QUICKBITE'S RECIPE FOR REDUCING CHURN !

Overview & Diagnosis

Case Study Title

QuickBite – Reducing Customer Churn in Food Delivery

Introduction

- **Founded:** 2019
- **Scope:** 350,000 Monthly Active Users (MAUs), 8,000+ restaurant partners, operating in 10 Indian cities
- **Challenge:** Churn rate at 25% compared to the industry average of 15%

Problem Statement

Key Issues Driving Churn:

- **Late Deliveries and Order Errors:** Account for a 10% increase in complaints.
- **High Delivery Fees:** Result in an 8% drop in order frequency, with fees ranging from ₹20 to ₹40 per order.
- **Low-rated Restaurants:** 15% of restaurants are rated below 3.5 out of 5, leading to trust erosion.
- **Tier-2 City Churn:** 28% churn rate compared to 20% in Tier-1 cities.
- **Competitor Loyalty Programs:** Offer better customer experiences (CX), faster delivery, and increase customer stickiness.

Root Cause Analysis (RCA)

Problem Area	Root Cause
Support Complaints	No escalation system or Service Level Agreement (SLA) framework
Churn in Tier-2	Weak last-mile delivery partners
Trust Issues	No enforcement of restaurant quality
Price Sensitivity	Flat fees not tailored to customer type

Strategy, Execution & Results

🧩 Strategic Interventions

1. **Dynamic Delivery Pricing**
   - Implemented a distance-based pricing model with a ₹250 free delivery threshold.
   - Introduced the QuickBite Delivery Pass.
2. **Loyalty + Personalization**
   - Launched the "QuickBite Rewards" tiered loyalty system.
   - Deployed segmentation-based coupons, onboarding kits, and retention drip campaigns.
3. **Vendor Trust Program**
   - Delisted vendors rated below 3.5.
   - Introduced "Top Rated" badges, menu quality filters, and hygiene audits.

Implementation Timeline

Month	Initiative
M1	Root Cause Analysis (RCA) + Strategy Development
M2-3	Delivery Pass and Loyalty Pilot Launch
M4	Restaurant Quality Program Implementation
M5-6	Personalization Engine and Full Launch

Impact in 6 Months

Metric	Before	After	Δ
Churn Rate	25%	11.8%	↓
Tier-2 City Churn	28%	14%	↓
Customer Satisfaction (CSAT)	3.4/5	4.2/5	↑
Monthly Active Users (MAUs)	350K	412K	↑
Order Frequency	2.6/mo	3.4/mo	↑
Customer Lifetime Value (CLV)	₹920	₹1,460	↑

Key Takeaways

- Personalization and gratitude drive high-impact retention.
- Fixing fundamentals like fees, trust, and segmentation is more effective than offering discounts.
- Investing in loyalty programs pays off, with a 60%+ boost in referrals and 40% adoption in rewards.