Zomato User Study

Objective

Deliver a seamless, personalized, and habit-forming food delivery experience that drives higher engagement and retention across the entire user journey — from discovery to final delivery — for Zomato's Tier-1 city customers.

Some Key Points :-

1. High Monthly Active User Base with Consistent Growth

- Zomato had 80 million monthly active users as of March 2023, primarily in the 18–35 age group — a segment known for frequent ordering and digital engagement.

- This consistent and large active user base signals strong repeat usage and retention over time, not just one-time visitors. **Link:-Zomato Statistics FY23**

2.Loyalty & Premium Programs (Zomato Gold → Zomato Pro)

- Zomato evolved its Zomato Gold program into Zomato Pro, offering enhanced benefits like discounts and seamless digital payments through the app.

- With 900K+ Gold users and a 70% increase in Gold memberships as of Feb 2023, this program locks users into the ecosystem by rewarding frequent dining and ordering — driving loyalty-based retention. **Link:-Zomato Gold 900K**

3.Low Contribution from Referrals & Social Channels

- Only 1.39% of site traffic comes from referrals and 0.80% from social media, which are typically strong drivers for community-led retention and organic growth.

- This suggests that while users come directly or via search, Zomato isn't leveraging peer influence or community virality strongly — missing out on network effects that improve repeat usage and loyalty. **Link:-Zomato Statistics FY23**

4.Large User Base, But Not Fully Leveraged for Repeat Transactions

- While there are 80 million monthly active users, only 116% growth in monthly transacting customers in 2022 is reported — strong, but not proportionate to the total user base size.

- This gap suggests many active users are not regular transactors, indicating that retention and conversion efforts for occasional users need improvement, e.g., through reactivation campaigns, offers, or personalized retention journeys**. Link:-Zomato-FY22-Revenue**

User Survey

SurveyMonkey Link:-https://www.surveymonkey.com/results/SM-fJVwiSlSfayX3M5CAaU0Nw_3D_3D/

Key Points from survey:-

1.Most users order a few times a week or once a week, showing steady engagement but not daily dependency

2.While users are generally satisfied or very satisfied with on-time delivery, discounts are viewed as only average

3. Users prioritize delivery speed, food quality, and discounts, while feedback calls for better transparency and faster delivery

4. Many users get bored with repetitive dishes, and a strong majority express interest in a loyalty/gamification program

User Persona

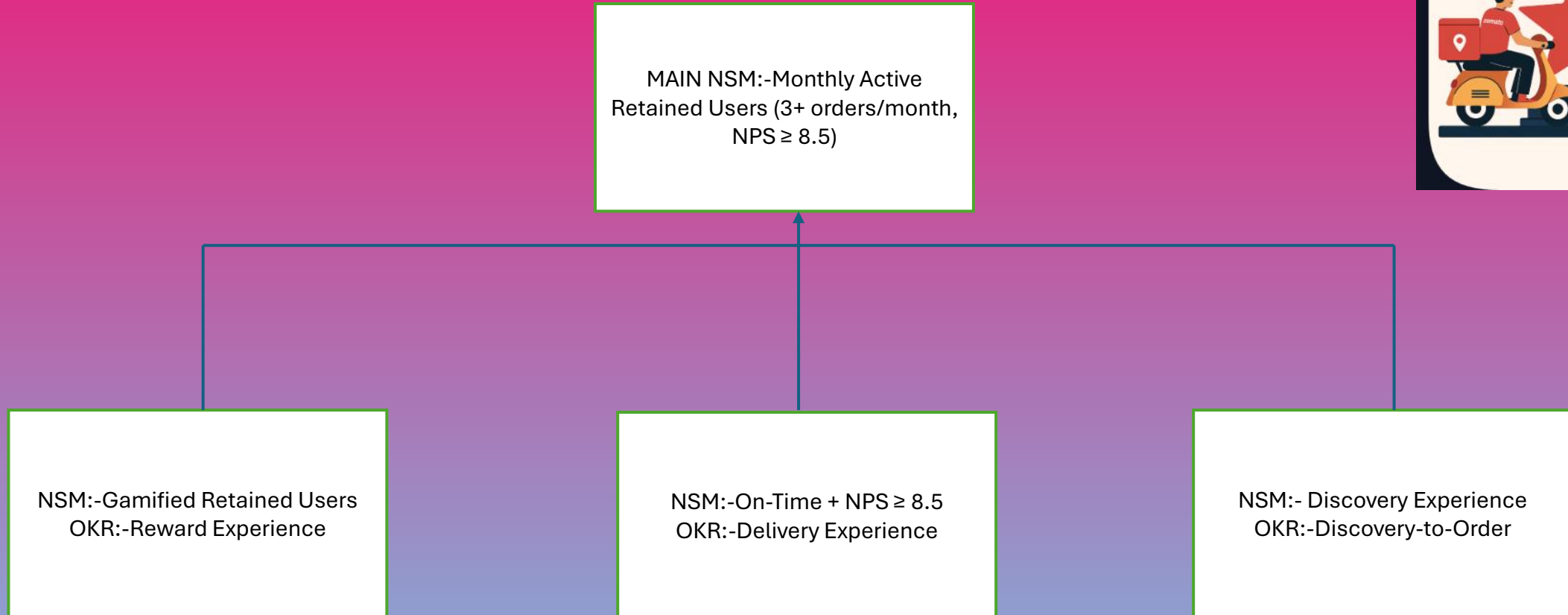|	The Urban Food Explorer	The Functional Orderer	The Family Planner
Brief	Food delivery is my go-to comfort. I love trying new restaurants, but I also want it quick, reliable, and personalized	I don't care much about trying new places. I just need my food delivered fast, hot, and without issues.	Weekends are for family meals. I want a smooth experience, good packaging, and value for money.
Key Behaviours	-Reads reviews & checks ratings before ordering -Orders impulsively during work hours or late nights -Occasionally shares food reviews/social posts	-Orders from same restaurants repeatedly -Rarely explores new offers or reviews -Expects punctual delivery & consistent taste	-Prefers trusted restaurants and family meal combos -Checks packaging, hygiene ratings, and reviews -Sensitive to delivery delays during family mealtime
Pain Points	-Feels app recommendations are repetitive -Gets bored of same offers -Limited social engagement in-app	-Frustrated by delayed orders or unresponsive delivery partners -Doesn't feel rewards are tailored to him -Finds notifications generic and spammy	-Inconsistent delivery times -Missing items or poor packaging -Loyalty benefits don't feel relevant to families
Motivators	-Discovering new trendy food spots -Quick delivery & personalized suggestions -Value through discounts or loyalty programs	-Speed, predictability, and reliability -Cashbacks, loyalty points, and Pro benefits -Hassle-free ordering experience	-Family meal offers, discounts on large orders -Reliable delivery timing -Quality assurance

Zomato User Retention Strategy

Zomato's strategy should be to create a seamless, personalized, and rewarding food delivery journey that builds long-term user habits in Tier-1 cities. By combining smart discovery, gamified rewards, and reliable delivery excellence, Zomato transforms ordering from a utility into a delightful daily ritual. Personalized recommendations help users find meals they love faster, while "Zomato Streak Rewards" encourages repeat engagement through playful incentives. Reliable, on-time delivery reinforces trust and satisfaction. Together, these pillars strengthen retention, order frequency, and user lifetime value, positioning Zomato as India's most engaging and habit-forming food platform.

Objective and Key Results

	Objective	Objective Description	Key Results
1.	Reward Experience Excellence that Makes Every Meal Feel Worth Earning	Create a Habit-Forming Gamification Experience that Makes Every Order Feel Rewarding — because playful incentives build long-term loyalty for users.	-Achieve 50% participation in the new "Zomato Streak Rewards" program among Tier-1 users will reflects adoption and excitement around gamified challenges. -Improve retention rate among gamified users by 20% within 3 months will measures the stickiness and engagement of gamified behavior over time. -Increase repeat order frequency among gamified users by 35% will shows that the gamified system effectively builds ordering habits (like Domino's 6th pizza free).
2.	Delivery Experience Excellence that Makes Every Arrival Feel Worth the Wait.	Deliver a faster, more reliable, and satisfying post-order experience — because delight after delivery keeps customers coming back.	-Decrease average delivery time in Tier-1 cities by 15% will enhances user satisfaction and competitiveness. -Improve post-delivery NPS from 7.4 to 8.6 will reflects holistic satisfaction — speed, quality, packaging, and consistency. -Improve on-time delivery rate from 84% to 92% will Strengthens reliability and user trust in Zomato's fleet.
3.	Discovery Experience Excellence that Makes Every Meal Feel Personally Chosen.	Deliver a smarter, engaging, and personalized food discovery experience that helps users find what they love faster — because improved discovery builds habit and engagement	-Increase referral-to-first-order conversion rate from 25% to 40% will show improved activation via peer influence and social discovery. -Improve user satisfaction with restaurant recommendations (survey) from 7.2 to 8.5 /10 will captures how well personalization resonates with users. -Increase personalized restaurant impressions CTR by 25% will indicates stronger engagement with personalized recommendations.

North Star Metric

MAIN NSM:-Monthly Active Retained Users (3+ orders/month, NPS ≥ 8.5)

NSM:-Gamified Retained Users
OKR:-Reward Experience

NSM:-On-Time + NPS ≥ 8.5
OKR:-Delivery Experience

NSM:- Discovery Experience
OKR:-Discovery-to-Order

Key Performance Indicator (KPI)

1. **Average Session Duration Rate:-**Determines the amount of time users spend actively exploring Zomato during each session, which serves as a stand-in for the quality of engagement. Greater interest, improved discoverability, and successful personalization are all indicated by longer durations..Helps identify UX or content improvements that deepen user connection beyond quick transactions.

2. **Cart Abandonment Rate:-**Tracks how many users drop off after adding items to cart, signaling conversion friction.
Highlights pricing, checkout, or trust barriers affecting transaction completion.
Essential for improving funnel efficiency and maximizing order revenue.

3. **On-Time Delivery Rate:-**Reflects how reliably Zomato fulfills its delivery promises to users. High rates strengthen user trust, satisfaction, and repeat order behavior. Critical for brand credibility and operational performance in Tier-1 markets.

4. **Support First Response Time (SFRT):-**Measures how quickly customer support responds to user issues or complaints. Faster responses improve trust, reduce frustration, and enhance post-order experience. Directly impacts retention, NPS, and Zomato's service reputation.

5. **DAU/MAU Stickiness Ratio:-**Demonstrates the frequency of daily returns from monthly users, which is a crucial sign of habit formation and loyalty. A greater ratio indicates that Zomato is viewed by users as a regular habit rather than a one-time use. Shows the actual state of engagement, not just the growth in new users.

Funnel Analysis

User Journey

User Signup → Discovery → Menu View →Add dishes →Payment →Order successfully delivered

We have prepared a complete analysis of data available on internet ,how many successful ordered are deliver from signups.
Links:-**1.Zomato_Annual_Report_2023-24.pdf**
       2.MoneyControl-Zomato-Largest-Gainer-Among-Food-Delivery
       3.Baymard-Cart-Abandonment-Rate

	Funnel stage (in order)	User count (estimate)	Total % of users left (vs signups)	Stage-wise % (vs previous stage)
1.	**User sign up (baseline MAU / registered users)**	8,00,00,000	100.00%	100.00%
2.	**Discovery — browsing restaurants / dishes**	4,80,00,000	60.00%	60.00%
3.	**Menu view — opening a particular restaurant's menu**	3,20,00,001	40.00%	66.67%
4.	**Add dishes to cart**	32,00,000	4.00%	10.00%
5.	**Payment for order (completed payment)**	9,60,000	1.20%	30.00%
6.	**Order successfully delivered (no complaint / return)**	9,12,000	1.14%	95.00%

Hypothesis Based on Funnel Analysis

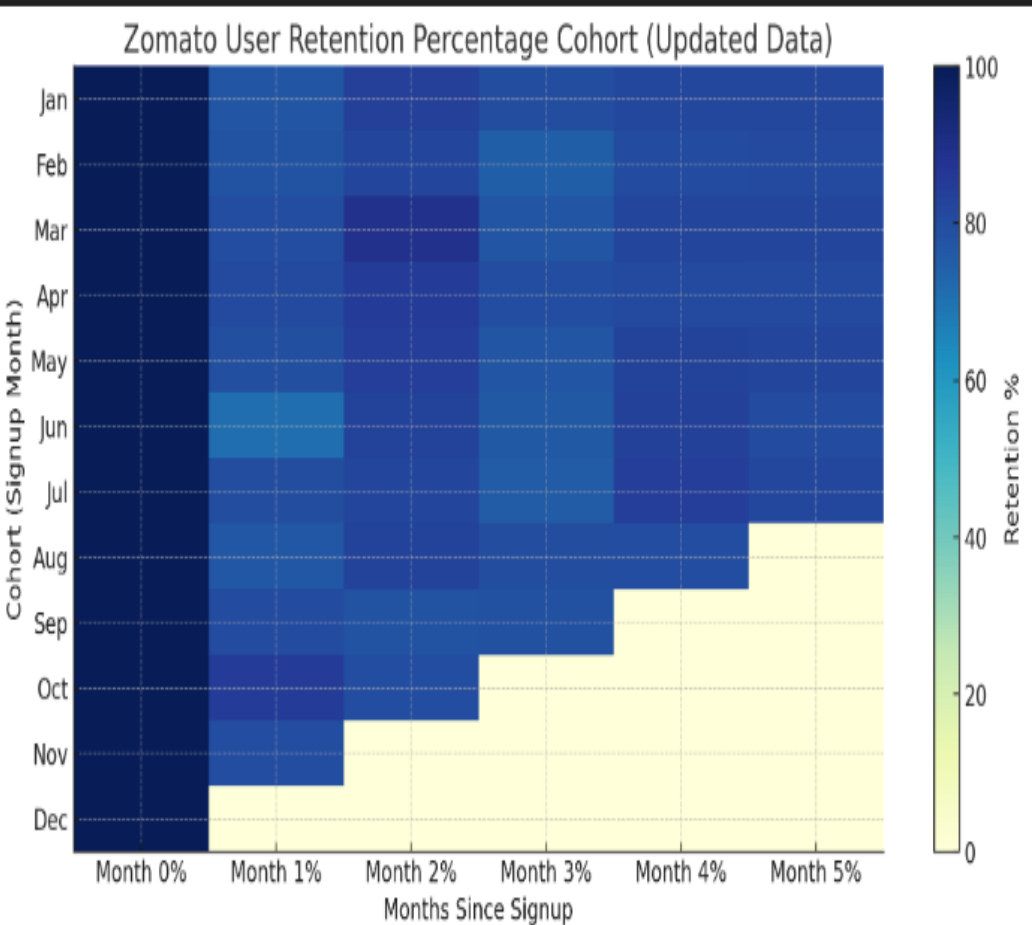|	Drop-off Stage	% Drop (from previous stage)	Hypothesis to Improve Conversion	Product Intuition
1.	Sign-up → Discovery	40% drop (100% → 60%)	Personalized onboarding asking questions like favorite food and dishes ,choosing best restaurant if you have ordered from it and geo-based restaurant suggestions immediately post sign-up.	Many new users abandon if they see an empty or irrelevant home feed. Showing "Top Rated Near You" or "Trending Dishes in City" gives instant value.
2.	Discovery → Menu View	33% drop (60% → 40%)	Add AI Agent which filter based on price, cuisine, offers and visible delivery times and suggest best options.	Users often browse multiple listings but don't click through. Get confused while choosing from many restaurants. They need some suggestion which can be done by AI Agent.
3.	Menu View → Add to Cart	90% drop (40% → 4%)	Highlight combo offers at the top, discounts automatically at menu page, or free delivery threshold.	Price anchoring is powerful in F&B apps. Visible deals or minimum order incentives can drive first add-to-cart actions.
4.	Add to Cart → Payment	70% drop (4% → 1.2%)	Simplify the checkout flow, offer 1-tap reorders, postpaid payment and automatically fetch the location if it matches any of the saved address.	Long checkout or missing preferred payment options cause drop-offs, people like to plan later like credit card ,they might order more as they don't have to pay up front.
5	Payment → Delivered	5% drop (1.2% → 1.14%)	improve real-time order tracking and compensation for delayed orders.	Retaining post-payment users depends on reliability. Real-time transparency builds trust, reducing complaint-driven churn.

Cohort Analysis

Setup

	Step	Description
1.	Cohort Definition	Each row (Jan, Feb, Mar…) represents users who placed their first-ever order in that month.
2.	Base Count (Month 0)	The total number of users who placed their first order in that month (e.g., 80,027 in Jan).
3.	Tracking Window	Columns Month 1 – Month 5 represent the following months after the first order.
4.	Retention Metric	The % of those users who placed another order in that later month.

Process

Identify Drop-off Points→ Compare Cohorts Across Months →Monitor Consistency →Validate Changes Over Time

	Month 0 Count	Month 0%	Month 1%	Month 2%	Month 3%	Month 4%	Month 5%
Jan	80027	100%	77.0%	83.8%	79.6%	81.3%	81.3%
Feb	86147	100%	78.0%	82.0%	74.7%	80.3%	80.7%
Mar	94954	100%	80.0%	89.0%	77.4%	82.3%	81.9%
Apr	111453	100%	80.5%	85.0%	79.8%	80.5%	80.8%
May	98675	100%	79.0%	84.0%	77.2%	82.6%	81.9%
Jun	85553	100%	71.0%	83.0%	76.3%	83.3%	80.3%
Jul	80064	100%	79.3%	82.0%	75.6%	84.3%	81.3%
Aug	104591	100%	76.9%	83.0%	79.4%	79.9%	0%
Sep	84798	100%	80.1%	78.0%	78.9%	0%	0%
Oct	112870	100%	85.0%	80.0%	0%	0%	0%
Nov	104257	100%	80.0%	0%	0%	0%	0%
Dec	114909	100%	0%	0%	0%	0%	0%

Zomato User Retention Percentage Cohort (Updated Data)

Key Insights

1. Month 1 Retention Drop (100% → 75–80%) — A large portion of first-time users don't return, showing friction or lack of immediate value after their first order.

2. Initial churn indicates weak reordering motivation, possibly due to limited engagement post-purchase or no strong incentive to come back quickly.

3. Month 2 Retention Bounce (83–85%) — Users who reorder once usually stay active, suggesting satisfaction and early habit formation.

4. Months 3–5 Plateau (80–82%) — Retention stabilizes, meaning loyal users continue engaging without major drop-offs.

5. Month-on-month variation (e.g., Jun 71% vs Oct 85%) hints at seasonality, marketing influence, or regional factors affecting user engagement.

Takeaways

1. Prioritize high-performing acquisition channels while experimenting with low-cost ones for weaker cohorts.

2. Personalize re-engagement for inactive users with offers based on their first-session cuisine or price band.

3. A/B test message variants—discounts, free delivery, guaranteed ETA, and personalization—to refine conversion impact.

4. Use activation nudges to reduce cancellation or delay anxiety in low-retention cohorts.

5. Introduce progressive onboarding that highlights one key action and rewards first orders with small credits.