FUNNEL ANALYSIS: SWIGGY

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Introduction

With Technological advancement and the presence of more people in various platforms, businesses have gone online and it has become imperative for businesses to use Technology to reach out to its potential customers. The ease of doing business, the changing lifestyles of people, better use of technology by the people etc. have paved way for E-Commerce which has seen a boom especially since 2020.

Even though a lot of companies are venturing into e-commerce post COVID, the Indian e-commerce market is presently dominated by companies like Amazon, Flipkart, Myntra, Zomato, Swiggy etc.

These companies have more than a million transactions in a day, thereby generating enormous data every day. The companies are required to make meaningful insights from the data to identify the cause of fluctuations in business. A case study of Swiggy is done to gather relevant insights on sales.

**What the Project is About?**

Swiggy is one of the largest food E-Commerce platforms in India with more than 1 million active users on the platform.

As the growth manager, I am asked to generate insights from the daily sales of Swiggy in 2019 using “Funnel Analysis”. I am provided with a workbook named Funnel Case study Data which has 3 worksheets namely:

Session Details sheet which has the date wise session count.

Channel wise Traffic Sheet has traffic(listing) breakup at the date level.

Supporting data sheet has other info at the date level.

|  |  |
| --- | --- |
| Metric | Description |
| Count of Restaurants | No of Restaurants operating for the day |
| Average Discount | Average discount given to all transacting customers |
| Out of stock Items per restaurant | Average out of stock items per restaurant (total out of stock items/total restaurants) |
| Avg. Packaging charges | On an average what is the packaging charges paid by customer while placing the order |
|  |  |
| Avg. Delivery Charges | On an average what is the delivery charges paid by customer while placing the order |
| Avg Cost for two | Cost for two is approximate spent for creating meal for two. |
| Number of images per restaurant | Count of images listed per restaurant on menu page |
| Success Rate of payments | ratio of successful transactions and payments initiated |

**METHOD TO SOLVE THE CASE STUDY**

The case study is solved using “FUNNEL ANALYSIS.”

**ABOUT FUNNEL ANALYSIS**

Funnel Analysis is the flow of process in a business by which a potential customer comes to know about the product/service to the successful completion of a final order.

As we know, all potential prospects will not turn to a successful order in a business. A Business Funnel depicts the journey of a Customer from the Awareness Stage to the Action Stage.

The First stage is the awareness stage where a person becomes aware of the brand’s presence through various modes of Advertisements Eg: Social Media marketing, E-mail, offline marketing etc.

The Number of people visiting the E-Commerce Site is referred to as “TRAFFIC”. They may be new/repeat customers.

Once the customer reaches the home page, the funnel tracks the number of visits that gets converted to the final order. This process is called “CONVERSION”

As potential customers move from Listing Page to Final Order, there will be a drop off of people due to various reasons and the overall Conversion will be Order/Listing or can be given as

Overall Conversion(L2O) = L2M\*M2C\*C2P\*P2O

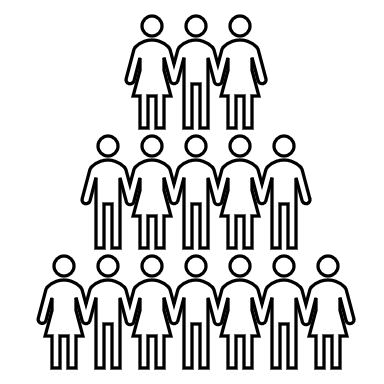
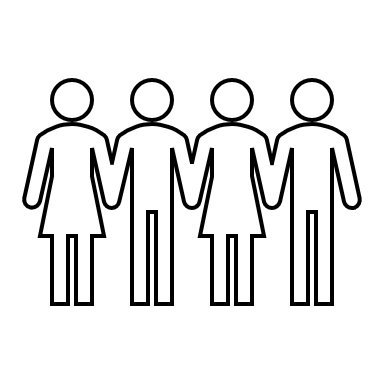
Where Menu Page/Listing Page is known as L2M

Cart Page/ Menu Page is M2C

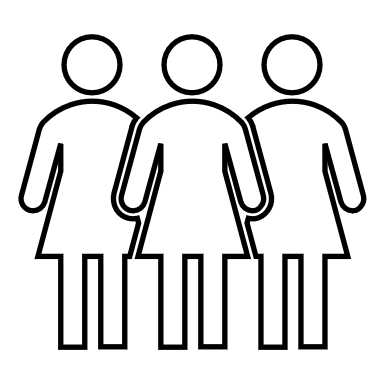
Payment Page/Cart Page is C2P

Final Order/Payment Page is P2O

Any drop/hike in Swiggy’s sale on a particular day as can only be due to “Change in Traffic”, “Change in Conversion” OR “Change in Both Traffic & Conversion”.

Traffic Overall Conversion Final Orders



Drop off

i.e. **Total** **Orders = Traffic\* Overall Conversion**

**HOW I SOLVED THE CASE STUDY?**

The Objective of the study is to find the cause for increase or decrease in sales in comparison to the same day in the previous week. A drop or hike below/above 20% is considered normal.

Using the data given, Change in the order value was calculated to identify the Week on Week Change. In case of a substantial difference, it was identified whether the reason was because of Traffic/Conversion.

Once that was identified, it was further drilled down to further see in detail which element of Traffic/Conversion was responsible for the change in sales.

Hypothesis for Increase/Decrease in the number of Orders on comparison with the orders of same day last week is made and substantiated with the details in Supporting Data.

The calculations are done in the supporting excel file and the final inferences are attached here.

**ANALYSIS & INFERENCES**

**CASE 1:** Where hike/drop in Orders when compared to the same day last week due to Traffic

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Order Change | Reason | Supporting Data | Comparison Metric to Validate the Hypothesis |
| 10th Jan,’19 | -45% | Facebook, Twitter  & You tube traffic down | Avg. Cost for 2 up by Rs.23 | Wtd. Avg. of Annual Avg Cost for 2 |
| 17th Jan,’19 | 106% | Facebook Traffic Hike | Restaurant Count up by 9511  Avg. Cost for 2 down by Rs.11 | Avg. Annual Restaurant Count  Wtd. Avg. of Annual Avg Cost for 2 |
| 22nd Jan,’19 | 85% | Twitter traffic hike | Packaging Charge down by Rs.3 | Wtd. Avg. of Average Annual Packing Charges |
| 20th Jun,’19 | -54% | Overall, 53% Traffic Down in all | Restaurant Count down by 13,881 | Avg. Annual Restaurant Count |
| 27th Jun,’19 | 115% | Traffic up by 119% in all | Avg Cost for 2 down by Rs.21 | Wtd. Avg. of Annual Avg. Cost for 2 |
|  |  |  |  |  |

**CASE 2:** Where hike/drop in Orders when compared to the same day last week due to Conversion

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Order Change | Reason | Supporting Data | Comparison Metric to Validate the Hypothesis |
| 21st Jan,’19 | 23% | Marginal increase in the overall Conversion | No. of images per restaurant increased by 2 | Average Annual No. of images per Restaurant |
| 5th Feb,’19 | 115% | L2M hike | Restaurant Count up by 49% Wow. Restaurant Count up by 14,076 | WoW Change & Avg. Annual Restaurant Count |
| 19th Feb,’19 | -56% | M2C drop | Average Delivery Charge up by Re.1. also a 12% hike in packaging charge & 16% hike in delivery charge WoW | Wtd. Avg. of Annual Delivery Charge & WoW Change |
| 26th Feb,’19 | 120% | M2C hike | Avg Cost for 2 down by Rs.7. Out of Stock items per restaurant down by 2. Also, a WoW drop of 11% in Avg. Packaging Charges | Wtd. Avg. of Annual Avg Cost for 2.  Avg. Annual Out of Stock item per Restaurant.  WoW Change |
| 28th Feb,’19 | 22% | Marginal increase in the overall Conversion  Also Traffic up by 8% WoW | Restaurant Count up by 4,646.  Out of Stock items per restaurant down by 5 . | Avg. Annual Restaurant Count  Avg. Annual Out of Stock item per Restaurant. |
| 2nd Mar,’19 | -38% | C2P drop | Average Delivery Charge up by Rs.28. Avg Cost for 2 up by Rs.23. | Wtd. Avg. of Annual Delivery Charge Wtd. Avg. of Annual Avg Cost for 2 |
| 9th Mar,’19 | 112% | C2P Hike | Weekend Surge in Sales. Increase in Restaurant Count by 9191. | Average Annual Restaurant Count |
| 19th Mar,’19 | -46% | P2O drop | Success Rate of Payments is 65%. | Annual Average of  Success Rate of payments. |
| 24th Mar,’19 | 22% | Marginal hike in overall conversion | Average Cost for 2 at Rs.350 less than annual average by Rs 26 | Wtd. Avg. of annual cost for 2 |
| 26th Mar,’19 | 78% | P2O hike | Success rate of payments up by 1% | Annual Average of  Success Rate of payments. |
| 4th Apr,’19 | -52% | M2C drop | Average Discount down by 8% | Annual Weighted Average of Discount |
| 11th Apr,’19 | 92% | M2C hike | An 80% WoW hike in Discount | WoW Change |
| 12th Apr,’19 | -27% | Marginal Decrease in Conversion | No Specific Reason |  |
| 14th Apr,’19 | 28% | Marginal hike across the funnel | Success rate of payments up by 2% | Annual Average  Success Rate of payments. |
| 18th Apr,’19 | 73% | M2C hike | Average Discount at 29% | Annual Weighted Average of Discount |
| 19th Apr,’19 | 25% | Marginal hike across the funnel | Avg. Cost for 2 at Rs.351 | Wtd. Avg. of Annual Cost for 2 |
| 25th Apr,’19 | -39% | M2C drop | Avg. Cost for 2 at Rs.383 | Wtd. Avg. of Annual Cost for 2 |
| 16th Jul,’19 | -63% | L2M drop | Avg. Count of Restaurants down by 7289. Avg. cost for 2 at Rs.458 | Average Annual Restaurant Count.  Wtd. Avg. of Annual Cost for 2 |
| 23rd Jul,’19 | 135% | L2M hike | Correction from last weeks’ drop. Avg. cost for 2 down from Rs.458 to Rs.382 | WoW Change |
| 11th Aug,’19 | -54% | C2P drop | Avg. Cost for 2 at Rs.396 | Wtd. Avg. of Annual Cost for 2 |
| 18th Aug,’19 | 107% | C2P hike | Weekend rush |  |
| 14th Sep,’19 | -54% | M2C drop | Out of Stock items per restaurant at 68 | Avg. Annual Out of Stock item per Restaurant |
| 21st Sep,’19 | 112% | M2C hike | Weekend Rush. Avg Cost for 2 at Rs.372, down by Rs.4 | Wtd. Avg. of Annual Cost for 2 |
| 9th Oct,’19 | 22% | Marginal hike across the funnel | Average Cost for 2 at Rs.366 | Annual Weighted Average Cost for 2 at Rs.376 |
| 21st Oct,’19 | 32% | Marginal hike across the funnel | Average Cost for 2 at Rs.368 | Annual Weighted Average Cost for 2 at Rs.376 |
| 9th Nov,’19 | 26% | Marginal hike across the funnel | Average Cost for 2 at Rs.368. Weekend Surge. | Annual Weighted Average Cost for 2 at Rs.376 |
| 17th Nov,’19 | -57% | M2C drop | Increase in Out-of-Stock items per restaurant at 112 | Avg. Annual Out of Stock item per Restaurant. |
| 24th Nov,’19 | 135% | M2C hike | Average Cost for 2 at Rs.353. Weekend Surge. | Annual Weighted Average Cost for 2 at Rs.376 |
| 1st Nov,’19 | 21% | Marginal hike across the funnel | Weekend rush |  |
| 22nd Dec,’19 | 21% | Marginal hike across the funnel | Weekend Rush |  |

**CASE 3:** Where hike/drop in Orders when compared to the same day last week due to both Traffic & Conversion

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Order Change | Reason | Supporting Data | Comparison Metric to Validate the Hypothesis |
| 29th Jan,’19 | -72% | L2M Drop, Twitter traffic down | Count of Restaurant is down by 1,20,129 | Avg. Annual Restaurant Count |

The Details of the Comparison Metric (Annual) as obtained from the Supporting Data Excel Sheet:

|  |  |
| --- | --- |
| Particulars | Value |
| Average Count of Restaurants | 394906 |
| Weighted Average of Discount | 18% |
| Weighted Average of Out-of-Stock items per Restaurant | Rs.35 |
| Weighted Average of Packaging Charges | Rs.20 |
| Weighted Average of Delivery Charges | Rs.28 |
| Weighted Average Cost for 2 | Rs. 376 |
| Average No of Images per restaurant | 35 |
| Average Success Rate of Payments | 93% |

**CONCLUSION**

There are 36 days in 2019 where there has been a hike/drop in the sales of Swiggy.