

Customer Segmentation Analysis

Prepared for: Zomato

ZOMATO CUSTOMER DEMOGRAPHICS: OVERVIEW

GENDER

Zomato users identified their gender as follows: **42.8% female, 57.2% male.**

AGE

All Zomato users in this dataset were between 18 and 33 years old. The majority of users in this dataset were **between 22 and 26 years old**, with this group accounting for 68.8% of all users.

EMPLOYMENT STATUS

The most common employment status across Zomato users was **student** and the least common employment status across users was **housewife**.

MARITAL STATUS

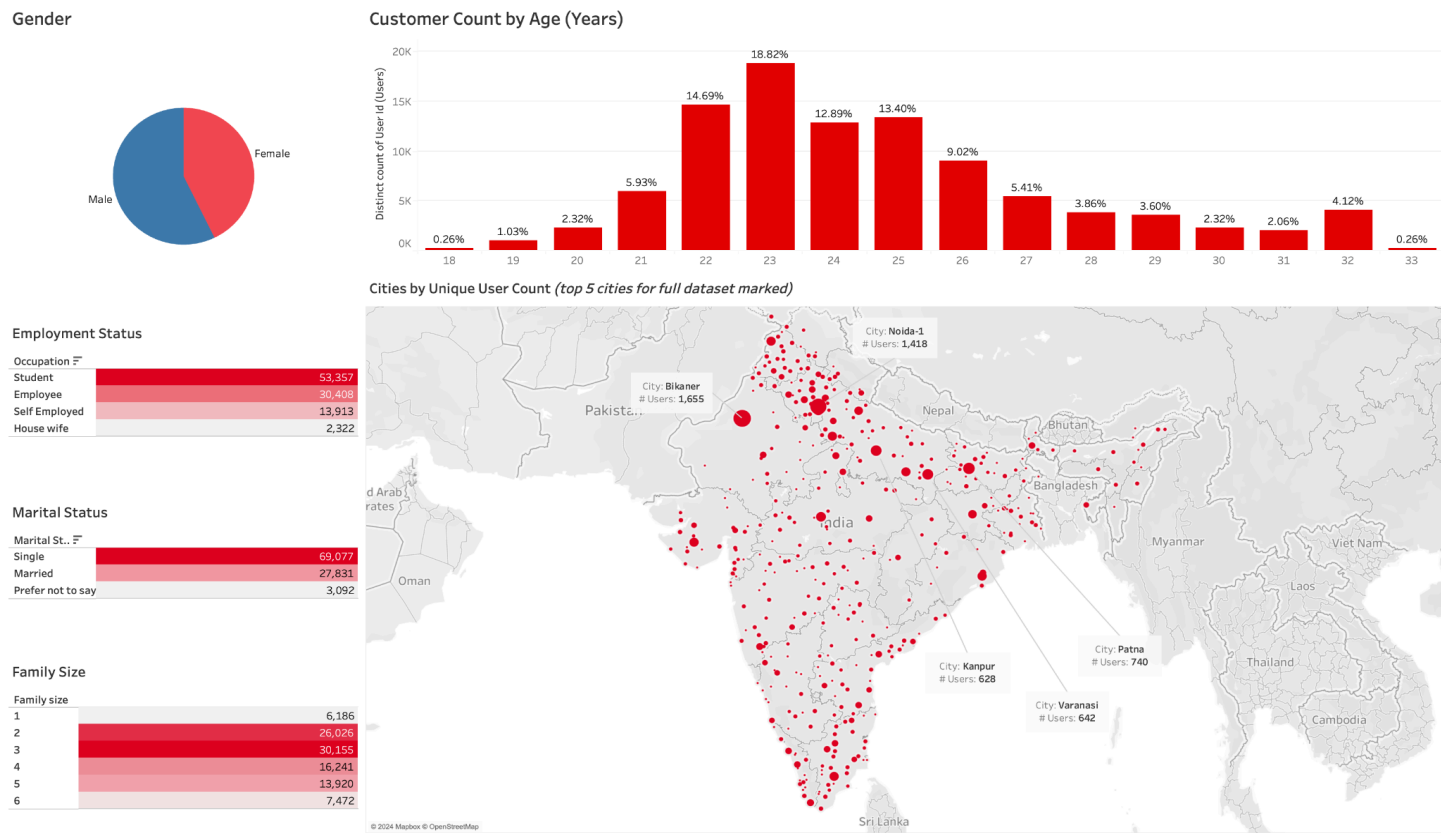
The most common marital status across Zomato users was **single**. Approximately 3% of users declined to indicate their marital status when prompted.

FAMILY SIZE

The two most commonly reported family sizes for Zomato users were **two or three person families**. The least commonly selected family size among users was a **single person family**.

LOCATION

The top 5 cities with the most Zomato users were found to be: Bikaner, Noida-1, Kanpur, Varanasi, and Patna. These cities are all very densely populated, thus aligning with the higher numbers of Zomato users.

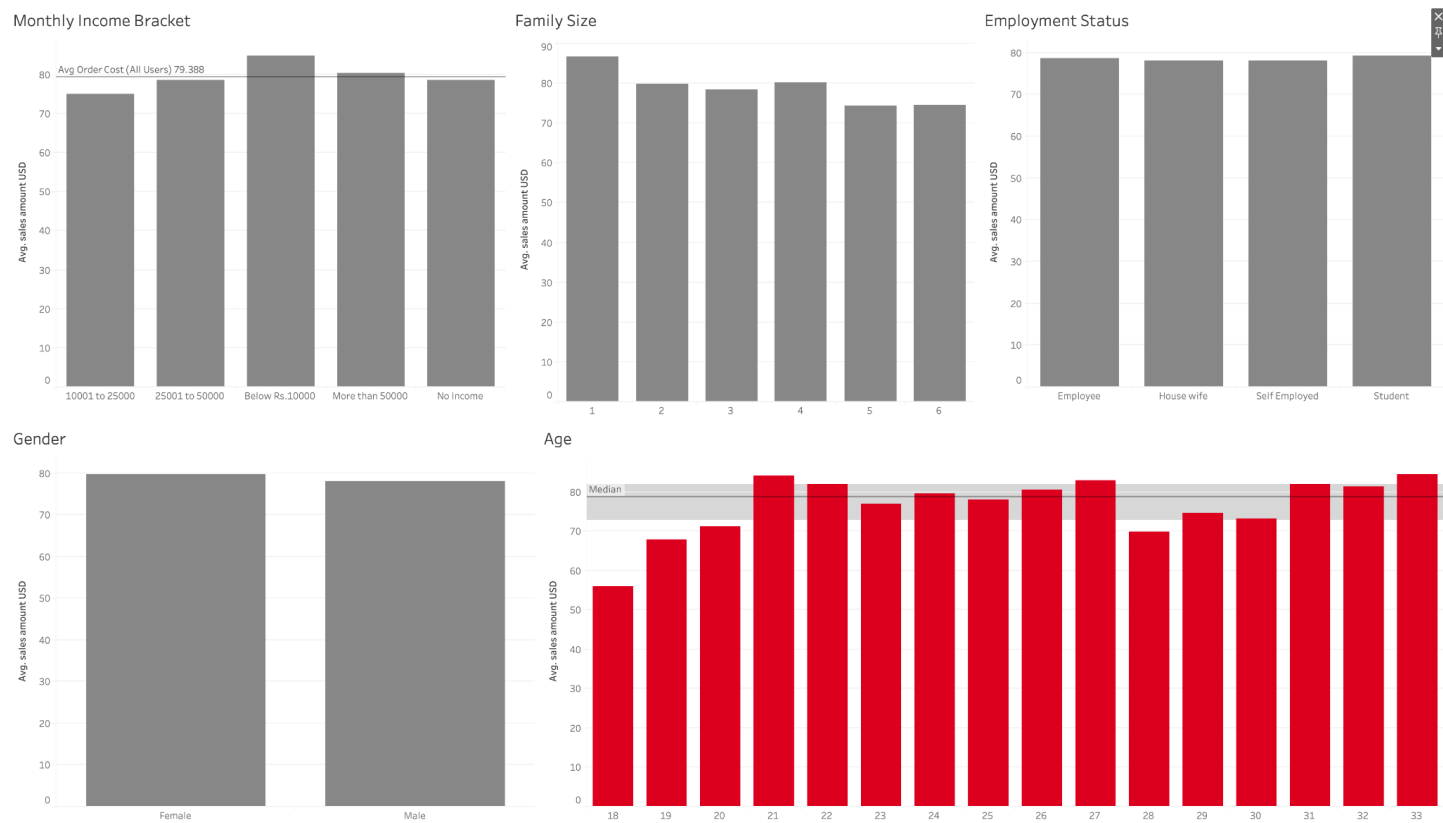


ZOMATO CUSTOMER DEMOGRAPHICS vs AVERAGE ORDER COST

Analysis did not show many interesting or actionable relationships between various demographic parameters of Zomato users and their average order costs.

Age was the one demographic variable that did have some intriguing correlations with average order cost. The average order cost for Zomato users aged 18, 19, 20 and 28 were all in the lowest quartile for average order cost across the data set. In the conclusions and recommendations section, we will discuss what can be done to target these groups who are spending less than other users.

Do Demographic Factors Impact Average Order Cost?



ZOMATO CUSTOMER PURCHASING BEHAVIOR

RATINGS

The 2 visualizations on the left hand side of the dashboard screenshot included below address the relationship between restaurant ratings and purchasing behavior.

The top visualization does appear to indicate a **positive relationship between the star rating of a restaurant and the total volume of orders placed** with that restaurant. The drop off in order volume at around the 4.3 star rating is likely due to the fact that there are a smaller number of restaurants who achieve a rating of that level or higher. Thus, the count of total orders placed with higher-rated restaurants is less than the count we would see of a more “average” rating, due to the higher number of total restaurants that users can order from.

The bottom visualization indicates that **restaurants that have too few ratings to have an aggregate rating shown on their profile are not negatively impacted** by this fact.

WEEKLY TRENDS

Per the top right visualization, the number of orders and average cost per order are both **lowest on Saturday and Sunday**, and are both **highest on Friday**.

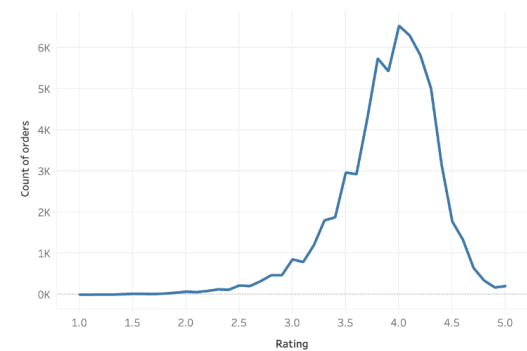
ANNUAL TRENDS

The bottom right visualization shows that **July, August and September are all months with lower total order numbers** than the rest of the year, but order costs during those months are at or above average.

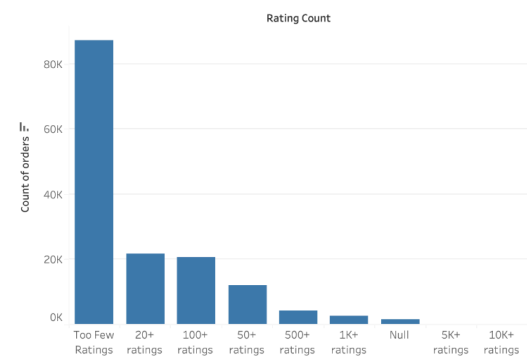
PURCHASING BEHAVIOR TRENDS

RESTAURANT RATINGS AND ORDER VOLUME

Do Ratings Affect How Many Order a Restaurant Receives?

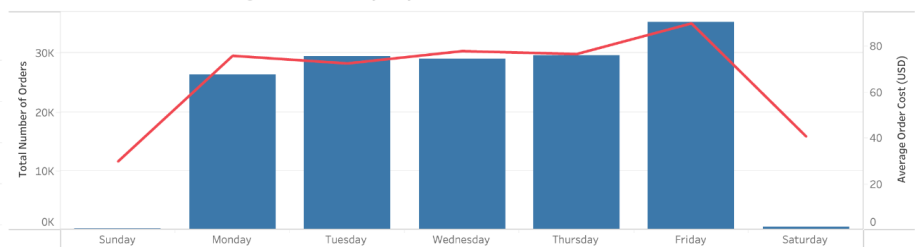


Does the Number of Ratings Impact Order Volume?

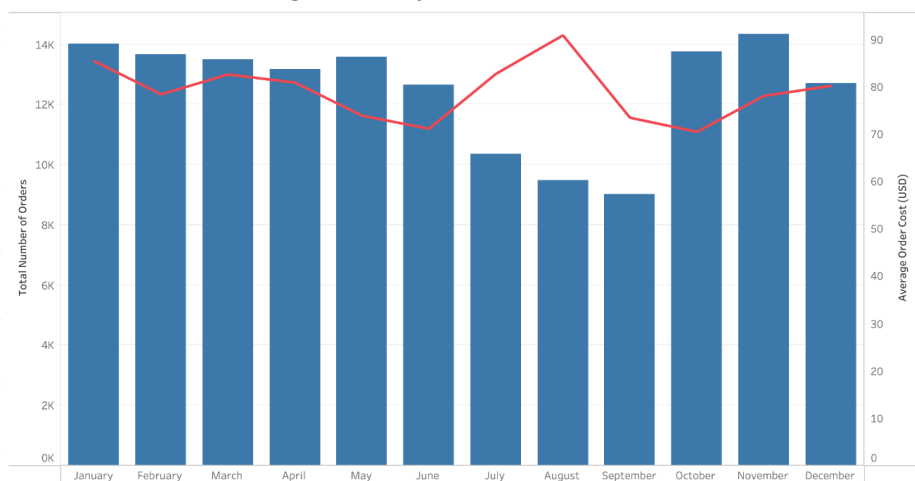


WEEKLY AND MONTHLY TRENDS

Number of Orders and Average Order Cost by Day of Week



Total Number of Orders and Average Order Cost by Month



CONCLUSIONS AND RECOMMENDATIONS

Based on all of the data analysis and visualizations that have been generated, we have come up with the following conclusions and recommendations:

CONCLUSIONS

1. In terms of average order cost, 18 to 20 year olds spent the least amount of money, but other demographic factors did not appear to significantly impact how much money was spent.
2. Saturday and Sunday both have lower average order costs as well as less total orders than any other day of the week. There may be an opportunity here to maximize revenue if we can address this weekly pattern (*see recommendations*)
3. July, August and September were the months of the year with the fewest number of total monthly orders; however, average order cost in those months was not depressed. There may be an opportunity here to maximize revenue if we can address decreased order volume (*see recommendations*)
4. Lack of sufficient ratings does not seem to hurt a restaurant's order volume.
5. Very low star ratings (below 2.5 stars) do translate to significantly lower order volumes, and once a restaurant can get above about a 3.5 star rating there is potential for much better order volumes, so that may be a good benchmark for restaurants to aim for.

RECOMMENDATIONS

1. **Implement targeted customer-facing marketing campaigns**
 - a. The purpose of these campaigns would be to address patterns of lesser purchasing behavior and hopefully drive increased order volumes and sales
 - b. 2 examples of marketing campaigns we could roll out would be:
 - i. **SUMMER SALE**: This campaign would aim to increase order volume in July, August and September. Promos we could consider: free/discounted delivery, a refer-a-friend perk, a discount on next purchase if used within these months.
 - ii. **WEEKEND PROMO**: Similar to the "summer sale" suggestions, but for the purpose of increasing order volumes on Saturday & Sunday.
2. **Create and guide restaurant owners to new in-app features**
 - a. The purpose of rolling out new in-app features and altering restaurant owners to these aspects of the Zomato app would be to improve restaurants' abilities to convert customer and increase their revenue. It may make sense to have Zomato charge a fee for these features, or for certain versions of these features
 - b. 2 examples of in-app features that Zomato could roll out (potentially for a fee) would be:
 - i. **LOW RATING AUTOMATIONS**: When a restaurant receives a rating below a certain threshold (perhaps below a 2.5 since that seems to be a big inflection point in the data) Zomato could automatically send an email to the user offering a discount code if the order from the restaurant again, as well as a feedback form that goes directly to the restaurant.
 - ii. **FEATURED RESTAURANTS**: Restaurants with low ratings could pay to be featured in the app in the hopes of drawing in new customers to give them the opportunity to get their average rating up.