



Shaping the future of food

Zomato Business Details:

- It was founded in 2008 which Offers online food delivery services and dining options.
- The company has a valuation of **\$5.48 Billion**
- As of FY22, Zomato had generated **\$525 Million** in revenue and went public with an **IPO worth \$1.1 Billion**. And it is forecasted that it will grow at 30% annually
- Currently it is operating in **10,000** cities in 25 countries including India, USA, Australia, Singapore, Brazil, and New Zealand
- It's key activities include, Restaurant Listings, Food Delivery, Live Events, White Label Access, Zomato Kitchen, Hyperpure, Consultancy, etc. contribute in the revenue generation
- Since its inception it has acquired big players like UberEats, Blinkit and launched services - Hyperpure & Food@work

But, are the users really happy? Let's have a look...

Problem Identification

We Interviewed 30 friends & family members and one thing that was prominent in the discussion was -

70% people spend 20-30+ minutes on the Food Ordering app to decide what to eat.

Why?

- Too many restaurants, cuisines, food item to choose from
- Scarcity of the information on restaurants
- Pricing and discounts
- Delivery Time

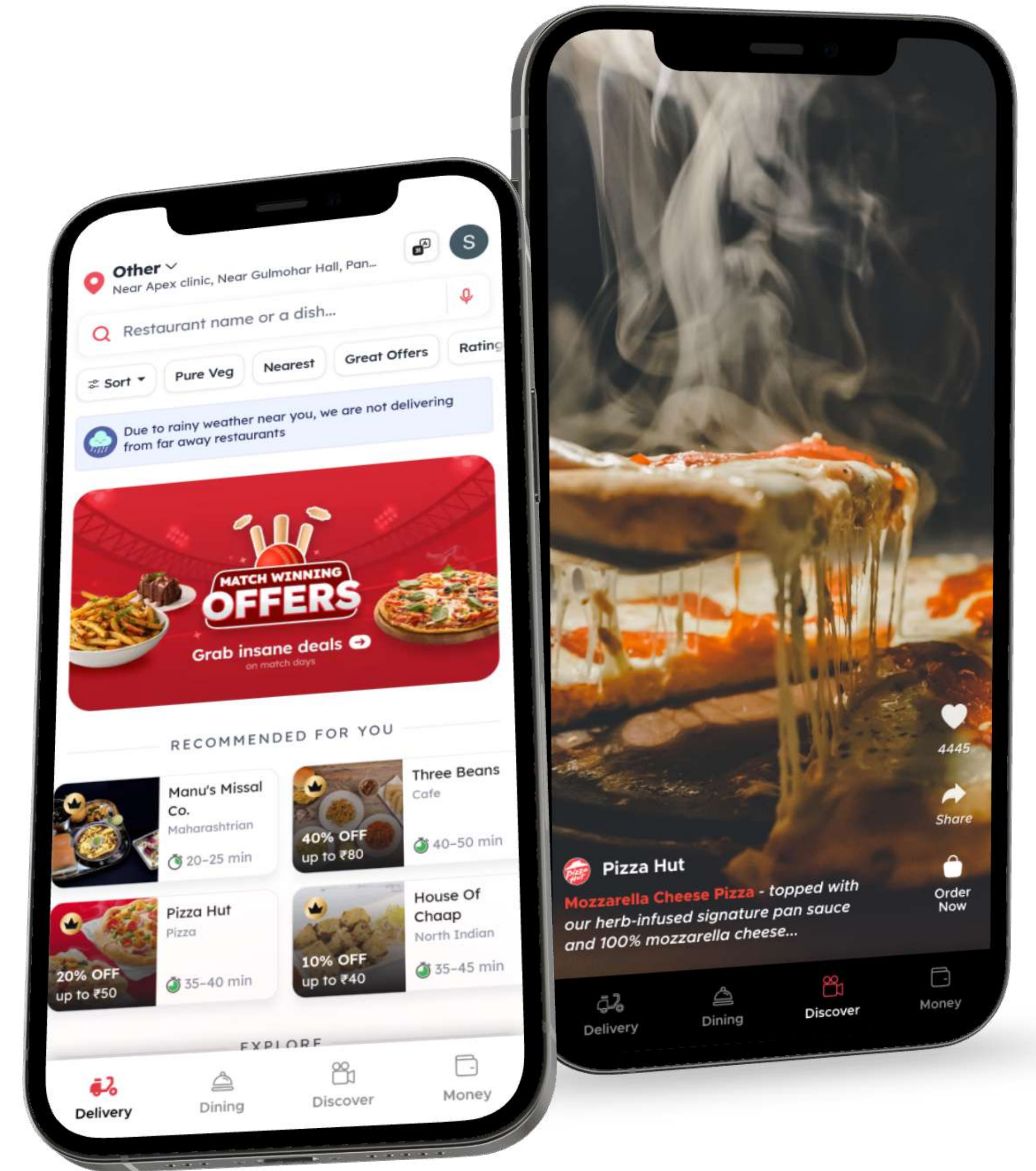
Solution

Introducing the “Discover” feature

- Short video content of different food items, restaurants, cuisines
- Suggestions based on past order history, trending food, cuisines, etc.
- Share the recommendations with your friends, family
- Order directly from the “Discover” tab

...and dynamic suggestions

- Limited period coupons
- Suggestions on restaurant like “Top 3 Restaurants” in your area”, on trending food items this week



Porter's 5 Forces

Threat of Entry - Low

- Highly consolidated Market (a duopoly) -Swiggy & Zomato account for 90% of the market
- High investments in terms of tech infrastructure, money, resources (staff delivery resources), on-boarding of restaurants, etc.
- Aggressive pricing by existing players will drive down profits for new entrants

Threat of Substitutes - High

- Availability of different types of substitutes: food carts, small restaurants, street vendors, etc.
- Substitutes are available in every street, neighborhood and area
- Substitutes offer cheaper meals
- Substitutes have less waiting time for meals

Competitive Rivalry - High

- Very few apps in the market
- Any unique features and innovation introduced in the market can be quickly copied
- Very aggressive pricing and high marketing or restaurant onboarding costs as all apps have similar UI/UX

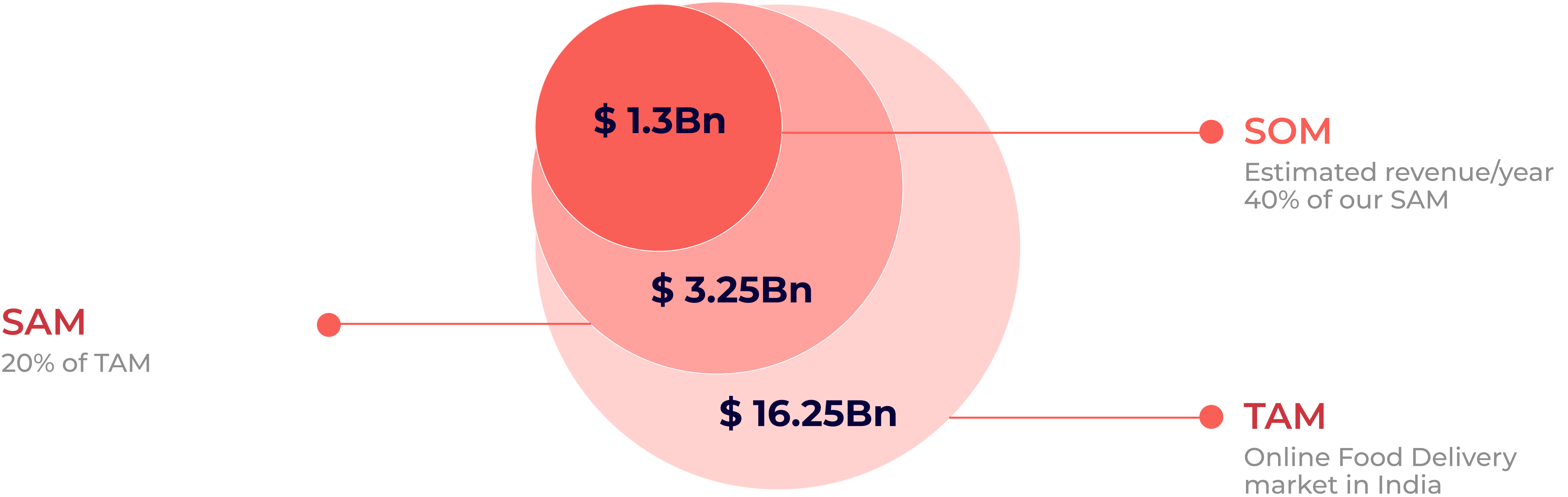
Bargaining Power of Suppliers - Low to medium

- Suppliers are restaurants and cloud kitchens
- Suppliers would want to have a presence in apps as this would increase their customer and revenue base
- Some cloud kitchens may acquire customers exclusively from food delivery apps
- Very high number of suppliers

Bargaining Power of Buyers - High

- Extremely high ratio for buyers to suppliers as there are only a handful of active food delivery apps
- Low switching apps have similar UI/UX and pricing
- Customers quickly switch between apps depending on discounts & promotional offers

Market size



Revenue model & Pricing

- **Restaurant Listings and Advertising:** Zomato allows restaurants to advertise and listing on its platform and reach potential customers through sponsored listings and banner ads.
- **Food delivery:** Zomato charges eateries a fee based on the number of orders placed through its food delivery service. Restaurants pay a commission for each delivery. For each order placed, Zomato charges a commission of 20-25%. The commission rate varies from 5-7% depending on the location
- **Subscription programs:** Zomato charges restaurants a commission fee for each order placed through the platform. Depending on the restaurant's popularity, Zomato charges a commission.
- **Zomato Gold:** Zomato offers a subscription service called Zomato Gold, which allows users to access exclusive discounts and offers at participating restaurants.
- **Live Events:** Zomato has walked into the live event industry with its partner restaurants. In 2019, Zomato launched Zomaland, its first venture into the live event space.
- **White Label Access:** Zomato operates as Zomato Whitelabel in this silo. It proposes businesses design and develop customized delivery apps or revamp existing digital solutions.

Launch Strategy

1. **Beta testing:** Zomato often launches new features and services in a beta testing phase to gather feedback and improve the product before it is fully launched. This allows the company to test the product with a smaller group of users and identify and fix any issues before the full launch.
2. **Soft launch:** Zomato also uses a soft launch strategy for new features and services, where it rolls out the product to a small group of users in a specific market. This allows the company to test the product in a controlled environment and gather feedback from early adopters.
3. **Viral marketing:** Zomato has used viral marketing strategies to promote its products and services, such as creating viral videos and social media campaigns. This has helped the company to generate buzz around its products and attract new users.
4. **Partnerships and collaborations:** Zomato has also launched new products and services in collaboration with other companies. For example, the company partnered with Uber to offer food delivery services in India, and with InMobi to launch a mobile advertising platform.

Architecture

1. **Platform scalability:** With a scalable architecture that allows it to handle millions of users and transactions, high traffic and user demand. The platform uses cloud infrastructure, distributed databases, and load balancers to ensure high availability and performance.
2. **Search and recommendation engine:** It uses machine learning algorithms to analyze user behavior and preferences, as well as restaurant data, to provide personalized recommendations to users, handle complex and multiple queries
3. **Mobile applications:** Zomato has developed mobile applications for iOS and Android, which are optimized for mobile devices and provide a seamless user experience.
4. **Payment processing:** Zomato has integrated several payment gateways like Razorpay, PayTM, LazyPay to facilitate online transactions between users and restaurants.
5. **Logistics and delivery:** The platform uses real-time tracking and dispatch systems to ensure timely and efficient delivery of food.
6. **Analytics and data management:** The platform uses analytics tools and distributed databases to manage and process large volumes of data.

Business Canvas

KEY PARTNERS <ul style="list-style-type: none">• Restaurants• Delivery Personnel• Users / Customers• Reviewers	KEY ACTIVITIES <ul style="list-style-type: none">• Providing search services• Creating and managing technology infrastructure• Marketing and Promotion• Order fulfillment• Collecting restaurant information	VALUE PROPOSITION <ul style="list-style-type: none">• One stop solution for food lovers and provide home delivery• Allow restaurants to stand out and promot themselves• Provide restaurant directory for customers• Provide rating, reviews and videos to evaluate restaurants• Online ordering and table booking• Provide additional source of income to delivery guys	CUSTOMER RELATIONSHIP <ul style="list-style-type: none">• Take customer feedback about restaurants and delivery person after each order• Take feedback from the delivery person about the customer• Customer helpline• Interact with restaurant owners	CUSTOMER SEGMENT <ul style="list-style-type: none">• Users searching for restaurants• Users who prefer home delivery• Restaurants who want to advertise their brand and expand their reach• Restaurants who do not offer delivery services• Cloud kitchens• Market research companies• Users who want to compare restaurants and plan a dineout for a function
	KEY RESOURCES <ul style="list-style-type: none">• Large Database of restaurants across cities• Large database of users• Presence across 25 countries• Technology platform• Delivery persons		CHANNELS <ul style="list-style-type: none">• Mobile application for Android users• Mobile application for IOS users• Website	
COST STRUCTURE <ul style="list-style-type: none">• Platform development• Marketing• Payment processing fees• Office maintainance cost• Employees' salary• Legal and accounting fees		REVENUE SOURCES <div><ul style="list-style-type: none">• Restaurant listing and advertisments• Subscriptions Zomato Gold and Zomato Pro• Food delivery services• Consultancy and data monitization<ul style="list-style-type: none">• Live events Zomaland• Zomato Kitchen</div>		

Thank you :)