

Guesstimate

Question By Zomato: Total number of reviews on Zomato



Problem Statement: Total number of reviews on Zomato ?

Clarifying Questions:

- Duration – Year
- App store reviews or in app reviews – App reviews
- Whole country
- Is there any specific demography - No, consider everyone's reviews
- Android or IOS – Both
- Zomato operates in 15+ countries, do we have to consider all the countries or just India
Consider only India

Approach:

I am following the Top down approach.

Equation : # of reviews on Zomato in a year = Total no. of orders in a year * Avg reviews per order

Now we have to calculate the Total # of orders in a year.

Equation : # of orders in a year = # of people ordering from Zomato * Avg # of orders

Total Population of India \approx 140 crores

Assumption \approx Assuming Zomato operates only in urban cities.

Lets divide the population into Urban and Rural.

Assumption \approx Assuming Urban \approx Rural split as 30 \approx 70

of people living in Urban \approx 30% * 140 crores = **42 crores**

We have also have to think about how many people have mobile phones to order food.

In Urban areas, lets assume **75% of people have mobile phones with internet connectivity.**

Hence # of people with mobile phones & internet connectivity= 75%*42 crores = **32 crores**
(approx)

Assumption \approx Lets consider people in the age group of 15 \approx 50 years will only order food online.

% of people in this age group = **60%**

Hence, **# of people in the age group \approx 15 \approx 50 yrs)** \approx 60% * 32 crores = **19 crores**
(approx.).

Now we have to consider about how many of these people might prefer ordering food online.

Assumption Assuming 50% of this age group order food online.

Therefore, **# of people ordering food online** \approx 50% * 19 crores = **10 crores**
(approx.)

There are lot of companies in the food delivery business like Swiggy, Dominos etc.

Assumption \approx Lets consider Zomato has 50% of the market share.

Hence, **# of people ordering through Zomato** \approx 50% * 10 crores = **5 crores.**

Now, we have to calculate orders made through Zomato by these 5 crores.

Categorizing the users into 3 types.

?? Power User ? Orders 10 meals per month ??

Active User ? Orders 4 meals per month

?? Passive User ? Orders 1 meals per month

Assumption ? Assuming **30%** of people are the **power users**, **40%** of people are **active users** and another **30%** of the people are **passive users**.

of Power users ? $30\% * 5 \text{ crores}$? 1.5 crores.

of Active users ? $40\% * 5 \text{ crores}$? 2 crores.

of Passive users ? $30\% * 5 \text{ crores}$? 1.5 crores

Total # of orders by Power users ? $1.5 \text{ crores} * 10$? 15 crores orders per month. Total # of orders by Power users in a year ? $15 * 12$? 180 crores orders per year.

Total # of orders by Active users ? $2 \text{ crores} * 4$? 10 crores orders per month.

Total # of orders by Active users in a year ? $10 * 12$? 120 crores orders per year.

Total # of orders by Passive users ? $1.5 \text{ crores} * 1$? 1.5 crores orders per month. Total # of orders by Passive users in a year ? $1.5 * 12$? 18 crores orders per year.

Therefore **total orders per year** ? $180 + 120 + 18$? **320 crores order per year** approx.

Now we have to calculate **the # of reviews posted**.

We will again categorize into three types.

?? Power reviewer ? 10% reviews ? 10 reviews per 100 orders)

?? Active reviewer ? 2% reviews ? 2 reviews per 100 orders)

?? Passive reviewer ? 1% review ? 1 review per 100 orders)

Average review per order = $\frac{10 \times 2 \times 1}{100 \times 100 \times 100} = 0.04$ reviews per order.

Total reviews posted on Zomato in a year ? Total no. of orders in a year * Avg #
of review per order ? 320 crores * 0.04 ? 12.8 crores reviews = **13 crores** approx.

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