zomato

Zomato **aggregates** customers with restaurants and delivery partners, enabling **food delivery** and **restaurants discovery**. It also runs raw-material **procurement service** to restaurant (named hyperpure) and **quick commerce** (named blinkit).

How does Zomato (Food Business) make money?

- **Restaurants:** Order commissions, marketing, advertisement and onboarding fees.
- **Customers:** Delivery fees, platform fees, subscription fees.
- **Delivery Partners:** Onboarding fees.

Target user segment

Young urban individuals who want doorstep food delivery and convenient dineout experience.

Value Proposition

Bridges gap between consumers, restaurants, and delivery partners to provide **seamless food delivery** and **dine-out** experience with **convenient payment options.**

Note: Zomato operates mainly in India & user research was conduct on Indians. Thus, this deck focuses on Indian market and its consumers.

Problem Statement

Increase reviews on zomato by addressing **user problem** while generating **business value**.

Why increasing reviews matters?

Reviews has a significant influence on online food delivery market, with nearly 95% of consumers relying on them for decision-making. Positive reviews elevate restaurant visibility, and increase revenue.

What does increasing reviews mean?   🏅*Product outcome*

Reviews

Food Delivery Reviews
- # Transacting Users
- X
- Avg # orders per user
- X
- Avg # review per order 🏅

+

Dine-out Reviews
- # Users using dine out features
- X
- Avg review rate% 🏅
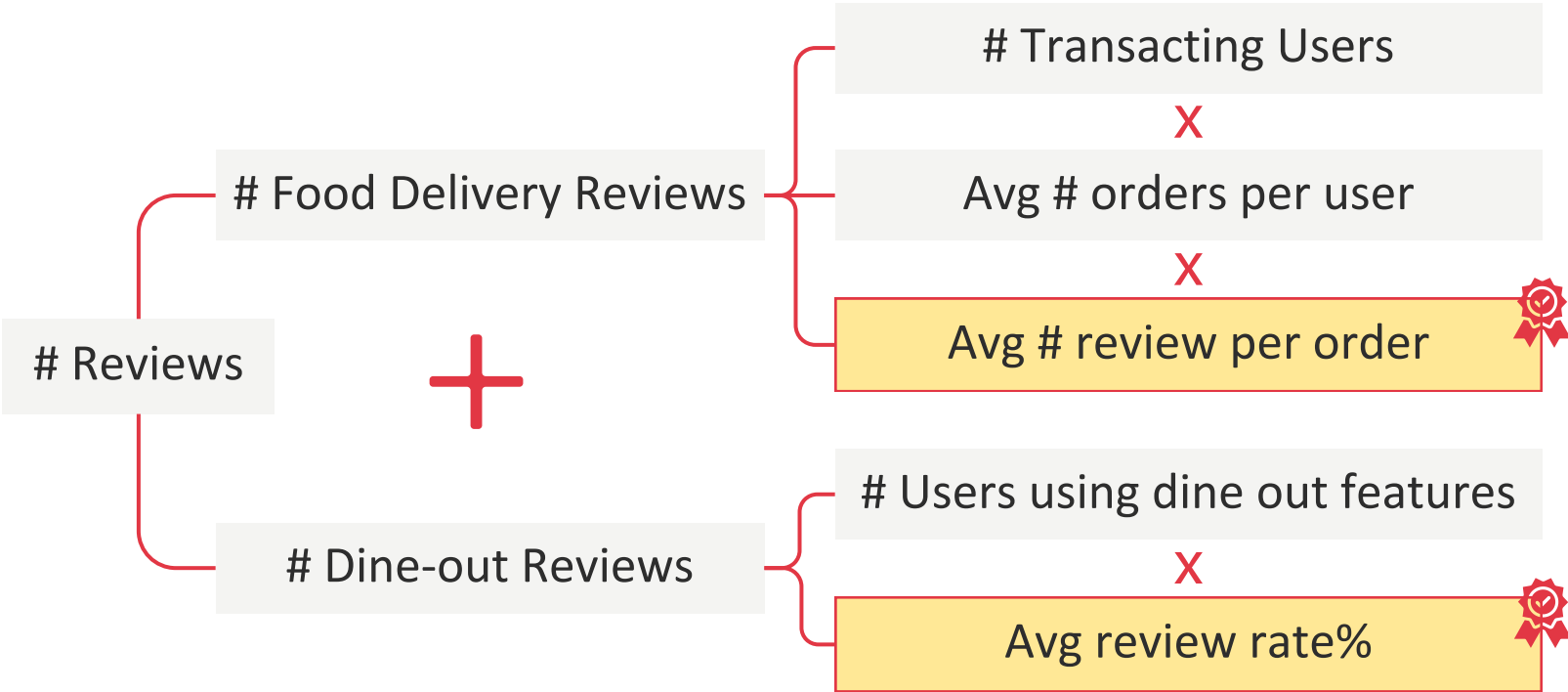
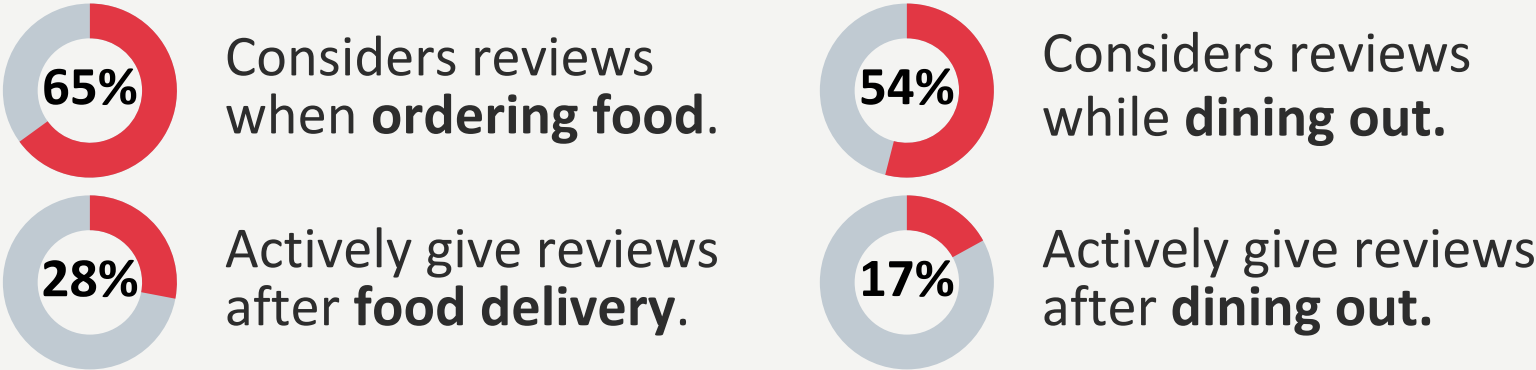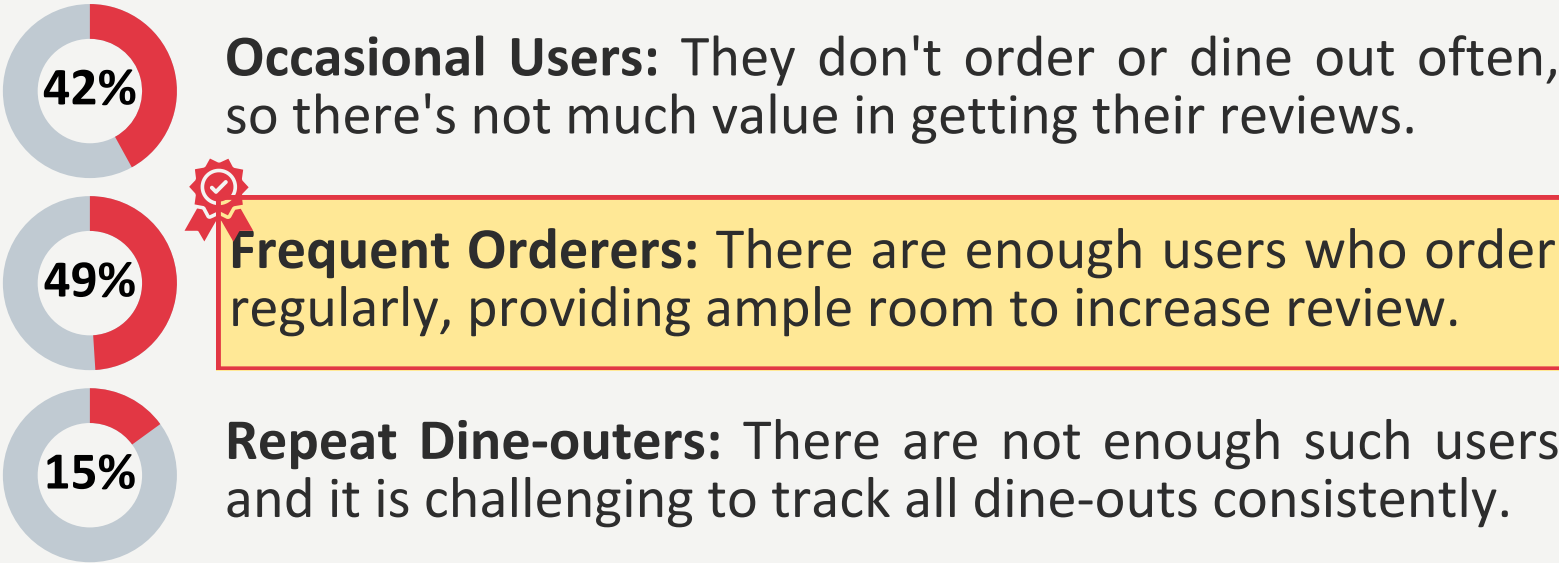# What do customers feel about Zomato reviews?

24% Feel that their review **do not impact**

29% Finds review process **difficult**

50% Feel **unmotivated** to review

37% **Unable to find time** to review

49% Have **privacy concerns** while writing review

30% Often **forgets** to add review

How do customers engage with Zomato reviews?

65% Considers reviews when **ordering food**.

54% Considers reviews while **dining out**.

28% Actively give reviews after **food delivery**.

17% Actively give reviews after **dining out**.

User Segmentation and Prioritisation

42% **Occasional Users:** They don't order or dine out often, so there's not much value in getting their reviews.

49% **Frequent Orderers:** There are enough users who order regularly, providing ample room to increase review.

15% **Repeat Dine-outers:** There are not enough such users and it is challenging to track all dine-outs consistently.

What did the customer say in the interview?

5/7 Feel **unincentivised** to write a review

4/7 Feel their reviews **doesn't matter**

3/7 Often **forget** to write review

Source: User Survey, Survey Response, Survey Insight, User Interview
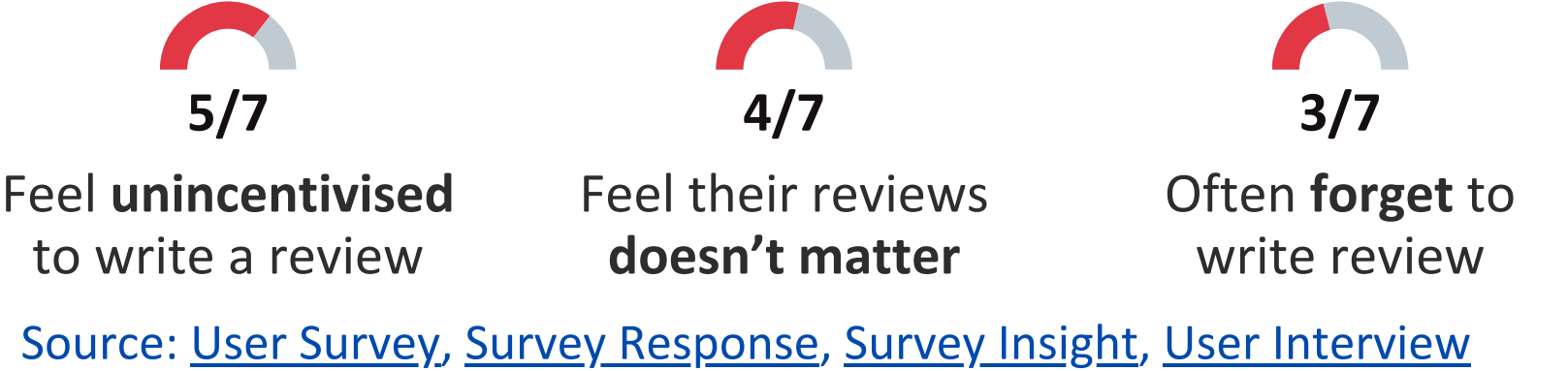
Problem Prioritisation

	Impact	Confidence	Contraints
Lack of incentive to review	Medium	High	Balancing incentives would be **tricky.** Too much may lead to fake reviews, and too little might not motivate users enough.
Review disregard by Restaurants	Medium	Low	Tracking impact would be **operationally tough** and forcefully tracking may also drive away the restaurants.
Forgetfulness to review	Low	Low	Zomato already has multiple reminder mechanisms. Introducing more could **hamper user experience.**

Defining the typical user

Rohan
23, Male, Marketing Executive, Delhi
Lives alone, occasional cook

Job-to-be-done: He wants the **convenience of home delivered food,** driven by mood, cravings, and social media influence.

Pain Point: Extreme (good or bad) food experience invokes **emotional reviews**, but average ones does **not motivate enough.**

Neha
28, Female, Analyst, Bangalore
Loves to explore food

Job-to-be-done: She wants an easy and enjoyable food ordering experience with tasty meals and **straight forward feedback.**

Pain Point: She loves food and writes many reviews to genuinely appreciate good meals, but feels her **efforts are unrewarded.**

What is the true problem?
User don't feel **incentivised** enough to add reviews.

Who are facing this problem?
Young adults between 20-25 residing in metro cities, **who frequently order food.**

How do we know that it is a real problem?
- In our survey, **50% of the respondents** felt unmotivated or incentivised while writing reviews. They also feel writing reviews is waste of time.
- Lack of reviews has negative impact on a restaurant's revenue and growth.

Why should we solve this now?
Zomato has recorded its first profitable quarter (Q1 FY24) since inception. In order to sustain this growth and **ensure long-term profitability**, Zomato needs to continually increase revenue and enhance user satisfaction.

What is the value generated by solving this problem?
- **Customers:** This will incentivised customers while adding reviews, and more reviews will help other customers in decision-making improving their **customer experience**.
- **Restaurants:** This will provide more data-points to restaurants to improve upon, resulting in **increase in number of order** and revenue.
- **Zomato:** This will increase number of orders which will **increase revenue.** This will also improve **user satisfaction** for customers and restaurants

How to incentivise customers to write reviews?

Provide tangible incentive

- **Cashbacks**
  - Offering cashback would **decrease** in the **average revenue per order**.
- **Freebies**
  - Giving out freebies may cause a significant **drain on cash resources**.

Provide not-so-tangible incentive

- **Redeemable Coins**
  - Coins will be redeemed at **intervals**, ensuring a need for a comparatively **low capital investment**.
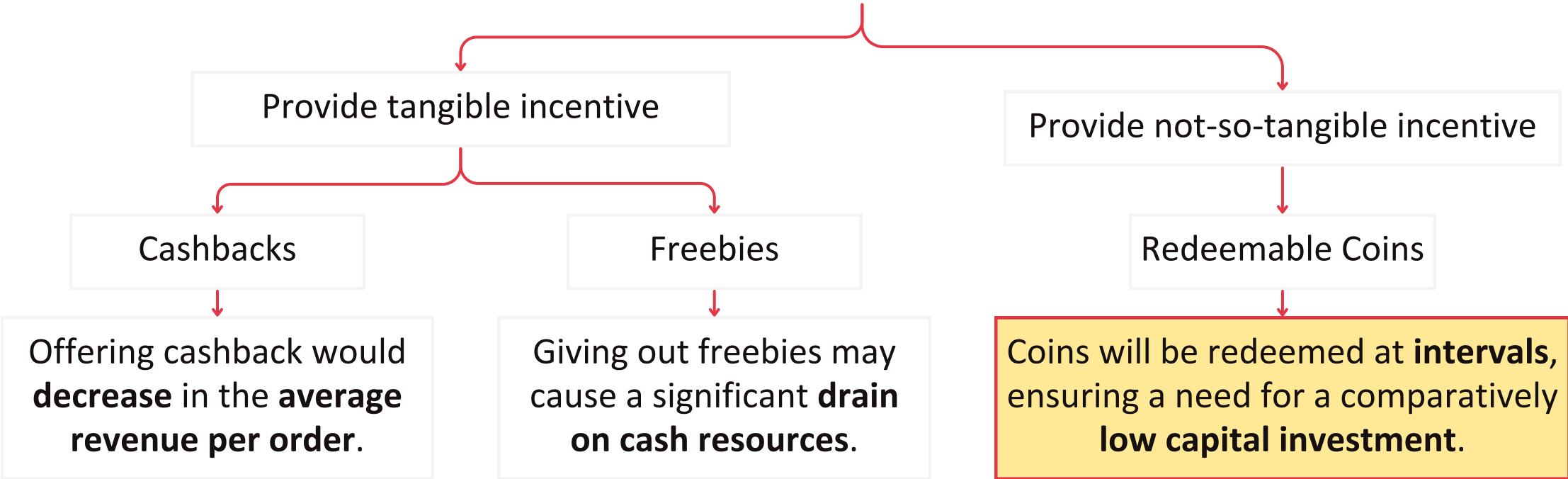
Solution Prioritisation

Scale: 1 means low, 5 means high

	Reach	Impact on customer	Impact on business	Confidence	Total
Providing **cashbacks** for each review written.	2	3	3	2	36
Providing **freebies** for each review written.	2	3	3	3	54
Providing **virtual coins** for each review written which can be **redeemed** to unlock offers.	3	2	4	3	72

Note: Effort is not considered, as we have infinite tech bandwidth. Formulae used: Total=R*I*I*C

Guesstimate:

How many people are likely to be interested in writing reviews to earn virtual coins?

142 cr — [Population of India](#)

13 cr — **9.1%** [Population of Metro cities](#)

8.7 cr — **67%** [Internet penetration in metro cities](#)

43 lakhs — **5%** *(Assumed)* Users who order frequently

21 lakhs — **50%** *(Assumed)* Users interested in virtual coins
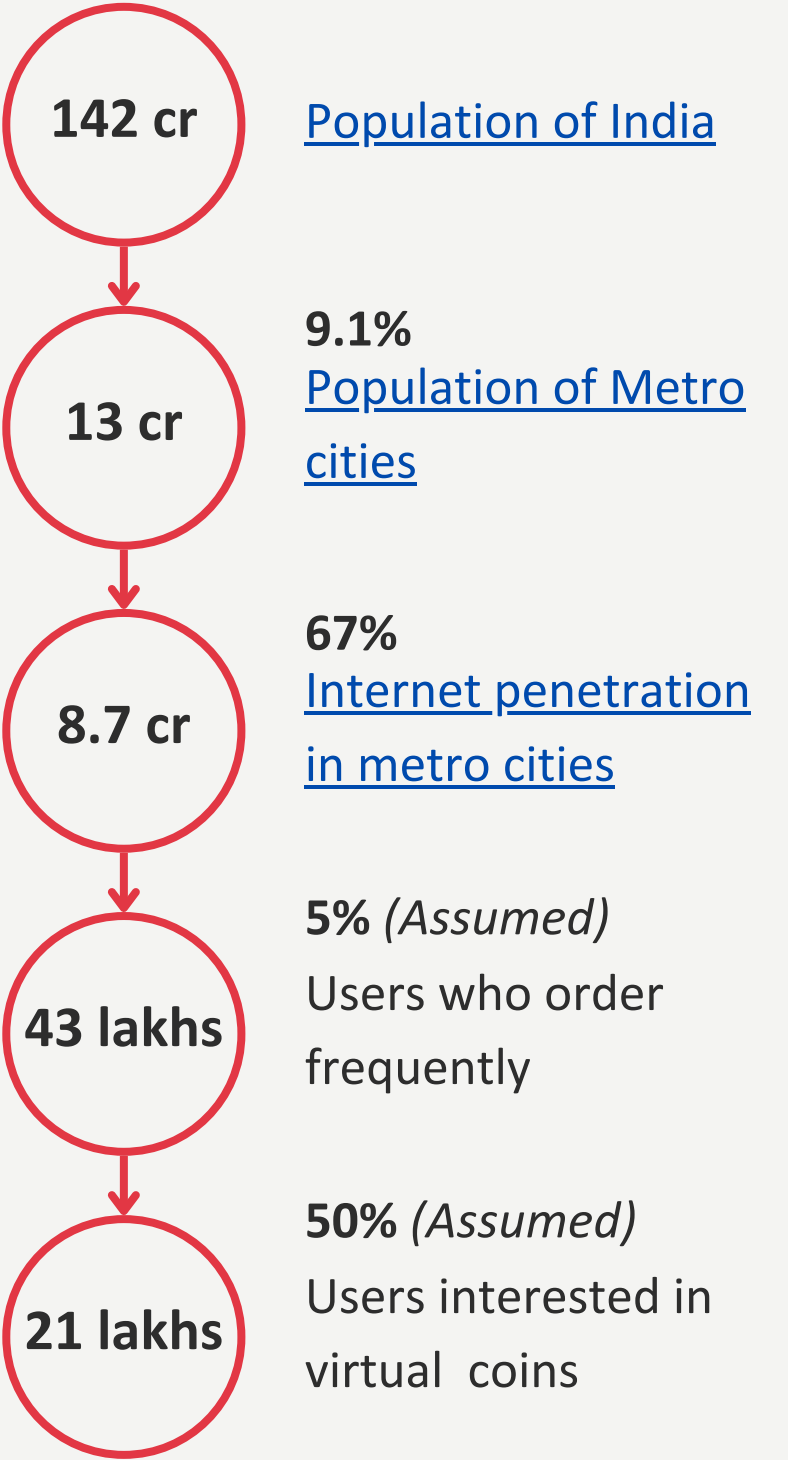
Introducing zoins

What?
Zoins are **virtual intangible coins** redeemable for offers.

Why?
Users would want to earn and redeem Zoins to **save money on future orders**.

Where?
Zoins are can only be used within **Zomoto's ecosystem**.

Who?
Although this solution is ideated for [frequent orders in metro cities](#), but it makes more product sense to enable **all customers** to use this solution.

When?
Users will earn zoins **while adding reviews** and can redeem as per offer availability. Zoins earned would depend upon review quality (photos, text, or just ratings)

How?
Users will receive notification as well as can proactively **add reviews to earn Zoins** which can be redeemed on profile or during checkout **to unlock offers.**

User Journey Mapping

	Awareness	Consideration	Decision	Service	Loyalty
User Action	User finds reviews and ratings section	User wants to express their food opinion	User provides reviews and receives zoins	User redeems zoins to unlock offers	User applies offer in future orders
Thoughts	*"What if I share my recent food experience?"*	*"I want share opinions with the restaurant and others?"*	*"Wow! Earned coins for writing reviews!"*	*"What can these coins get me?"*	*"Nice, writing reviews pays off. I think I should write more."*
Actors	User(self)	User (self & others), Restaurant	User(self)	User(self)	User(self)
Emotions	🤨 Curious	🧐 Thoughtful	🤩 Excited	🤨 Curious	😍 Happy

How to earn zoins?

This wireframe illustrates the process after a food item is delivered (presumably consumed)

Review section before submitting

Photo review section

Order Details

Review Label

Text review section

Earned zoins

Total zoins

Review section after submitting

Order History Page

Your Orders

Search by restaurant or dish

The Salad Company — Delivered
Bellandur, Bangalore
17 min
View Menu →
1 x Chicken Ceaser Salad
1 x Tofu Mexcian Salad
2 x Coco Delight Shake
18 Dec 2023, 10:16AM — ₹ 818.76 →
★ ★ ★ ★ ★ — Reorder

NIC Icecreams — Delivered
Bellandur, Bangalore
12 min
View Menu →
1 x French Vanilla 100ml
1 x Choco Almonds 100ml
1 x Coffee Walnut 100ml
1 x Belgian Chocolate 100ml
1 x Salted Caramel 100ml
5 x Waffle Cones Small
12 Dec 2023, 12:16AM — ₹ 1219.54 →
5◑ ★ ★ ★ ★ ★ — Reorder

Checkout page

Your order from The Salad Company

🏠 Successfully delivered at Home
18 Dec 2023, 10:16AM — 17 min

The Salad Company — View Menu →
Bellandur, Bangalore
4.3(100+)

Chicken Ceaser Salad — ★ ★ ★ ★ ★
Tofu Mexcian Salad — ★ ★ ★ ★ ★
Coco Delight Shake — ★ ★ ★ ★ ★

What did you liked the most?

Taste — Packing — Quantity — Delivery

Would you like to elaborate your thoughts?

Add Photos 🖼️ — Harvest Zoin

Earned Zoins Page

Yay, you got 4 zoins

4◑

You have 124 zoins ←
Learn more about zoins →

Back

Order History Page

Your Orders

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The Salad Company — Delivered
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17 min
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5 x Waffle Cones Small
12 Dec 2023, 12:16AM — ₹ 1219.54 →
5◑ ★ ★ ★ ★ ★ — Reorder

How to use zoins?

This wireframe illustrates the process to redeem zoins for offers for future orders.

Zoins wallet

Reedem zoins section

Total Zoins

Avaliable Offers

Updated Total Zoins

Redeemed Offer

Offer applied

Profile Page

Profile

Nitin Singh
singhnitin43@gmail.com
View activity →

Join Zomato Gold →   FAQs →

Favorites   Money   Zoins

Your Profile

Your Rating 4.8

Food Order
- Your Order
- Favorites Order
- Addresses
- Deliverires

Dining
- Your deals

Checkout cart Page

The Salad Company

Chicken Ceaser Salad   2
₹198.00   ₹396.00

Banana Oats Smothiee   1
₹149.00   ₹149.00

Apply Coupons

124 ◉ Redeem Zoins to unlock offers →

⏰ Delivering in 23 min
🏠 Delivering in Home
   Flat 501, Block 8, Tower 8,
   Model Town, Whitefield,
   Bangalore
🛵 Add delivery instructions →
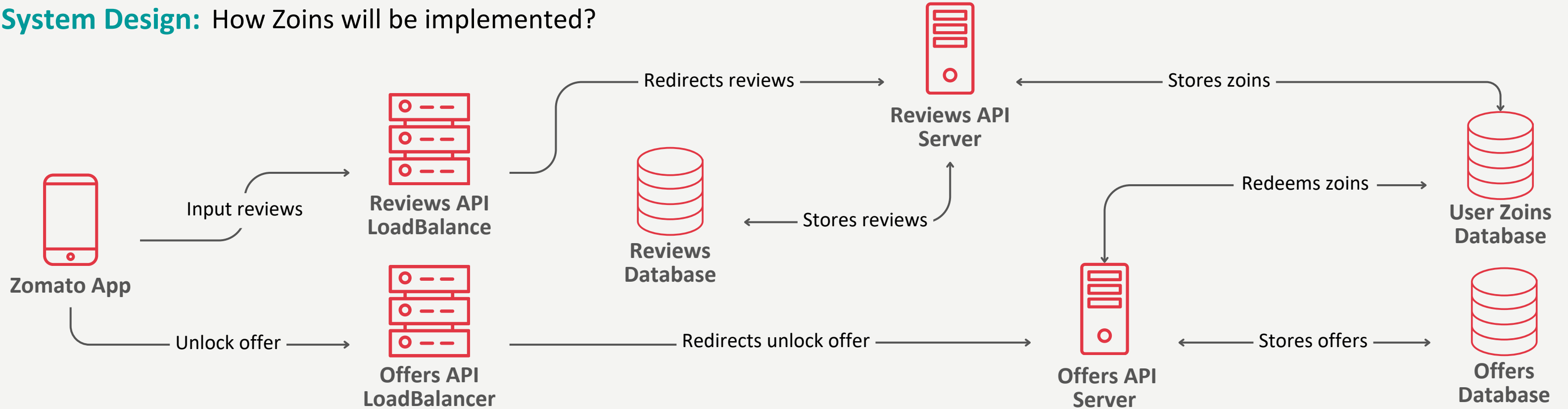📞 Nitin, +91 903XXXX528

Item Total   ₹545.00
GST   ₹27.25
Delivery Fee   ₹45.00
Platform Fee   ₹5.00

Pay using
PhonePe   Pay ₹622.25
Change Payment Method →

Redeem Zoins Page

Zoins   Earn more →

124 ◉

Flat 50% off with Axis Bank Credit Card
50 ◉   FLAT50AXIS   Unlock
       View Details →

Free Delivery @ 3Delivery
80 ◉   FREEDEL3   Unlock
       View Details →

Flat 10% off on Dineouts
100 ◉ DINEOUT10   Unlock
       View Details →

Free Zomaland Ticket
500 ◉ ZOMALAND   Unlock
       View Details →

Redeem Zoins Page

Zoins   Earn more →

44 ◉

Flat 50% off with Axis Bank Credit Card
50 ◉   FLAT50AXIS   Unlock
       View Details →

Free Delivery @ 3Delivery
80 ◉   FREEDEL3   Copy
       View Details →

Flat 10% off on Dineouts
100 ◉ DINEOUT10   Unlock
       View Details →

Free Zomaland Ticket
500 ◉ ZOMALAND   Unlock
       View Details →

Checkout cart Page

The Salad Company

Chicken Ceaser Salad   2
₹198.00   ₹396.00

Banana Oats Smothiee   1
₹149.00   ₹149.00

FREEDEL3   →

44 ◉ Redeem Zoins to unlock offers →

⏰ Delivering in 23 min
🏠 Delivering in Home
   Flat 501, Block 8, Tower 8,
   Model Town, Whitefield,
   Bangalore
🛵 Add delivery instructions →
📞 Nitin, +91 903XXXX528

Item Total   ₹545.00
GST   ₹27.25
Delivery Fee   ₹45.00 ₹0.00
Platform Fee   ₹5.00

Pay using
PhonePe   Pay ₹577.25
Change Payment Method →

System Design: How Zoins will be implemented?

Zomato App → Input reviews → Reviews API LoadBalance

Reviews API LoadBalance → Redirects reviews → Reviews API Server

Reviews Database → Stores reviews → Reviews API Server

User Zoins Database → Stores zoins → Reviews API Server

Zomato App → Unlock offer → Offers API LoadBalancer

Offers API LoadBalancer → Redirects unlock offer → Offers API Server

Offers API Server → Redeems zoins → User Zoins Database

Offers Database → Stores offers → Offers API Server

Metrics: How will we track Zoins to ensure its success?

North Star Metric

Average no of reviews per order

User Acquisition
First Time Reviewer/Total Active User

User Retention
L1: Avg # order with offer applied/Total #Orders
L2: Avg # Zoin Redeemers/Total Active User
Guardrail: Avg cost of unlocked offer per user

User Activation
First Time Redeemers/Total # Reviewers

User Engagement
L1: Avg # reviews per user
L2: Avg time spent writing review/Avg session time
Guardrail: Avg # orders per user

Note:
- **Avg # reviews per order** and **avg review rate** are product outcomes impacting #Reviews for food delivery and dine-out, respectively (Page1).
- We have prioritised **frequent orderer user segment** (Page 2). Thus, the **north start metric** would be **average reviews per order.**

Pitfall 1: Accumulation without Redemption

Issue: Users may earn lots of Zoins but only redeem them on special days, causing **sudden spikes in redemptions**.

Concern: This could **adversely impact Zomato's cash flow** during peak periods.

Mitigation: Zoins will **expire if not redeemed** within a set timeframe, prompting users to utilize them promptly and avoiding a surge in redemptions during peak periods.

Pitfall 2: Excessive Reviewing for Zoins

Issue: Users might try to **accumulate more zoins** by writing numerous reviews, both for recent and past orders.

Concern: This could potentially lead to abuse of the system and an **inflated zoins circulation**.

Mitigation: Zoins will be credited only **once per orde**r, and **reviews will not be allowed** after a specified cutoff (let's say after 3 days) to prevent excessive reviewing.

Second Order Thinking

Extended Gamification:

- Earning zoins can be **extended to other activities** on the app such as completing account profile details, placing orders, or giving tips.
- This will improve **users engagement** and also serve as a **loyalty program**, preventing them from switching to competitors.

High entry barrier:

- With increase in reviews, ratings become a **truer reflection** of service which fosters **users trust on ratings** for ordering.
- New restaurants onboarded on Zomato without reviews may face **significant struggle to break even.**
- This could lead to leading to increased dissatisfaction and a **lower onboarding rate** of new restaurants. However, it could also **increase marketing fees revenue** from new restaurants.

Go-to-market Strategy

- Crediting some zoins (lets say 15) as an introductory offer.
- Promotion through email and social media marketing.
- Utilising push notification & app advertisement for awareness.