Product Requirements Document: Zomato Streak (2025)

Created by: Sayed Muhammed Jiyad
sayedmuhammedjiyad13@gmail.com

1.0 Introduction

This Product Requirements Document (PRD) outlines the "Zomato Streak" feature, a new initiative designed to significantly improve user retention on the Zomato platform. As of 2025, Zomato remains a category leader in food delivery and restaurant discovery in India, facing continuous challenges in customer retention due to volatile consumer behavior influenced by discount offers from competitors like Swiggy. This document details the proposed solution, its goals, user journey, success metrics, stakeholder impact, and potential risks.

2.0 Product Overview

2.1 Understanding Zomato in 2025

Zomato is a technology platform connecting customers, restaurant partners, and delivery partners to serve various needs. In 2025, Zomato's offerings include:

- Searching and discovering restaurants
- Reading and writing reviews, uploading photos
- Ordering food and food supplements (e.g., protein powders, vitamin tablets)
- Booking tables for dining out
- Making payments while dining out
- Supplying fresh, hygienic, high-quality ingredients to restaurants via Hyperpure.
- Quick commerce through Blinkit, which has seen significant growth and in Q1 FY26 (ending June 30, 2025), surpassed Zomato's core food delivery business in net order value.
- Intercity food delivery (Zomato Legends), allowing users to order iconic food from different cities.
- Event ticketing and 'going-out' services through District.

2.2 Mission Statement / Goal

- Never have a bad meal
- Better food for more people

2.3 Problems Zomato Solves

1. Food delivery
2. Restaurant listings and discovery

3. Booking reservations at restaurants
4. Delivery of nutrition products
5. Supply of fresh, hygienic, high-quality ingredients to restaurants.

2.4 User Segments

B2C Segment:

1. Consumers who want to order food from nearby restaurants at their doorstep.
2. Consumers who want to dine out by discovering nearby restaurant options and booking reservations.
3. Consumers who want to order food supplements.

B2B Segment:

1. Restaurants seeking more visibility to grow their user base and revenue through listings, delivery, and table reservations on Zomato.
2. Restaurants needing raw materials (vegetables, fruits, meat) who partner with Hyperpure by Zomato.

2.5 Stage of the Company in 2025

Zomato started in 2008 as a restaurant listing B2B business. It added B2C food delivery in 2015. Zomato filed its IPO on BSE in July 2021. As of 2025, Zomato's parent company, Eternal Ltd, has seen its quick commerce business (Blinkit) surpass its core food delivery business in net order value, indicating a strategic shift towards quick commerce.

2.6 Revenue Model (2025)

Zomato's key revenue drivers in 2025 continue to be:

1. **Commission per transaction:** The majority of Zomato's revenue comes from commissions charged on delivery.
2. **Advertising:** Revenue is also generated from restaurant advertisements on the platform.
3. **Subscription service 'Zomato Pro':**
4. **Platform Fees:** A nominal fee is charged on each order from users to cover delivery logistics and technology.
5. **Restaurant SaaS Tools:** Offering CRM dashboards, order analytics, inventory tools, and ad campaign management as premium services to partners.
6. **Hyperpure (B2B Ingredient Supply):** Supplying fresh ingredients and packaging materials to restaurants.
7. **Dining Out Services:** Partnerships for table reservations and event-based monetization.
8. **Intercity Delivery (Zomato Legends):** Premium service with higher delivery fees for niche audience targeting.

The high-level revenue model for Zomato's delivery business is: (Monthly Transacting Users) X (# of Orders Per User) X (12)

3.0 The Retention Problem

3.1 What is Retention?

Customer retention is a company's ability to retain its customers over time, measured as a percentage of customers retained by the end of a given period. For Zomato, retention means the percentage of users from the total user base who return to the platform to order multiple times. A user is considered retained if they place a second order.

3.2 Why Retention is a Problem for Zomato

Consumer behavior in the food delivery business is volatile. While food quality and timely delivery are important, discount offers play a crucial role in platform choice. Users easily switch to competitor apps like Swiggy if they find better discounts, making user retention a difficult challenge. Historically, discount offers have been the most prominent way for Zomato and Swiggy to retain users.

3.3 Why Should It Be Solved?

Retention helps balance customer acquisition costs (CAC) and is essential for achieving sound unit economics. If users do not repeatedly use the product/service, business sustainability becomes questionable. For Zomato, the number of orders per user is a key indicator of retention and significantly impacts revenue, thus deserving significant attention.

3.4 Existing Solutions and Their Insufficiencies

3.4.1 Discount Offers

- Discounts have been a primary driver, with Zomato sometimes offering discounts as high as 60-70%, leading to a habit among consumers, especially students.
- However, after a few orders (1-2) in a week, discounts become negligible, causing users to switch to competitors like Swiggy for better offers.
- This churn is normalized but poses a significant risk as Zomato has been strategically reducing discount values post-IPO (from Rs. 21.7 in 2020 to Rs. 7.3 in Q1 2021), and this trend is expected to continue.
- Zomato cannot afford to lose a large segment of discount-savvy users who might switch to competitors.

3.4.2 Zomato Pro

- Zomato Pro is a 3-month subscription service offering guaranteed discounts and waived delivery fees, along with up to 40% off on dining bills.
- It is currently priced at Rs. 200 for three months.
- Despite decent pricing, only approximately 1.5 million users are Zomato Pro subscribers out of a total user base of over 200 million.

- This indicates that a large number of users are not accustomed to paying for a food delivery subscription plan.
- While Zomato Pro might work long-term, its widespread adoption is uncertain, leading non-subscribers to switch to competitors when continuous guaranteed discounts are not available.

3.5 Pain Point to be Solved for the Target Group

The core pain point is the retention of users who are habituated to discount offers but easily switch to competitors like Swiggy when Zomato reduces or stops offering discounts. This target group primarily includes students and working professionals seeking food at a cheaper price.

4.0 Proposed Solution: Zomato Streak

4.1 Concept: Zomato Streak

Zomato Streak is a gamified feature presented as a visual timeline, challenging users to achieve a specific number of orders within a defined timeframe.

4.2 Key Parameters

4.2.1 Goal Setting by Zomato

- The goal should be competitive but not overwhelming.
- Assuming an average frequent Zomato user orders once per week, the goal can be set at **8 orders per month** (equivalent to 2 orders per week).

4.2.2 Guaranteed Discounts

- The core intention is to make users aware of increasing guaranteed discounts with each subsequent order in the streak.
- The "guaranteed" factor will be a stronger trigger than the discount amount itself.
- Zomato can implement decent increasing margins. For example, if the first order gets a 10% discount, subsequent orders can have discounts increasing by a factor of 1.2x or 1.3x from the previous one.
- **Example Progression (1.3X increase):**
  - 1st order = 10%
  - 2nd order = 13%
  - 3rd order = 17%
  - 4th order = 22%
  - 5th order = 29%
  - 6th order = 38%
  - 7th order = ~50%
  - 8th order = ~65%

4.2.3 Final Reward

- The final reward is the main tempting factor for users to complete the streak.
- Upon reaching the goal (e.g., 8 orders in a month), users will be rewarded with a free meal.
- Zomato can set terms and conditions, including an upper limit on the free meal amount.
- The upper limit can be a fraction (e.g., 1/5th) of the total amount spent on the 8 orders.
- **Example:** If a user spends Rs. 1500 on 8 orders, and the upper limit is 1/5th, the free meal could be capped at Rs. 300.

4.2.4 Leaderboard

- To enhance temptation, a leaderboard showing the number of free meals delivered by Zomato in a specific pincode, city, or state can be implemented.
- This visual proof will encourage users to start their streak activity.

4.3 Who Qualifies for Zomato Streak?

- Users who typically focus on maximizing offers from Zomato.
- Specifically, users who place **two or more orders per week** will immediately qualify to unlock the Streak feature.
- This indicates a willingness to order multiple times, making them a perfect fit for "Streak."

5.0 User Journey and Mockups

5.1 User Journey Flow

1. **Screen 1 - Home Screen:** User launches the Zomato app. A dedicated "Zomato Streak" tab is visible on the home screen. User clicks on the streak tab.
2. **Screen 2 - Streak Introduction:** The next page explains "What is Zomato Streak?" and its benefits: complete the goal for a free meal, guaranteed discounts on every order, and higher discounts on subsequent orders. A clear Call to Action (CTA) to "Start your streak here!!!" is present at the bottom, which the user clicks.
3. **Screen 3 - Streak Progress & Leaderboard:** This screen displays a leaderboard showing the number of free meals delivered in a particular region (pincode/city/state). The "Goal" tab shows the number of orders to be completed and orders already placed (e.g., "2 Orders Done / 8 Streak Goal"). A "Streak Bar" visually represents placed orders and upcoming unlocked discounts. A CTA to "Order your next meal" is at the bottom, and a message indicates how many orders away the user is from a free meal. Once an order is placed via this CTA, the streak activates. The streak bar tracks the percentage of discount received.

5.2 Mockup Links

Link to mockups:
https://www.figma.com/file/Jrj5tlmkZgIEHtslRez9tU/Zomato-Streak?node-id=0%3A1

6.0 Goals and Success Metrics

6.1 Goal of the Feature

- Increase the number of orders per user, particularly for those not using Zomato Pro.
- Reduce user churn.

6.2 Success Metrics

Type of Metric	Goal	Metric
North Star		1. # of free meals delivered per month. 2. Increase in # of orders per user.
Secondary	**Awareness**	1. # of clicks on the 'Zomato Streak' tab per month.
	Acquisition	1. # of streak users who were acquired after releasing this feature.
	Activation	1. # of users who have started the streak.
	Conversion	1. % conversion from visitors of the feature to users placing first two orders.
	Retention	1. Month-over-month (MOM) % decrease in the churn of users. 2. % of users who have completed half of the streak goal (i.e., 4 orders). 3. # of users who have started their 2nd monthly streak.

	Revenue	1. % Increase in Average Revenue Per User (ARPU).
		2. % Increase in Lifetime Value (LTV).

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North Star Metric Explanation:
- ○ **# of free meals delivered per month:** This metric provides a complete understanding of stickiness (users successfully completing the goal) and retention (users successfully retained). This metric can also be tracked by location (pincode, city, state) to assess the feature's regional health.
- ○ **Increase in # of orders per user:** This directly indicates the feature's performance and its contribution to revenue through increased orders and commission generated.

6.3 Time Frame to Validate Success

All metrics will be monitored for **three months**, aligning with the Zomato Pro subscription period. This will provide clarity on how Zomato Streak performs against existing solutions like Zomato Pro.

7.0 Impact for Stakeholders

7.1 Users

- Guaranteed discounts on every order.
- Free meal as an ultimate reward.

7.2 Zomato

- Improved user retention.
- Increased probability of guaranteed number of orders.
- Increase in number of orders per user.
- Increase in ARPU (Average Revenue Per User).
- Increase in LTV (Lifetime Value).

7.3 Restaurants

- Increase in number of orders.
- Decrease in total amount of discounts per order compared to usual discounts (30%-60%), as the initial 5 orders in the streak will have discounts less than 30%.

7.4 Delivery Partners

- Increase in number of delivery requests, leading to higher earnings.

8.0 Risks

1. **Restaurant Disagreement on Discounts:** Some restaurants might find the increasing discount structure heavier than their usual offers, potentially leading to disagreements.
2. **User Drop-off:** Some users might lose patience before completing the goal of 8 orders per month, leading to incomplete streaks and potentially lower engagement for those specific users.
3. **Financial Sustainability of Deep Discounts:** While the proposed streak aims for guaranteed *increasing* discounts, the overall impact on profitability, especially for the later orders in a streak (e.g., 50-65% off), needs careful monitoring to ensure it remains economically viable for Zomato.
4. **Competitive Response:** Competitors like Swiggy might introduce similar or more aggressive gamification or discount programs, necessitating continuous evaluation and adaptation of Zomato Streak.
5. **User Perception of Value:** Users might perceive the initial discounts as insufficient compared to sporadic, higher-value discounts offered elsewhere, leading to a slow adoption of the Streak feature.
6. **Operational Load:** An increase in order frequency due to the Streak could place additional strain on delivery logistics and restaurant operations, requiring robust infrastructure and support.

9.0 Future Considerations / Out of Scope (for initial launch)

- **Personalized Streak Goals:** Tailoring the streak goal and discount structure based on individual user behavior and ordering history (e.g., frequent users get a higher but more rewarding streak).
- **Tiered Streak Levels:** Introducing different "Streak" levels (e.g., Bronze, Silver, Gold) with increasing rewards and challenges for highly engaged users.
- **Integration with Zomato Pro:** Exploring how Zomato Streak could complement or integrate with Zomato Pro, perhaps offering exclusive streak benefits for Pro members.
- **Group Streak Challenges:** Allowing users to form teams and complete streak challenges together for shared rewards.
- **Non-Food Order Streaks:** Expanding the streak concept to other Zomato verticals like Blinkit (quick commerce) or Hyperpure orders.