

Capstone Project Summary

Meesho Tier 3+ Retention Case Study

Context & Goal

Meesho has strong awareness and first-time usage among Tier 3+ users but faces **low week-on-week retention**.

Goal: Improve retention from **25% → 40% in 6 months**, and toward **50% in 12 months**, without changing pricing.

User Research Summary (Tier 3+ Users)

- ~72% users are **occasional, need-driven shoppers**
- ~84% users have tried Meesho at least once → acquisition is not a problem
- Drop-off occurs **after the first purchase**
- Users actively compare Meesho with Amazon, Flipkart, and Myntra
- Offline shopping is preferred for high-risk categories (clothing, footwear, perishables)

Key Frictions Identified

- Product photos often **do not match delivered products**
- Inconsistent product quality across sellers
- Delivery delays amplify dissatisfaction
- Reviews alone are insufficient to build trust

Core Insight:

Meesho's challenge is not demand or discovery, but **trust and predictability post-purchase**.

Problem Statements

1. Tier 3+ users experience uncertainty when evaluating Meesho listings while trying to fulfill a specific need, leading to hesitation and platform switching.
 2. First-time buyers experience disappointment after delivery due to product mismatch, reducing willingness to return.
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User Funnel (Simplified)

- **Acquisition:** Strong (ads, referrals, word-of-mouth)
 - **Activation:** Users onboard due to affordability
 - **Exploration:** Trust concerns begin
 - **First Order:** Trial-driven, price-led
 - **Post-Delivery:** Major drop-off due to mismatch or delays
 - **Retention:** Weak; Meesho becomes a fallback option
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Feature Ideation (Derived from Research)

The following features were brainstormed to address trust and predictability gaps:

1. **Verified Listing Badge** – Highlights listings with consistent photo accuracy and honest descriptions.
2. **Mandatory Real Product Visuals (Images/Videos)** – Requires real, unedited visuals to reduce mismatch.
3. **Material-First Product Descriptions** – Emphasizes fabric, material, and quality clarity.
4. **Delivery Transparency Timeline** – Shows end-to-end delivery journey to set expectations.
5. **Fulfillment Quality Indicator (FQI)** – Displays objective fulfillment outcomes (image match, on-time delivery).
6. **Indian Measurement-Based Size Guide** – Uses familiar local measurements to improve fit confidence.

7. **Post-Delivery Accuracy Feedback Loop** – Captures structured feedback on expectation vs reality.
 8. **Category Risk Labels** – Flags high-risk categories to set realistic expectations.
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Feature Prioritization

From the above list, **two features were prioritized** based on impact, feasibility, and alignment with retention goals:

1. **Verified Listing Badge**
2. **Fulfillment Quality Indicator (FQI)**

Other features were deprioritized due to higher operational effort, indirect impact, or lower immediate influence on repeat usage.

Selected Features (Brief)

Verified Listing Badge

A badge awarded to listings that consistently meet standards for accurate photos and honest representation.

Purpose: Reduce pre-purchase uncertainty and incentivize better seller behavior.

Fulfillment Quality Indicator (FQI)

A simple indicator showing historical fulfillment outcomes such as image match rate and delivery reliability.

Purpose: Reinforce trust using real outcomes and counter the perception of unreliable quality.

Go-To-Market Plan (Verified Listing Badge)

- **Geography:** Tier 3+ cities
- **Categories:** Fashion and home utility
- **Users:** New users and one-time buyers

- **Sellers:** Sellers with consistent historical performance

Launched as a **phased pilot**, expanding gradually as trust signals gain adoption.

Growth Loop: Trust-Driven Retention Loop

Sellers upload accurate listings

- Listings earn Verified Badge
 - Users trust verified listings
 - Orders placed with confidence
 - Products match expectations
 - Users return for future needs
 - Preference shifts to verified listings
 - Sellers are incentivized to maintain quality
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Loop-Linked Prototype

The **Product Detail Page** is the primary loop touchpoint:

- Verified Badge builds trust before purchase
- FQI reinforces confidence using past outcomes
- Confidence converts into repeat usage

Trust signals are embedded into existing flows without adding new steps.

Metrics

North Star Metric

Repeat Purchase Rate (Tier 3+ Users)

Represents trust, satisfaction, and habit formation.

Initiative Metric

Orders from Verified Listings

Indicates adoption and influence of trust signals on user choice.

OKRs

Objective: Increase user trust in product listings

Key Results:

- Increase orders placed on Verified Listings
 - Increase repeat purchases from users who first bought Verified Listings
 - Increase preference for Verified Listings during product selection
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Supporting Metrics

Leading Indicators

- Click-through rate on Verified Listings
- Time-to-purchase on Verified Listings
- Engagement with trust indicators

Lagging Indicators

- Repeat purchases from verified-listing buyers
- Mismatch-related returns on Verified Listings

Qualitative Signals

- Feedback mentioning “matched expectations” or “as shown”
 - User feedback on trust indicators
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Final Takeaway

Low prices bring users to Meesho, but **trust determines whether they return.**

By improving predictability at key decision points, Meesho can convert price-led trials into sustained repeat usage among Tier 3+ users.