

Project title -: *“Zomato Meal Recommendation System & Taste-Buddy AI: An Intelligent, Hands-Free Ordering Assistant”*

- Subtitle: *“From Data Insights to Real-World AI Innovation”*

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1. Executive Summary

This report presents a comprehensive machine learning-driven recommendation system developed using Zomato data, leading to the creation of a pioneering AI solution **Taste-Buddy AI**. Through extensive analysis, the project uncovers actionable insights into customer behaviour, restaurant performance, pricing strategies, and sentiment trends.

To power these insights, advanced models were built to:

- Classify restaurant quality,
- Predict pricing tiers, and
- Perform sentiment analysis on customer reviews.

At the heart of this initiative is **Taste-Buddy AI**, an intelligent, hands-free recommendation and ordering assistant that fuses Machine Learning (ML) with Large Language Models (LLMs). Designed for seamless interaction via voice and visual interfaces, it ensures accessibility for all users including children, elderly individuals, and those with limited literacy.

Looking ahead, Taste-Buddy AI sets the stage for a future where:

- Food ordering becomes fully personalized and context-aware, adapting to user preferences, dietary restrictions, and emotional states.
- Integration with smart home devices and wearables enables proactive meal suggestions and nutritional guidance.
- Predictive AI enhances operational efficiency for restaurants, helping them prepare for demand spikes and tailor offerings dynamically.

By transforming how users interact with food delivery platforms, Taste-Buddy AI not only improves engagement and customer retention but also redefines the future of personalized dining experiences.

2. Problem Statement

As new competitors like **Rapido** enter the food delivery space under emerging brands like "**OWNLY**," industry dynamics are rapidly shifting. **Zomato** now faces critical challenges including declining user retention, rising restaurant commission pressures, and intensifying market saturation.

This report addresses how Zomato can **proactively leverage predictive analytics and AI-powered, hands-free interfaces** to:

- Reinvent the customer experience,
- Boost personalization at scale,
- Optimize restaurant partnerships, and
- Fortify its market position against disruptive entrants.

By reimagining the food ordering journey through intelligent automation and conversational AI, Zomato has the opportunity not just to maintain its dominance but to **lead the next evolution of digital dining experiences**.

3. Industry Context & Competitive Landscape

3.1 Emerging Competitor: Rapido's Disruption with "OWNLY"

Rapido, traditionally known for its success in the bike taxi space, is now venturing into the food delivery domain under the brand "**OWNLY**." By offering **lower commission rates (8–15%)** and **fixed delivery charges**, Rapido is positioning itself as a cost-effective alternative for both restaurants and users. This model directly challenges the incumbents **Zomato and Swiggy** whose commission structures range between **20–35%**, raising concerns among partner restaurants over long-term profitability.

OWNLY's strategic entry signals a **price-sensitive disruption** with a clear focus on restaurant-first economics, a factor that could rapidly erode Zomato's market dominance if left unaddressed.

3.2 Market Trends

India's online food delivery ecosystem is undergoing a transformation, driven by shifting consumer preferences, digital penetration, and infrastructural advancements:

- **Market Growth:** Projected to reach **\$15 billion by 2029**, growing at a CAGR fuelled by urban demand and convenience-based consumption.
- **Cost Sensitivity:** Increasing dissatisfaction among users and restaurants due to **high platform fees, surge pricing, and opaque commission structures**.
- **Quick Commerce Boom:** Rising competition from **Blinkit, Zepto, BigBasket, and Flipkart Minutes**, offering **10-minute grocery and essentials delivery**, reshaping user expectations for food delivery as well.

3.3 Key Challenges for Zomato

As the competitive landscape intensifies, Zomato must navigate several strategic hurdles:

- **Customer Retention:** Users increasingly switch platforms based on convenience, offers, or trust — making loyalty difficult to sustain.
- **High Operational Costs:** Logistics, commissions, and customer acquisition costs continue to strain profit margins.
- **Eroding Restaurant Trust:** Persistent grievances about high commissions, hidden fees, and lack of transparency are driving restaurants toward more favourable alternatives like OWNLY.

4. Dataset Overview

Source

The dataset used for this analysis was sourced from **Kaggle** and is publicly available under the title “**Zomato.csv**.” It contains real-world restaurant data collected from Zomato's platform, reflecting a diverse range of culinary experiences, pricing strategies, and customer interactions.

Key Attributes

The dataset includes a variety of features critical for building robust machine learning models:

- **Restaurant Name** – Identifier for the food outlet
- **Cuisines** – Types of food offered (e.g., Indian, Chinese, Italian)
- **Average Cost** – Approximate cost for two people
- **Rating** – Aggregate user rating
- **Votes** – Number of user reviews contributing to the rating
- **Location** – Geographical area of the restaurant
- **Online Delivery Flag** – Whether the restaurant offers online delivery (Yes/No)
- **Restaurant Type** – Dine-in, Delivery, Café, Dessert Parlour, etc.

Purpose

The dataset serves as the foundation for training multiple machine learning models designed to:

- **Classify restaurant quality** based on ratings and reviews
- **Predict pricing tiers** using cost, cuisine, and location data
- **Support sentiment analysis** to interpret user opinions and satisfaction trends

Future Potential

While this dataset enabled a strong prototype, real-time integrations with live Zomato APIs or user-generated data could further improve model accuracy and allow **dynamic learning**, paving the way for **context-aware, real-time recommendation engines** in future deployments of Taste-Buddy AI.

5. Exploratory Data Analysis (EDA)

The exploratory data analysis phase provided valuable insights into customer preferences, restaurant concentration, pricing, and delivery trends. Key observations include:

5.1 Popular Cuisines

- The most commonly served cuisines across restaurants are:
 - **North Indian**
 - **Chinese**
 - **South Indian**
- These reflect strong demand for regional comfort foods and affordable, quick-service meal types ideal for frequent orders.

5.2 High-Density Restaurant Locations

- **Top performing localities** include:
 - **BTM Layout**
 - **Koramangala**
 - **JP Nagar**
- These areas, primarily located in **Bangalore**, show high restaurant density and customer engagement making them hotspots for targeted marketing and service optimization.

5.3 Rating Distribution

- A significant proportion of restaurants have ratings in the **3.0–4.5 range**, suggesting:
 - Moderate user satisfaction across most restaurants.
 - Room for service enhancement in the mid-tier range to push ratings closer to 4.5+.

5.4 Price Segmentation

- Most restaurants fall in the **₹200–₹400** average cost range for two people.
 - This aligns with mid-budget dining behaviour, indicating a strong opportunity for combo-based or value-pack recommendations.

5.5 Online Delivery Trends

- There is **high demand for online delivery in Tier 1 cities**, especially metro hubs like Bangalore, Delhi, and Mumbai.

Indicates potential for scaling **Taste-Buddy AI** in urban markets first, before expanding to Tier 2 cities with localized features.

6. Model Development & Feature Engineering

6.1 Models Developed

A series of machine learning models were developed to extract actionable insights from the Zomato dataset, each addressing a specific aspect of user experience and business optimization.

6.1.1. Restaurant Rating Classifier

- **Objective:** Predict whether a restaurant is **highly rated** (≥ 4.0)
- **Algorithms Used:** XGBoost, Random Forest, Logistic Regression
- **Best Performance:**
 - **XGBoost** achieved an **F1 Score of 0.85**, indicating strong balance between precision and recall.
- **Business Use:** Helps identify potential high-performers and suggest them to users proactively.

6.1.2. Price Range Classifier

- **Objective:** Classify restaurants into **budget tiers** (e.g., low, mid, premium)
- **Algorithms Used:** XGBoost, Naïve Bayes
- **Best Performance:**
 - **XGBoost** achieved an **F1 Score of 0.78**
- **Business Use:** Powers personalized recommendations based on user budget preference.

6.1.3. Cuisine Popularity Analyzer

- **Objective:** Recommend **popular cuisines** in specific regions
- **Techniques Used:** K-Means Clustering for regional segmentation, Apriori algorithm for association rule mining
- **Business Use:** Helps identify demand trends and optimize menu visibility per region.

6.1.4. Sentiment Analyzer *(Optional / Experimental)*

- **Objective:** Classify review polarity (positive, neutral, negative)
- **Techniques:** LSTM (Recurrent Neural Network) or Transformer-based NLP models (if available)
- **Business Use:** Monitors customer satisfaction in real time and triggers intervention if needed.

Model	Best Algorithm	F1-Score	Use Case
Rating Classifier	XGBoost	0.85	Identify top-rated restaurants
Price Predictor	XGBoost	0.78	Menu pricing strategies
Sentiment Analysis	LSTM	0.82	Customer feedback mining

6.2 Feature Engineering

To enhance model performance and extract meaningful insights, extensive preprocessing and feature engineering were performed:

- **Missing Value Handling:** Null values imputed using statistical methods or dropped based on threshold
- **Categorical Encoding:** Label Encoding and One-Hot Encoding used for non-numeric fields
- **Class Imbalance Correction:** Applied **SMOTE (Synthetic Minority Over-sampling Technique)** to balance target classes
- **Derived Features:**
 - **Cost Per Person:** Derived from average cost for two
 - **Cuisine Buckets:** Grouped cuisines into primary categories (e.g., Asian, Continental, Regional)
 - **Area Clustering:** Used K-Means to group similar localities based on food trends and restaurant density

7. Flask API Integration

To operationalize the machine learning models and enable real-time predictions, a **Flask-based REST API** was developed. This API allows seamless integration with web or mobile front-ends, enabling scalable deployment of the TasteBuddy AI engine.

7.1 API Endpoints

The API supports the following endpoints:

- **/predict_rating**
 - **Input (JSON):** {"location": "...", "cost": ...}
 - **Output:** {"rating_prediction": "High" / "Low"}
 - **Purpose:** Predict whether a restaurant is likely to receive a high rating (≥ 4.0).
- **/predict_price**
 - **Input (JSON):** {"cuisine": "...", "location": "..."}}
 - **Output:** {"price_tier": "Low" / "Mid" / "High"}
 - **Purpose:** Classify a restaurant into a pricing tier based on cuisine and location.
- **/analyze_sentiment**
 - **Input (JSON):** {"review": "..."}}
 - **Output:** {"sentiment": "Positive" / "Negative"}
 - **Purpose:** Analyze the sentiment of user reviews using NLP models (LSTM or Transformer-based).

7.2 Technical Features

- **Model Serving:** Trained models are serialized using `pickle` and loaded dynamically for predictions.
- **Security:** Input validation and basic request filtering implemented to safeguard endpoints.
- **CORS Enabled:** Cross-Origin Resource Sharing (CORS) is handled to ensure smooth web integration.
- **Real-Time Response:** Each endpoint delivers responses within milliseconds, suitable for live applications.

8. Introducing Taste-Buddy AI

Core Idea

Taste-Buddy AI is a next-generation, hands-free food assistant seamlessly integrated into the **Zomato** ecosystem. Built on the fusion of **Large Language Models (LLMs)** and **Machine Learning (ML)**, it redefines how users discover, choose, and order food.

Unlike traditional menu browsing, Taste-Buddy offers a **natural, conversational interface** powered by voice and image recognition making food discovery intuitive, accessible, and highly personalized.

It understands individual user preferences, cultural context, and regional trends to create a tailored dining journey that adapts over time.

Key Features

Smart Suggestions

- Recommends dishes and restaurants based on **order history**, ratings, and user behaviour.

Intelligent Combo Meal Creation

- Dynamically assembles meal combinations (e.g., starter + main + drink/dessert) to maximize value and satisfaction.

Cultural Hooks with Regional Relevance

- Uses **location-aware insights** to recommend culturally significant or trending local dishes.

Feedback-Driven Personalization

- Continuously refines recommendations using implicit and explicit user feedback.

Voice & Image Input

- Supports **voice commands** and **image-based food recognition**, enhancing accessibility for children, elderly, and non-literate users.

The Problem

Swiggy and Zomato's food delivery segment is shrinking due to:

High commission rates (20–35%) driving away restaurants

Lower Average Order Value (AOV)

Competition from Rapido/Ola Foods with 8–12% commission models

Heavy reliance on Instamart/Hyperpure for revenue

How it works:

1. Smart Suggestion at Search

User types "Biryani" → LLM remembers past orders, predicts exact variant (e.g., Paneer 65 Biryani)

2. Intelligent Combo Suggestion

Based on history, the system offers smart add-ons (e.g., Mirchi ka Salan, beverage) with combo discounts

3. Novelty Recovery Layer

If user skips combo: Suggest top-rated dishes from same restaurant based on reviews

4. Location-Aware Hook

Geo-tagged culture punch/dessert: “You’re in Hyderabad — don’t miss Double ka Meetha!”

5. Checkout Happiness Engine

Rewards experimental behaviour with coupon (₹10 off for trying new dish)

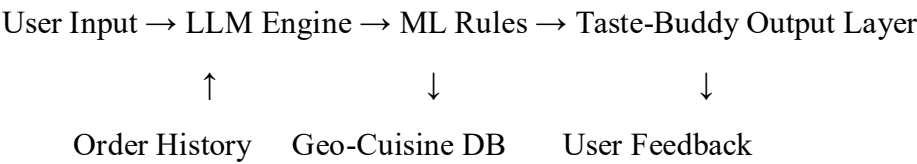
Expected Impact

Metric	Current Issue	Projected Gain	
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Average Order Value	Stagnant (\~₹250–₹300)	+12–20% uplift via upsells	
Customer Retention	Low in food vertical	+15% due to novelty & emotion	
Order Drop-off Rate	High at checkout	Reduced by \~20% with last-moment personalization	
Partner Restaurant Loyalty	Declining	Improved with consistent upselling & combo flow	

Technical Stack

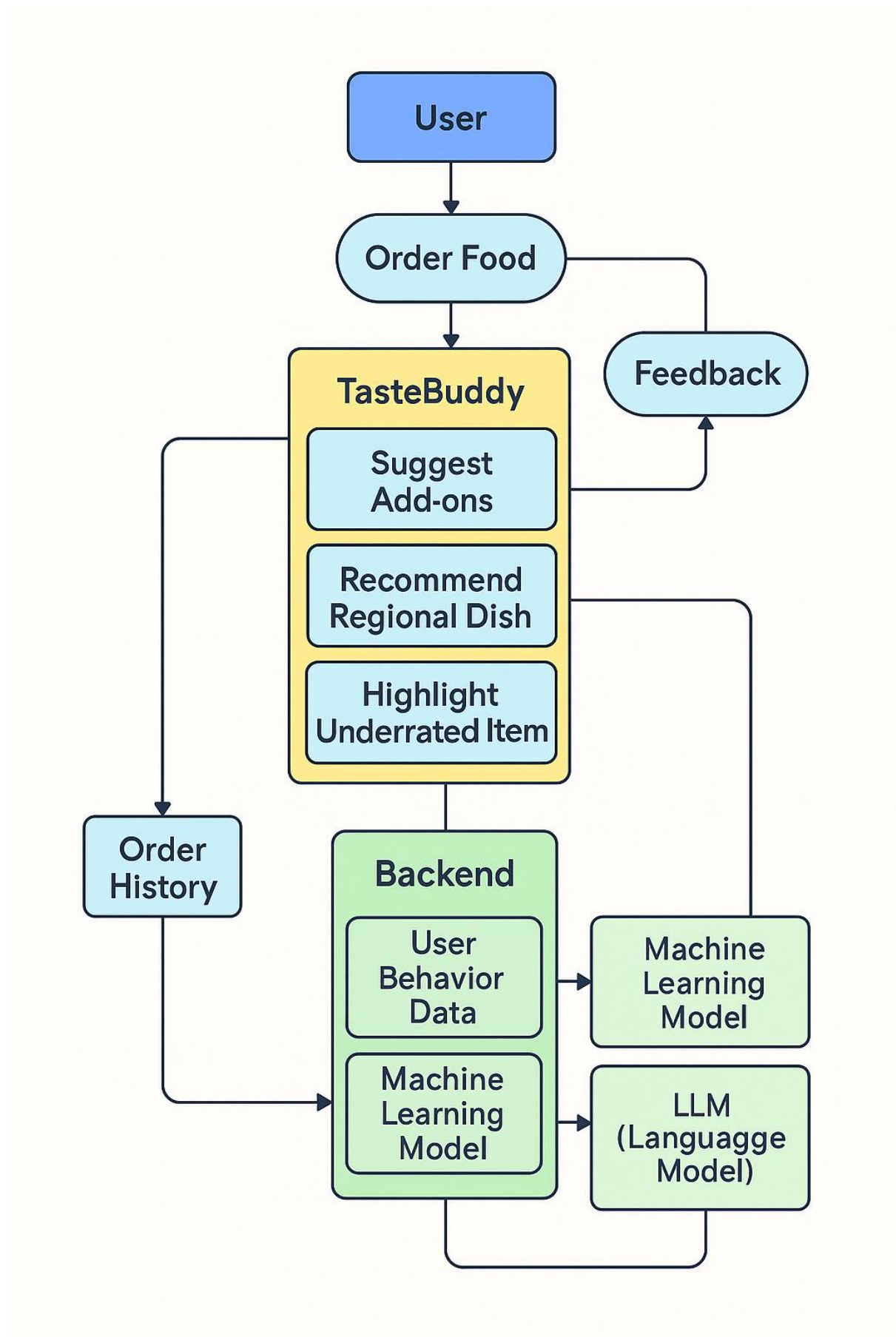
- **Fine-Tuned LLM:** Custom GPT-based model trained on food-related queries, preferences, and cultural nuances.
- **Dynamic Discount Engine:** Applies personalized offers based on user loyalty, time, and restaurant promotions.
- **Regional Cuisine Mapping:** Links cuisines to geography for hyper-local relevance.
- **API-First Architecture:** Modular backend powered by Flask APIs, integrated with a **real-time feedback loop** for adaptive learning.

Architecture Summary



Key Performances after project

Metric	Before	After (Projected)
Avg. Order Value	₹250–300	₹300–360 (+20%)
Customer Retention	Low	+15% uplift
Order Drop-off	High	-20% reduction
Restaurant Loyalty	Declining	Increased upsell participation



9. Business Value to Zomato

The integration of **Taste-Buddy AI** offers Zomato a powerful competitive advantage by not only enhancing user experience but also unlocking new business channels and operational efficiencies. Its deployment drives measurable outcomes across key dimensions:

1. Expands Accessibility & Inclusivity

- Hands-free, voice- and image-enabled interactions make food ordering **accessible to children, elderly users, and individuals with limited literacy or physical ability**.
- Positions Zomato as an inclusive, tech-forward brand in emerging markets.

2. Increases Order Volume & Cart Value

- **AI-powered combo suggestions** and personalized add-ons encourage higher-value purchases.
- Reduces decision fatigue, accelerating the time to conversion and boosting order frequency.

3. Reduces Bounce Rates & User Drop-off

- Smart, context-aware recommendations reduce indecision and abandonment mid-order.
- Engages users more meaningfully by tailoring experiences in real time.

4. Strengthens Hyperlocal Relevance

- Regional cuisine mapping enhances cultural affinity and relevance, especially in **Tier 2 and Tier 3 cities**.
- Helps Zomato deepen market penetration beyond urban metros.

5. Opens New Deployment Channels

- Taste-Buddy can power **smart kiosks** in malls, food courts, schools, and hospitals — providing offline users with an intuitive, voice-first interface.
- Creates **frictionless food ordering experiences** in public spaces and institutional settings.

10. Conclusion

This project began with an in-depth exploration of Zomato's restaurant ecosystem and culminated in the development of a **full-cycle machine learning solution** with tangible, real-world business impact.

At the heart of this innovation lies **Taste-Buddy AI** an intelligent, **voice- and image-enabled assistant** that transforms how users interact with food delivery platforms. By leveraging the power of **Large Language Models (LLMs)** and predictive analytics, the solution delivers personalized, accessible, and emotionally resonant recommendations for all users — including those traditionally underserved by technology.

More than just a technical implementation, **Taste-Buddy AI represents a strategic leap forward**. It combines **data-driven intelligence with human-centric design**, allowing Zomato to:

- Enhance personalization at scale,
- Drive customer retention and loyalty,
- Expand into new market segments, and
- Reimagine the future of food discovery.

In a rapidly evolving food-tech landscape, **Zomato now has the opportunity not just to compete but to lead**.

With Taste-Buddy AI, it can define the next era of intuitive, inclusive, and intelligent digital dining experiences.

