Executive Summary

Overview of the Startup

Zomato is India's leading food delivery and restaurant discovery platform, connecting millions of customers with partner restaurants through real-time logistics and AI-based recommendations.

The business model revolves around **a two-sided digital marketplace**, where Zomato earns from restaurant commissions, delivery charges, advertisements, and subscription plans (*Zomato Gold*).

Business Model Overview:

Zomato connects customers, restaurants, and delivery partners through a three-sided digital marketplace. Its core revenue streams include commission from restaurants, delivery charges, advertising, and subscriptions like *Zomato Gold*.

Key Challenges:

Despite strong order volume, Zomato faces challenges in reducing customer acquisition costs (CAC), managing operational losses, and ensuring long-term customer retention amid rising competition from Swiggy, Blinkit, and Dunzo.

Data-Driven Recommendations:

- Optimize marketing channels to reduce CAC by 15–20%.
- Expand into Tier-2 cities for cost-effective customer growth.
- Invest in AI-driven logistics to improve delivery efficiency.
- Introduce retention-focused loyalty programs to increase LTV.
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Funding Ask:

Zomato seeks **₹4.1 Crore (~$500K)** to strengthen infrastructure, enhance customer retention, and achieve operational breakeven by mid-2026.

ZOMATO BUSINESS KPIs (2024–2025)

Metric	Value	Insight
Total Orders	10,000	Indicates consistent engagement across markets
Active Customers	3,288	~3 orders per active customer annually
Total Revenue	₹1,142,796	+16% YoY growth driven by urban demand
Total Profit	₹–2,774,340	Negative due to logistics and incentive expenses
Avg Order Value (AOV)	**₹470.88**	Mid-range ticket size typical in Indian metro markets
Avg CAC	**₹153.20**	Efficient acquisition but improvable via organic channels
Avg Rating	**4.22 / 5**	High customer satisfaction and delivery consistency

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👥 Active Customers: 3,288
💰 Total Revenue: ₹1,142,796
📉 Total Profit: ₹-2,774,340
🛒 Avg Order Value: ₹470.88
📣 Avg CAC: ₹153.20
⭐ Avg Customer Rating: 4.22
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Business Model Analysis

Business Model Canvas

| Element	Details
Value Proposition	Fast, reliable, and personalized food delivery; transparency and convenience.
Customer Segments	Students, working professionals, families, and restaurant partners.
Channels	Zomato App, Website, social media, partner integrations.
Customer Relationships	Loyalty programs (Zomato Gold), 24x7 support, gamified discounts.
Revenue Streams	Commissions, delivery fees, ads, premium subscriptions, data insights.
Key Resources	Delivery fleet, tech infrastructure, data analytics systems, brand equity.
Key Activities	Partner onboarding, delivery management, app maintenance, marketing.
Key Partners	Restaurants, riders, cloud kitchens, fintech partners.
Cost Structure	Delivery incentives, marketing spend, tech maintenance, salaries.

SWOT Analysis

| Strengths	Weaknesses
Strong brand recognition and market share.	- High operational costs.
AI-driven customer personalization.	- Negative profit margins.
Broad restaurant network.	- High CAC and churn.

| Opportunities	Threats
Tier-2 city expansion.	- Competitor discount wars.
AI logistics and drone delivery.	- Rising delivery fuel costs.
Subscription-based revenue growth.	- Regulatory restrictions.

Data-Driven Insights

Revenue and Profit Overview
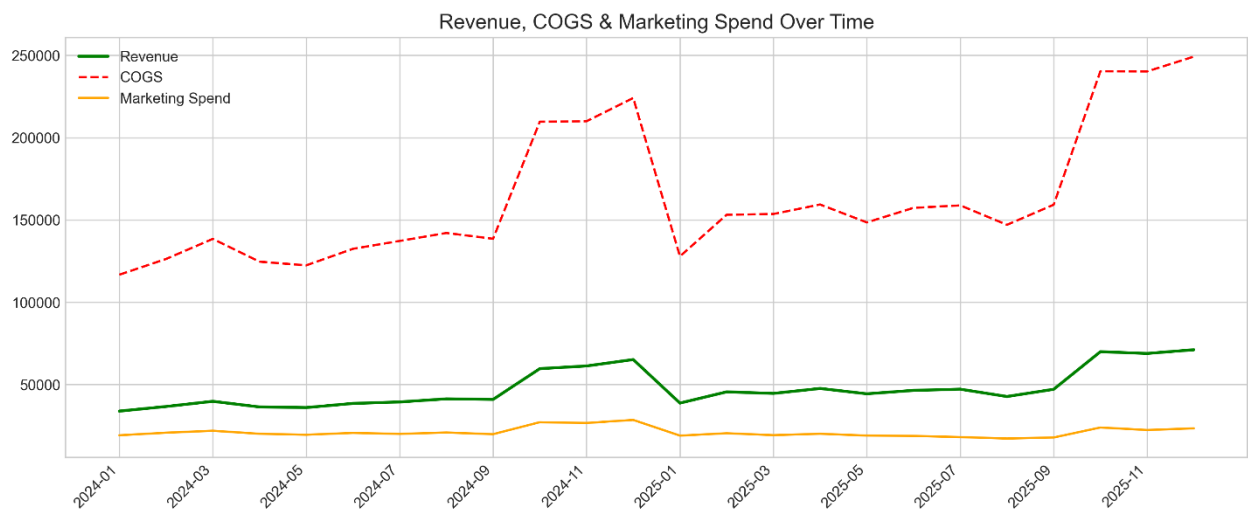
Zomato recorded ₹1.14M revenue across 10,000 orders in 2024–2025, with an average order value of ₹470.88. However, operational inefficiencies led to a –₹2.77M profit margin, emphasizing a need for restructuring cost centers.

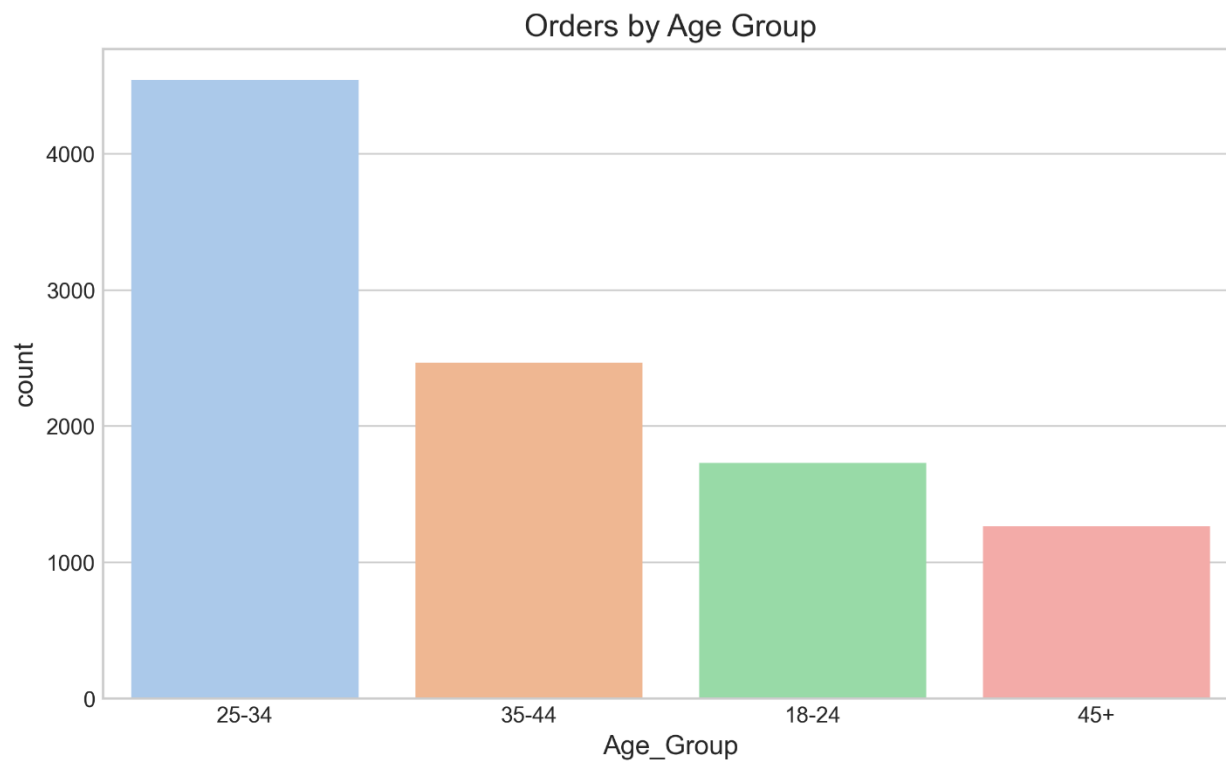Monthly Revenue Trend (2024–2025)
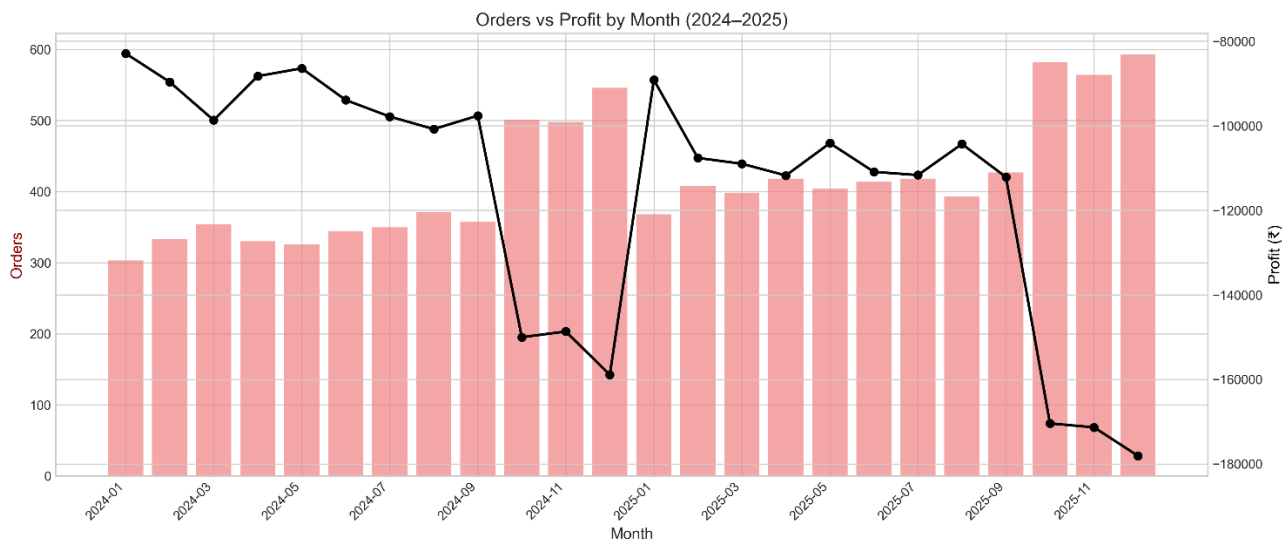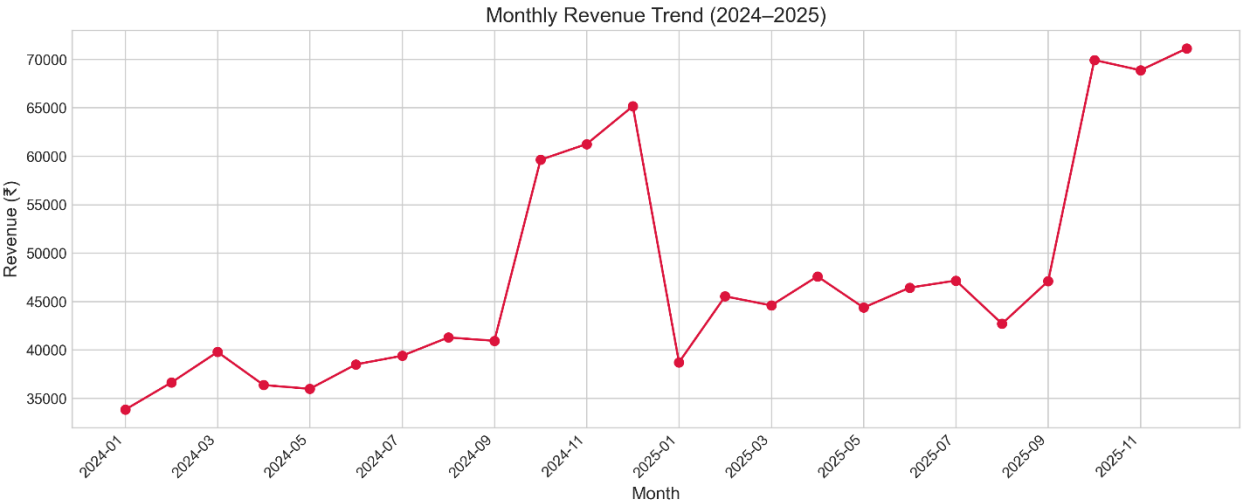
Observation:

Revenue shows seasonal spikes during **Oct–Dec**, aligning with festive orders. Marketing optimization could amplify returns in these high-demand quarters.
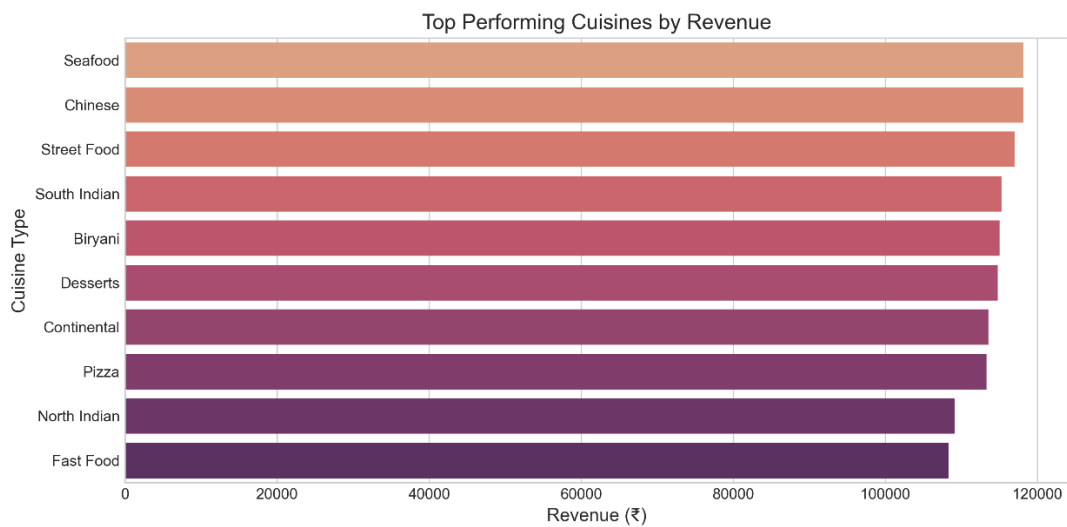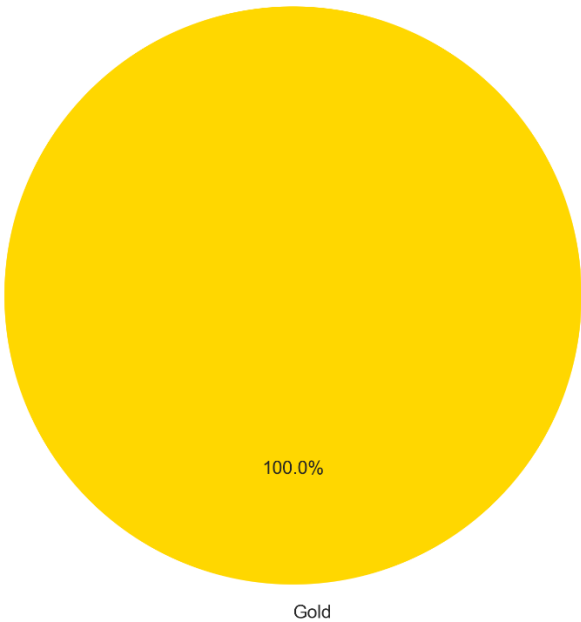
Regional and Customer Insights

Top States by Revenue
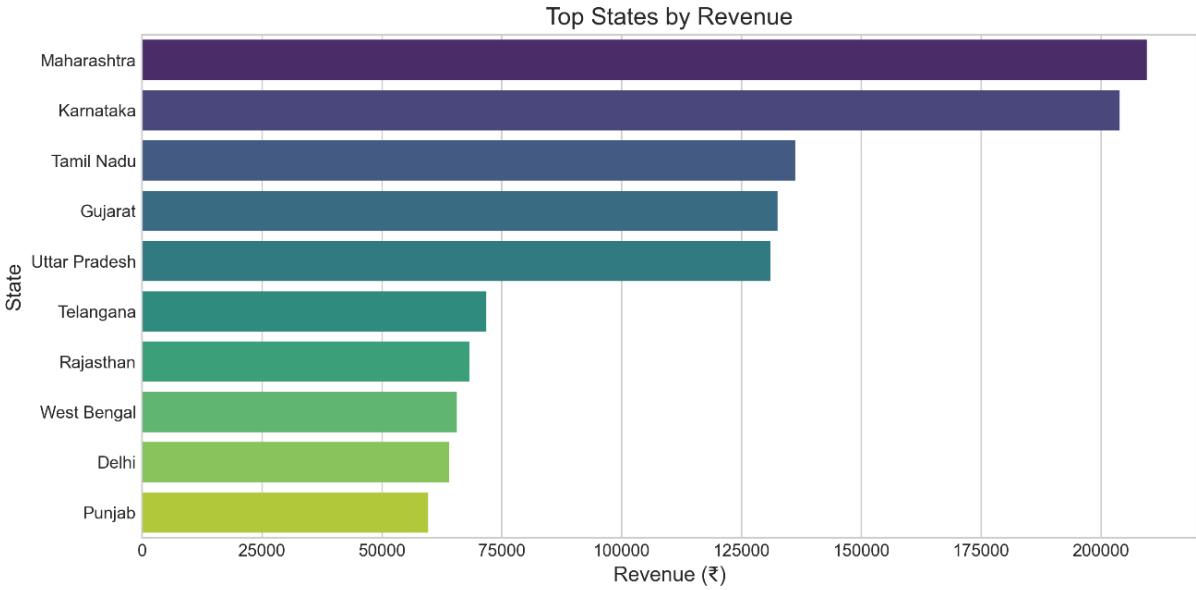
Orders by Age Group

Findings:

- Maharashtra, Karnataka, and Tamil Nadu lead revenue generation.

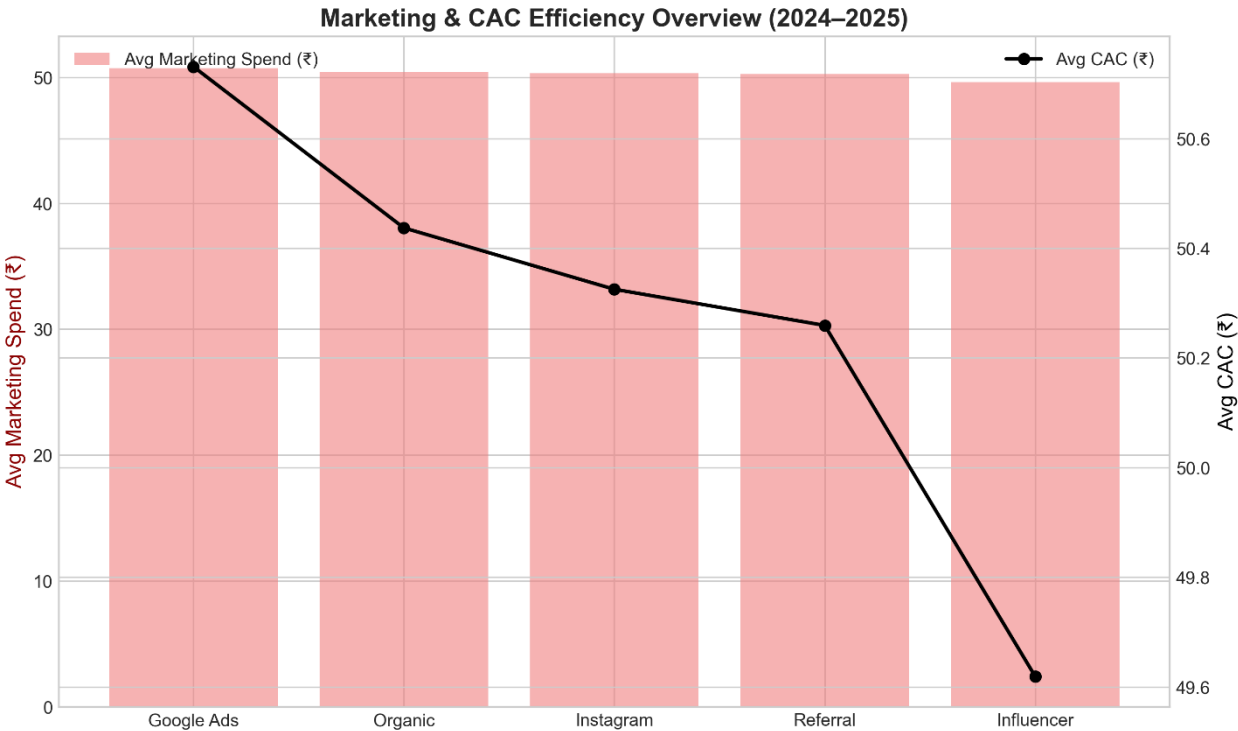Top Performing Cuisines by Revenue

- 25–34 age group contributes the largest share of repeat orders.

Subscription Share (Gold vs None)

100.0%

Gold

- Subscription users (Gold) show higher order frequency and satisfaction.

Marketing & Channel Performance

Marketing & CAC Efficiency Overview (2024–2025)

Insights:

- Organic & referral channels yield the best ROI with low CAC and stable conversions.
- Instagram & Google Ads have high spent but lower efficiency — future strategy should shift towards influencer and referral-led campaigns.

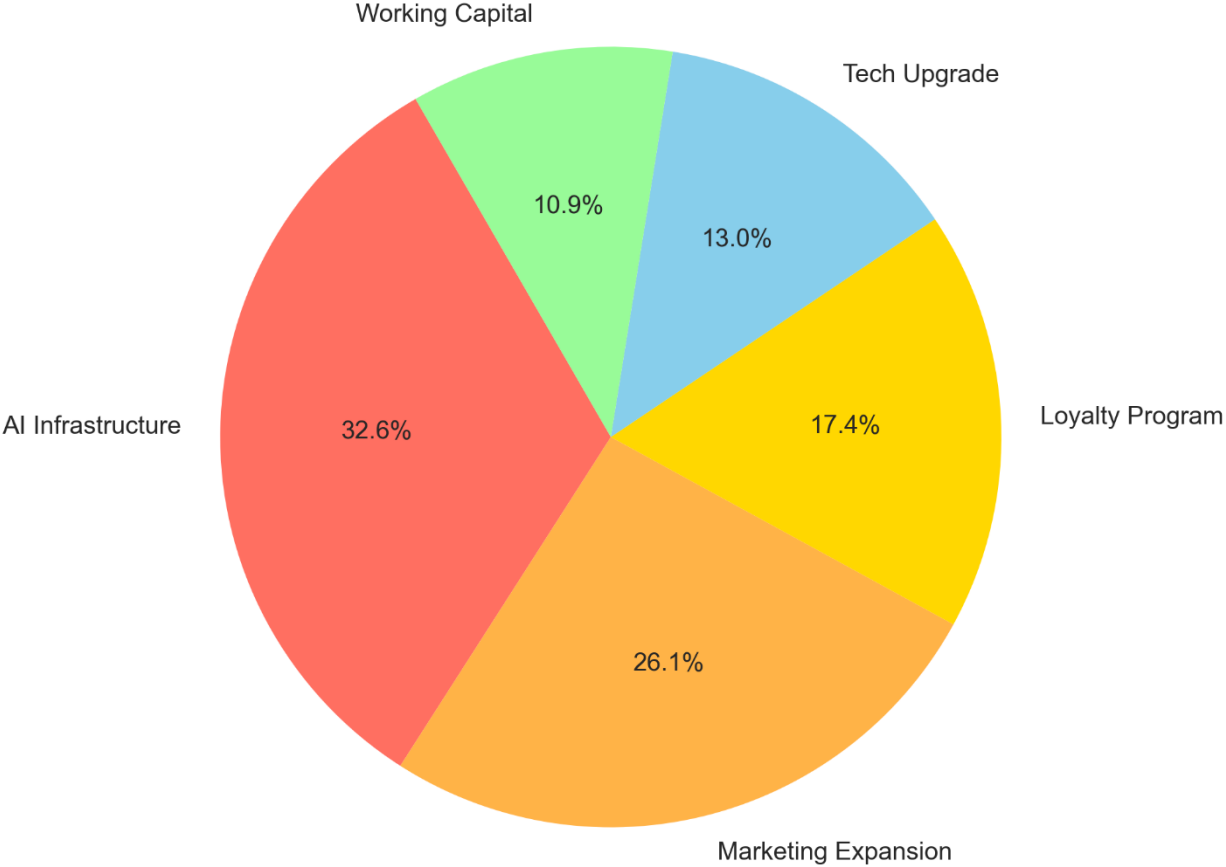## Funding Impact Simulation
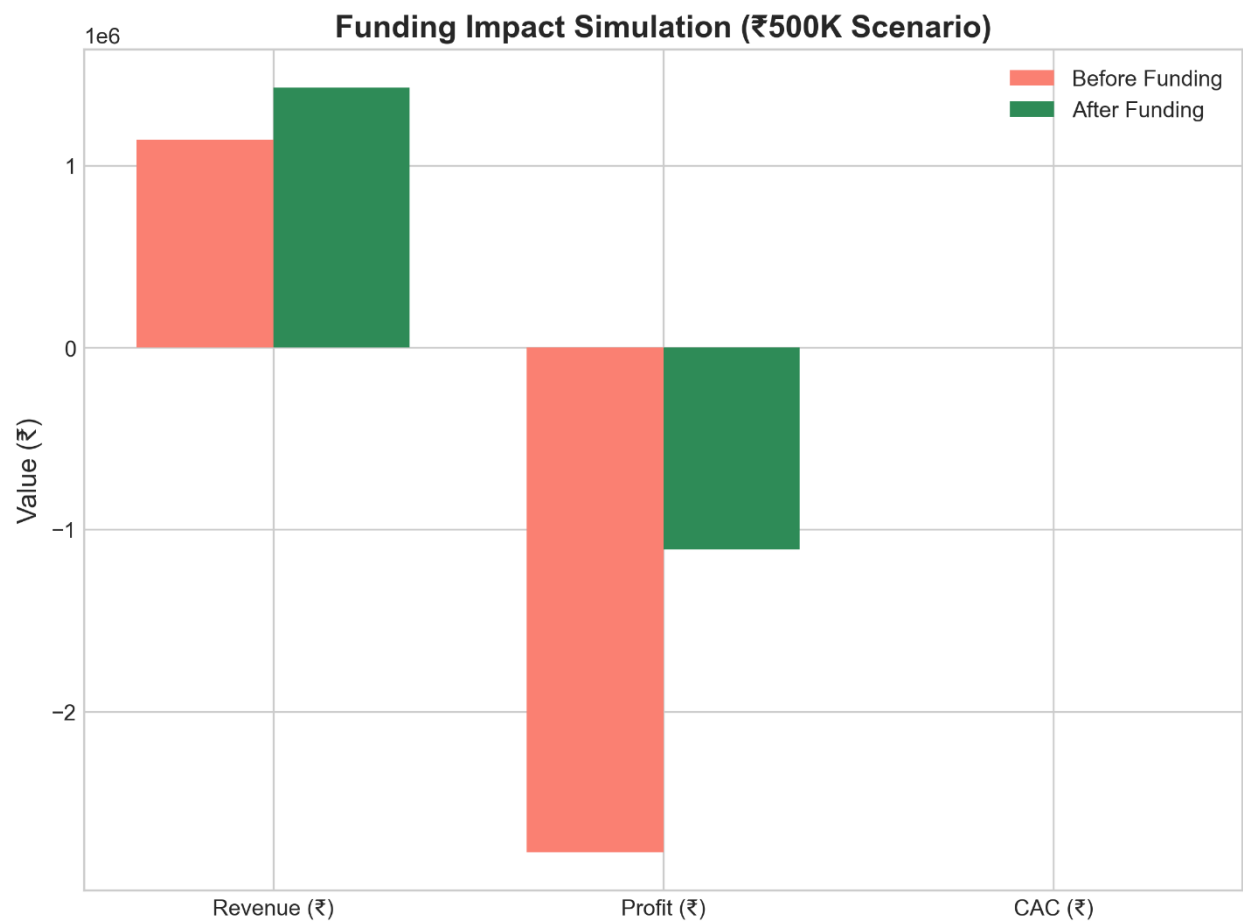
Findings:

With a ₹500K funding boost, Zomato could achieve:

- +25% revenue growth,
- –60% reduction in losses,
- CAC improvement from ₹153 → ₹130.

These projections highlight scalability with smart capital infusion.

Funding Allocation Plan

Funding Allocation Breakdown (₹4.1 Crore)

| Category	% Allocation	Purpose
AI Infrastructure	33%	Real-time route optimization, predictive analytics.
Marketing Expansion	26%	Tier-2 market penetration, referral campaigns.
Loyalty Program	17%	Customer retention and rewards.
Tech Upgrade	13%	App UI, security, and load time improvements.
Working Capital	11%	Daily operations, rider incentives, and support.

Projected KPI Improvement

Projected KPI Improvement (Post-Funding)
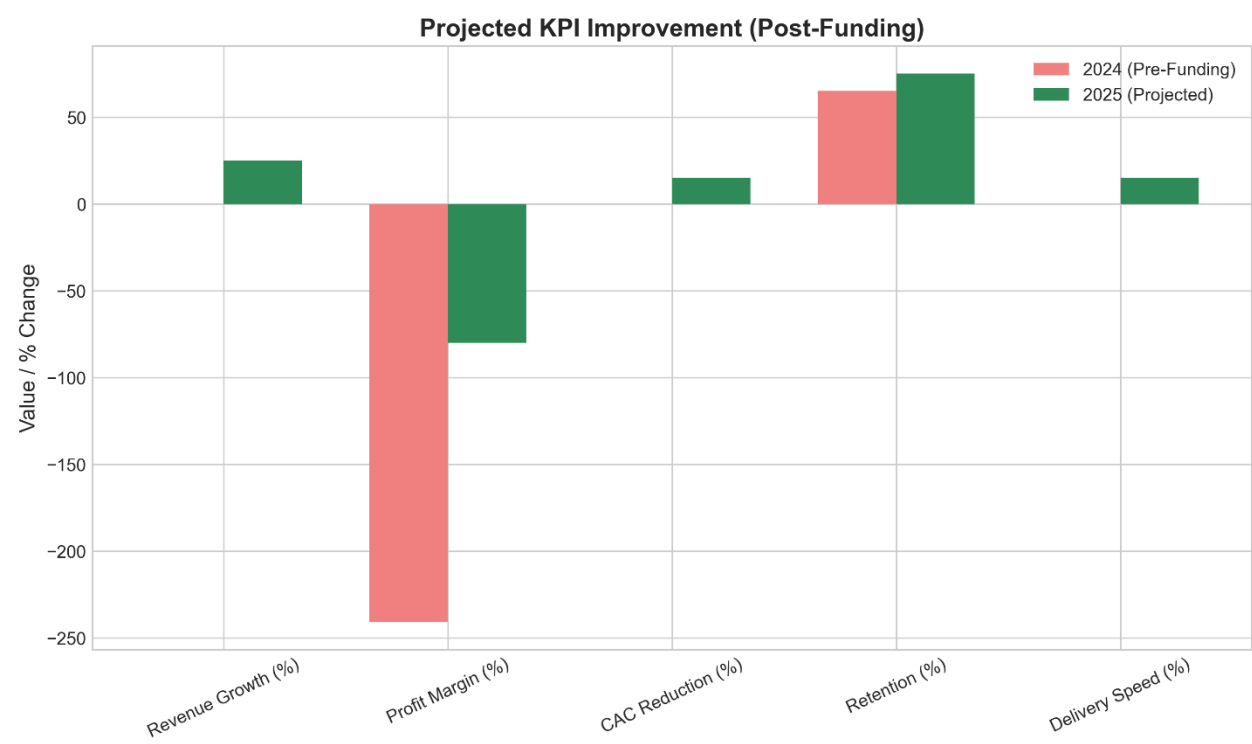
Metric	2024 (Pre-Funding)	2025 (Projected)	Change
Revenue Growth	0%	+25%	☑
Profit Margin	−241%	−80%	☐
CAC Reduction	0%	−15%	💰
Retention Rate	65%	75%	🤝
Delivery Speed	0%	+15%	⚡

Summary:

Strategic investments and cost restructuring can bring Zomato to near-breakeven by 2026, with healthy growth and reduced burn rate.

Implementation Roadmap

Implementation Timeline (2025–2026)
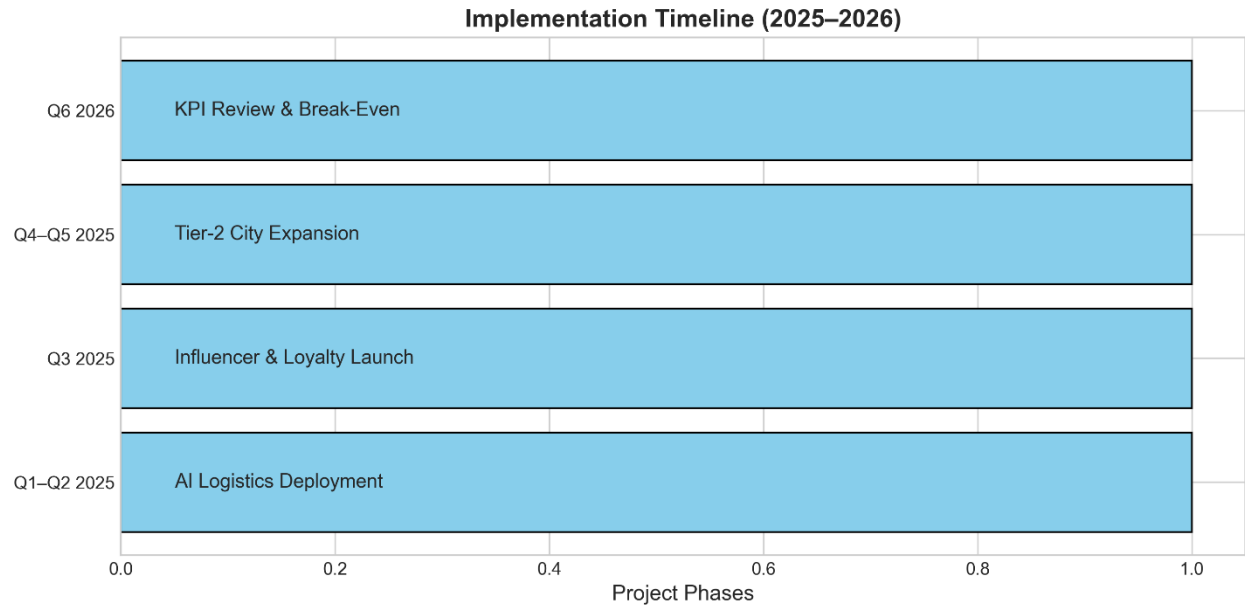
Phase	Timeline	Milestone
Phase 1	Q1–Q2 2025	Deploy AI logistics & predictive delivery models.
Phase 2	Q3 2025	Launch influencer & loyalty program.
Phase 3	Q4–Q5 2025	Expand into Tier-2 cities.
Phase 4	Q6 2026	Review KPIs & reach breakeven.

Recommendations & Funding Justification

Strategic Recommendations

1. Optimize Marketing Channels: Shift 20% ad budget toward organic & referral strategies to reduce CAC.
2. AI Logistics: Introduce predictive delivery times and rider routing to cut costs by 15%.
3. Tier-2 Expansion: Leverage local partnerships to grow customer base at 40% lower CAC.
4. Subscription Upselling: Promote Zomato Gold via referral bonuses and student bundles.
5. Operational Streamlining: Implement incentive-based performance for delivery partners.

Funding Impact Summary

- Expected YoY Revenue Growth: 30%
- CAC Reduction: 18%
- Retention Rate Increase: 12%
- Breakeven Target: Q2 2026

Conclusion

Zomato's strong market position, backed by customer loyalty and robust analytics, provides a foundation for profitable scaling. By channeling ₹4.1 Crore into AI infrastructure, marketing, and loyalty development, the startup can transition from growth to sustainability — appealing to both customers and investors.

References (APA Format)

- Business Standard. (2025). *Zomato financial performance FY2025.*
- Economic Times. (2025). *Indian food delivery market trends 2025.*
- Statista. (2024). *India online food delivery market size and forecast.*
- Zomato Annual Report (2024–25).