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A Study on the Growth and Success Path of Delhivery

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ABSTRACT

This is the best time for the logistics companies to grow and flourish as the world is switching from retail to online shopping. Like any other business, logistics and supply chain too must go through difficult times of market turbulence, unstable economy, and unpredictable business returns. Having said that, it is the leadership and the management of an organization that helps the company sail through times like those in order to meet the expectations, forecast the market, and design a robust strategy business plan. I am going to discuss the growth path and success of one of the fastest-growing logistics companies we have today

Keywords: *delivery, distribution channels, shipping*

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INTRODUCTION

The idea was originally conceived as a hyperlocal express delivery service provider for local offline stores, delivering grocery, food, etc., towards the beginning. At that time, online retail market in India was booming with investors coming in from different parts of the world. The two founder partners of Delhivery, Barua and Tandan wanted to venture full time into this booming industry looking to the rate of its expansion. Urban Touch was Delhivery's first e-commerce client which is an online fashion retailer. Later, in 2011, Delhivery could not overlook the vast opportunities in the logistics industry and started providing logistics services to e-com companies [1].

Delhivery is not just a logistics company but it also sells technology that controls the supply chain for an online retailer. It is also a supply chain enabler. It is one of the very few logistics companies that grew exponentially in a very short span of time. We are going to go over the accomplishments, strategies, and the growth graph of Delhivery by virtue of this study. It presents learnings and inspiration for the start-ups and the struggling firms set out to carve their names in logistics and supply management.

OBJECTIVE

To learn and understand the business model of Delhivery and how it has risen to be one of the top players in the country. The same has been accomplished by a detailed analysis of the company's origin, strategies, and studying its growth path [2].

- To know about the logistics industry
- To know whether the customers are satisfied with the service of Delhivery and to know its market share
- To know about the problems related to the logistics segment/distribution channels, such as domestic and international segments
- To seek out the prospects

Delhivery was founded in May 2011 and in June same year, it launched its express logistics services in Delhi NCR. It took them months of planning, optimization and implementation to come up with their first facility. Delhivery was equipped to handle more than 500 shipments per day for five e-com clients in Delhi NCR by December 2011. Their strength rose to more than 150. In 2012, Delhivery received a round of funding from Times Internet Ltd. It soon launched its fulfilment services in Delhi and Chennai with more than 10,000 sq. ft. of fulfilment space and processed up to 50,000 shipments a day. Its team size was now above 1000. 2013 was the year of expansion for Delhivery as it expanded its express logistics services to 130 cities. The fulfilment services had expanded to three cities with over 40,000 sq. ft. of fulfilment space

Delhivery knew exactly what was required in order to run the logistics smoothly. Their tech and engineering teams came up with the most suitable and time-saving navigation layout. They received the next round of funding from Times Internet Ltd. and Nexus Venture Partners in September. Following that, they opened their new office and launched suite of commerce technology including Vendor Panel, Godam FALCON. Their strength increased to more than 2500. They expanded further in 2014 and the express services expanded to more than 175 cities with six fulfilment centers with 250,000 sq. ft. of space to offer Delhivery fulfilment services across India. Their processing capacity shot up to over 250,000 shipments a day. In September 2014, they got the next round of funding by Renuka Ramnath-led private equity firm Multiples Alternate Asset Management with participation from existing investors Nexus Venture Partners and Times Internet Limited. 2015 was another year of proliferation for Delhivery as their services expanded to more than 350 cities with 16 fulfilment centers with 1 million sq. ft. of warehousing including first FC in Dubai for cross-border fulfilment and expansion of processing capacity to over 1.2 million shipments a day. April brought another series of funding led by Tiger Global Management with participation from existing investors and the team size was now more than 15,000. In 2016, more than 3000 clients availed their services including 150 of India’s largest offline brands. It was in this year itself, when Delhivery launched its less-than-truckload and full-truckload-freight services. 2017 was the year of expansion to more than 9000 pin codes and 800-plus cities with funding from Carlyle, Tiger Global, and Fosun.

- Delhivery services
- Transportation services
- Shipping
- Freight services
- Special services
- Warehousing services
- Order management

Delhivery is not just a logistics company but also sells technology that controls the supply chain for an online retailer. It is also a supply chain enabler. Although a bit more expensive than some of the smaller players, Delhivery is cheaper than Blue Dart and FedEx. It charges a flat rate depending on the weight and volume of the parcel and the distance that needs to be covered.

CONCLUSION

To scale heights in any business, one must understand the dynamics of the market and adapt to the ever-changing trends and requirements of the people as well as the organizations. There should be enough flexibility in the business model, which allows catering to various needs of the customers and offer solutions to meet the demands that arise with the changing times. Delhivery has broken the conventional systems of door-to-door delivery and adopted direct distributing model, enabling direct delivery to the customer without having to first receive the parcels at the hub.

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