

Caselet 1_ZOMATO

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Zomato was founded as in 2008. In 2011, Zomato expanded across India to Delhi NCR, Mumbai, Bangalore, Chennai, Pune and Kolkata. In 2012, the company expanded operations internationally in several countries, including the United Arab Emirates, Sri Lanka, Qatar, the United Kingdom, the Philippines, and South Africa. In 2013, Zomato was launched in New Zealand, Turkey, Brazil and Indonesia, with its website and apps available in Turkish, Brazilian Portuguese, Indonesian and English languages. In April 2014, Zomato launched its services in Portugal, followed by launches in Canada, Lebanon and Ireland.

In February 2017, Zomato announced plans to launch a service to help restaurants expand their presence without incurring any fixed costs. In September 2017, Zomato claimed the company had "turned profitable" in all 24 countries where it operated and introduced a "zero commission model" for partner restaurants. Towards the end of 2017, Zomato stopped accepting updates from its active users by not utilising moderators to verify and make updates. Users of the app reported issues with new features to pay for orders.

In July 2019, Zomato received a Hindu customer's complaint that he was assigned a non-Hindu delivery boy for his food order in Jabalpur and had asked Zomato to provide a Hindu delivery boy. The customer alleged that Zomato had refused to change the rider after which he asked to cancel the order. The customer then posted this incident on social media site, Twitter after which Zomato responded to the message stating: "Food doesn't have a religion. It is a religion.as a response. The tweet received mixed responses, and some users criticized the company for using Jain food and halal tags on food items. The company issued a clarification that these tags were placed by restaurant owners and not by Zomato.

Zomato has acquired 12 start-ups globally. In July 2014, Zomato made its first acquisition by buying Menu-mania for an undisclosed sum. The company pursued other acquisitions such as lunchtime.cz and obedovat.sk for a combined US\$3.25 million In September 2014, Zomato acquired Poland-based restaurant search service Gastronauci for an undisclosed sum. Three months later, it acquired Italian restaurant search service Cibando. Zomato also acquired Seattle-based food portal, Urbanspoon, for an estimated \$60 million in 2015. Other acquisitions of 2015 include Mekanist in an all-cash deal, the Delhi-based startup MapleGraph that built MaplePOS (renamed Zomato Base), and NexTable, a US-based table reservation and restaurant management platform.

In 2016, the company acquired Sparse Labs, a logistics technology start-up, and the food delivery startup, Runnr, in 2017. In November 2014, Zomato completed another round of funding of US\$60 million at a post-money valuation of ~US\$660 million. This round of funding was being led jointly by Info Edge India and Vy Capital, with participation from Sequoia Capital. While in April 2015, Info Edge India, Vy Capital and Sequoia Capital led another round of funding for US\$50 million This was followed by another US\$60 million funding led by Temasek, a Singapore government-owned investment company, along with Vy Capital in September. Ant Financial. round, which valued Zomato at around \$2 billion. Zomato had also raised an additional \$150 million also.

Discussions

1. What is your take away on this Zomato Case? The entrepreneurial journey? (Conduct research)
2. How do you see the perspective of Strategic Management?