Swiggy's Downfall: Temporary setback or indications of deeper issues | Product Case Study| Identifying the Root Causes
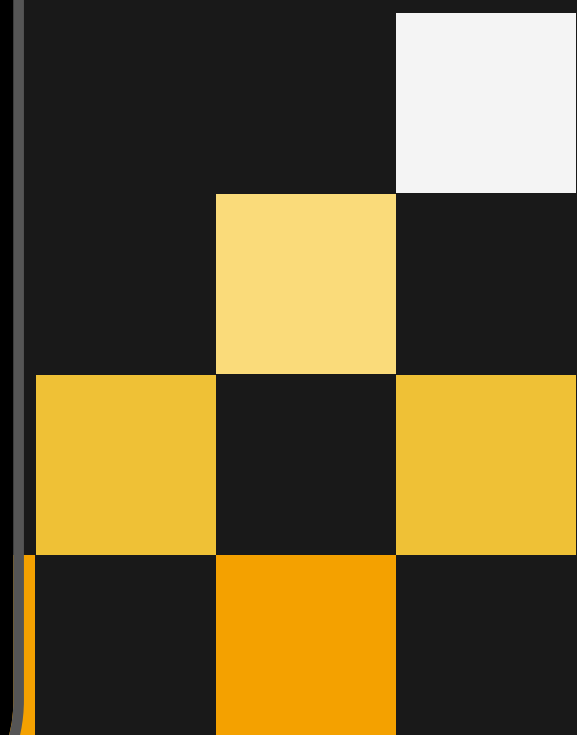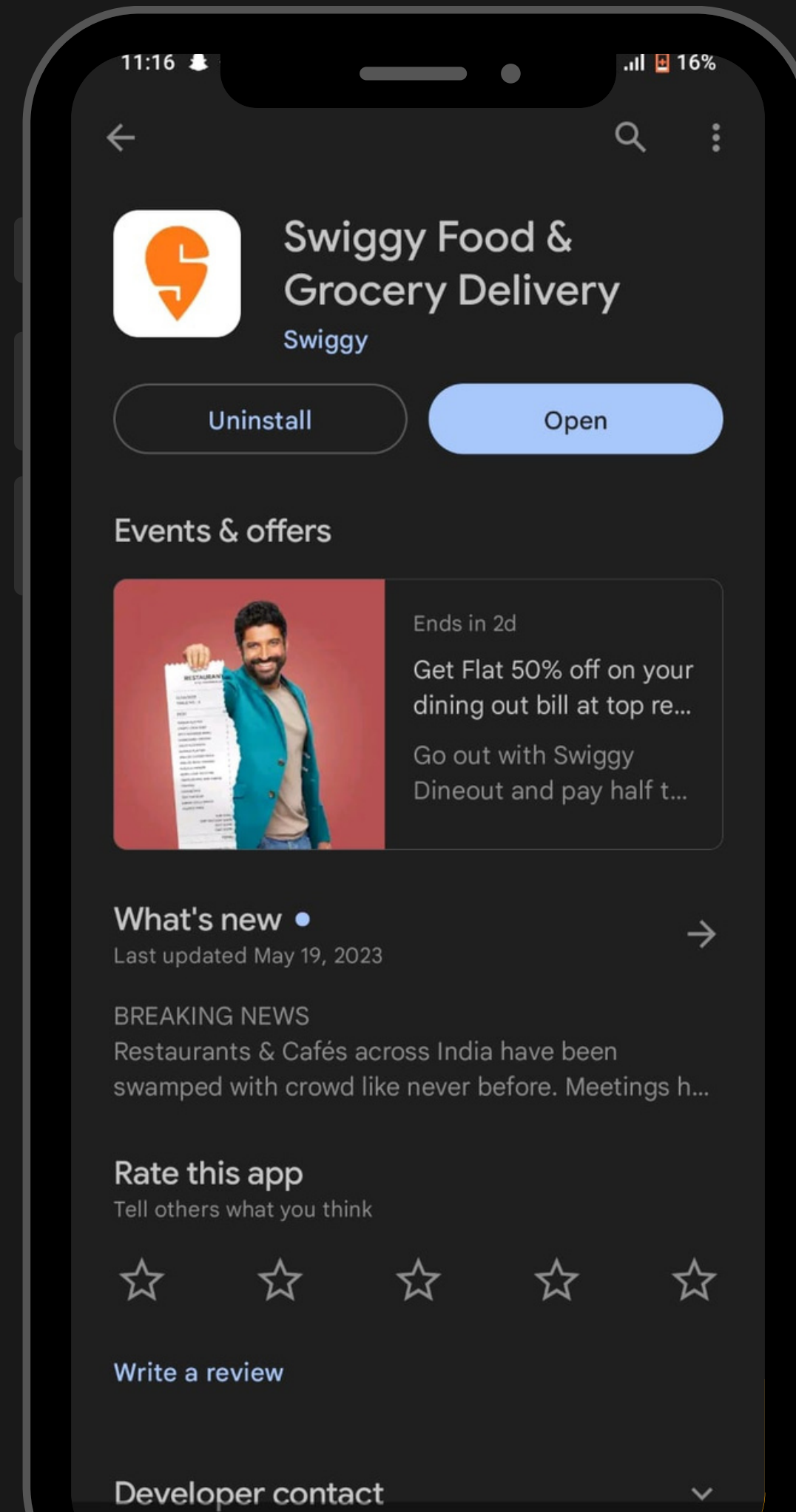
Swiggy

Swiggy is an Indian online food ordering and delivery platform. Founded in 2014, Swiggy is based in Bangalore and operates in 500 Indian cities as of September 2021. Besides food delivery, Swiggy also provides on-demand grocery deliveries under the name Instamart, and a same-day package delivery service called Swiggy Genie.
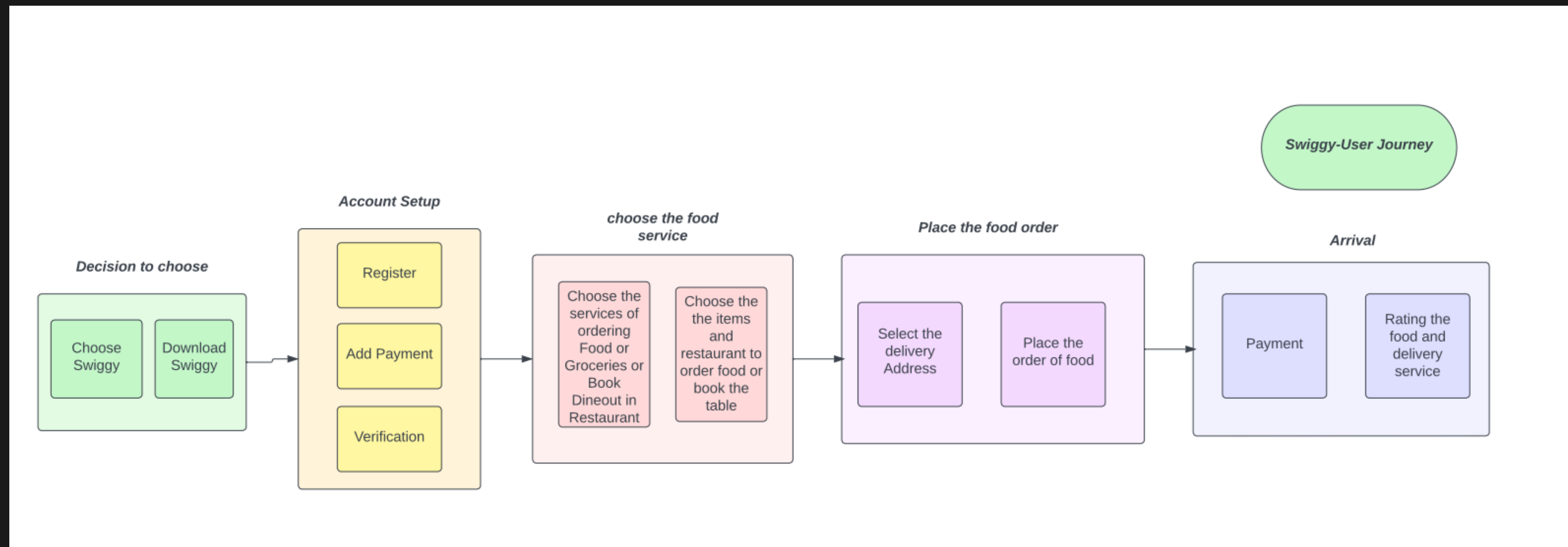
**Problem Statement —
You are the PM of
Swiggy. The Appstore/
Play-store rating
dropped from 4.5 to 3.8
in the last 2 weeks. Find
the root cause of the
problem and come up
with solutions to solve
the problem.**

Swiggy: User Journey

To investigate the decline in ratings on App Store/Play Store, it appears that there has been a significant increase in user dissatisfaction over the past two weeks, although the exact reasons remain unclear. In order to gain deeper insights, let's begin by providing an overview of the user journey within the mobile app.

Swiggy-User Journey

Decision to choose
- Choose Swiggy
- Download Swiggy

Account Setup
- Register
- Add Payment
- Verification

choose the food service
- Choose the services of ordering Food or Groceries or Book Dineout in Restaurant
- Choose the the items and restaurant to order food or book the table

Place the food order
- Select the delivery Address
- Place the order of food

Arrival
- Payment
- Rating the food and delivery service

The inquiries we have for stakeholders to determine the internal and external factors are as follows:

INTERNAL FACTOR QUESTIONS	EXTERNAL FACTOR QUESTIONS
• Are there any technical issues or limitations within the product that could be affecting its performance?	• How does the product compare to competitors in terms of pricing, quality, and overall user experience?
• Have there been any recent changes or updates to the product's features or functionality that might have impacted user satisfaction?	• Have there been any external events or factors (e.g., regulatory changes, economic conditions) that might be impacting the product's performance?
• Are there any internal resource constraints or limitations that could be impacting the product's performance?	• Are there any external dependencies or partnerships that could be impacting the product's success?
• How effective is the product team in addressing user feedback and implementing necessary improvements?	• Are there any competitive pressures or market dynamics that could be influencing the product's decline?
• Are there any challenges or inefficiencies in the product's marketing strategies that could be hindering its success?	• Have there been any significant changes in user preferences or market trends that might be affecting the product's popularity?

Based on the responses to the aforementioned questions, there are several noteworthy insights worth mentioning:

- Swiggy has implemented new service and made the application UI/UX more complex for the users to understand and use the interface.
- Swiggy has Partnered with new restaurants with low rate of inspection and signing them up which results in the quality of the food and packaging done by them which is provided over the platform which is resulting in poor services.
- Swiggy is struggling with their rival Zomato in the food delivery industry as Zomato is offering lower delivery price and more flexibility to the customers restaurants to order food with better options.
- Swiggy customers are getting scammed by the delivery partners and getting poor delivery service which can be poor handling of food or late delivery on the estimated time which has led to poor customer satisfaction.
- Swiggy app is struggling in updating the location of the customer address location which has led to wrong delivery location and cancelation of the order.
- Swiggy Customers are face challenges related to payment options, including failed transactions, incorrect charges, or problems with applying discounts or promotional offers. These issues can cause frustration and inconvenience during the checkout process.
- Some users are having complaints about the responsiveness or effectiveness of Swiggy's customer support. Difficulties in reaching out to customer service or unsatisfactory resolutions can leave customers feeling dissatisfied.
- Swiggy Users are encountering technical problems within the Swiggy app, such as crashes, slow loading times, unresponsive screens, or difficulties placing orders. These issues can disrupt the user experience and may require troubleshooting or app updates.
- The emergence of ONDC (Open Network for Digital Commerce), a government-owned platform, has challenged the dominance Swiggy in the food delivery business. ONDC enables the restaurants across the nation to sell food directly to customers without the need for any aggregator.

Based on the abovementioned responses, we've come up with 4 major hypotheses -

1

If there is a recurring failure of new UPI services, then it could have led to customer dissatisfaction because customers will end up wasting time and retrying payments.

2

If customers are switching to Zomato and ONDC because of discounts, then it could have led to dissatisfaction in the customer segment who switches between the apps because they would be paying more using Zomato.

3

If customers are facing trouble with the UI/UX of the application because of many services that they are providing on the same platform unlike Zomato who have separate application for food ordering and groceries they have Blinkit.
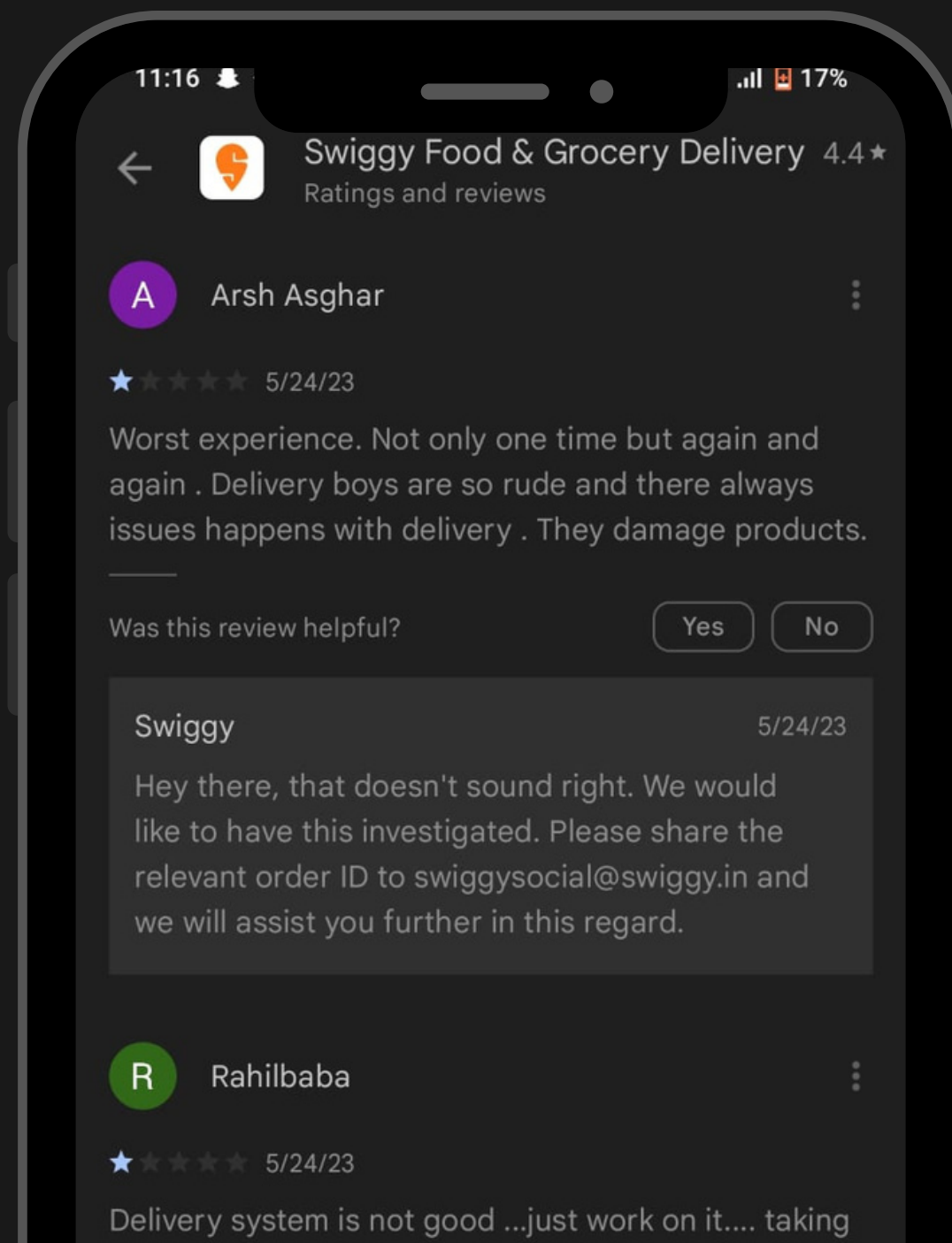
4

If delivery drivers are leaving Swiggy because of the compensation system, then it could have led to an imbalance in rides demand and supply because of food orders from the restaurants.

Qualitative Analysis of Play-store/Appstore reviews:
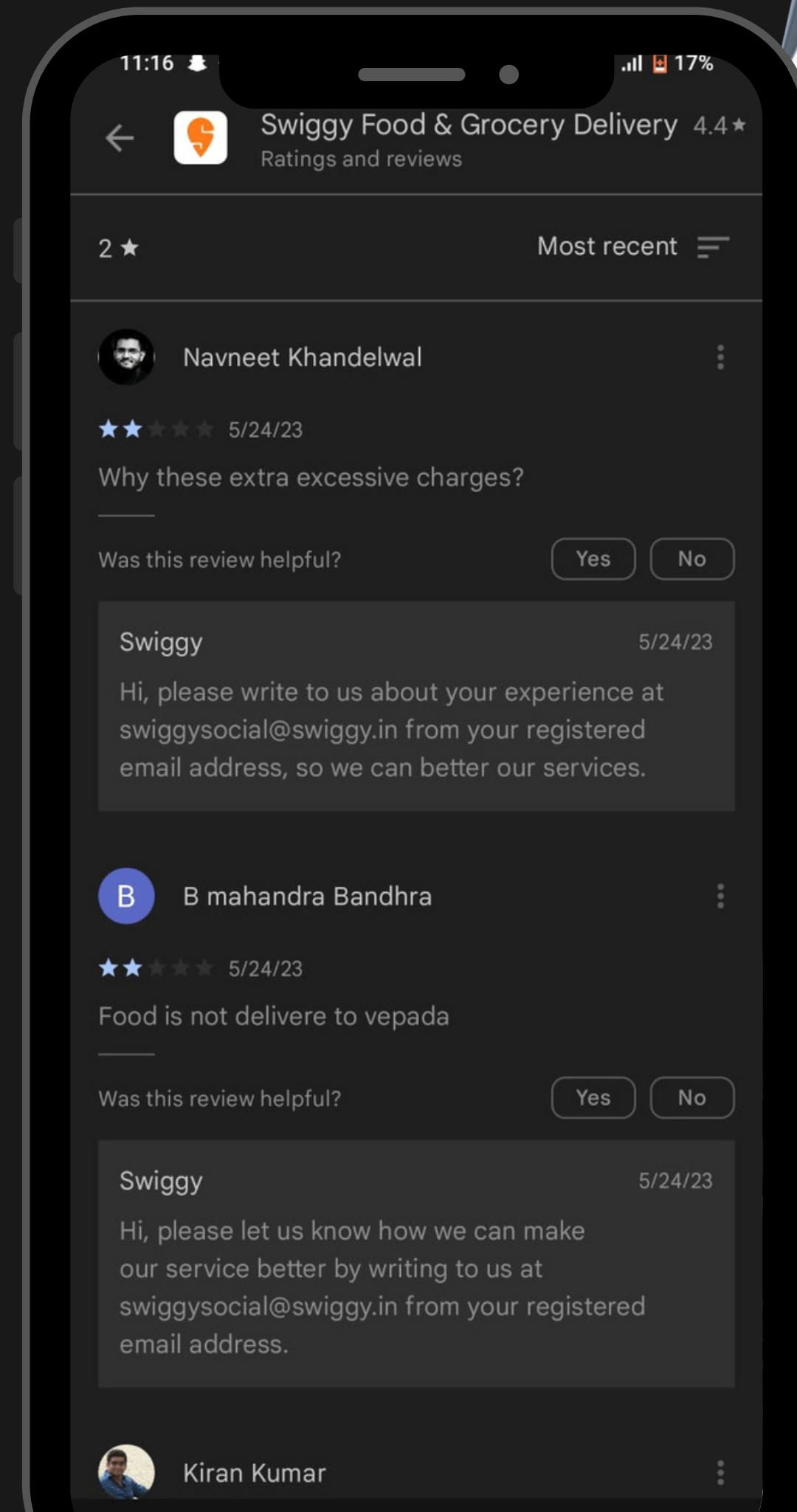
Noticeable Results:

— We have received ~10,000 1 star (1/5) ratings in the span of the last 36 hours.

— A considerable section of users is complaining about issues with delivery system of the Swiggy as the customers are not satisfied with the delivery services and are facing issues. Swiggy customer service is not able to respond and support their customers immediately .Many users have expressed their dissatisfaction with Swiggy's delivery system, citing various issues and problems they have encountered during the delivery process.

Social Media/Press Analysis:

#boycottswiggy has been trending on Twitter for the last 5 days
- Posts: 27000
- Users: 88200
- Likes: 275000

Swiggy Tweets Word Cloud

Analyzing the Metrics

This step could very well be the first stop for many managers and teams because of readily available data. We will use this data and our understanding of the user journey to get relevant metrics that could hint at the problems.

- **A drop in Daily Active Users:** Witnessed a sharp 15% decline in DAU the last 6 days. 60% of this drop is attributed to 5 major states across India. Additionally, there has been a drop in Driver's activity (DAU) by around 42% in the abovementioned states.
- **Bounce Rate:** 60% Increase in bounce rate on Swiggy's 'Instamart' and 'Dineout' page. 70% of this drop is attributed to peak hours (2 AM-5 PM & 11 PM —12 PM). There is no other noticeable change in bounce rate on other service pages viz. Swiggy or Food.
- **UPI Payment Success Rate:** We have witnessed a staggering 85% success rate on UPI payments (beta). 20% of users have switched from alternate payment methods to UPI payments since release. The bounce rate on the payments page is normal.
- **Landing Page Conversion Rate:** The percentage of visitors who take a desired action on a specific landing page, like signing up or starting a trial, on a specific landing page.65% of the user are not successfully converted to customers after comparing food prices with the other apps.
- **User Renewal Rate:** The percentage of users who renew their subscription or continue using the product after their initial contract period.70% of the user are not renewing their swiggy one membership after the first experience because of poor service and bad experiance they face after not getting satisfied.
- **Feature Usage:** The frequency and depth of usage for specific product features such has 'Minis' and 'Dineout' has reduced to upto 60 percent as the customers/user are not getting better offers and option than their competitors like Zomato who have wide range of Dine out options for the users.
- **User Satisfaction (CSAT):** A measure of how satisfied users are with the product, often determined through surveys or in-app feedback. Most of the customers are not satisfied by the response and availability of the customer service in-app which has result in poor service of the app when the customer needs help.
- **Average waiting time:** This metric is used to measure the average time it takes for the user to select their 'order' and wait for the 'Delivery'. Swiggy has witnessed a 10% overall spike in this metric. 70% of this spike is attributed to 4 major states across India. To find more about increment in average waiting time metric, we also decide to club these results with 'Search Timeout' per user. There is an increase of 30% in the results.

Considering these findings, we can now expand on or neglect certain hypotheses accordingly.

- UPI Payment success rate along with its acceptance by the users indicates that there have been no considerable failures or issues with this service. Additionally, there have been negligible mentions of UPI failure/issues on Playstore/Appstore and social media. Therefore, we are neglecting the related hypothesis.
- Specific bounce rate on the 'Instamart' and 'Dineout' booking page along with the negative reviews about price fluctuation complaints on Appstore/Playstore indicate a potential problem. We will recognize this hypothesis as a root cause for the problem.
- There is a steep drop in DAU in 4 major states across India. Negative press (#boycottswiggy on Twitter and 1-star to 2-star ratings) could be a result of drivers and unions leaving (or going offline) Swiggy. Additionally, the negative anomalies in Average Waiting Time of delivery per user in these 3 states is an indicator of discontent among riders. We will recognize this hypothesis as a root cause for the problem.
- There is no considerable change in the bounce rate metrics for any other rides services except Minis. Since we do not have concrete evidence (social media analysis or Playstore/Appstore ratings) of discontent due to discounts or better offerings by competitors, we are neglecting the related hypothesis.

Root Cause :

Based on comprehensive data analysis and logical reasoning, we have determined that the primary cause of our issue can be attributed to two factors. Firstly, there is a need to update the products in minis and simplify the user interface by incorporating valuable content, enhancing the app's usability for our users. Secondly, there exists discontent among delivery drivers and unions due to recent modifications made to their compensation system, leading to strikes and unrest in certain states. Consequently, these events have had a substantial negative impact on the company's reputation in the media and press. To address these challenges, we recommend implementing the following strategies. Firstly, it is essential to improve customer service by ensuring transparency in the supply chain, particularly by enhancing the visibility of food quality from the restaurant to the customer's doorstep. This will contribute to increased trust and clarity for our customers. Additionally, efforts should be made to resolve the ongoing discontent among delivery drivers and unions through effective communication and potential adjustments to the compensation system.

Solutions :

- **Damage Control:** To address the negative impact caused by the new compensation system, our initial measure should involve consulting the legal team and executives in order to devise a containment strategy. Subsequently, it is crucial to engage in high-level discussions with unions and the state government. Once these conversations have commenced, we should issue a press release outlining the actions taken. It is important to emphasize our commitment to delivering top-notch services to our customers and partners.
- **Handle the irrational reviews:** Upon reviewing the recent negative ratings on Play Store/App Store, specifically within the past three days, we have determined that a significant portion of these ratings is unrelated to our application. As the rating system is beyond our control, it is advisable to seek assistance from Google/Apple in order to implement measures for filtering out and removing these irrelevant ratings.
- **Issues/Bug Handling:** Due to the identification of issues with the user interface and customer service, it is imperative that we swiftly address these concerns. Our initial focus should be on analyzing reviews and extracting insights from user comments, and if feasible, encourage users to provide detailed explanations through forms. To tackle this, we should engage Quality Analysts and Tech leads in discussions to formulate an action plan.
- **Improve Supply chain:** After analyzing recent poor ratings (within the last 3 days) on Playstore/Appstore and the customer feedbacks for the delivery services , we have concluded that most of these ratings are related to the Supply chain system of the app from the restaurant to the customer. For which the supply Chain team should work and come up with new solutions for improving the existing supply chain algorithm.

In the following impact matrix, the higher the 'Impact' rating, the higher the stakes. Lower the 'Time to handle' rating, more time it takes to resolve.

Solutions	Impact	Time to handle	Score	Priority
Improve Supply chain	10	9	90	Critical
Issues/Bug Handling	8	7	60	High
Damage Control	9	8	80	Very High
Handle the irrational reviews	8	7	50	Medium

Finally, when we come up with our solutions, we go back to metrics to verify the improvements we were hoping for.

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