Zomato Business Model Explained

Idea In Short

Zomato, now operating under parent company Eternal Limited, built one of India's largest food-tech platforms by combining restaurant discovery with delivery logistics and a growing quick-commerce arm. Founded in 2008 as a restaurant menu directory, the company expanded into food delivery, table reservations and a paid membership program called Zomato Gold. Its revenue comes primarily from commissions charged to restaurant partners, delivery fees and advertising placements. This article examines how Zomato earns money, why it restructured its corporate identity in 2025 and what its business model canvas reveals about its competitive position against Swiggy, Uber Eats and other rivals. Readers will find a breakdown of Zomato's history, ownership structure and the nine building blocks that define its operations.

Zomato began as a simple restaurant menu directory in New Delhi and grew into one of India's largest food-technology platforms. The company connects diners, restaurants and delivery riders through a single app, earning revenue primarily through commissions on completed orders. Its founders, Deepinder Goyal and Pankaj Chaddah, built the business around a straightforward observation:

> people needed better information about where to eat

The company's evolution from information provider to transaction platform mirrors a pattern common among internet marketplaces. Zomato first solved a discovery problem, then moved into the higher-margin business of facilitating and taking a cut of the transaction itself. This shift from advertising-supported directory to commission-based marketplace transformed its revenue potential.

From FoodieBay to a public food-tech company

Zomato launched in 2008 under the name FoodieBay, offering restaurant menus and reviews to diners in Delhi. The founders renamed the company Zomato in 2010 as it expanded into other Indian cities and the platform later added user reviews, ratings and social features that turned it into a community rather than just a directory. The company went public on Indian stock exchanges in 2021, becoming the first Indian food delivery company to complete an initial public offering.1

Growth accelerated through acquisitions. Zomato bought Urbanspoon in 2015 to gain a foothold in North America, then acquired the delivery startup Runnr in 2017 to build its own food delivery capability rather than relying solely on restaurant discovery. These moves positioned the company to compete directly with Swiggy in India and international players entering the market.

> Zomato's mission statement, "better food for more people", frames its expansion into delivery, quick commerce and business supply as extensions of a single goal rather than unrelated diversification

The 2025 rebrand to Eternal Limited

In March 2025, the company's board changed its corporate legal name from Zomato Limited to Eternal Limited, following approval from India's Ministry of Corporate Affairs.2 The stock ticker changed from ZOMATO to ETERNAL on Indian exchanges. Importantly, the consumer-facing food delivery app kept the Zomato name and branding, meaning most users saw no visible change.

The rename reflects how far the business has moved beyond its original restaurant discovery service. Eternal Limited now houses four distinct businesses: Zomato for food delivery, Blinkit for quick commerce grocery delivery, District for events and going-out services and Hyperpure for supplying restaurants with ingredients and kitchen equipment. Deepinder Goyal has said the "Eternal" name was already used internally after the company acquired Blinkit, to distinguish the parent entity from the food delivery brand.

How the commission model works

Restaurants pay Zomato a percentage of each order's value, typically between 15% and 25%, depending on their agreement with the platform. This commission structure means Zomato's revenue rises and falls with order volume and average order size, giving the company a direct incentive to grow both metrics. The platform also earns commissions on table reservations made through the app, extending the same model beyond delivery.

Delivery fees charged to customers supplement the restaurant commission, with the amount varying by order value and distance. Advertising is a separate but related revenue line: restaurants pay to appear higher in search results or to run promotional campaigns, similar to how search engines monetize sponsored listings. Zomato Gold, the company's subscription program, adds a recurring revenue stream by charging members a fee in exchange for discounts and perks at partner restaurants.3

Competitive pressure from Swiggy and global rivals

Swiggy remains Zomato's most direct competitor in India and the two companies have spent years matching each other on delivery speed, restaurant selection and expansion into smaller cities. This rivalry has kept commission rates and delivery fees under competitive pressure, since neither company can raise prices without risking market share loss to the other.4

Internationally, Zomato faces a different competitive landscape. Uber Eats, DoorDash, Grubhub and Delivery Hero operate in markets where Zomato has limited or no presence, following its decision to sell its India-focused assets rather than compete broadly overseas. This narrower international footprint means Zomato's growth strategy leans more heavily on deepening its position in India through quick commerce and adjacent services than on geographic expansion.

Data as a monetization layer

Zomato collects data on consumer ordering patterns, cuisine preferences and restaurant performance across millions of transactions. This data feeds back into the platform through personalized recommendations for users and analytics dashboards for restaurant partners, who can use the information to adjust menus, pricing and marketing. The company has increasingly positioned data services as a distinct value proposition for restaurant partners rather than a byproduct of its core operations.

This approach follows a pattern seen at other consumer internet platforms, where transaction data becomes a product in its own right. For Zomato, offering analytics to restaurants creates a reason for partners to remain on the platform beyond the basic need for order volume, strengthening retention in a market where switching between delivery apps carries little friction for restaurants.

Ownership and public market position

Info Edge India, an early investor in Zomato, remains its largest institutional shareholder, reflecting the long relationship between the two companies dating back to Zomato's early funding rounds. Other major shareholders include Sequoia Capital India, Alibaba's Ant Financial affiliate, Temasek Holdings and Fidelity Management & Research, alongside a retail shareholder base built through the 2021 initial public offering.5 Deepinder Goyal, the co-founder and chief executive, holds a minority stake that keeps him financially aligned with the company's public market performance.

The public listing subjected Zomato and now Eternal Limited, to quarterly earnings scrutiny that a private company would not face. This has pushed management to demonstrate a path toward sustained profitability across its food delivery, quick commerce and business supply segments, rather than prioritizing growth alone.6

Key Partners

Zomato's key partners include restaurant owners who list their menus and fulfill orders, independent delivery riders who complete last-mile logistics and payment gateway providers who process transactions securely. Technology partners supply cloud infrastructure and mapping services that keep the app running at scale. Investors and financial partners, including early backer Info Edge India, have supplied the capital needed to fund expansion into delivery and quick commerce. Data and analytics partners help Zomato process the volume of transaction information generated daily across its markets.

Key Activities

The company's core activities include restaurant discovery, order facilitation and last-mile food delivery, all supported by continuous technology development. Customer support teams handle order issues, refunds and complaints across the platform. Marketing activities drive both user acquisition and restaurant sign-ups, while data collection and analysis inform product decisions and advertising targeting. Partnership management ensures restaurant and delivery relationships remain stable as the platform scales.

Key Resources

Zomato's digital platform, comprising its app and website, forms the primary resource through which all transactions occur. Brand recognition built over more than a decade gives the company credibility with both diners and restaurant owners. A large and active user base creates network effects that attract new restaurant partners, while the delivery fleet, though largely composed of independent contractors, represents a critical operational resource. Technology infrastructure and employee expertise round out the resources that keep the platform functioning reliably.

Value Propositions

For consumers, Zomato offers convenience through a single app for restaurant discovery, ordering and real-time delivery tracking. Personalization driven by order history helps users find restaurants and dishes suited to their tastes. For restaurant partners, the platform provides access to a large audience without the upfront cost of building independent delivery infrastructure. Advertising tools let restaurants pay for increased visibility, while analytics services help them understand customer behavior and adjust operations accordingly.

Customer Relationships

Zomato maintains relationships with diners through personalized recommendations, responsive customer support and feedback channels built into the app. Restaurant partners receive dedicated account support to help them manage listings, respond to reviews and troubleshoot delivery issues. Delivery partners interact with the company through an operational relationship focused on order assignment, incentive structures and support during deliveries.

Channels

The Zomato mobile app and website serve as the primary channels through which diners browse restaurants and place orders. SMS and email marketing keep users informed about promotions and order status. Social media channels support brand awareness and customer engagement, while a customer support hotline handles more complex issues that self-service tools cannot resolve.

Customer Segments

Zomato serves two primary segments: individual consumers looking for restaurant information and food delivery and restaurant businesses seeking exposure and order volume. Consumers tend to be urban, mobile-first users who value convenience and variety in dining options. Restaurant partners range from small independent eateries to larger chains, all seeking access to Zomato's audience without building their own delivery capability.

Cost Structure

Zomato's largest costs include delivery operations, which cover payments to riders and logistics coordination, along with technology infrastructure needed to support millions of daily transactions. Staff salaries, marketing expenditure and research and development add to operating costs. Legal and regulatory compliance costs have grown as food delivery platforms face increasing scrutiny over gig worker classification and consumer protection rules in various markets.

Revenue Streams

The company generates revenue primarily through commissions charged to restaurants on delivery and reservation orders, supplemented by delivery fees paid by customers. Advertising and promotional fees from restaurants seeking greater visibility add another income stream. The Zomato Gold subscription program contributes recurring revenue, while data and analytics services sold to restaurant partners represent a smaller but growing source of income.

- 1Zomato Is Now Eternal Limited, Company Unveils New Logo

- 2Zomato transforms into Eternal Ltd as it expands beyond food delivery
- 3Zomato to be Renamed as Eternal, Food Delivery App Name Remains Same
- 4Zomato Is Now Officially Eternal As MCA Confirms Name Change
- 5Eternal Limited
- 6India's Zomato to rebrand as Eternal

Summary

Zomato's path from a Delhi restaurant directory to a listed food-tech company illustrates how platform businesses scale by layering services on top of a single user relationship. Commissions from restaurant partners remain the core revenue driver, supplemented by delivery fees, advertising and the Zomato Gold membership. The company's 2025 corporate rebrand to Eternal Limited reflects its expansion beyond food delivery into quick commerce through Blinkit and business supplies through Hyperpure. Competition from Swiggy in India and global players such as Uber Eats and DoorDash keeps margins under pressure, pushing Zomato toward diversification. The business model canvas below breaks down how the company organizes partners, resources and revenue to sustain its position in one of the world's largest food delivery markets.