

Savoring Success : **zomato** recipe for Monthly Order Frequency

Triumph

Team : ProdHives

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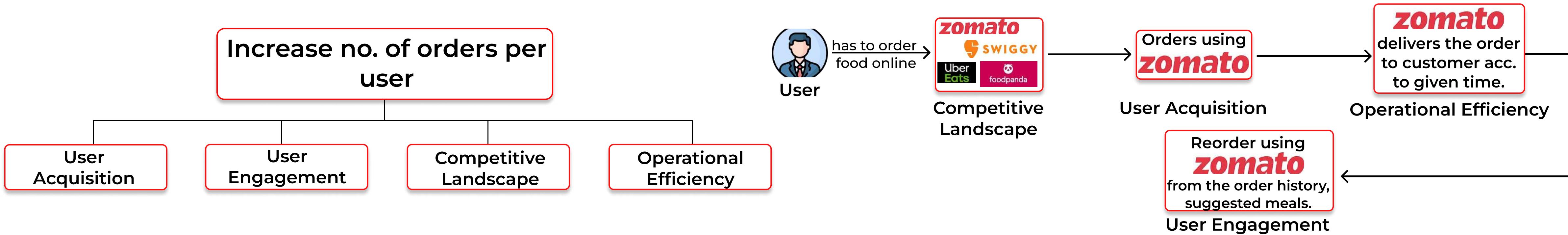
Shrushti Jain



Problem Breakdown and Validation

Zomato wants to increase the **monthly average no. of orders per user** on their food ordering platform, with a primary focus on daily use cases, targeted towards **professional & who don't have time to cook**.

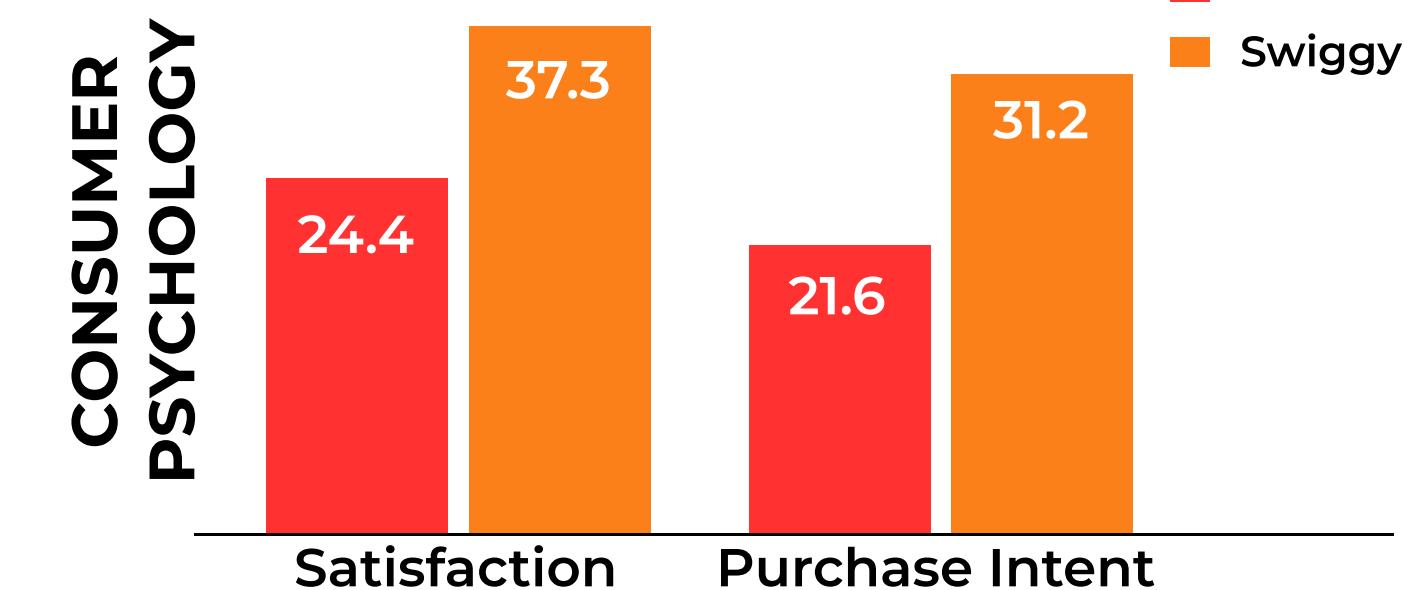
The Problem



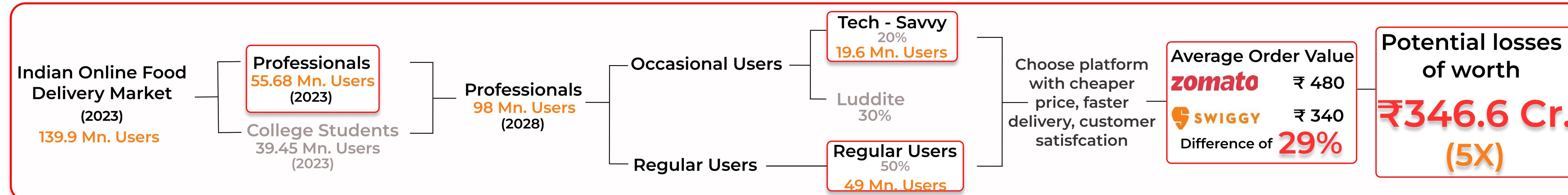
ORDER REPEAT FREQUENCY

Repeat Customer Initial order on Zomato	YEAR 1	YEAR 2	YEAR 3	YEAR 4
FY 17	1.0 X	1.6 X	2.2 X	3.0 X
FY 18	1.0 X	2.0 X	2.7 X	
FY 19	1.0 X	1.6 X		

Retention balances the **customer acquisition costs** and this is one of the ways to get the unit economics of the business right.



POTENTIAL OPPORTUNITY TO GENERATE LOSING REVENUES



Understanding the User

Personas

User Profile



Pawan Shukla
Senior Consultant
(Regular User)



Amrita Goel
Product Manager
(Luddite)



Prashant Sharma
Partner
(Tech-Savvy)

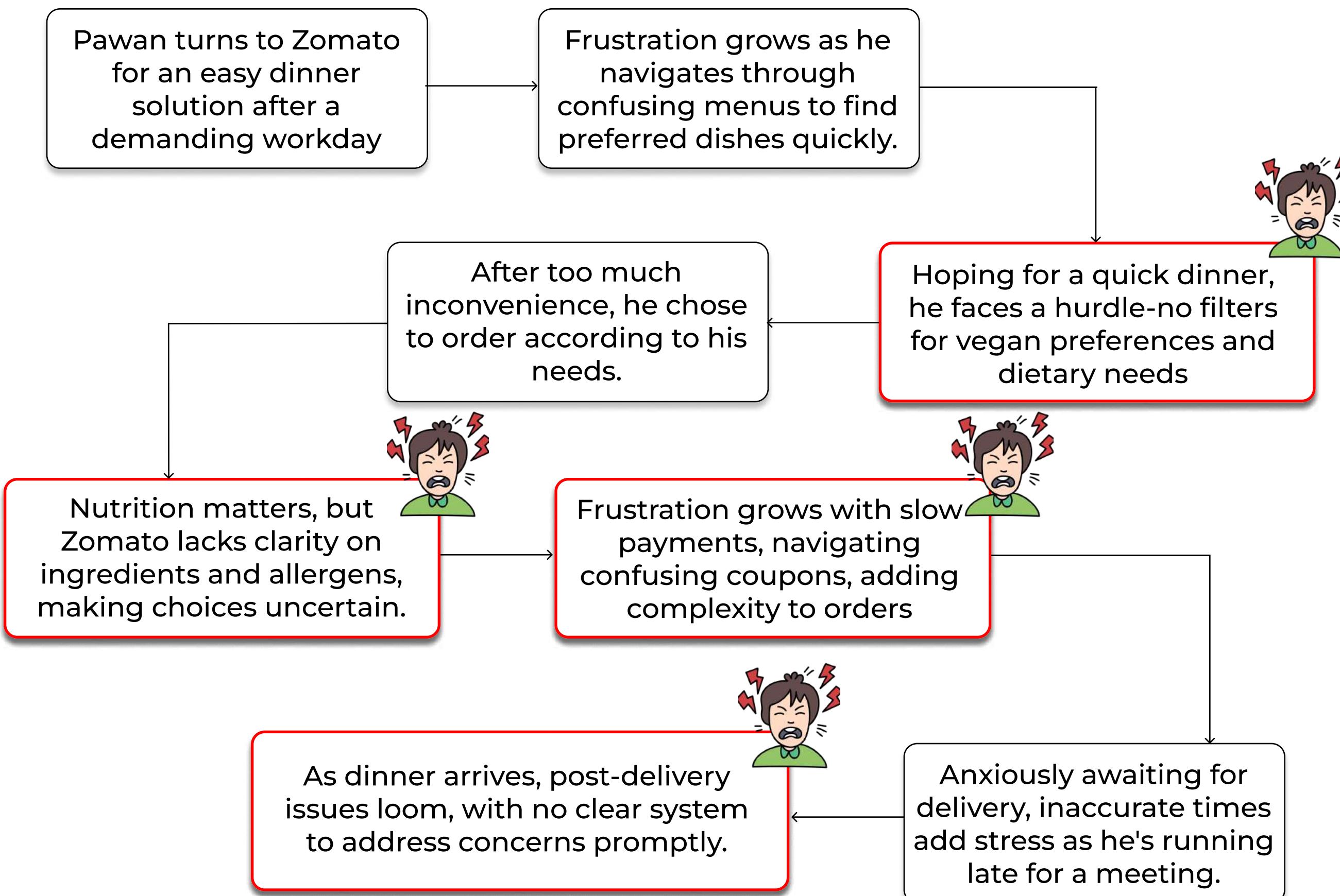
Pain Points

- Being a **health freak**, find it hard to get the perfect meal for him.
- The **complex payment methods** irritates him while ordering for office parties.

- Being a Luddite, she is **reluctant to order again and again**.
- On special occasions, she finds it difficult to **order curated meals**.

- During office parties, find it hard to **order according to different demands**.
- Being a foodie, wants to try new restaurants but **lacks trust on recommendations**.

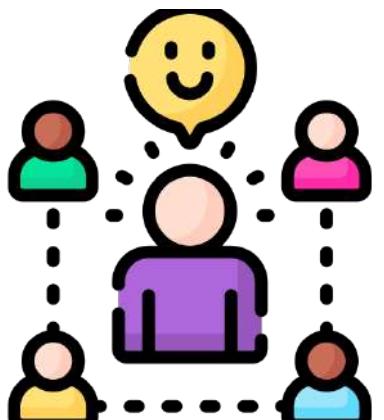
Basic Consumer Journey Map



Proposed Solutions

Pain Points Resolved

1



TRIBE

By introducing a **gamified community** for friends, family and others Zomato can leverage psychological advantages of shopping

2



CURATED MEALS

Displaying **self curated** meals powered by a **catchy phrase** will make it easy for customers to get out of the trauma of menu selection

3



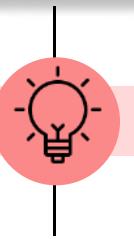
RECURRING ORDERS

This would help the professionals by **escaping from investment of time** on ordering food and will make it advantageous for their pockets

Review based Food Ordering



Payment Page Complications



Insights on nutrition content for health freaks



Ordering for a group in a Party

4



EZPay

By combining BNPL options with effective payment page modifications, creating a more **customer-centric ordering experience**, catering to a diverse financial situations

5



RECOMMENDED DIET

Addition of **dietary recommendations** by a **nutritionist** to a restaurant's food will attract health centric customer base aka Working Professionals

6



TRIBE FESTIN

For coworking space meals this will make it possible to **deliver large orders** efficiently and clears the hustles of **splitting the bills**

Feature 1 : Zomato Tribe

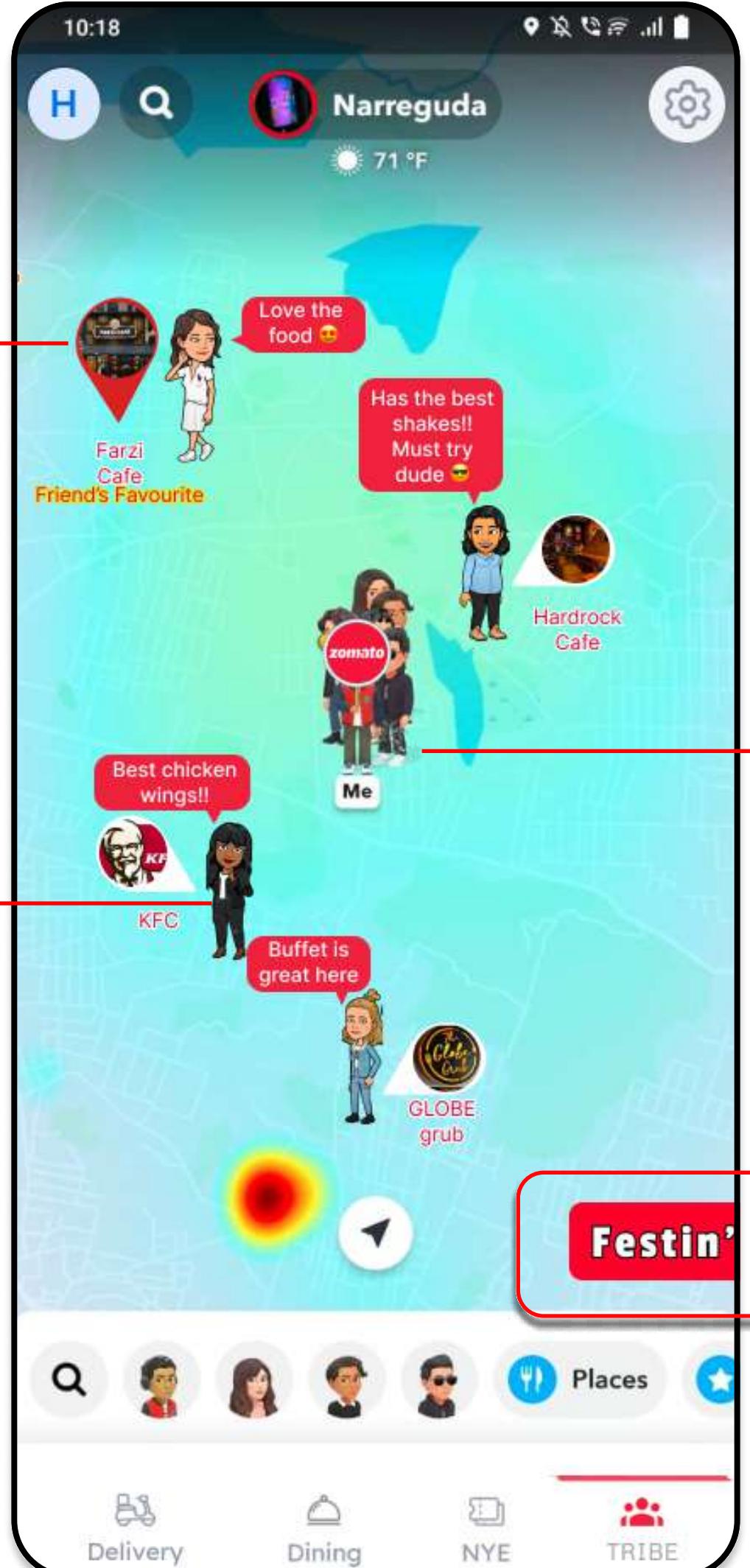


"Gamified communities on Zomato: Where dining meets delight, turning friends into a flavorful journey."

Friends' personalized reviews will pop up on user's Tribe screen after ordering from a restaurant creating a **strong incentive** to try that place.

Long-press on the avatar reveals **more about the place** and allows **direct comments** to friends. Reviews last **7 days**, then merge with restaurant reviews.

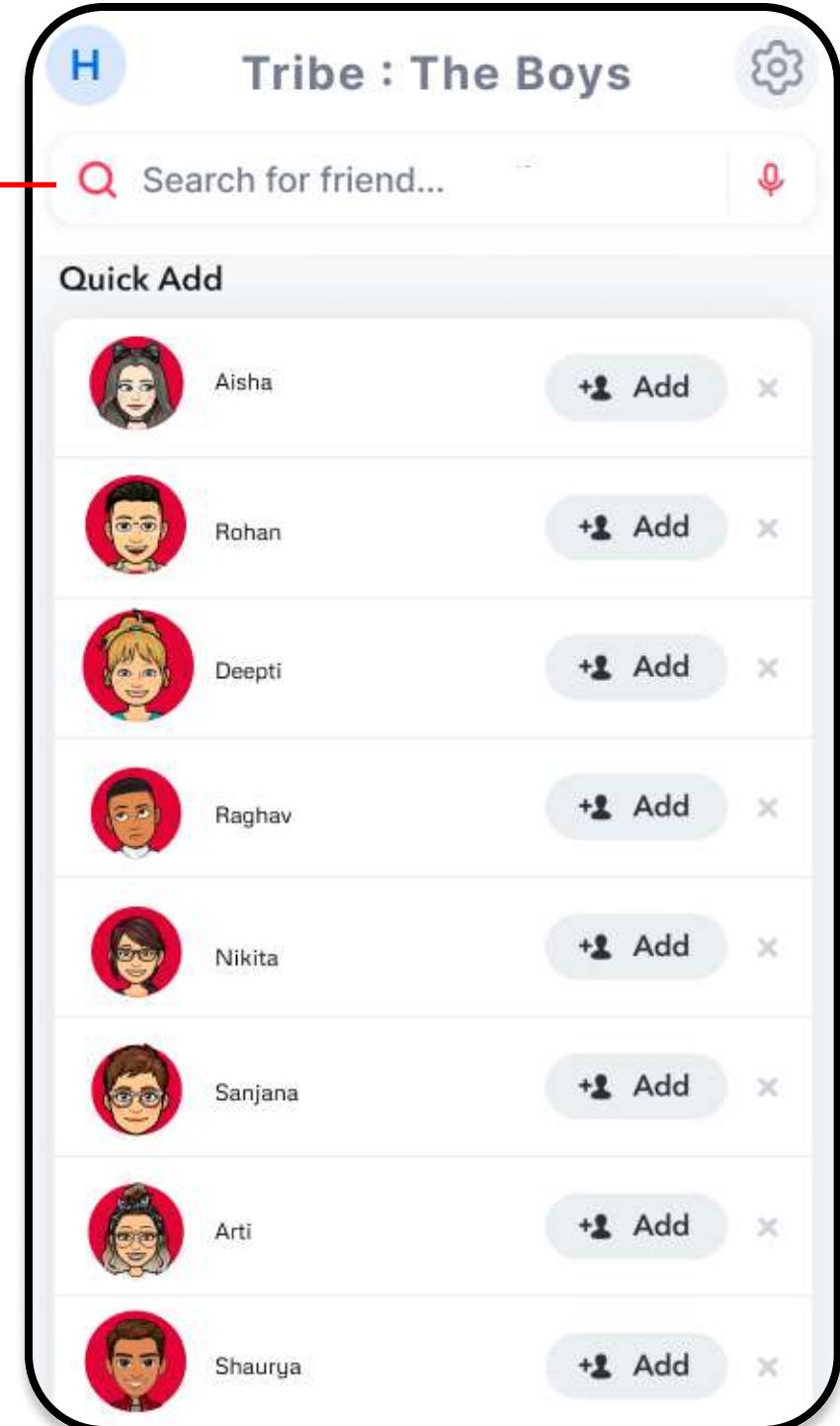
Metric Covered
of tribe festin orders
increase in number of tribes
increase in retention rate



Tribe members can be easily added by either **contact recommendation** or simply searching for the Zomato **registered phone number**.

Tribe edit button: **Rename, add/remove members**, and converse within the tribe for **increased user engagement** and retention.

Zomato Festin empowers the users to place **group orders** in just **4 simple steps** and simplifies the process of **splitting bills** between friends.



"72% find motivation in trying new places through recommendations from friends and family, surpassing general platform reviews."

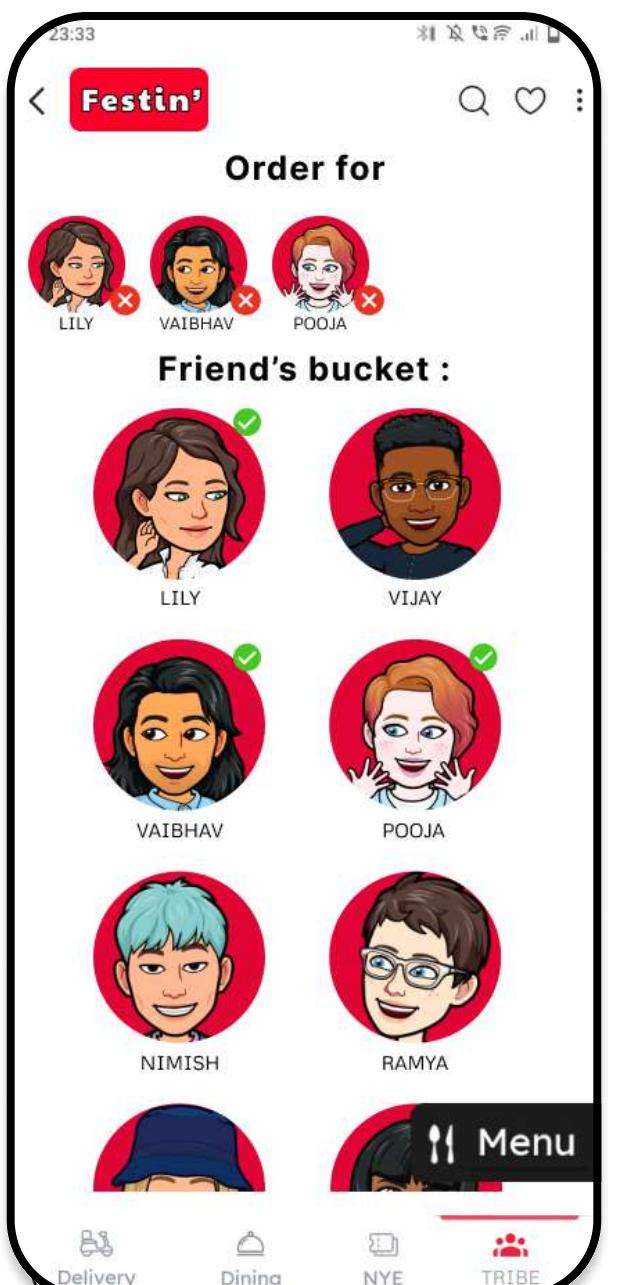


Feature 2 : Zomato Festin



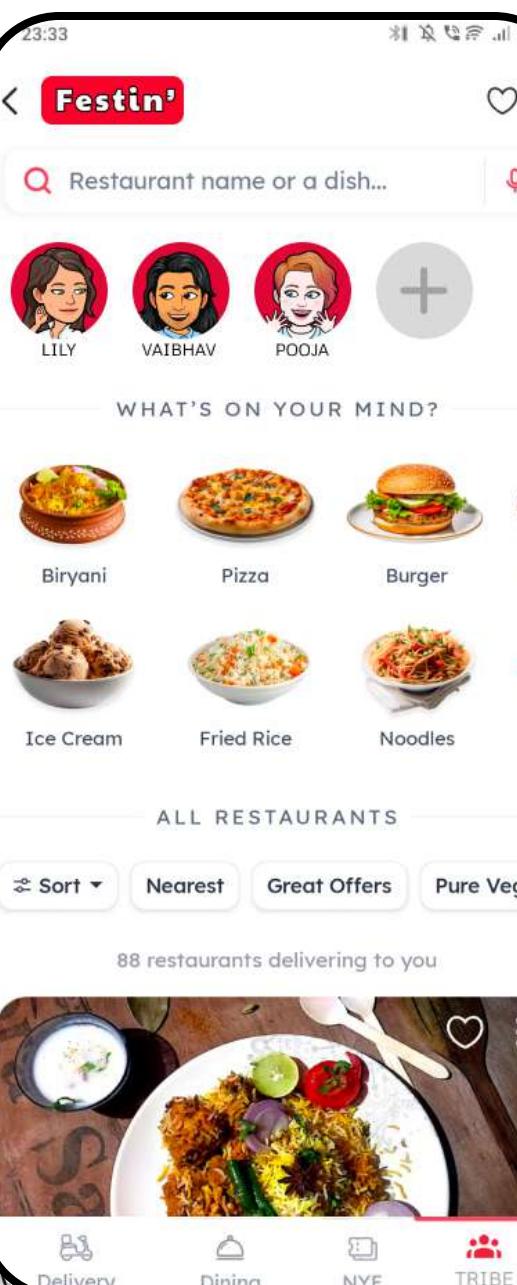
"Simplify coworking: Zomato delivers, eases bill-splitting on payment page!"

Step 1: Complete the friend's bucket



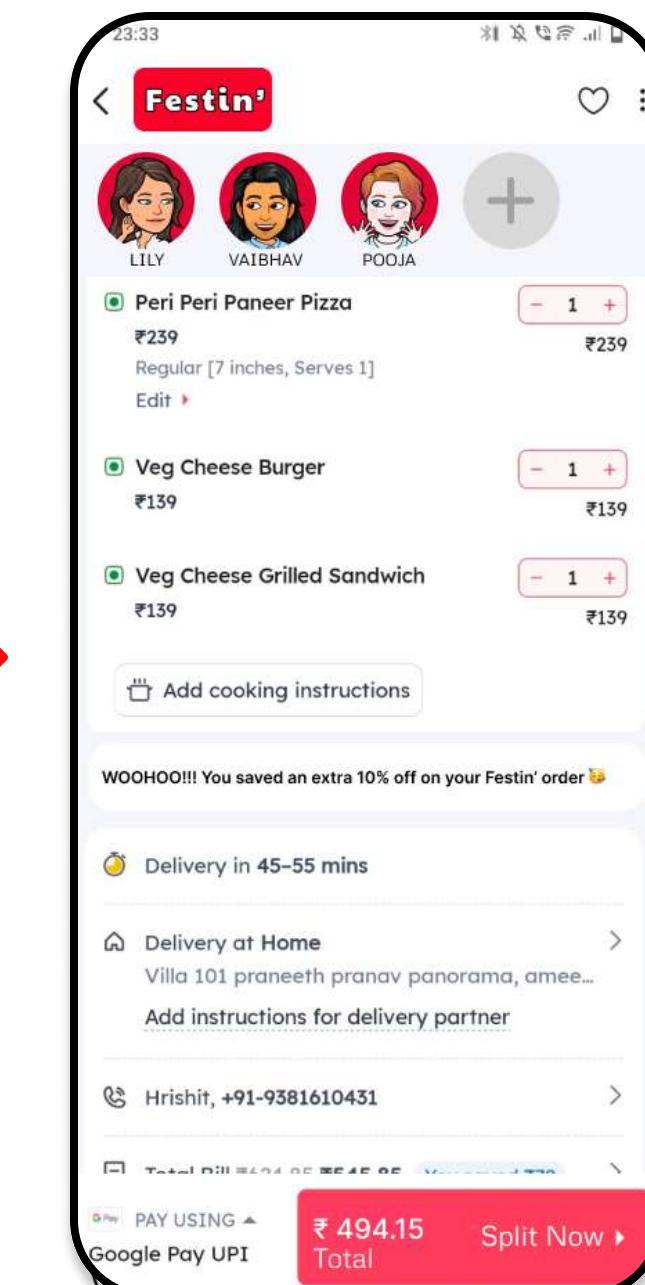
Tribe members would be available for **group orders** by default; add new members via **phone numbers**.

Step 2 : Add Menu



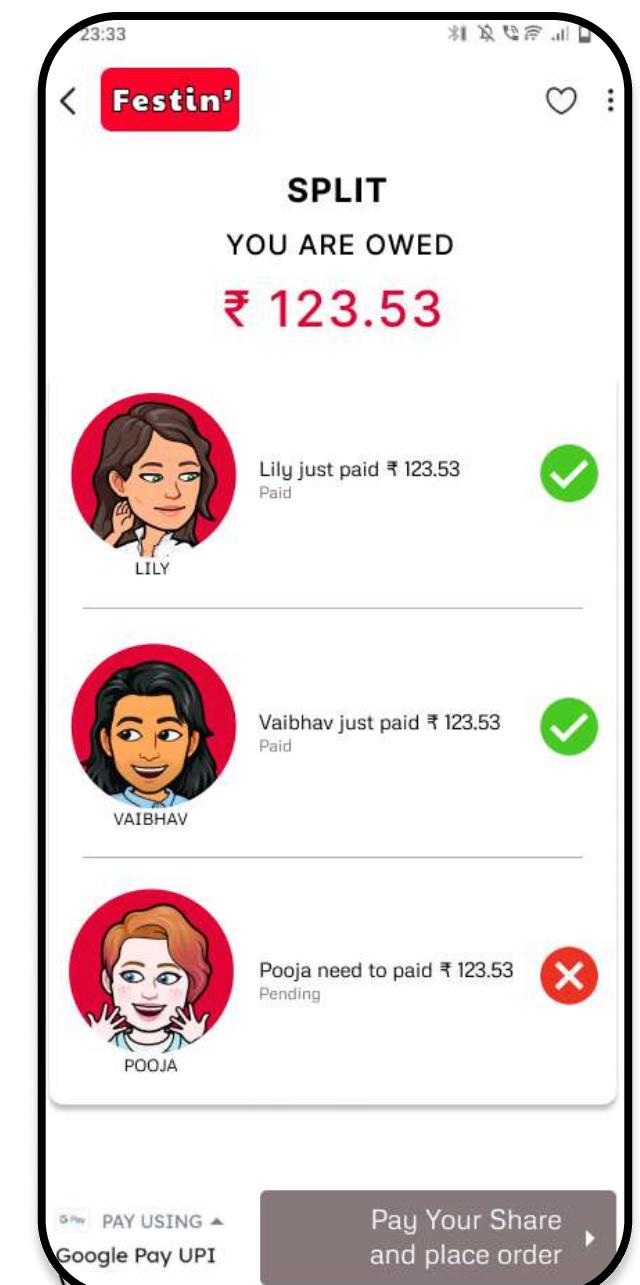
Select **curated Tribe menu** or choose from Zomato options for group orders effortlessly.

Step 3 : Confirm Discount and address



Festin bonus: Get 10% off automatically on group orders over INR 500, an extra incentive for Tribe Festin users.

Step 4 : Split Bill and confirm order



User can choose to pay in full or use **Zomato's Exclusive split bill** feature to automatically divide, send UPI requests for group orders.

Feature 3 : Recommended Diet



"Recommended Diet relieves user from the hustles of menu selection"

Introducing curated meals by time in "Made for You" app section.

Schedule-based curated meals, like Cheat Day options, tailored by user input

Personalized recommendations based on user's order history

60-65% find it hard to choose a menu on the app, leading to order abandonment.

Meals with **Nutritionist Verified tag** from Zomato-nutrition checked restaurants.

Zomato's nutrition-checked food labs would give a **credibility score** out of 5, validating hygiene and quality standards.

Feature 4 : Recurring orders



"Recurring orders save time for professionals and offer a cost-effective choice."

Use **Zomato Tribe** and **Festin** benefits in recurring orders for enhanced online food ordering freedom

Enable **order scheduling** through a visible button at the address selection page

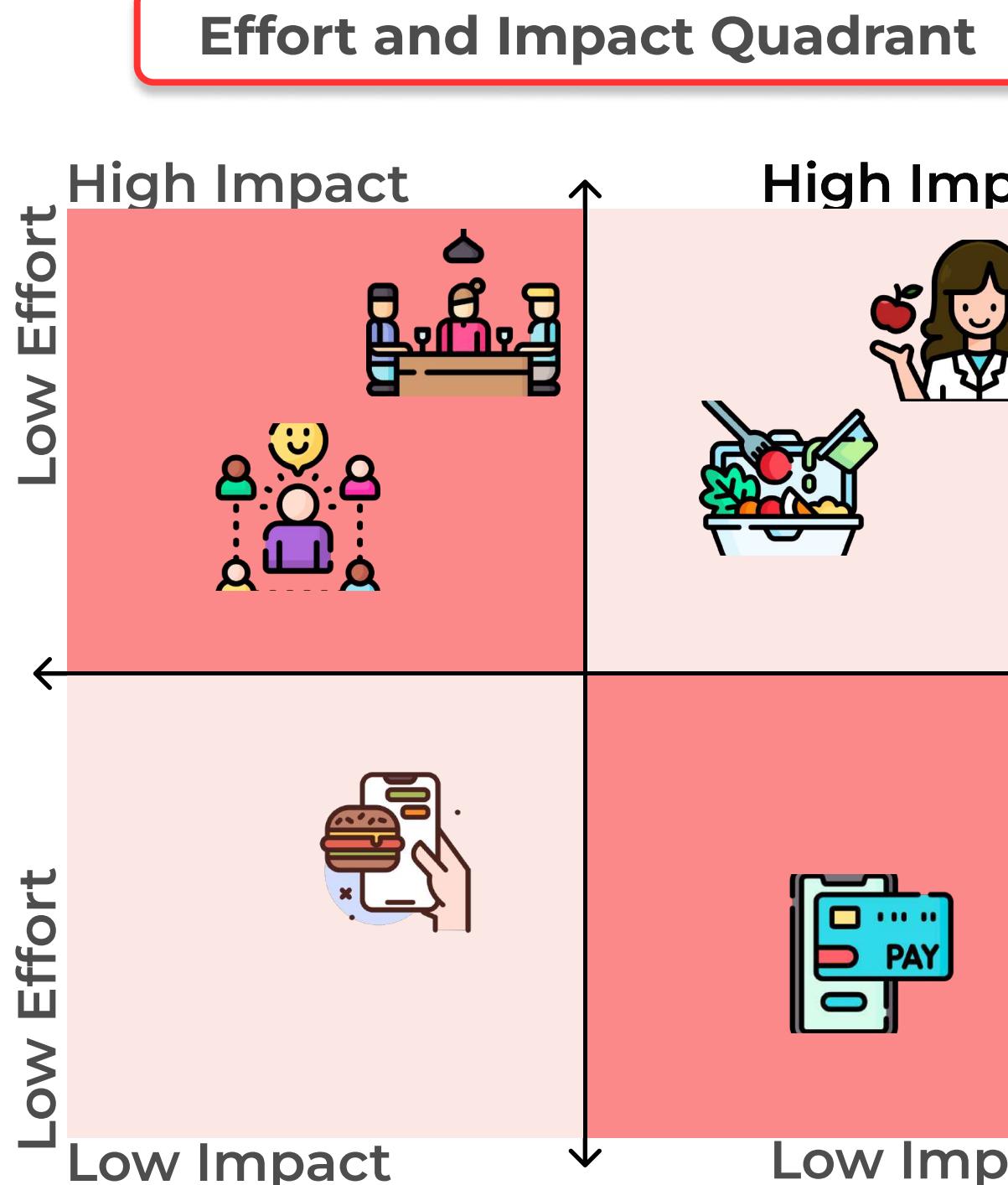
Users can **schedule monthly orders**, with the flexibility to cancel before restaurant acceptance

Payment page simplification is crucial. Eliminating coupons and **displaying discounted prices directly**.

zomato price ₹197

Schedule at 2pm	Dec
1	2
3	4
5	6
7	8
10	11
12	13
14	15
16	17
18	19
21	22
23	24
25	26
27	28
29	30
31	

Feature Comparison and Selection

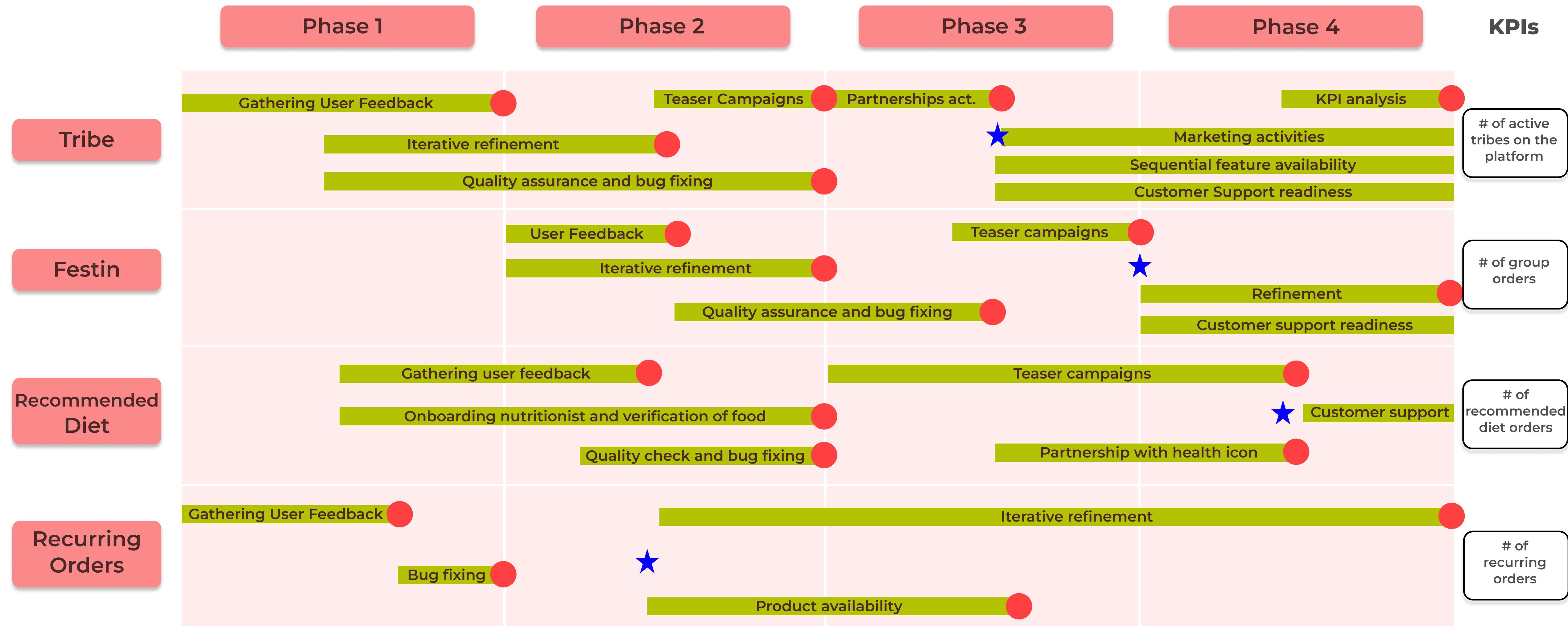


Feature Name	REACH	IMPACT	CONFIDENCE	EFFORT	R.I.C.E SCORE
TRIBE	5	●●●●●	95%	●●●●●	6.3
CURATED MEALS	4	●●●●●	85%	●●●●●	3.4
TRIBE FESTIN'	4	●●●●●	90%	●●●●●	6.0
EZPay	2	●●●●●	50%	●●●●●	0.75
RECOMMENDED DIET	4	●●●●●	65%	●●●●●	2.1
RECURRING ORDERS	3	●●●●●	70%	●●●●●	3.15

User Demands

Occasional Users	Health Conscious	Daily Users	Group Orders
Want to try new restaurants and foods but there are many options available and it is difficult to choose and reviews from close friends help them to choose	Want to have healthy food with right amount of calories and proteins and would like a expert opinion on their food	Have to order everyday so they expect the order be scheduled, want fast delivery and since they are eating out everyday the food has to be healthy	When in a co-working space or with their friends group during a hangout, they have to order in bulk and also split it evenly with all the people

Feature Launch Roadmap



Impact Analysis

1

TRIBE



Before

Steep decline in customer generated content from **157 million units in FY20 to 61.8 million units in FY21**

Strong sense of lack of acquisition power of the platform

High churn rate

Losses in number of restaurants advertising on Zomato

From **8064** in FY20
In **2512** in FY21

Losses close to **₹4.5 Cr.**

After

Tribe will generate a strong user sentiment for the platform

Tribe's algorithm will do sentiment analysis displaying only those reviews that are useful to eateries.

Psychology of **Social Facilitation** - 'when we eat together we eat more' will modify customer behaviour

3.2Cr.
Number of monthly active users on Zomato

$\frac{1.37\%}{\text{Referral driven traffic}}$

4.3 Lacs

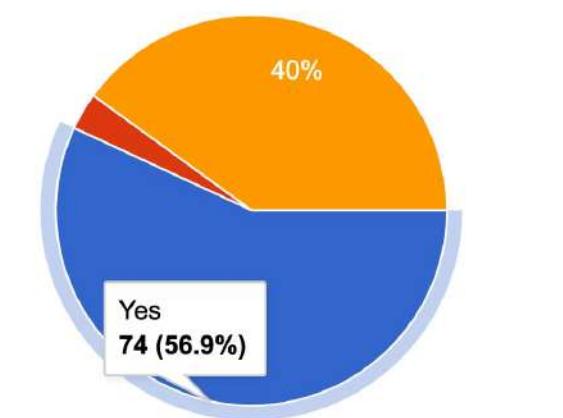
$\frac{37\%}{\text{Psychological Conversion Rate}}$

1.6 Lacs

$\frac{*350}{\text{Average Order Value}}$

5.6 Cr.

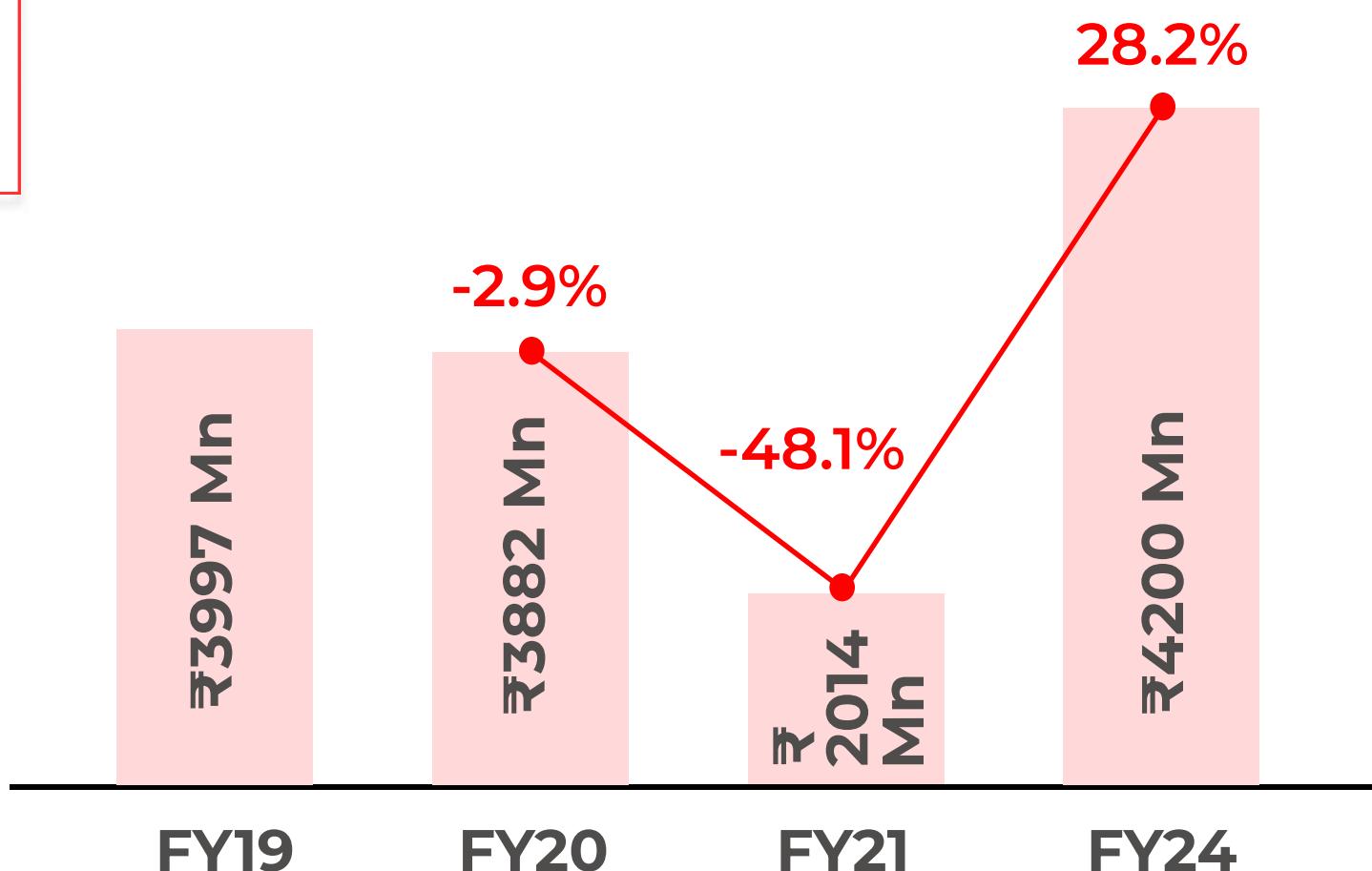
Monthly Increase in Revenue



Survey results show a strong impact of friends' recommendations/reviews over normal google reviews

Strong surge in customer buying behaviour was observed when feature was back tested in the survey

67.2 Cr.
Increase in Annual Revenue



Implied advertising revenue based on the calculations taking into considerations cumulative results of various features

Impact Analysis

2

FESTIN



Cost Efficiency

Bill Summary

Item total	₹160
GST and restaurant charges	₹15.89
Delivery partner fee for 2.5 km goes to them for their time and effort	₹44
Platform fee	₹5 ₹3
Grand Total	₹222.89
Cash round off	₹0.11
To pay	₹223.00

Order 1	Order 2	Order 3
₹160	₹299	₹259 ₹129
₹15.89	₹47.64	₹33.24
₹44	₹34	₹30
₹5 ₹3	₹5 ₹3	₹5 ₹3
₹222.89	₹195.24	₹195.00
₹0.11	- ₹0.24	- ₹0.24
₹223.00	₹383.64	₹195.00

You saved ₹130 on this order

Bill Summary

Item total	₹588
GST and restaurant charges	₹92.24
Delivery partner fee goes to them for their time and effort	₹54
Platform fee	₹5 ₹3
Grand Total	₹737.24
Cash round off	- ₹0.24
To pay	₹737.00

Cost Effective upto 10%

Higher discounts leads to a perception of greater value for money with customers perceiving **20% higher value** when presented with higher discount levels

If the selected restaurants are within **1 km radius** then **Zero delivery fees** would be charged even for non GOLD users

Social Impact

Robust Notification System to remind users about ongoing or upcoming (recurring) FESTIN orders

FOMO to users who haven't ordered will drive in extra orders

7-8
Average group size in India →

FESTIN's split bill will bring in additional convenience for the users that would easify the user journey

High probability that these people would be depending on various sources for their meals

→ 7 - 8 orders can be grouped under FESTIN to maximy the savings and bring in more customers to the platform

Zomato FESTIN will ease the extra step of splitting the bill in the group orders using Split Wise or any other third party app.

Impact Analysis

How and Why it works?

3

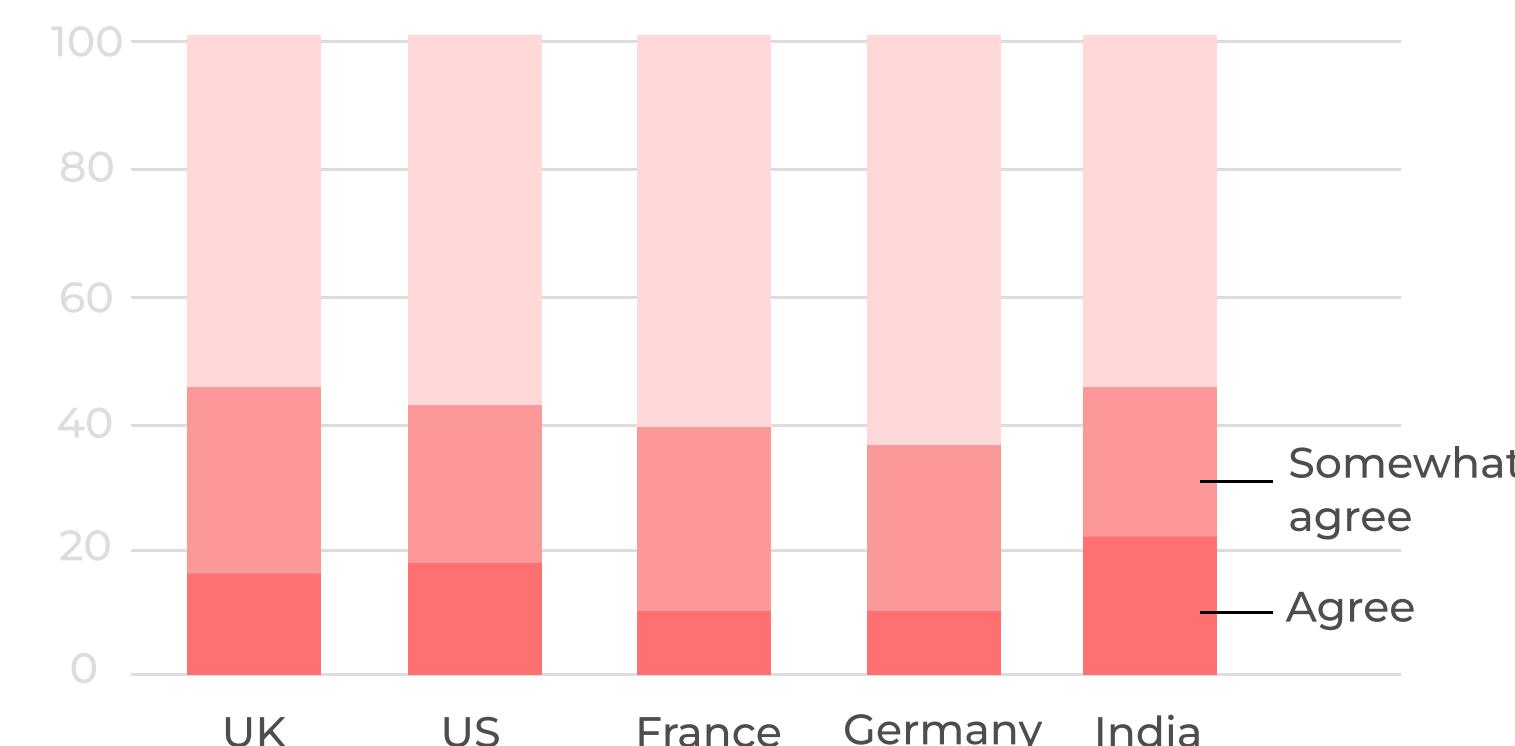
Recommended Diet



Despite customers' desire to eat more, nearly half struggle to find the right way to do so

% of respondents (n=8192)

I find it hard to understand what food should I eat at a particular time of the day



Question: How much do you agree or disagree with the following statements?

Source: McKinsey Global Future of Food Survey 2022

Recommended Diet solves the problems of menu selection in a busy professionals life.

Significant decrease in probability that the user leaves the platform unordered is observed

Health freeks who might be uncertain about food's nutritional values can be leveraged with the '**Nutrition Check**'

Use of **customer intriguing** taglines encourages people to try and purchase more.

Change in Zomato economics

	FY23	After Tribe
Mean/median orders per user per month	2-3	7-8
AOV(Rs)	350	375
Take rate/ AOV	21.8%	22.2%
Monthly commissions per user	228.9	666

4

Recurring Orders



Recurring Orders will bring close to **27.9 Mn** power orders to the platform

31 Mn

Number of corporate employees in India → conv. rate 5% →

1.55 Mn

High Value Users (users with ordering frequency 5X week) → per user →

5X Week

Users that have adopted Zomato as their Tiffin partner → per user →

18X Month

Assuming user mood changes, holidays, health issues, etc →

27.9 Mn

$1.55 \text{ Mn} * 18 = 27.9 \text{ Mn High Value orders}$

Provides **convenience** and **cost savings** for customers

Eliminates daily hustles of ordering food

Promotes **user loyalty** on the platform

Go-To-Market Strategy

Pre-Launch

Awareness



Targeted Food packaging showcasing the features like TRIBE and FESTIN with media stimulating the customers with a hype to know more about the features



Reach



Advertising campaigns on social media forums like intagram, facebook, etc. Using health influencers to gain traction



Launch of advertisements catchy jingles on channels like TV, social media, roadside publicity media, etc to create top of the mind awareness



Stickiness



Network effect utilizing old customers to add value to the network. Use of repeated catchy notifications to keep the users hooked



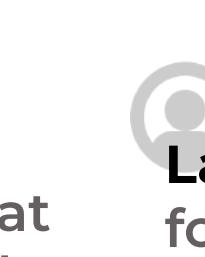
Notifications regarding launch of new features like Tribe, Tribe Festin, Recommended Diet, recurring orders and friends' msgs on Tribe to get in more users.



Growth Hacking



Online surveys and user feedback analysis for contact refinement of the features and to understand the market trends



Launch day special challenges for users to use referral program to make people add their friends in their Tribe



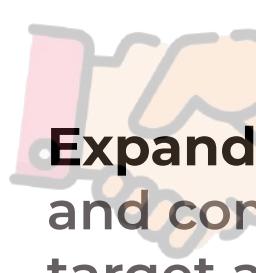
Launch

Post-Launch

Post-Launch



SMS/E-mail marketing the targeted users of corporates and students from which maximum output can be derived.



Expand partnerships with businesses and communities relevant to the target audience. Display of user success stories in marketing



Gamification of Tribe and Tribe Festin where leaderboard will be published for top members of the Tribe.

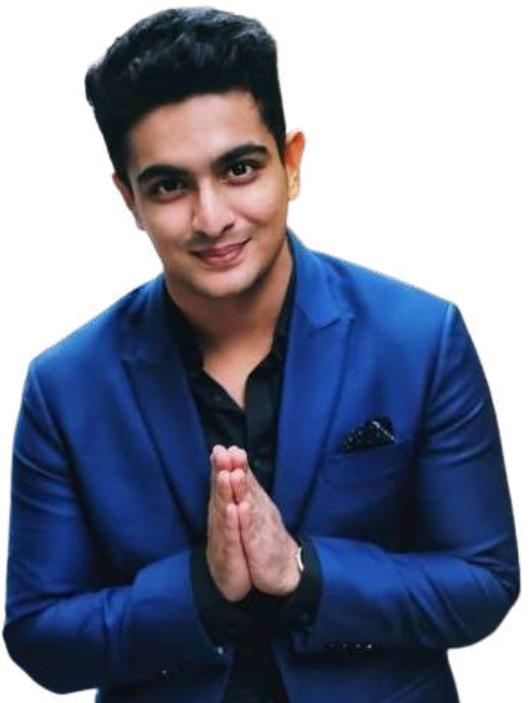


Building customer community on various platforms where customers share reviews on how zomato is saving there time and money



Marketing Strategy

Recommended Diet



BeerBiceps X Zomato

Target Audience



Gen Z



Health Freaks



Branding

Insta and Twitter Posts



“Ranveer’s Pick” section



Endorsement Videos



Tag line - Fuel Your Passion : Ranveer’s Recommended Diet

Partner with Gyms, Health centres and Clubs to offer special Discounts and Promotions for Zomato users

Tribe and Tribe Festin’



Find your Tribe

Target Audience



GenZ and Millenials



Foodies



Branding

Viral videos with friends

Tribe Discounts

Refer a friend into Tribe

Tag line - TRIBE today VIBE tomorrow!

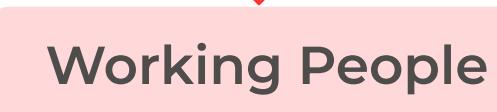
Partner with Food Bloggers and social media personalities and make short videos on tribe

Recurring Orders



Foodie Autopilot

Target Audience



Working People



Bachelors



Branding

Curated Food Rush Packs

Lunch Buddies

Success stories

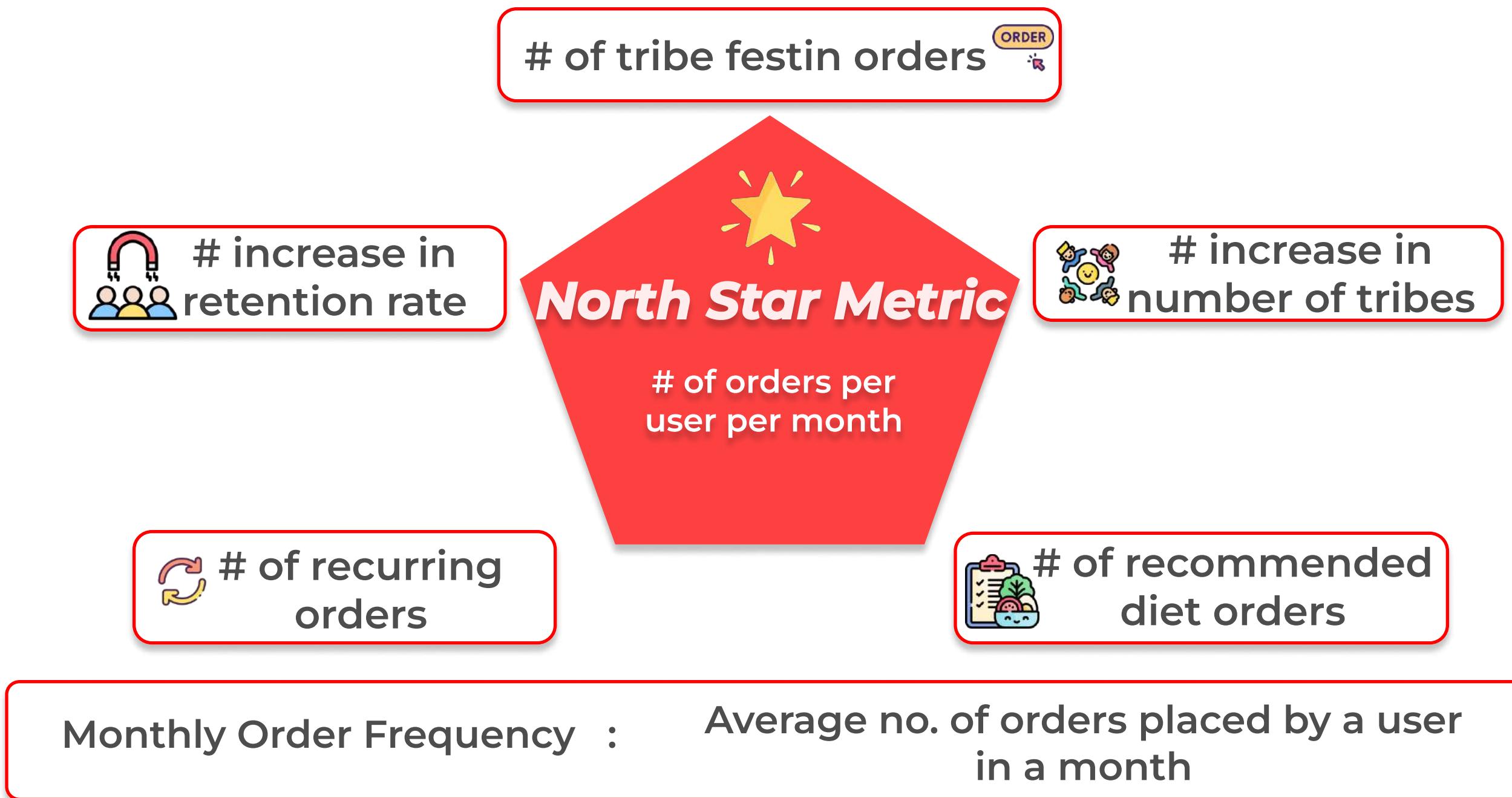
Tag line - Meal Autopilot : Fuel your day with Zomato

Partner with healthy meal prep services or local restaurants to offer customized and diverse options

Feature Cost Analysis

Cost component	Cost(INR)	Assumptions
Nutritionist fees	32,00,000	8 major cities of India
Cloud charges	20,00,000	AWS charges for additional databases
Ad development	25,00,000	150 hours of work agency
TV ad	90,00,000	20 sec ads especially during cricket matches
Youtube ad	20,00,000	CPC (video ads) and banner
FB/ Google ads	30,00,000	CPC

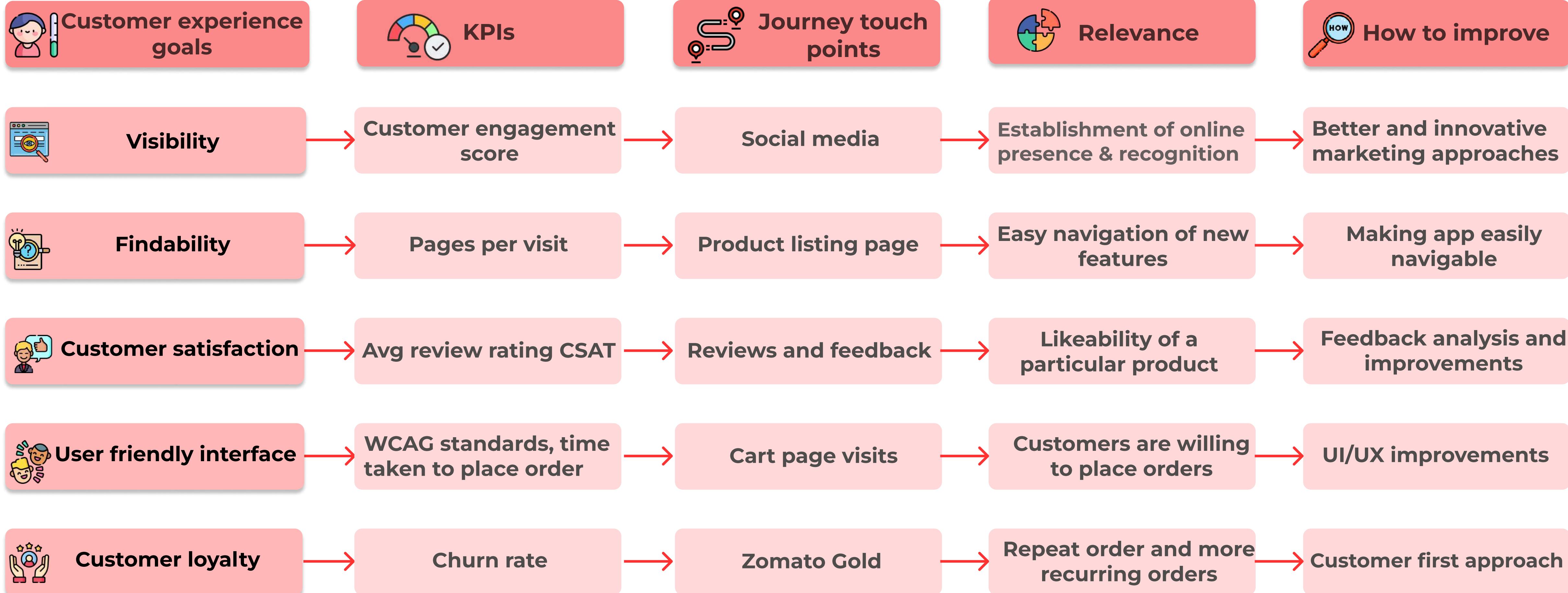
Metrics



Potential Pitfalls and Workarounds

- Repetitive orders can limit users exploration of new restaurant and food → We can also add a “surprise me” recurring order where food is selected based on users past data
- Not enough groups formed or Groups die out as users don’t engage enough → We can give credits for user engaging in a tribe and coupons for a certain amount of credits
- Saturation to try out new things might come after a certain point of time. → Gamification of Tribe where leaderboard will be published for top members of the Tribe.

Key Performance Indicators



Appendix

Cost of Nutritionists

3.5 - 4.5 Lacs

Salary of a mid-experienced nutritionist in metro cities.

We plan to appoint single nutritionist in a single city.

Start implementing from **top 8 metro cities.**

32 Lacs

Average total cost of appointing a nutritionist.

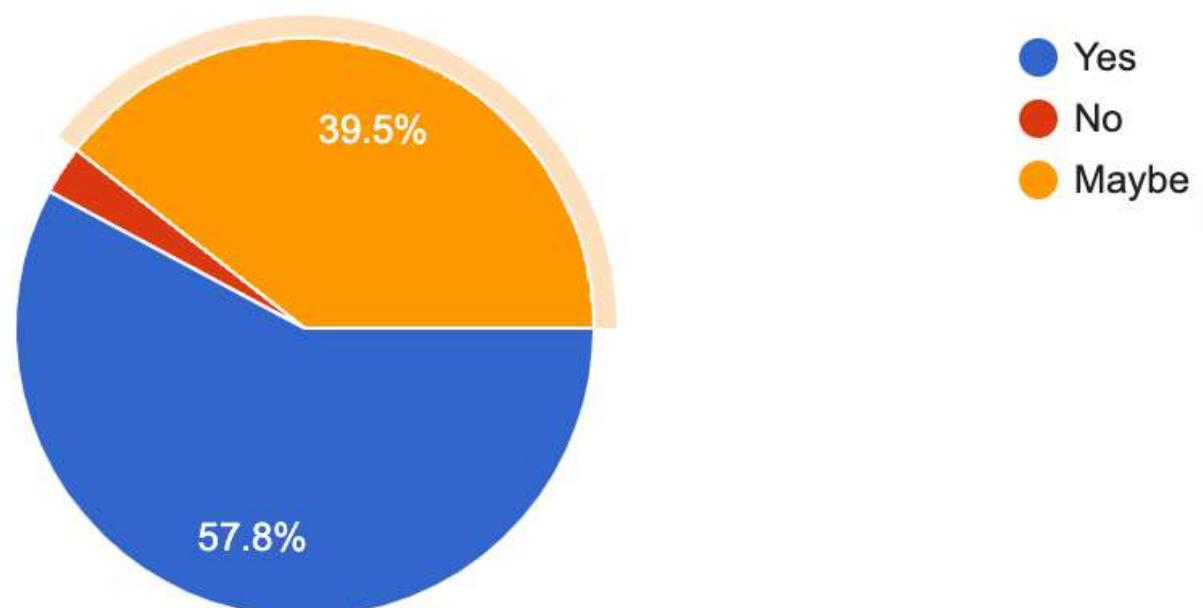
Sources

- **Dollat Capital Report on Zomato**
- **Feed Dough**
- **Statista**
- **The Media Ant**
- **Media Digital**

Survey

Do you think it would be advantageous if a product brought your friends' evaluations about a restaurant on your list?

147 responses



How much do you agree with following the statement : statement :

I value my close friend's reviews over generalised google reviews

151 responses

