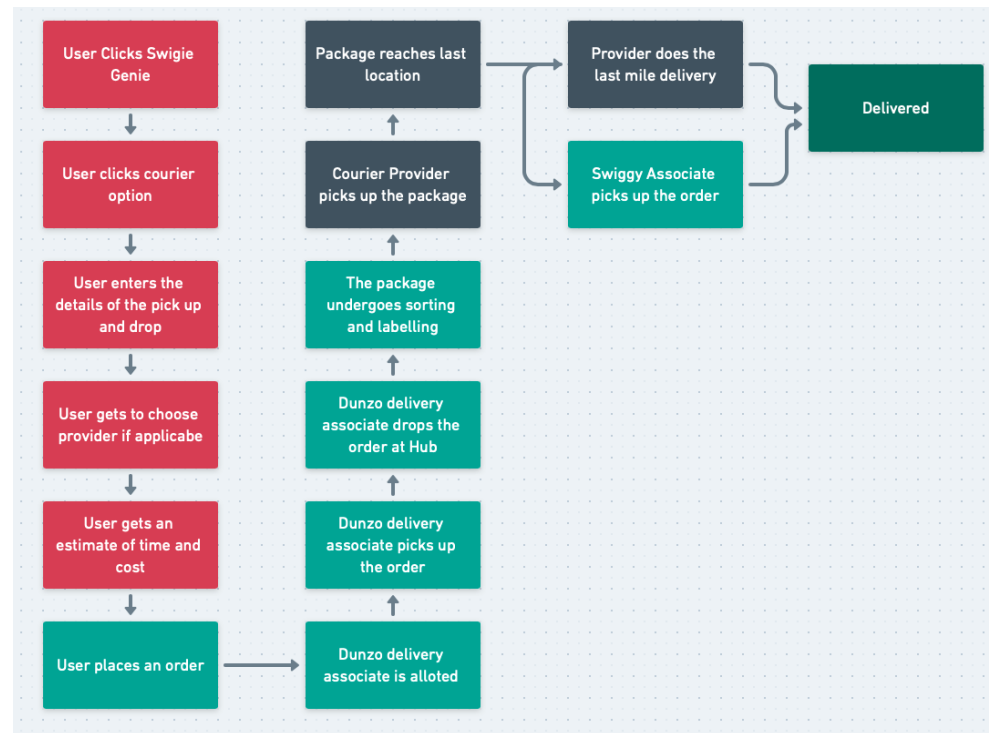
Product Design

- Overall process flow



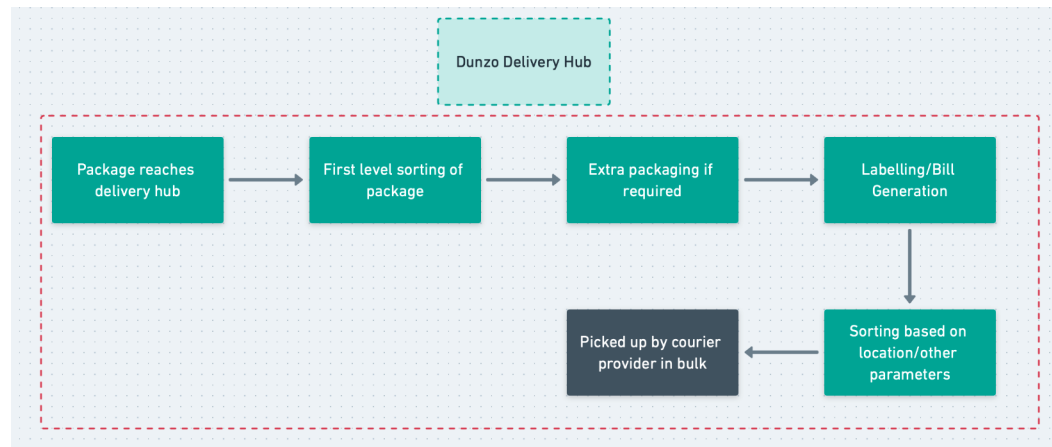
1. The last mile pickup is **always done** at the Dunzo side, Last Mile Drop can be either way.
2. The Courier service provider is at the **center** of the solution, transferring the package from the base to the final location.

• Detailed User and Process Flow



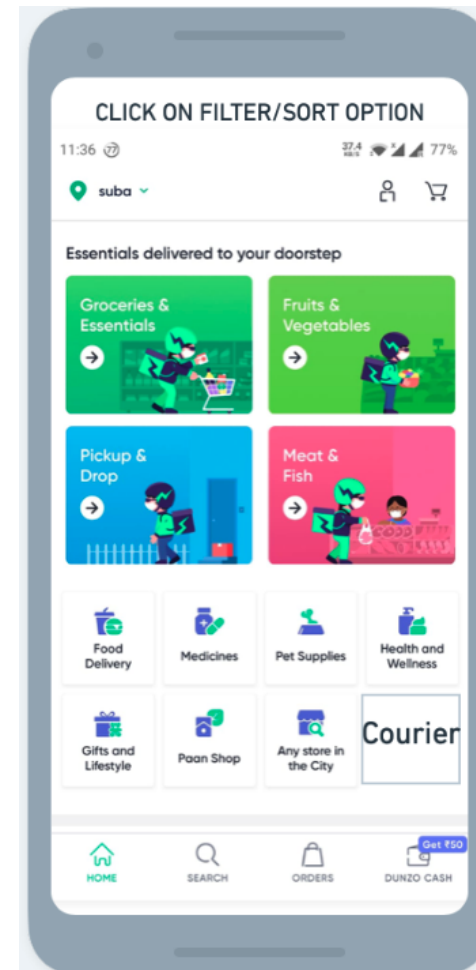
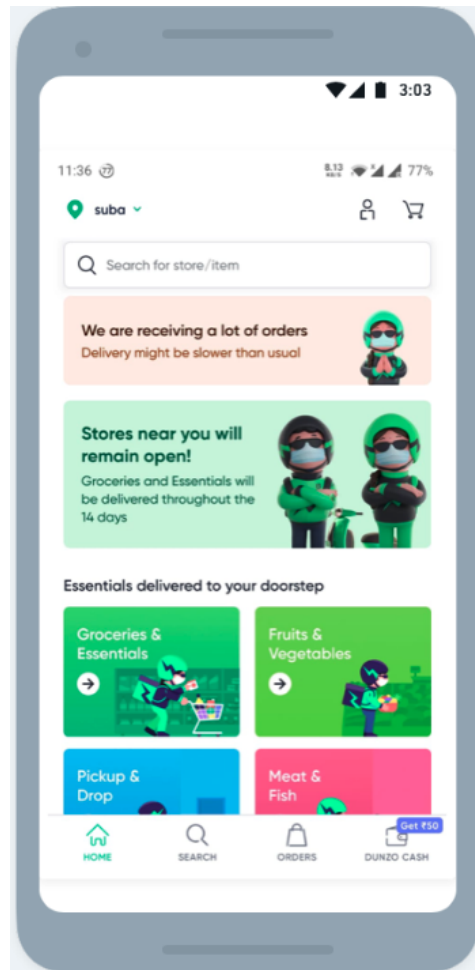
- During the initial order creation on Dunzo, the order creation record and other data points are shared to the courier provider's system.
- At every point, the order is tracked either by Dunzo/courier provider and the **data is transferred to each other through API calls**.
- The User will always be able to view the status, overall tracking and contact customer care through the Dunzo app.

● Dunzo Delivery Hub



- The Dunzo Delivery hub is at the **crux** of the Dunzo process.
- The packages from the whole city (or approx radial distance as per calculation), streamlines and comes together into one.
- The Dunzo Delivery associate transfers the package to the hub, and the package is now tagged as part of the hub.
- The package is sorted, repacked, labelled with all required data and kept ready for shipping.
- The Courier provider's office is attached at the hub.
- The Courier Provider already gets intimation in real-time as and when the orders are getting placed and processed to be delivered at the hub.
- The Pick up is then done in bulk by the Courier provider and they take over the process.

Proposed Design




ENTER THE DETAILS

11:36 1.42 77%

← Send package ?

Keep them ready to go

Please keep the items ready before the partner arrives for pickup



Pickup address*

Search pickup location

Delivery address*

Search delivery location

Select package contents*

e.g. Food, Documents

Any instructions? Eg: Don't ring the doorbell

By confirming I accept this order doesn't contain illegal/ restricted items. Dunzo partner may ask to verify the contents of the package and could choose to refuse the task if the items aren't verified. [Terms and Conditions](#).

Confirm order

PAY AND CONFIRM

1:39 26.1 58%

← Send package ?

Any instructions? Eg: Don't ring the doorbell

☒ No Contact Delivery

Partner will leave the packet outside your door

☐ OTP Verification at Delivery

OTP will be sent to the receiver's number and you. Share the OTP with the Partner after verifying the package. Use Partner chat/call to share the OTP to prevent contact.

Thank your partner with a tip

This amount will be credited to the partner's tip jar

MOST TIPPED

₹7

₹10

₹15

₹20

₹45

Custom tip

Payment Details

Partner delivery fee ⓘ ₹ 95


To pay ₹ 95

By confirming I accept this order doesn't contain illegal/ restricted items. Dunzo partner may ask to verify the contents of the package and could choose to refuse the task if the items aren't verified. [Terms and Conditions](#).

₹ 95

Inclusive of all charges

Pay now

17 

For the User (Above image)-

- The user can click on the existing Dunzo icon.
- Click the courier service provider
- Enter the details (Pick up and drop location, type of item, quantity).
- Review, Submit the details and make the Payment.

For the Delivery Associate-

- The order comes up as a Pickup and Drop.
- The associate picks the package from the user and drops it at the Dunzo delivery hub.

For the Courier Service Provider-

- Data is continuously sent to the provider from the time of the pickup, thus giving them enough data points to prepare for the overall bulk order pickup and streamline their services.
- The associate picks the package from the user and drops it at the Dunzo Delivery Hub.

Tracking feature

- At **every stage** of the process, the item is tracked and the **data is shown** on the Dunzo tracking page.
- **Regular SMS updates** are sent as per the user preference as the status changes from a stage to another.
- Contact option is given on the tracking page in case the user needs help.
- Once the item is delivered the order is closed and is saved for future reference.
- Any complaints after the item is delivered can be raised using the tracking page.

How to evaluate the service with metrics?

An exhaustive list of metrics can be used to evaluate the success of various stakeholders-

For the user

- No. of Courier orders delivered on time.
 - Helps to identify how many orders were delivered as expected by the user.
- No. of complaints raised on the app regarding the order.
 - The lesser the complaints, the better the metric to identify customer happiness.

For Dunzo

- No. of Courier orders placed in a day.
 - An increase shows that the feature is picking up pace among the users.
- No. of new users joining to use the courier service.

- This metric is directly proportional to success, the feature is tempting enough for new users to get onboarded and use Dunzo.
- No. of recurring orders.
 - Directly proportional to success, the customer is now retained within the Dunzo ecosystem.
- No of users sending referral link & No. of successful referrals.
 - A Good Metric for success, can gauge how much of an impact the service has been for the user as they are recommending the same to their peers.

For the Courier Provider

- No of orders through Dunzo
 - An increase shows that the feature is picking up pace.
- No. of new customers through Dunzo
 - An increase in this metric shows that Dunzo helped in getting new customers and unlock more revenue for the company.

Probable Risks

Risk mitigation is a prime factor to consider before the launch of any feature. Avoiding risk is not an ideal strategy but managing risk is; this can be done by thorough evaluation of all possible scenarios, their impact and keeping a risk management process in place in cases of disruption. Ideally there should always be a limiting point for stop loss, which should be triggered and due process followed in such cases.

The following are some of the risks that could be associated with this feature -

Risk associated with	Risk
User	User, books the order and does not give the package on time
User	At the final delivery location, no one is available to collect the package.
Delivery Associate	Lack of delivery associates available to make delivery/pickup,
Delivery Associate	Safety of the package and on-time delivery
Courier Service Provider	Lack of proper integration between Dunzo and the courier providers system, especially for tracking data.
Courier Service Provider	Package misplaced
Courier Service Provider	Package delayed
Courier Service Provider	Server downtime with the courier provider systems

