

Zomato Sales Analysis

The objective of this analysis is to analyze Zomato's business performance through their sales data. We will focus on key metrics such as total sales, order frequency, YOY patterns and more. My aim as the analyst is to provide recommendations to improve customer engagement and revenue growth.

Data Overview

We will be using the "Orders" dataset in this analysis exclusively so as to not introduce scope creep and stay on track of primarily analyzing Zomato's sales. Including any other of the datasets would require delving into one or more of the 2 other types of sales analysis of Customer and/or Restaurant. Note, the dataset includes -1s and 0s as sales amounts. These have been kept in the dataset but filtered out in Tableau as it can be assumed these are for refunds and free meals respectively which may skew our analysis.

- KPIs:
 - Total Sales: Sum of all "sales_amount" over time.
 - Total Orders: Sum of all "sales_qty" over time.
 - AOV (Average Order Value): Total Sales / Total Orders.
 - Monthly Sales: Total sales grouped by month.
 - Monthly Order Volume: Total Orders grouped by month.
 - YOY (Year over Year) Sales Growth: Variance from prior year's sales performance.

Hypothesis

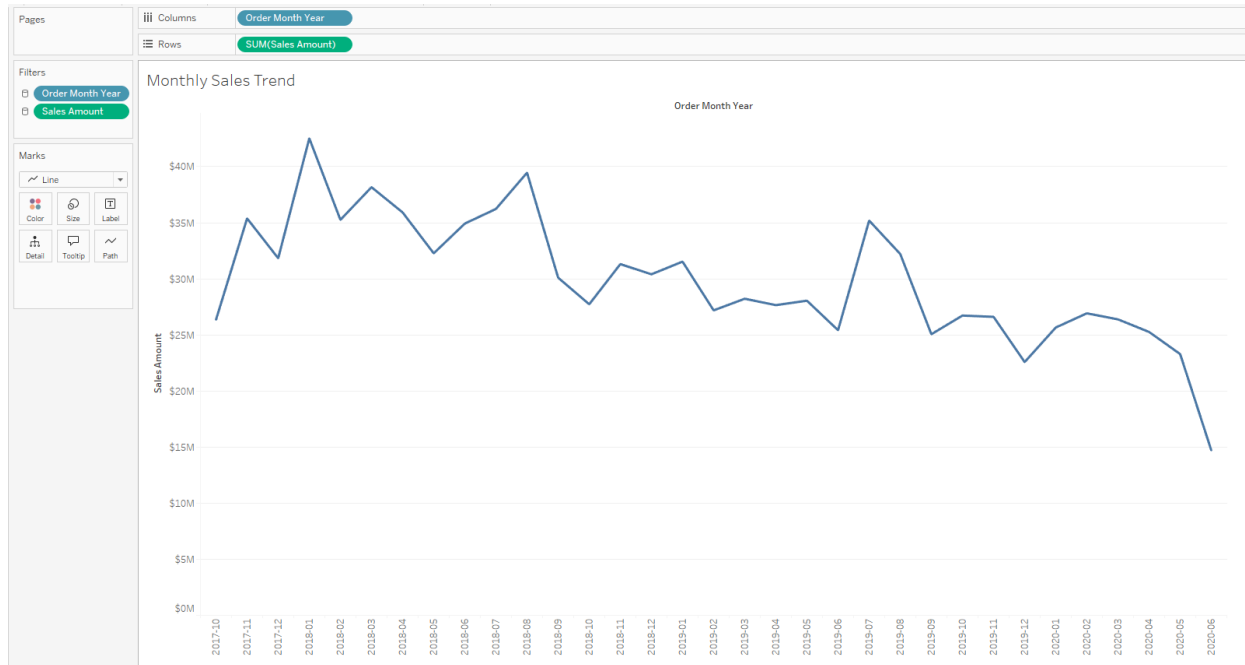
- I assume sales may increase during summer months and holidays.
- I assume sales and order quantity will show an upward trend YOY.
- I assume AOV will be higher during holidays.

Questions to Answer

- What are the total sales and total orders over time?
- What is the average AOV, and does it increase, decrease, or remain the same YOY?
- Are there trends during holidays and commonly peak seasons such as summer?

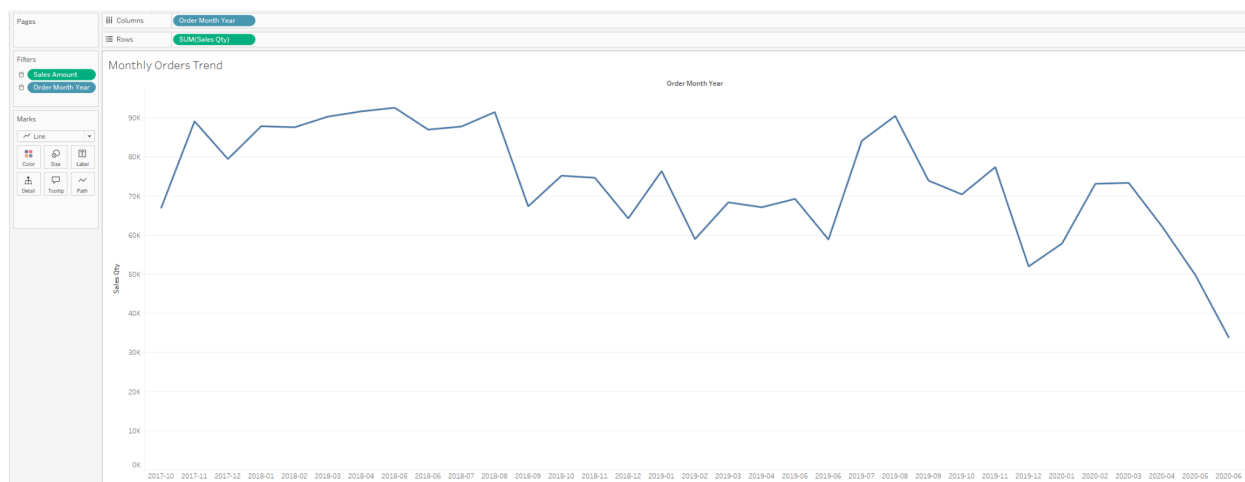
Analysis

Monthly Sales Trend



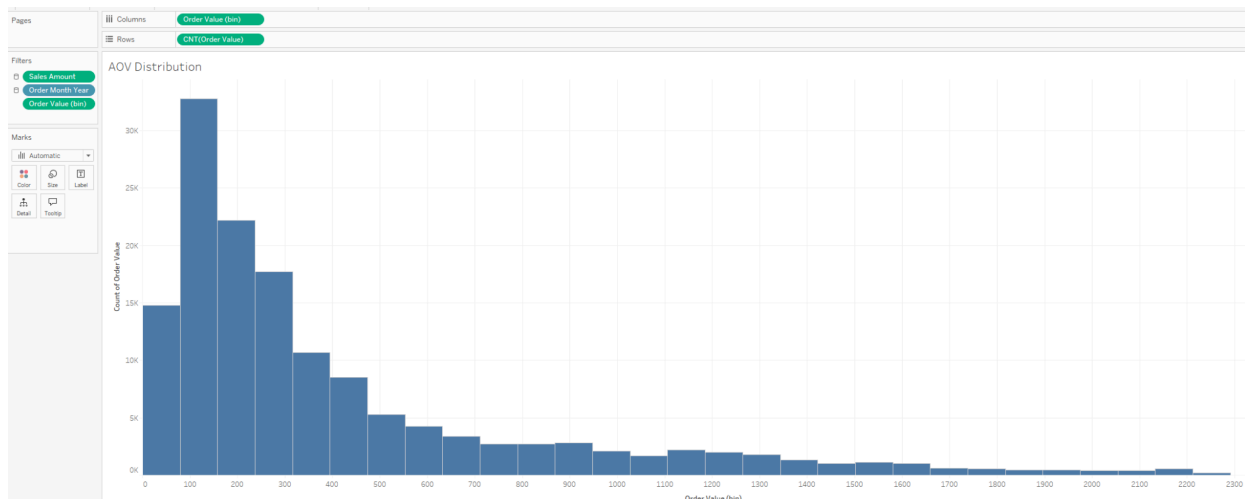
- We can see initial sales showed promise until around mid 2018 which shows sales plateau and even begin decreasing with the occasional spike in the 2nd halves of 2018 and 2019.
- After the 2nd spike in 2019, the downward trend is more prevalent. An assumption can be made that business suffered when the Covid-19 pandemic started hitting headlines and causing reservations for eating out anywhere.

Monthly Orders Trend



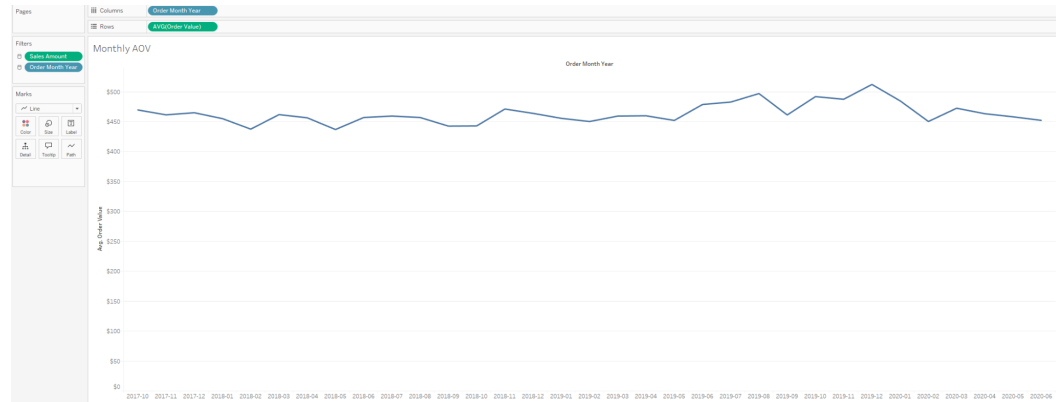
- Again, we can see strong initial growth for orders this time, even proving less volatile than the sales data. There is a marginal dropoff between September of 2018 and June of 2016 which Zomato manages to bounce back from, even reaching their peak at ~90k orders; Possibly from some initiative or campaign they started. Success however, does not last long before beginning another even steeper descent around Covid-19 time as well.

AOV Distribution



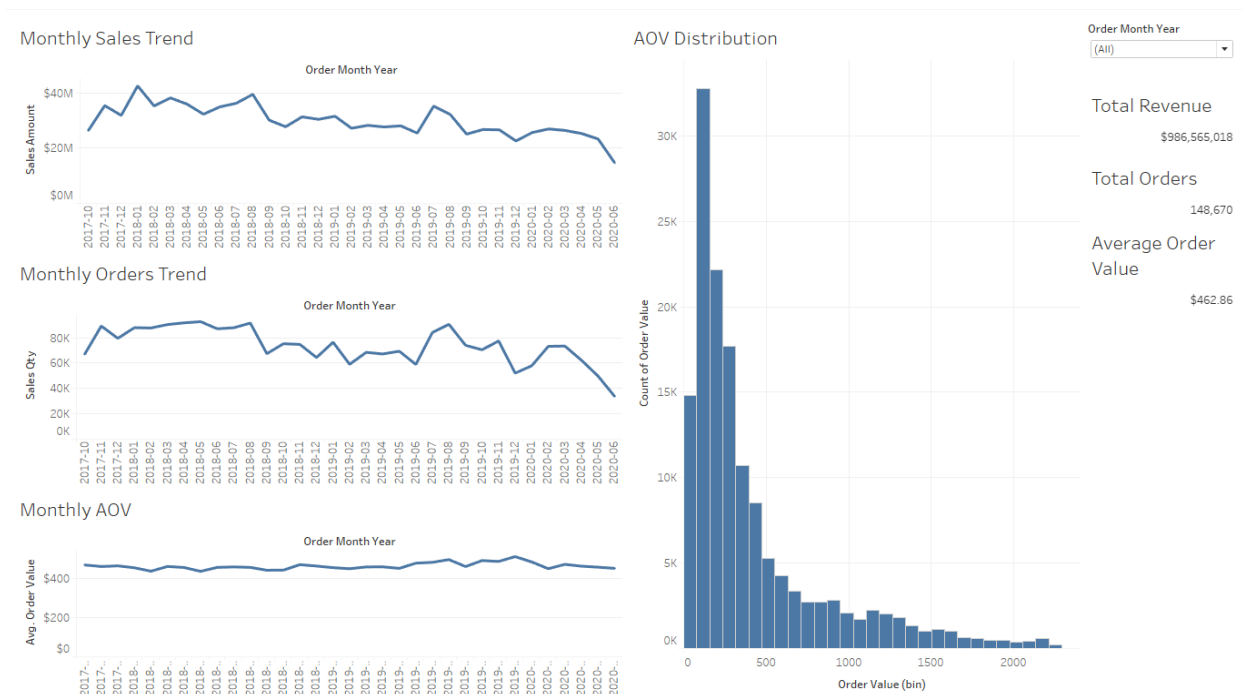
- We can clearly see a heavily right skewed distribution for the frequency of orders broken down by their AOV (Average Order Value). The bulk of which is between \$100-\$300.
- A gradual decline can be noticed after \$400 which indicates higher value orders are less frequent. This means the bulk of sales are less from high-ticket items and more from low-medium value items.

Monthly AOV



- Average Order Value seems to remain mostly stable throughout the months and years between \$450-\$500. This shows even as sales and order volume decreased from late 2019 onwards, customer spending patterns remained mostly the same.

Conclusions and Recommendations



To conclude this analysis on Zomato's sales performance; we have identified a generally strong start to their business in late 2017 which slowly tapered off until declining around late 2019 which we can primarily assume is due to Covid-19. Between 2017 and mid 2022, Zomato has generated **~\$986.6 million** in revenue from over **148,000** orders with a peak in 2018 for both.

Despite the volatility, the **AOV (Average Order Value)** has stayed mostly stable at around ~\$463 on average with most orders falling in the low-mid item value range.

To improve revenue and overall business performance, we may recommend a few things based on this analysis.

- Zomato should try increasing **AOV** through various incentives such as bundles, upselling, or cross selling.
- Develop retention campaigns and strategies such as loyalty programs to focus on keeping current customers to stabilize revenue and order volume before trying to grow once more.
- Lastly, assuming we are correct in the pandemic being the primary cause behind the decline in performance from late 2019 onwards; Zomato may want to direct resources into developing contingencies so as to be better prepared for any potential event that may affect the business as a whole.