



# “A STUDY ON IMPACT OF ONLINE FOOD DELIVERY APP (SPECIAL REFERENCE TO ZOMATO AND SWIGGY ) ON RESTAURANTS

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## ABSTRACT

In this study, the marketing strategies of two leading players in the online food delivery industry were evaluated : Swiggy and Zomato . These platforms are navigating a competitive and rapidly evolving environment . It is necessary to understand their unique approaches to customer engagement, brand building, and market expansion.The abstract provides a short overview of the research, emphasizing that user experience, loyalty programs, partnerships, and advertising campaigns are the main points of focus. In the online food delivery industry, the marketing strategies employed by Zomato and Swiggy have been successful, which is evidenced by their continued growth. In order to maintain their market leadership and ensure their continued success, these companies will need to generate innovative ideas . In the end, this study contributes to a greater understanding of the techniques these platforms use to capture and maintain a growing customer base in the fast-paced world of online food delivery.

**KEYWORDS :** Marketing Strategies , Swiggy , Zomato, Online food delivery

## INTRODUCTION OF INDUSTRY

In the fast-paced food delivery industry Everybody appears to be interested in the food order and delivery option for the convenience and immediate supply of food. This has some obvious impacts on the traditional formats of dining-in restaurants as additional individuals opt to have restaurant-style cuisines right within the privacy of their homes or offices. The speed at which the organized sector is rapidly growing, it's solely a matter of your time and a much larger chunk of world investments before a extremely massive impact is formed in progress eating house businesses that will not have a delivery-focused format of their own. The demand for online ordering is real. It conveys to the customer base that you are a modern growing restaurant and very challenging to others that wants to be a traditional & convenient one and accessible for all the guests who used to ordered regularly.

## INTRODUCTION OF COMPANIES

### 1. Zomato

Zomato is a leading online food delivery and restaurant discovery platform headquartered in India. Founded in 2008 by Deepinder Goyal and Pankaj Chaddah, Zomato initially started as a restaurant discovery platform, providing information about menus, user reviews, and ratings. Over the years, it has expanded its services to include online food ordering and delivery in numerous cities across India and around the world.

Zomato's platform allows users to browse through a vast selection of restaurants, cuisines, and dishes, enabling them to order food for delivery or pickup. The platform also provides features such as real-time order tracking, user reviews, and ratings to help customers make informed decisions.

The company has expanded its operations to over 20 countries, including the United States, United Kingdom, Australia, and several countries across Asia, Africa, and Europe.

### 2. Swiggy

Swiggy is a prominent online food delivery platform headquartered in Bangalore, India. Founded in 2014 by Sriharsha Majety, Nandan Reddy, and Rahul Jaimini, Swiggy has quickly grown to become one of the leading players in the Indian food delivery market.

Swiggy's platform allows users to browse through a wide range of restaurants and cuisines, place orders for delivery or pickup, and track the status of their orders in real-time. The platform offers a seamless and convenient ordering experience, with features such as live order tracking, multiple payment options, and customer support.

In addition to its core food delivery services, Swiggy has expanded its offerings to include grocery delivery, alcohol delivery (in select cities), and other hyperlocal delivery services.

## OBJECTIVES

1. To know the impact of food delivery app like Zomato & Swiggy on Restaurant business
2. To know the Customer's preferences and why they prefer online or offline food options
3. To Understand the advantages of online & offline food Ordering
4. To Understand the disadvantages of online & offline food Ordering
5. To Study the Customers Food Preferences

## 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.

## RESEARCH METHODOLOGY

In this Project we study on the impact of online food delivery app " special reference to Zomato and swiggy" Restaurant this research used quantitative technique. The study was conducted with respondents located mostly in Gujarat. The data was obtained via a questionnaire using a Random sampling technique. Data was gathered through the use of a Google form that was circulated online. The population of this research consists of all the people above 15 years who use online food delivery apps. The questionnaire contained a demographic section and a subjective section. A total of 220+ people responded to the survey

## DATA COLLECTION METHODS

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

**1. Primary Data** - The primary data for this study was collected through questionnaire

**2. Secondary Data** - Secondary data was Collected from External sources like Websites , Journals , Research Paper etc

## SAMPLING

Sampling Design - Non Probability Sampling

Sampling Techniques – Random Sampling

Sample Unit - All People above 15 Years who use online food Delivery Apps

Sample Size - 220

Area of study - Gujarat

Data Analysis method – Annova

## HYPOTHESIS

### Customer Reach Hypothesis:

Null Hypothesis (H0): Online food delivery apps do not significantly expand the customer reach for restaurants.

Alternative Hypothesis (H1): The adoption of online food delivery apps, such as Zomato and Swiggy, leads to a significant increase in the customer reach for restaurants.

### Customer Satisfaction Hypothesis:

Null Hypothesis (H0): There is no significant difference in customer satisfaction levels between restaurants that use online food delivery apps and those that do not.

Alternative Hypothesis (H1): Restaurants using online food delivery apps experience higher levels of customer satisfaction compared to those that do not utilize these platforms.

## DATA ANALYSIS AND INTREPRETATION

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	8577.278	12	714.7731	339.765	0	1.755567219
Within Groups	5989.314	2847	2.103728			
Total	14566.59	2859				

- Since the p-value (0) is less than the significance level (usually denoted as alpha, commonly 0.05), you would reject the null hypothesis. This indicates that there are significant differences among the group means in your data.
- The F-statistic tells you the strength of the evidence against the null hypothesis. A larger F-statistic indicates a stronger evidence against the null hypothesis. In your case, the F-statistic is quite large, further supporting the rejection of the null hypothesis.

Based on the results, you have strong evidence to conclude that there are significant differences among the groups being compared.

**NULL HYPOTHESIS IS REJECTED & ALTERNATIVE HYPOTHESIS IS ACCEPTED.**

## FINDINGS

1. The most preferred apps are Zomato on Number 1 and Swiggy on Number 2.
2. 30.8% People consume Outside Food atleast once a week and 26.7% people consume more 2-3 times a week.
3. 24% people Rated 9 out of 10 for preference of online food ordering over offline food.

4. The major factors that influence consumers to use the online food delivery services are More Restaurant Options, High Discounts & Live Tracking .
5. The major factors that prevent consumers to use the online food delivery services are Not Proper Food Packing, High Delivery Charges & High Food Prices.
6. People are highly satisfied using Online Apps like Zomato & Swiggy.
7. There are very few individuals who have not used Zomato or Swiggy at all.
8. 62% People believe that presence of Online Food Delivery Apps have impacted Restaurant Business.

## **SUGGESTIONS**

1. Food app should improve their payment security so that consumers don't hesitate while making payment online.
2. They should provide more offers as customers are mainly using these apps to avail offers.
3. Delivery Apps should reduce their delivery charges.
4. The service quality of food delivery apps needs to improved much more.
5. Food should be packed properly.

## **CONCLUSION**

In this study, we conducted an in-depth analysis of the impact of leading online food delivery platforms, Zomato and Swiggy, on the restaurant industry. Through a quantitative approach utilizing ANOVA, we aimed to uncover significant insights into customer preferences, satisfaction levels, and the overall influence of these platforms on restaurant businesses.

The results of our analysis revealed compelling findings. Firstly, we found overwhelming evidence to reject the null hypotheses, indicating significant differences among the group means in our data. This underscores the profound impact of online food delivery apps on consumer behavior and restaurant operations.

Our study identified Zomato as the most preferred app followed by Swiggy, highlighting their dominance in the market. Furthermore, we discovered that a substantial portion of consumers opts for outside food delivery on a weekly basis, indicating a growing reliance on these platforms for culinary needs.

Importantly, our findings shed light on the factors driving consumer adoption of online food delivery services, such as diverse restaurant options, attractive discounts, and real-time order tracking. Conversely, challenges such as inadequate food packaging and high delivery charges were identified as deterrents to usage.

Remarkably, a majority of respondents expressed high satisfaction levels with Zomato and Swiggy, emphasizing the positive impact of these platforms on the overall dining experience. Additionally, a significant proportion of individuals acknowledged the transformative effect of online food delivery apps on restaurant businesses.

Based on our findings, we propose several actionable suggestions for enhancing the effectiveness of food delivery apps. These include bolstering payment security, offering more attractive deals, reducing delivery charges, and improving service quality.

In conclusion, our study contributes valuable insights into the evolving landscape of online food delivery and its implications for the restaurant industry. By understanding and adapting to consumer preferences and addressing key challenges, stakeholders can harness the full potential of these platforms to drive growth and innovation in the culinary sector.

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