

Scenario

Poor Working Conditions Allegation Against Local Food Delivery App

Background

- Company Name: SwiftEats
- Industry: Food Delivery
- Established: 2017
- Unique Selling Proposition (USP): Known for fast delivery times and supporting local restaurants.
- Market Position: Dominates the local food delivery market with 60% market share in a mid-sized metropolitan area.
- Core Stakeholders:
 - Customers: Primarily Gen Z and Millennials who value convenience.
 - Drivers: Gig workers who are paid per delivery.
 - Restaurant Partners: Small, locally-owned businesses.

The Crisis

- Trigger Event
 - An influencer with 1.5 million TikTok followers, @FoodieActivist, posts a video exposing alleged poor working conditions for SwiftEats drivers.
 - Claims include
 - Long delivery hours with no bathroom breaks.
 - Insufficient pay that doesn't cover gas expenses.
 - Lack of safety measures for nighttime deliveries.
- Impact of the Post
 - The video garners 3 million views within 48 hours, with thousands of comments condemning SwiftEats.
 - A trending hashtag, #SwiftExposed, spreads rapidly on Twitter and Instagram.
- Key Accusations
 - Exploiting drivers as gig workers without benefits.
 - Prioritizing profits over worker safety and well-being.
 - Misleading customers by promoting a "community-driven" image while neglecting driver welfare.
- Stakeholder Reactions
 - Drivers
 - Some confirm the allegations in comments, sharing their own negative experiences.
 - A small group organizes a protest outside the company's headquarters.
 - Customers
 - Many vow to delete the app and switch to competitors.
 - Negative reviews flood the app stores, reducing its rating from 4.7 to 2.9 stars.
 - Restaurant Partners

We have set up meetings with several SwiftEats drivers, FoodieActivist, and restaurant partners to gain as many perspectives on this issue as possible. We will not shy away from disclosing any of this information as soon as it is collected. In the meantime, please refrain from trusting all sources on the internet, especially those without evidence.

In these stressful times, we want everyone to continue enjoying our services. As a token of our appreciation for the entire SwiftEats community, we are offering a 15% discount at all restaurants using code: SWIFTFOREVER.

Again, as soon as we receive information from all stakeholders, we will release the details and take appropriate actions to ensure our company's mission is upheld.

Thank you, and GO SWIFT,
CEO/Founder of SwiftEats

Ongoing updates (over the next week or until the crisis ends):

Dear Loyal Customers and Drivers,

In the past few days, the entire SwiftEats team has made tremendous progress in hearing out as many perspectives as possible. We have met with more than half of our full-time and part-time drivers, several influencers who initially raised concerns, and over 50 restaurant owners. Additionally, we conducted an intensive customer survey with over 5,000 responses. The interview recordings and survey results are available on our website for everyone to view.

From these meetings, we learned from most drivers that our jobs are amongst the most flexible they have experienced. All but three drivers expressed that their working conditions are neither bad nor unsafe. We followed up with the three drivers who raised concerns, and all of them recommended that the issue could be solved by raising wages. Although we would be happy to pay our SwiftEats drivers higher wages, we would also like everyone to understand that increasing wages would also require us to raise the service fee and the price premium of products charged to customers. As the industry leader with the lowest service fees, we are very proud to maintain an affordable platform for a diverse demographic.

From our conversation with influencers, especially FoodieActivist, we learned that the main concern of many influencers is addressing the common issue of minimum wage workers being exploited by larger companies to work longer hours in unsafe conditions. However, we would like to clarify that all of our drivers are paid the same amount, based on each delivery. The pay is only variable depending on the length and size of the delivery. Furthermore, we have implemented several inspections of drivers' vehicles to ensure that they are safe for long-distance travel. Lastly, we also have a program within our driver app that prevents drivers from working more than 4 hours without a thirty-minute break.

Our customer survey results show that users appreciate our low service fee and are generally opposed to a slightly higher price for the service, even for the benefit of SwiftEats employees. 93% of users also agree that the drivers are treated fairly and that the time allowed for deliveries is reasonable. However,

SwiftEats recognizes that further discussion is needed to determine whether we have focused too much on customer satisfaction and not enough on driver benefits.

Our team will continue discussions with various stakeholders to identify potential changes and solutions regarding these concerns. Although many of the accusations were misunderstandings, we still see areas for improvement based on our meetings, interviews, and survey results. We will update everyone as soon as we finalize these changes.

Thank you, and GO SWIFT,
CEO/Founder of SwiftEats

Strategies for long-term reputation repair:

Dear Loyal Customers and Drivers,

After discussions with many of SwiftEats' drivers, activists, and customer feedback, our company has decided on several changes to ensure that everything at SwiftEats consistently reflects our initial company mission.

First, we have implemented higher service fees for deliveries between the hours of 10 p.m. and 7 a.m. This addresses several activists' concerns that our nighttime drivers are not being fairly treated. Most customers also agree that a service fee premium for non-conventional working hours seems fair and justified.

Furthermore, we have decided to adjust our service fee according to the length of the trip that our drivers have to travel. This change is to ensure that drivers are both rewarded for driving longer distances and, most importantly, able to cover expenses such as gas. Although customers may think this guideline will only increase the price of their purchase, we would like to clarify that for shorter deliveries, where drivers don't have to travel as far, the service fee will actually be lower than before.

Lastly, we would like to decrease the amount of time our drivers must work to earn paid breaks, from 4 hours to 3 hours. SwiftEats recognizes that although working for 4 hours straight is standard in most corporate workplaces, a job that requires constant attention, such as driving, should also be given more frequent breaks.

We would also like to clarify that all of these changes were made with the support of the initial stakeholder who raised concerns, FoodieActivist. These changes also reflect the wide array of responses we have collected from all sides. Again, all of the information regarding recordings can be found on our official website.

From our meeting with local restaurant partners, many owners would like to share the following message:

Message regarding local restaurant owners urging customers to continue using SwiftEats to support local businesses

Although it is unfortunate that SwiftEats faced several allegations and concerns in the past week, we are also thankful for the comments, as they helped us continuously improve our business and make changes that benefit all sides. In the future, we will continue to welcome any questions or suggestions that anyone may have.

Thank you, and GO SWIFT,
CEO/Founder of SwiftEats