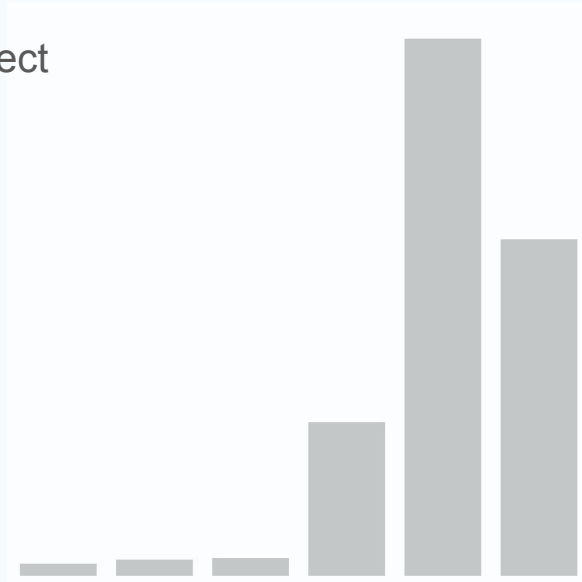
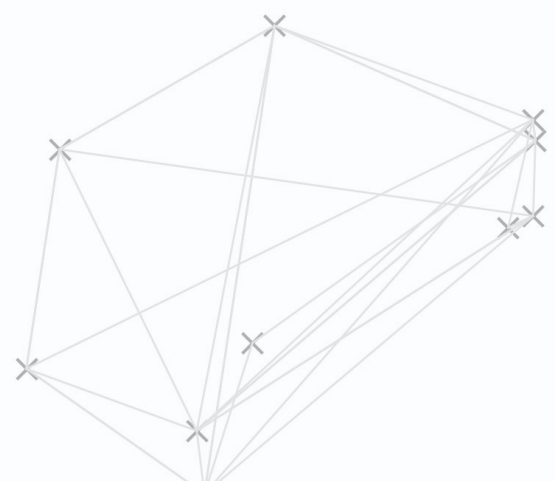


# Zomato Customer Segmentation & Behavioral Analysis

Business Intelligence Analytics Final Project

Dalya Sohl



# Objective of the Analysis

## About Zomato

Zomato is a global food delivery and restaurant discovery platform users across multiple countries.

## Business Question

Who are Zomato's customers are, how do they behave, and how can they can be segmented to uncover insights that drive revenue and strategic decision-making?



# Methodology

**Data Used:** orders.csv, users.csv

**Tools:** Tableau Public

## Approach:

We used RFM Segmentation, a method that scores each customer on:

- **Recency** – how recently they ordered
- **Frequency** – how often they order
- **Monetary value** – how much they spend

Each user received a **score from 1-5** in each category, where **555** indicates the most active and valuable customers, and **111** indicates the least. This allowed us to identify high-value customers for retention, and lower-engagement customers for reactivation.

## KPI Overview:

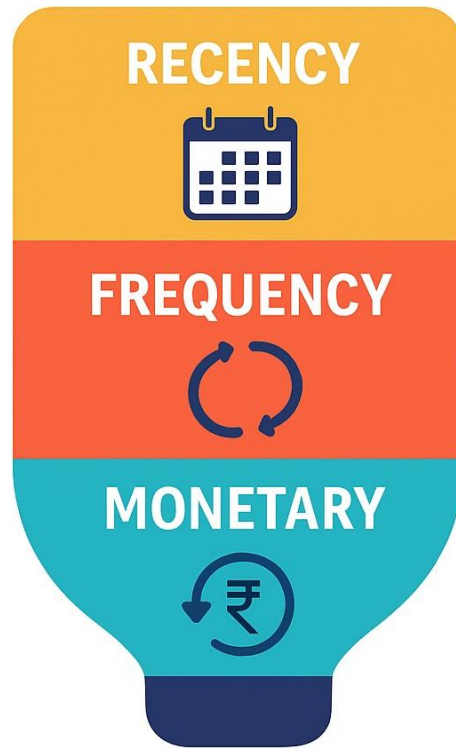
Built **KPI tiles** for revenue, customer count, and average order value to provide a quick performance snapshot.

## Joins & Data Model:

Applied a **left join** in Tableau linking `users.csv` to `orders.csv` to include only customers with at least one order.

## Data Cleaning:

- Removed small number of USD orders for currency consistency.
- Fixed duplicate “INR” entries caused by trailing spaces.
- Corrected occupation field typo (“self-employed” -> “self-employed”).



# Dashboard Overview

## KPI Metrics:

Displays Totals, Customer Count, and Average Order Value for a quick snapshot of business performance

## Interactive Filters:

Filter results by Age, Gender, Marital Status, Education, Occupation, and RFM Score for targeted insights

### Zomato Customer Segmentation & Behavior Analysis

A visual analysis of Zomato customers: who they are, how they order, and what drives value.

Filters: RFM Code, Age, Gender, Marital Status, Education and Occupation (click any visual to filter too)

RFM Segment Code: (All) Gender: (All) Marital Status: (All) Educational Qualifications: (All) Occupation: (All) Age: 18 33

**Customer Segmentation Overview:** Identify distinct user groups based on recency, frequency, and monetary behavior.

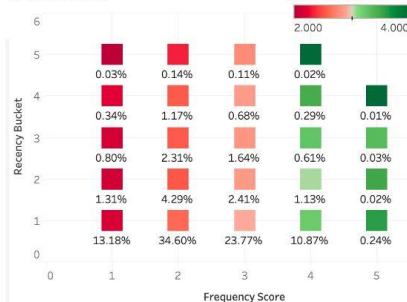
KPIs

Total Revenue  
**₹986.6M**

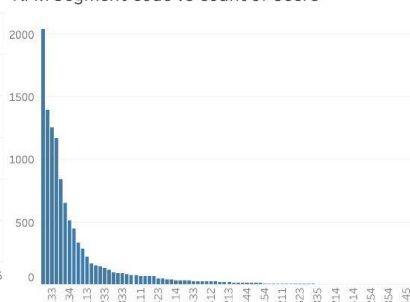
Unique Users  
**77.9K**

AOV  
**₹6,565**

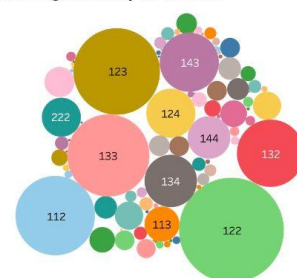
RFM Matrix



RFM Segment Code vs Count of Users

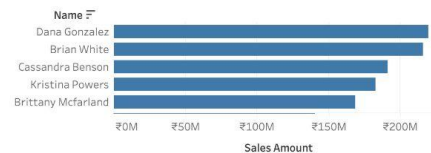


Customer Segments by RFM Code

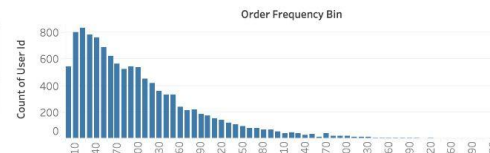


**Customer Behavior Insights:** Explore trends in user order frequency, spending habits, and purchase seasonality

Highest Spending Customers



Order Frequency: How Often Do Users Buy?



Monthly Sales Trends (by Year)



**Demographic Analysis:** Breakdown of customer performance by occupation, age, gender, and marital status.

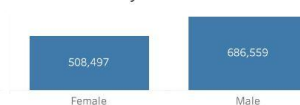
Sales by Occupation (INR)



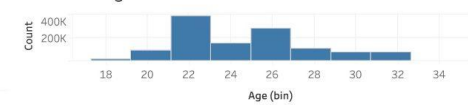
Total Orders by Marital Status



Total Orders by Gender



Customer Age Distribution



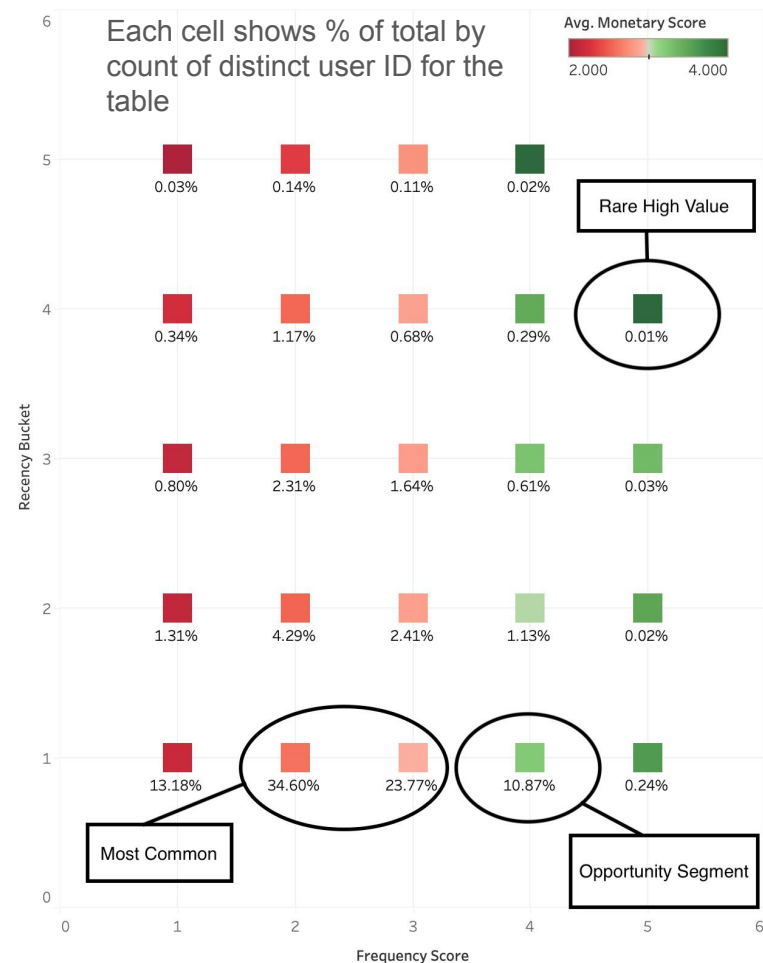
# Segmentation Insights

## Key patterns from RFM Matrix and Segment Distribution

- **Most Common Segment: RFM 122**  
Represents customers who purchase somewhat recently and somewhat frequently, but spend less; a high volume, low value segment ideal for low-cost promotions or loyalty nudges.
- **Other Prominent Segments:**  
123, 133, 112, and 132. All reflect varying balances of moderate recency/frequency, but generally low monetary scores. These groups could benefit from upselling campaigns or bundling strategies.
- **Rare High-Value Customers: RFM 544**  
Very few customers fall into high-spend, high-recency segments. These are prime targets for VIP offers, retention offers, or referral incentives.
- **Opportunity Segments: (e.g. 143, 134, 144)**  
Customers with moderate to high frequency and recency, but medium spending. These users may be nudged towards higher-value orders with targeted incentives or premium upgrades.

– *Future scope: Model the impact on revenue if a small portion (5-10%) of this segment increases their AOV through targeted campaigns*

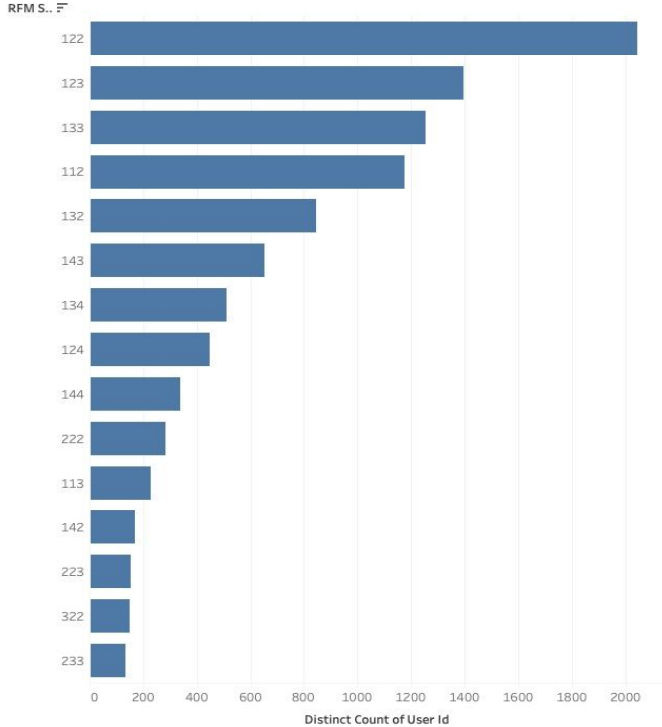
RFM Matrix



# RFM Segment Composition & Volume

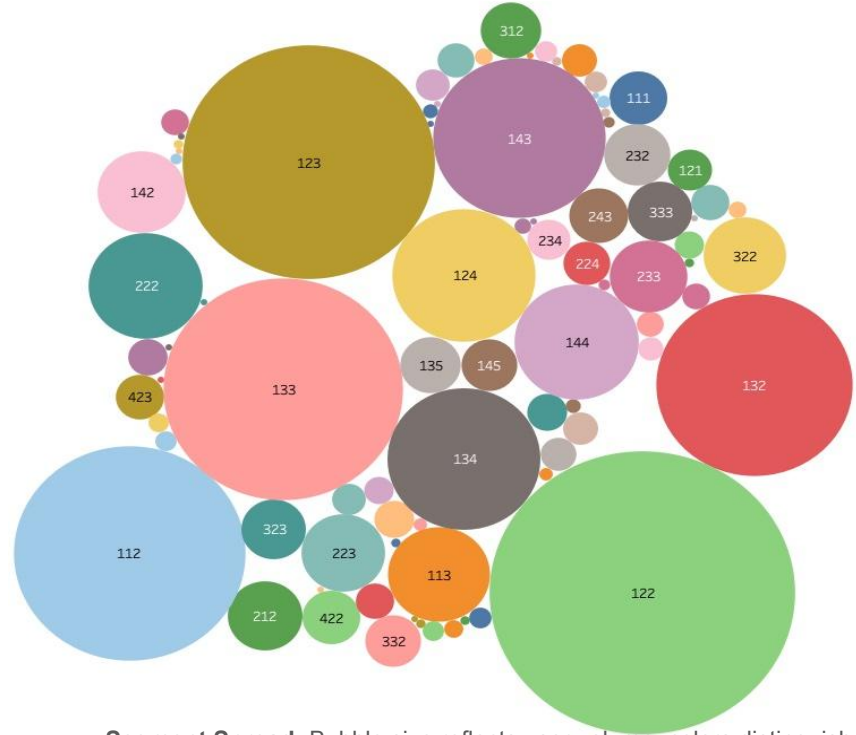
Top 15 segments by user count and their relative distribution by RFM Code

Top 15 RFM Segments by User Count



- **Dominant Segments:** RFM groups **122 to 132** comprise the majority of users, marked by mid-level recency/frequency and lower monetary value.
- **Filtered View:** Displaying the **top 15 segments** illustrates a skewed distribution toward low-to-mid value users.

Visualizing Customer Segments by RFM Code

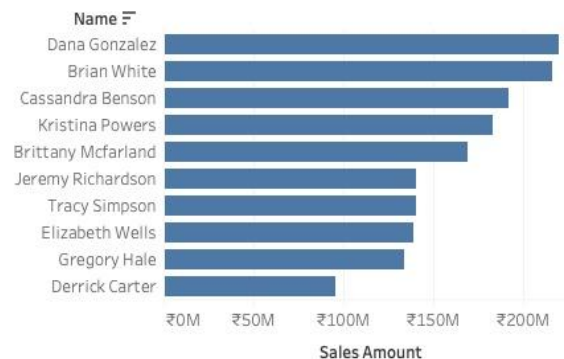


- **Segment Spread:** Bubble size reflects user volume; colors distinguish RFM codes across clusters.
- **User Base Shape:** The visual reveals a fragmented distribution, with concentration in **lower-value segments** and fewer users in high-RFM areas.

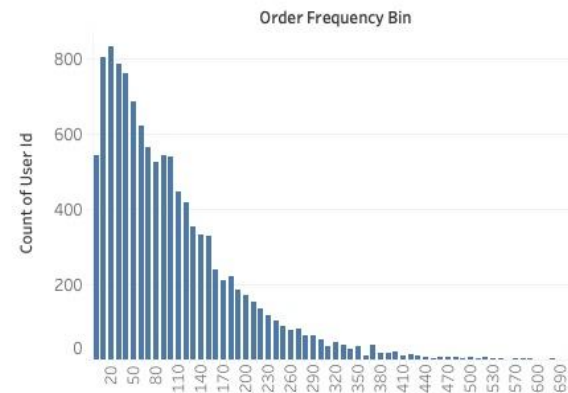
# Customer Behavior Insights

- **Sales Trends by Year:** Sales peaked in January 2018 and declined through 2020, with no strong seasonal pattern.  
- **Notable Anomaly:** A small spike appears in July 2019. This could be linked to a marketing push, seasonal holiday, or product launch – further investigation could clarify the driver and inform future promotional timing.
- **Order Frequency:** Most users are low-frequency buyers (20-30 orders); a smaller group of loyal users drives long-tail activity.
- **Top Spending Customers:** Revenue is concentrated among a small, high-value group. These users fall into RFM codes 135 and 145.
- **Sales by Weekday:** Sales peak on Fridays and Mondays, indicating strong weekday engagement

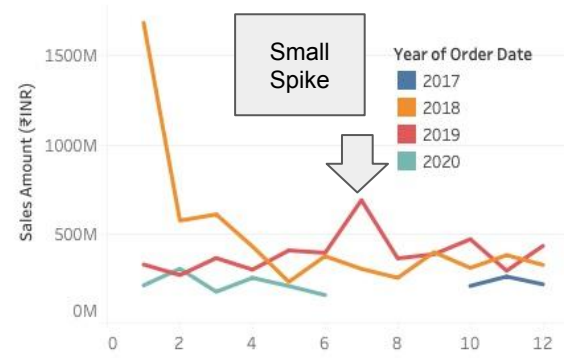
Highest Spending Customers



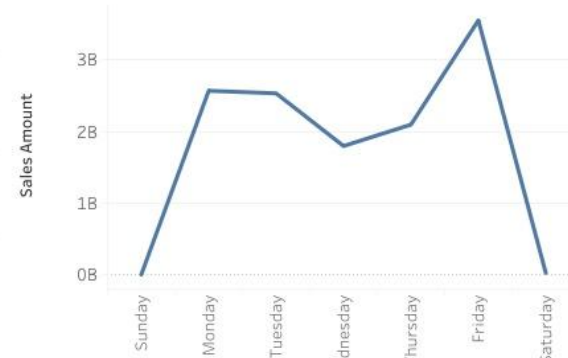
Order Frequency: How Often Do Users Buy?



Monthly Sales Trends (by Year)



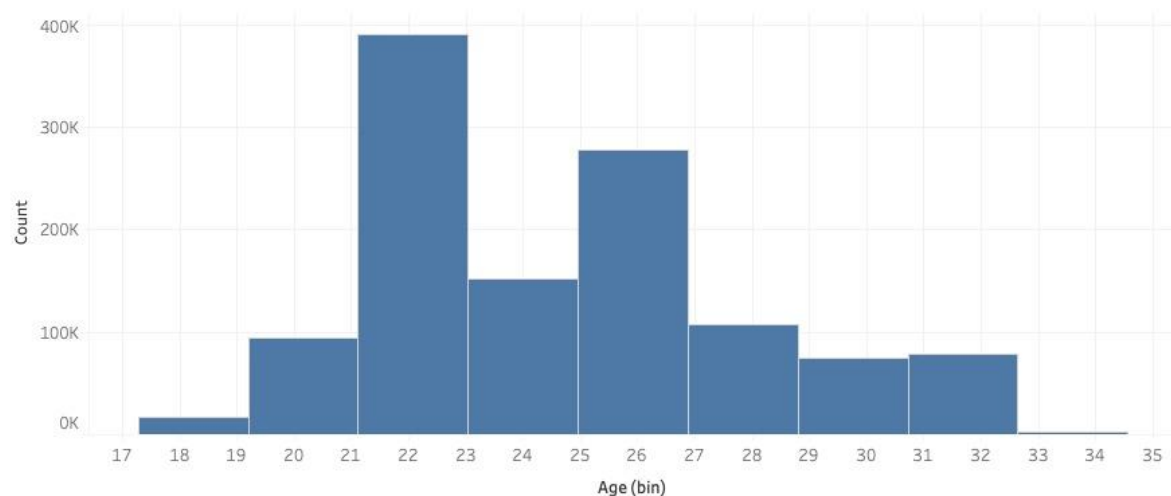
Sales by Day of Week



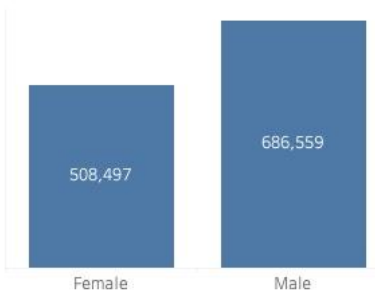
# Demographic Insights

- **Young Core Audience:** The majority of users fall between 20-28, indicating a strong concentration of young adult customers.
- **High Student Engagement:** Students contribute the highest sales volume, suggesting strong brand resonance with this demographic.
- **Single Users Lead in Orders:** Among all marital groups, single users place the most orders.
- **Male Users Spend More:** While both genders are active, male users drive a higher share of total orders.

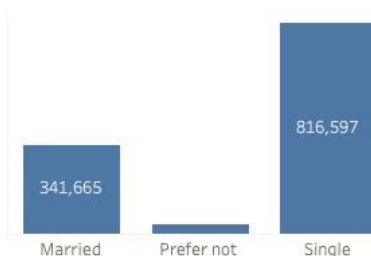
Customer Age Distribution



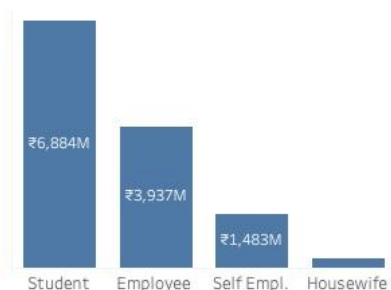
Total Orders by Gender



Total Orders by Marital Status



Sales by Occupation (INR)





# Summary of Key Insights

## Customer Segmentation:

- Majority of users fall into lower-frequency, low-recency segments (e.g., 112, 123, 122, 133)
- Small but valuable groups (e.g., 135, 145) contribute disproportionately to revenue.

## Customer Demographics:

- Users are primarily young adults (ages 20-28), with high engagement among students.
- Single users and male users account for higher order volume.

## Customer Behavior:

- Peak spending occurred in 2018, with no consistent seasonal pattern since.
  - *One notable exception was a July 2019 sales spike, which may warrant further investigation for event or campaign-driven causes*
- Most users place 20-30 orders; loyal users form a long-tail minority.
- Sales are strongest on Fridays and Mondays.

# Strategic Takeaways & Recommendations

- **Target High-Value Segments**

Focus retention and re-engagement campaigns on RFM segments 135 and 145, who show high monetary value and frequency.

→ Send exclusive monthly offers and introduce a points-based loyalty program to reward repeat purchases.

– Simulations suggest that increasing purchase frequency in these segments by 10% could yield an outsized revenue boost

- **Invest in Young Adult Marketing**

Tailor promotions to resonate with users aged 20-28, especially students, who drive both volume and spend.

→ Leverage Instagram Reels/Tiktok and short form video ads to increase brand resonance.

- **Optimize for Weekday Traffic**

Peak activity occurs on Fridays and Mondays.

→ Launch time-sensitive offers like “Free Fries Friday” or app notifications to drive engagement (e.g., “Free side with ₹X minimum”).

- **Engage Single & Male Users**

These groups lead in order volume.

→ Use personalized messaging or tailored incentives to deepen engagement and retention.

- **Offer Student Deals**

Students account for the highest sales volume.

→ Consider school-based partnerships, bulk meal offers, or referral bonuses aimed at student networks.

- **Explore Weekend Expansion**

Currently low weekend traffic presents untapped potential, seen by falling sales instead of rising.

→ Pilot limited weekend hours to attract busy weekday users or “lazy Sunday” demand.

- **Promote Re-Engagement for Inactive Users**

Target the low frequency buyers (long-tail users), as they represent a large share of the base.

→ Set up campaigns with personalized reminders, discount codes, or limited-time offers to increase engagement.

# Conclusion

By understanding our customer's habits and value, we can design smarter retention strategies that **boost loyalty, increase order value, and grow revenue**; without prioritizing costly new acquisitions.



Loyalty



Order Value



Growth

