



zomato



Business Case Study of ZOMATO

By
Oishik Biswas

Zomato

- For 2018-2020 period revenue rises from \$65 million to \$368 million.
- But at the same time period, losses increase from \$15 million to \$304 million.
- Tried to launch zomato gold to lock customers from going to swiggy.
- Massive losses to restaurants, shut the service down.

JUNE vs Amazon

June Smart Oven

- Screen for viewing recipes, controlled over WiFi
- Alexa compatible, voice command control raise funding from investors.

Amazon Smart Oven

- Half the price of JUNE oven.

Amazon Strategies

- Every year Amazon unveils hundreds of products.
- They have developed an intricate playbook, to put every competitor out of business.
- Find a best selling product → Use the data from the sellers profile and make a list of all the specifications.
- Read reviews and find the most appealing point → Buy manufacturing unit to get them to make exact same product, aggressively sell at 30-40% lesser than the best selling product.

Amazon Superpowers

- Consumer data → What customers wants to buy and how much they can afford.
- Data of every seller → What features make a product best selling product.
- Digital real estate → Special preference to rank its product as the best.

Zomato

- Data of thousands of restaurants and consumers.
- Knows which dishes sell best at which location.
- Knows optimum price + peak season → Ex: Hinjewadi Pune Biryani at 150 Rs will best seller from November to December.

Cloud Kitchen

- Super efficient restaurant which only gives out take way orders.
- No dining space.
- Kitchen of the restaurant that takes online orders, gives it out to delivery.

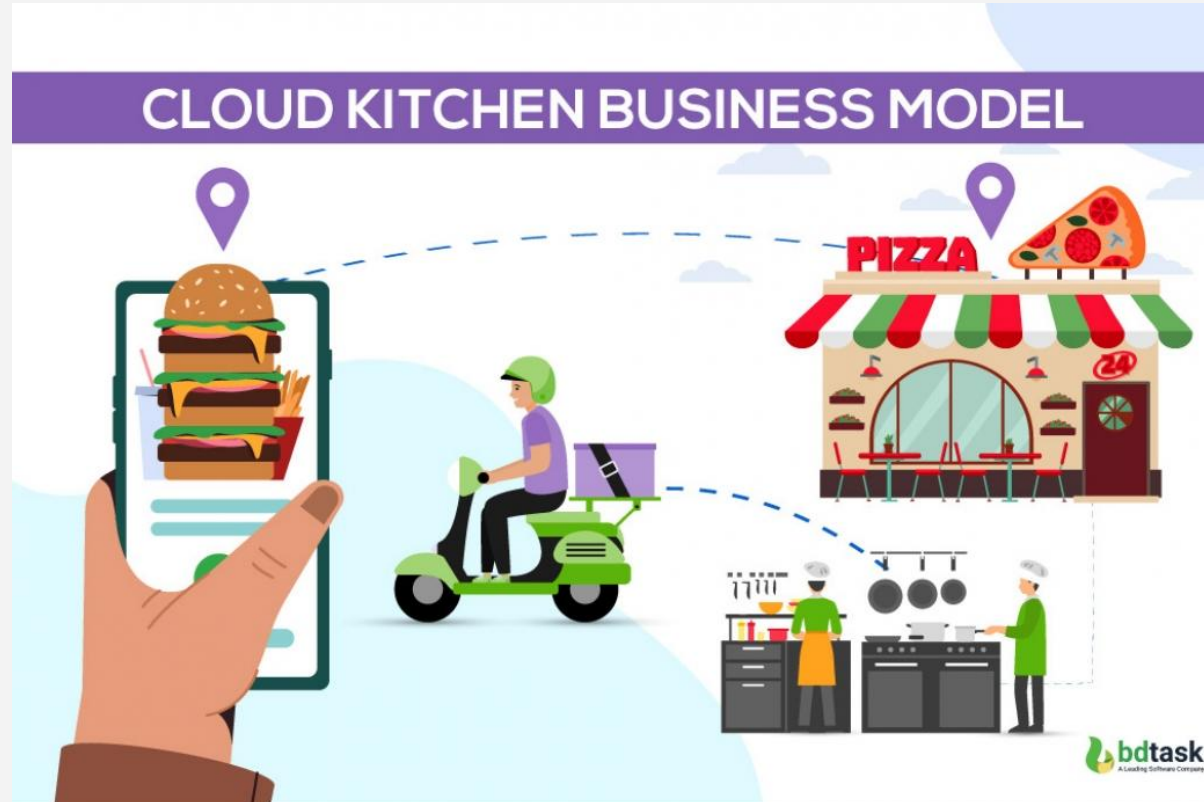
Cloud Kitchen vs Restaurant Comparison

	Restaurant 50 Seater	Cloud Kitchen
Rental Cost	6 lakh Rs (2000 sqft)	50k - 100k Rs
Rental Deposit	2 million Rs	100k Rs
Licence	8 - 10 lakh Rs	8 - 10 lakh Rs
Equipment	8 - 15 lakh Rs	8 - 15 lakh Rs
Working Capital	20 lakh Rs	10 lakh Rs
Break Even Revenue	20 lakh Rs/month	

Example: Rebel Foods

- Owns Faasas and Behrouz Biryani.
- Individually 16 -17 crores per month.
- 300 cloud kitchens, across 35 cities (India)
- Less than 10 years.

Cloud Kitchen



Zomato as Aggregator

- Zomato can open cloud kitchen and list its products at the top with aggressive pricing model, undercut own best sellers.
- Can lead to supercloud kitchen.

Faasos	Zomato
Best Seller	Aggregator
JUNE	Amazon

Cloud Kitchen Today vs Zomato Kitchen in 2025

	Cloud Kitchen Today	Zomato Kitchen in 2025
Raw Material	40%	28%
Aggregate Commission	25%	28%
Fixed Cost	25%	21%
Brand Royalty		7%
Profit	10%	16%

Cloud Kitchen Today vs Zomato Kitchen in 2025 (Aggregator)

	Cloud Kitchen Today	Zomato Kitchen in 2025
Raw Material	40%	28%
Aggregate Commission	25%	0%
Fixed Cost	25%	21%
Brand Royalty		7%
Profit	10%	44%

Result of Zomato Aggregator

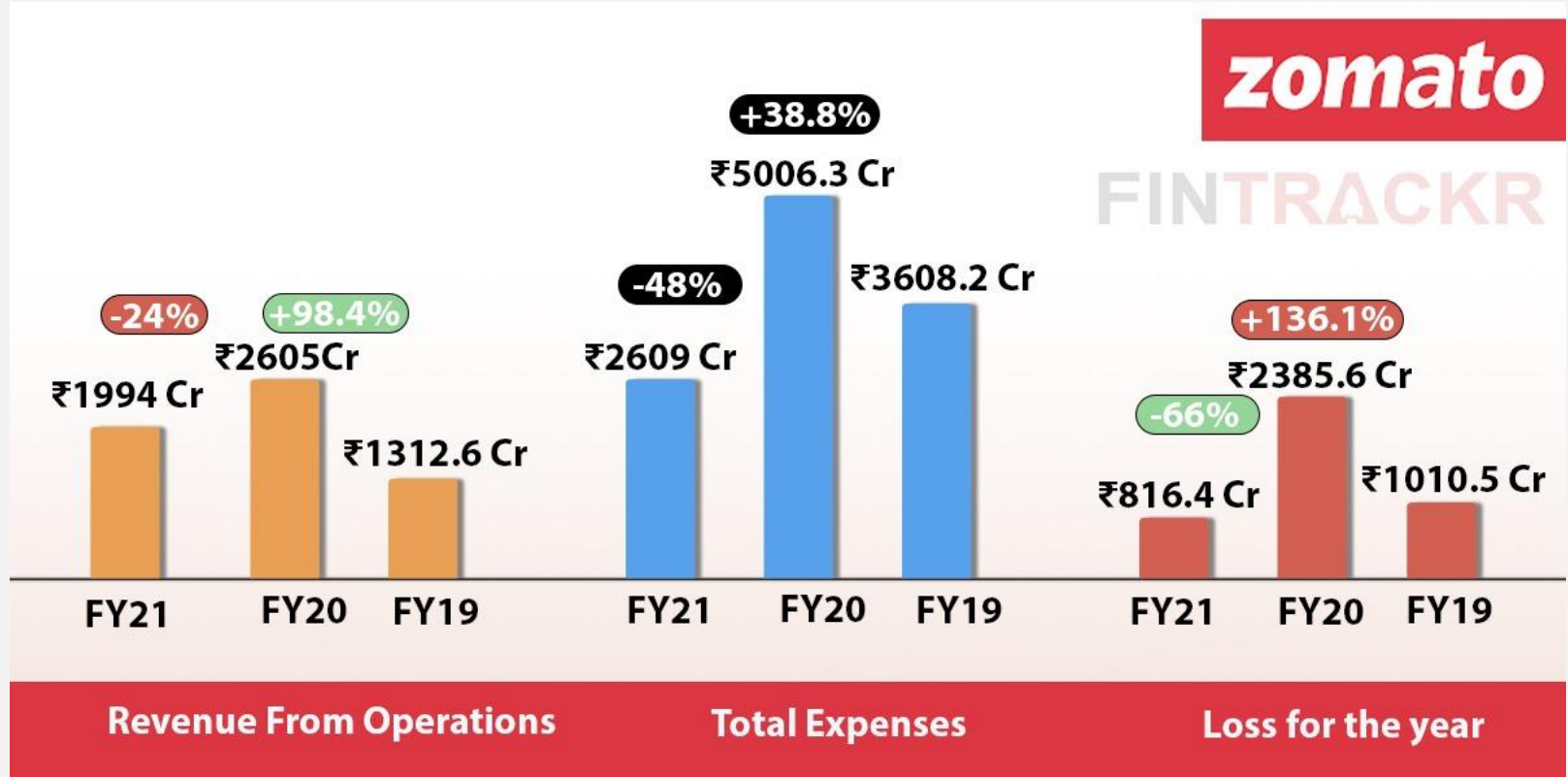
- Zomato Hyperpure, building robust supply chain (Raw Material will become <25%.
- Zomato's commission will be 44% neglecting margins from hyperpure.
- Even if 10% commission at delivery, resulting 34% profit.

Zomato SWOT Analysis

SWOT ANALYSIS OF **zomato**

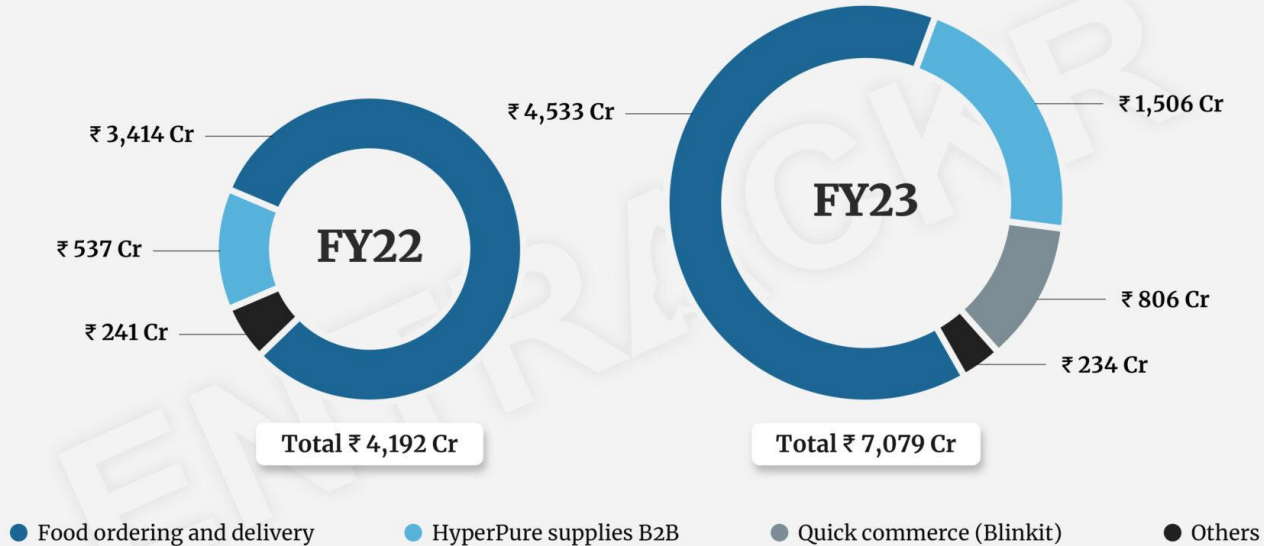


Zomato Revenue



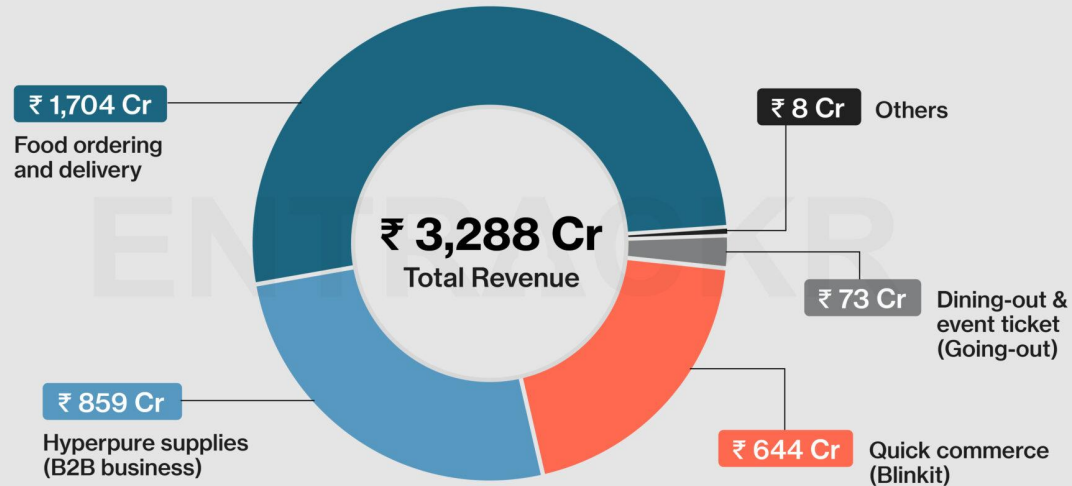
Zomato Revenue

zomato Revenue Breakdown



Zomato Revenue

zomato's Revenue Breakdown Q3 FY24



Zomato Revenue



Business Lessons

- In terms of significance, Numbers < Story behind the numbers
- Find the companies in the next curve.
- Innovation always happens in the next curve.