



ZOMATO

Customer Analysis & Marketing Proposal

Abstract

This analysis will create Zomato marketing segments by performing a customer analysis.

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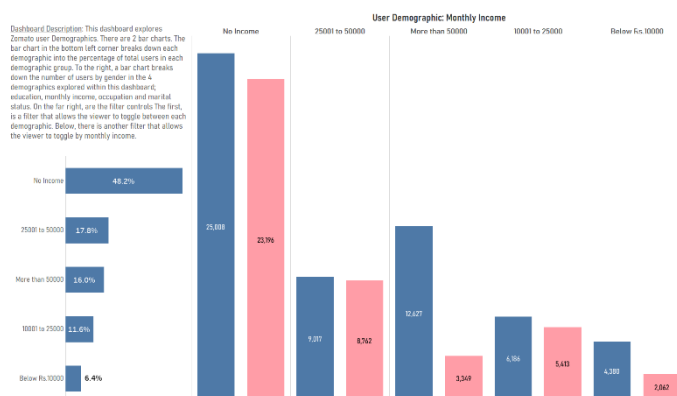
Executive Summary

This analysis will help Zomato define marketing segments by performing a detailed customer analysis. Zomato collects quality data on its customers. We will utilize this quality data to explore Zomato customer demographics. We will explore gender, marital status, education, monthly income, and occupation. For the purpose of this analysis, we want to focus on financial decision makers, as financial decision makers have buying power. We suspect, monthly income will play an integral role in this analysis.

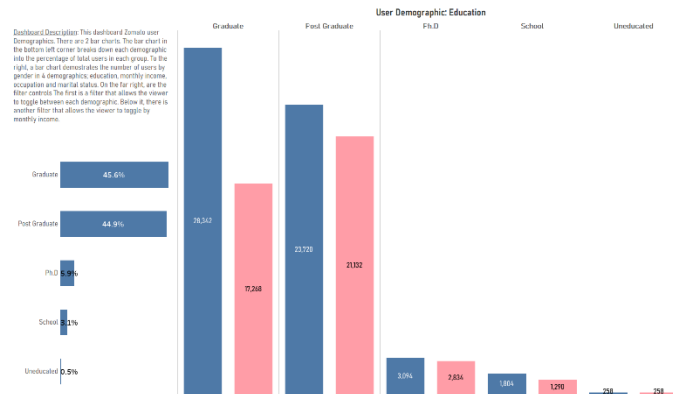
After exploring Zomato customer demographics, we will use demographics to examine its user sales and order activity. This detailed examination will allow us to create marketing segments for future marketing campaigns. Finally, once we have created our marketing segments, we will look into their sales performance history to determine any seasonal trends in sales. We will also identify key months to release advertising campaigns in order to bolster sales.

Part I: Demographics

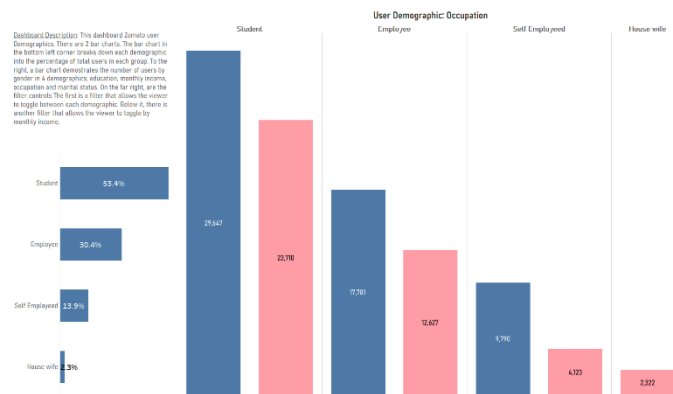
In this first section, Zomato's customer demographics will be analyzed. Zomato collects high quality demographic data on its users. Each demographic will be explored by number of users per gender. Each demographic will also be broken down into percentage of total users in each demographic group.



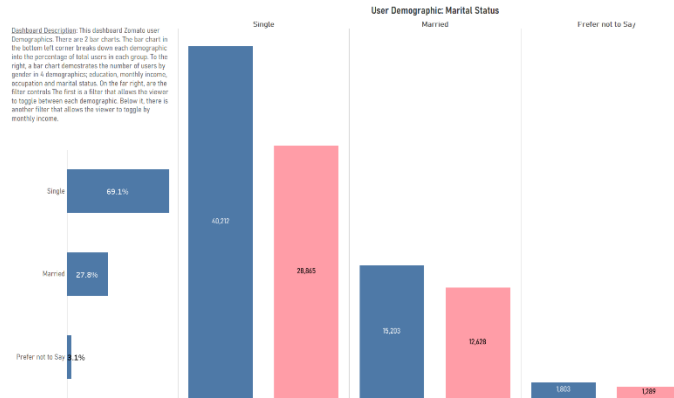
To begin, we will look at monthly income. Surprisingly, users with no income make up our largest monthly income user demographic at 48.2%. This group is almost equal between males and females. The only group that has a drastic shift in gender are those users earning more than 50K rupees per month and users earning below 10K rupees per month.



Next, we will look at education. Making up a combined total of approximately 90% of Zomato users, Graduate and Post Graduate are the largest groups. Ph. D, School, and uneducated make up our smallest groups at a combined total of less than 10 percent. The education demographic is already beginning to shape Zomato's marketing segments.



Now, we will explore the occupation demographic. The house wife group only contains female users, and it is the smallest group in our occupation demographic. Students are the largest group at over 50% of users. Users that work, be they employed or self-employed, make up the second largest group at a combined total of 44.3%. Again, by exploring these demographics, the marketing segments are beginning to shape up.



Lastly, we will look at marital status. There are 3 categories within the marital status demographic; married, single, and prefer not to say. Users who identify as single are the largest group at 69% of total users; followed by married users at 28%.

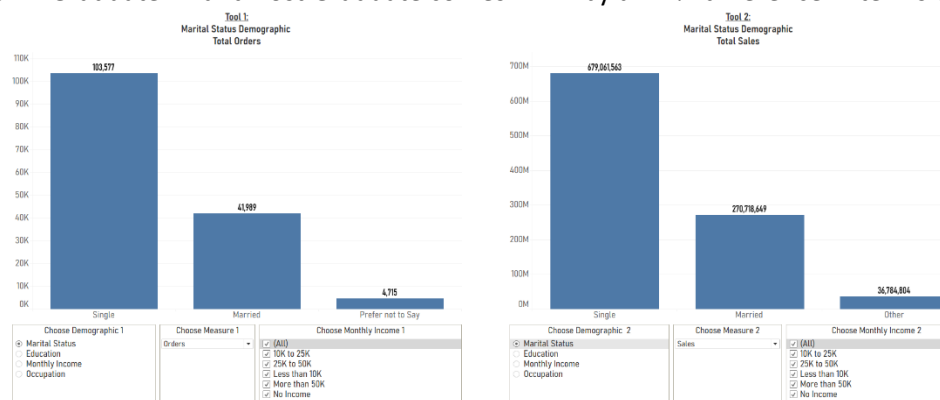
Before moving on, let us review what we've ascertained in the demographics section about Zomato's app users.

1. Marital Status: Single vs. Not-Single – Most of Zomato's users are single at 69 percent. The rest of Zomato's users can essentially be categorized as not-single; married and prefer not to say.
2. Occupation: Students are the largest group at over 53.4 percent. Users that have some form of employment make up 44.3 percent.
3. Monthly Income: Unexpectedly, users with no income make up the largest group. This is in line with the focus of our analysis on financial decision makers. Monthly Income will be a great way to further explore each demographic.
4. Education: Graduate and Post Graduate users make up 90 percent of Zomato's customers. Furthermore, 95.5 percent of Zomato users are educated. This means we could include or exclude this demographic since such a large population make up its user database. For now, we will continue to include this demographic.
5. Gender: In general, males tend to dominate the Zomato user base; approximately a 60% male to 40% female. If we're focusing on end users with financial buying power, gender does not really matter. Additionally, after exploring the marital status demographic and learning that most users are single, we can conclusively exclude it from further analysis.

Part II: User Activity

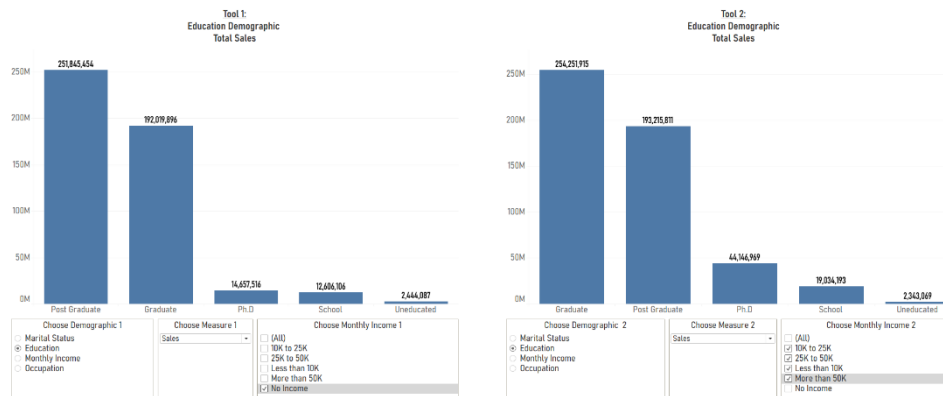
In this section will explore Zomato user activity in terms of demographics. Zomato's ordering and sales activity for the occupation, marital status, education, and monthly income demographics will be investigated. We'll identify which combination of demographics has the highest orders and sales volume in order to create marketing segments. Let's begin by answering 2 basic questions about the demographics in terms of sales and orders. Which group in each demographic places the most orders? Which group in each demographic has the highest sales?

- Marital Status – Single 1st
- Monthly Income – No Income 1st
- Occupation – Student 1st
- Education – Graduate 1st. Post Graduate comes in 2nd by less than 1% difference in terms of sales.
- Education – Graduate 1st and Post Graduate comes in 2nd by a 2.4% difference in terms of sales.

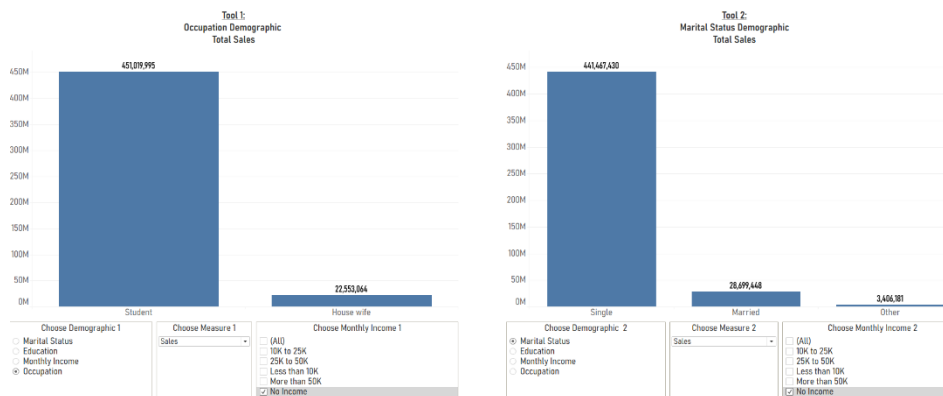


This dashboard explores Zomato user orders and sales in terms of demographics. Each bar chart is functionally and visually the same. However, the filters, located below each bar chart, allow the user to visually control what is presented for an effective cross comparison. This dashboard is designed to be a tool to create marketing segments for future advertising campaigns. In the figure above, marital status is shown in relation to orders on the left and sales on the right. The number of users in each group of each demographic is in direct correlation to both sales and ordering. The results here mirror our demographic analysis in Part I.

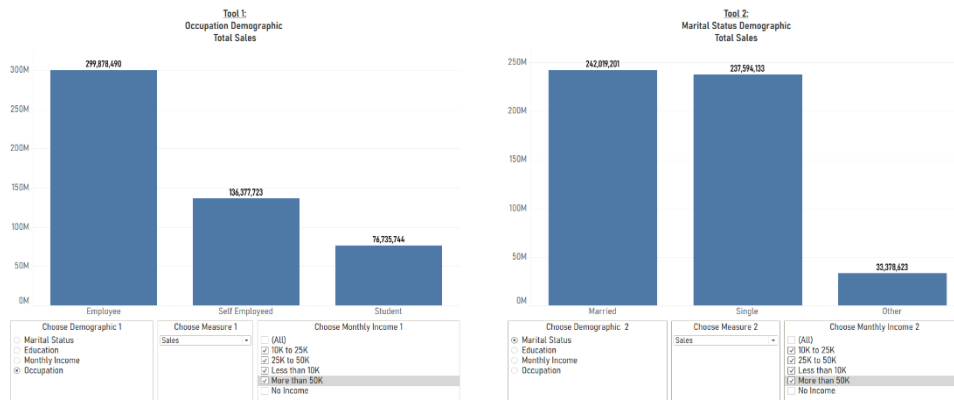
Let's further examine the education demographic in terms of monthly income. This will help to decide if it should continue to be included in our analysis.



In part one, we recall the no income group as the largest within the monthly income demographic. By using monthly income as a filter, we can see that education does not have much influence on sales. Because the relationship is linear, it will also not affect orders. Thus, we can exclude it from further analysis. Now, we can dive into the largest demographic groups as a marketing segment; single, student, no income.



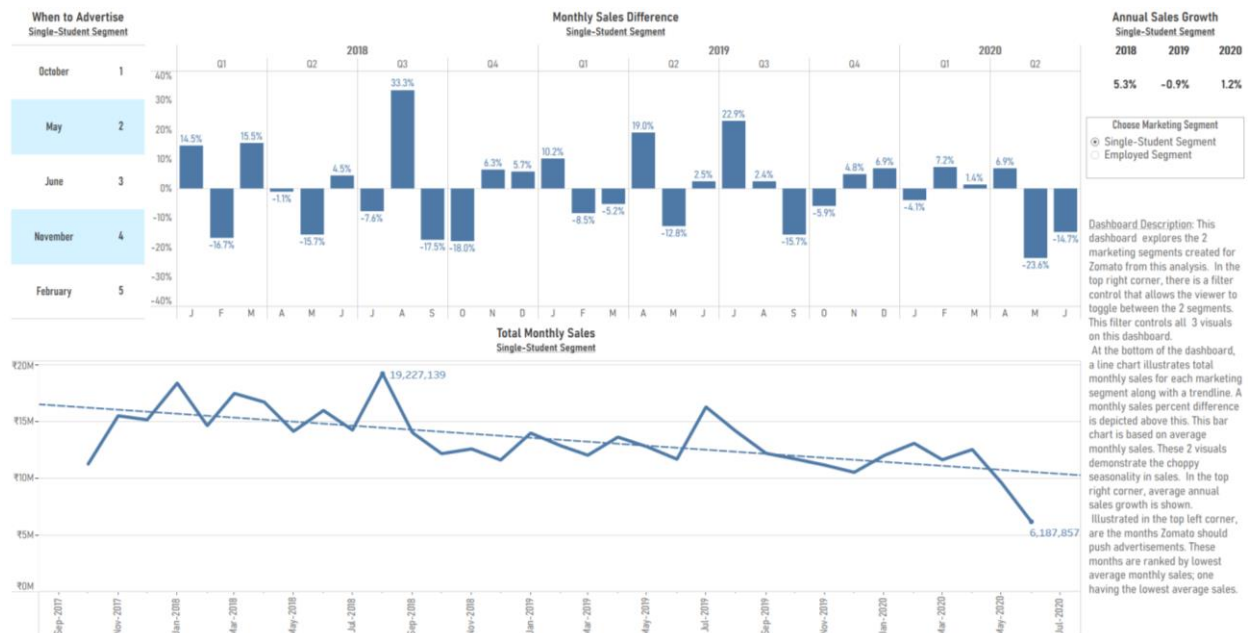
Selected on the left is occupation, sales, and no income. Selected on the right is marital status, sales, and no income. Users of the Zomato app who are single, students, with no income make up a huge portion of the Zomato user base. Continuing the use of monthly income as a filter, let's now take a look at users with income and employment.



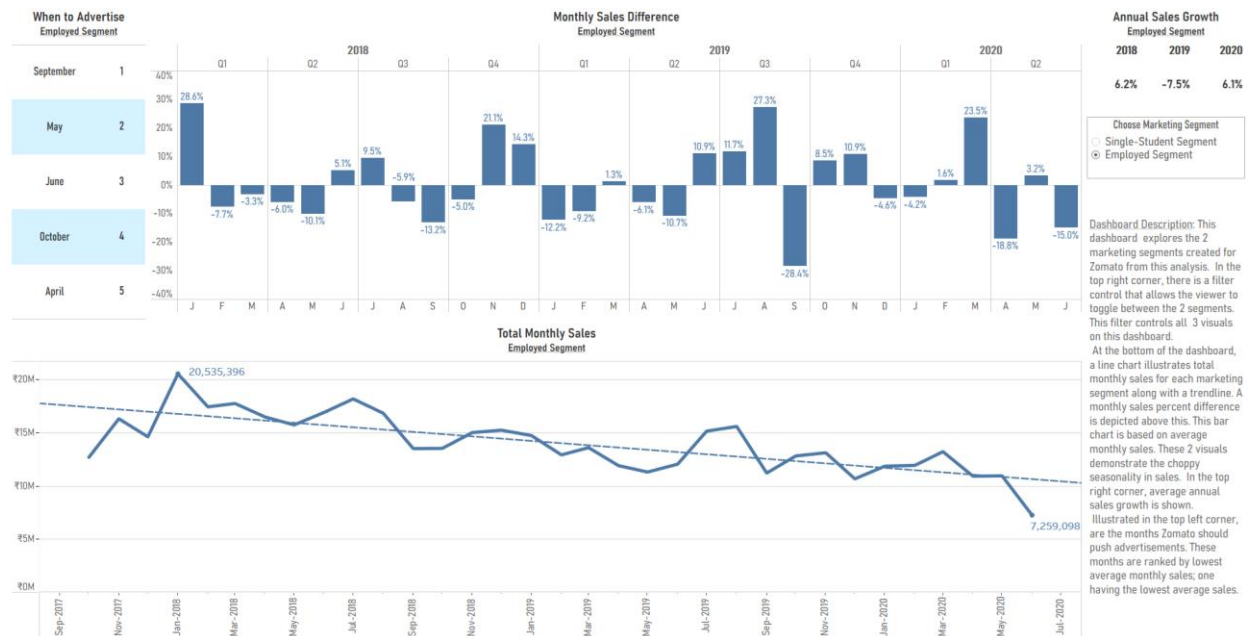
Selected on the left is occupation, sales, and all income levels. Selected on the right is marital status, sales, and all income levels. The second marketing group has now been created. Zomato users who are employed with income. By focusing on users who are employed (working for themselves or someone else) and users who have income, we gather nearly all Zomato users who are not students without income.

Part III: User Activity Trends

We now have 2 marketing segments to examine; Zomato users who are single-students with no income and Zomato users who are employed with income. In this final section, we will explore the sales activity based on the findings in Part II. We will look at past ordering trends to identify seasonality. We will also look at which marketing segment has the most growth potential. Let us begin with the first marketing segment we created, single-students with no income.



This dashboard explores our marketing segment. Illustrated in the top left corner, are the months we should push advertisements. These months are ranked by lowest average monthly sales; one having the lowest average sales. At the bottom of the dashboard, a line chart with a trendline, illustrates total monthly sales for the marketing segment. A bar chart shows the monthly sales percent difference above this. This bar chart is based on average monthly sales. These two visuals demonstrate the incongruent seasonality in sales. The third quarter appears to be the strongest, as this is likely when students return to school; however, there is no consistent seasonality in other quarters or months.



Moving on to the second marketing segment, users who are employed and have income, we can see a similar picture in terms of seasonality. There is none. The ranking order and even some of the months that we should advertised have also changed. May and June are low average sales months for both segments. The primary difference here is the shape of our monthly sales line. Compared to the single-students segment, this line has lower peaks and shallow valleys. If we compare the annual sales growth for the two segments, users who are employed with income win out over single-students without income.

Annual Sales Growth Employed Segment				Annual Sales Growth Single-Student Segment			
2018	2019	2020		2018	2019	2020	
6.2%	-7.5%	6.1%		5.3%	-0.9%	1.2%	

Recommendations

- Zomato's marketing team should primarily focus its marketing efforts on improving sales amongst the employed users with income segment. Even though the sales data for 2020 is incomplete, it is already significantly outpacing the single-students without income segment.
- Education Demographic: Because education makes up nearly 100% of the Zomato population and students make up 69% of users, Zomato's marketing should consider placing advertisements at schools and college campuses. They should also consider utilizing digital banner ads related to education platforms. This will help improve sales for the students without income segment.
- Overall sales are trending negatively for both segments. Zomato's marketing team should advertise in months with the lowest average monthly sales in order to improve overall sales throughout the year.

Assumptions & Limitations

- Occupation: Employee and Self-Employed – Our marketing segment will group these together because they are both references to employment and thus income.
- Marital Status: Prefer not to say may also be referenced as “other” on certain dashboards in this analysis. This does not change the data in any way. It is simply an alias.
- Currency: (Rs. = Rupees) The rupee is used in multiple countries with multiple languages. For the purpose of this analysis, Hindi has arbitrarily been chosen to express the rupee.
- More information is required to understand why users with no income are the largest users of the app.
- Seasonality in sales: More data is needed to determine true seasonality. Only 2 full years of data was provided for this analysis.
- Annual Sales Growth: The data for the year 2020 is incomplete; ending in June of 2020. A full year of data is preferred for this kind of metric. Additionally, more historic data would improve the quality of this metric.
- Zomato should consider reviewing delivery service and food quality as well. This maybe affecting its lack of seasonality in sales.
- Marketing segments in this analysis excludes housewives. This is a very small percentage of users, 2.3%.