CUSTOMER FUNNEL ANALYSIS: METROCAR

Saranya Lahiri Mukhopadhyay

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Abstract

Metrocar is a ride-sharing app company which is based on a platform that connects riders with drivers through a mobile application. The company wants to identify areas for improvement and optimization for which a customer funnel analysis is conducted. Also analysing and answering stakeholders business needs will provide valuable insights for improving specific areas of the customer funnel.

On further analysis it was observed that for users that requested a ride, there was around 50% drop in percentage of these users in completing a ride.
Moreover it was observed that ios as platform performed the best followed by Android along-with maximum number of rides being requested as well as completed within the 35-44 years of age-group but least within the age-group of 45-54 years.
It was also observed that of the rides that were requested around 41% of those rides did not complete due to drivers not accepting or users cancelling rides. But a major portion of these rides not getting completed was because drivers were not accepting the ride request which was around 35% of the rides requested.

Hence, it would be recommended that to construct a marketing strategy that would focus on acquiring more users withing the age-group of 45-54 years and pay more attention in android as a platform. Also further actions should be taken by creating a reward program or slightly cutting off the target pressure on drivers so that ride conversion is not hampered due drivers not accepting the ride requests.

About the Project

The Metrocar customer funnel includes the following steps:

1. App Download - A user downloads the Metrocar app from the App Store or Google Play Store.
2. Signup - The user creates an account in the Metrocar app, including their name, email, phone number, and payment information.

Request Ride - The user opens the app and requests a ride by entering their pickup location, destination, and ride capacity (2 to 6 riders).
Driver Acceptance - A nearby driver receives the ride request and accepts the ride.
Ride - The driver arrives at the pickup location, and the user gets in the car and rides to their destination.
Payment - After the ride, the user is charged automatically through the app, and a receipt is sent to their email.
Review - The user is prompted to rate their driver and leave a review of their ride experience.

To understand the user drop-offs, five 5 tables were available in the dataset namely:
App Downloads - contains information about app downloads
Signups - contains information about new user signups
Ride Requests - contains information about rides
Transactions - contains information about financial transactions based on completed rides
Reviews - contains information about driver reviews once rides are completed

Based on user count, ride count and the above mentioned funnel steps, a query was written in PostgreSQL to create the customer funnel (refer Appendix 2.a).
To understand and analyse the business questions, further analysis was done through visualisation in Tableau.

Stakeholder Questions

The stakeholder business questions that needs to be answered are:

1. What steps of the funnel should we research and improve? Are there any specific drop-off points preventing users from completing their first ride?
   Refer **Appendix 2.a** & **Appendix 1.a**
2. Metrocar currently supports 3 different platforms: ios, android, and web. To recommend where to focus our marketing budget for the upcoming year, what insights can we make based on the platform?
   Refer **Appendix 2.b & Appendix 1.b**
3. What age groups perform best at each stage of our funnel? Which age group(s) likely contain our target customers?
   Refer **Appendix 2.b & Appendix 1.c**
4. Surge pricing is the practice of increasing the price of goods or services when there is the greatest demand for them. If we want to adopt a price-surging strategy, what does the distribution of ride requests look like throughout the day?
   Refer **Appendix 2.c & Appendix 1.d**
5. What part of our funnel has the lowest conversion rate? What can we do to improve this part of the funnel?
   Refer **Appendix 2.a & Appendix 1.e**

Observations on Business Questions

1. There is a drastic 50% decrease in user count from when ride is accepted by the driver after ride request to when a ride is completed (refer **link 1.a** in Appendix).
   It was further noted that the rides that were requested, of that around 41% of the rides did not complete either due to driver cancellation or user cancellation of the ride. On more analysing it was found that 85% of the cancellations occurred as the drivers did not accept the ride request.
2. Overall ios as a platform perform far better than android & web. The count of users using Web as a platform varies over a range of approximately 7000 to 12000. Whereas count of users using Android as platform is almost double and ranges from approximately 27000 to 34000. Given these day and age where apps work faster than web applications, there are more scopes of increasing the user counts for Android as a platform. (refer **link 1.b** in Appendix)
3. Age-group based observations have 2 points (refer **link 1.c** in Appendix):
   a. The number of rides availed by Unknown age-group is very high in each of the funnel steps starting from Ride Request step.
   b. In each funnel step, the age-group of 35-44 are consistently performing better in terms of ride counts and ride completion.
      The age-group of 18-24 are not the worst performing, but here the less number of rides ca be assumed since this group mainly consists of college and university

students or users with new jobs for whom availing more rides can be question of high monthly expenditure.

The age-group that performs consistently poor in all the funnel steps is 45-54. These consist of middle aged people who have higher chances of affordability. Hence building a marketing strategy for this group can help the company increase its revenue in the future.

4. Hourly rides throughout the day have following observations:
    a. The highest number of rides that are availed are during 8.00-10.00 AM in the morning followed by 4.00-7.00 PM in the evening (refer **link 1.d** in Appendix) which can be clearly assessed as the peak hours during office time.
    b. From here too it can be seen that ios as a platform is performing the best followed by Android as a platform.
5. The conversion rate of users to when a ride is accepted till when a ride is completed drops to a great extent of approximately 50% (refer **link 1.e** in Appendix)

Recommendations

1. constructing a marketing strategy that would focus on acquiring more users withing the age-group of 45-54 years.
2. Ios as a platform is performing well, hence focusing on increasing users operating through Android will be better as in this day and age mobile applications work faster and better than web application, also allowing more features and perks to be availed there is a high probability that with right method more users may use Android.
3. Actions should be taken by creating a reward program or marginally cutting down the target pressure on drivers so that ride conversion is not hampered due drivers not accepting the ride requests.
4. If surge pricing is under consideration, although its good to increase company's revenue, but it may lead to loosing customers or can create further issues during critical emergencies for customers. Hence, the pricing should be done considering these issues as well.

Appendix

1) **Tableau links:**

1.a) 7 Step Funnel:

https://public.tableau.com/views/Funnel7Steps/Funnel7Steps?:language=en-US&:display_count=n&:origin=viz_share_link

1.b) Platform performance:

https://public.tableau.com/views/PlatformPerformancePerMonth/PlatformPerformancePerMonth?:language=en-US&:display_count=n&:origin=viz_share_link

1.c) Age-group based observations:

https://public.tableau.com/views/Age-GroupperFunnelStage/Age-GroupperFunnelStage?:language=en-US&:display_count=n&:origin=viz_share_link

1.d) Hourly rides observation:

https://public.tableau.com/views/RidesatPeakHoursPlatformBased/RidesatPeakHoursPlatformBased?:language=en-US&:display_count=n&:origin=viz_share_link

1.e) User conversion rate in each funnel step:

https://public.tableau.com/views/ConvertionRateofUsersinEachFunnelSteps/ConvertionRateofUsersinEachFunnelSteps?:language=en-US&:display_count=n&:origin=viz_share_link

2) **SQL codes for further analysis:**

Please click the link below to access the SQL queries. Each .sql file has the respective naming convention of 2.a, 2.b & 2.c to refer respective observations above.

https://1drv.ms/f/s!AqPopfURvUT6gr9dxrL1CdkYtnEZiw?e=aWMj8q