



Enhancing Shipt with VLIFT strategies

Team 5



AGENDA

Introduction

Current State Analysis

VLIFT Strategy Overview

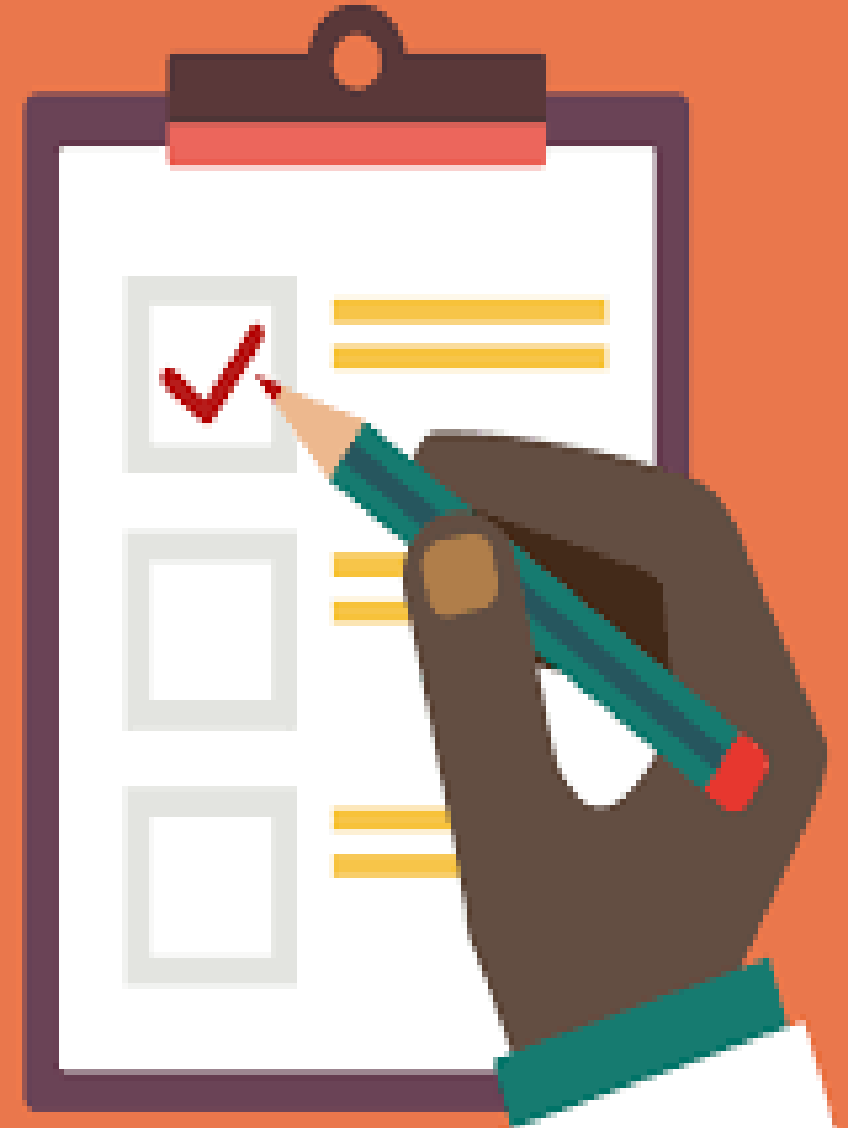
Customer Value Metrics

Projecting Service improvements

Implementation Plan

Summary

Q & A



Introduction

Key Objective:

Introduce VLIFT strategies to enhance Shipt's service quality and profitability.



QUALITY IMPROVEMENT:

**THE KEY TO CUSTOMER SATISFACTION
AND BUSINESS GROWTH**

VLIFT STRATEGY OVERVIEW

VLIFT strategies involve leveraging Lean and Six Sigma methodologies to enhance customer value and service profitability through process innovation, aiming to increase perceived customer value while optimizing operational efficiency and cost structure.





CURRENT STATE ANALYSIS



- **Delivery Times:** 80-90% on-time delivery rate, highlighting the gap to achieve >95%.
- **App Usability:** Current user satisfaction at 70%, with a target to exceed 90%.
- **Grocery Quality:** 65% satisfaction rate in product quality, aiming for >85% satisfaction.
- **Communication and Stock Issues:** Effective resolution of out-of-stock items and communication at 60%, with goals to reach >90% effectiveness.



RISKS ASSOCIATED

- **Lose to Competitors:** Inaction risks losing customers to competitors like Instacart, who may offer better delivery reliability, app usability, or product quality.
- **Increased Costs:** Handling dissatisfied customers can escalate costs in customer service and potentially in compensatory measures.
- **Brand Erosion:** Consistent negative experiences can erode the brand's reputation, making recovery and future customer acquisition more challenging.



LOSING CUSTOMERS

☆☆☆☆☆ Jul 09, 2023

"Beware of using Shipt in the Washington DC area"

What do you like best about Shipt?

Nothing the experiences have been absolutely awful.

What do you dislike about Shipt?

I have had the absolute worst experiences with using Shipt. This AM was another example to the point that I had to cancel my membership.

I ordered over \$120 worth of groceries- I was charged for the total - tip included and the shopper marked the order as delivered completely- when in fact I got NOTHING. I received no groceries and the shopper didn't even attempt to contact me.

To make matters worse - I spent over 45 minutes on the phone with customer service trying to get a refund for the groceries that I never received. The customer service experience on the phone was awful as well.

After canceling my membership I immediately downloaded Instacart and within an hour I had all of the groceries I needed. It was a completely different experience.

Kept delaying my order

I placed the order around 5 am to be delivered by 9 a.m yet they kept delaying it hour after hour ,so I cancelled the order and will never return or use it again .

◀ Mail

☐ I only intended to work temporarily for Shipt

☒ I no longer feel valued by Shipt

☐ Other

When do you plan to schedule your next shop?

I do not plan on shopping again w...



What can we do better to help you be a great Shipt Shopper?

Fire your CEO. This isn't Instacart.

Back

Finish →

AA

🔒 survey3.medallia.com



LET'S READ THE CUSTOMER COMPLAINTS

Constantly running into issues where...

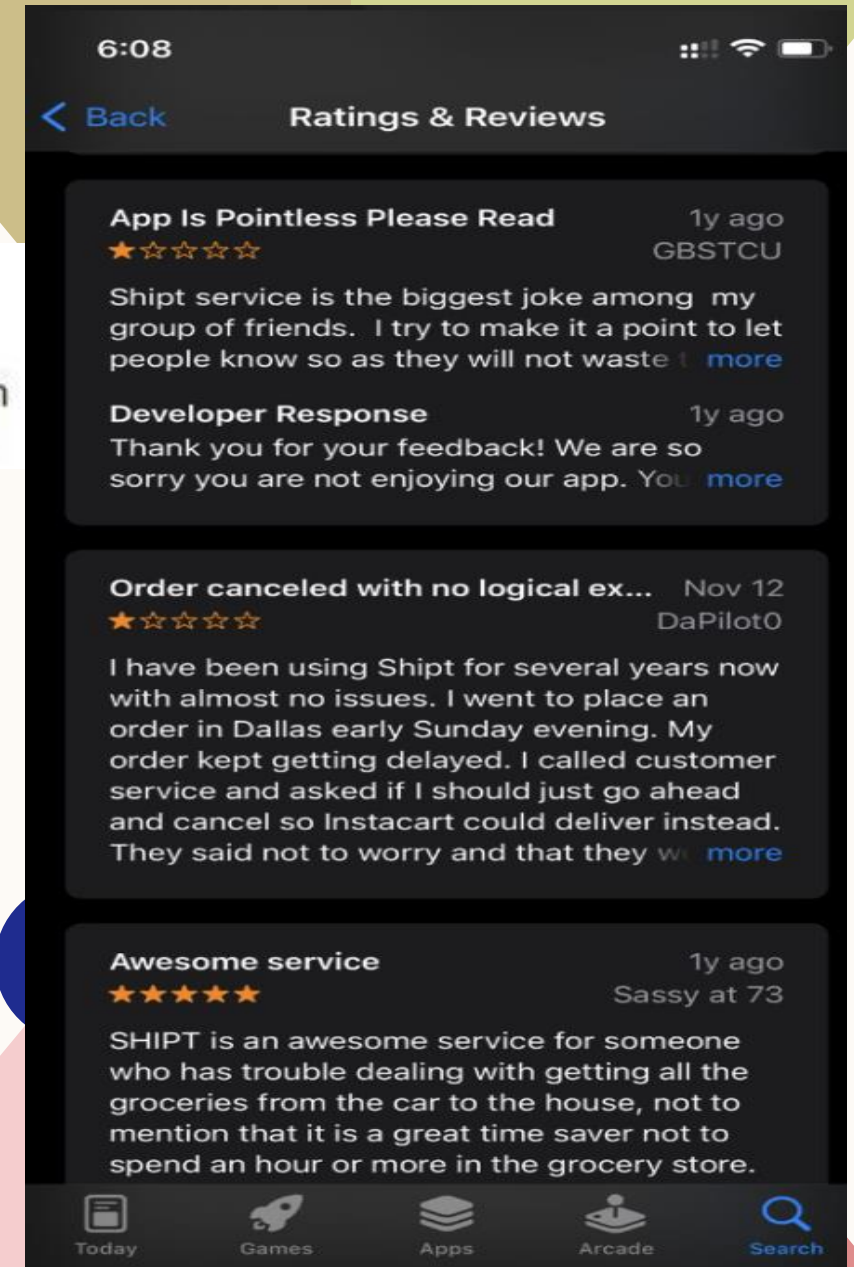
Constantly running into issues where the order is never picked up/ delivered. Also almost every other order, items are canceled even know backups are selected when out of stock. Shippers ignore the text for additional replacement options. Why do I

No one to talk to that will actually...

No one to talk to that will actually help. Accounts disabled for new shoppers. No explanation. Customer service sucks. At this point my rating has went from 5 to -5 would not recommend. They want you to email because the humans on the phone can't do anything. Why are they getting paid?

Did you know Shipt does upcharges on...

Did you know Shipt does upcharges on items and doesn't do sale prices and adds sales tax??My shopper accidentally gave me the store receipt and I was charged about \$30 more for my items plus I paid the shipping membership, plus a tip on the



CUSTOMER VALUE METRICS



**Enhancing Delivery
Times**



**Improving App
Usability**



**Elevating Product
Quality**



**Addressing out of
Stock Items**

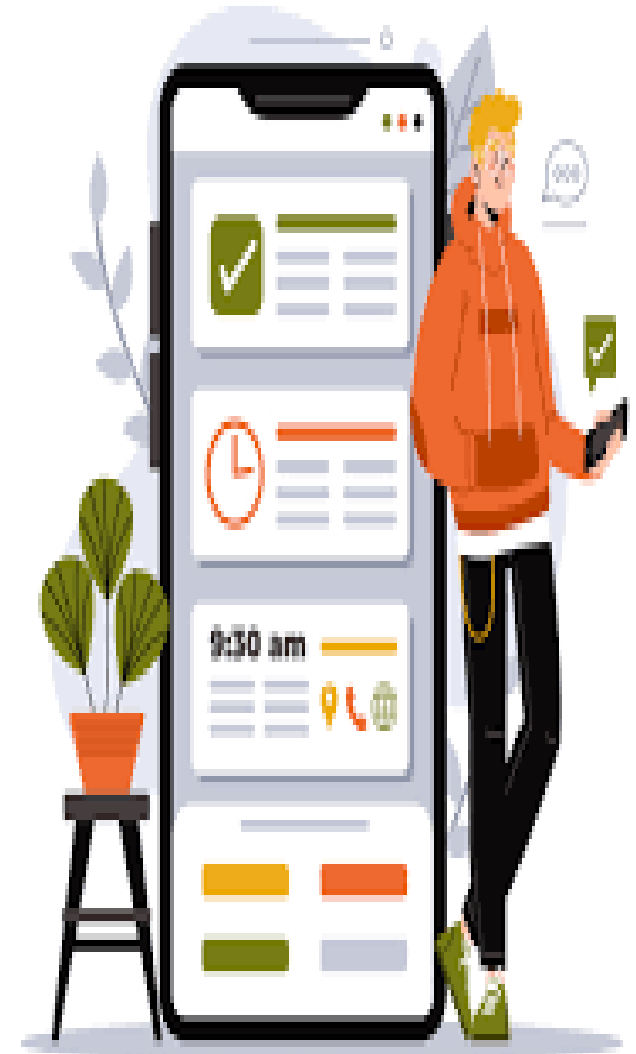
ENHANCING DELIVERY TIMES

- Streamlined Order and Delivery Processes
- Efficient Product Picking
- Personalized Delivery Slot Allocation
- Dynamic routing based on customer demand



IMPROVING APP USABILITY

- Utilizing AI and machine learning algorithms to personalize product recommendations.
- Integrating advanced search functionalities with diverse filters.
- Providing detailed product descriptions and high quality images.
- Simplified Navigation paths for less tech savvy segments





ELEVATING PRODUCT QUALITY

- Facilitating better communication between customers and delivery personnel.
- Real-time quality monitoring
- Special Handling protocols
- Premium product lines

ADDRESSING OUT OF STOCK ITEMS

- Real time inventory management system
- Efficient collaboration with suppliers.
- Third-Party Stock Augmentation Services



PROJECTING AND IMPLEMENTING SERVICE IMPROVEMENTS

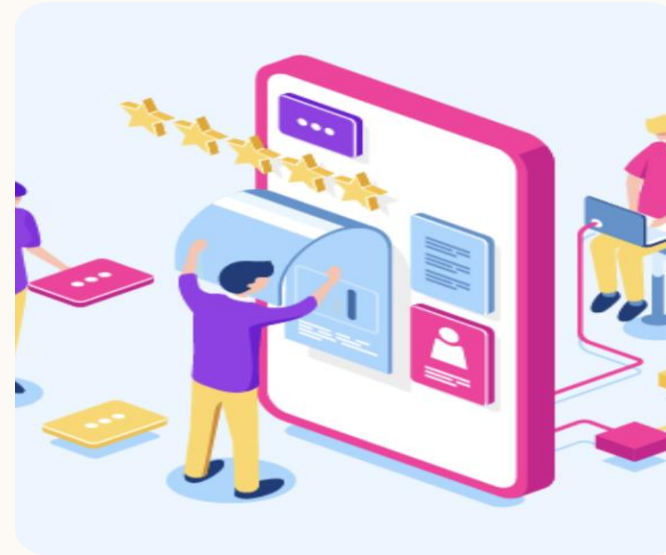
1. Enhancing App Usability & Product Discovery:

Objective: Improve ease of use and product finding in the app.

Strategies: Implement AI for personalized recommendations, advanced search features, and high-quality product visuals.

Timeline: 4-8 months for development, integration, and testing.

Resources: Data scientists, UI/UX designers, IT integration, and staff training.



2. Improving Stock Availability Communication:

Objective: Increase awareness of stock levels and product availability.

Strategies: Real-time Inventory updates to customers during the shopping process to suggest alternatives for out-of-stock items.

Timeline: 3-6 months for system integrations and process updates.

Resources: IT development for chat/notification systems, inventory management updates, and staff training.



3. Increasing Product Quality:

Objective: Enhance satisfaction with product quality from 65% to over 85%.

Strategies: Strengthen communication between customers and delivery staff, provide updates on quality, and establish a feedback loop.

Timeline: 4-8 months for system development and integration.

Resources: Collaboration between IT, customer service, and training for delivery personnel on quality standards.



QUALITY CONTROL





4. Decreasing Delivery Time:

Objective: Improve on-time delivery performance from 80-90% to over 95%.

Strategies: Streamline processes, optimize store selection, implement efficient picking, and dynamically allocate delivery slots.

Timeline: 6-12 months for process overhaul and system integration.

Resources: Technology investment for dynamic scheduling, staff training, and possibly expanding the delivery fleet.



PROFITABLE REVENUE STREAMS AFTER IMPLEMENTING VLIFT

- **Expanded Customer Base:** Enhanced app usability and improved service quality are expected to attract more users, expanding Shipt's market share and customer base.
- **Increased Order Volume:** Faster delivery times and better product availability can lead to higher frequency of orders from existing customers.
- **Premium Services:** Introducing premium service options, such as expedited delivery for a fee, could generate additional revenue.
- **Cross-Selling Opportunities:** Improved app functionality and personalized recommendations can increase cross-selling opportunities, leading to higher average order values.



SUMMARY



- Identified need for process innovation to improve delivery times, app usability, product quality, and stock management.
- Understood Shipt's service journey, from account creation to feedback collection, to enable seamless order fulfillment and customer satisfaction
- Introduced strategies for enhanced delivery efficiency and app usability, including personalized delivery options and dynamic routing.
- Showcased VLIFT strategies meeting targets, with AI personalization, optimized logistics, and enhanced communication for better customer satisfaction.
- Progressed from identifying service improvements to detailing a future model with improved delivery, app functionality, product quality, and stock management, aiming for additional profitable revenue streams.



THANK YOU

Team 5

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