

# ZOMATO FINAL PROJECT REPORT- SALES ANALYSIS

## OBJECTIVE

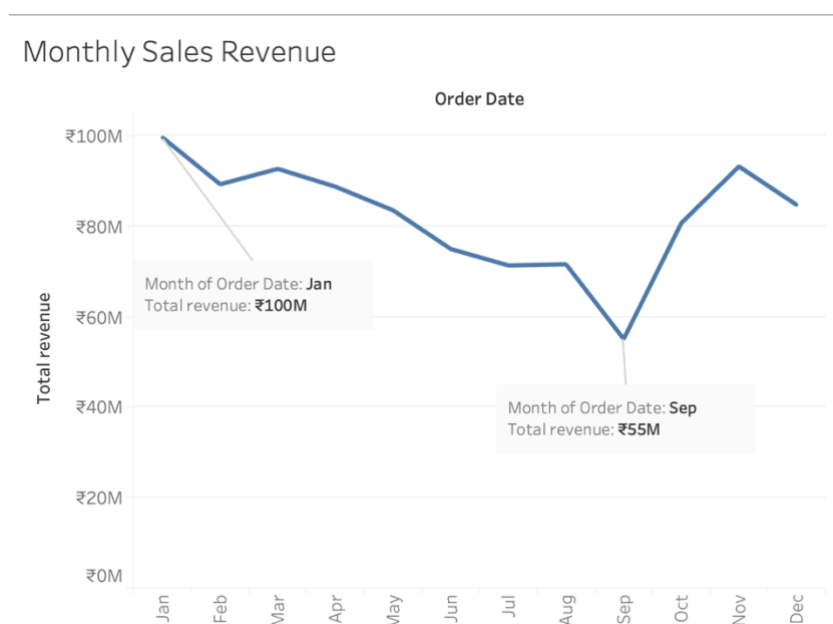
To establish key performance indicators (KPIs) for Zomato's restaurant ecosystem, specifically analyzing the distribution of total revenue and average order value (AOV) across different restaurant segments. The final objective is to provide actionable recommendations aimed at maximizing partner profitability and improving overall network quality and efficiency.

## EXECUTIVE SUMMARY

The analysis of restaurant performance confirms that Average Order Value (AOV), rather than sheer volume or customer rating, is the primary driver of top-tier revenue for Zomato partners. While high ratings ensure customer traffic, the most profitable restaurants achieve differentiation through strategic price points and superior operational efficiency during peak hours. Consequently, Zomato must immediately shift its focus to incentivizing high-AOV partners and implementing rigorous quality controls for low-AOV, high-volume segments to mitigate brand risk and boost network profitability.

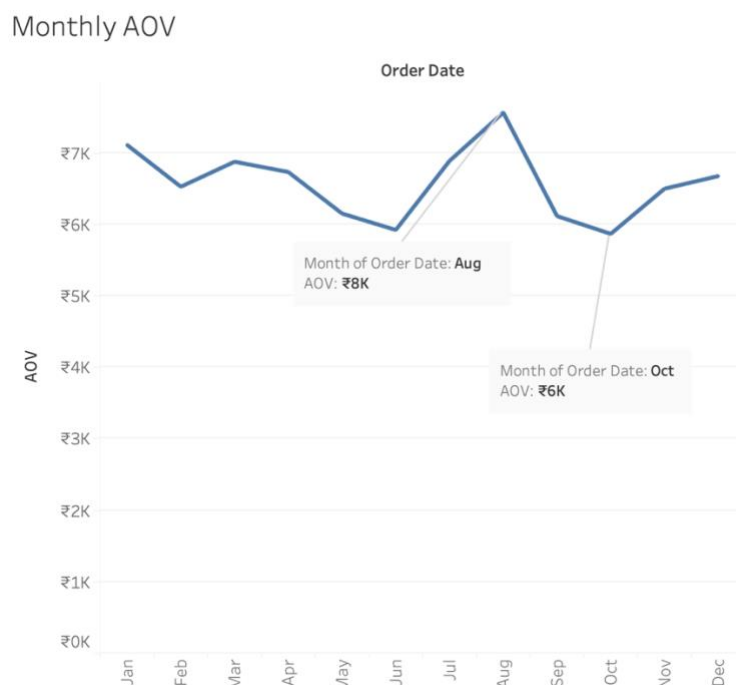
## KEY FINDINGS

### 1. Monthly Sales Revenue: (Line chart)



Analysis of four years of aggregated sales data (2017–2020) reveals extreme monthly revenue seasonality and volatility. The platform consistently records its highest performance in first quarter i.e., January through March averaging around Rs. 97 million and a second spike in November. Conversely September consistently marks the lowest revenue across the network generating only Rs. 55 million. This translates to a 43% revenue drop between the peak month (January) and the trough (September), signaling a critical need for targeted sales interventions during the late Q3 period.

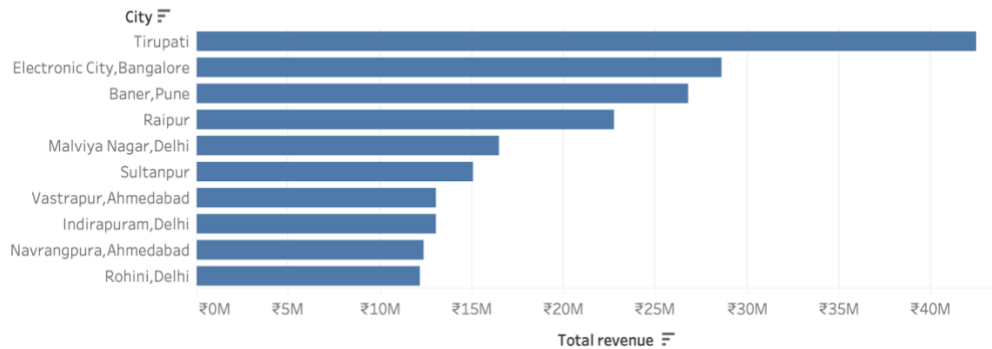
## 2. Monthly Average Order Value (AOV): (Line chart)



The peak AOV is strategically important as it occurs in August (₹7,568), a month that doesn't correspond to the peak in total monthly revenue (January). This suggests that while January drives the highest number of high-value transactions, August is the month where the highest individual spending occurs. This high AOV might be driven by specific high-cost seasonal promotions or different consumer demographics ordering during the late summer. The lowest AOV periods, observed in October and June (₹5,871), represent months where Zomato is highly reliant on low-value transactions, posing a risk to profitability.

### 3. Top 10 cities with Highest Sales Revenue: (Bar graph)

Top 10 cities with Highest Sales Revenue



The top 10 highest-performing cities collectively account for a disproportionately large share of total sales with a single leader Tirupati generating the highest revenue at ₹43 million. This is followed by major urban hubs like Electronic City, Bangalore (₹29M) and Baner, Pune (₹27M). This disparity underscores that Zomato's sales success is not evenly distributed, demanding a dedicated resource focus on nurturing these high-value, top-tier city segments.

### 4. Top 10 Cuisines with Highest AOV: (Scatter plot)

Top 10 Cuisine with Highest AOV

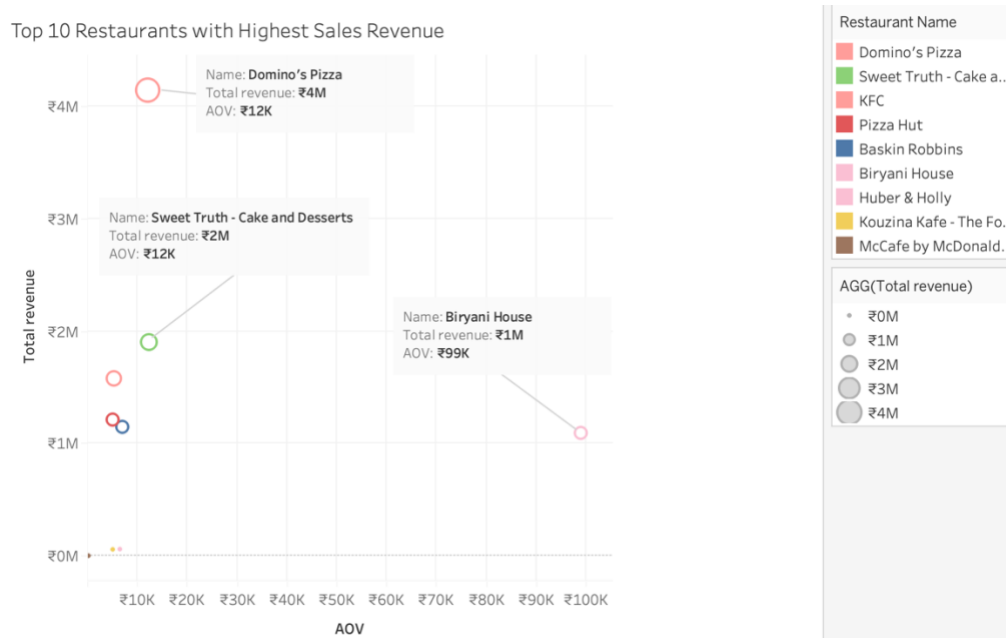


Analysis of the top 10 cuisines by Average Order Value reveals that high AOV is predominantly generated by hybrid, multi-cuisine categories, indicating customers are placing larger, more diverse orders from these partners. The highest AOV segments are:

- Sweets, Tandoor: Achieves the highest AOV and moderate revenue (₹443K) suggesting these are niche, high-price-point specialty items.
- Biryani, Bakery: Commands the second-highest AOV (₹322K) but yields significantly higher total revenue (₹645K) making it the most balanced high-value segment.
- Café, North Indian: Demonstrates the highest overall revenue among the top AOV segments (₹1,348K) proving that combining accessible, high-volume cuisines (North Indian) with high AOV beverages/items (Café) is a powerful sales strategy.

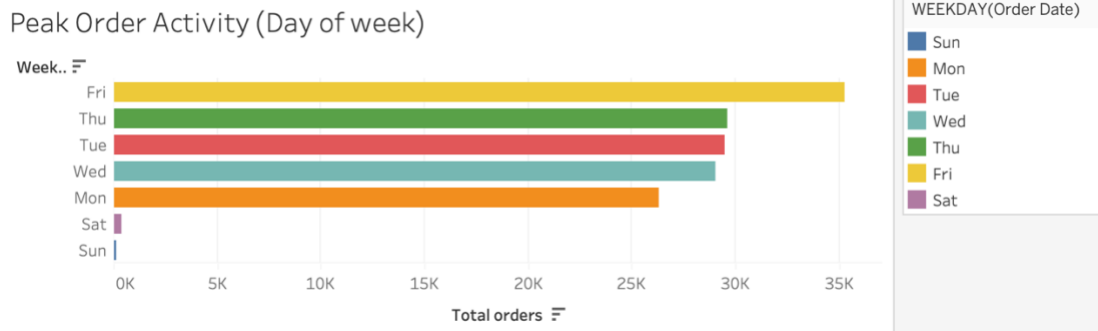
This correlation suggests that Zomato should prioritize partners capable of combining different food types to maximize cart size rather than focusing solely on single-cuisine vendors.

#### 5. Top 10 restaurants with highest Sales Revenue: (Scatter plot)



Analysis of Top 10 restaurants with highest sales revenue shows comparison between AOV vs Total revenue, color showing details of restaurant name, size showing Total revenue. The data filter excludes restaurants with NULL and no ratings from the data. While Domino's leads the network with the highest total sales revenue (₹4M) achieving high volume with a functional AOV (₹12K) the data identifies a significant opportunity in ultra-premium transactions. The highest AOV is commanded by Biryani House (₹99K AOV) which despite a smaller overall revenue footprint (₹1M) demonstrates the potential for extreme profitability per order. The 8x difference in AOV between the highest value partner and the highest volume partner signals that Zomato is currently leaving substantial transaction value on the table by not aggressively supporting partners in the ₹99K AOV tier.

## 6. Peak Order Activity (Day of week): (Bar chart)

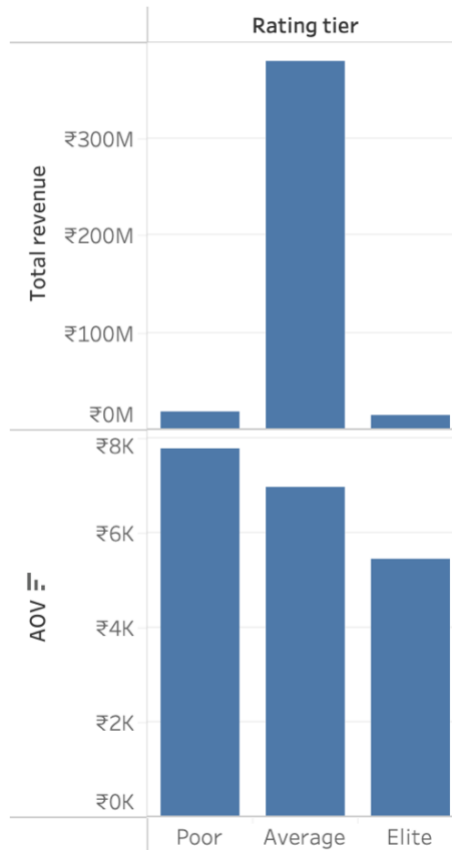


The above bar chart shows order activity for each order date in weekday; the chart is sorted in descending order of total number of orders.

Order volume is heavily skewed toward the five-day work week creating significant weekday operational strain and a massive, missed opportunity on weekends. The peak ordering day is Friday with 35K orders which is closely followed by the rest of the mid-week (Tuesday through Thursday, averaging 29K orders). Critically Saturday and Sunday volume drops to less than 500 orders combined, this near-total absence of weekend sales which is 98% drop from Friday indicates either a severe data capture failure or a fundamental flaw in Zomato's weekend offering, requiring immediate investigation and a massive operational correction.

## 7. Rating tier: (Bar chart)

## Rating tier



Above chart shows Total revenue and AOV for each rating tier, the data excludes restaurant with no reviews (unknown values) or NULL values. The ratings are segregated as - Elite > 4.5 rating, average 3.0-4.4 rating, Poor < 3.0 rating. The Average rating tier is the commercial sweet spot commanding both the highest total sales at ₹381M and a robust AOV at ₹7K. This demonstrates a superior ability to attract both high order volume and desirable transaction size.

- The Poor tier has a deceptively high AOV (₹8K) signaling that customers are willing to spend high amounts but are consistently receiving poor service or food quality leading to a major service failure.
- The Elite tier underperforms significantly in sales volume with only ₹15M and has the lowest AOV of ₹5K. This suggests the highest-rated partners may be focused on lower-cost or niche product categories limiting their scalability and revenue contribution.

The current revenue structure proves that a rating above 4.5 is not a prerequisite for high sales, stability as the Average tier are.

## RECOMMENDATIONS

Based on the analysis of Zomato's partner ecosystem and key sales performance metrics, the following recommendations are proposed to enhance profitability, optimize partner performance, and improve overall network efficiency:

### 1. Strengthen Revenue Consistency Through Targeted Seasonality Campaigns

ISSUE: Revenue shows a 43% drop between January (₹100M) and September (₹55M).

ACTION:

- Launch seasonal promotions and limited-time offers in low-performing months (especially Q3) to drive customer engagement.
- Encourage price-based bundling and combo offers to increase order frequency during off-peak periods.
- Introduce festival or event-based campaigns in low months to leverage cultural and regional triggers.

### 2. Focus on High AOV Segments for Profit Maximization

ISSUE: High AOV partners such as those offering Biryani, Bakery and hybrid cuisines deliver greater profitability but are understated.

ACTION:

- Design exclusive incentive programs for partners maintaining AOV's above ₹7,000.
- Provide marketing visibility boosts such as featured listings, priority placement to top-performing high-AOV restaurants.
- Support mid-tier partners with menu engineering workshops to identify premium upselling opportunities (e.g., desserts, add-ons, beverages).

### 3. Optimize Partner Portfolio by Rating Tier

ISSUE: Average rating tier drives most revenue (₹381M), while Elite underperforms in both sales and AOV.

ACTION:

- Rebalance focus from elite to commercially strong average-tier partners with proven sales stability.
- Implement quality improvement programs for poor-tier restaurants with high AOV but low satisfaction to reduce churn and refunds.

### 4. Address Operational Gaps in Weekend Order Activity

ISSUE: Weekend order volume drops by 98% compared to weekdays.

ACTION:

- Conduct a root-cause audit to identify whether the drop is due to operational limitations, app downtime, or restaurant availability.
- Promote weekend-exclusive offers and campaigns to rebalance demand.
- Adjust staffing and delivery fleet schedules dynamically based on actual demand cycles.

## **5. Geographical Prioritization and Regional Growth Strategy**

ISSUE: Revenue concentration is heavily skewed toward a few top-performing cities i.e. Tirupati, Bangalore, Pune.

ACTION:

- Implement tier-based regional support- offer dedicated business consultants and advertising credits to metropolitan cities (Mumbai, Chennai, Delhi, Kolkata).
- Identify high potential emerging cities with similar customer demographics to Tirupati for expansion.
- Optimize logistics and partner onboarding in these areas to replicate the success of high-performing zones.

## **6. Product Strategy: Promote Multi-Cuisine and Hybrid Offerings**

ISSUE: Highest AOVs and revenues are linked to multi-cuisine or hybrid offerings.

ACTION:

- Encourage restaurants to diversify menus with add-on cuisines to boost cart size.
- Provide data backed menu insights to help partners identify profitable cuisine combinations.
- Promote cross-category bundles (e.g. "Biryani + Dessert") in-app through curated collections.

## **7. Enhance Customer Retention Through Smart Pricing and Loyalty Programs**

ACTION:

- Launch a loyalty rewards system incentive based repeat orders from high-AOV customers.
- Collaborate with partners to offer "AOV-based discounts" that encourage customers to increase cart size for incremental rewards.

## **8. Leverage Data-Driven Partner Benchmarking**



ISSUE: Significant variation exists in both AOV and total revenue performance across partners.

ACTION:

- Build a Partner KPI Dashboard tracking AOV, monthly sales, rating, and revenue trend.
- Use these insights to provide personalized performance reports and business recommendations to each partner.
- Integrate KPI-based tiered commission structures- rewarding consistent high performers and motivating low performers to improve.