Problem Statement

▶ As part of Swiggy's Revenue Team, our goal is to understand the unexpected 30% dip in revenue in Gurugram on February 22.

Initial Analysis

Revenue Consistency: For the first 21 days of February, the daily revenue was consistent at $1 million.

Historical Data: There was no similar dip in revenue during the same period last year or last month.

The analytics tools used are providing accurate data without any errors.

Approach

To start with, we need to gather detailed transaction data for February 22, including the number of orders, average order value, customer demographics, and payment methods.

To find the root cause of this decline we can use the method of elimination to analyse & terminate non-probable causes.

We will start by taking into account any external factor(s) which may have caused this.

Then we will also check for any internal factor(s)

External Factors

Internal Factors

Root Cause
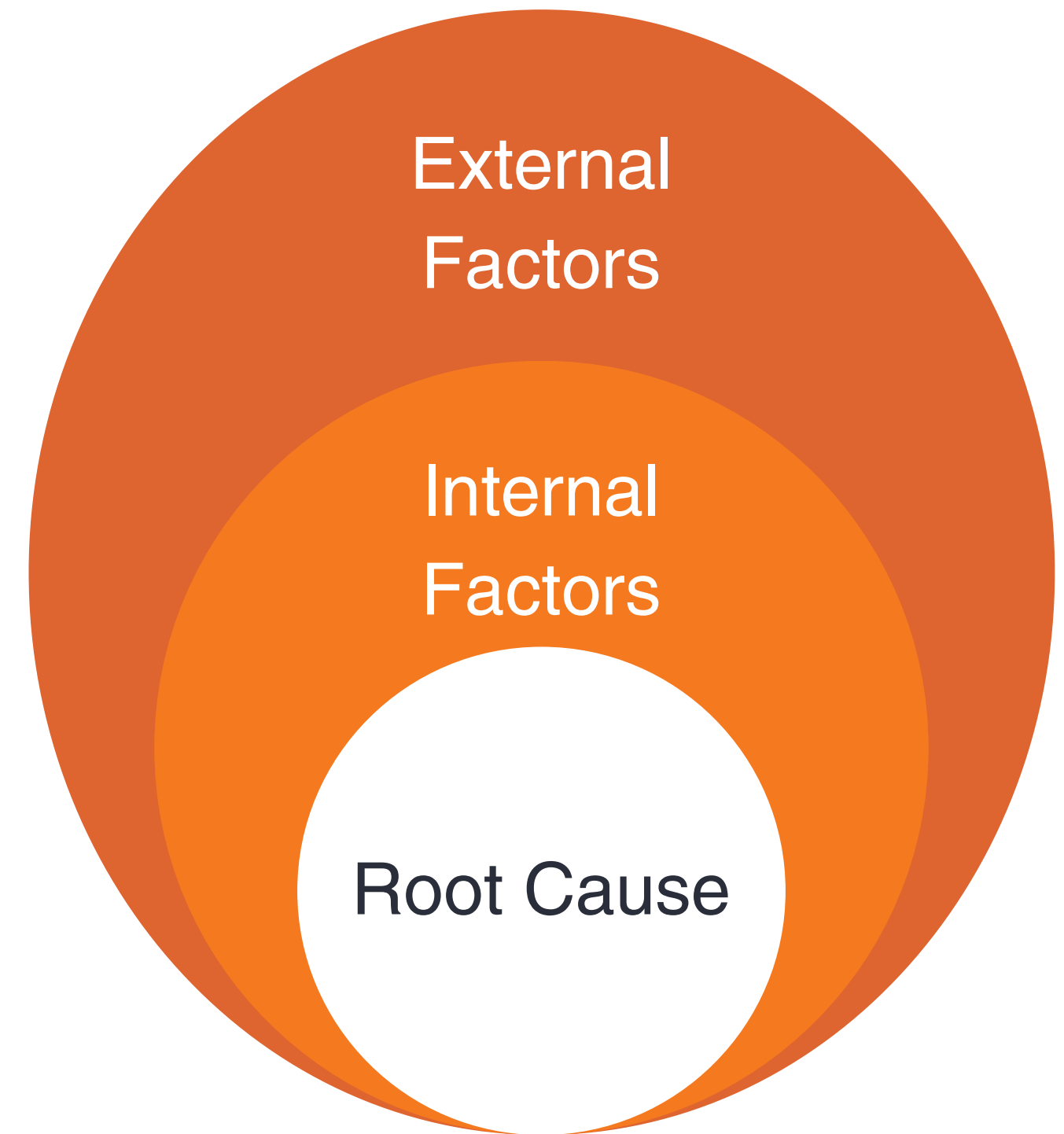
Clarifying Details

Customer Segmentation

Segment the customer base by factors such as age, location, demographic, previous order frequency.

Time Segmentation

Checking whether the drop was in a particular time frame or throughout the day.

Understanding the Curve

One imp aspect is to check and analyse the decline curve.

Product Offering Analysis

Examine the availability of restaurants, popular dishes, and delivery times.

External Factors

There could one or a few external factors influencing this decline.

Customer Segmentation	**Time Segmentation**	**Understanding the Curve**	**Product Offering Analysis**

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External Factors

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Weather Conditions	Local Events	Traffic Conditions	Festivals

- Review the weather report for Gurugram on February 22. Bad weather could deter customers from ordering food online & riders from delivering.

Check for local events, strikes, or any disruptions that could have affected consumer behavior.

Analyze traffic data to see if there were major disruptions impacting delivery times or accessibility.

Festivals in which fasting is prevalent can hamper the sale for a particular day—public holidays.

External Factors

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Marketing Strategies	**Competitor Activity**	**Restaurant Availability**	**Delivery Partner Performance**

- Analysing social trends in order to keep track of any negative PR caused due to any ad campaigns, trolls, user complaints, etc.

Reviewing rival brand strategies, offers, ads or new product launch/brand entering in the market.

Analyze the availability of popular restaurants and menu items. Were key restaurants closed or facing operational issues (eg. items out of stock)?

Review the performance of delivery partners. Were there staffing shortages, high cancellation rates, or other issues affecting deliveries?

Internal Factors

There could one or a few internal factors influencing this decline.

Technical Glitches	Inventory and Supply Chain	Promotional Activities	Order Process Flow

- Investigate any potential technical issues, such as app crashes, payment gateway failures, or delivery delays, on February 22.

Check if there were any supply chain disruptions, such as restaurant closures or supply shortages.

Analyze the marketing and promotional activities. Did Swiggy run any promotions that could have ended abruptly, leading to a drop in customer orders?

Review the order processing times, from placing an order to delivery, to check for any unusual delays or bottlenecks.

Internal Factors

There could one or a few internal factors influencing this decline.

| **Promotion End Dates** | **Internal Business Changes** | **Dynamic Pricing** | **New Feature Launch** |

- Investigate if a major promotion or discount ended on February 21, which could have led to a decrease in orders on February 22.

- Price Adjustments: Analyze whether there were any price changes (increases or decreases) on February 22 that might have influenced customer decisions.

Dynamic Pricing Issues: Review the impact of dynamic pricing algorithms. Did price hikes occur at peak times, deterring orders?

Review if any new features were to be launched that day which may have disrupted other features or hampered user experience.

Internal Factors

There could one or a few internal factors influencing this decline.

App Usability Issues	Search and Discovery Issues	Server Downtime	API Failures

- Determine if there were recent updates or changes to the app's user interface that could have confused or frustrated users, leading to a decrease in orders.

- Investigate if there were any problems with the search or discovery features, making it harder for users to find their desired restaurants or dishes.

Check if there were any server downtimes, slowdowns, or crashes that prevented users from placing orders.

Analyze the performance of critical APIs (e.g., payment gateways, location services) to identify any disruptions that could have impacted the ordering process.

Internal Factors

There could one or a few internal factors influencing this decline.

| **Support Ticket Volume** | **Response Time** | **Dynamic Menu Display Issues** | **Collaborate with other teams** |

- Review the volume of customer support tickets or complaints on February 22. An increase in unresolved issues could indicate service quality problems.

- Evaluate the response time and resolution rate for customer support inquiries. Delayed or ineffective responses could lead to customer dissatisfaction.

Check if there were any issues with dynamic menu displays, such as incorrect pricing or availability information, leading to confusion and lost orders.

Compare data with teams like revenue, finance and tech and compare KPIs to revenue.

Root Cause Identification

This decline may have occured due to a new feature being shipped which may have hampered the user experience. Here are a few short term strategies.

Short Term Solutions

Immediate Marketing Campaign:
Launch targeted marketing campaigns to re-engage customers who did not order on February 22. Offer discounts or special promotions to encourage orders.

Technical Audits:
Conduct an immediate technical audit of the app, payment gateways, and delivery tracking systems to ensure there are no glitches impacting user experience.

Customer Communication:
Use push notifications, emails, and in-app messages to communicate ongoing promotions, ensuring customers are aware of current offers.

Partnership with Restaurants:
- Work closely with high-performing restaurants to ensure they are well-stocked and prepared to handle a surge in orders.

Long Term Solutions

Predictive Analytics:
Implement predictive analytics to forecast potential revenue dips by analyzing customer behavior, weather patterns, and competitor activities.

Improved Customer Segmentation:
Refine customer segmentation and tailor offers to specific groups to increase engagement and reduce the likelihood of revenue dips.

Strengthened Competitor Monitoring:
Develop a robust competitor monitoring system to track promotional activities and respond quickly with countermeasures.

Enhanced User Experience:
Invest in enhancing the app's user experience, focusing on faster load times, easier payment processes, and personalized recommendations.

Conclusion

The revenue dip on February 22 in Gurugram was an unexpected event that requires a comprehensive analysis to identify the root cause. By following the steps outlined in this case study, we can systematically approach the problem, diagnose the issues, and implement both immediate and long-term solutions to prevent future dips. The key is to ensure that Swiggy remains agile in responding to potential challenges and continues to provide a seamless experience for its customers.