Zomato Sales Analysis and Improvement Recommendations

This document presents a comprehensive analysis of Zomato's sales performance from 2017 to 2020, utilizing Tableau visualizations to uncover key trends and insights. By delving into various aspects such as sales trends over time, restaurant performance, cuisine popularity, and regional sales distribution, this study aims to provide a clear understanding of Zomato's operational dynamics and customer behavior. The objective is to offer strategic recommendations that will help Zomato strengthen its partnerships with restaurants, enhance customer satisfaction, and boost overall sales.

The following sections of the report will detail each aspect of the analysis, including Zomato's revenue growth, key customer segments, high-performing regions, and cuisine preferences. These insights will guide targeted recommendations for growth and operational improvements, aligning with Zomato's broader strategic objectives in the highly competitive food delivery market.

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Sales Trends Over Time:

1. How have total sales and revenue changed over time (monthly, yearly)?

If we look at the sales from 2017 to 2020:

- **Sales were increasing rapidly in 2018**, reaching their highest point in the middle of the year. This shows that Zomato was growing during that time.
- However, after that peak, **sales began to decrease** steadily throughout 2019, with some small periods of recovery but nothing sustained.
- **In 2020**, sales dropped even more, especially early in the year. This decline aligns with the start of the **COVID-19 pandemic**, which affected how people interact with restaurants, causing a major slowdown in orders and deliveries.

2. Are there noticeable seasonal trends (holidays, events)?

Yes, there are **ups and downs in sales** that seem to follow seasonal trends:

- We see sales peaks that likely happen during **major holidays** like **Diwali**, **New Year's**, and **Eid**—these are times when people are more likely to order food for celebrations.
- After these holiday spikes, sales tend to **drop** as the celebrations end, which is common as people spend less once the holidays are over.

Time Series Chart (Sales Trends)

*This visualization shows **Zomato's total sales** from September 2017 to July 2020. The green line represents the monthly total sales figures over this period.*

Sales Performance by Restaurant and Cuisine:

3. Which restaurants have the highest and lowest sales?

Zomato has data for a total of **112,819 restaurants**, but for this analysis, we are focusing on the **top 5** and **bottom 7** performers.

1. **Highest Sales**:
   - **Domino's Pizza** stands out as the top performer, generating over **5 million** in total sales. This makes it the leader among all restaurants, likely due to its strong brand presence, efficient delivery services, and customer loyalty.
   - The other top restaurants, including **Kouzina Kafe - The Food Court**, **Sweet Truth - Cake and Desserts**, **Pizza Hut**, and **Huber & Holly**, have sales ranging between **1.6 million** and **1.9 million**.
2. **Lowest Sales**:
   - **Janta Sweet House** has the lowest sales, with a **negative value** (around **-1**), possibly due to refunds or transaction issues. This puts it at the bottom of the performance spectrum.
   - There are also many restaurants with **0 sales**, indicating either inactivity or extremely low performance. These restaurants may not be generating enough visibility or customer interest on the Zomato platform.

Domino's Pizza stands out with notably high sales, demonstrating its strong performance in the market. However, a significant portion of restaurants, particularly those with 0 or negative sales, are underperforming. These restaurants may require targeted support and strategic interventions to improve their performance and overall contribution to Zomato's sales. Identifying areas where these restaurants can receive help, such as marketing support, menu optimization, or operational improvements, could be key to enhancing their sales figures.
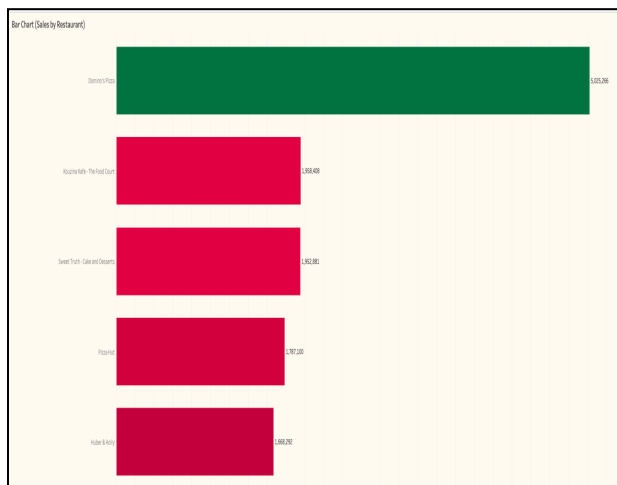
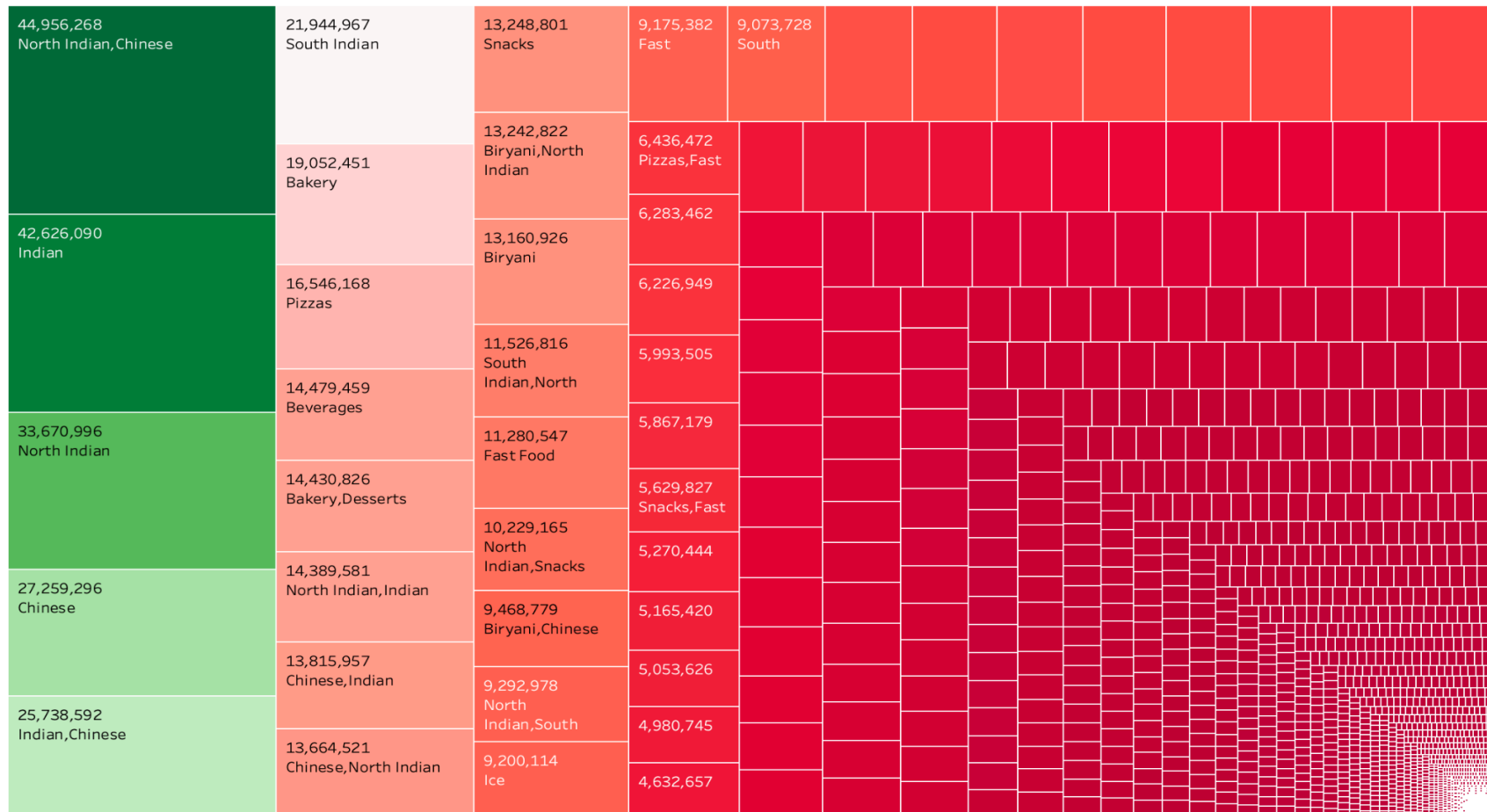## 4. How Do Different Types of Cuisine Perform in Terms of Sales?

The sales performance of various cuisines reveals that **traditional Indian cuisines** (particularly **North Indian** and **South Indian**) dominate the market. The top-performing cuisine is the combination of **North Indian and Chinese**, with the highest sales contribution of **₹44,956,268**. This is followed closely by **Indian cuisine** alone, which generated **₹42,626,090**.

North Indian cuisine on its own also performs exceptionally well, with sales reaching **₹33,670,996**. These figures highlight the strong consumer preference for both regional Indian flavors and popular international options like Chinese cuisine.

In contrast, smaller categories such as **Fast Food** and **Snacks**, while not leading, still show significant demand, with sales of **₹11,280,547** and **₹13,248,801** respectively. These categories appeal to customers seeking quicker meal options.

Overall, traditional Indian cuisines, particularly North Indian and regional combinations, dominate sales, while fusion options like **Chinese and Indian** and **Biryani** variations show that multi-cuisine offerings also have substantial appeal. Emerging categories like **Snacks**, **Fast Food**, and **Bakery/Desserts** represent areas of potential growth.

The proportion of sales by cuisine

44,956,268 North Indian,Chinese	21,944,967 South Indian	13,248,801 Snacks	9,175,382 Fast	9,073,728 South
	19,052,451 Bakery	13,242,822 Biryani,North Indian	6,436,472 Pizzas,Fast	
42,626,090 Indian			6,283,462	
	16,546,168 Pizzas	13,160,926 Biryani	6,226,949	
33,670,996 North Indian	14,479,459 Beverages	11,526,816 South Indian,North	5,993,505	
	14,430,826 Bakery,Desserts	11,280,547 Fast Food	5,867,179	
	14,389,581 North Indian,Indian	10,229,165 North Indian,Snacks	5,629,827 Snacks,Fast	
27,259,296 Chinese		9,468,779 Biryani,Chinese	5,270,444	
	13,815,957 Chinese,Indian		5,165,420	
		9,292,978 North Indian,South	5,053,626	
25,738,592 Indian,Chinese	13,664,521 Chinese,North Indian	9,200,114 Ice	4,980,745	
			4,632,657	

This treemap represents the **proportion of sales by different cuisines** on Zomato. Each block shows a specific cuisine or combination of cuisines, and the **size of the block** reflects the total sales for that category. Larger blocks indicate higher sales, while smaller blocks show less popular cuisine categories in terms of revenue.

Sales Distribution by Location:

### 5. How are sales distributed across different cities or regions?

Sales are primarily concentrated in **urban areas** with large populations and developed infrastructure. For example, **Tirupati** leads with ₹42.5 million in sales, showcasing high customer engagement and demand for food delivery. **Bangalore's Electronic City** follows closely with ₹28.6 million, driven by its tech-driven workforce and lifestyle. **Baner (Pune)** and **Raipur** each contribute over ₹20 million in sales, indicating strong performance in these growing cities. **Malviya Nagar, Delhi**, with ₹16.5 million, further emphasizes the popularity of online food delivery in India's capital.

6. Are there specific locations with notably high or low sales?

Yes, certain locations show significantly higher or lower sales:

- **High Sales Locations**: Major cities like **Tirupati**, **Bangalore**, **Pune**, and **Delhi** are top contributors to Zomato's overall sales. These areas benefit from dense populations, urban lifestyles, and a strong demand for online food delivery services.
- **Low Sales Locations**: Regions like **Itanagar (₹167)**, **Noida Expressway, Delhi (₹88)**, and **Naharlagun (₹79)** have notably low sales, with **BBK_Chattarpur, Delhi** even reporting **0 sales**. These underperforming locations likely face challenges such as lower population density, fewer restaurants, and limited delivery infrastructure, making it harder for Zomato to establish a strong presence.

Overall, the distribution shows that urban hubs are driving Zomato's sales, while smaller towns or regions within larger cities are struggling, presenting opportunities for further expansion.
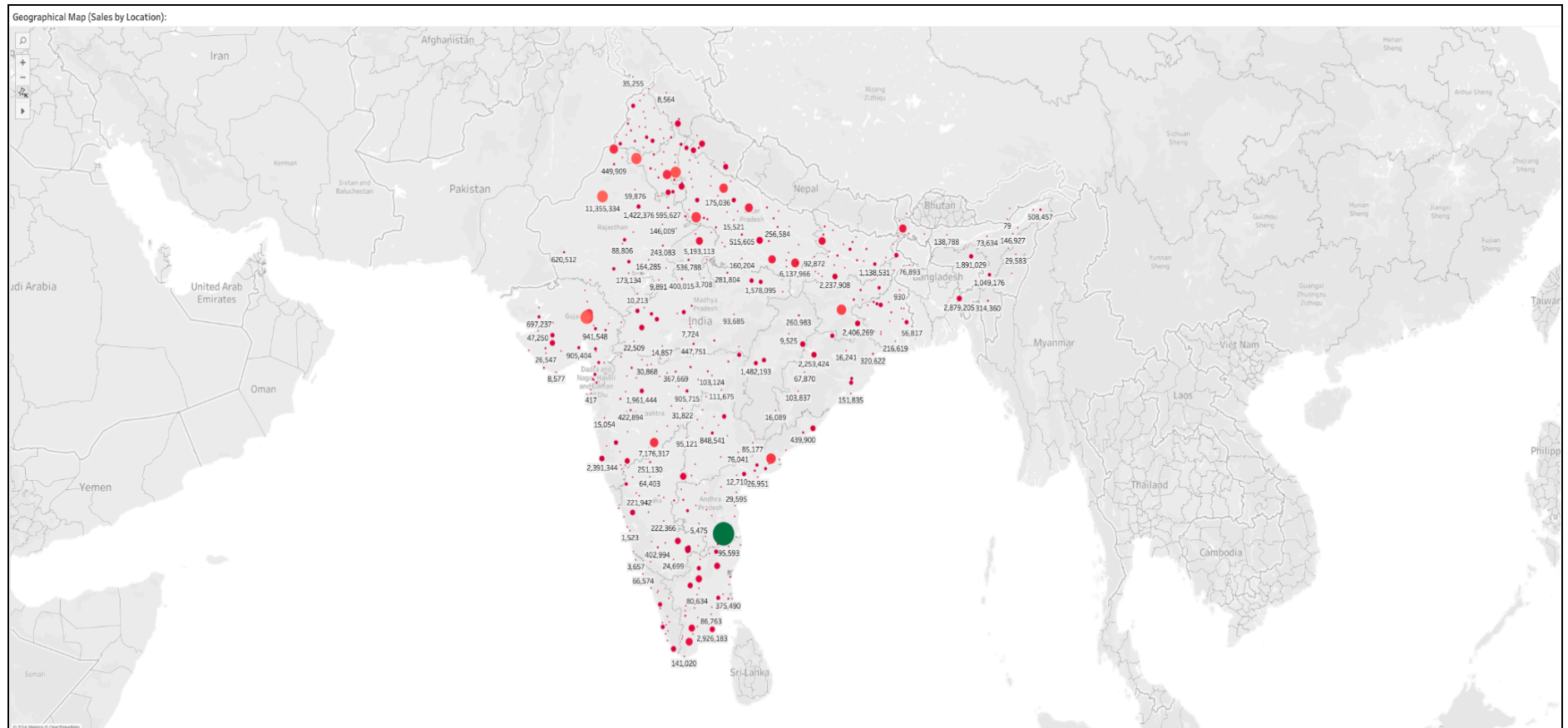
*This is a **geographical map** showing **Zomato's sales distribution** across various cities and regions in India. The **size of the circles** represents the volume of sales, with larger circles indicating higher sales. Major urban centers like **Bangalore** and **Delhi** show high sales, while smaller towns and rural areas have significantly lower sales*

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Revenue and Customer Behavior:

7. How Does Customer Order Frequency Affect Overall Revenue?

Customer order frequency, particularly from repeat customers, significantly impacts revenue. Key observations include:

- **Students** are the largest contributors, with repeat customers making up 32.90% of
- revenue. New students contribute 20.59%, indicating strong potential for growth.
- **Employees** account for 18.67% of revenue from repeat customers, with 11.72% from new customers, showing a balance and room for further growth.
- **Self-employed** individuals contribute 8.74% from repeat customers, suggesting lower order frequency but still relevant to overall sales.
- **Housewives** contribute 1.55%, with both low frequency and market size, but targeted marketing could improve engagement.

Increasing order frequency, particularly from top groups like students and employees, is key to growing revenue.

8. Are Repeat Customers Contributing Significantly to Revenue?

Yes, repeat customers are critical:

- **Students** contribute 32.90%, making loyalty in this group essential for long-term revenue.
- **Employees** contribute 18.67%, showing balanced contributions from both repeat and new customers.
- **Self-employed** individuals contribute 8.74%, indicating a need to enhance retention strategies.
- **Housewives** contribute the least (1.55%), but there is potential for growth with targeted efforts.

Overall, repeat customers are highly valuable, and retention strategies are crucial for maintaining and growing revenue across all groups.

Sales Contribution by Occupation and Customer Type

Occupation

Customer Type
- New Customer
- Repeat Customer

Student: 20.59% (New Customer), 32.90% (Repeat Customer)
Employee: 11.72% (New Customer), 18.67% (Repeat Customer)
Self Employeed: 5.08% (New Customer), 8.74% (Repeat Customer)
House wife: 1.55% (Repeat Customer)

This chart shows the **Sales Contribution by Occupation and Customer Type**. *It is a stacked bar chart where the sales amount is broken down by occupation (students, employees, self-employed, and housewives) and further divided into two customer types:* **new customers** *(in red) and* **repeat customers** *(in green).*

Conclusion of Zomato Sales Analysis

During the analyzed period, Zomato recorded total sales of **₹986,565,016**, with an average order value **(AOV)** of **₹403.6**. The year 2018 saw an impressive **343%** growth in revenue, driven by high demand in key regions like **Tirupati, Bangalore, and Delhi.** However, the declines in 2019 (**-19%**) and 2020 (**-58%**) revealed operational challenges and shifts in market dynamics. These fluctuations were particularly noticeable during non-festive periods, highlighting the need to fully capitalize on festive occasions, such as Diwali and New Year, to boost sales. Order frequency and customer retention, especially among students (**32.90% of repeat orders**) and employees (**18.67%**), were crucial factors in the platform's performance. Additionally, the popularity of traditional cuisines, such as **North Indian and Chinese food,** underscores the importance of partnerships with these restaurants to maintain steady revenue streams.

Based on the insights from the analysis, here are five strategic recommendations for Zomato to improve its sales:

1. **Leverage Festive Periods with Targeted Promotions:** Zomato should collaborate with restaurants in high-demand regions like Tirupati, Bangalore, and Delhi to offer special promotions, festive menus, and exclusive deals during major holidays such as Diwali and New Year. Highlighting popular cuisines, such as North Indian and Chinese, can help attract more customers during these high-demand periods.
2. **Enhance Customer Retention Programs:** Given that students and employees significantly contribute to repeat orders (32.90% and 18.67%, respectively), Zomato should focus on enhancing loyalty programs tailored to these groups. Offering discounts, rewards, and referral incentives specifically targeting students and employees will help increase retention and drive repeat business.
3. **Optimize Operations for Non-Festive Periods:** To counter revenue declines during non-festive periods, Zomato should diversify its restaurant offerings by introducing new categories such as snacks, fast food, and bakery/desserts. Additionally, it can expand its presence in underperforming regions by promoting local cuisines and forging exclusive partnerships with regional restaurants.
4. **Increase Order Value with Bundled Offers:** Zomato can partner with restaurants to create value bundles or promotional combo offers that encourage larger orders. For example, offering meal deals combining popular dishes with drinks or desserts can increase the average order value (AOV). Introducing limited-time bundles during festive and non-festive periods will also drive higher sales.
5. **Focus on Popular Cuisines and Regional Expansion:** The analysis highlights the strong performance of North Indian and Chinese cuisines. Zomato should continue building partnerships with these restaurants while also expanding its offerings to include niche and emerging cuisines. Targeting customers in regions with high demand for these cuisines will further strengthen sales performance.

Overall, Zomato's sales analysis highlights key areas for improvement and growth. By focusing on customer retention, optimizing operations, and taking advantage of festive periods, Zomato can address the challenges identified. Implementing these strategies will allow the company to stabilize revenue during slower periods and capitalize on opportunities during peak demand. With a stronger focus on customer needs and operational efficiency, Zomato is well-positioned for continued success in the competitive food delivery market.