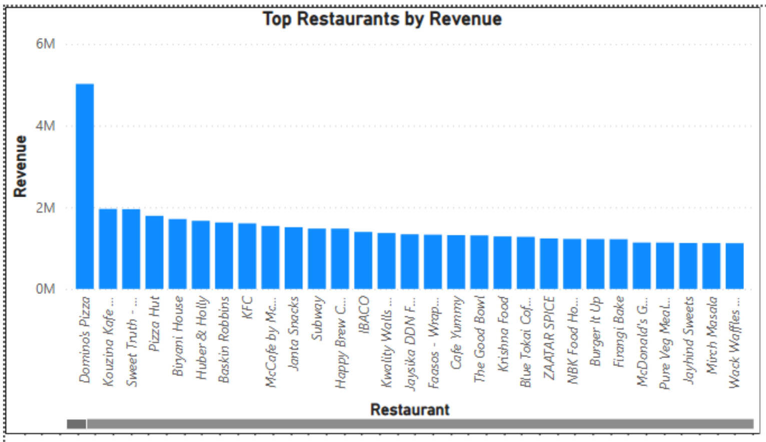
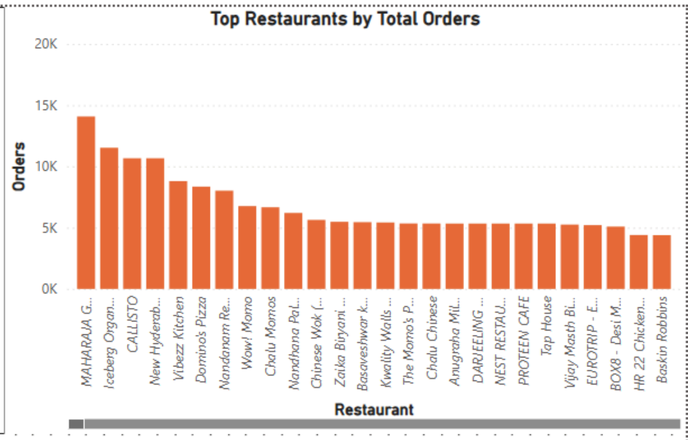
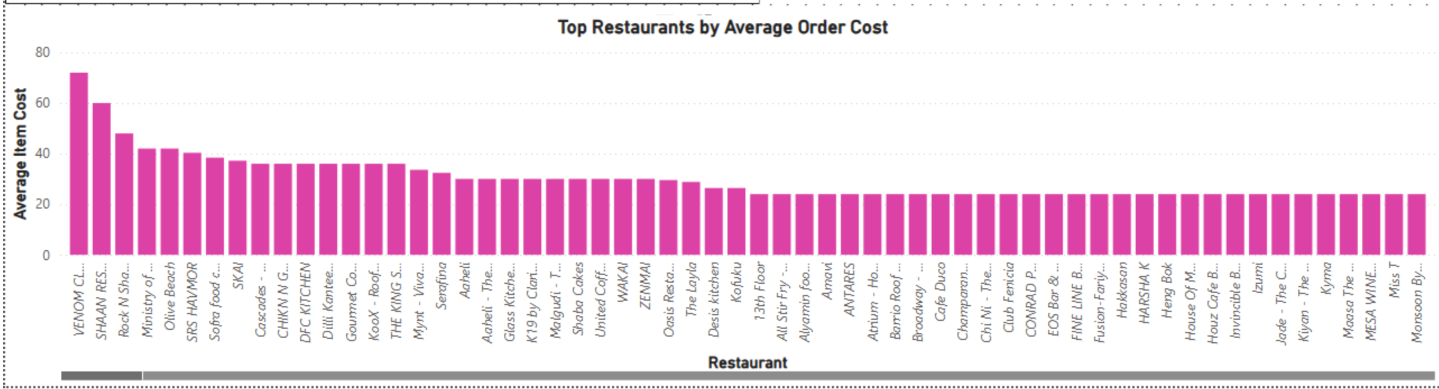
Zomato Restaurant Performance Analysis

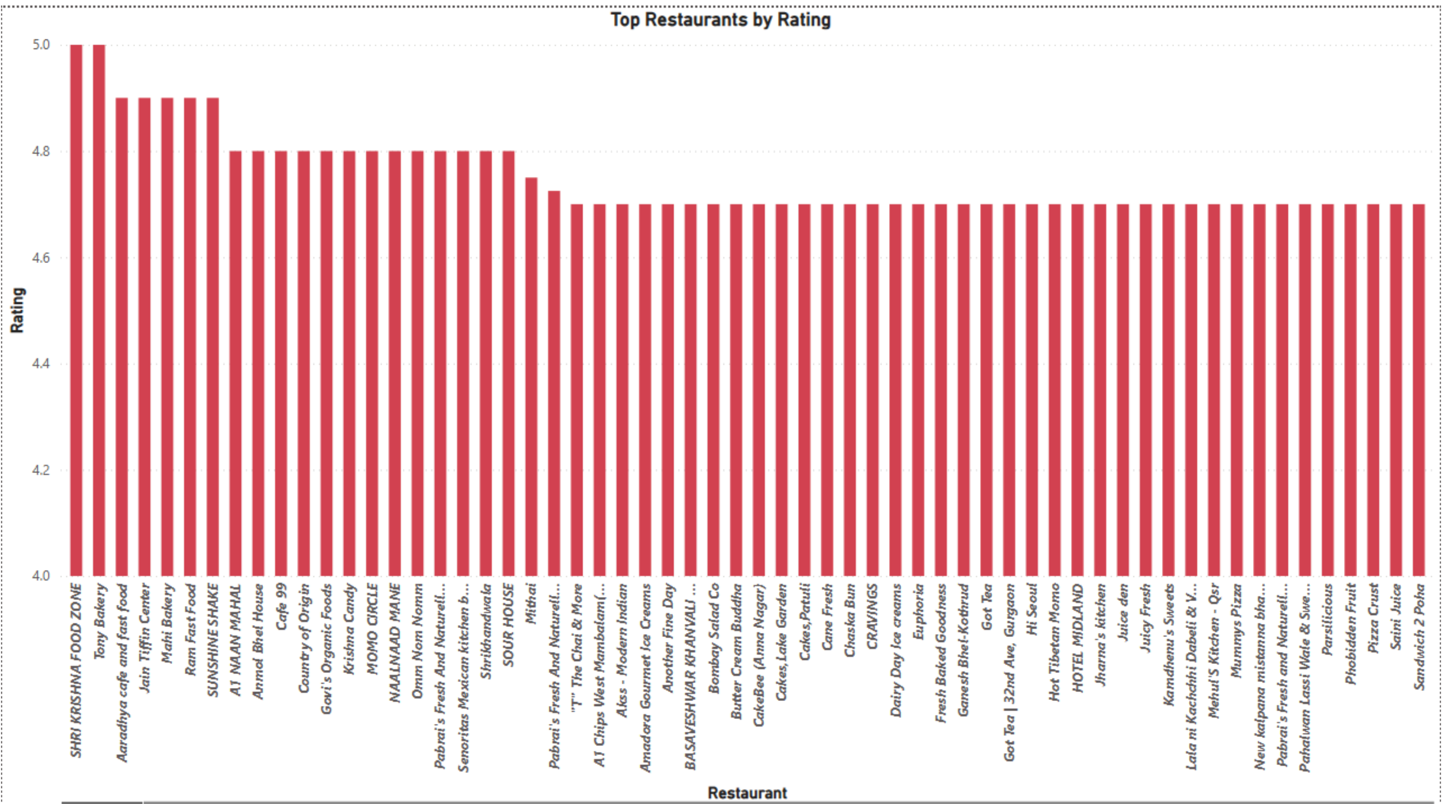
Introduction

We begin our report with a baseline comparison of individual restaurants across key performance measures: revenue, orders, and customer rating. These three measures form the centerpiece of our research, revealing the drivers of successful restaurants on the Zomato platform.



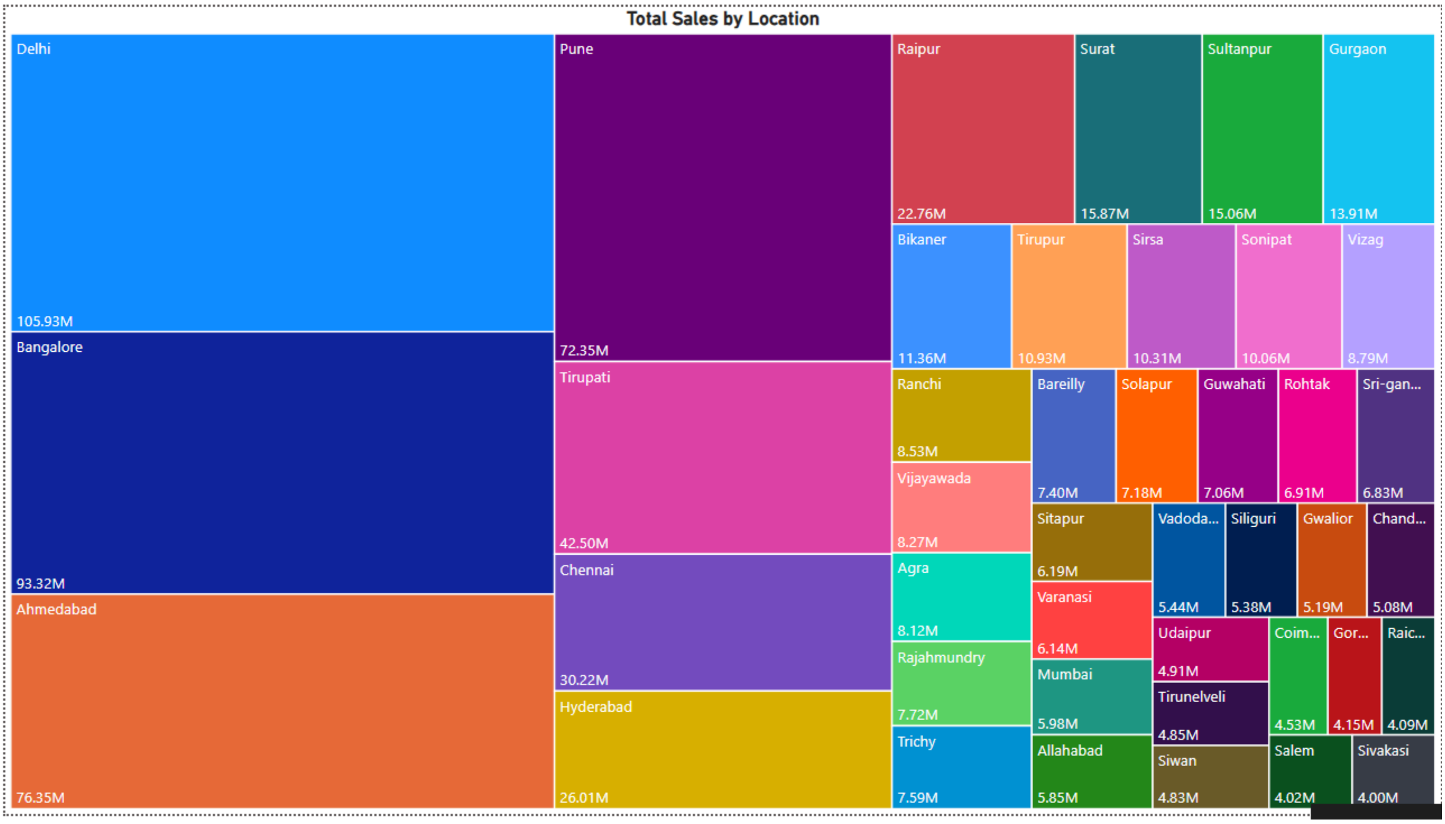


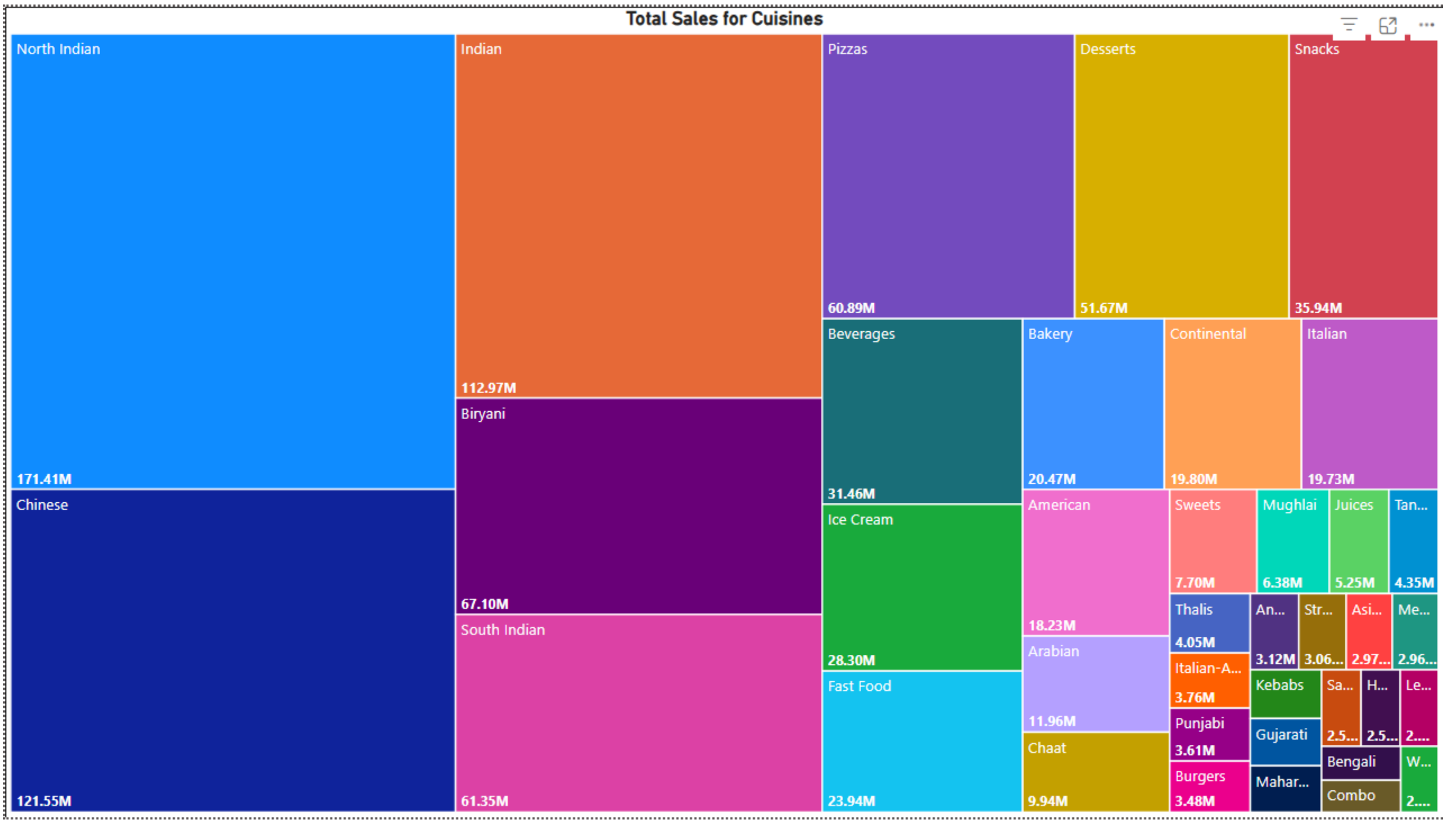




A quick observation is the preponderance of fast food and fast casual chains. Even in a diversified food market such as India's, statistics show that these restaurants are perennially popular and generate a great deal of revenue.

Revenue by Cuisine and City





We then examine aggregated performance by category, namely cuisine type and city, employing heatmaps to highlight prime contributors to overall revenue.

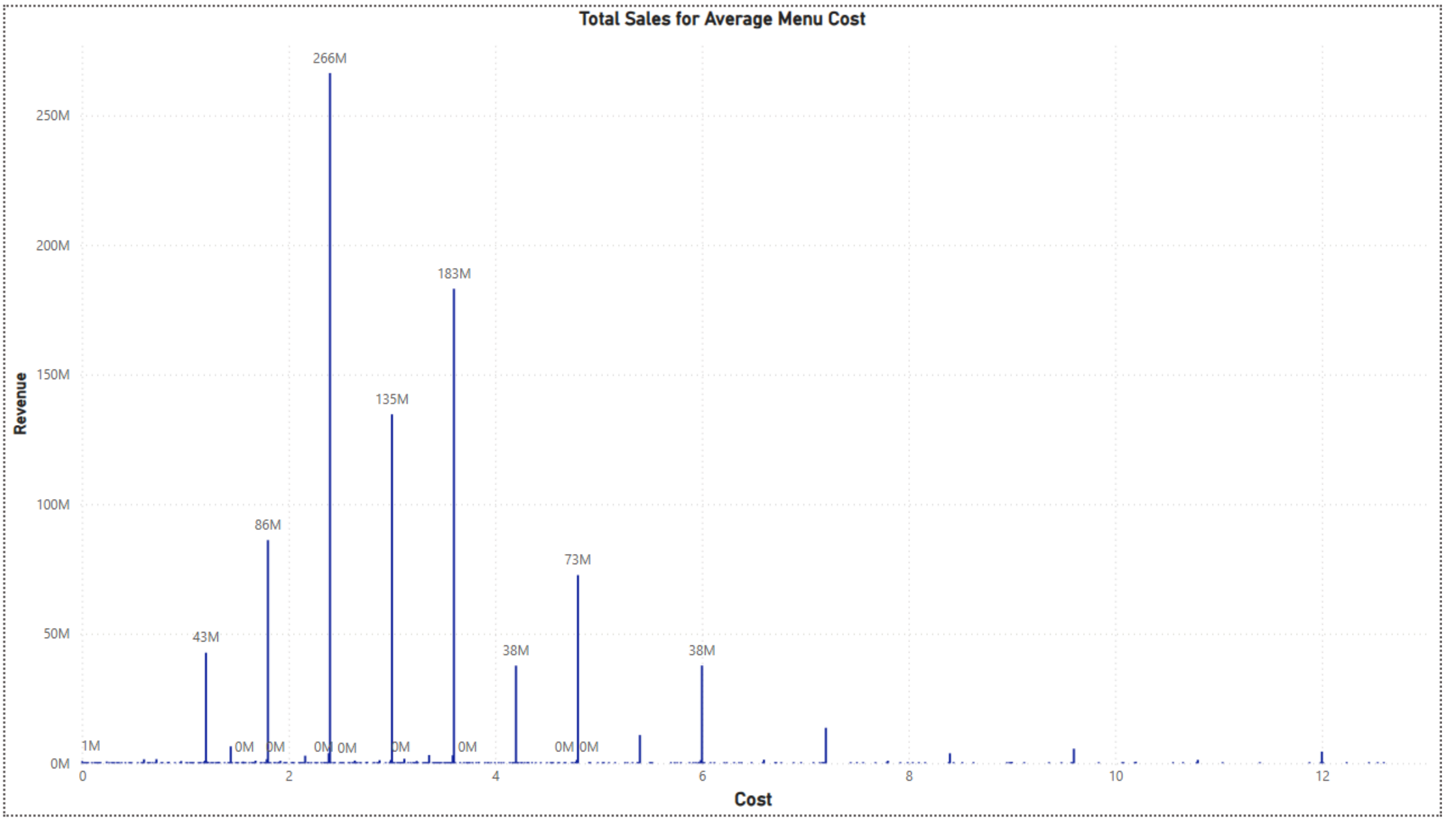
From the culinary perspective, we can see that the most popular genres are general and globally appealing. Generalized types of food—such as North Indian, Chinese, Indian (general), Snacks, and Desserts—achieve higher volumes of sales than regional or niche varieties. This is understandable by two reasons:

More restaurants fall under these generic categories, which tends to inflate their numbers.

These foods tend to appeal naturally to a wider base of customers due to their versatility and recognizability.

On the city heatmap, we are able to identify where Zomato's highest revenue hotspots are. Urban areas of high density, not surprisingly, have the highest revenues. This reflects not just population density but also improved market penetration of Zomato in those urban areas.

Average Cost vs. Revenue



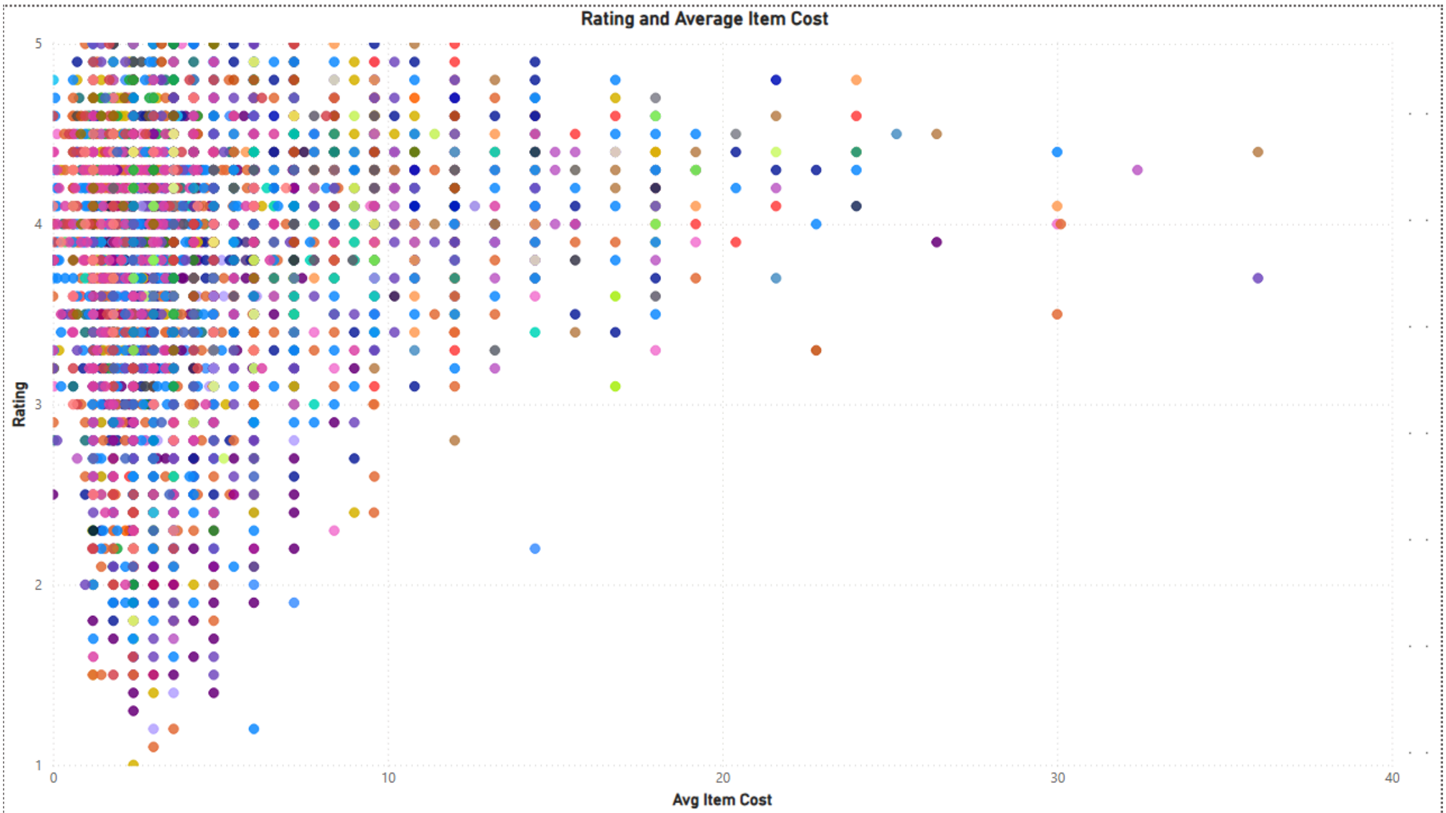
There's an unmistakable "sweet spot" at the $2–$4 range of average cost. The restaurants at this range experience the highest total revenue, which evidently indicates that affordability walk hand in hand with higher customer volumes.

This range aligns with usual expectations for QSRs (Quick Service Restaurants) or casual dining where performance is based on high foot traffic and repeat ordering.

Sales volume falls off rapidly for restaurants over $5. There are a few higher-end ones, but they contribute negligible platform revenue. This supports the hypothesis that they are serving niche markets—higher per-item margins but lower overall traffic.

Those priced above $10 are rare exceptions and are really specialty or high-end items of limited scope.

Average Cost vs. Rating (with Cuisine Labels)



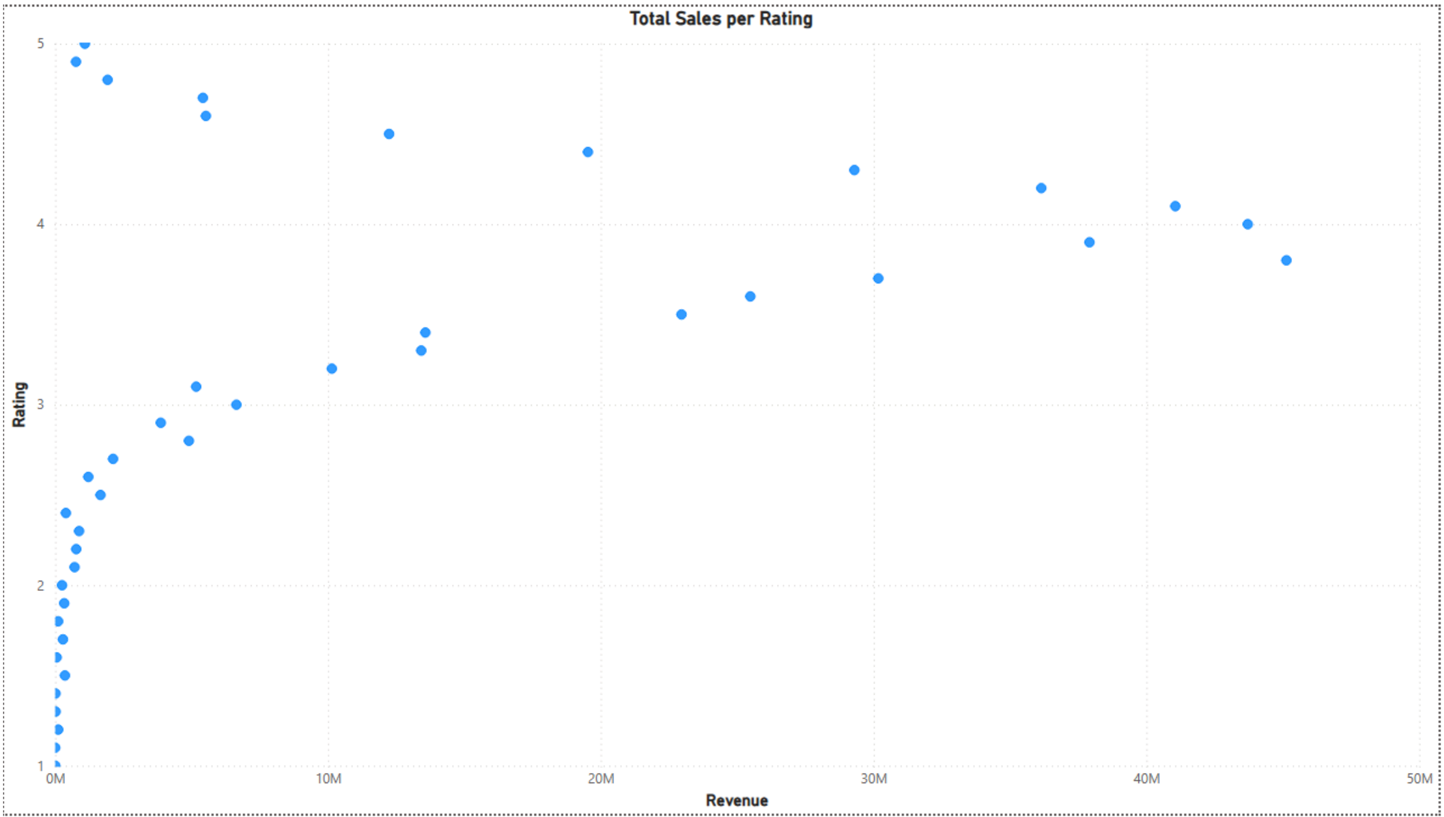
Top ratings don't lie with high-end restaurants alone, as evidenced by the scatter plot of restaurant ratings against average cost.

Most of the highest-rated restaurants (4.0–5.0) fall in the less than $10 average cost category, further establishing that quality need not come at the expense of value. Among highly rated and low-cost establishments are a wide variety of cuisines—precisely, Indian subcuisines (e.g., Biryani, Andhra) and international fast foods (e.g., Burgers, Chinese).

Few places exceed $20–$30, and even those have high ratings. This supports the hypothesis that pricey establishments are going to serve well—but don't lead in popularity or volume of orders.

There are some outliers where high price does not equal high ratings, suggesting potential customer dissatisfaction or inability to deliver on expectations of value.

Rating vs. Revenue



This scatterplot reveals a consistent pattern: restaurants with high revenue will typically have good but not outstanding ratings—typically ranging from 4.0 to 4.3.

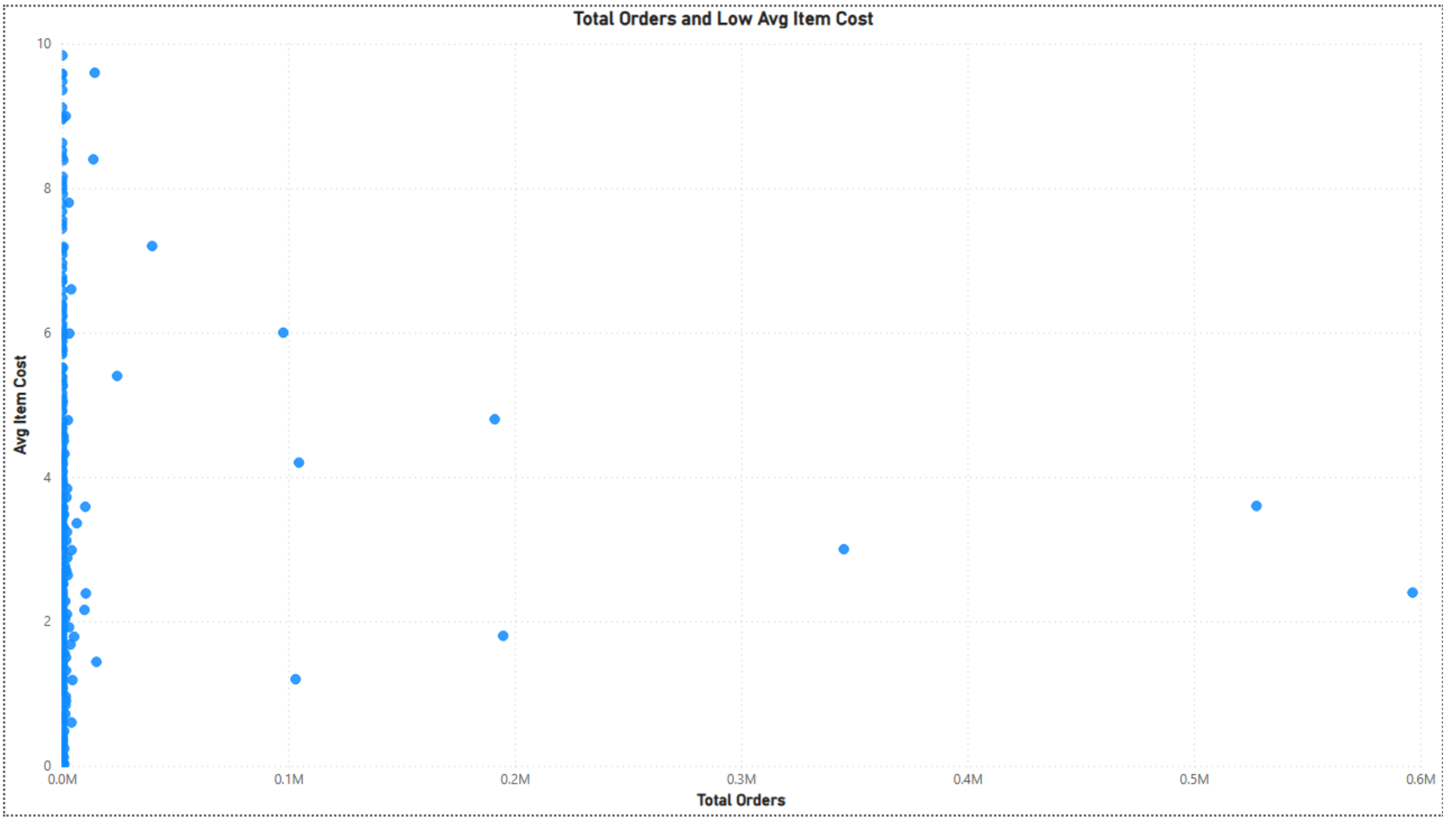
These are likely to be established, highly rated restaurants with high customer satisfaction and strong service scale.

On the other hand, low-revenue and just-short-of-perfect restaurants are younger restaurants, high-end dining, or specialty restaurants. They are high quality but lack enough throughput to produce sales that control the platform.

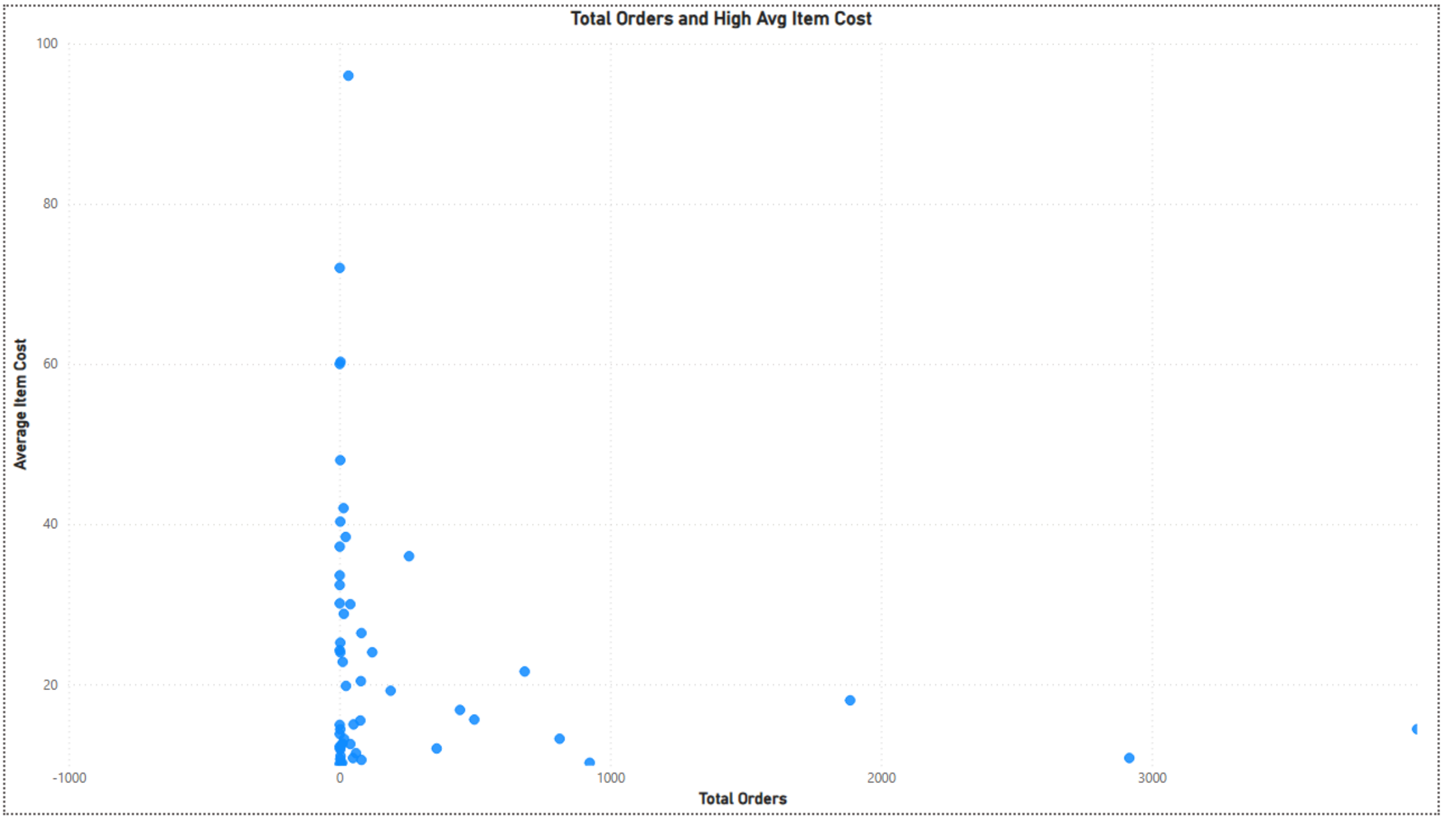
The dense cluster of low-revenue and low-rated restaurants includes stragglers, as well as new restaurants that are building their reputation.

Overall, the trend shows a pattern of natural selection: consistent business success aligns with consistently good, if not excellent, reputation and extensive customer base and affordability of price.

Orders vs. Average Cost



Low Average Item Cost above, High average Item Cost Below



The trend of this scatter plot is in line with earlier discovery: most orders are directed to restaurants with an average cost between $1.50–$5.00.

This again demonstrates that inexpensive food options are the major generators of revenue and activity on Zomato. High-end eating options are available and do fairly well, but the volume of orders skews very much in favor of inexpensive ones.

Conclusion

The trend is unmistakable as per the statistics: budget-friendly and highly-rated restaurants are at the forefront when it comes to sales and customer engagement. Broad, mass-market cuisine and value pricing remain the secret of success on the Zomato platform.

While high-end and specialty restaurants are their own quality peer, they typically don't provide the quantity necessary to challenge their fast casual

peers. The balance between quality, scope, and price dictates the most profitable dining facilities in the dataset.