



A COMPARATIVE STUDY OF ZOMATO AND SWIGGY WITH SPECIAL REFERENCE TO THEIR MARKETING STRATEGIES

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Abstract: In recent years, advancements in technology have made it possible to order food online from the comfort of our homes. Zomato, originally a platform for restaurant reviews, has expanded its services to include online food ordering and delivery, table reservations, and restaurant management software development. The company has been successful in India and has expanded into various foreign markets including Europe, the United States, the United Kingdom, and the Middle East. Swiggy, another food delivery company, has also gained a large customer base in India.

The marketing strategies employed by Zomato and Swiggy have proven to be successful, as evidenced by their continued growth in the online food delivery industry. In today's world, where people spend most of their time on their phones and are surrounded by technology, it's not surprising that they prefer to order food online using their mobile devices, given how easy and convenient it has become. These companies will need to come up with innovative ideas to maintain their market leadership and ensure their continued success. One crucial aspect of this is how well they can educate customers about the value, benefits, and quality of their services, which can help customers make better-informed purchasing decisions. Thus, the purpose of this paper is to examine consumer views and perceptions of Zomato, Swiggy, and their marketing strategies.

Index Terms - Online food delivery, Marketing Strategies, Technology, Customer, Perception, Views, Zomato, Swiggy.

I. INTRODUCTION OF INDUSTRY

Food delivery has become an essential aspect of urban living in today's world. As a result, delivery personnel can be spotted frequently during the day. These individuals can be recognized by their continuous cycling, as they deliver orders that are often branded with the company's logo, including clothing such as t-shirts and hats.

Food delivery and courier services share similarities in terms of their objective of delivering goods from one location to another, either through their own personnel or third-party delivery providers. The method of ordering can vary, depending on the medium used such as a restaurant website or aggregator app. Customers are typically charged a flat rate for shipping, although this may be waived for larger orders. The COVID-19 pandemic has popularized contactless delivery, and food delivery services have expanded their offerings to include grocery delivery from supermarkets. Advancements in technology have resulted in faster and more efficient food service, which has led to increased customer satisfaction and loyalty.

Food delivery businesses employ various models to ensure fast and safe delivery of freshly prepared food. These models differ from one another in terms of their approach and purpose, but their ultimate goal remains the same.

1) Platform to customer model

One popular food delivery model is the third-party app model, which involves using applications provided by third-party companies to display a list of nearby restaurants to customers. The customers can then choose a restaurant from the list, and the food is delivered to them by either the restaurant or the third-party platform's delivery service. This model is utilized by companies such as Zomato and Swiggy. The goal of this model is to provide customers with a variety of restaurant options and fast delivery of fresh food.

2) Aggregators

In the food delivery aggregator model, a delivery service serves as a mediator between the customer and various local restaurants. These delivery services also provide customer support on behalf of the restaurants in case of any issues with delivery or orders. Some of the major players currently using this model include JustEat, Delivery Hero, and GrubHub.

3) Full-Stack Model

The full-stack food delivery model encompasses a company that takes care of every aspect of the food delivery service, from developing its own application to hiring delivery staff and cooking the food in its own facilities. Cloud kitchens, which do not have a physical dining area, are commonly used for food preparation. However, launching this model requires a significant investment in the platform.

4) The restaurant-to-consumer model

The restaurant-to-consumer delivery model is adopted by well-established companies such as McDonald's, Burger King, and Domino's. These companies provide food delivery services directly to their customers through their website or mobile app, but only in certain regions. In areas where they do not offer direct delivery, they partner with third-party delivery companies like Door Dash and Zomato to ensure that their customers receive their orders in a timely and efficient manner.

II. INTRODUCTION OF COMPANIES

Zomato

Zomato is a food delivery and restaurant aggregator start-up founded in 2008. Based in India, the company operates in 24 countries around the world, including Australia and the United States. Apart from providing users with restaurant information, menus, and reviews, Zomato also offers various services like online ordering, table reservation, and more. The company collects all necessary information from each restaurant and makes sure that their data is always up-to-date. Additionally, Zomato has a community of food lovers and bloggers who share their own reviews and photos, providing customers with all the necessary information to make informed choices.

Zomato's main objective is to increase their business by targeting hungry customers, and they do this by providing a user-friendly application that makes ordering easy. They also offer many promotions and deals to attract customers. Zomato's large customer base is an added advantage for them. As a platform for restaurant search and discovery, online food ordering, and restaurant table reservations, Zomato is a leading company in this industry.

Zomato was established by Deepinder Goyal and Pankaj Chadha, and its headquarters are located in Gurgaon (previously known as Gurugram). The company has become a pioneer in food ordering and restaurant discovery in India, benefiting both consumers and restaurants alike. Zomato boasts a strong review system, which enables food enthusiasts to discover the finest restaurants and eateries in their area. Notably, Zomato has joined the ranks of companies that have expanded globally after initially launching in India. Today, Zomato's platform comprises over 1 million restaurants worldwide.

Swiggy

Swiggy was founded in 2014 by Sriharsha Majety, Nandan Reddy, and Rahul Jaimini in Bengaluru, India. They identified the need for a more efficient and reliable food delivery service in the market. Swiggy has since become a leading player in the food ordering and delivery industry in India. Using their proprietary technology platform, Swiggy connects customers with local restaurants and provides a seamless ordering and delivery experience. The company also offers a subscription-based loyalty program, Swiggy Super, which provides free deliveries and other benefits to customers. Swiggy has expanded rapidly, and currently operates in over 500 cities in India.

Swiggy's delivery fleet is a significant part of its business model. The company has built its own delivery network, including delivery executives, to ensure fast and efficient delivery of food. This allows Swiggy to provide a reliable delivery service and maintain control over the entire delivery process, from food preparation to delivery. Swiggy also uses technology to optimize its delivery operations, such as real-time tracking of delivery personnel and dynamic routing to ensure timely delivery. This has helped Swiggy establish a strong brand presence and gain a loyal customer base in India.

Swiggy is known for its fast delivery and has even introduced innovative technologies like Swiggy Go and Swiggy Genie to ensure even faster deliveries of a wide range of products. Swiggy Go is a service that enables customers to pick up and drop off items like laundry, documents, parcels, and even forgotten items at restaurants or homes. Swiggy Genie is a hyperlocal delivery service that allows customers to send and receive packages across their city within minutes. These services have helped Swiggy expand its offerings beyond food delivery and attract more customers.

III. LITERATURE REVIEW

1. Dr. Mayuri Chaturvedi, Tatikonda Karthik (2019) It's important to note that while some people may face connectivity issues with company executives, many food delivery companies have implemented various customer support channels such as chatbots, email support, and call centers to improve their customer service. Regarding the discounts offered by food delivery companies, it is a common strategy used to attract and retain customers, but it can also lead to losses for the companies.

2. Prof. (Dr.) Sagar H. Mohite, Dr. Ambar Beharay (2020) While social media presence can certainly have an impact on a company's revenue, it is just one of many factors that contribute to a company's success. Swiggy and Zomato are both major players in the online food delivery market in India, and both companies have their own unique strengths and weaknesses. While Zomato may have a strong social media presence, Swiggy may have other advantages such as faster delivery times or a wider selection of restaurants in certain areas. Ultimately, it will be a combination of factors that will determine which company emerges as the market leader in the long term.

3. Anubhav Kumar Pathak, Muskaan Saraf (2020) The cost of online food delivery services can be a barrier to adoption for some people, and the need to increase prices to cover costs or turn a profit can exacerbate the problem. However, offering discounts and deals is also a common marketing strategy to attract new customers and retain existing ones. It's a delicate balance that online food delivery services must strike to remain competitive while also remaining profitable. Additionally, expanding the availability of service to areas that currently do not have it is crucial to growing the market and reaching new customers.

4. J Das (2018) A study has been conducted to analyze and compare the top food delivery apps. Zomato seems to be the top choice among consumers for its better discounts and selection of restaurants. It is also ranked the highest for timely delivery and good customer service. On the other hand, UberEATS seems to be the least preferred among customers in both scenarios.

5. Sethu & bhavya saini It is true that word of mouth and online forums can play a significant role in the success of online food ordering services, as people often trust the opinions and experiences of others before making a purchase decision. This highlights the importance of providing good customer service and ensuring a positive customer experience, which can lead to positive word of mouth and online reviews, ultimately helping to attract new customers and retain existing ones.

1. OBJECTIVES OF THE STUDY

1. To compare the success of their marketing strategies.
2. To identify which channel has provided them more customer base.
3. To determine what kind of perception is created in the mind of the customer by their marketing strategies.
4. To know how often they are able to reach their target customer?
5. To know the different marketing strategies adopted by them.

2. RESEARCH METHODOLOGY

Research is completely based on a logical and systematic way. The study of the overall questions explains with the help of graphs and chart, collecting data from students and analysing these with logical and scientific tools.

2.1 RESEARCH DESIGN

Type of Methodology: Descriptive research.

The methodology for research adopted for carrying out the study is:

1st stage – Theoretical/Detailed study was completed.

2nd stage – Customers perception and view towards Zomato and Swiggy' s marketing strategies.

2.2 SAMPLING

Sampling design	Non-probability sampling
Sampling technique	Purposive sampling
Sample unit	Students
Sample size	100
Area of study	Parul University
Data analysis method	Tables and graphical method

2.3 DATA COLLECTION METHOD

There are two major sources of data: - Primary Data and Secondary Data.

Primary Data- The data which is collected for the first time for specific purpose. It can be through questionnaires and surveys etc.

Secondary Data- The data which is already available somewhere such as website, journal etc.

We have used both Primary as well as Secondary data. To know the different marketing strategies adopted by both the platforms we used secondary data and for other objectives of the research we have collected Primary data. We have prepared a questionnaire in the form of google form and circulate it into the MBA students of Parul university. Our sample size is near about 100.

3. ANALYSIS AND INTERPRETATION

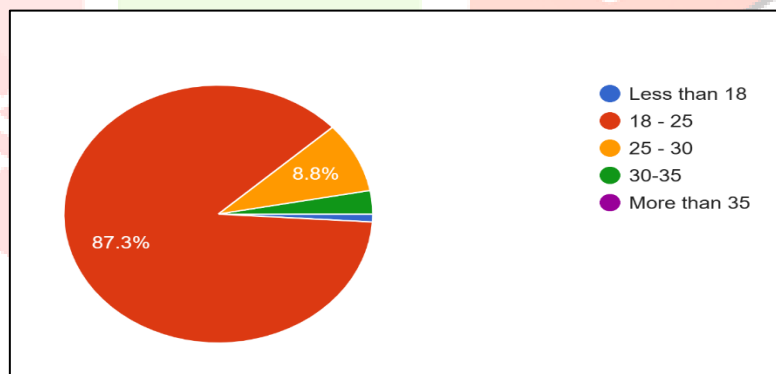


Figure 1- Age

Data Interpretation- Figure no.1 shows that Near about 87% of the respondents are from age 18-25 which is our sample area. Because we circulated the google form in whatsapp group near about 13% are of other than the age between 18-25.

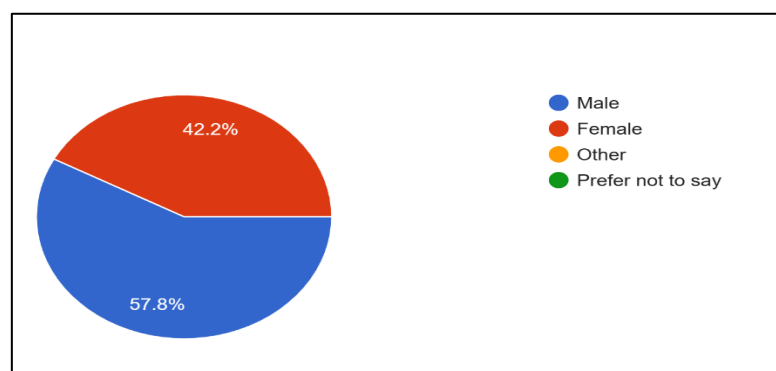


Figure 2 – Gender

Data Interpretation- Figure no. 2 shows that 58% of the respondents are male candidates and 43% are female candidates. We can say that no major difference between male and female candidate among all respondents.

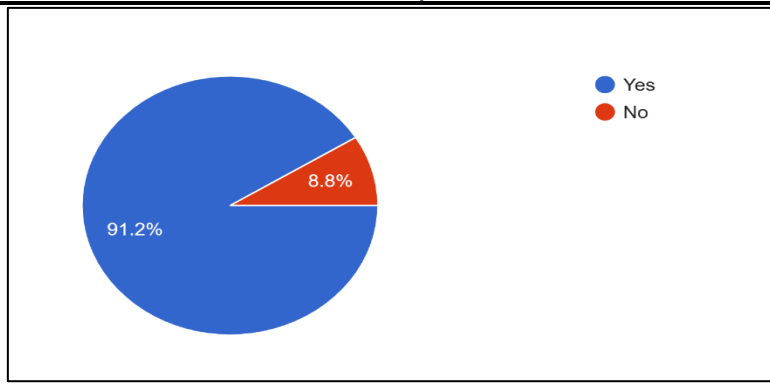


Figure 3- Usage of Platforms

Data Interpretation- Above chart shows that more than 90% respondents have used one of the app minimum once in a life. Only 9% of the respondents never used these apps for online food delivery. These 9 % are not included in the further questions.

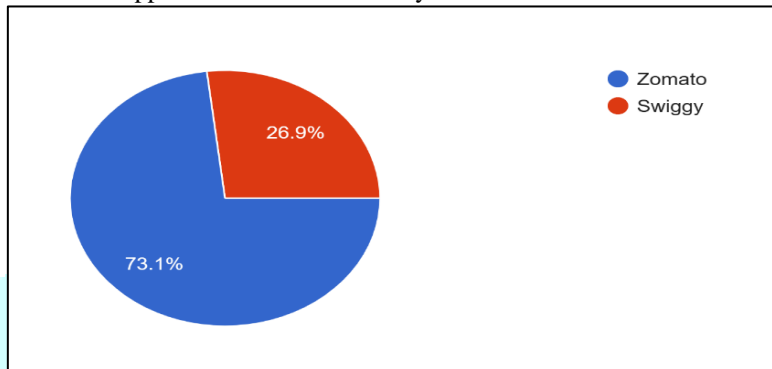


Figure 4 – Preferable app between Zomato and Swiggy

Data Interpretation- Majority of the people preferred Zomato app for online food delivery services. Figure no.4 shows that 73% respondents prefer Zomato over Swiggy. Only 27% prefer Swiggy over Zomato. So, we can say that Zomato marketing strategies are most successful than the Swiggy.

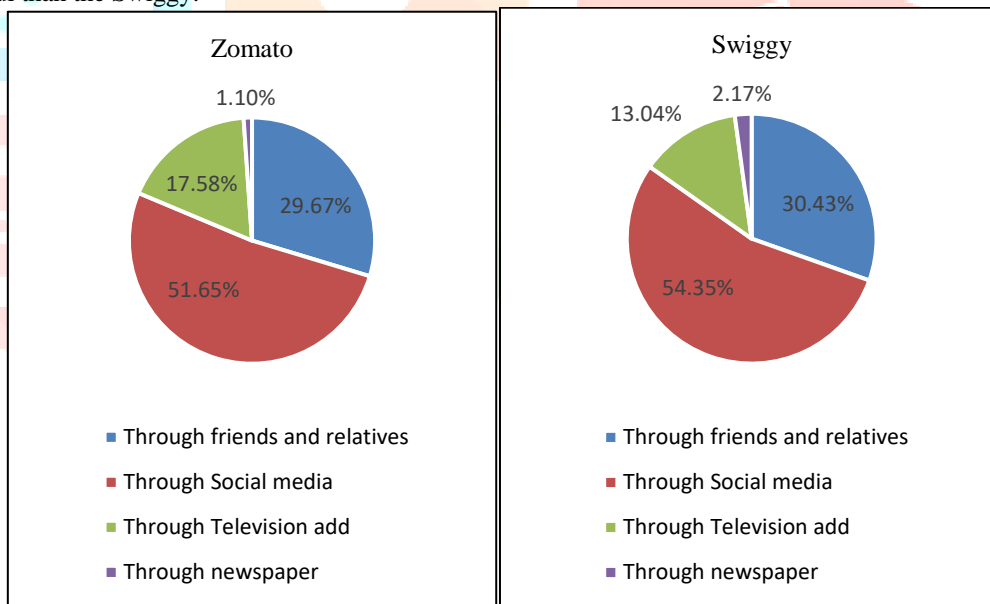


Figure 5 – Source of information at 1st time

Data interpretation: - The above charts shows that more than 50% people get to know about Swiggy and Zomato from social media and rest from others platforms. After Social media words of mouth publicity has greater share.

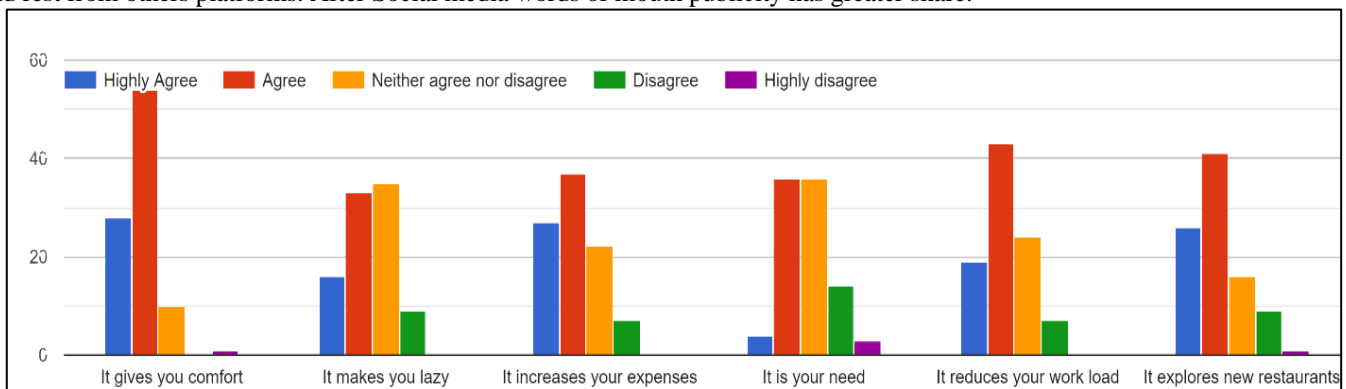


Figure 6 – Perception among people

Data Interpretation: - Above diagram shows that majority of the people feels positive about these platforms. Very less portion of people are more focused on negative side of these platforms. It means they successfully change the mind of customer to switch from traditional buying behaviour to order food from these platforms.

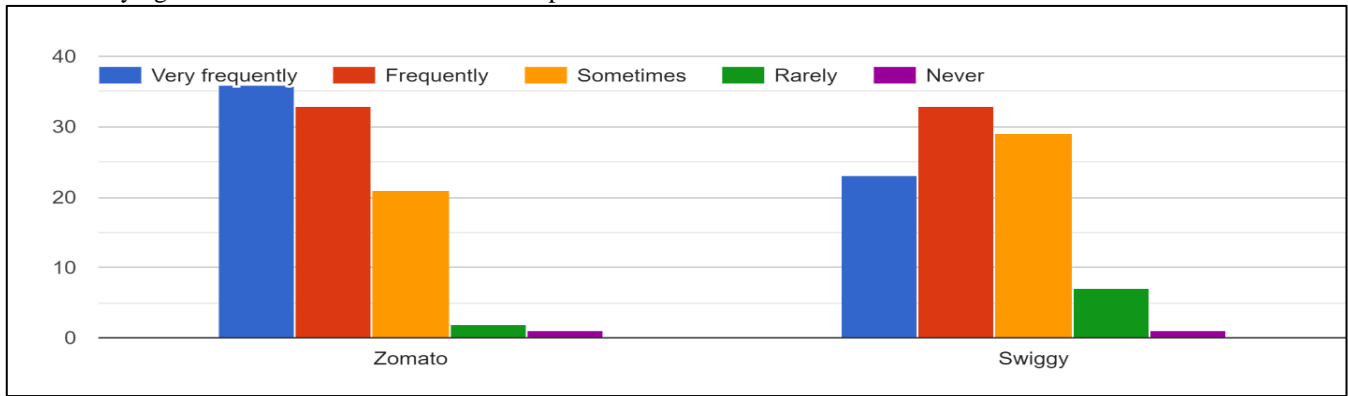


Figure7-Frequency of Advertisement

Data Interpretation: - Figure no. 7 shows that both the platforms are able to reach their target customer frequently. Only a few people said that they have seen the advertisements of both the platform rarely.

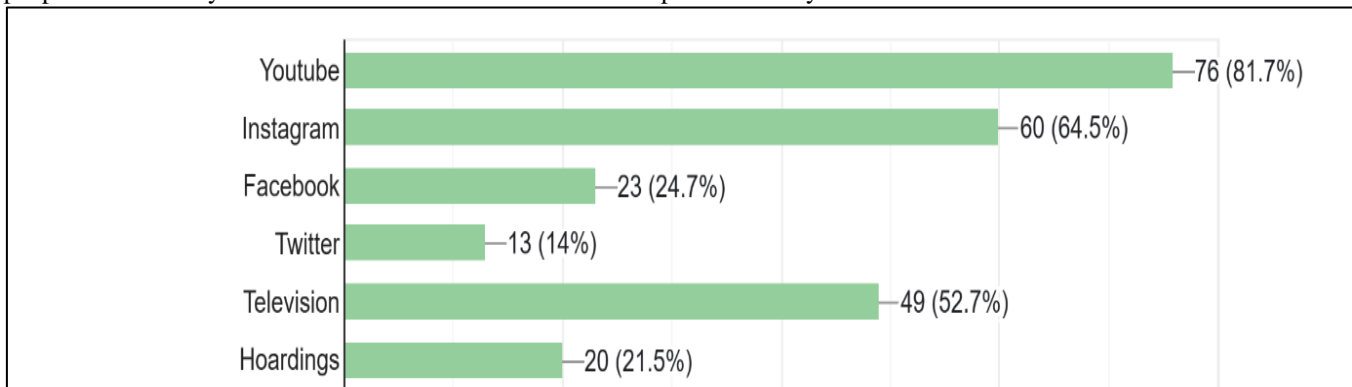


Figure 8 – Different channels of advertisement of Zomato

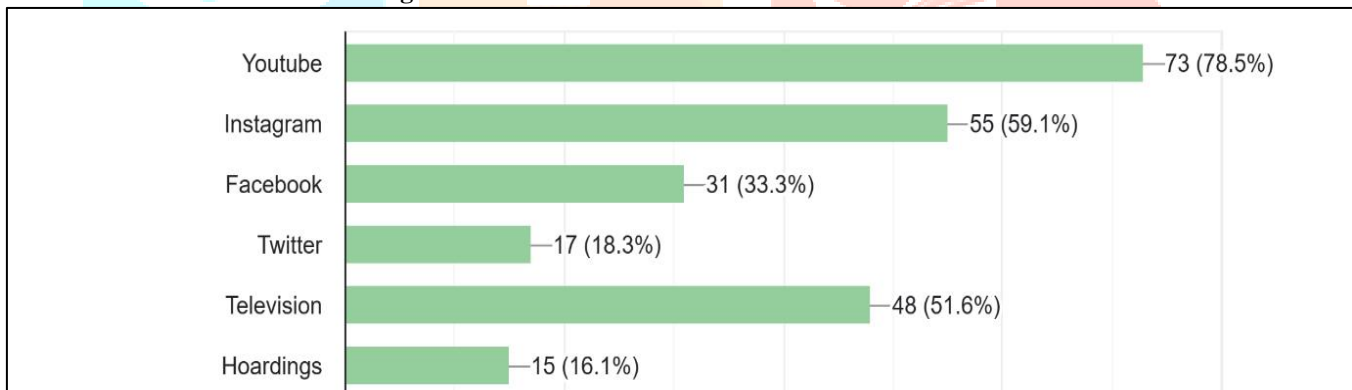


Figure 9 – Different channels of advertisement of Swiggy

Data Interpretation: - In both the above charts, we can see that more than 70% students see advertisements of Zomato and Swiggy on youtube and After Youtube Instagram and Television. In overall, we can say that advertisement on social media is more reachable than the other mode of advertisement.

4. MARKETING STRATEGIES ADOPTED BY ZOMATO

Zomato's marketing strategy is centered on innovation, agility, and efficient communication. The company stands out by using a nonsensical, humorous, and sometimes counter-intuitive tone of voice. The main objective is to engage with their audience through interactions. Their some of marketing strategies are as follows: -

Zomato's Twitter Game

Zomato's marketing strategy is built around innovation, adaptability, and effective communication, which sets them apart from competitors. They prioritize engaging with their audience and use a unique tone of voice that is sometimes nonsensical, witty, and counter-intuitive. To illustrate, they launched a Twitter campaign asking people to share the most creative restaurant they have come across, which generated a lot of engagement. In another tweet, they urged their followers to order less and eat home-cooked food, which is contrary to what one would expect from a food delivery platform. However, they used reverse psychology to their advantage, and the tweet was a hit with customers. Overall, Zomato's success on social media stems from their ability to connect with their community and differentiate themselves in a crowded market.

Networking Strategy

In response to the financial struggles faced by daily wage earners during the pandemic, the company initiated a fund called "Feed the Daily Wager" aimed at providing support to these families. The fund has a target of 50 crores, out of which over 28.13 crores have already been collected. The funds are utilized to distribute meal kits to families that can support up to 5 people for a week. Additionally, the company has formed partnerships with various NGOs and organizations to ensure that the food is distributed to the intended recipients.

SEO Strategy

Zomato's success in generating online traffic is largely attributed to its strong SEO strategy, which accounts for approximately 66% of its website traffic. Through the use of target keywords, URL linking, website pages, internal linking, and social media tactics, the company has been able to rank high in search results for approximately 900,000 keywords. Additionally, Zomato allows registered restaurants to create and manage their pages on its website, resulting in over 54 million pages. The company has also obtained high-quality backlinks from 12,274,172 domains, including .gov and .edu domains, further increasing its domain authority. Overall, Zomato's SEO strategy is a major factor in its dominant position in the market.

Google ads

Zomato utilizes Google Ads to connect with its target audience through the use of branded and non-branded keywords. As Google search results display both organic results and paid ads, Zomato utilizes this platform to attract potential customers. Their Google Ads strategy drives about 0.56% of the company's overall traffic.

Zomato's Email Marketing Strategy

Zomato takes advantage of all marketing channels and effectively utilizes email marketing as well. Zomato's email marketing strategy is just as engaging and clever as its tweets. The company ensures brand loyalty by using attention-grabbing subject lines and compelling calls to action in their emails.

Push Notifications

Zomato's push notification strategy is another effective way to engage and retain its users. The company uses personalized and witty messages to tempt users to order food, making them feel like they're missing out if they don't. By doing so, Zomato establishes a stronger connection with its users and encourages them to complete their orders.

5. MARKETING STRATEGY ADOPTED BY SWIGGY**SEO Strategy**

Swiggy has put in significant efforts to optimize its website for search engines, specifically in terms of meta tags, backlinks, and website structure. The Swiggy homepage has a well-crafted meta title that includes relevant keywords such as "food", "online", "food delivery", "order", and "restaurants near you." Additionally, the meta description includes popular cities of operation and top restaurant partners. The H1 tag on the homepage helps search engines identify the main topic of the page.

Furthermore, Swiggy has a good backlink score with a mix of inbound and outbound links. They also ensure that there are no broken links on their website and redirect traffic from non-preferred domains to their preferred domains. The advanced sitemap they have in place assists search engines in understanding the website's structure. Overall, Swiggy has put in significant efforts to ensure their website is optimized for search engines.

Social Media Marketing

Swiggy has a strong social media campaign strategy, and in the past, they have created successful campaigns such as #eatyourveggies, #earnyourcheatmeal, and #superswiggy. These campaigns use witty wordplay and phrases to introduce healthy eating in a humorous way. When not running campaigns, Swiggy uses Instagram to create visually appealing images of food that make people crave good food and prompt them to order from Swiggy. They also use Instagram's grid feature creatively to increase engagement. Swiggy creates short videos that are less than 30 seconds long and posts them on YouTube. The videos focus on how Swiggy can be useful to users in various scenarios. All of these social media strategies help increase user engagement, reduce unsubscribe rates, and connect people to Swiggy's page.

Email Marketing

Swiggy's email marketing strategy is effective as it focuses on personalization and providing value to the users through discounts and promotions. The use of clicky subject lines and attractive visuals also helps to increase open rates and engagement. By leveraging current affairs and events, Swiggy makes its emails more relatable and relevant to its audience, which further boosts engagement and conversions. Overall, Swiggy's email marketing strategy is a great example of how to effectively use this channel to drive sales and build customer loyalty.

Paid Advertising

Swiggy runs Google Ads to target people looking for food, but we cannot confirm that without access to their marketing strategy. However, it is common for companies to use Google Ads as part of their marketing strategy to target potential customers through both text ads and display ads. These ads can be targeted to specific audiences based on location, demographics, interests, and search history, among other factors. This allows companies to reach people who are already interested in their products or services, increasing the chances of conversion.

6. FINDINGS

1. Zomato's marketing strategy is better than Swiggy's. Zomato offers more attractive offers than swiggy to attract more customers.
2. People prefer Zomato for home delivery of food due to various reasons than Swiggy.
3. People consider the positive aspects of these platforms more and only a few consider the negative aspects.
4. Social media is the best channel for advertising to reach more target customers.
5. In social media too, Youtube is best platform for advertising.
6. We can reach the target audience organically also.
7. Both the platforms remain successful to reach their target audience frequently through their market strategies.
8. There are very few people who have not still used Zomato and Swiggy even once.

7. SUGGESTIONS

1. Swiggy may offer more attractive offers or discounts to compete with Zomato.
2. They should do more research on consumer behavior and try to get a deep understanding of consumer behavior, which can help them improve their marketing strategy.
3. They should increase their marketing spend budget to give more discounts and to attract the customers.
4. They need to identify why people prefer Zomato over Swiggy and make the necessary changes.
5. Swiggy can post different creations on Facebook and Twitter. Publishing the same creation on different platforms can also be ineffective. Each platform is independent and targets different people. They should have their own strategies and creativity for different platforms.
6. Zomato can spend more money on Research and development to find out the other potential market and reasons why other people are not preferring their app in existing locations.

8. CONCLUSION

While there may be differences in the effectiveness of certain marketing strategies between Zomato and Swiggy, it's important to note that both companies have been successful in building their brands and acquiring a large user base in the highly competitive online food delivery market in India. Both companies have utilized a variety of marketing channels such as social media, email, SEO, SEM, and push notifications to engage with their users and drive sales.

In terms of specific areas of strength, Zomato has been particularly successful in leveraging social media to connect with its users through witty and engaging content, while Swiggy has focused on optimizing its SEO to drive organic traffic to its website. Additionally, both companies have invested in email marketing and Google Ads to reach their users and incentivize them to order food through their platforms.

Overall, while there may be room for improvement in certain areas, it's clear that both Zomato and Swiggy have developed effective marketing strategies that have helped them build their brands and drive growth in the highly competitive online food delivery market.

9. FURTHER SCOPE OF STUDY

In this study, we have only focused on the marketing strategies of both the platforms. There can be other aspects too which effects the customer preferences such as timely delivery, user friendly interface, delivery boy's behaviour etc. We did not consider these aspects in this study. We can study further why people are preferring Zomato over Swiggy other than the attracting offers?

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