



# Zomato: Customer Analysis Segmentation

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# Introduction

## Introduction

Zomato, a leading multinational restaurant aggregator and food delivery platform, connects customers with their favorite restaurants through an easy-to-use digital interface. Established as a disruptor in the food and hospitality industry, Zomato has expanded its footprint across various countries, offering a blend of food delivery, restaurant reviews, and dining recommendations. As a dynamic player in the competitive food delivery market, understanding its customers is crucial for Zomato to optimize its services, tailor its offerings, and maintain its competitive edge.

The purpose of this analysis is to gain deeper insights into Zomato's customer base by conducting a segmentation analysis. By exploring demographic attributes and purchasing behaviors, this study aims to uncover distinct customer segments that drive Zomato's business performance. This segmentation will inform targeted marketing strategies, product development, and service optimization to align with customer needs.

## Research Questions

1. Who are Zomato's customers?
2. What segments can we split them into?
3. What is their purchasing behavior?

## Hypotheses

1. Customers that are students are more likely to spend money on ordering food or eating out.
2. Customers whose marital status is single are more likely to use Zomato and spend more money.
3. Graduates and post-graduates are more likely to spend more money on their orders.
4. Zomato's main user age range is between 20 and 25.

This analysis will leverage test datasets provided by Zomato to validate these hypotheses and address the research questions. By identifying customer behaviors and trends, the study will contribute to enhancing Zomato's understanding of its customer base and help drive strategic decision-making.

# Data Description & Methodology

For this customer analysis, the focus was on two key tables: **orders** and **users**.

- **Orders Table:** This table includes transactional data such as order date, sales amount, sales quantity, and user ID. It provides insights into purchasing behaviors, spending patterns, and order frequency.
- **Users Table:** This table contains demographic information about Zomato's users, including attributes such as age, income, marital status, and educational background.

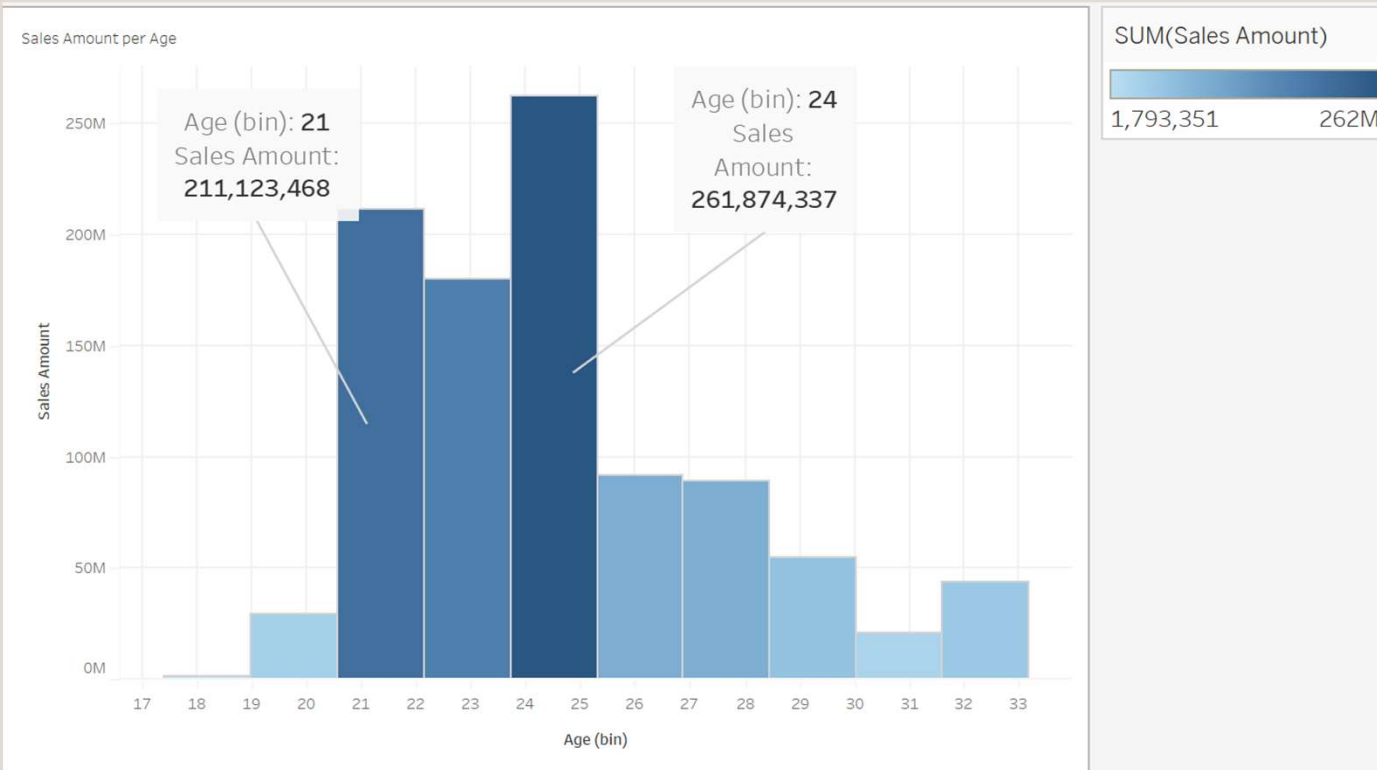
To conduct the analysis, these two tables were merged using an inner join on the common field, **user ID**, to ensure alignment between user demographics and their respective purchasing behaviors.

The analysis was performed using **Tableau**, a data visualization tool, to uncover trends and patterns effectively. Several visual representations were created, including:

- **Pie Charts:** To illustrate the proportion of customer segments (e.g., by marital status or educational background).
- **Line Charts:** To track trends in order frequency and spending over time.
- **Bar Charts:** To compare spending patterns across different demographic groups, such as age or income levels.

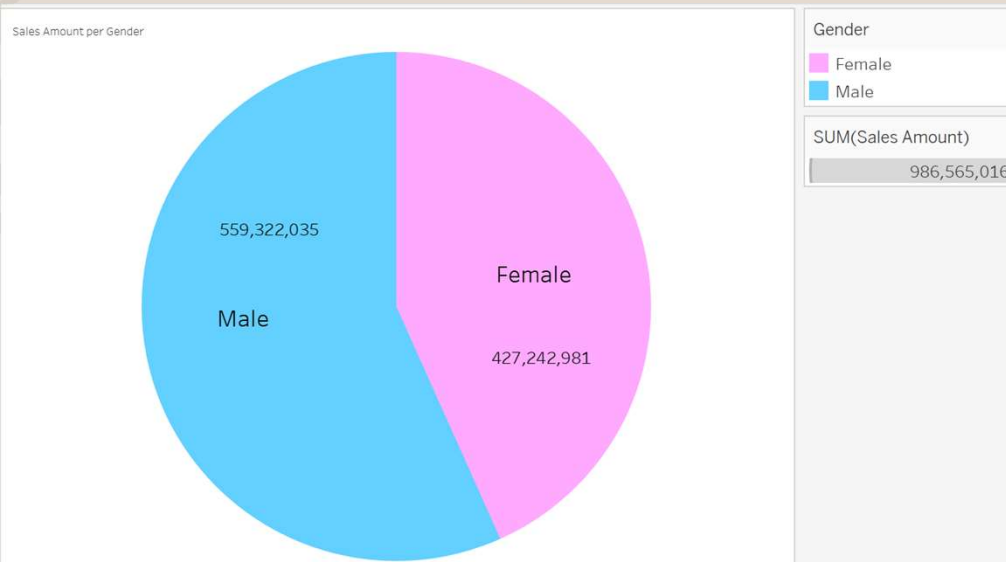
This methodology allowed for a comprehensive understanding of Zomato's customer base by combining demographic data with purchasing behaviors and presenting the findings in a visually intuitive manner.

# Sales Amount per Age



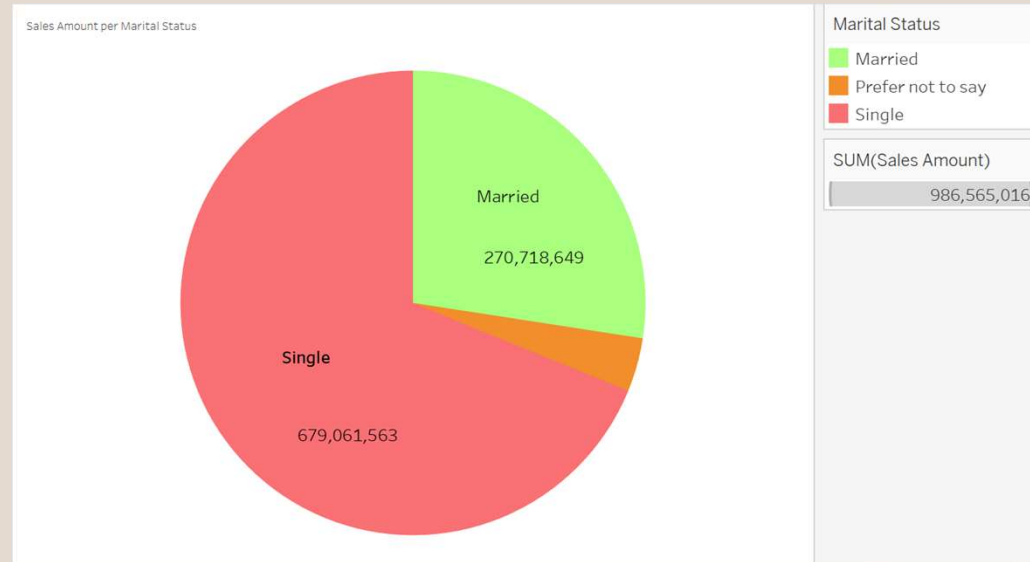
- The age group **24 (bin)** has the highest sales amount, exceeding 250 million INR, making it the most significant contributor to Zomato's revenue.
- The age group **21 (bin)** follows as the second-largest contributor, with sales exceeding 200 million INR.
- Sales decline after age 26, with consistently lower amounts seen in older age groups.
- The lowest sales contributions come from the youngest (age 18-20) and the oldest (above 30) age groups.

# Sales Amount per Gender & Marital Status



The **female** segment, represented in pink, accounts for the larger share of sales, indicating that female customers contribute more significantly to Zomato's revenue.

- The **male** segment, shown in blue, constitutes a smaller portion of the total sales.

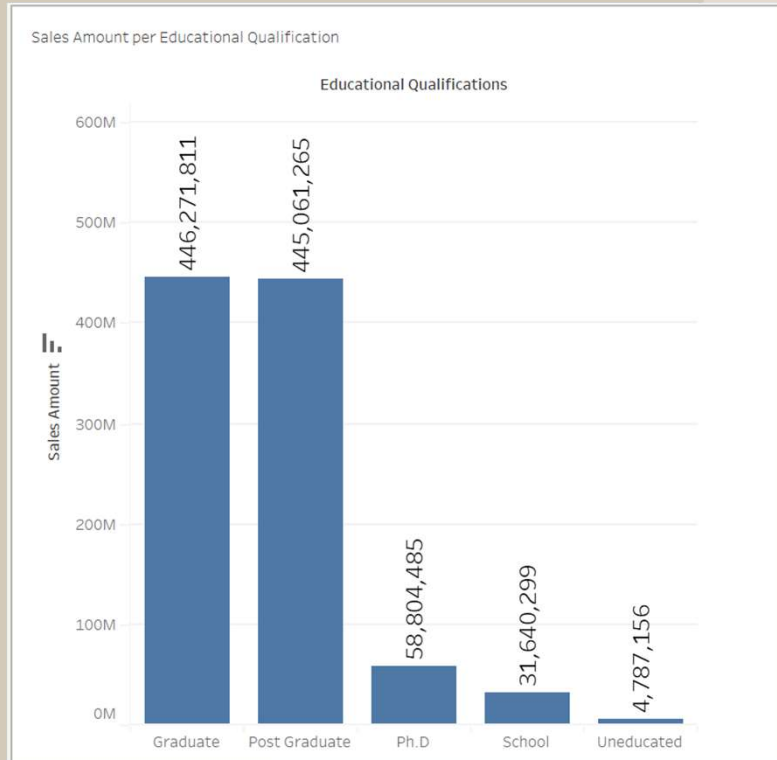


•**Single customers** (represented in red) dominate the chart, contributing the highest sales amount of **679,061,563 INR**. This indicates that single individuals are Zomato's most significant customer segment.

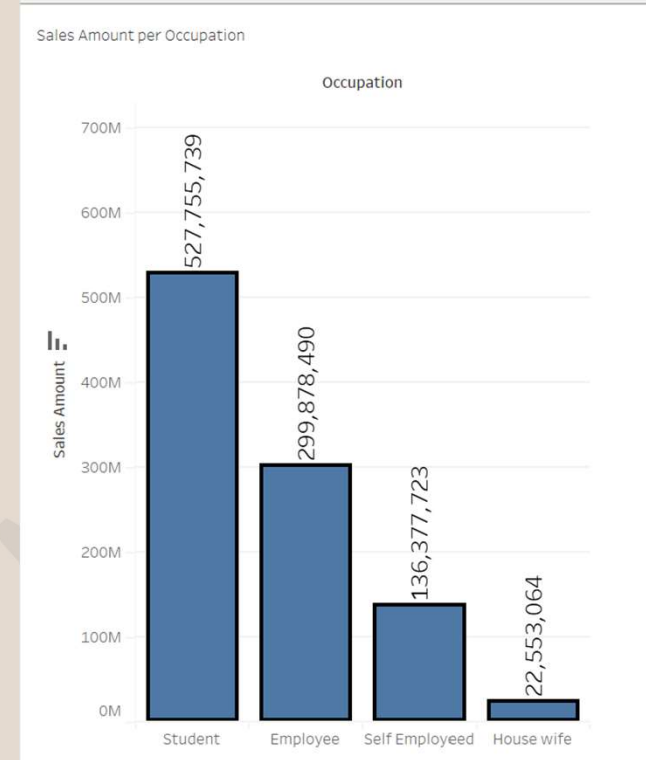
•**Married customers** (represented in green) contribute a smaller but substantial amount of **270,718,649 INR**.

•The "**Prefer not to say**" category (represented in orange) accounts for a minimal share of the sales, highlighting a relatively small, less defined user group.

# Sales Amount per Educational Qualification & Occupation

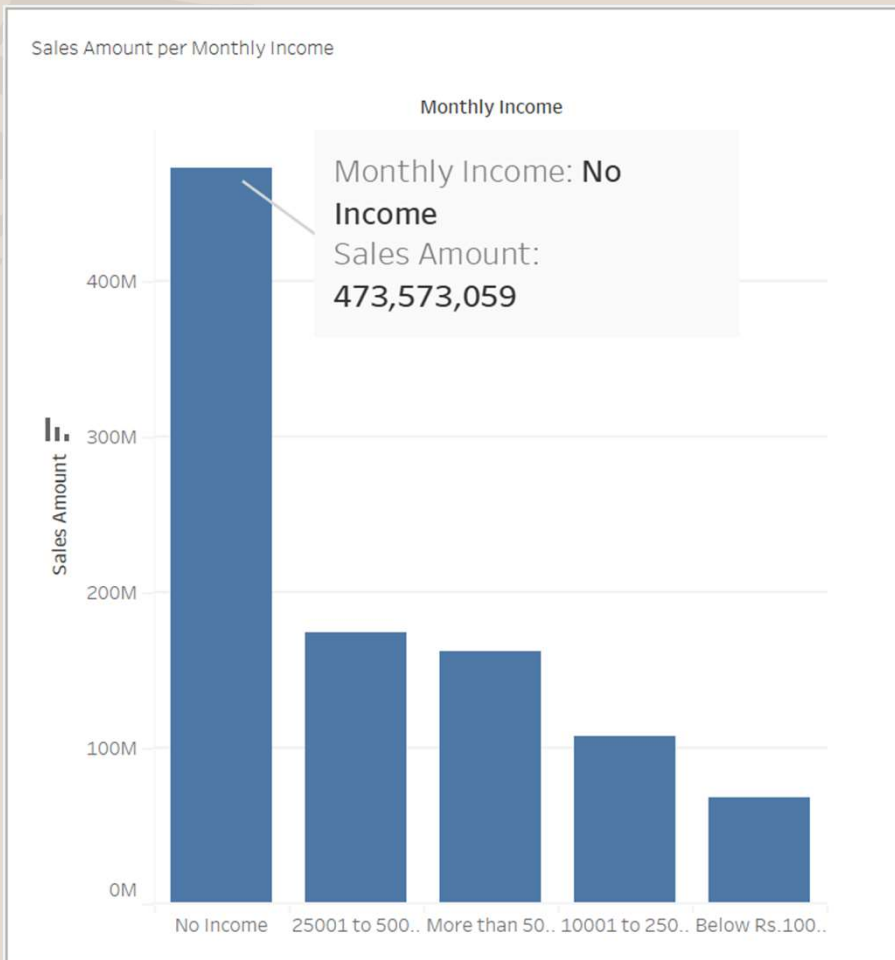


- Graduate and Post-Graduate Students have the highest Sales Amount with both being over 400M INR, and therefore contribute the most to Zomato's revenue
- The remaining three categories PhD, School and Uneducated have the lowest Sales Amount, all being under 60M INR



- Students have the highest Sales Amount, over 500M INR, followed by Employees with just below 300M INR
- Students are therefore contributing the most to Zomato's revenue, whereas House Wife the least.

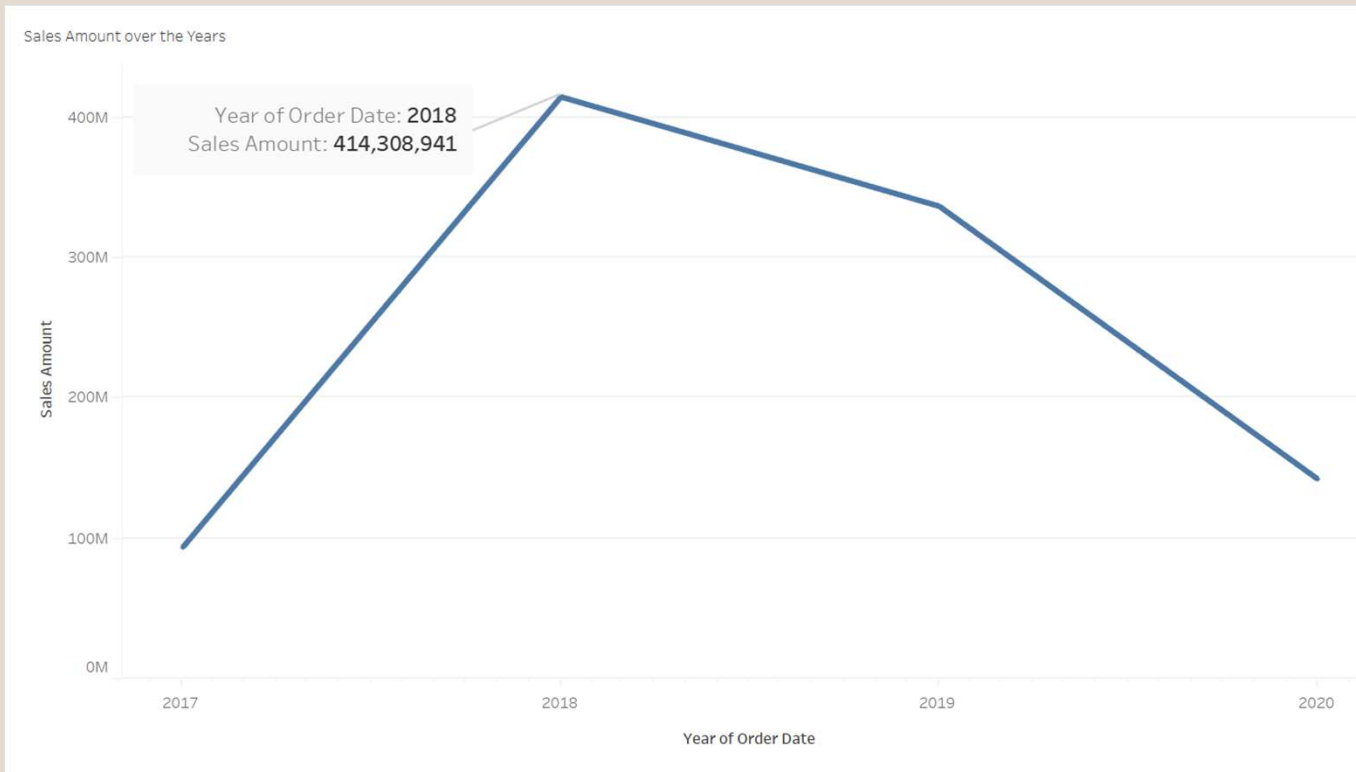
# Sales Amount per Monthly Income



- The highest Sales Amount per Monthly Income can be attributed to those customers with no income with over 470M INR, which correlates with the previous graph showing the students have the highest sales Amount

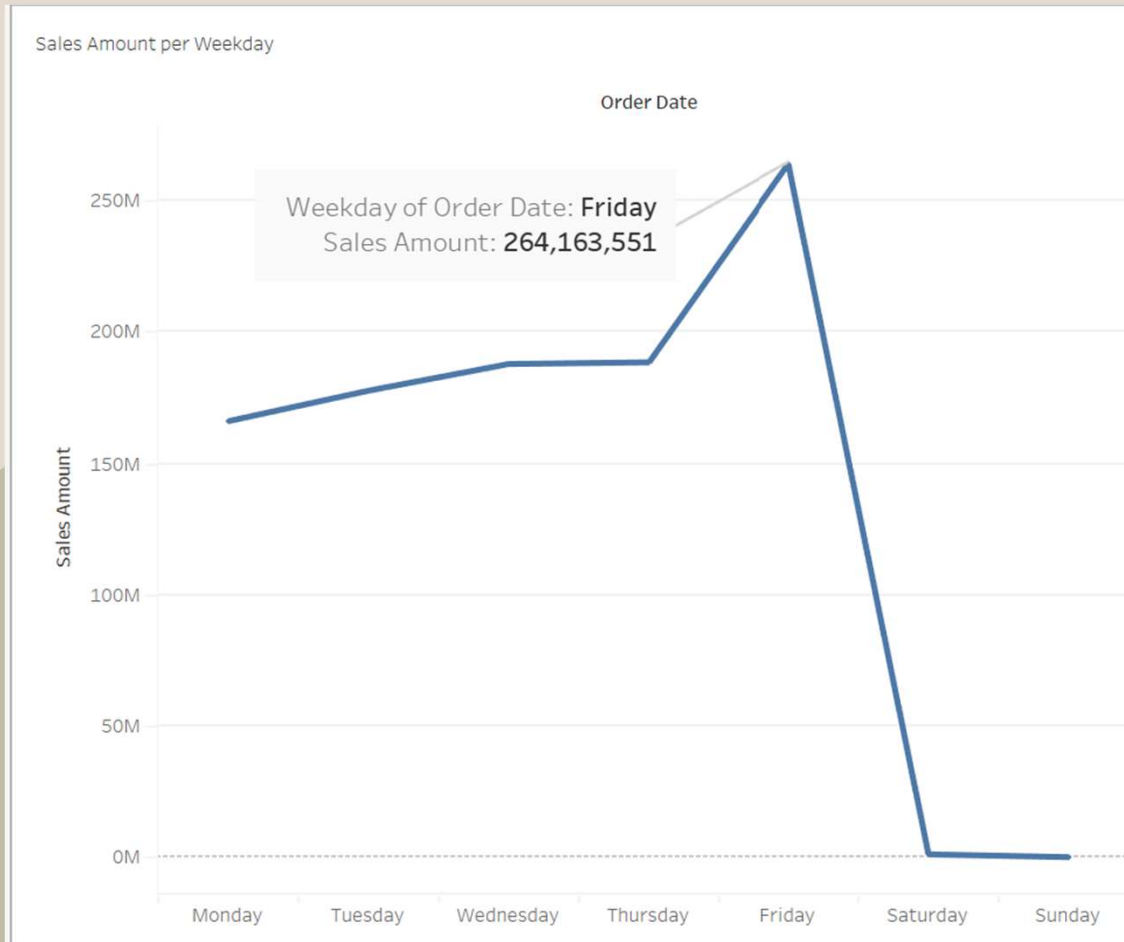


# Sales Amount over the Years



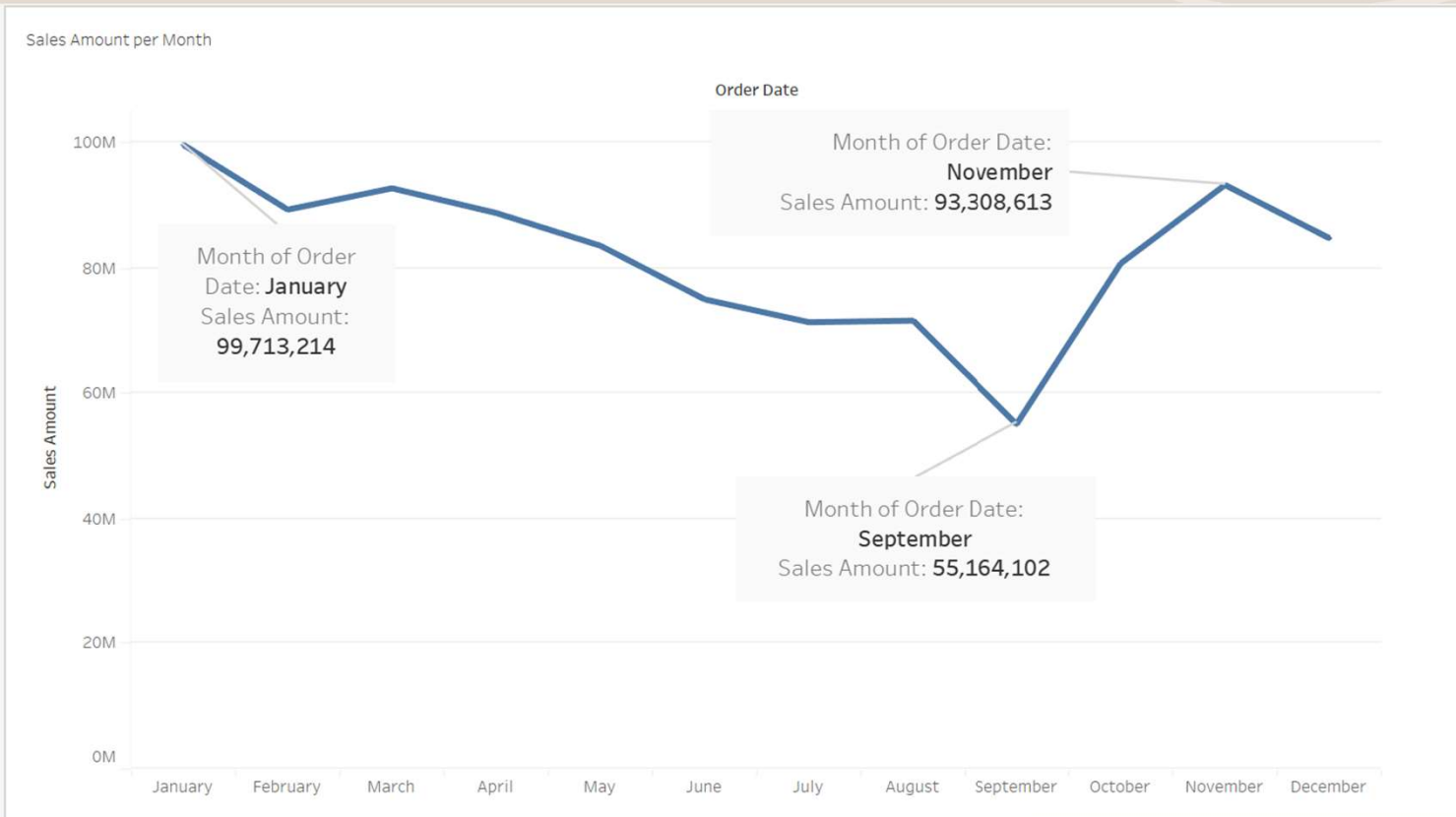
- This graph shows a trendline of the sales Amount through the years starting in 2017 to 2020.
- From 2017 to 2018 there was a steep increase going from just below 100M INR in 2017 to the highest Sales Amount of over 400M INR in 2018.
- This was followed by a steady decrease.

# Sales Amount per Weekday



- This graph shows that customers are more enticed to use Zomato throughout the Week and peaking on Friday with a Total Sales Amount of over 250M INR.
- Saturday and Sunday seem to be rather unpopular to make usage of Zomato

# Sales Amount per Months



- When looking at the Sales Amount per Month, we can observe that customers spend the most in January with a total of nearly 100M INR, followed by November with around 93M INR
- The month of September seems to be the month where customers spend the least on Zomato.

# Conclusion

The analysis reveals that Zomato's primary revenue contributors are students, particularly those pursuing graduate and post-graduate studies, accounting for over 500M INR in sales. Additionally, customers with no income, likely students, demonstrate the highest spending patterns, aligning with their dominant contribution to overall revenue. On the other hand, housewives, uneducated customers, and those with lower education levels contribute the least, with sales under 60M INR.

Sales trends over the years indicate a peak in 2018, followed by a steady decline, signaling the need for further investigation into the factors influencing this downturn. Weekly analysis shows that weekdays, especially Fridays, are the most popular for using Zomato, with sales exceeding 250M INR, while weekends see comparatively lower engagement. Monthly trends highlight January as the top-performing month, nearing 100M INR in sales, whereas September experiences the lowest sales figures.

Demographically, younger customers, particularly singles, play a significant role in driving Zomato's revenue, emphasizing the importance of targeting these groups effectively.

# Recommendation

## 1.Targeted Marketing Campaigns:

1. **Students and Younger Audiences:** Continue focusing marketing efforts on students and young adults, as they represent the largest revenue segment. Offer student discounts, loyalty programs, or meal bundles tailored to their preferences.
2. **Underperforming Segments:** Consider initiatives to attract housewives and less educated customers, such as culturally relevant promotions, localized campaigns, or easy-to-use app features.

## 2.Seasonal Promotions:

1. Boost engagement during low-performing months like September by launching limited-time offers, collaborations, or themed promotions.

## 3.Weekend Strategies:

1. Analyze why customers spend less on weekends and explore potential drivers, such as weekend-specific discounts, delivery perks, or partnerships with entertainment platforms to drive usage.

## 4.Retention Strategies:

1. To address the post-2018 decline in sales, invest in customer retention strategies such as subscription-based services, personalized recommendations, or rewards for repeat usage.

## 5.Expand Employee and Income-Based Offerings:

1. Tailor products to working professionals and higher-income segments through premium meal options, corporate meal plans, or quick lunch combos.

By implementing these strategies, Zomato can further strengthen its position, enhance customer engagement, and sustain revenue growth across its key demographics.