PRODUCT TEARDOWN

Zomato product teardown

Fees keep rising. How do you keep people ordering as often?

Existing product · Lens: order frequency under rising fees · Data: Q1 FY27 (April to June 2026)

01 · PRODUCT

An existing, profitable giant

Zomato is India's largest food-delivery app, owned by Eternal, which also runs Blinkit, District and Hyperpure.

Why Zomato

Profitable at scale (Q1 FY27 adjusted EBITDA ₹606 crore), so growth levers are frequency and price, not survival.

Scope

Only the Zomato food-delivery app and one question: how to bring customers back more often as fees add up.

WHY IT MATTERS

₹60–100

of fees and tax can be added to an order, users say.

Platform fee, delivery charges and GST together, user-reported range (Restaurant India), not verified. The ₹14.90 platform fee excludes 18% GST.

Growing 20% with room to lose trust

27.2M
average monthly transacting customers in Q1 FY27, up from 25.4M

₹10,769 cr
net order value, up 20.1% year on year

₹606 cr
adjusted EBITDA, 5.6% of NOV

₹14.90
platform fee per order in key metros, ₹2 in 2023

638,000
monthly active delivery partners

54–58%
Zomato food-delivery share; Swiggy 42–46% (broker estimates differ)

Who competes, and how Zomato earns

Competitors

Swiggy: the direct rival, with 42–46% share by broker estimates

Rapido Ownly: zero commission, no platform fee, live in the Rapido app (about 20,000 restaurants, July 2026)

Magicpin: promotes zero platform fee

Rivals are using zero-fee positioning.

Revenue sources

Commission from restaurants (largest, rate not disclosed)

Platform fee ₹14.9 per order, about ₹154 cr in Q1 FY27 (~5%)

Advertising, delivery fees, Gold subscriptions (not disclosed)

03 · PROBLEM

Fees are rising faster than the value people feel.

The platform fee went from ₹2 to ₹14.90 in three years, while customers grew 7% in a quarter and NOV grew 20% year on year.

HOW MIGHT WE

keep ordering frequency growing as per-order fees rise, without cutting the fee revenue that funds the margin?

04 · USERS

Four customers, one to serve first

SERVE FIRST · 18 OF 20

Fee-Fatigued Lapser

Used to order often, now orders less because the total feels high.

SECOND · 16 OF 20

Weekday Office Regular

Orders lunch several times a week and compares totals across apps.

THIRD · 14 OF 20

Gold Member

Pays for Gold, still sees the platform fee.

LATER · 11 OF 20

Weekend Family Orderer

Orders big and less often, less price-sensitive.

Scored on size, headroom, fit with the fix and strategic value (my judgement, to validate with interviews).

05 · JOURNEY

The journey breaks at the cart

Stage	What happens	Feeling	Where it breaks
Open app	Gets hungry, opens Zomato	Hopeful	None
Browse	Scans restaurants and dishes	Easy	Listed prices omit fees
Cart	Sees food plus fees and tax	Surprised	Fees and tax added (users report ₹60–100)
Pay	Pays or drops the cart	Annoyed	Some abandon or switch
Receive	Tracks the order	Impatient	Refund requests
Reorder	Decides whether to order again	Calculating	Fee memory lowers odds

Five pain points, two worth fixing first

#	Pain point	Evidence	Score
1	Fee surprise at cart	Platform fee (₹14.90 + GST), delivery and tax add up; users report ₹60–100	18
2	Unclear fee logic	Little clarity on how fees are calculated; critics call it a dark pattern	15
3	Gold keeps the fee	Platform fee reportedly applies to Gold members too	14
4	Higher menu prices	Reported ~10% markup online (unverified)	11
5	Refunds	~3,000 complaints reported (unverified)	11

Score out of 20 on reach, severity, evidence and fixability (my judgement). Sources: Restaurant India, ETV Bharat.

07 · SOLUTIONS

Five ideas, one for each fee frustration

A

All-in price display

Show dish plus fees as one total from the menu

B

Fee-saver nudge

"Add ₹X to cut your fee" meter in cart

C

Off-peak discount

Lower delivery fee in quiet windows

D

Monthly fee cap

Cap total fees for frequent users

E

Personalised fees

Fees adjusted per user; risks trust

All-in pricing ranks first on RICE

Rank	Solution	Reach	Impact	Confidence	Effort	RICE
1	A. All-in price display	90	1	0.7	2	31.5
2	D. Monthly fee cap	30	2	0.5	1.5	20.0
3	B. Fee-saver nudge	60	0.5	0.6	1	18.0
4	C. Off-peak discount	50	0.5	0.4	1	10.0
5	E. Personalised fees	80	0.25	0.25	2	2.5

RICE = (Reach × Impact × Confidence) ÷ Effort. Inputs are illustrative estimates, not Zomato data.

MVP: show the all-in price up front

Put item plus all fees in one total on the menu page and cart header, not only at checkout.

+2 pts
checkout conversion

+3%
orders per user

~₹323 cr
order value per quarter at +3% (not revenue)

10 · TEST

A 4-week 50/50 A/B test

Item	Definition
Hypothesis	Showing the total up front removes checkout surprise, so more carts convert
Success	Checkout conversion +2 points and orders per user +3%
Guardrails	Order value, page-to-cart rate, cancellations, fee-related tickets
Stop rule	Stop if page-to-cart rate falls more than 2% relative

11 · GO TO MARKET

Four gated phases

Phase	Timing	What happens	Gate
1. Pilot	Weeks 1–4	A/B test in 3–4 cities	Conversion +2 pts, no breach
2. Expand	Weeks 5–8	25% of cities, partner briefing	Holds across city tiers
3. Launch	Weeks 9–12	All users, "Prices now include fees"	Fee tickets do not rise
4. Iterate	Month 4+	Test B and D on top	RICE re-check

Channels: in-app banner, push to lapsed users, restaurant-partner dashboard note.

12 · RISKS

What could go wrong

Looks pricier

Dishes may look dearer than rivals showing pre-fee prices. Mitigate: test the total at cart first.

Margin

Clearer fees may cut order value if users choose cheaper items. Watch order value as a guardrail.

Weak evidence

Pain points are mostly anecdotal. Validate with interviews before building.

TAKEAWAYS

Three things to remember

1. The platform fee went from ₹2 to ₹14.90 while customers grew 7% in a quarter.
2. The break is at the cart, where the real price first appears.
3. Test all-in pricing first. A win is +2 points of checkout conversion with guardrails flat.

What would you test first?

SOURCES

Sources and caveats

Sources

Multibagg, IIFL: Q1 FY27 results

Business Today: Rapido Ownly; Motilal Oswal: share

Restaurant India, ETV Bharat, Storyboard18: fees

Inc42: revenue sources

Caveats

Source conflicts on EBITDA and revenue basis

Scores are my own estimates

Q1 FY27 = April to June 2026

Thank you

Questions and feedback welcome