

Zomato case study

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Problem

Zomato is facing a decline in customer engagement, with increasing order cancellations and delivery delays. Key questions include: Why are customers leaving? What factors are causing delivery inefficiencies and cancellations?

Background

Zomato, India's leading food delivery platform, you are tasked with addressing challenges in customer satisfaction, fluctuating delivery times, and inconsistent sales across regions. Data shows a drop in repeat customers and high cancellations. Your mission is to analyze sales, ratings, and delivery data to uncover actionable insights that enhance customer experience, improve marketing strategies, and boost operational efficiency to drive growth.

Why is it Important to solve:

1. Increase customer lifetime values,
2. Increasing customer retention
3. Reduced customer Acquisition Cost (CAC)
4. Reducing Delivery time
5. Optimizing Restaurant Recommendations

Stakeholders involvements:

- **Internal Stakeholders:**
 - **Marketing Team:** Responsible for customer retention strategies.
 - **Operations Team:** Manages the delivery fleet and works to reduce delivery times.
 - **Customer Support:** Handles customer complaints, including refunds and cancellations.
 - **Executive Leadership:** Needs a summary of findings to make high-level decisions.
- **External Stakeholders:**
 - **Customers:** Their satisfaction drives Zomato's revenue and brand loyalty.
 - **Restaurant Partners:** Their performance affects customer satisfaction and the speed of order Preparation.

Dataset: https://docs.google.com/spreadsheets/d/1uvDEVe3jpn_I16SUZclimsK23zC8i-INr6uCKZleheA/edit?gid=1434583781#gid=1434583781

Visualization Overview:

- A column chart illustrates the average delivery time by city, customer ratings for all orders, and the average order amount per cuisine.
- A bar chart displays delivery times categorized by order status.
- A bar chart represents the distribution of payment methods used.
- A line chart depicts revenue trends by month.
- A tree map visualizes delivery times by cuisine type and the average order amount by payment method.

Metrics Development:

Average Delivery time
Order Cancellation rates

Customer Ratings
Order frequency

KPIs:

Total Revenue: 585.8K

Average customer Rating: 2.97

Completed Orders: 344

Total Orders: 1000

Key Insights:

- **Average Delivery Time by Cities**
Cities like Bangalore (57.04) and Delhi (57) have the longest delivery times. Chennai (48.47) and Kolkata (47.9) seem to have relatively faster delivery times.
- **Total Revenue**
Revenue shows fluctuations, possibly due to seasonal trends or inconsistent order completion rates.
- **Customer Rating by All Orders**
Customer ratings are concentrated around lower scores, indicating dissatisfaction across many orders.
- **Average Order Amount by Cuisine**
Italian cuisine has the highest average order amount, while Chinese cuisine generates lower-order value.
- **Payment Method Distribution**
UPI and cash payments are most popular (around 50% combined), suggesting a preference for flexible payment options.
- **The average order distribution by payment method**
Indicates that customers predominantly prefer cash payments, with a total of 1,456 orders. This is followed by credit card payments, which account for 1,345 orders. Both UPI and debit card payments show relatively lower usage, with 1,323 and 1,311 orders, respectively.
- **Delivery Time by Order Status**
Delivery delays are evident for failed or canceled orders, likely contributing to dissatisfaction.
- **Delivery Time by Cuisine Type**
Certain cuisines, like Italian (10060) and Mexican (9226), have longer delivery times, potentially impacting ratings and satisfaction.

Suggestions

- **Optimize Delivery Routes**
Focus on reducing delivery times in Bangalore and Hyderabad by improving route planning, increasing delivery staff, and partnering with more local restaurants, check the frequency of orders on specific delivery partner.
- **Improve Customer Satisfaction**
Address issues causing low ratings through better food packaging, faster delivery, and proactive customer support.
- **Monitor High-Value Cuisines**
Prioritize faster delivery for high-value cuisines (e.g., Italian, Mexican and Japanese) to retain high-spending customers.
- **Enhance Payment Experience**

Offer discounts or incentives for preferred payment methods (UPI and cash) to drive more engagement and trust.

- **Analyze Cancellations**

Investigate the root causes of cancellations and failed deliveries, such as restaurant delays or miscommunication with customers.

- **Targeted Marketing**

Use data to run city-specific marketing campaigns that highlight faster delivery or popular cuisines to boost engagement in underperforming areas.

- **Customer Feedback Loop**

Implement a robust feedback system to identify recurring issues from customer reviews and ratings.