



# “STUDY OF BRAND PROMOTION STRATEGY WITH REFERENCE TO ZOMATO AND SWIGGY – TWO MAJOR PLAYERS IN THE ONLINE FOOD ORDERING INDUSTRY”

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## **Abstract:**

In recent years, the proliferation of technology has revolutionized the way people order food, shifting the paradigm towards online platforms. Zomato, initially a platform for restaurant reviews, has expanded its offerings to encompass online food ordering, delivery services, table reservations, and restaurant management software development. Similarly, Swiggy, a prominent player in the food delivery sector, has garnered a substantial customer base in India. In today's digital era, where mobile devices have become ubiquitous and convenience is paramount, the preference for ordering food online has surged. Recognizing this trend, Zomato and Swiggy have capitalized on the ease and accessibility of online food ordering through mobile applications. Against this backdrop, this research paper aims to delve into consumer perceptions and views of Zomato and Swiggy, as well as analyze the efficacy of their respective brand promotion strategies. Through a comprehensive examination of consumer behavior and attitudes, this study seeks to shed light on the factors driving consumer preferences in the online food delivery market, offering insights that can inform strategic decision-making for both Zomato and Swiggy.

Index Terms: Branding, Promotion, Brand Strategies, Online food ordering

## **Introduction of Industry:**

Online food delivery has become a significant part of E-commerce, particularly in India, where it's experiencing rapid growth. It's essentially a process where customers order food through the internet. This method is gaining popularity because of its convenience and the wide variety of food options available. Customers can easily search for their favorite restaurants or dishes and place orders from anywhere. The system handles everything from order placement to processing and delivery of food products. It's a simple and convenient way for people to buy food without having to visit a restaurant. This online food delivery system has become a safe and popular choice for many. It not only simplifies daily operations for

restaurants but also enhances the overall dining experience for customers, fostering a healthy relationship between the two.

There are two main segments in the online food delivery service: restaurant-to-consumer delivery, where the restaurant directly delivers orders, and platform-to-consumer delivery, where online delivery services deliver orders from partner restaurants. This market is segmented by type, channel type, and payment method, indicating the diverse options available to consumers. With the rise of online food delivery services, more people are opting to have restaurant-style food delivered to their homes or workplaces, particularly in places like malls, offices, and residential complexes. India, despite being the sixth-largest grocery market globally, has only a small share of its grocery business in the organized sector. However, as online businesses continue to grow, they're expected to have a significant impact on traditional brick-and-mortar restaurants.

## **Introduction of Companies:**

### **ZOMATO:**

Founded in 2008, Zomato is headquartered in Gurgaon (formerly Gurugram) and operates in 24 countries, including Australia and the United States. Besides offering restaurant information, menus, and reviews, Zomato facilitates online ordering, table reservations, and more. With a vibrant community of food enthusiasts and bloggers contributing reviews and photos, Zomato empowers customers to make informed dining choices.

Zomato traces its origins to the innovative minds of Deepinder Goyal and Pankaj Chaddah, both graduates of IIT Delhi, who initially worked at Bain & Company in New Delhi. Their brainchild, 'Foodiebay,' emerged in 2008 as a solution to streamline food access and save time. Within an astonishing nine months, it grew to become the largest restaurant directory in Delhi NCR, subsequently expanding to Mumbai and Kolkata.

Zomato's primary focus is to expand its business by catering to hungry customers through a user-friendly application and enticing promotions. Leveraging its extensive customer base, Zomato continues to lead the industry as a platform for restaurant discovery, online food ordering, and table reservations. Through its robust review system, Zomato enables food enthusiasts to explore top-notch dining experiences. Having expanded globally from its Indian roots, Zomato now boasts a platform encompassing over 1 million restaurants worldwide.

### **SWIGGY:**

Swiggy, India's leading online food ordering and delivery platform, has secured its position as one of the country's premier startup success stories, boasting a unicorn status. Founded in 2014 in Bangalore, Swiggy has rapidly expanded its footprint to cover over 100 cities across India. Offering a convenient solution for quick food delivery, Swiggy emerged from the vision of Sriharsha Majety and Nandan Reddy, both graduates of BITS Pilani, who envisioned a hyper-local food delivery service. With the addition of Rahul Jaimini to the team, Swiggy's concept was brought to life through its pioneering website. At the close of the 2020 financial year, Swiggy's net worth stood at an impressive 3.6 billion.

Since 2019, Swiggy has significantly expanded its reach from 17 cities to a staggering 245 locations, with plans for further expansion underway. Another key aspect of Swiggy's vision is its commitment to becoming an AI-first product, leveraging artificial intelligence to enhance its service offerings and customer experience.

Swiggy's inception in 2014 by Sriharsha Majety, Nandan Reddy, and Rahul Jaimini in Bengaluru addressed the growing demand for efficient food delivery services in the Indian market. Harnessing its proprietary technology platform, Swiggy seamlessly connects customers with local restaurants, providing a hassle-free ordering and delivery experience.

## **Literature Review:**

### **Prof. (Dr.) Sagar H. Mohite, Dr. Ambar Beharay (2020):**

While a company's revenue can be influenced by its social media presence, it is just one of several factors determining its success. Swiggy and Zomato, major players in India's online food delivery market, each possess unique strengths and weaknesses. While Zomato may excel in social media presence, Swiggy may offer advantages such as faster delivery times or a wider restaurant selection in specific regions. Ultimately, a combination of factors will decide which company emerges as the long-term market leader.

### **Anubhav Kumar Pathak, Muskaan Saraf (2020):**

The cost of online food delivery services may deter some potential users, and the necessity to raise prices to cover expenses or generate profits can exacerbate the issue. However, providing discounts and deals is a common marketing tactic to attract and retain customers. Balancing competitive pricing with profitability is crucial for online food delivery services. Additionally, expanding service availability to underserved areas is vital for market growth and customer acquisition.

### **Mrs. A. Mohanapriya, Mrs. P. Geetha & Mr. A. Prasathkumar(2020):**

Consumer behavior is a burgeoning research field within the business discipline, influenced by various factors. This research examines consumer preferences for dining in restaurants versus ordering food online. Despite the emergence of online food delivery services in India, many consumers still prefer traditional restaurant dining for the ambiance and hygiene. Lack of trust in the quality of packed food is a significant barrier to online food delivery adoption. Online food aggregators must focus on building consumer trust to enhance their business.

### **J Das (2018):**

An analysis comparing top food delivery apps reveals Zomato as consumers' preferred choice due to its discounts, restaurant selection, timely delivery, and good customer service. Conversely, UberEATS ranks lowest in customer preference in both scenarios.

### **Sethu & Bhavya Saini:**

Word of mouth and online forums significantly influence the success of online food ordering services, as consumers trust others' opinions and experiences. Providing excellent customer service and ensuring a positive customer experience can lead to positive reviews and word of mouth, thereby attracting and retaining customers.

## **Objectives of the Study:**

- To examine and compare the brand promotion strategies of Zomato and Swiggy.
- To analyze the effectiveness of advertising campaigns, social media presence, and other promotional activities.
- To identify the target audience and segmentation strategies adopted by each platform.
- To evaluate customer feedback and satisfaction as factors influencing brand perception.

## **Research Methodology:**

Research follows a systematic and logical approach. The study addresses overarching questions through the utilization of graphs and charts, collecting data from students and analyzing it using logical and scientific tools.

### **Research Design:**

Type of Methodology: Descriptive research.

The methodology adopted for this research is as follows:

1st stage – A thorough theoretical study was conducted.

2nd stage – Examination of customers' perceptions and views towards the marketing strategies of Zomato and Swiggy.

### **Sampling:**

Sampling design: Non-probability sampling

Sampling technique: Purposive sampling

Sample unit: Students

Sample size: 100

Area of study: Galgotias University

Data analysis method: Tables and Graphical representation

## **Data Collection Method:**

Data collection involves two major sources: Primary Data and Secondary Data.

Primary Data: Data collected firsthand for a specific purpose, often through questionnaires and surveys.

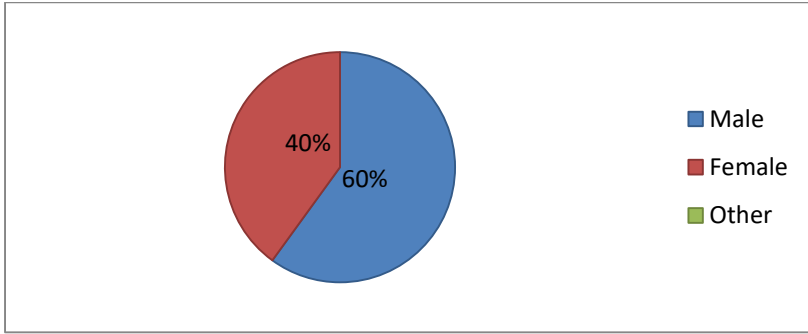
Secondary Data: Data already available from sources such as websites and journals.

Both Primary and Secondary data sources were utilized. Secondary data was used to understand the different marketing strategies of both platforms, while Primary data was collected through a questionnaire distributed to BBA students at Galgotias University. The sample size consisted of approximately 100 respondents.

## **Data Findings, Analysis and Interpretation:**

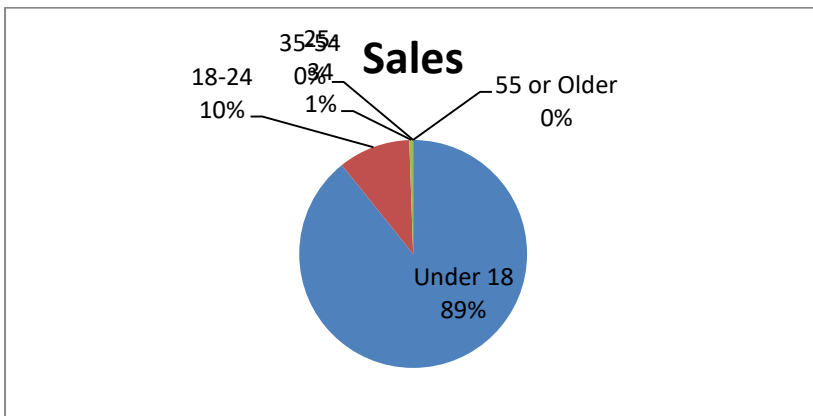
The Data is analyzed and interpreted based on the findings from questionnaire. The data is presented graphically in the form of pie charts and bar charts. Various opinions of the sample participants are distributed in form of percentages.

Q1. Please Specify your Gender.



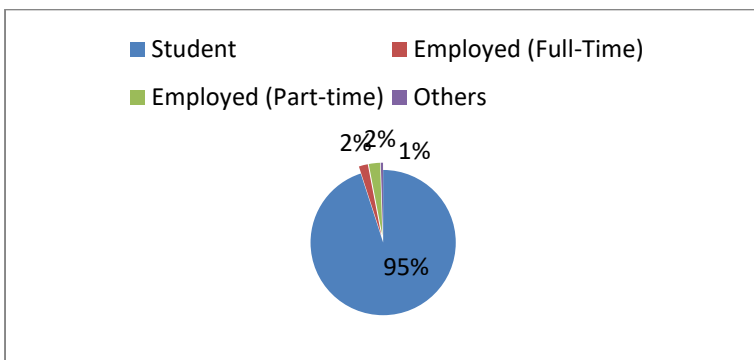
The Questionnaire is filled by 60% male population and 40% female population.

Q2. What's your Age?



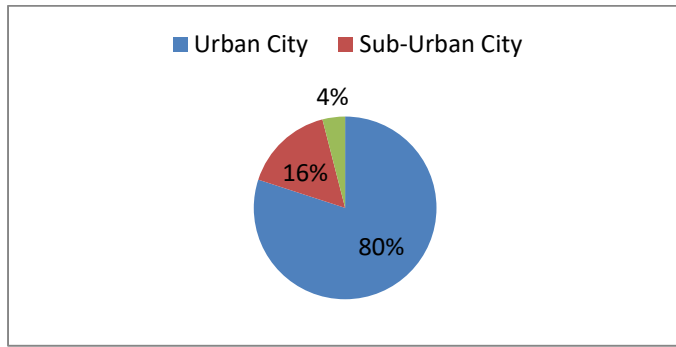
The Pie chart indicates that the age of most users surveyed is between 18-24, the age group of 24-34 takes 5%, Under 18 takes 1% and none for age group of 35-54 and 55 or older.

Q3. What's your Occupation?



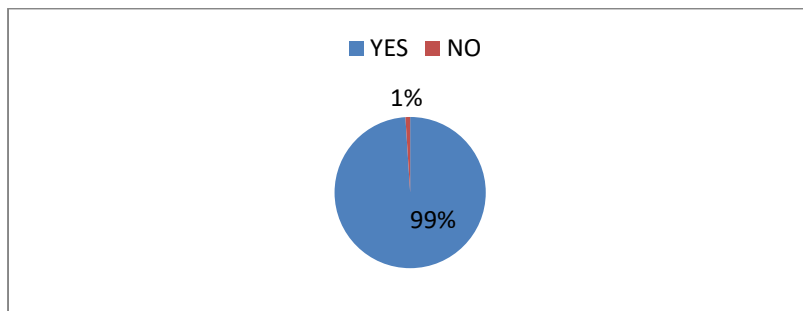
Most of the participants are students i.e. 95%, 2% are Employed Full-time and 2% are Employed Part-time and rest 1% comes under others category.

Q4. What's your Location?



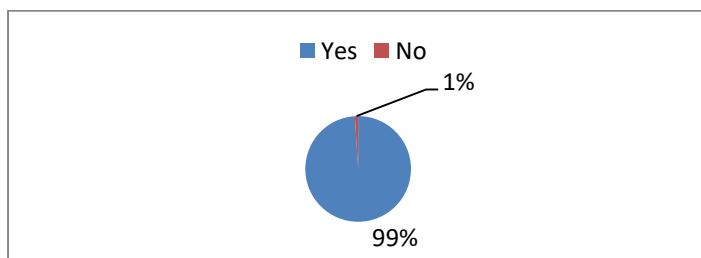
Most of the participants are from Urban city i.e. 80%, 16% of the population is from Sub-Urban City and the rest 4% population is from Rural City.

Q5. Are you aware of Zomato?



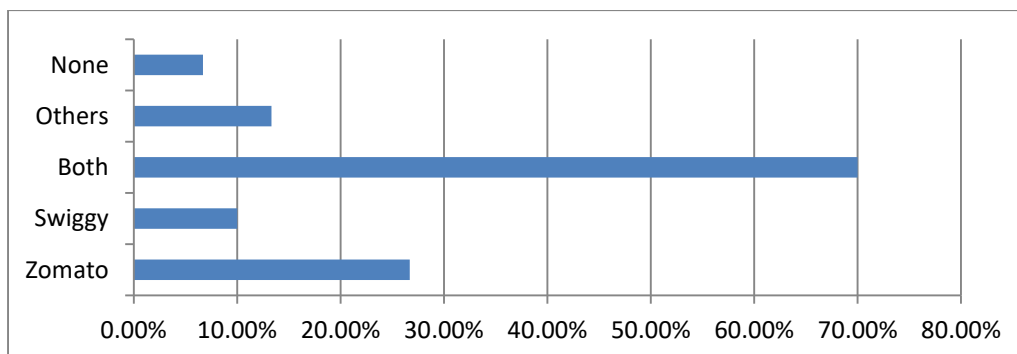
99% of the participants know about Zomato.

Q6. Are you aware of Swiggy?



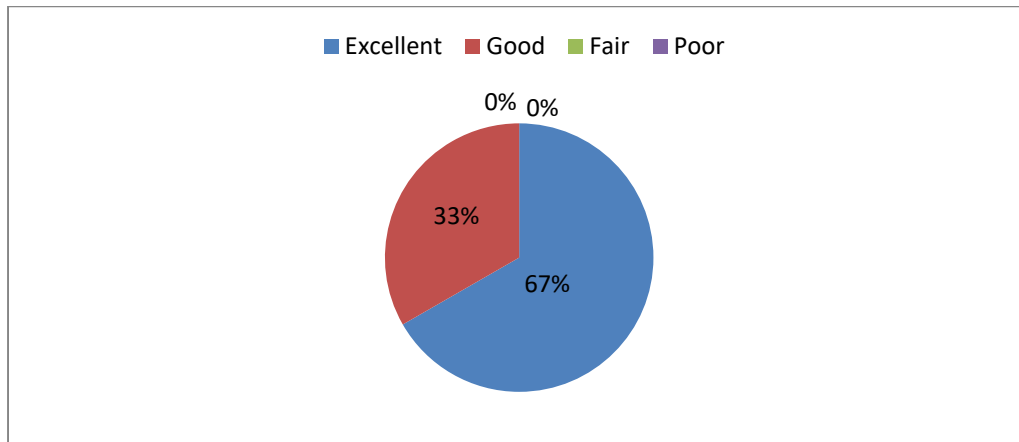
99% of the participants are aware of Swiggy.

Q7. Which Platform(s) do you use for online food ordering?



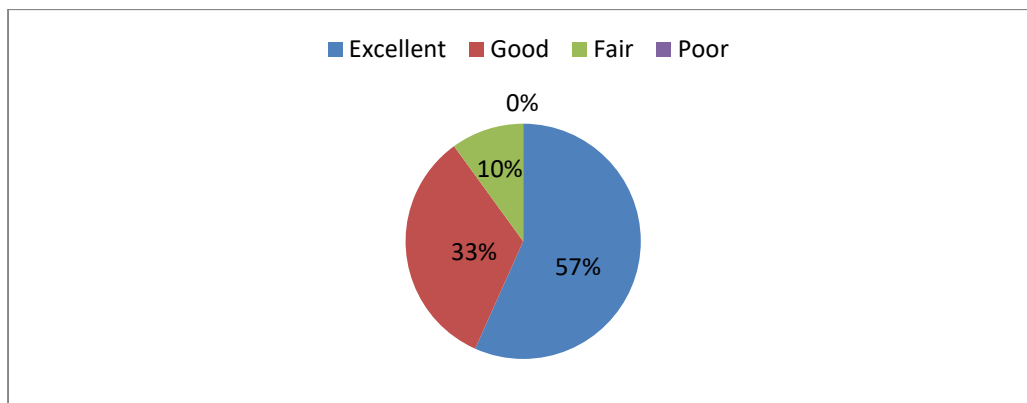
70% of the participants use both platform Zomato and Swiggy, 26.7% of people only use Zomato, 10% only use Swiggy, 4% of people use other platforms also and only 6.7% of people are there who don't use any of Zomato and Swiggy.

Q8. How would you rate Zomato's brand promotion efforts (e.g. advertising, social media presence)?



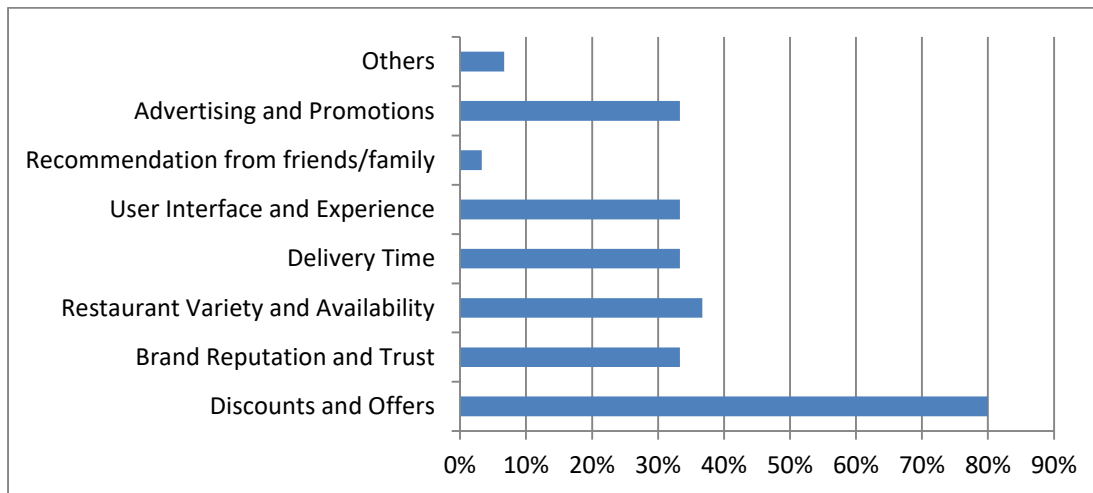
66.7% of the participants gave excellent remark for Zomato's brand promotion strategies while 33.33% of the participants gave Good remark.

Q9. How would you rate Swiggy's brand promotion efforts (e.g. advertising, social media presence)?



57% of the participants gave Swiggy Excellent remark for their brand promotion strategies 33% of them gave Good and 10% gave Fair Remarks.

Q10. What Factors influence your decision to use Zomato or Swiggy for online food ordering?



Maximum Participants ticked the Discounts and Offers as the main factor for using Zomato and Swiggy, other factors were also considered such as User Interface an Experience, Restaurant Variety an Availability, delivery Time, Brand Reputation and Trust, Advertising and Promotions, etc.

Q11. What improvements or changes would you like to see in Zomato's Brand Promotion Strategies?

Ans. The most replied answers are as follows:

- More Engaging and Interactive Campaigns.
- Collaboration with local influencers or organize fun foo challenges to get people excited.
- More offers availability.
- Some offers for students and less delivery charges.
- Must Include more local shops from nearby areas.
- To stay more active in Rural or Sub-Urban Areas.
- Focus on increasing security for onboarding fake restaurants.

Q12. What improvements or changes would you like to see in Swiggy's Brand Promotion Strategies?

Ans. The most replied answers are as follows:

- They can work upon more unique and creative ideas to showcase their services.
- Partner with popular restaurants to offer exclusive discounts or organize food festivals.
- Provide more offers and discounts.
- Must improve advertising and promotion techniques.
- They should focus upon customer service assistance more.



Q13. Any additional comments or feedback regarding brand promotion strategies of Zomato and Swiggy?

Ans. The most replied answers are as follows:

- Both are good platforms for ordering food online.
- Both have an excellent social media presence.
- Their creative marketing techniques like sending customized notifications are highly impactful and engaging.
- Swiggy needs to focus more upon their brand promotion strategies.

## **Brand Promotion Strategies of Zomato:**

**Active Social Media Engagement:** Zomato's social media team consistently crafts and shares engaging content on trending topics, ensuring regular interaction with users. This approach aids in building robust connections with the audience and expanding the user base. By promptly addressing queries and comments, Zomato upholds a positive brand image and fosters meaningful engagement.

**Strategic Brand Positioning:** Zomato strategically positions itself as a platform facilitating connections among restaurants, suppliers, consumers, and logistics partners. This positioning underscores the convenience and accessibility of Zomato's services, portraying it as a vital link in the food industry ecosystem. By emphasizing its role in streamlining food delivery and enhancing dining experiences, Zomato strengthens its brand identity and resonates with its target audience.

**Targeted Marketing to Key Demographics:** Zomato effectively targets individuals aged 18 to 35 who are tech-savvy and seek convenient food delivery options. Through tailored marketing campaigns, Zomato highlights its services' relevance to this demographic, showcasing the ease of ordering food via its platform. By understanding and catering to the preferences of its target audience, Zomato maximizes its reach and drives user engagement.

**Compelling Content Creation:** Zomato leverages light-hearted and relatable content, including infographics and memes, to resonate with its audience. By incorporating humor and current events into its content strategy, Zomato ensures better audience retention and enhances brand recall. Through attention-grabbing visuals and witty messaging, Zomato captivates users' attention and encourages social sharing, thereby amplifying its brand presence.

**Strategic Partnerships and Collaborations:** Zomato collaborates with government entities and industry stakeholders to navigate crises effectively and support local communities. By proactively addressing challenges and aligning with key partners, Zomato reinforces its commitment to societal well-being and earns trust among consumers. Additionally, strategic partnerships with influencers and brands enable Zomato to extend its reach and attract new users, further bolstering its brand visibility.

**Multi-Channel Marketing Approach:** Zomato employs a multi-channel marketing approach, utilizing platforms such as social media, search engines, and email marketing to reach diverse audiences. By diversifying its marketing channels, Zomato ensures comprehensive coverage and maximizes its brand exposure. Through targeted advertising campaigns and personalized messaging, Zomato effectively communicates its value proposition and drives user engagement across various touchpoints.

**Customer-Centric Communication:** Zomato prioritizes personalized customer communication, addressing user needs and preferences through tailored messaging. By delivering relevant content and offers based on user behavior and preferences, Zomato enhances customer satisfaction and fosters loyalty. Through proactive customer support and responsive communication channels, Zomato strengthens its relationships with users and cultivates brand advocacy.

## **Brand Promotion Strategies of Swiggy:**

**Demographic Segmentation:** Swiggy primarily targets the younger generation, including teenagers, college students, and working professionals aged 18-35. This demographic finds food delivery to be a convenient option, aligning with Swiggy's positioning as a solution for busy urban lifestyles.

**Behavioural Segmentation:** Swiggy caters to individuals seeking convenience in food consumption, emphasizing the ease of ordering and enjoying meals at home. This segment prefers quick and hassle-free meal options, reflecting Swiggy's focus on enhancing customer experience.

**Targeting:** Swiggy's ideal target audience comprises college students, working professionals, and entrepreneurs aged 18-35 living in urban areas. By focusing on this demographic, Swiggy ensures relevance and resonance with its core customer base, offering tailored services to meet their needs effectively.

**Positioning:** Swiggy positions itself as a leading food delivery app that prioritizes convenience and accessibility for its customers. Through its marketing efforts, Swiggy communicates its commitment to making life easier for users by providing seamless food delivery experiences. Swiggy aims to revolutionize the food delivery industry by ensuring no customer goes hungry and facilitating effortless access to their favorite restaurants.

**Technology Integration:** Swiggy leverages technology extensively to optimize its services and enhance user experience. Through data analytics and predictive algorithms, Swiggy analyzes various factors such as traffic conditions and order volumes to streamline operations and ensure timely deliveries. By partnering with the right restaurants and personalizing recommendations, Swiggy delivers value to both customers and partners.

**Promotions & Advertisements:** Swiggy employs a comprehensive social media strategy to engage users and build brand loyalty. With engaging campaigns, humorous content, and influencer partnerships, Swiggy effectively communicates its value proposition and offers attractive discounts and rewards to incentivize customer loyalty. Memorable campaigns like #EatYourVeggies and #SuperSwiggy resonate with audiences, reinforcing Swiggy's brand image as fun, reliable, and customer-centric.

**Innovative Campaigns & Achievements:** Swiggy's innovative marketing campaigns, such as #WhatsInAName and Swiggy Karo, Phir Jo Chahe Karo!, have gathered widespread acclaim and boosted brand visibility. By capitalizing on cultural trends and leveraging platforms like IPL, Swiggy stays relevant and top-of-mind for consumers. Swiggy's unicorn status and impressive revenue figures underscore its success in disrupting the food delivery industry and establishing itself as a market leader.

## **Conclusion:**

In summary, the study underscores the notable achievements of Zomato and Swiggy in cementing their dominance within India's competitive online food delivery landscape. Despite employing distinct marketing approaches, both companies have effectively utilized a variety of channels, including social media, email marketing, and search engine optimization, to engage users and drive sales.

Zomato's forte lies in its innovative and captivating social media content, which has resonated strongly with users, fostering robust brand loyalty. Conversely, Swiggy has demonstrated prowess in optimizing SEO strategies, ensuring maximum visibility and organic traffic to its platform. Furthermore, both Zomato and Swiggy have prioritized user convenience and satisfaction, evident in their unwavering commitment to enhancing service quality, such as timely delivery and responsive customer support. This customer-centric approach has played a pivotal role in fostering trust and loyalty among users, fueling their rapid expansion and market penetration.

Looking ahead, while Zomato and Swiggy have solidified their positions as industry leaders, it is imperative for them to remain vigilant and continuously innovate to stay ahead of emerging competitors and evolving consumer preferences. By consistently refining their marketing strategies and investing in service excellence, both companies can sustain their growth trajectory and uphold their status as the preferred choices for online food delivery in India.

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