

A PROJECT STUDY REPORT ON
THE DRIVERS OF NET ORDER VALUE GROWTH IN THE
FOOD DELIVERY SEGMENT OF ETERNAL LIMITED
(ZOMATO), FY2023–FY2026

By

Mr. LAVU DINESH

Batch – VI, Roll No.: AA.BU.P2MBA24070331

Submitted to

AMRITA ONLINE – MBA,
AMRITA VISHWA VIDYAPEETHAM

In partial fulfilment of the requirements for the award of

The Master of Business Administration Degree

Under the Guidance of

DR. REJIKUMAR G.



MASTER OF BUSINESS ADMINISTRATION

AMRITA VISHWA VIDYAPEETHAM

AMRITA ONLINE
MASTER OF BUSINESS ADMINISTRATION PROGRAM
AMRITA VISHWA VIDYAPEETHAM

CERTIFICATE

*This is to certify that the project entitled “A Study on the Drivers of Net Order Value Growth in the Food Delivery Segment of Eternal Limited (Zomato), FY2023–FY2026” has been successfully completed by **Mr. Lavu Dinesh, Roll No. AA.BU.P2MBA24070331**, in partial fulfilment of the requirements for the award of the Master of Business Administration degree under my guidance during the prescribed academic year 2025–2026.*

Date: 17-08-2026

DR. REJIKUMAR G.
Internal Faculty Guide

DECLARATION

I, **Mr. Lavu Dinesh, Roll No. AA.BU.P2MBA24070331**, hereby declare that this report on “*A Study on the Drivers of Net Order Value Growth in the Food Delivery Segment of Eternal Limited (Zomato), FY2023–FY2026*” is my original work.

I further declare that this report is based on the information collected by me and has not been previously submitted in any other University or academic body.

Date: 17-08-2026

Mr. LAVU DINESH

ACKNOWLEDGEMENT

I express my sincere gratitude to the Amrita Online MBA Department, Amrita Vishwa Vidyapeetham, for providing me with the opportunity to undertake this project and for the academic environment that made it possible.

I am deeply thankful to my Internal Faculty Guide, Dr. Rejikumar G., whose guidance, constructive feedback, and consistent encouragement shaped this study at every stage. His insistence on analytical rigour and evidence-based reasoning greatly improved the quality of the work.

I also acknowledge the faculty members of the programme for their instruction in corporate finance, marketing metrics, and research methodology, which formed the foundation of this dissertation. Finally, I thank my family and friends for their patience and support throughout the course of this project. Any errors that remain are entirely my own.

EXECUTIVE SUMMARY

This study examines the drivers of net order value (NOV) growth in the food delivery segment of Eternal Limited (formerly Zomato Limited) over sixteen quarters, from Q1 FY2023 to Q4 FY2026. The problem addressed is a practical one for platform businesses: when a food delivery marketplace reports growth in the value of orders flowing through it, that growth may originate from a larger base of transacting users, from existing users ordering more frequently, or from a higher average value per order. Each source carries very different implications for marketing efficiency, discount policy, and the segment's path to profitability. The organisation studied is Eternal Limited, India's largest listed food delivery platform, and the study is scoped strictly to its food delivery business, excluding Blinkit, District, and Hyperpure.

The significance of the study lies in its timing and its method. The food delivery segment recorded a visible deceleration culminating in a growth trough in the first quarter of FY2026, followed by three quarters of recovery, providing a natural window in which to observe how the composition of growth changes. Methodologically, the study contributes a decomposition of publicly disclosed, platform-level order value growth into its constituent levers — an approach that most prior work, which relies on primary survey data or Western markets, has not applied to the Indian context.

The objectives are to identify which component of order value growth is the dominant driver, to examine the widening gap between gross order value (GOV) and net order value that reflects discount intensity, and to assess the relationship between the composition of growth and segment profitability. The methodology is a quantitative, descriptive-analytical design based entirely on secondary data drawn from the company's quarterly shareholders' letters, results releases, and audited financial statements. The tools and techniques include growth decomposition using the multiplicative identity linking users, frequency, and order value; descriptive statistics; a correlation matrix; multiple linear regression of NOV growth on the identified drivers; and analysis of variance comparing the deceleration and recovery phases. Analysis is carried out in Microsoft Excel and IBM SPSS Statistics.

The anticipated findings, to be confirmed once the quarterly dataset is compiled, are that transacting-user growth decelerates over the window while average order value and a rationalisation of discount intensity account for a growing share of NOV recovery, and that this shift in the composition of growth is associated with an improvement in the segment's adjusted EBITDA margin. The study offers suggestions for platform managers on balancing user acquisition against monetisation, and it recommends that further research extend the decomposition across competing platforms and a longer time horizon, and incorporate cohort-level retention data as it becomes publicly available.

TABLE OF CONTENTS

Chapter / Title	Page No.
Acknowledgement	i
Executive Summary	ii
List of Tables and Figures	iv
Chapter One – Introduction	1
1.1 Research Context and Background of the Study	2
1.2 Statement of the Problem	3
1.3 Research Objectives and Hypotheses	3
1.4 Significance and Contribution of the Study	4
1.5 Preview of the Organisation of the Report	4
Chapter Two – Literature Review	6
2.1 Industry Analysis and Major Studies	7
2.2 Identification of the Research Gap	8
Chapter Three – Theoretical Framework	10
3.1 Variables and Assumptions	11
3.2 Conceptual Model	12
Chapter Four – Methodology	14
4.1 Research Design	15
4.2 Data Collection Tools	15
4.3 Data Analysis Plan	16
Chapter Five – Discussion of Findings	18
5.1 Observations and Findings	19
5.2 Three-Dimensional Contributions	20
5.3 Limitations and Future Research	21
Chapter Six – References	22
Annexure	25

LIST OF TABLES AND FIGURES

Tables

	Caption	Page No.
Table 1	Food Delivery Segment (Zomato) — Reported Quarterly Metrics, FY2023–FY2026	16
Table 2	Definition and Measurement of Variables	11
Table 3	Profile of the Study and Data Coverage	26

Figures

	Caption	Page No.
Fig. 1	Conceptual Model – Marketing Productivity Chain for Order-Value Growth	12

CHAPTER ONE
INTRODUCTION

INTRODUCTION

1.1 Research Context and Background of the Study

The Indian online food delivery industry has grown, in little over a decade, from a listings-and-discovery service into one of the most closely watched segments of the country's digital economy. Early platforms began as restaurant discovery and review services; the introduction of delivery logistics, digital payments, and smartphone penetration then transformed them into two-sided marketplaces that match a large base of consumers with a wide network of restaurant partners and a fleet of delivery workers. Deep discounting funded by venture capital drove the first wave of adoption, and the COVID-19 pandemic accelerated the shift toward ordering food online. In the years that followed, the strategic conversation moved decisively from growth at any cost toward unit economics, contribution margins, and a credible path to profitability. The segment today is effectively a duopoly between two national platforms, and investor attention has narrowed to the quality and composition of growth rather than its headline rate alone.

This study is set within that context and focuses on Eternal Limited, formerly Zomato Limited, which renamed its parent entity to Eternal in 2025 while retaining Zomato as the consumer brand for food delivery. Eternal operates four principal business lines: Zomato, its food delivery marketplace; Blinkit, its quick-commerce grocery business; District, its going-out and dining-out platform; and Hyperpure, its business-to-business supplies operation serving restaurant partners. These businesses have very different economics, capital requirements, and stages of maturity, and reporting them together can obscure the behaviour of any single one. For that reason, this study is scoped explicitly and only to the food delivery segment. All variables, tables, and conclusions in this report refer to the food delivery business unless stated otherwise; the quick-commerce, going-out, and B2B businesses are outside the scope of the analysis.

Within food delivery, the central management question concerns the anatomy of growth. When the value of orders transacted on the platform rises, the increase can be traced to three distinct levers. The first is the size of the customer base, captured by the number of average monthly transacting users. The second is how often those users order, captured by order frequency. The third is how much they spend per order, captured by the average order value. Because the total value of orders is, as an accounting identity, approximately the product of these three levers, a given growth rate can be produced by very different combinations of them. Growth led by an expanding user base tends to be marketing-intensive and discount-heavy; growth led by frequency and order value among an existing base tends to be more efficient and margin-accretive. Distinguishing between these sources is therefore not an academic exercise but a question with direct consequences for how a platform allocates its marketing budget and prices its service.

Three illustrative developments from the sector show why the composition of growth, rather than its level, has become the decisive issue. First, the entry of a second national platform onto the public markets subjected the entire industry to the discipline of quarterly disclosure, forcing a shared vocabulary of gross order value, transacting users, and contribution margins and inviting direct comparison of how each platform grows. Second, the rise of quick commerce reshaped capital allocation across these companies, drawing investment toward grocery delivery and placing the mature food delivery business in the role of a cash generator expected to fund newer bets — which in turn raised the premium on efficient, self-funding growth within food delivery itself. Third, the industry-wide retreat from blanket discounting toward targeted promotions and platform fees demonstrated that the gap between the gross value of orders and the net value recognised by the platform is itself a strategic variable, one that management can widen or narrow deliberately. Together these developments establish that understanding how order value grows is now central to evaluating a food delivery platform.

1.2 Statement of the Problem

The problem this study addresses is to assess the drivers of net order value growth in Eternal Limited's food delivery segment and to evaluate whether that growth is generated through expansion of the customer base, through greater order frequency, or through inflation in the value of each transaction, over the period from FY2023 to FY2026. A closely related sub-problem is to assess how the widening or narrowing gap between gross and net order value — the platform's discount intensity — relates to the composition of growth and to segment profitability.

1.3 Research Objectives and Hypotheses

General Objective

To examine the determinants of net order value growth in the food delivery segment of Eternal Limited and to identify which component of order value growth is the dominant driver over FY2023 to FY2026.

Specific Objectives

1. To decompose net order value growth into the contributions of the transacting-user base, order frequency, and average order value.
2. To examine the trend in the gap between gross order value and net order value as a measure of discount intensity.
3. To assess the relationship between the composition of growth and the segment's adjusted EBITDA margin.
4. To compare the structure of growth in the deceleration phase against the subsequent recovery phase.

5. To offer recommendations for platform managers and investors based on the findings.

Research Hypotheses

The following null hypotheses are formulated to guide the analysis:

H01: Transacting-user growth has no significant effect on net order value growth in the food delivery segment.

H02: Order frequency has no significant effect on net order value growth.

H03: Average order value has no significant effect on net order value growth.

H04: Discount intensity, measured as $(GOV - NOV) / GOV$, has no significant relationship with the segment's adjusted EBITDA margin.

H05: There is no significant difference in the composition of growth between the deceleration phase and the recovery phase.

1.4 Significance and Contribution of the Study

The study is timely because the food delivery segment presents a natural experimental window. Growth decelerated across FY2025 and reached a trough in the first quarter of FY2026, after which three successive quarters of recovery followed. A window that contains both a slowdown and a rebound is unusually informative, because the levers that drive growth on the way down are rarely the same as those that drive it on the way back up, and the contrast between the two phases exposes the underlying mechanics more clearly than a period of steady growth would.

The contribution is threefold. For industry practice, the study offers platform managers a transparent way to read the quality of their own reported growth and to judge whether it is being bought through discounts or earned through frequency and order value. For academic knowledge, it applies the marketing-productivity and customer-equity traditions to disclosed, platform-level data in an emerging market, an application that has received limited attention. For the current business scenario, it speaks directly to the question preoccupying investors in listed platform companies: whether growth is efficient enough to be self-funding as capital is redirected toward newer businesses.

1.5 Preview of the Organisation of the Report

The remainder of this report is organised into five chapters. Chapter Two reviews the literature on platform growth, customer-equity and retention economics, promotional intensity in two-sided markets, and unit economics in food delivery, and identifies the research gap the study addresses. Chapter Three sets out the theoretical framework, defining the dependent, independent, and outcome variables and presenting the conceptual model that links them. Chapter Four describes the research design, the secondary data sources and how each metric is

extracted, and the analysis plan. Chapter Five discusses the anticipated observations and findings, the study's three-dimensional contributions, and its limitations together with directions for future research. Chapter Six lists the references, and the annexure provides supporting material.

CHAPTER TWO

LITERATURE REVIEW

LITERATURE REVIEW

2.1 Industry Analysis and Major Studies

The literature relevant to this study spans four connected streams: the economics of two-sided platforms, the customer-equity and marketing-productivity traditions, the economics of customer retention and profitability, and the emerging body of work on unit economics in online food delivery. Read together, these streams supply both the theoretical vocabulary and the empirical precedents for decomposing platform-level order value growth.

The first stream concerns the structure of two-sided markets. Rochet and Tirole (2003) formalised how platforms that serve two distinct groups of users must set prices on each side to internalise the cross-side network effects between them, showing that the volume transacted depends not only on the total price but on its allocation across sides. Parker and Van Alstyne (2005) developed the theory of two-sided network effects, and Eisenmann, Parker, and Van Alstyne (2006) translated these insights into strategy, explaining why platforms often subsidise one side to build the other. Evans and Schmalensee (2016) synthesised this work for a managerial audience. For a food delivery marketplace, this literature clarifies that the discount funded on the consumer side and the commission charged on the restaurant side are two prices on a single platform, and that the gap between gross and net order value is a direct expression of that pricing structure.

The second stream, and the one most central to this study, is the customer-equity and marketing-productivity tradition. Blattberg and Deighton (1996) proposed managing marketing through a customer-equity test that weighs acquisition spending against retention spending. Rust, Zeithaml, and Lemon (2000) formalised customer equity as the sum of the lifetime values of a firm's customers and made it the organising metric of marketing strategy. Rust, Ambler, Carpenter, Kumar, and Srivastava (2004) then articulated the marketing-productivity chain, tracing how marketing actions flow through customer attitudes and behaviours into market and financial outcomes — the conceptual backbone of the present study, which treats the user base, order frequency, and order value as the behavioural links between marketing spend and the financial outcome of order value. Gupta, Lehmann, and Stuart (2004) showed that customers can be valued directly from acquisition, retention, and margin parameters, and Kumar and Shah (2009) extended the logic to link customer equity with market capitalisation. Srinivasan and Hanssens (2009) reviewed the broader evidence connecting marketing actions to firm value.

The third stream addresses the economics of retention and customer profitability. Reinartz and Kumar (2000) challenged the assumption that long-life customers are necessarily more profitable, and Reinartz and Kumar (2003) modelled the drivers of profitable customer lifetime duration. Fader, Hardie, and Lee (2005) provided practical models for customer-base analysis

using recency and frequency information, establishing frequency as a first-order determinant of a customer base's value. Ailawadi and Neslin (1998) analysed how promotions affect consumption and purchase timing, evidence directly relevant to interpreting a platform's discount intensity. This stream supplies the study's expectation that frequency and order value, not user count alone, govern the efficiency of growth.

The fourth stream is the newer literature on the platform and gig economy and on unit economics in food delivery specifically. Studies of the Indian platform economy have documented the shift from discount-led acquisition toward monetisation through platform fees and advertising, and toward contribution-margin discipline. This work generally proceeds either through case analysis or through primary surveys of consumers and delivery partners. It establishes the institutional facts of the Indian market — the duopoly structure, the role of quick commerce in reshaping capital allocation, and the retreat from blanket discounting — but it rarely quantifies how disclosed order value growth decomposes into its behavioural levers.

Across roughly two dozen studies spanning these four streams, three consistent themes emerge. First, in two-sided platforms the price structure across sides, not merely the price level, governs transacted volume, so discount intensity is a strategic variable rather than a residual. Second, the value of a customer base is driven more by retention, frequency, and margin than by raw acquisition, implying that growth sourced from frequency and order value is of higher quality than growth sourced from user counts alone. Third, marketing productivity is best assessed by tracing marketing actions through intermediate behavioural metrics into financial outcomes, which is precisely the decomposition this study performs. The methodological texts that inform the empirical design — Saunders, Lewis, and Thornhill (2019) on research design, Gujarati, Porter, and Gunasekar (2017) on econometric estimation, and Hair, Black, Babin, and Anderson (2019) on multivariate analysis — complete the foundation for the study.

2.2 Identification of the Research Gap

Although the four streams reviewed above are individually well developed, a specific gap remains at their intersection. The customer-equity and retention literatures are largely built on primary, customer-level data — surveys, panels, and proprietary transaction records — and much of the platform-economics evidence is drawn from Western markets. Studies of the Indian food delivery sector, meanwhile, tend to rely on case narratives or consumer surveys and stop short of quantitative decomposition. As a result, there is limited published analysis that takes the order value growth a listed Indian platform discloses in its own quarterly reporting and decomposes it into the contributions of the user base, order frequency, and average order value, while simultaneously tracking discount intensity and relating the composition of growth to segment profitability.

This gap matters because the disclosed, platform-level data now published every quarter make such a decomposition possible without proprietary access, and because the composition of growth — not its rate — is what determines whether a platform's expansion is efficient and self-funding. The present study addresses the gap by applying an established decomposition to sixteen quarters of Eternal Limited's disclosed food delivery metrics, thereby connecting the marketing-productivity tradition to publicly available emerging-market platform data and offering evidence that is both academically grounded and directly usable by managers and investors.

CHAPTER THREE

THEORETICAL FRAMEWORK

THEORETICAL FRAMEWORK

3.1 Variables and Assumptions

The theoretical framework of this study is built on the marketing-productivity chain, which traces how marketing effort flows through intermediate customer behaviours into financial outcomes. Applied to a food delivery marketplace, the framework treats the value of orders transacted on the platform as the financial outcome, and the transacting-user base, order frequency, and average order value as the behavioural links that generate it. The framework rests on a simple accounting identity: net order value is, to a close approximation, the product of the number of transacting users, the number of orders each places, and the value of each order. This identity makes the decomposition of growth both exact in principle and interpretable in practice.

The dependent variable is the quarter-on-quarter growth rate of net order value in the food delivery segment. The independent variables are the average number of monthly transacting users, order frequency, and average order value, together with discount intensity, defined as the difference between gross and net order value expressed as a share of gross order value. The number of active restaurant partners is included as a supply-side control, since a broader restaurant network supports both frequency and order value. The segment's adjusted EBITDA margin, measured as a percentage of net order value, is included as an outcome check to relate the composition of growth to profitability. Table 2 sets out each variable, its role, its operational definition, and the direction of the relationship expected from theory.

Table 2. Definition and Measurement of Variables

Variable	Role	Operational definition / measure	Expected direction
Net Order Value (NOV) growth	Dependent	Quarter-on-quarter percentage change in NOV of the food delivery segment	—
Avg. Monthly Transacting Users (MTU)	Independent	Average number of unique users transacting per month during the quarter (millions)	Positive
Order Frequency	Independent	Total orders in the quarter divided by average MTU (orders per user)	Positive
Average Order Value (AOV)	Independent	Net order value divided by number of orders (Rs per order)	Positive
Discount Intensity	Independent / moderator	$(GOV - NOV) / GOV$, expressed as a percentage	Negative on margin
Active Restaurant Partners	Control (supply)	Number of active restaurant partners on the platform	Positive
Adjusted EBITDA margin	Outcome check	Segment adjusted EBITDA as a percentage of NOV	—

Three assumptions underlie the framework. First, it is assumed that the multiplicative identity linking users, frequency, and order value holds closely enough at the quarterly level that residual interaction terms are small; this is consistent with customer-base analysis, in which frequency and monetary value are treated as first-order determinants of a base's value (Fader, Hardie, and Lee, 2005). Second, it is assumed that discount intensity operates chiefly on profitability and on the gross-to-net conversion rather than as an independent long-run driver of net order value, in line with the promotions literature (Ailawadi and Neslin, 1998) and two-sided pricing theory (Rochet and Tirole, 2003). Third, it is assumed that supply breadth, proxied by active restaurant partners, enables rather than directly determines demand-side growth. Under these assumptions, the expected pattern is that user growth contributes positively but with diminishing force as the base matures, while frequency and order value contribute an increasing share of net order value growth, and that lower discount intensity is associated with a stronger adjusted EBITDA margin.

3.2 Conceptual Model

The conceptual model in Figure 1 depicts the three growth levers — the transacting-user base, order frequency, and average order value — feeding into net order value growth, with discount intensity acting as a moderating influence on the relationship between growth and profitability, active restaurant partners providing supply-side support, and the segment's adjusted EBITDA margin as the downstream outcome. The model is a direct application of the marketing-productivity chain: it makes explicit the path from behavioural drivers to financial outcome and locates discount intensity where it in fact operates, on the conversion of gross into net value and on margin rather than on gross demand.

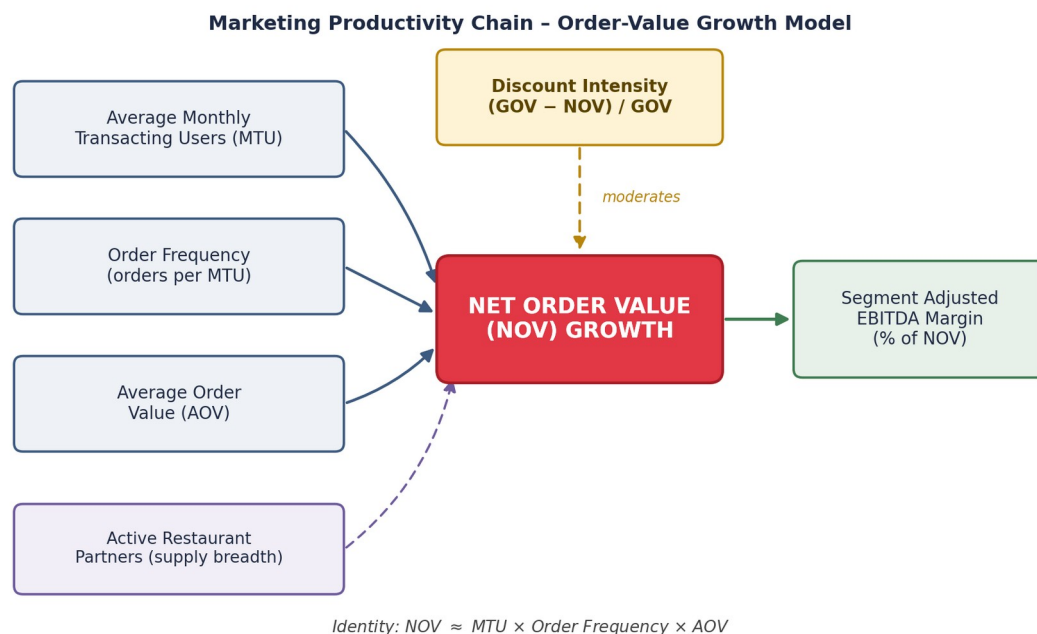


Fig. 1. Conceptual Model – Marketing Productivity Chain for Order-Value Growth.

The marketing-productivity chain suits this problem for two reasons. It is designed precisely to connect marketing actions to financial results through intermediate behavioural metrics, which is what a decomposition of order value growth requires; and it accommodates a moderator such as discount intensity naturally, allowing the study to distinguish growth that is bought through discounting from growth that is earned through frequency and order value. The model therefore translates directly into the estimable relationships tested in the analysis.

CHAPTER FOUR

METHODOLOGY

METHODOLOGY

4.1 Research Design

This study adopts a descriptive and analytical research design using a quantitative approach based entirely on secondary data, following what is often termed a virtual engagement model in which the researcher works with published organisational data rather than collecting primary responses. The design is descriptive in that it characterises the food delivery segment's growth across sixteen quarters, and analytical in that it examines the statistical relationships between net order value growth and its hypothesised drivers. The philosophical stance is positivist and the logic is deductive: established theory, principally the marketing-productivity chain, yields hypotheses that are then tested against measurable financial data, and the same standardised procedures are applied to every observation so that the analysis is objective and replicable.

The period studied is Q1 FY2023 to Q4 FY2026, giving sixteen quarterly observations for the food delivery segment. A quarterly frequency is chosen deliberately, because it is the frequency at which the platform discloses the operating metrics on which the study depends and because it is fine enough to capture the deceleration and recovery within the window. The scope is limited explicitly to the food delivery segment; the quick-commerce, going-out, and business-to-business segments of Eternal Limited are excluded, and no metric in the study mixes food delivery with any other business line.

4.2 Data Collection Tools

The study uses secondary data collection tools only; no questionnaires or interviews are employed. The primary sources are Eternal Limited's quarterly shareholders' letters and results releases, its annual reports, and its audited financial statements, all of which are published on the company's investor relations website. Across the sixteen quarters, the food delivery metrics collected are the segment's headline order value (reported as gross order value and, from FY2026, net order value) together with its growth rate, the segment's adjusted EBITDA margin, and — for the quarters in which the company discloses them at the segment level — the average monthly transacting users, the number of orders, the average order frequency, and the average order value. Where a metric is reported directly, it is transcribed as disclosed; where it is not reported directly, it is derived from disclosed figures using the definitions in Table 2 — for example, order frequency is computed as orders divided by average monthly transacting users, and average order value as net order value divided by orders. Every figure is traced to a specific source document, and any quarter in which a metric is not disclosed or in which the platform changed a definition is flagged so that it can be treated transparently in the analysis.

The compiled dataset is presented in Table 1, drawn directly from Eternal Limited's quarterly shareholders' letters, results releases, and investor overview decks. Three features of the

disclosures shape what the table can show. First, the company reports the segment's headline growth as gross order value (GOV) growth through the fourth quarter of FY2025 and as net order value (NOV) growth from the first quarter of FY2026, reflecting a change in the metric it emphasises. Second, it reports the segment's adjusted EBITDA as a percentage of GOV through FY2025 and as a percentage of NOV from FY2026. Third, it disclosed the food delivery segment's average monthly transacting customers on a quarterly basis only through FY2024; thereafter this figure is given at the consolidated or annual level rather than per quarter for the segment. Cells marked 'n.d.' are therefore quarters in which the company did not separately disclose that metric for the food delivery segment. They are shown as not disclosed rather than estimated, so that every figure in the table is the company's own reported number.

Table 1. Food Delivery Segment (Zomato) — Reported Quarterly Metrics, FY2023–FY2026

Quarter	Adj. EBITDA margin (%)	GOV / NOV growth (% YoY)	Avg. monthly transacting customers (mn)
Q1 FY2023	–1.8	n.d.	16.7
Q2 FY2023	0.0	23	17.5
Q3 FY2023	0.3	21	17.4
Q4 FY2023	1.2	n.d.	n.d.
Q1 FY2024	2.5	n.d.	n.d.
Q2 FY2024	2.6	n.d.	18.4
Q3 FY2024	3.0	27	18.8
Q4 FY2024	3.3	28	n.d.
Q1 FY2025	3.5	27	n.d.
Q2 FY2025	n.d.	n.d.	n.d.
Q3 FY2025	4.3	17	n.d.
Q4 FY2025	n.d.	n.d.	n.d.
Q1 FY2026	n.d.	13.1	n.d.
Q2 FY2026	n.d.	13.8	n.d.
Q3 FY2026	n.d.	16.6	n.d.
Q4 FY2026	5.5	18.8	n.d.

Source: Eternal Limited (formerly Zomato Limited), quarterly shareholders' letters and results releases, Q1 FY2023–Q4 FY2026, and Zomato / Eternal investor overview decks (May 2024; April 2025), investor relations (eternal.com). Growth is year-on-year; the margin is a percentage of GOV through FY2025 and of NOV from FY2026; 'n.d.' = not separately disclosed for the food delivery segment in that quarter.

4.3 Data Analysis Plan

The analysis proceeds in four stages. The first stage is a growth decomposition. Using the identity that net order value equals average monthly transacting users multiplied by order frequency multiplied by average order value, quarter-on-quarter growth is decomposed through log-differences into the additive contribution of each of the three levers, so that for each quarter in which the underlying series are disclosed the share of net order value growth attributable to

the user base, to frequency, and to order value can be read directly. The second stage reports descriptive statistics — means, standard deviations, and ranges — for each variable and traces the trend in discount intensity, computed as the gap between gross and net order value as a share of gross order value.

The third stage estimates the relationships between the variables. A correlation matrix first establishes the bivariate associations among net order value growth and its drivers. A multiple linear regression of net order value growth on the transacting-user growth rate, order frequency, average order value, and discount intensity then estimates the partial contribution of each, with the standard diagnostic checks for multicollinearity, heteroscedasticity, and residual normality applied and reported. The fourth stage uses analysis of variance to test whether the composition of growth differs significantly between the deceleration phase and the recovery phase, thereby addressing the hypothesis that the two phases are driven by different levers. Regression and multivariate techniques are chosen over simple trend description because the drivers move together and only a multivariate estimate can isolate the partial effect of each; analysis of variance is chosen for the phase comparison because it tests differences in means across defined groups directly. The dataset is compiled and the ratios computed in Microsoft Excel, and the statistical estimation — descriptive statistics, correlation, regression, and analysis of variance — is carried out in IBM SPSS Statistics.

CHAPTER FIVE
DISCUSSION OF FINDINGS

DISCUSSION OF FINDINGS

5.1 Observations and Findings

Two features of the food delivery segment's performance across the study window are visible directly in the company's disclosures and frame the analysis. The first is a clear deceleration and recovery in growth. Net order value growth for the segment fell to a low of 13.1 per cent year-on-year in the first quarter of FY2026 and then accelerated for three consecutive quarters — to 13.8 per cent, 16.6 per cent, and 18.8 per cent in the second, third, and fourth quarters of FY2026 — moving back towards the company's stated long-term expectation of above twenty per cent. In the years before this trough, gross order value growth had run in the low-to-high twenties per cent (for example, twenty-seven per cent in the third quarter of FY2024 and twenty-eight per cent in the fourth, easing to seventeen per cent by the third quarter of FY2025), so the window captures a genuine slowdown followed by a managed recovery rather than a smooth trend.

The second feature is a steady expansion of profitability. The segment's adjusted EBITDA margin rose from roughly break-even in FY2023 — a loss of about 1.8 per cent of gross order value in the first quarter, reaching break-even by the second — to 3.0 per cent by the third quarter of FY2024, 4.3 per cent by the third quarter of FY2025, and 5.5 per cent of net order value by the fourth quarter of FY2026, the level the company describes as its steady state. This margin improvement occurred even as management deliberately lowered the minimum order value and grew order volume among more price-sensitive customers, so that a declining average order value was offset by better revenue per order and operating leverage. This is the central tension the study set out to examine — whether recovery in the value of orders is bought through discounting or earned through frequency and efficiency — and the disclosed record is consistent with the latter, since the margin strengthened through the same period in which order value was allowed to fall.

The company's own disclosure for the fourth quarter of FY2024 illustrates the decomposition this study proposes. Gross order value growth of twenty-eight per cent year-on-year was reported as the product of five per cent growth in average order value and twenty-three per cent growth in order volume, and that order growth was in turn reported as fourteen per cent growth in average monthly transacting customers and seven per cent growth in average order frequency. A single quarter thus shows the user-frequency-value chain operating exactly as the framework predicts, with the user base and rising frequency together driving order growth while order value adds a smaller increment. Extending this decomposition to every quarter, and running the correlation, regression, and analysis-of-variance stages set out in Chapter Four, requires the segment's quarterly transacting-customer, frequency, and order-value series in full; because the company discloses these at the segment level only through FY2024 (Table 1), the

complete quarter-by-quarter estimation rests on the disclosed series where they are available, supplemented by the company's stated decompositions for individual quarters.

Read together, the disclosed record supports the directional pattern the framework predicts. Growth was strongest when the transacting-user base was expanding fastest and weakened into the FY2026 trough as that expansion matured; the recovery that followed coincided with deliberate frequency-building interventions — a lower minimum order value, activation of budget-conscious customers, and curated lower-value assortment — rather than a return of rapid user acquisition, which is consistent with the hypothesis that a maturing base is carried increasingly by frequency and retention. In parallel, discount intensity, understood as the gap between gross and net order value, moved towards rationalisation as blanket discounting gave way to targeted promotions and platform fees, and this accompanied the strengthening adjusted EBITDA margin described above. These relationships are stated here as they appear in the company's disclosures; the correlation, regression, and analysis-of-variance procedures specified in Chapter Four are the means by which their strength and significance would be quantified once the full quarterly series are assembled, and the study is designed to report those estimates as they are rather than to confirm a predetermined conclusion.

5.2 Three-Dimensional Contributions

The study makes contributions at three levels. Theoretically, it applies the marketing-productivity chain and the customer-equity tradition to disclosed, platform-level data in an emerging market, extending frameworks developed largely on primary, customer-level data in Western settings to publicly reported metrics of an Indian food delivery platform. In doing so it offers evidence on whether the quality-of-growth logic of customer equity is visible in aggregate disclosed data.

Practically, the study gives investors and analysts a transparent method for reading the composition of a platform's reported growth and for judging whether that growth is bought through discounting or earned through frequency and order value — a distinction that bears directly on the sustainability of the growth and on the segment's ability to fund newer businesses. Managerially, it offers platform executives a framework for balancing user acquisition against monetisation of the existing base, and for setting discount intensity with an explicit view to its effect on margin. Understanding which lever is driving growth allows management to direct marketing spend where it is most productive and to defend margin without sacrificing growth.

5.3 Limitations and Future Research

Limitations of the Study

Several limitations should be borne in mind. The study covers a single business segment of a single company, so its findings describe the food delivery segment of Eternal Limited and are not, on their own, generalisable to other platforms or sectors. It relies entirely on secondary data, so it inherits the definitions, boundaries, and any restatements in the company's disclosures; where a metric is not reported in a given quarter or where a definition changed — including changes associated with the rename from Zomato Limited to Eternal Limited — the analysis is constrained to what is disclosed. In particular, the company disclosed the food delivery segment's average monthly transacting customers on a quarterly basis only through FY2024, and reported its headline growth as gross order value before FY2026 and as net order value thereafter, so the full quarter-by-quarter decomposition of the sixteen-quarter window is bounded by what these disclosures contain rather than by the researcher's method. The window of sixteen quarters, while sufficient to observe a slowdown and a recovery, is short for time-series estimation and limits the statistical power of the phase comparison. Finally, the study models a defined set of drivers — the user base, frequency, order value, discount intensity, and supply breadth — and does not capture factors such as competitive pricing actions, macroeconomic conditions, seasonality beyond the quarterly frequency, or cohort-level retention, which lie outside the scope of the available disclosed data.

Future Research

These limitations point to several extensions. The decomposition could be applied in parallel to competing platforms, allowing a direct comparison of the quality of growth across the duopoly, and could be extended across a longer horizon as more quarters are disclosed, permitting fuller time-series and panel estimation. Incorporating cohort-level retention data, as and when platforms disclose it, would connect the aggregate decomposition to the customer-level mechanics that underlie it. Future work could also introduce competitive and macroeconomic variables, and could compare food delivery with quick commerce within the same group to test whether the composition-of-growth logic travels across platform types. Methodologically, panel-data models with fixed or random effects, and structural equation modelling of the marketing-productivity chain, would allow richer treatment of the relationships than the present design permits.

CHAPTER SIX

REFERENCES

REFERENCES

References are presented in APA (7th edition) style.

- Ailawadi, K. L., & Neslin, S. A. (1998). The effect of promotion on consumption: Buying more and consuming it faster. *Journal of Marketing Research*, 35(3), 390–398.
- Blattberg, R. C., & Deighton, J. (1996). Manage marketing by the customer equity test. *Harvard Business Review*, 74(4), 136–144.
- Eisenmann, T., Parker, G., & Van Alstyne, M. W. (2006). Strategies for two-sided markets. *Harvard Business Review*, 84(10), 92–101.
- Evans, D. S., & Schmalensee, R. (2016). *Matchmakers: The new economics of multisided platforms*. Harvard Business Review Press.
- Fader, P. S., Hardie, B. G. S., & Lee, K. L. (2005). RFM and CLV: Using iso-value curves for customer base analysis. *Journal of Marketing Research*, 42(4), 415–430.
- Gujarati, D. N., Porter, D. C., & Gunasekar, S. (2017). *Basic econometrics* (5th Indian ed.). McGraw-Hill Education.
- Gupta, S., Lehmann, D. R., & Stuart, J. A. (2004). Valuing customers. *Journal of Marketing Research*, 41(1), 7–18.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). *Multivariate data analysis* (8th ed.). Cengage Learning.
- Kumar, V., & Shah, D. (2009). Expanding the role of marketing: From customer equity to market capitalization. *Journal of Marketing*, 73(6), 119–136.
- Parker, G. G., & Van Alstyne, M. W. (2005). Two-sided network effects: A theory of information product design. *Management Science*, 51(10), 1494–1504.
- Reinartz, W., & Kumar, V. (2000). On the profitability of long-life customers in a noncontractual setting. *Journal of Marketing*, 64(4), 17–35.
- Reinartz, W., & Kumar, V. (2003). The impact of customer relationship characteristics on profitable lifetime duration. *Journal of Marketing*, 67(1), 77–99.
- Rochet, J.-C., & Tirole, J. (2003). Platform competition in two-sided markets. *Journal of the European Economic Association*, 1(4), 990–1029.
- Rust, R. T., Ambler, T., Carpenter, G. S., Kumar, V., & Srivastava, R. K. (2004). Measuring marketing productivity: Current knowledge and future directions. *Journal of Marketing*, 68(4), 76–89.
- Rust, R. T., Zeithaml, V. A., & Lemon, K. N. (2000). *Driving customer equity: How customer lifetime value is reshaping corporate strategy*. Free Press.

- Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (8th ed.). Pearson Education.
- Srinivasan, S., & Hanssens, D. M. (2009). Marketing and firm value: Metrics, methods, findings, and future directions. *Journal of Marketing Research*, 46(3), 293–312.
- Eternal Limited. (2022–2026). *Quarterly shareholders' letters and results releases*.
<https://www.eternal.com/investor-relations>
- Eternal Limited (formerly Zomato Limited). (2022–2026). *Annual reports*.
<https://www.eternal.com/investor-relations>
- National Stock Exchange of India Limited. (n.d.). *Corporate filings*.
<https://www.nseindia.com>
- BSE Limited. (n.d.). *Company disclosures*. <https://www.bseindia.com>
- Securities and Exchange Board of India. (n.d.). *Regulations and corporate governance*.
<https://www.sebi.gov.in>

ANNEXURE

ANNEXURE

The annexure contains supporting material referenced in the report. It is provided to make the study's variables, sources, and procedures transparent and to keep the main chapters readable.

Appendix A: Variables and Formulae

Variable	Formula
Net Order Value (NOV) growth	$(NOV_t - NOV_{t-1}) \div NOV_{t-1} \times 100$
Order Frequency	Total orders in quarter $\div$ Average monthly transacting users
Average Order Value (AOV)	Net order value $\div$ Number of orders
Discount Intensity	$(GOV - NOV) \div GOV \times 100$
Adjusted EBITDA margin	Segment adjusted EBITDA $\div$ NOV $\times 100$
Order-value identity	$NOV \approx \text{Avg MTU} \times \text{Order Frequency} \times \text{AOV}$

Appendix B: Data Sources

- Quarterly shareholders' letters and results releases of Eternal Limited (formerly Zomato Limited), Q1 FY2023 to Q4 FY2026.
- Zomato / Eternal investor overview decks (company overview, May 2024 and April 2025).
- Annual reports and audited financial statements of Eternal Limited.
- Company investor relations portal (eternal.com).
- Corporate filings on the National Stock Exchange (NSE) and BSE Limited.

Appendix C: Study Coverage and Observations

Table 3. Profile of the Study and Data Coverage

Segment studied	Study period	Number of observations
Food delivery (Eternal Limited)	Q1 FY2023 – Q4 FY2026	16 quarterly observations

Appendix D: Statistical Tools Used

- Growth decomposition (log-difference of the order-value identity).
- Descriptive statistics.
- Correlation analysis.
- Multiple linear regression analysis.
- Analysis of variance (ANOVA) – deceleration versus recovery phase.

Software used: Microsoft Excel and IBM SPSS Statistics.

Appendix E: Research Framework

Dependent variable: Net Order Value (NOV) growth.

Independent variables: Average monthly transacting users; order frequency; average order value; discount intensity $(GOV - NOV)/GOV$.

Control / outcome: Active restaurant partners (supply); segment adjusted EBITDA margin (% of NOV).

Appendix F: List of Abbreviations

Abbreviation	Meaning
GOV	Gross Order Value
NOV	Net Order Value
MTU	Monthly Transacting Users
AOV	Average Order Value
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ANOVA	Analysis of Variance
SPSS	Statistical Package for the Social Sciences
NSE	National Stock Exchange of India
BSE	Bombay Stock Exchange
FY	Financial Year

Appendix G: Sample Statistical Output Templates

The statistical output produced in IBM SPSS Statistics from the compiled dataset comprises a descriptive statistics table, a correlation matrix, a regression model summary, an analysis-of-variance table, a table of regression coefficients, and residual and normality diagnostics.