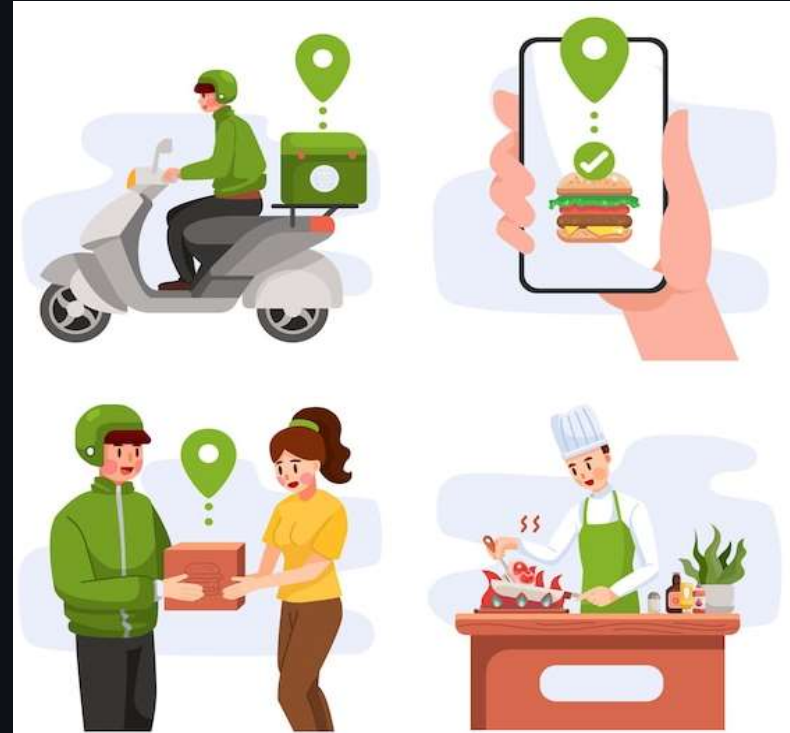




Cracking Growth at Peppo

Segmenting for Scale - Case Study



ABOUT THE CASE

The Situation

Peppo is a meal-kit delivery startup that launched in 2021, targeting urban millennials and Gen Z in India's Tier 1 cities. Unlike Swiggy and Zomato, Peppo delivers pre-portioned ingredient kits with step-by-step video guides, promising a cooking experience — not just a meal. After rapid early adoption, growth hit a wall by early 2024. Retention beyond Week 2 was falling, acquisition costs were rising, and most users made only 1-2 orders before churning.

As a PM - Build a segmentation model to find high-value users. Design a user research plan mixing quantitative and qualitative method on the bases of 1000 user data. Identify the most promising cohorts and their unmet needs. Recommend 1-2 priority segments, growth experiments, and a product roadmap (data research, framework and user journey mapping).

THREE KEY QUESTIONS THIS CASE ANSWERS



Who are the highest-value users?



Why do they retain better than others?



How do we attract more like them?

MARKET OVERVIEW

India's Meal Kit & Foodtech Landscape

\$15B

India Foodtech Market (2024)

24%

CAGR (2023-2028)

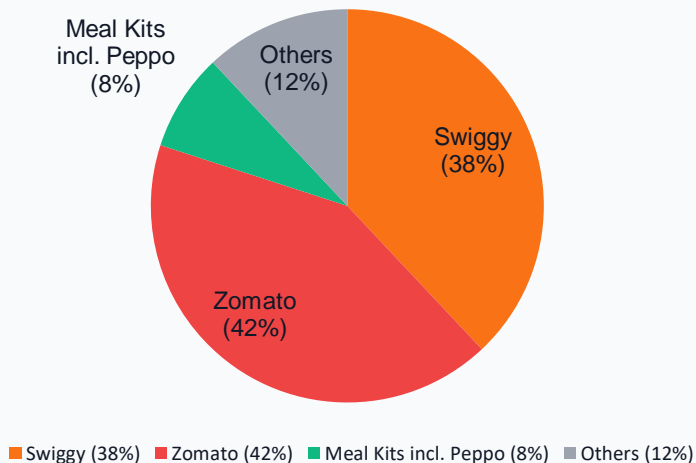
350M+

Food Delivery App Users

65%

Population Under 35

India Food Delivery Market Share



Why Meal Kits Are Growing in India

- Social media influence — cooking content went viral on Instagram & YouTube
- Health consciousness — people want to know what goes into their food
- Work-from-home culture made home cooking more accessible
- EdTech-style gamification is now expected in every consumer app
- Swiggy/Zomato fatigue — users seek differentiated food experiences

India's First Video-Guided Meal Kit Platform

Company	Model	Target	Markets
Peppo (est. 2021)	Meal Kit Delivery	Urban Gen Z & Millennials	BLR, MUM, DEL

2.5M+
Monthly Active Users

8%
Meal Kit Market Share

4.6★
App Store Rating

<30 min
Avg. Delivery Time

HOW PEPPO WORKS – STEP BY STEP

1

Browse & Choose

Pick a recipe from our curated menu — filter by cuisine, time, or difficulty

2

We Prep & Deliver

Fresh pre-portioned ingredients arrive at your door in under 30 minutes

3

Watch & Cook

Follow our step-by-step video guide — even beginners can cook like a pro

4

Enjoy & Share

Eat a restaurant-quality meal you made yourself. Share with friends!

Peppo's Unique Strengths (USP)

- Only platform in India with video cooking guides for every recipe
- Fastest meal kit delivery — under 30 min (vs. next-day for competitors)
- Pre-portioned = zero food waste, exact ingredients, no guesswork
- Premium loyalty tiers (Bronze → Silver → Gold) drive repeat orders
- Strong brand love among 25-34 urban females (highest NPS segment)

Growth Milestones

- 2021** Launched in Bangalore — 10K users in first month
- 2022** Expanded to Mumbai & Delhi — 500K MAU reached
- 2023** Launched video guides — retention jumped 40% for viewers
- 2023** Loyalty pilot launched — Gold users order 5x more
- 2024** 2.5M MAU — but growth needs a new engine

THE PROBLEM

Growth Plateau — What's Really Going Wrong?

65%

Users Never Return

After their first order, most users churn within 2 weeks

2X

CAC Has Doubled

Cost to acquire one user from paid ads doubled in 3 quarters

1-2

Avg. Lifetime Orders

Most users order once or twice then stop — very few become loyal

Root Cause: 5 Whys Analysis

- 1 Why is retention low? → Users don't come back after their 1st order
- 2 Why don't they come back? → First experience didn't meet expectations
- 3 Why didn't it meet expectations? → Not enough recipe variety; felt repetitive
- 4 Why is variety an issue? → Peppo has only ~50 recipes with no personalization
- 5 Why no personalization? → No user segmentation model exists to understand users

CEO DIRECTIVE

"Improve retention and LTV. Identify the high-value segments and double down."

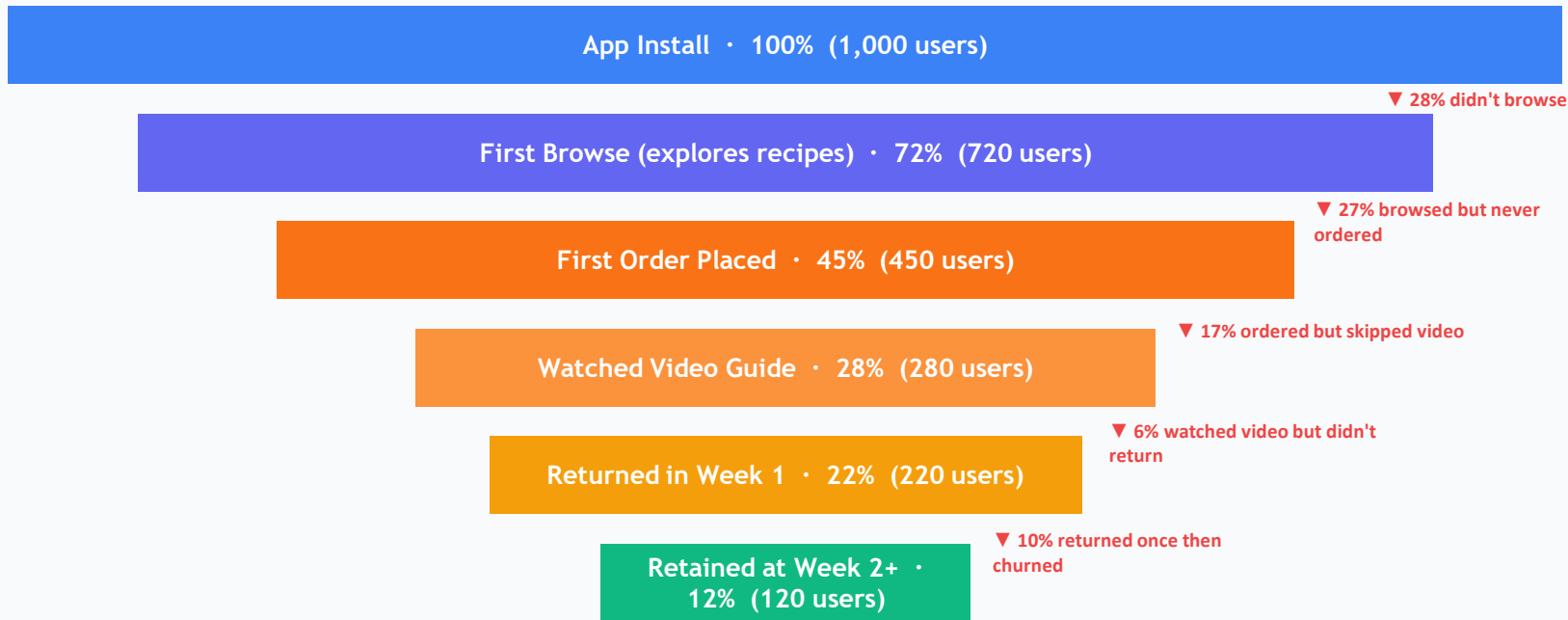
Peppo's Current App Experience — Pain Points Identified

Home Screen · OK	Order Flow · MIXED	Post-Delivery · WEAK
<p>Peppo — What's Cooking?</p> <ul style="list-style-type: none">✓ Today's Picks (only 8 recipes shown)X No filters: cuisine / time / dietaryX No personalization — same for everyoneX Video guide link buried in footerX "See All" shows only 50 total recipes	<p>Select Kit → Add to Cart → Pay</p> <ul style="list-style-type: none">✓ Clean checkout — UPI/Card/WalletX No "watch video first" promptX No feedback proof (reviews/ratings)X No bundle offers or meal plans (Cook for family)✓ Delivery ETA shown (good)	<p>Your Order Has Arrived!</p> <ul style="list-style-type: none">X Video guide link in email (not app)X No auto-play or push to watch videoX No progress tracking or streaksX No "cook again" or recipe saveX Rating prompt after 2 days (too late)

6 CRITICAL UX PROBLEMS IDENTIFIED

- | | | | |
|-----------------|---|-----------------|--|
| Critical | Video guide is invisible: 65% of users never find it — but watchers retain 3x better | Critical | No recipe personalization: Same 50 recipes shown to everyone — 62% say "not enough variety" |
| High | No social proof on recipes: Users can't see ratings/reviews before ordering — reduces trust | High | Post-delivery experience is empty: No streak, no save, no share — zero hooks to bring users back |
| Medium | No bundle or subscription option: 31% say too expensive — bundles would improve perceived value | Medium | Rating prompt comes too late (2 days): By then users have moved on — missed feedback window |

User Funnel & Drop-Off — Where Users Are Leaking



Critical Finding: Only 28% of users who place their first order watch the video guide. But those who DO watch videos retain at 3x the rate. The video guide is the "aha moment" — but most users miss it.

COMPETITIVE ANALYSIS

Peppo vs. The Market — Where We Stand

Feature	Peppo	Swiggy	Zomato	Licious
Core Model	Meal Kits	Food Delivery	Food Delivery	Meat/Seafood
Video Cooking Guides	Yes ★	No	No	Basic
Delivery Time	<30 min	30-45 min	30-45 min	Same day
Recipe Variety	Limited (~50)	10K+ restaurants	10K+ restaurants	200+
Loyalty Program	Pilot	Swiggy One	Zomato Gold	None
Price Range	₹250-500/kit	₹100-800	₹100-800	₹200-1000
Unique Strength	Video experience	Speed + selection	Social reviews	Fresh quality
Weakness	Low variety	Generic meals	No cooking	No meal kits



Key Competitive Insight

Peppo's video-guided cooking experience is truly unique in India — no competitor offers this. But limited recipe variety (only ~50) and zero personalization are critical gaps. The winning strategy is to double down on the video experience while fixing variety and adding personalized recipes.

TARGET SEGMENT & PERSONAS

Who Are Our Users? — Personas & Jobs-To-Be-Done

HIGH VALUE — "The Cooking Explorer"

Priya | 27 | UX Designer | Bangalore

Cooks 3-4 times/week. Watches food videos on YouTube.
Orders Peppo 5+ times. Saves recipes. Gold Tier.
Came through organic search. Uses video guides every time.



JOB TO BE DONE

"When I get home after work, I want to cook something new and healthy in under 30 minutes, so I can feel accomplished and eat well without ordering junk food."

PAIN POINT

"I've made everything on the menu. I need more recipes!"

AT RISK — "The Curious Trialist"

Arjun | 23 | Marketing Exec | Delhi

Cooks 0-1 times/week. Saw Peppo on Instagram ad.
Ordered once. Didn't watch video. No recipe saved.
Came through paid ad. Price-sensitive. Bronze Tier.



JOB TO BE DONE

"When I see a cool cooking trend on Instagram, I want to try it once to impress my friends, so I can feel trendy without committing to actually learning to cook."

PAIN POINT

"It was too complicated and too expensive for what I got."

USER STORIES

As a cooking enthusiast, I want to filter recipes by cuisine, difficulty, and time so I always find something new to try.

As a first-time user, I want the video guide to play automatically after my kit arrives so I know exactly what to do.

As a price-conscious user, I want to see a 2-meal bundle discount so I feel I'm getting value for money.

USER JOURNEY MAP

Priya's End-to-End Experience With Peppo

Phase	Discover	First Order	Cook	Post-Cook	Return?
Activity	Sees Peppo on Instagram/friend	Browses recipes, picks a kit, pays	Kit arrives, opens ingredients, cooks	Eats meal, rates experience in app	Gets push notification for limited recipes
Emotion	Excited 😄	Curious 🤔	Engaged 🍴	Satisfied 😊	Bored 😞
Pain Point	No clear value prop vs Swiggy	Limited options; can't filter well	Didn't see video; steps were hard	No social sharing or community	Same recipes; no personalization
Opportunity	Better onboarding show video CTA	Add filters: cuisine, time, difficulty	Auto-play video when kit arrives	Share your dish photo + review	AI recommended recipes

KEY TOUCHPOINTS: Instagram Ad → App Store → Onboarding → Recipe Browse → Cart → Delivery → Video Guide → Rating → Push Notification → Reorder

Peppo currently solves for delivery well, but fails at discovery, personalization, and re-engagement

SURVEY DATA ANALYSIS

RESPONDENT DEMOGRAPHICS

Age	78% are 20-34 (target demographics)
Gender	55% - Female, 40% - Male, 5% - Other
City	BLR - 38%, MUM - 33%, DEL - 29%
Device	80% - Android, 20% - iOS
Cooking Freq	42% cook 3-4x/week

HYPOTHESES

H1

Limited Recipe Variety Is Causing Users to Churn - Users stop ordering because they run out of new recipes to try — Peppo only has 50 options with no filters.

H2

Video Guide Is the "Aha Moment" But Most Miss It - the video cooking guide is the key "aha moment" — but most users never discover it because it's buried somewhere in the app.

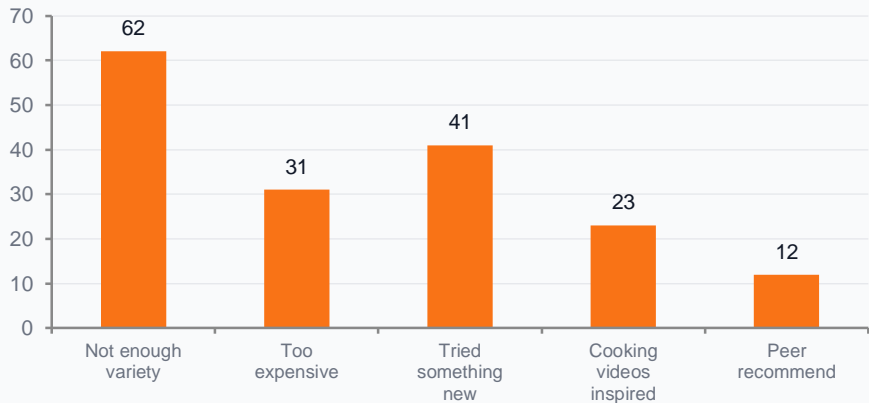
H3

Paid Ads Bring Low-Intent Users - Instagram/Google ads drive installs but not loyalty — referral users have 3x higher LTV at half the CAC.

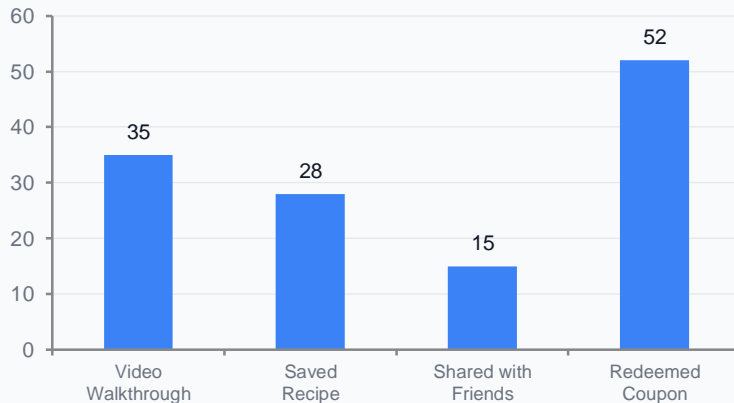
H4

Users Think Peppo Is Too Expensive - Users see ₹350-500 per kit as expensive vs ₹150 Swiggy order.

What Prevented You From Reordering?



Feature Usage Among All Users

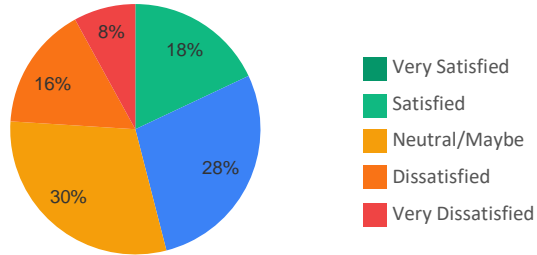


USER RESEARCH INSIGHTS

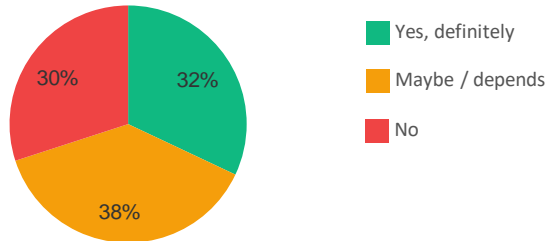
PEPPO USAGE



Overall Satisfaction (1-5 scale)



Would recommend Peppo?



QUALITATIVE INSIGHTS (Interview Quotes)

Priya, 27 — Gold tier (8 orders)

RETAINED USER

- "I've made everything on the menu twice. I need more recipes!"

Arjun, 23 — Bronze tier (1 order)

CHURNED USER

- "₹400 for one meal? I can get biryani for ₹150 on Swiggy."

Meera, 25 — Bronze tier (1 order)

CHURNED USER

- "I didn't even know there was a video guide."

Karthik, 30 — Gold tier (6 orders)

RETAINED USER

- "Add South Indian recipes and I'll order every week."

42% cook 3-4x/week — the ideal Peppo user who wants help, not a full meal delivery

Click Here See Full Survey Report: [Source](#) (Ctrl + Click on Link)

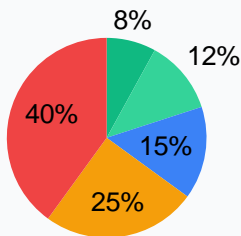
RFM Behavioral Segmentation – Finding Our Best Users

What is RFM?

Recency (when last ordered) × Frequency (how often) × Monetary (how much spent)

Segment	% Users	Recency	Frequency	Monetary	LTV	Action
Champions	8%	This week	5+ orders	₹2000+	High ★★★	Loyalty + Referral
Loyal	12%	2 weeks	3-4 orders	₹800-2000	Med ★★☆	Upsell + Engage
Potential	15%	3 weeks	2 orders	₹400-800	Med ★★☆	Nurture + Video
At Risk	25%	1 month+	1 order	₹200-400	Low ★☆☆	Re-engage
Lost	40%	2+ months	1 order	<₹200	None	Deprioritize

User Distribution by Segment



WHO SHOULD WE FOCUS ON?

Champions and Loyal (20%) of users, likely gives 60% of revenue). They are already engaged, love the video feature, and have the highest NPS. Every ₹1 invested here returns 5x more than acquiring new users from paid ads.

Secondary focus: "Potential" users (15%) who ordered twice. They are one nudge away from becoming loyal — if we fix the video discovery problem.

How Do We Fix Retention? — 4 Solution Ideas

1 Video-First Onboarding

Make the video guide impossible to miss. Auto-play when kit arrives. Show video CTA prominently during first browse. Users who watch videos retain 3x better.

Value: Activation

Risk: May slow down first-order flow

2 Recipe Variety Blitz

Add 20 new recipes per month across Indian regional cuisines — South Indian, Bengali, Gujarati, Rajasthani. Let users filter by cuisine, time, and difficulty level.

Value: Retention

Risk: Content production cost increase

3 Smart Referral Engine

Give Gold users 2x referral rewards. Let them share cooking videos and recipes socially. Referral users have 3x higher LTV than paid-channel users.

Value: Acquisition + LTV

Risk: Reward costs may increase short term

4 Personalized Recipe AI

Use order history + saved recipes to recommend new kits weekly. Send personalized push notifications based on cuisine preference and cooking frequency.

Value: Engagement

Risk: Needs ML engineering investment

RICE FRAMEWORK

Prioritizing Solutions — What to Build First

RICE = (Reach × Impact × Confidence) ÷ Effort

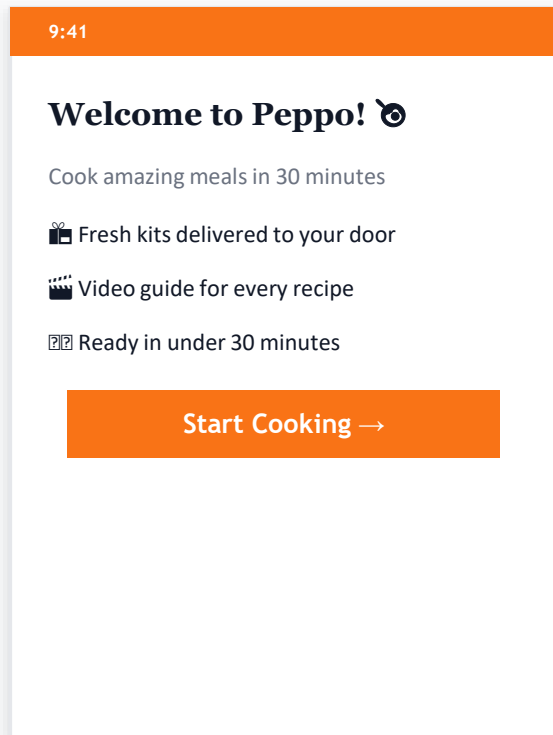
Reach = Users per quarter (1000 from our dataset) | Impact = 0.25 (minimal) to 3 (massive) | Confidence = 50-100% | Effort = (1 – 6 months)

Solution	Reach (R)	Impact (I)	Confidence(C)	Effort(E)	RICE Score	Priority
Video-First Onboarding	1000 (Users Onboarding)	3 First Video = 3x retention (proven)	80% (Strong retention)	3 (Design + Dev + QA needed)	800	P0 🏆
Recipe Variety Blitz	720 (72% users browse recipes in data)	3 (62% say variety is #1 issue)	75% (68% user says yes)	3 (Recipe creation + video + sourcing)	540	P1
Smart Referral Engine	120 (Only 12% retained users refer)	2 (referral users have 3x LTV)	85% (LTV data is strong)	2 (Referral tracking + rewards + UI)	102	P1
Personalized Recipe AI	450 (45% users placed 1+ order)	2 (High if it works but uncertain)	60% (AI test required)	6 (ML engineering + data + testing)	90	P2

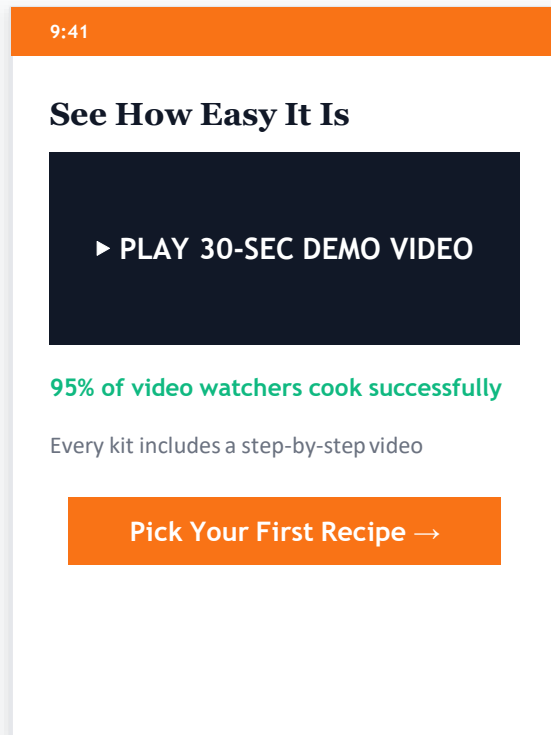
Why this wins: **Video-First Onboarding (RICE Score: 800)**

- Highest reach — affects 1000 users/quarter (every new user goes through onboarding)
- Massive impact — users who watch video retain 3x better (proven from data)
- 80% confidence — Strong retention
- Zero new content needed — just make existing video guides more visible and prominent

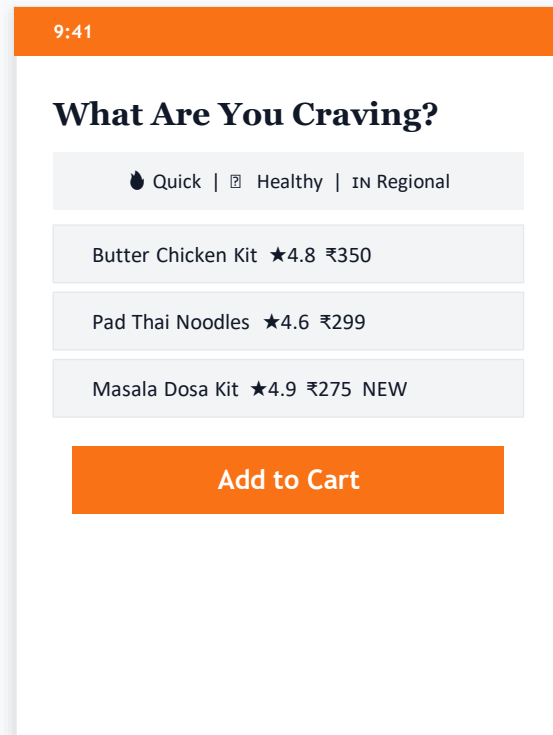
Video-First Onboarding Redesign — High Fidelity Screens



Screen 1: Welcome

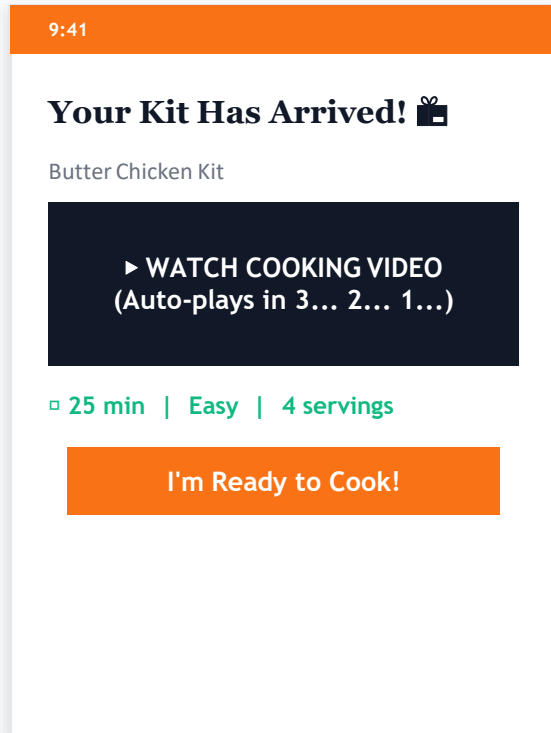


Screen 2: Video Preview

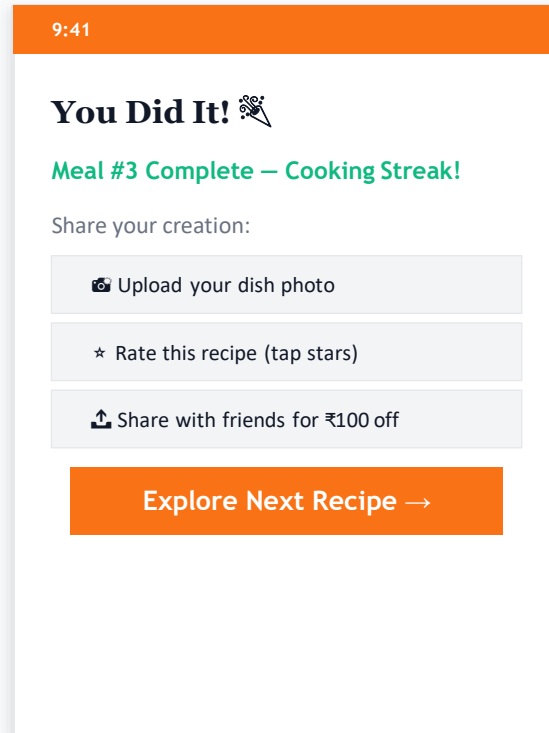


Screen 3: Recipe Browser

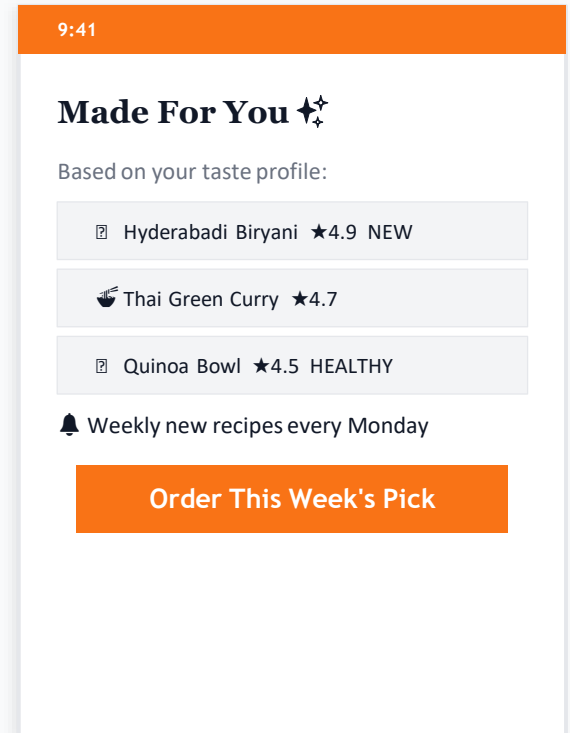
Redesigned Post-Delivery & Re-engagement Screens



Screen 4: Kit Arrived + Video

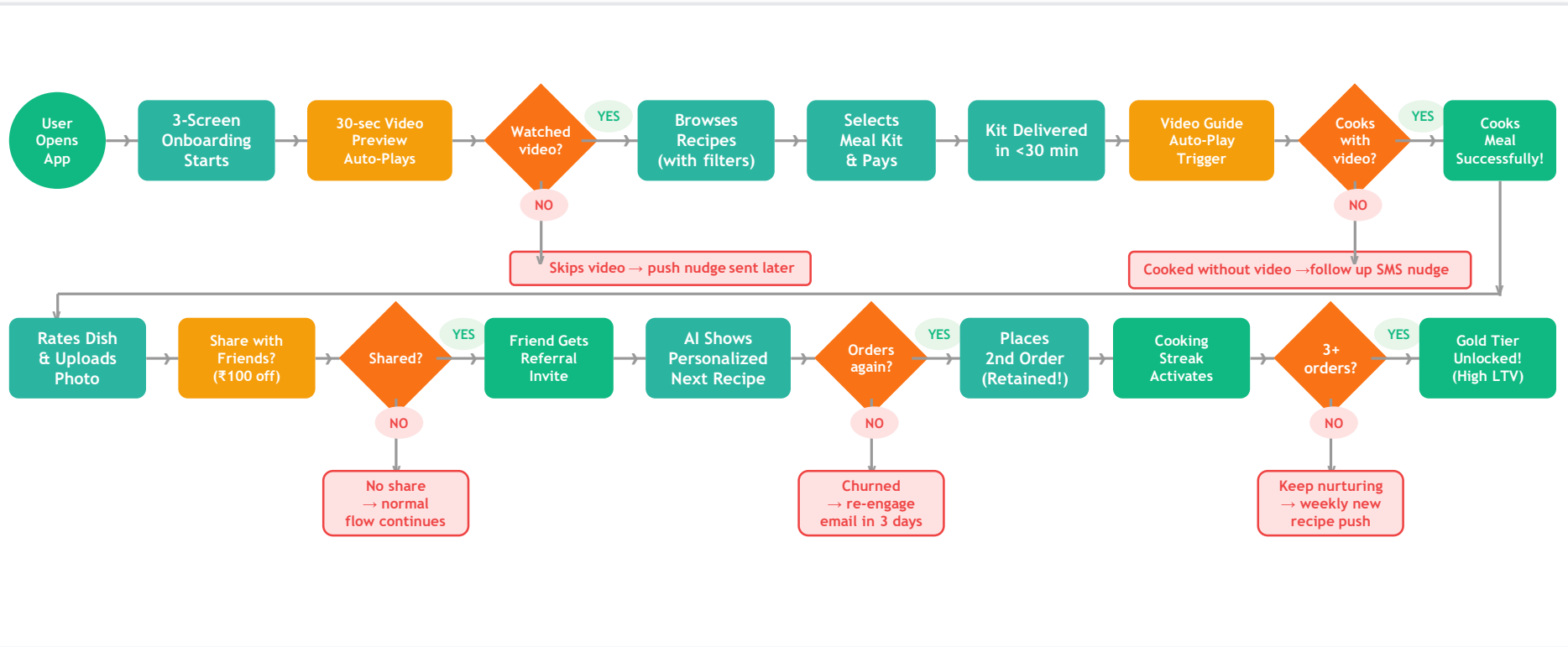


Screen 5: Progress + Social

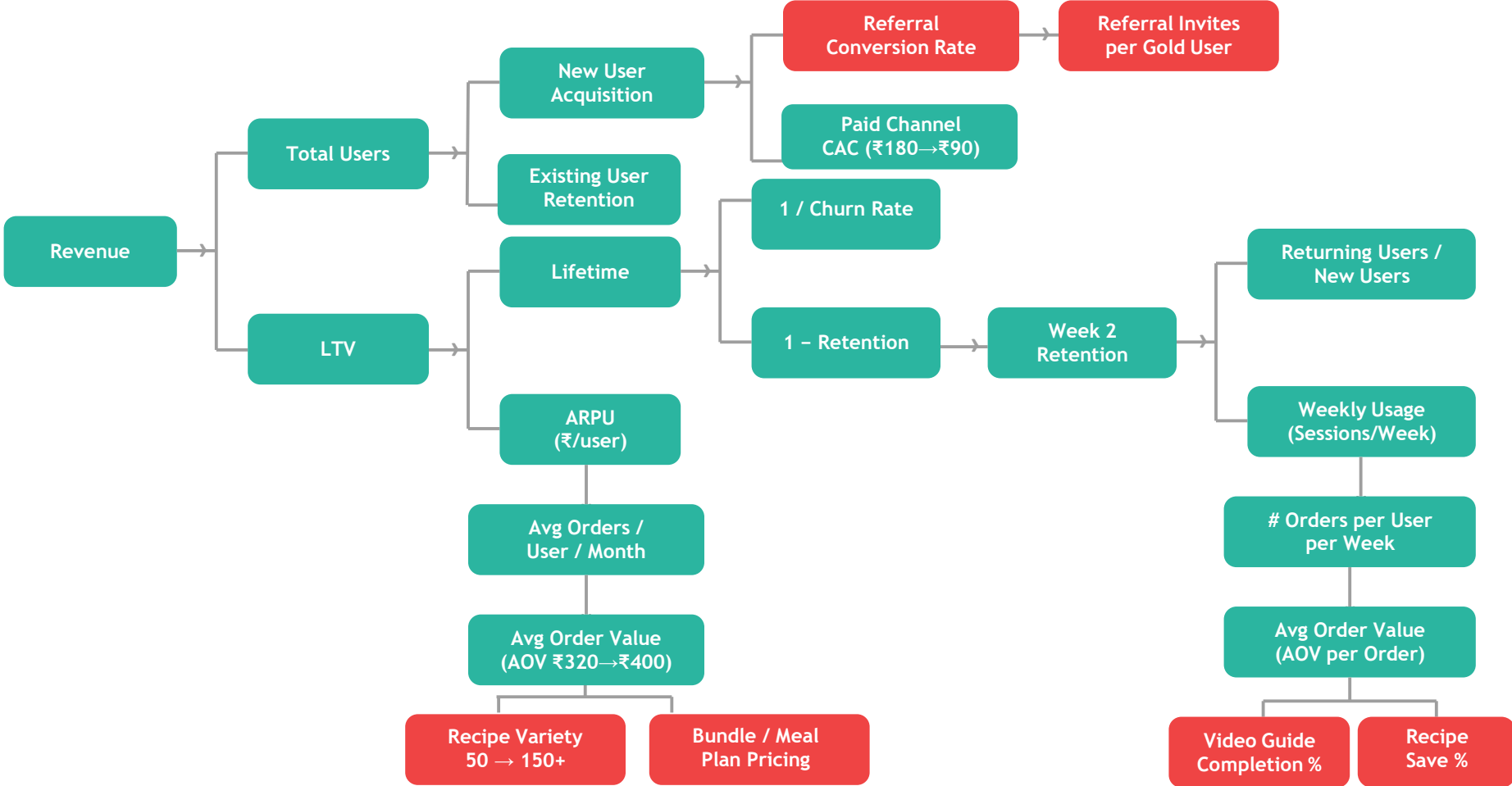


Screen 6: AI Recommendations

USER FLOW - (Video-First Onboarding Flow)



PRODUCT TO BUSINESS OUTCOME – KPI TREE



SUCCESS METRICS

How We'll Know If This Works



North Star Metric: % of users who complete video guide AND place a 2nd order within 14 days

Type	Metric	Current	6-Month Target	Why It Matters
North Star ★	Video + 2nd order rate	~8%	25%	Proves video = retention fix
Engagement	Video guide completion %	28%	65%	Validates H1 (video = aha)
Retention	Week 2+ retention rate	12%	30%	Core business health
Conversion	Browse → 1st order rate	45%	55%	Onboarding effectiveness
Revenue	LTV of priority segments	₹400	₹1200	Validates segmentation
Acquisition	CAC / LTV ratio	>1.0	<0.3	Unit economics health
Guardrail	NPS score	~25	>50	Ensure quality doesn't drop

MEASUREMENT APPROACH

A/B Testing

10% cohort rollout, compare vs. control group

Funnel Analytics

Track video completion & drop-off at each step

User Surveys

Monthly NPS + CSAT after 4-week pilot

IMPLEMENTATION ROADMAP

12-Week Plan — From Research to Results

Phase 1: Quick Wins

Weeks 2-6

- Redesign onboarding to highlight video guide
- Add auto-play video trigger on kit delivery
- A/B test video-first flow vs. current
- Set up analytics for all funnel stages

Phase 2: Variety Fix

Weeks 5-8

- Launch 20 new regional recipes
- Add cuisine, time, difficulty filters
- 2x referral rewards for Gold users
- Personalized push notifications by segment

Phase 3: Scale

Weeks 9-12

- Launch AI recipe recommendation engine
- Expand loyalty program to all users
- Test subscription model (weekly kit)
- Evaluate Tier 2 city pilot (Pune, Jaipur)

EXPECTED IMPACT AFTER 12 WEEKS

Week 2 Retention

12% → 30%

↑ 150%

Video Completion

28% → 65%

↑ 132%

LTV (priority seg)

₹400 → ₹1,200

↑ 200%

CAC/LTV Ratio

>1.0 → <0.3

↓ 70%

Thank You

Cracking Growth at Peppo – Case Study– Segmenting for Scale

*By : APOORV KATHWAR
NextLeap- Cohort 46*