Swiggy Case Study

**Problem Statement:** Let's assume that you are a part of Revenue Team of Swiggy. Case: For the first 21 days in Feb, the revenue for city of Gurugram is 1 million dollars a day [ roughly around the same for each day] but for Feb 22, the revenue dipped by 30%. You are taking a crack at this problem Note: This dip was not evident last month/ last year Requirement: Prepare a case study on how would you start working on the above case, steps you would follow and ensure you are able to identify the main cause for the dip and basis the reason, how would you come up with recommendations for the product team to quickly fix the same in short term as well as long term.

Feel free to make any assumptions necessary.

**Solution: Overview**

For the first 21 days of February, the daily revenue for Gurugram was consistently around $1 million. However, on February 22, there was a significant dip of 30% in revenue. This decline was not observed in the previous months or last year. The objective is to identify the root cause of the dip and provide actionable recommendations to address it both in the short term and long term.

**Steps to analyse the Problem of Revenue Dip:**

1. **Data Collection and analysis:**

* **Revenue Data**: Gather detailed revenue data for February 22 and compare it with the data for the first 21 days. Break down the revenue by different categories such as order volume, average order value, and number of active users.
* **External Factors:**
* **Local Events:** Check local event calendars for Gurugram to see if any major events, protests, or disruptions occurred on February 22.
* **Weather Data:** Analyse weather conditions to assess if adverse weather could have affected delivery operations or customer ordering behaviour.

1. **Segmentation Analysis:**

* **Customer Segments:** Analyse the impact of the dip across different customer segments (e.g., new vs. returning customers, high-value vs. low-value customers).
* **Geographical Segments:** Examine revenue changes across different areas within Gurugram to identify if the dip is localized or city-wide.

1. **Operational Metrics**

* **Delivery Metrics:**
* **Timeliness and Accuracy:** Analyse delivery times and accuracy rates. An increase in delays or errors might deter customers and affect revenue.
* **Cancellation Rates:** Examine if there was a spike in order cancellations on February 22.
* **Restaurant Metrics:**
* **Availability and Quality:** Check if there were any changes in the number of participating restaurants or a decline in the quality of service or food.

1. **Technical Issues:**

* **App Performance:**
* **Error Logs:** Review app error logs and performance metrics for February 22 to identify any spikes in issues or downtime.
* **User Experience:** Collect user feedback on app usability and issues experienced on February 22.
* **Payment Systems:**
* **Transaction Failures:** Check for any increase in payment failures or transaction errors that could have affected order completion.

1. **Customer Feedback:**

* **Surveys and Reviews:**
* **Customer Surveys:** Conduct targeted surveys to gather direct feedback from customers who ordered on or around February 22.
* **Review Analysis:** Analyse online reviews and ratings for insights into any widespread dissatisfaction or specific complaints.

**Recommendations:**

Short – Term Recommendations:

* **Immediate Action Plan:**
  + - **Technical Support:** Deploy a task force to address and fix any technical issues immediately. Communicate transparently with affected customers.
    - **Customer Communication:** Send out targeted communication to customers addressing the issue and offering apologies or compensation (e.g., discount vouchers).
* **Promotional Strategies:**
  + - **Flash Sales or Discounts:** Implement a short-term promotional campaign to recover lost revenue. Target both new and returning customers with compelling offers.
    - **Enhanced Visibility:** Increase visibility through high-impact marketing channels (e.g., social media, email campaigns) to re-engage customers.
* **Operational Adjustments:**
  + - **Increase Delivery Capacity:** Temporarily increase delivery capacity or partner with additional delivery partners to handle potential spikes in demand.

**Long – Term Recommendations:**

* **Improved Analytics:**
  + **Advanced Analytics:** Invest in advanced analytics tools and techniques to better predict and understand revenue trends. This can include predictive modelling and trend analysis.
  + **Segmented Analysis:** Develop more granular segmentation to better understand and address specific customer needs and behaviours.
* **Operational Enhancements:**
  + **Vendor Management:** Strengthen partnerships with restaurants and delivery partners to ensure consistency and reliability. Implement regular performance reviews and feedback loops.
  + **App and System Upgrades:** Continuously improve the app and payment systems based on user feedback and performance data.
* **Strategic Planning:**
  + **Scenario Planning:** Develop contingency plans for potential revenue-impacting scenarios such as technical failures, market shifts, or competitive actions.
  + **Customer Retention Programs:** Invest in long-term customer retention strategies, including loyalty programs, personalized offers, and enhanced user experiences.