



# A STUDY ON SUSTAINABLE BUSINESS STRATEGIES ADOPTED BY SWIGGY DURING COVID-19 PANDEMIC

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## **Abstract:**

**Purpose:** In today's COVID hit world all business small or large has taken a hit either positively or negatively. Furthermore, the lockdown imposed due to coronavirus also caused people to switch to online buying of groceries and essentials. Leading Indian food delivery brand Swiggy evolved its model during the pandemic lockdowns to keep pace with the ongoing shift in consumer mindset, and brought the focus on building trust and reassurance contextually for the category. This study will focus on the sustainable business strategies adopted by Swiggy during COVID-19 Pandemic for online delivery related to food items, edibles and others.

**Design:** The researcher has used both primary and secondary data for the present study. The primary data has been collected from 100 Swiggy customers situated in Mumbai. For Hypothesis testing researcher has used one way ANOVA table for logical justification.

**Finding:** This research concludes that the impact of COVID-19 and its repercussion on online food delivering platforms is both 'positive' and 'negative'. But online food delivery platforms like Swiggy has converted threats into opportunity and adopted various strategies for sustainability of their business during COVID-19 pandemic.

**Key words:** *Swiggy, Strategies, Sustainable business, COVID-19*

## **INTRODUCTION:**

Swiggy is India's largest online food item ordering & delivery chain, it also tops the chart of India Unicorn startup lists. It's a Bangalore based startup started in 2014, and as of now, it's expanded to more than 100 Indian cities. Swiggy propelled quick pick and drop food delivery applications to make the life of people simpler. It gives a single window to request from an extensive variety of restaurants along with an entire food entering and conveyance arrangement that connects neighbourhood eateries with foodies. Swiggy came into existence in the year 2014 when two BITS Pilani graduates, Sriharsha Majety and Nandan Reddy came up with the concept 'Hyper local food delivery'. They get acquainted with Rahul Jaimini, who rejuvenated this vision with a principle site. In August 2014, Swiggy started activities by joining a couple of eateries in the city Koramangala in Bengaluru. Following that, they started conveying food to their clients in just 40 minutes. Soon after this, in May 2015, Swiggy raised its initial round of financing and came up with the application. Through this innovative app, one can get incredible food right to their doorstep and evolve their living standard. The lockdown during the last few months brought mixed news for food delivery brand Swiggy. While the early months of Covid-19 were an intense phase with the brand trying to overcome countless challenges to keep the operations optimally running, the easing of the lockdown July onwards brought back demand and resurgence. Accordingly, the brand pivoted its offering and added the layer of trust and safety to its existing aggregator model of restaurants as well as expanded beyond its core offering of food delivery.

## **SERVICES OFFERED BY SWIGGY**

1. Online food delivery
2. Instamart: Convenient online grocery delivery service
3. Genie: Pickup and drop any item from anywhere in the city
4. Meat delivery service
5. Moments (food gifting service)
6. Scootsy (gourmet restaurants)
7. Speciality Food Stores (Speciality organic food marts)

## **RESEARCH METHODOLOGY**

The researcher has collected data through primary as well as secondary source. The primary data has been collected through structured questionnaire comprises of open and closed ended questions distributed through google form to Swiggy's customer. 100 Swiggy's Mumbai based customers has responded this online google form survey and they became part of the present study. Researcher has collected secondary data through journals with ISSN number, Swiggy website and information available on internet. The researcher has used convenient sampling technique for the present study. The descriptive data has been analyzed

through frequency distribution method, tables and charts. For Hypothesis testing researcher has used one way Anova table for logical justification.

### ***OBJECTIVES OF THE STUDY***

1. To analyze usage of online delivery app for ordering food
2. To examine factors influence while ordering food online through Swiggy
3. To understand sustainable business strategies adopted by Swiggy during COVID-19

### ***HYPOTHEIS OF THE STUDY***

**H<sub>0</sub>** : Factors do not significantly influence while ordering food online through Swiggy

**H<sub>1</sub>** : Factors influence while ordering food online through Swiggy.

### ***REVIEW OF LITERATURE***

**Anupriya Saxena (2019)** analyzed pros and cons of the online food delivery apps i.e. Zomato and Swiggy from the point of view of restaurants and customers. The feature that attracts consumers the most is Doorstep Delivery at any place at anytime. Consumers are mostly motivated when they receive any Rewards & Cashbacks followed by loyalty points or benefits. The factors that block customers to try the online food delivery apps are Bad Past Experience, reviews, and word of mouth. By giving consistent and effective services this concept with innovation can be successfully grow.

**Aparna Anib, Gayathri.A., and Shabu K.R. (2019)** studied the consumer perception towards Swiggy digital food application service with special reference to Ernakulam City. The purpose of the study is to understand factors influencing the consumer perception, buying decision and level of consumer satisfaction of Swiggy. It is concluded from the study that the majority of respondents are aware of Swiggy. It has also concluded that, Swiggy has gained positive opinion of majority of the consumers in comparison to other service providers. It is mainly because of their better timely delivery and offers like discounts and freebies. Swiggy has been in the top position in online food delivery service providers and if it improves further, it can remain in the top. The biggest difference between Swiggy and other food delivery start-ups is the fact that they have their own delivery fleet and serve from neighbourhood restaurants. The boys are equipped with smartphones powered by routing algorithms which enables them to deliver food in the most efficient way possible.

**Dr. Mitali Gupta (2019)** studied the impact of online food delivery app on restaurant business special reference to zomato and swiggy. The purpose of the study is to understand the impact of food delivery start-ups like zomato and swiggy on restaurant business and to know the strategies of food delivery app zomato and swiggy. The researcher concludes that there are opposite impact of food delivery start-ups like zomato and swiggy on restaurant business. The The regularly expanding populace swarmed metro urban communities and longer travel times are drivers for the helpful, prepared to eat and less expensive alternatives of having food and foodstuffs conveyed at your doorstep strategy helps this apps to gain more popularity.

**Ms. CibiyaAngelin. A, Dr. Smitha Poulose (2019)** analyzed consumer perception towards food ordering portal with reference to Swiggy and Zomato in Chennai. The purpose of the study is to know the most preferred online food delivery service portal by consumers between Zomato and Swiggy, to know the satisfaction level towards the online food app with reference to Zomato and Swiggy, to analyze the influencing factors which help the consumers to choose online food delivery services and to analyze the strengths and weakness of the most preferred app with the help of SWOT analysis. 60% of the customers prefer Swiggy and the remaining 40% of the customers prefer Zomato. Through SWOT analyses researchers have showed the Swiggy has effectively utilized its strength and opportunities to face challenges. In a nutshell, according to the study conducted, it can be concluded that Swiggy has gained a positive opinion in comparison to other service providing apps. It is because of variety of choices which they provide. It also needs changes and better marketing strategies to win over the competitors and to sustain in the position.

## ***DATA ANALYSIS AND INTERPRETATION***

The analysis and interpretation of primary data is represented below in the tabular and graphical form

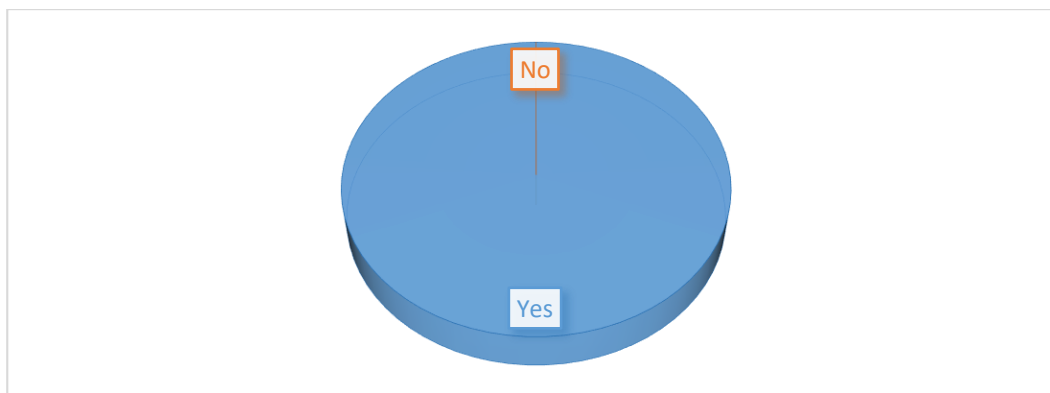
### ***PROFILE OF THE RESPONDENTS***

- Majority of the respondents belongs to the age group of 25 years to 35 years.
- Out of the total respondents 100 respondents, 84 respondents were female and 16 respondents were male.
- Larger part of the respondents have completed their post-graduation and 14 respondents have availed the doctorate degree.
- Majority respondents were doing private service.
- Maximum respondents were ordering food and other eatables through Swiggy App only.

## USAGE OF ONLINE FOOD DELIVERY APP

Graph: 1

### USAGE OF ONLINE FOOD DELIVERY APP



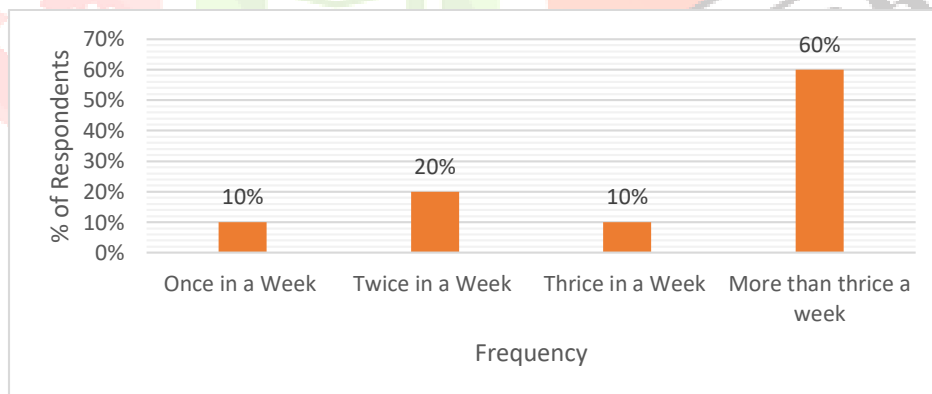
Source: Compiled from Questionnaire

The above graph states that all 100 respondents use online delivery app for ordering food.

## FREQUENCY OF ORDERING FOOD ONLINE BEFORE COVID-19

Graph: 2

### FREQUENCY OF ORDERING FOOD ONLINE BEFORE COVID-19



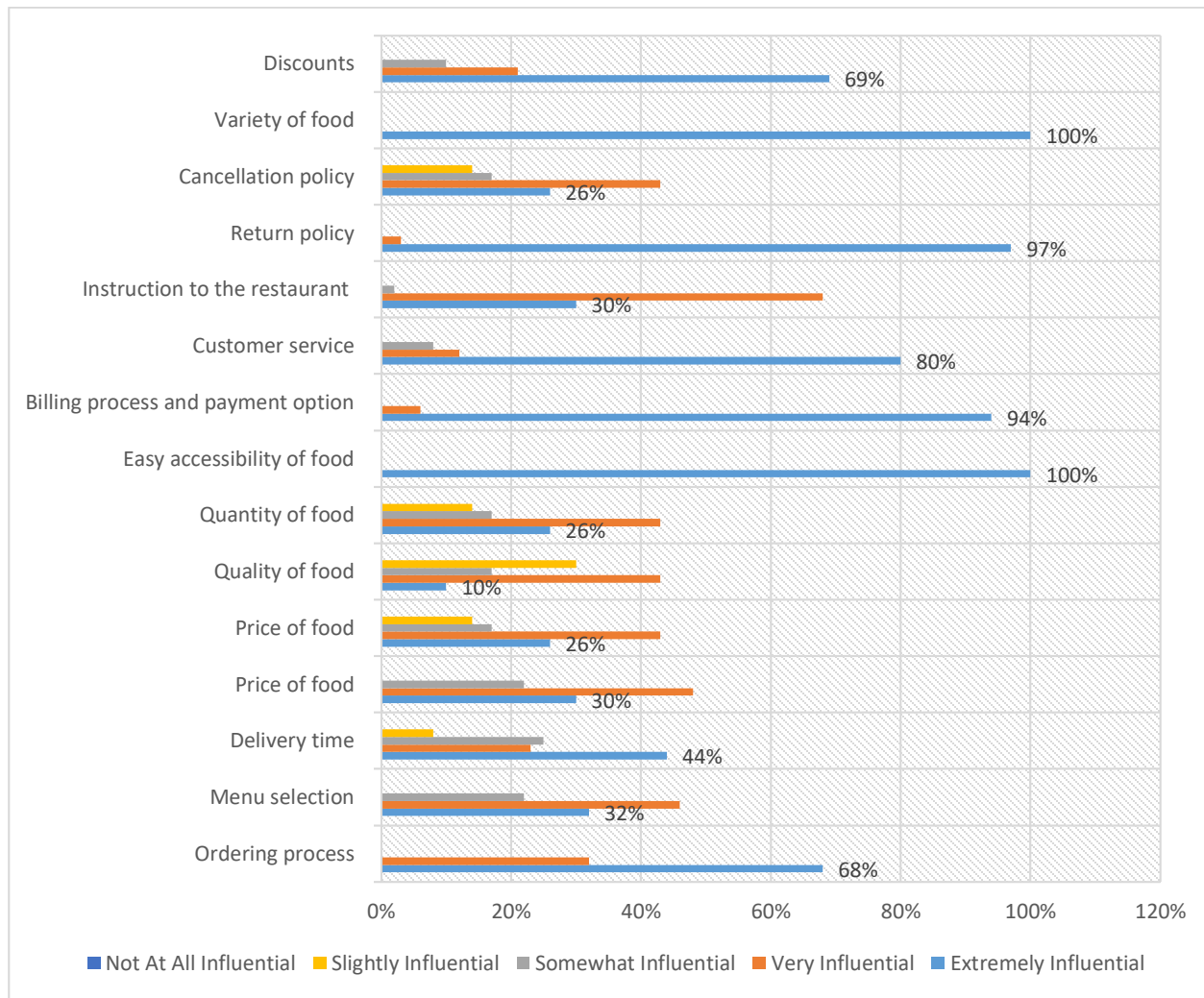
From the above graph it can be understood that majority of respondents order food from Swiggy more than thrice in a week i.e. 60 per cent. 20 per cent respondents order food twice in a week from Swiggy. 10 per cent respondents order once in a week and thrice in a week through Swiggy app.

**FACTORS INFLUENCE WHILE ORDERING FOOD ONLINE THROUGH SWIGGY***Table: 1***FACTORS INFLUENCE WHILE ORDERING FOOD ONLINE THROUGH SWIGGY**

<b>Factors</b>	<b>Extremely Influential</b>	<b>Very Influential</b>	<b>Somewhat Influential</b>	<b>Slightly Influential</b>	<b>Not At All Influential</b>
Ordering process	68	32	-	-	-
Menu selection	32	46	22	-	-
Delivery time	44	23	25	8	-
Price of food	30	48	22	-	-
Packaging of food	26	43	17	14	-
Quality of food	10	43	17	30	-
Quantity of food	26	43	17	14	-
Easy accessibility of food	100	-	-	-	-
Billing process and payment option	94	6	-	-	-
Customer service	80	12	8	-	-
Instruction to the restaurant	30	68	2	-	-
Return policy	97	3	-	-	-
Cancellation policy	26	43	17	14	-
Variety of food	100	-	-	-	-
Discounts	69	21	10	-	-

Graph: 3

**FACTORS INFLUENCE WHILE ORDERING FOOD ONLINE THROUGH SWIGGY**



For 68 respondents easy ordering process is an extremely influential factor for ordering food from Swiggy. Menu selection is the very influential factor for 46 respondents, extremely influential for 32 respondents and somewhat influential to 22 respondents for ordering through Swiggy. Majority of respondents i.e. 44 respondents extremely influenced by Swiggy for its fastest delivery time. 48 respondents are very much influenced with Swiggy for its price variation of food. 43 respondents feels very influential and 26 respondents feels extremely influential the Packaging of food done by Swiggy. Majority of respondents i.e. 43 respondents are very much influenced with Quality and Quantity of food available on Swiggy app which drives them to order from Swiggy. All 100 respondents extremely influenced with Easy accessibility of food on Swiggy app, they can find any of their restaurants and stall on Swiggy app. The wide range of billing process and payment option extremely influence to 94 respondents to order food through Swiggy. 80 respondents extremely influence by customer service. 68 respondents very influenced with instruction to the restaurant. 97 extremely influence with return policy. Cancellation policy is very influence for 43



respondents. For 100 respondents extremely influential factor is variety of food and for 69 respondents is discounts provided by Swiggy.

## ***USAGE OF SERVICES OF SWIGGY DURING COVID-19***

***Table: 2***

### ***USAGE OF SERVICES OF SWIGGY DURING COVID-19***

Services	Yes		No	
	No. of Respondents	% of Respondents	No. of Respondents	% of Respondents
Instamart	100	100%	-	-
Genie	100	100%	-	-
Meat delivery service	42	42%	58	58%
Moments (food gifting service)	30	30%	70	70%
Scootsy (gourmet restaurants)	100	100%	-	-
Specialty Food Stores (Specialty organic food marts)	12	12%	88	88%

The above table reveals that, all 100 respondents has used Swiggy Instamart and Genie during COVID-19. 58 respondents has not used Meat delivery service and 42 respondents has used meat delivery service during COVID-19. 70 respondents has not used Moments (food gifting service) and 30 respondents has used the same during COVID-19. 100 respondents has used Scootsy (gourmet restaurants) during COVID-19. Specialty Food Stores (Specialty organic food marts) is used by only 12 respondents during COVID-19.



**SPECIAL SERVICE DURING COVID-19****Table: 3****SPECIAL SERVICE DURING COVID-19**

Special Service During COVID-19	Highly Satisfactory	Satisfactory	Neutral	Dissatisfactory	Highly Dissatisfactory
No contact delivery	100	-	-	-	-
Delivery partner has maintain hygiene	88	22	-	-	-
Was the delivery partner wearing a mask	100	-	-	-	-

From the above table it can interpreted that 100 respondents are highly satisfied with no contact delivery and delivery partner wearing a mask. From the hygiene maintain by delivery partner only 88 respondents were highly satisfied and 22 respondents were satisfied.

**HYPOTHESIS TESTING**

**H<sub>0</sub>** : Factors do not significantly influence while ordering food online through Swiggy

**H<sub>1</sub>** : Factors influence while ordering food online through Swiggy.

SUMMARY				
Groups	Count	Sum	Average	Variance
Extremely Influential	15	832	55.46667	1054.981
Very Influential	15	431	28.73333	445.6381
Somewhat Influential	15	157	10.46667	90.98095
Slightly Influential	15	80	5.333333	80.38095
Not At All Influential	15	0	0	0

## ANOVA

Source of Variation	SS	df	MS	F calculated	P-value	F critical
Between Groups	30602.27	4	7650.567	22.87875	4.07094E-12	2.502656
Within Groups	23407.73	70	334.3962			
Total	54010	74				

From the above Anova table, F-Statistic is computed to be 22.87875 i.e.  $F_{\text{calculated}} = 22.87875$

At 5% level of significance, for 4 and 70 d.f., the critical value or tabulated value of F is 2.502656 i.e.  $F_{\text{tabulated}} = 2.502656$ .

Now, since  $F_{\text{calculated}} > F_{\text{tabulated}}$ , so research has rejected null hypothesis and accepted alternative hypothesis. It conclude that the stated factors has significantly influenced the online order

To understand sustainable business strategies adopted by Swiggy during COVID-19

## Findings

1. **Safety - the need of the hour:** The initial phase of the pandemic months saw a dip in the number of restaurants that were operational and also the number of orders being placed. To combat the fear factor and also reinstate the consumer confidence, key safety practices like no-contact delivery increased delivery partner hygiene, and best safety standards tags for restaurants were introduced while also communicating these measures and the right food handling practices to the consumers. Over time, through the WHO and other sources, consumer awareness around food ordering has spread, resulting in a resurgence of demand. More recently, the cricketing and festive season added to the surge in orders. Consumers are seeking brands that they can rely upon without any worries, especially with safety, hygiene and reliability taking precedence in all brand engagements.
2. **Pivoting the business model beyond 'food delivery':** The 'new' normal made brands across categories look beyond their existing core offerings and look at the new hotspots of demand. A nimble-footed Swiggy also launched new offerings such as Swiggy Instamart and HealthHub, as well as rapidly expanded services like Swiggy Genie. Swiggy Genie is a new offering that was launched to let consumers pick up anything from groceries to laundry to sending across home-cooked food or supplies to friends and family. Genie is also helping small business owners deliver goods to their customers, right from small cafes and restaurants to boutiques. Swiggy's Instamart offering was launched with the USP: instant delivery of groceries and daily essentials within 30-45

minutes to cater to the needs of time-pressed, convenience seeking urban consumers. The hyperlocal delivery offering has unlocked a new dimension of convenience in the times of social distancing for consumers as well as earnings for the delivery partners and inculcates safety in the shops because of less crowd. Other newer subcategories identified to fill need gaps include Swiggy HealthHub, where Swiggy collaborated with leading restaurants to assist them in creating delectable healthy options of popular dishes.

- 3. Repositioning the communication strategy:** All throughout the crisis, the communication was crafted keeping the consumer sentiment in mind. The pre-lockdown and early lockdown focused on the hygiene and safety precautions, later moving to convey the consumers how ordering-in is safe and what precautions could be followed.

For example, in an effort to support the severely impacted restaurant industry, Swiggy launched the 'At Your Service' campaign. Promoted mainly through its social channels, the objective was to instill trust amongst the consumers and encourage them to support their local restaurants by ordering-in or to help the restaurant community recover.

Another initiative, 'Foodshop on Instagram' was launched which comprised Instagram filters with food dishes with patrons sharing their 'lockdown miseries' about missing their favourite dish or restaurants using various filters.

- 4. The unlock phase and beyond:** In the unlock phase, the communication gradually turned to winning back the consumers' trust and reminding them of the familiar and delightful Swiggy experience. In addition to paying tribute to the delivery partners' heroic efforts during the challenging times, Swiggy collaborated with Universal Music India and Havas group to launch 'Shukriya Kare' - a thank-you anthem for all delivery partners of Dunzo, Grofers, Medlife and Swiggy. Recently, the brand was also back with its quirky and well-crafted IPL (Indian Premier League) campaign comprising TV adverts as well as contests and games, and exciting offers through the season.
- 5. The big marketing lesson learnt:** Consumers gravitate to brands they trust in times of a crisis. Times like these are a litmus test for the value and trust of any business. With the backing of technology, logistic prowess and a deep understanding of hyper-local trends the brand managed to emerge as an essential service during the lockdown and subsequent unlock phases. As we approach full recovery, the brand has focused on strengthening our offerings and working towards enabling greater convenience for our users.

## CONCLUSION

This study was undertaken to examine the usage of online delivery app for ordering food, factors influence while ordering food online through Swiggy and to understand sustainable business strategies adopted by Swiggy during COVID-19. In this study, the numbers of participants were 100 and the type of questionnaire used was structured and survey has done through google form. In this research paper, the main data used are primary and secondary data. It is concluded from the study that people have used online delivery app for ordering food. Factors like, ordering process, delivery time, easy accessibility of food, billing process and payment option, customer service, return policy, variety of food and discounts extremely influence people to order their food from Swiggy. Factor like, menu selection, price of food, packaging of food, quality of food, quantity of food, instruction to the restaurant and cancellation policy is very influential for people to order their food from Swiggy. The sustainable strategies like Instamart, Genie, Meat delivery service, Moments (food gifting service), Scootsy (gourmet restaurants) and Specialty Food Stores (Specialty organic food marts) has benefited the customers and company during COVID-19. No contact delivery, delivery partner has maintain hygiene, wearing a mask strategy has win the heart of the customers and made the Swiggy sustainable during COVID-19.

On the basis of this study it can be conclude that impact of COVID-19 and its repercussion on online food delivering platforms is both 'positive' and 'negative'. But online food delivery platforms like Swiggy has converted threats into opportunity and adopted various strategies for sustainability of their business during COVID-19 pandemic.

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