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## ZOMATO'S GAME PLAN: MARKETING STRATEGIES OF ZOMATO

<sup>1</sup>Manudhi Yadav, <sup>2</sup>Madhav Muraleedharan

<sup>1</sup>Student, <sup>2</sup>Student

<sup>1</sup>Symbiosis Centre for Management Studies, Pune,

<sup>2</sup>Symbiosis Centre for Management Studies, Pune

### ABSTRACT

Technology has evolved drastically over the past few years and now we do not have to go out to get food packages. We can just order anything with a few simple swipes and clicks in the comfort of our own homes today. Zomato which was originally known for restaurant reviews, eventually expanded into other areas of the foodtech industry, such as online food ordering and distribution, table reservations, and developing restaurant management software. Zomato successfully spread to foreign markets, including Europe, the United States, the United Kingdom, and the Middle East, shortly after conquering the Indian market.

The marketing strategies employed by them have surely been successful as we can see that they are doing so well. In an age when everyone spends the majority of their day on their phones and surrounded by technology, it's no surprise that they'll find it more convenient to order food online using their phones, especially now that it's become so simple and convenient to do so. They would need strong ideas that would work for sure to maintain a market lead and keep their company thriving. So, how well a firm uses its resources to educate customers about the value, benefits, and quality of their service which allows them to make more informed purchasing decisions, is critical. So, in this paper we aim to study the consumer's views and perceptions to Zomato and their marketing strategies.

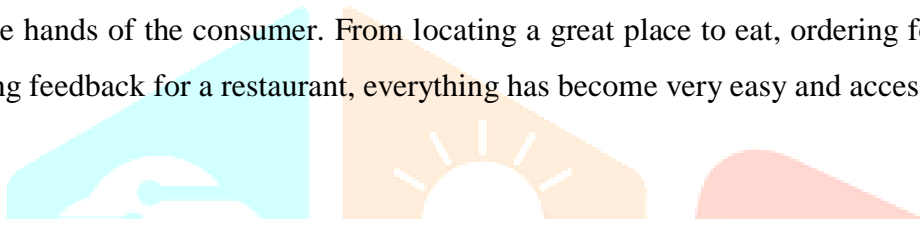
Keywords: OFD, Online Food Delivery, Zomato, Marketing Strategies, Consumer Behavior.

### 1. INTRODUCTION

The history of food predates the history of civilization. Agrarian cultivation has been practiced for over 5,000 years. 2 million years ago, the first hunter-gatherers were out scavenging for food. And today, it is the most important sector of the global economy, accounting for roughly 20% of global GDP.

The emergence of the Internet, along with the innovation of technologies, has had quite a profound impact on people's lives all over the world. The rise of virtual stores seems to have had a substantial influence on marketers, as well as consumers, as now they can buy anything, at anytime from anywhere. Like all other spheres, the internet has made a huge mark in the food industry as well. Dining out with family and friends has been replaced by the concept of eating-in, now we can order through online food delivery systems with just a single tap, perhaps, our food is literally one tap away.

Online food delivery apps have revolutionized the way people buy food in such a short span of time. The major reasons for their boom are the ease of use, convenience, and the extremely attractive offers that they provide which make the customer prefer using the application to buy food rather than directly from the restaurant. When we talk about the food industry and e-commerce, Zomato, Swiggy and Foodpanda are the leading food delivery applications which have brought almost every restaurant in India under a single roof in the hands of the consumer. From locating a great place to eat, ordering food, making reservations, and giving feedback for a restaurant, everything has become very easy and accessible for the consumer.



Zomato has been the pioneer and leader of this segment in India. Launched in 2008, Zomato is a multinational restaurant aggregator and food delivery company, founded by Deepinder Goyal and Pankaj Chaddah. Initially introduced as Foodiebay, Zomato has grown from a Delhi based home project to one of the largest food aggregators in the world. Zomato started off as an online restaurant discovery guide for restaurants, bars, pubs and clubs and dine-outs, and now serves in 10,000 cities across 36 countries having 1.2 million popular restaurants and over 100 million users globally. As an added benefit, major restaurants from across the world place commercials on the Zomato app, which is essentially how Zomato makes money. Zomato makes money by promoting restaurants on its app. Another way they make money is through membership, which it offers to customers in the form of gold membership. Zomato also gets money through per-order delivery commissions, so we can say that they make money from every food delivery order placed by a consumer.

Consumer behavior is influenced a lot by the marketing strategies employed by a company and it is not necessary that they need to be effective all the time and that is what we are researching here. In this paper, we would like to see how effective Zomato's marketing strategies are. We seek to gain a better grasp of the magnitude of these strategies' effects on Indian citizens' consumer behavior through our research.

## 2. RESEARCH OBJECTIVES:

The objectives of the study are as follows

1. To understand the marketing strategies adopted by Zomato.
2. To analyze how these strategies have affected their company's growth.
3. To understand consumer perception and behavior towards Zomato.
4. To analyze how Zomato's marketing strategies have affected consumer behavior.
5. To analyze the competition faced by Zomato and Swiggy.
6. To identify the challenges they face like customer retention and loyalty.



## 3. REVIEW OF LITERATURE:

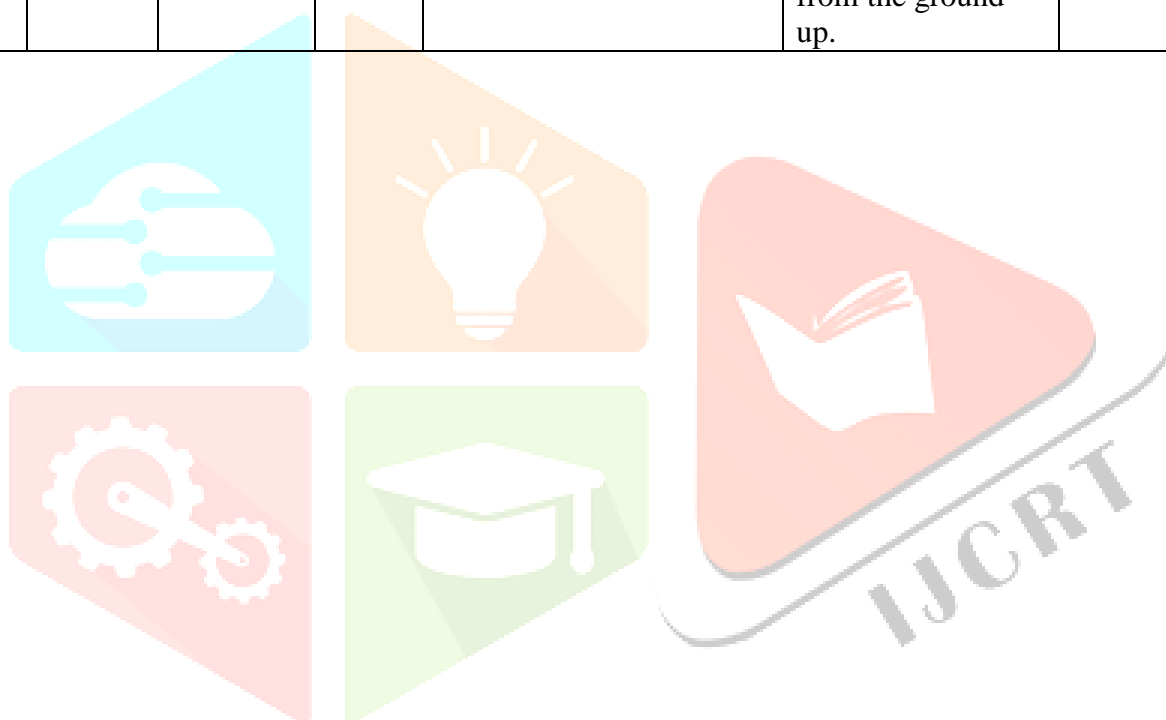
Sl No	Title of the Paper	Name of Authors	Name and indexing of the Journal/ Book/ Book Chapter	Geography/ Region of Study	Framework adopted & Major Findings of the study	Gaps Addressed / Identified	No. of citations received as per Google Scholar as on July 2020
	Zomato - Market and Consumer Analysis	Anirudha Deshpande	International Journal of Advance Scientific Research and Engineering Trends Volume 1	Gurgaon, Haryana, India	Technology has evolved dramatically over time. Almost all has been made available to people online as a benefit. And the growth of online applications has had a major impact on the restaurant industry. Ordering food via apps has become extremely simple and convenient for people since the introduction of online apps. According to a report, after online apps became popular in the market, people began placing more orders with restaurants, which resulted in a significant increase in the number of customers.	The aim of this case study is to look at how Zomato has grown its operations and extended its company into different countries. They have done SWOT and PEST analysis to understand this. This will eventually assist us in comprehending the food and beverage industry.	5

Consumer experiences, attitude, and behavioral intention toward online food delivery (OFD) services	Vincent Cheow SernYe o, See-Kwong Goh, SajadR ezaei	Journal of Retailing and Consumer Services	Selangor, Malaysia	<p>A person's attitude toward OFD services would improve dramatically as a result of an improved understanding of post-usage utility and convenience motivation, resulting in increased intentions to use OFD services. Hedonic motivation was discovered to be a significant variable that has a moderately positive relationship with attitude. This means that people with higher hedonic motivation have a more optimistic outlook toward OFD facilities, which contributes to a willingness to use OFD. Users are more likely to have a good outlook and use OFD because they believe OFD services will provide fun and pleasure.</p>	<p>A larger sample would have provided a more accurate picture of the population. Furthermore, the samples collected were mostly Chinese ethnicity students between the ages of 18 and 22, which is insufficient to reflect the population. Second, the research was unable to completely use the TAM model to provide further insight into actions due to time and budget constraints.</p>	255
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A Study on Consumers Perception on Food Apps	Aditya Tribhuvan	International Journal Of Advance Research And Innovative Ideas In Education 6(4):36	Wolverhampton	<p>The majority of people use food apps because they are the most effective and easy way to save time. Furthermore, placing an order through a food app is a precise process. Swiggy is the most common food app among respondents, and cash on delivery is the easiest and most convenient method of payment. According to the report, food apps are used by people of all ages and income levels, and they are satisfied with the service. According to the report, people of all ages and income levels use food apps, and they are pleased with the service quality, sanitation, and packaging method, which enables them to do so. In comparison to the fashionable online payment, people still prefer cash on delivery as a preferred mode of payment. Some people still prefer to order over the phone, which is an old-fashioned process.</p>	<p>The researcher discovered that the number of people who completed the survey was not as high as anticipated, and that a thorough understanding of customers who use food apps was not possible in terms of what the discrepancies were between ordering by phone call and ordering by food app, as well as any issues they had experienced when using food apps.</p>	4
Loyalty toward online food delivery service: the role of e-service quality and	Dwi Suharto, Mohd Helmi Ali, Kim Hua Tan,	Journal of Foodservice Business Research Volume 22, 2019 - Issue 1	Bandung, Indonesia	<p>The value of food quality in affecting consumer loyalty to the OFD service is demonstrated in this report. Furthermore, the results of this study indicate that both satisfaction and perceived value play a</p>	<p>First, data for this study was collected from OFD customers in Bandung, Indonesia, restricting the findings' generalizability.</p>	71

food quality	Fauziyah Sjahroeddin & Lusianas Kusdiyono			role in the effect of food quality on online loyalty. The efficiency of an e-service not only improves food quality, but it also improves perceived value and consumer satisfaction, resulting in increased online loyalty. This means that high e-service quality does not in and of itself inspire OFD customer loyalty. Instead of concentrating solely on either e-service or food quality, OFD service providers must emphasize both factors in order to build customer loyalty. This finding implies that e-service and food are essential components not only in full-service restaurants, but also in restaurants that provide OFD services. Customer perceptions of food quality will be affected by their web app quality experience.	This problem can be solved by repeating the research in different areas. Second, in addition to the loyalty determinants discussed in this review, other aspects of loyalty formation must be identified. Third, the OFD loyalty model used in this study assumes that the variables tested, especially satisfaction and loyalty to OFD services, have a causal impact. Since the data are obtained using a cross-sectional approach, the findings of the causal-effect test recorded in this analysis should be interpreted with caution, as this study is neither experimental nor longitudinal. Longitudinal data may be used in future research to more accurately reflect relationship changes over time.	
Zomato: a shining armour in the foodtech sector	Prashant Raman	Journal of Information Technology Case and Application Research	Jaipur, India	This case examines the numerous factors that contributed to Zomato's success, including its various revenue streams, creation through new products and services, and growth through acquisitions. The company, which was originally known for restaurant reviews, eventually expanded into other areas of the foodtech industry, such	The Indian technology start-up ecosystem is still in its infancy, with businesses attempting to decide the best path to growth. This case examines the online restaurant discovery market and Zomato's meteoric rise in a cash-strapped	5

					<p>as online food ordering and distribution, table reservations, and developing restaurant management software. Zomato successfully spread to foreign markets, including Europe, the United States, the United Kingdom, and the Middle East, shortly after conquering the Indian market.</p>	<p>industry. It gives a step-by-step rundown of the different tactics used by Zomato in various scenarios. The case study contributes to the area of entrepreneurship and marketing management's ongoing studies. It gives aspiring entrepreneurs and marketers a bird's eye view on how to start a business from the ground up.</p>	
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Popularity of Online Food Ordering and Delivery Services - A Comparative Study Between Zomato, Swiggy and Uber Eats in Ludhiana	Ashish Raina, Varinder Singh Rana, Dr. Arun Singh Thakur	International Journal of Management, Technology And Engineering	Ludhiana, Punjab, India	Based on responses from customers of online food ordering services in this study, it was determined that Zomato is the most popular online food ordering service in Ludhiana. Customers have described Zomato as the most active online food delivery service, with the best promotional deals and courteous and competent delivery workers, as well as supportive customer care. In Ludhiana, respondents preferred Zomato over Swiggy and Uber Eats for the best packaging materials and overall customer satisfaction.	Customers in Ludhiana, Punjab, provided data for this report, limiting the generalizability of the results. This problem can be solved by conducting additional research in other parts of the world where online food delivery services are prominent.	4
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A Case Study on Zomato - The Online Foodking of India	Dr. Ashok Panigrahi	Journal of Management Research and Analysis	Maharashtra, India	<p>The study is theoretical and establishes that Zomato has been dynamic on Instagram, Facebook and Twitter. Beginning at July 2019, it gained 154k followers on Instagram, 1,899,405 supporters and 1.42 Million lovers on Twitter.</p> <p>The study concludes that Zomato has helped a cafés to pitch their business underneath their space to expand their everyday business. Zomato has also prepared 2,000,000 online nourishment arranges on its foundation in a solitary month on a promoting cost under \$50000 every month.</p>	An in depth study to identify and analyse Zomato's Revenue model, investments, SWOT analysis and achievements has been undertaken.	1
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A Study on Impact of Online Food delivery app on Restaurant Business special reference to zomato and swiggy	Dr. Mitali Gupta	IJRAR- International Journal of Research and Analytical Reviews	India	This research is entirely based on secondary data and explores information about various apps, the industry position, etc. from various internet websites and articles, journals, magazines etc. The various benefits of food delivery apps have been studied and the business models, success factors and marketing strategies of Zomato and Swiggy have been emphasized.	The study aims to address concerns like the impact of food delivery start-ups like zomato and swiggy on restaurant businesses and the strategies of food delivery apps.	25
The Effect of Zomato Online Reviews on Customers' Dining Intentions: The Moderating Role of Gender Difference	Xian, Zhuoyi	Auckland University of Technology	U.S.A	The research was conducted using an experimental design in terms of the research methodology. An online questionnaire was circulated and a total of 250 responses are collected from adult consumers in the United States of America (USA). The research reveals that review credibility affects consumers' dining intention, in positive online reviews, a positive impact of review credibility can be found on dining intention, and a negative impact can be found in negative reviews. Gender difference is also observed to play a moderating role.	The primary purpose of this research is to examine the impact of review credibility and review valence on consumers' dining intention, as well as examine the moderating effect of gender difference on the impact.	-
Consumer Perception Towards Online Food Ordering And Delivery Services With Special Reference To Zomato,	Jerrin Babu, Jestead a Sophia, Joe Dave Xavier	Consumer Perception Towards Online Food Ordering And Delivery Services With Special	Kerala, India	For this investigation, both primary and secondary data were employed. Primary data was collected by conducting a survey and secondary data was collected from magazines, internet and newspapers etc. The study concludes that Swiggy has gained positive opinion of	The study includes research and analysis on consumer perception towards the online food ordering and delivery services, the satisfaction level of customers, the factors that influence the consumer to make	-

Swiggy And Uber Eats		Referenc e To Zomato, Swiggy And Uber Eats		majority of the customers in comparison to other service providers such as Zomato and Uber Eats, the primary reasons being delivery time, better discounts and offers. The unhygienic behaviour of delivery boys became one of the reason for Zomato losing its customers. The customers seem to portray positive perceptions towards the online food ordering and delivery services.	a choice and the performance of delivery boys those who work in online food ordering and delivery stores.	
Consumer Perception Towards Online Food Ordering And Delivery Services: An empirical study	Jyotish man Das	Journal of Management (JOM)	Pune, India	In comparison to other service providers, the majority of users have a favourable opinion of Zomato, according to this report. It is primarily due to their improved on-time delivery and lower prices. Zomato is currently the leading online meal delivery service provider, and if modest changes are made, it will maintain its lead in the near future. The factors that encourage consumers the most are Doorstep Delivery followed by Ease & Convenience. Consumers are mostly influenced by Rewards & Cashbacks followed by convenience of Location. The factors that prevent consumers to use the online food delivery services are Bad Past Experience followed by Influence from friends/family.	The primary objective of this study is how online food delivery services are perceived by the consumers followed by an analysis of the various factors that influence the consumers to choose online food delivery services. The research also seeks to identify the most preferred online food delivery service portal by consumers.	28
An Analysis of Online Food Ordering Applications in India: Zomato	Anupriya Saxena	Recent Trends in Humanities, Technology, Management & Social	Luck now, India	The study was undertaken by conducting two questionnaires one for the consumers who eat out or order online through online apps and second for restaurants who are listed with any online food delivery	The paper aims to address the concept of online food delivery applications, the pros and cons of the online food delivery apps from the point of view	2

and Swiggy		Development (RTHM S 2K19)		apps. According to the research, the online meal delivery business model is in high demand, has a lot of potential, and is cost-effective. The most significant difficulty is a decline in client loyalty, which is a major source of concern.	of restaurants and the pros and cons of these online food delivery apps from the POV of the consumers.	
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#### 4. RESEARCH GAPS

Some researches have shown that Zomato was the favorable option and some have shown that it was not. As we have sample units from different parts of India, we can try to understand which is the most preferred option of food delivery apps in India. Since these food delivery apps have become such an important element of most people's lives, we feel that everyone should have a thorough grasp of how they became so popular and how they influence people's perceptions of the app. As a result, the following research gaps have been identified:

1. The responses to most research investigations were limited to a specific region and mostly from places outside India, resulting in a lack of completeness.
2. The majority of the research publications focused on online meal delivery apps as a whole, with no comparisons made amongst rivals.
3. A scarcity of previously published material on food delivery apps, their marketing strategies, and their impact on consumer behavior.
4. The underestimated significance of food delivery apps in the daily lives of the consumers of today.

The main research gap identified is concerning the geographical location. The data we have gathered in our literature review would be insufficient to reflect the population. Thus, a bigger and more diverse sample size would help in strengthening these findings. We have also narrowed down the food delivery apps to just Zomato as it is the most popular food delivery app in India, to get a more precise view as well as to understand the competition faced by them.

#### 5. RESEARCH METHODOLOGY

##### 5.1. Type of Research:

The type of research undertaken for this study is Qualitative and Quantitative Research, as the title of the research paper suggests “Zomato’s Game Plan: Marketing Strategies of Zomato”, it requires an in-depth interpretation and analysis. The aim of using this method is to get the feeling, comprehend the meaning and describe the situation. The data, however, has been collected through a questionnaire, which included both objective and subjective questions in order to gain a better insight and understanding of the ideologies and habits of the sample audience. The study is non-numerical and descriptive in nature. The scale measured questions help to quantify the data for statistical analysis.

##### 5.2. Type of Research Design:

Conclusive Research Design (Descriptive) is the type of research design adopted for this study. This descriptive research design helps us to describe, explain, and validate the findings as well as aid us in

defining objectives for the research. The research is both theory and experiment-based design method which has been created by gathering, analyzing and interpreting data collected through the survey as well as secondary sources.

There are many ways in which we can use this Descriptive research design. One such method is *Case study* and that is what we have adopted in this study. A case study is a comprehensive investigation of a particular subject. It is a research method which involves an incredibly detailed, up-close, and in-depth assessment of a specific case.

### 5.3. Source of Data:

Both primary and secondary sources of data have been studied, however the main source of data is primary data and is collected through a questionnaire. Analysis of primary data, for this research, was best suited because the paper revolves around consumer perception and behavior. The questionnaire for this was designed in a simple, easy to understand and flexible way. The first section had questions to understand the demographic of our respondents. And in the second section, the research objectives were converted into specific questions that would aim to solve the objectives. It was also made sure that the respondents were engaged and encouraged to answer the questions. The questions were self-explanatory in order to get accurate responses from the population.

As for the secondary data, journals, research articles and papers, books and newspaper extracts have been studied to gather the data. We also studied the reports that Zomato has made available to the public for their financial years as well as during the pandemic

### 5.4. Population:

The data was collected by conducting a survey and circulating a questionnaire among our peers and \_\_\_ responses were received, from different age groups and genders, which helped us to obtain diverse feedback and get a better understanding of the habits and ideologies of people regarding online food delivery systems. Before the survey, we also looked at the appropriate age group, gender, and other criteria to consider based on previous research studies in order to acquire the best findings.

### 5.5. Sampling considerations:

Simple Random Sampling has been employed here. The *Convenience sampling technique* has been adopted for this study and the questionnaire which was made for this study has been sent to friends and acquaintances. It comes under the *non-probability sampling* method. This would give us useful results and a general idea about how Zomato is performing in today's Indian market.

### 5.6. Scales used:

Likert and Nominal scales have been used in order to quantify the responses and make the data analysis in terms of calculation easier and faster. It leads to accurate interpretation of the data and helps us derive an effective analysis. These were used to understand the views, perceptions, and motivation behind such behavior of the respondents.

### 5.7. Tools and Instruments used:

Out of all the research instruments available, the *Questionnaire distribution method* seemed to be the best approach, that too with the ongoing pandemic. The survey was carried out using Google forms. The participants' responses were then collected using a link to the Google form. In addition, each participant was required to submit only one response in order to avoid data duplication. The procedure went very smoothly. The data is presented using pie-charts, bar graphs and histograms to make the data easy to interpret and analyze. It helped in understanding patterns from the data and thus helped in getting a better insight of the data.

### 5.8. Research Limitations:

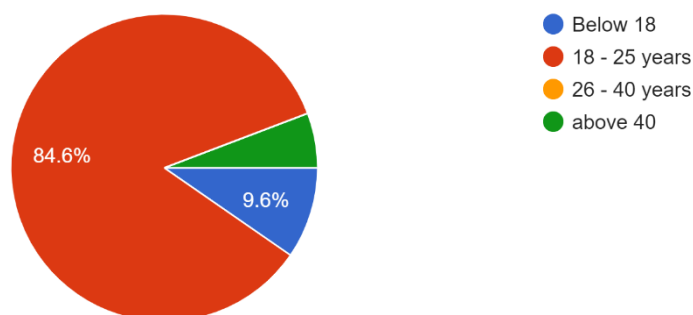
1. The size of the sample was relatively small- 104 participants. A larger sample would likely upgrade the reliability of the research.
2. The lack of resources led to Convenience sampling therefore the data is slightly biased.
3. In some cases, participants refused to fill the questionnaire.



## 6. DATA ANALYSIS AND INTERPRETATION

### Age

104 responses

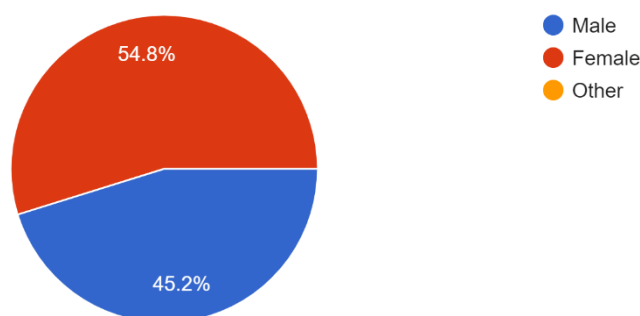


*Fig 6.1: Age*

A majority of the respondents (84.6%) fall in the age group of 18-25 years old, which makes our research more insightful as they are observed to be the main target group. Thus, their view about the same is of extreme importance to us.

### Gender

104 responses

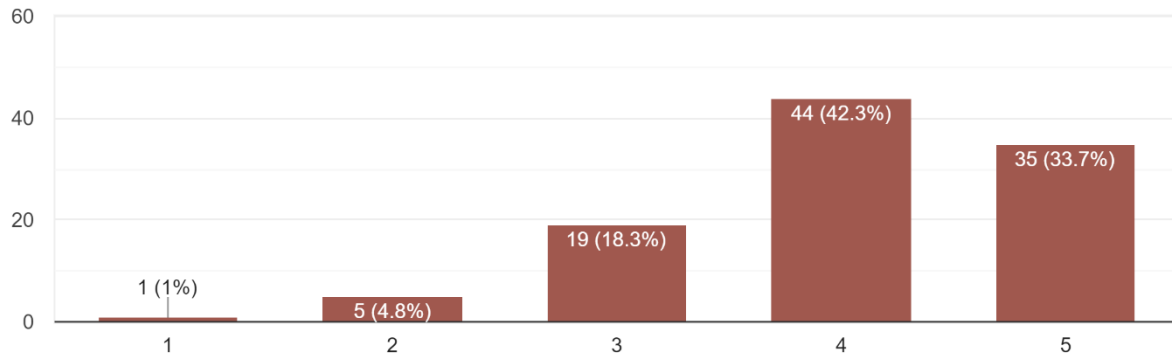


*Fig 6.2: Gender*

54.8% of our respondents comprised women and the remaining were men. We have almost equal representation from the two genders, male and female. This prevents unnecessary and unwanted discrimination and also makes the study more reliable. Females might perceive the situation in a different way as compared to men and we can eliminate the cognitive gap by having equal representation from both men and women.

How often did you order food online ? ( before the pandemic )

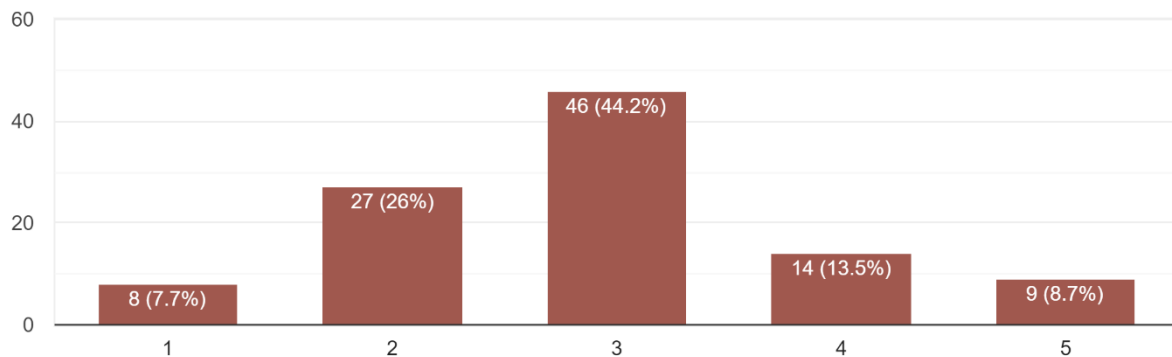
104 responses



*Fig 6.3: Pre pandemic frequency of ordering food*

How often do you order food online in the current situation?

104 responses

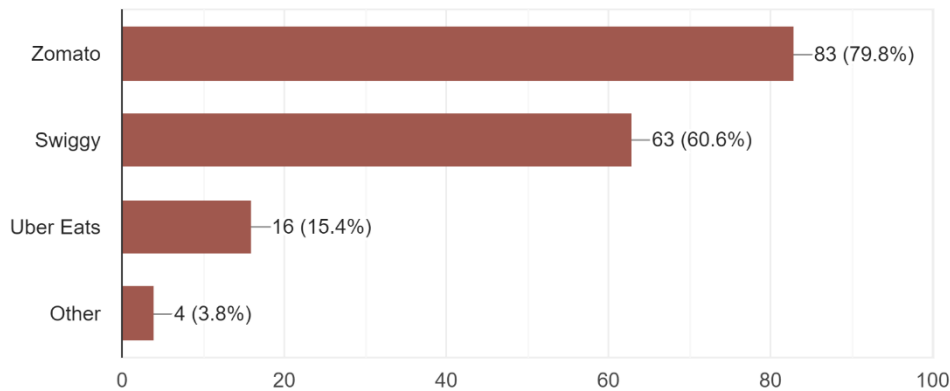


*Fig 6.4: Frequency of ordering food during the pandemic*

We believe that it is important to draw a comparison between the frequency of online orders before and during the pandemic. We calculated means of both to analyze this. Before the pandemic, we got a score of 4.03 for the frequency of food orders placed which is relatively high. After Covid-19 hit us, the frequency has dipped to a score of 2.89 which is clearly lower than the pre-Covid score. This shows that the food delivery industry has definitely taken a hit during the pandemic. This is because people are more skeptical towards the idea of ordering in food when they do not have an idea about the hygiene and cleanliness standards followed by the restaurants they order from. For this, they have made hygiene a core part of their business models and restaurants are still thriving today. However, this data doesn't prove to be entirely reliable as it is on the basis of a small sample population.

Which application / company do you usually prefer?

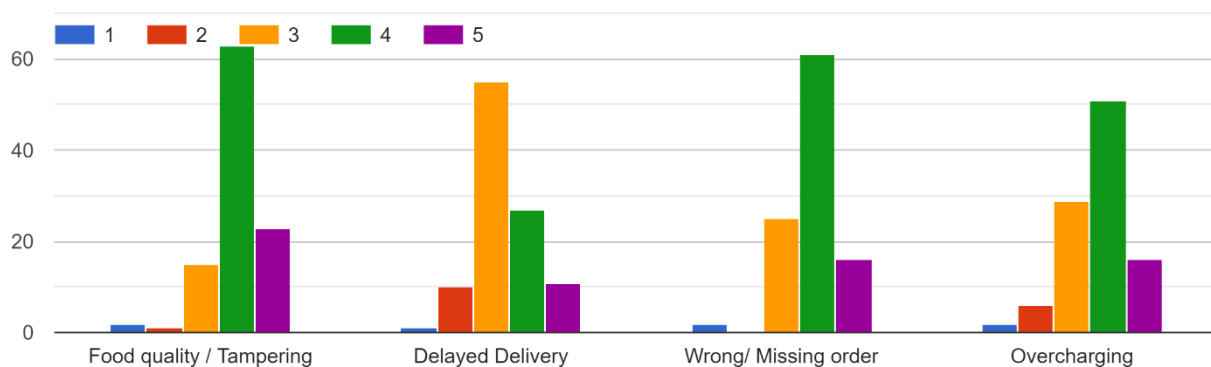
104 responses



*Fig 6.5: Preferred application for food delivery*

When asked about their choice of brand with respect to offline food delivery platforms, almost 80% of the respondents have chosen Zomato, followed by Swiggy with 60%. This data implies that Zomato is the most popular and preferred choice when it comes to ordering food. Uber eats and other food delivery services have received almost no positive response as compared to Zomato and Swiggy. It would be fair to say that these two make the prominent giants in the industry currently, with Zomato taking a clear lead.

How do the following factors impact your decision while ordering through an online food delivery application?

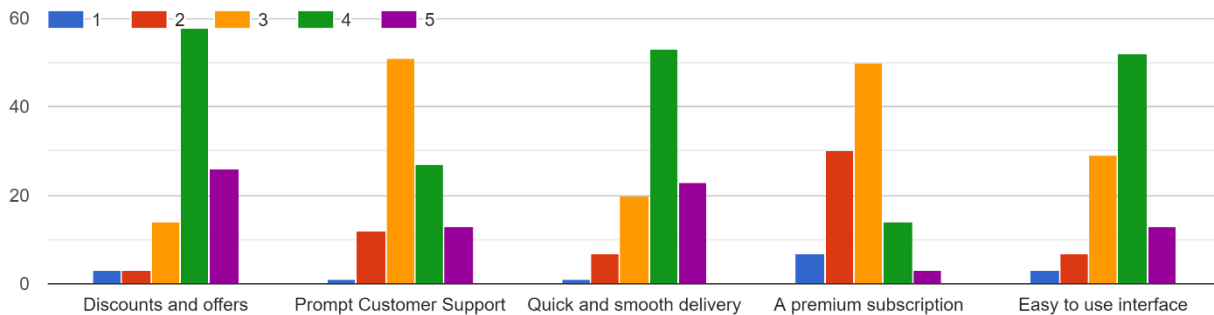


*Fig 6.6: Factors impacting the food delivery order decision*

We put forward certain factors that tend to affect one's discretion while ordering food online like food quality/tampering, delayed delivery, wrong/missing order and overcharging to analyse the basic concerns and criteria that most of the target group has. It was found that our respondents are quite concerned about food quality and tampering, wrong or missing orders and overcharging, whereas most of them do not really keep the time taken for delivery as their topmost point of concern. The major factor affecting it is clearly

the quality of the food delivered and this can be owed to the ongoing pandemic at the time of taking this survey.

What makes you prefer a food delivery app over another?

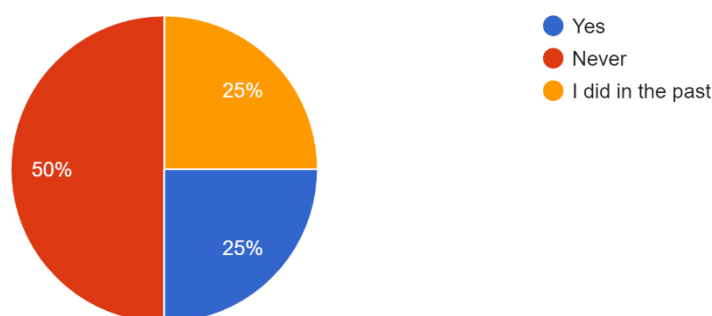


*Fig 6.7: Factors that affect the preference of a food delivery app over another*

It was perceived that a majority of our audience gives preference to an easy to user interface when it comes to food delivery applications, and the discounts and deals offered by these companies play the most major role in their decision making. These also help us understand why Zomato is the leading player currently. However, what came as a surprise was their response to the availability of premium subscriptions, as most of them remain indifferent to the same, with about half of them not in favor of these premium subscriptions. Prompt customer support also received a lower score compared to the factors. So, we feel like to get more customers to use their app, they would need to increase the discounts offered if possible and work to create an app with a simple UI and also train their delivery partners to deliver the food faster and more efficiently.

Do you have a premium subscription to any food delivery app?

104 responses



*Fig 6.8: Premium Subscriptions*

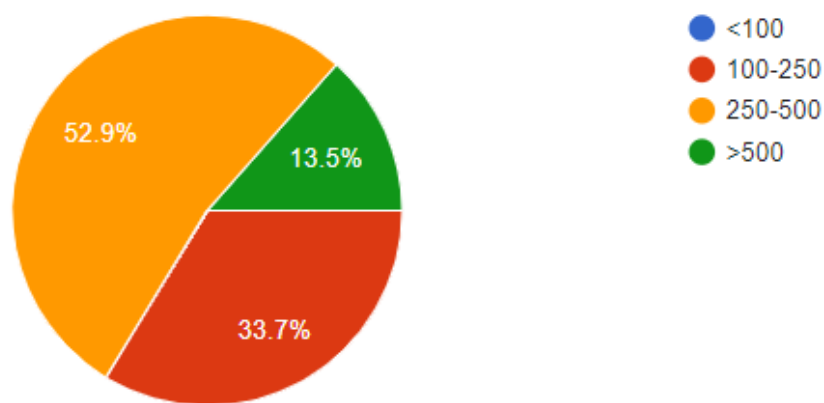
Premium Memberships are a source of revenue for Zomato, as they provide benefits such as buy one get one free, free delivery, and so on in exchange for a membership fee. For people who frequently dine out or

buy online, they could find this greatly advantageous in the long run as they can save money later by buying this membership now.

From the survey we conducted, we can see that 50% of our respondents had bought their membership at least once. And out of that 50%, only half of them have it presently, possibly owing to the fact that this is the time of a pandemic and people are not buying food from outside as much as they used to pre-COVID19. So, Zomato is making a good amount of revenue from their membership plans as 50% of our respondents / their customers have paid for this membership at least once in their life.

### How much money do you usually spend while ordering food online?

104 responses

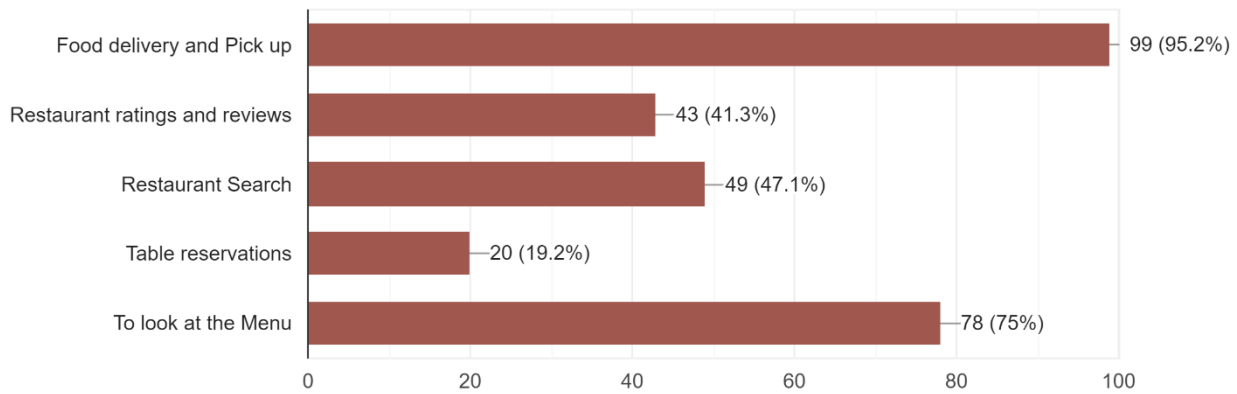


*Fig 6.9: Per order size*

Zomato earns revenue for every order placed with them like a pay per order method. From the survey conducted, we can see that 52.9% of our respondents spend around 250-500 INR. 33.7% of people spend around 100-250 INR. And 13.5% of them spend over 500 INR usually which are relatively bigger orders. This shows that people have become more used to buying larger quantities of food online, sometimes even for the entire family. This would not have been possible a decade ago when ordering in food from outside was frowned upon by Indian households.

What all do you use the Zomato app for? (mark multiple if applicable)

104 responses

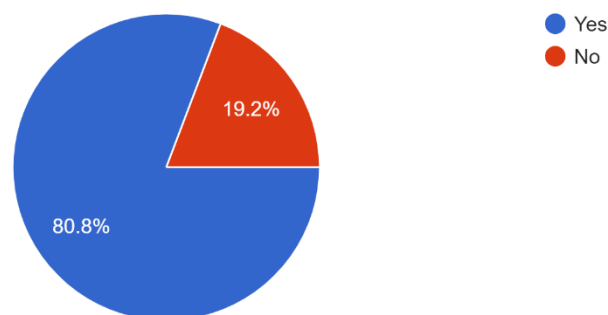


*Fig 6.10: Multiple uses of the Zomato app*

Zomato started off as an online platform / application where people could see the food menus offered by different restaurants. Today, they have become the all in one dining and food delivery app which offers various features like food delivery, restaurant ratings, table reservations, and so on. As Zomato offers such a wide array of services, it has become the go-to app in the case of hunger. Majority of our respondents (95.2%) use it for food delivery and pick up. An astonishing amount (75%) of them use it just to look at the menu. They also use it for searching for restaurants, rating and reviewing restaurants, and also to make table reservations. This shows that all the features and services offered by Zomato are being used by the consumers and is truly the all in one hunger savior in the app world.

Have you been inclined to order more because of the coupons and discounts offered by Zomato?

104 responses



*Fig 6.11: Ordering more because of coupons*

Zomato uses a variety of in-app marketing strategies and promotions, as previously indicated. They offer a large number of discounts to attract more customers to use their platform than to use another one or get the food directly from the restaurants. They also provide seasonal discounts and discounts during local festivities. This helps in attracting more customers to their platform during these festive times when people

are willing to celebrate and spend more. And from the survey we conducted, it has shown that the discounts do attract more customers to use the app and make an order. 80.8% of our respondents said that they have ordered more because of these incentives provided by the company in the form of discounts and coupons. This shows that their marketing strategy has been pretty successful and continues to be one

How often do you come across a Zomato advertisement?

104 responses

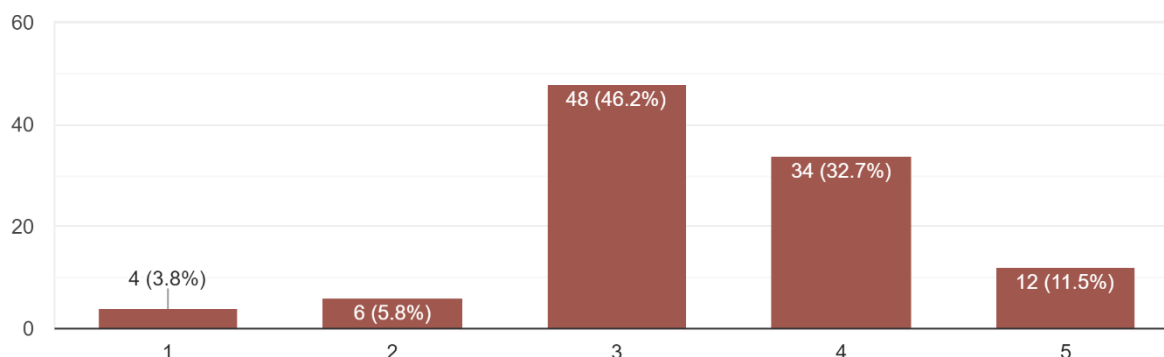


Fig 6.12: Frequency of viewing Zomato advertisements

(1: Not at all, 5: A lot)

Zomato pay for their advertisements to pop up on our feed in the form of sponsored ads. This is shown to us based on our activity. Only a mere amount (9.6%) of our respondents said that they do not receive ads from Zomato that much. 46.2% of them receive a fair amount of Zomato ads and the remaining 44.2% receive them a lot. This is way by which they increase their reach and higher reach translates to higher number of clicks and thus increases the number of sales.

Where do you usually see these advertisements?

104 responses

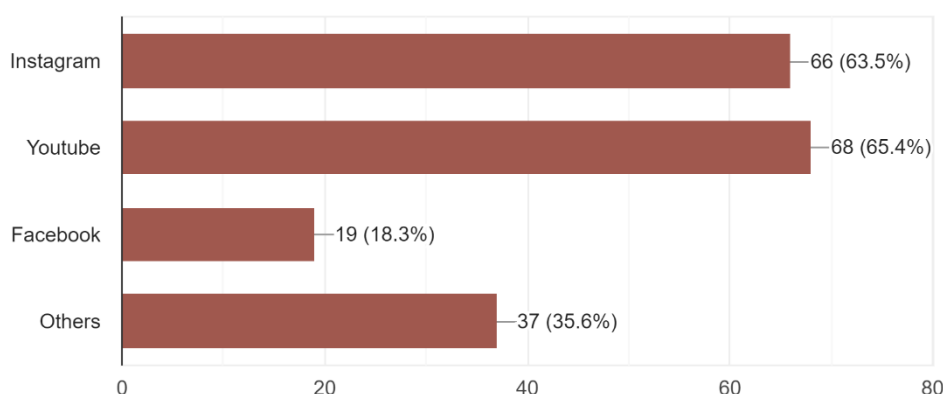


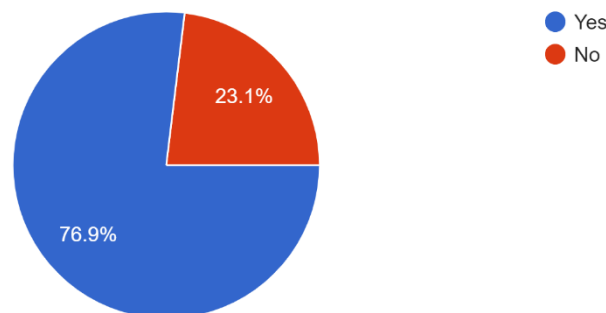
Fig 6.13: Platforms where we see Zomato ads

The company understands its target groups well and is aware that most of its customers are active social media users. Therefore, it focuses on delivering social media ads and engaging posts to connect with its audience. In fact, 0.73% of Zomato's traffic comes from social media. Zomato also runs Google ads to reach its users, as Google displays organic search results along with paid ads when we search online.

Majority of our respondents (around 70%) claim to see Zomato ads usually on Instagram and YouTube. Only 19% of our respondents claim to have seen their ads on facebook and 35.6% have seen them on other platforms like other websites while browsing the internet. These ads are usually in the form of pictures or videos of attractive food with discounts too. It is also a proven fact that looking at delicious food makes us hungry as a result of 'Ghrelin', a hormone being rapidly released into the bloodstream, creating an increase in appetite when we look at food we like. So, Zomato tries to take advantage of random hunger that they induce in us while we scroll through the internet.

Do the discounts Zomato gives on a specific payment option impact your final decision?

104 responses



*Fig 6.14: Payment method exclusive discounts*

To be more flexible, Zomato offers clients a variety of payment alternatives. Customers have the option of paying online or in person. Paytm, Credit Card, Debit Card, ATM Cards, Net Banking, UPI, and more online options are available. Customers can pay cash on delivery for offline payments. There are a lot of discounts which are exclusive to certain payment methods. For example, you might get a discount of 20% up to a certain amount for using a certain bank's credit card. This is a way of internally promoting that bank. People would be compelled to get a credit card from that bank then to avail this offer and save more money in the future. In our survey, 76.9% of the respondents agreed to the fact that payment mode specific discounts have swayed their decision on the payment method they used to make the purchase. So, this marketing strategy seems to be working fine with Zomato.



## 7. FINDINGS

### 7.1 Zomato Reports Analysis

Zomato publishes annual reports in hopes to reduce the negative noise around their company. Because they are doing well and the external narrative did not reflect that fact, they share more information to bridge the perception–reality gap. According to them, they publish the report for 3 main reasons:

1. As a pitch to readers who would identify with their objective of providing better food to more people.
2. Establish a standard for when they go public.
3. They wish to dispel the myths around the food–tech ecosystem.

#### 7.1.1 Annual Report FY – 19

The business always looks back to see what important actions it has taken and is taking to secure its success today and in the future. This year, they realized that their team was made up of people who are not looking for peace, but rather found peace in doing the things they love. As a result, they have hired employees who are enthusiastic about working at Zomato. They thought they would only be effective in India's tier one cities, but they experimented in small villages and were successful. They made \$68 million in income the prior year. They set a goal of \$180 million for this year, and they were able to meet that ambitious goal too. They suffered a significant loss, but they believe it can be made up later because they currently have a competitive edge by being first to market. They also planned to open a kitchen to take advantage of the current delivery app. However, they came to the conclusion that there were other ways to increase earnings without competing with the restaurants with which they collaborate. Zomato Gold has collaborated with over 10,000 restaurants across the world to give 1+1 on food and 2+2 on beverages, allowing consumers to get more bang for their buck while dining out. Zomato Gold will continue to be a programme that offers incentives that are specifically tailored for people who enjoy dining out regularly. In Delhi, Bengaluru, and Pune, they organized Zomaland, a food carnival that was the first of its type in the globe. The goal is to promote the restaurant business and provide our users with a presentation of the top culinary skills in a city. In 2018, they created Hyperpure to supply fresh ingredients to restaurants in order to maintain the quality of meals supplied to customers. They are also assisting farmers in developing more chemical-free crops. They also assist in the fight against hunger in India.

#### 7.1.2 Annual Report FY – 20

Zomato set off yet another productive year by establishing two goals in the first six months, which were market leadership and leading the business to a more sustainable P&L. As for the annual revenue and losses, the company made more revenue in the first six months of the year than that of 2019, and they efficiently lowered down their burn rate to 60% along with cost optimization.

Tapping into the company's main business segments, Zomato went from being active in 200 cities to 500 cities in a span of one year, with their order volumes doubling up in the top 15 cities. Even during these unprecedented times, Zomato continues to create numerous job opportunities and make a social impact, as it is currently working with over 200K delivery partners. The company is also mindful of the environment and acknowledges the amount of plastic packaging they generate with their increasing orders, and plans to put in a coordinated effort to reduce their carbon footprint.

Zomato did face a backlash from some restaurant owners regarding their Zomato Gold Subscription, but they brought in a balance by accommodating adequate changes in the program for both the restaurants and customers. As a result, a good number of restaurants came back onboard and witnessed a 100% increase in revenue.

The company launched 'Hyperpure' to provide fresh and clean ingredients to their restaurant partners in order to reduce wastage and inefficiencies in the supply chain, which led to a revenue of \$6.5m. Zomato in its initiative to collect used cooking oil (UCO) from restaurants, for biodiesel manufacturing facilities, collected 130 tonnes of UCO per month from 1000+ kitchens in Delhi NCR. Zomato also introduced the Founder Program, wherein they will announce deserving founders every year, giving passionate and consistent people a chance to serve their employees, customers and business partners and achieve their vision - "better food for more people".

### 7.1.3 Mid COVID-19 Performance Report

With the stringent lockdown limitations, COVID has had a beneficial influence on the business in terms of profitability, since more customers are locked at home and would like to order food in. It has also impacted the firm's scale and pushed them back a year, but they are unfazed because they have the perspective that a year is insignificant when developing a firm for the next 100 years. They were able to lessen the competition they had been facing by acquiring Uber Eats and successfully switching the clients of Uber Eats to their side in January 2020. Now that the market has a two-player structure, they were able to lessen the competition they had been facing. They relaunched Zomato gold as Zomato Pro, which offers restaurants and users a better value proposition. Due to the lockdown laws, all of their restaurants were forced to close, which hurt their dining out business the most. They came up with the notion of Contactless Dining to tackle this. The Zomato crew was asked to volunteer for salary reduction in order to save money. 75 percent of their employees did so, resulting in a 14 percent reduction in payroll expenditures. When COVID-19 hit them, they realized how volatile the climate is and that they'd have to brace themselves for more difficult times ahead.

### 7.1.4 State of the Restaurant Industry (Mid COVID-19) in India

Zomato compiled this research by speaking with restaurants and customers to have a better understanding of the industry's present situation and future prospects. This was taken in the middle of Covid 19, and the food delivery business had already recovered to roughly 80% of its pre-Covid gross merchandise value (GMV). Some communities have a greater GMV than before because they are less concerned about foodborne illness. Since the lockdown began, Zomato has served over 7 crore meal orders, with no known incidences of covid transmission via meal delivery. When there are rigorous lockdowns, commerce is disrupted, but deliveries resume as soon as the lockdown is released. It was noticed that once they make their first order after lockdown began, the frequency of people ordering in recovered to pre-covid levels. This was them getting over the hurdle of safety perception. The restaurant dining in business, on the other hand, is only about 8%-10% of its pre-covid levels. Consumers' decision-making models would now include safety and hygiene as a permanent component. However, the industry's prospects are brightened by a strong rebound in overseas markets (New Zealand, Australia).

## 7.2 Marketing Strategies Adopted by Zomato

### 7.2.1 Zomato's Twitter Game: The Pillar of it's marketing strategy:

Zomato's marketing strategies root from innovation, agility and effective communication. What makes them stand out is their frivolous, witty and sometimes even counter intuitive tone of voice. Their primary focus is interaction with their audience.

An example of this is a marketing campaign that they launched on Twitter, where they asked people the most creative restaurant name they've ever come across. Naturally this led to a deluge of responses with 567 comments, 692 likes and 72 retweets at the time of publishing this post.

In another viral tweet, they asked their user base to order less and eat more home-cooked meals - "Guys kabhi kahi ghar ka khaana bhi khaa lena chahiye" which is the exact opposite of what a food delivery platform would communicate. But they adopted reverse psychology to their favour and their customers were probably even more tempted to order food. The central takeaway is that Zomato knows how to work its community and stand out on Twitter where almost all brands are bent on promoting their products.

### 7.2.2 Zomato's marketing strategy during Covid-19:

The company set up the - Feed the Daily Wager- fund to provide relief to the families of daily wage earners who are unable to generate any income in these uncertain times. They established a goal of 50 Cr. out of which they have already collected over 28.13 Cr. They use this money to distribute meal kits to families which can support up to 5 people for a week. They have also partnered with a network of NGOs and other organizations in order to ensure that the food reaches the right people.

### 7.2.3 SEO Strategy:

Zomato has a strong SEO strategy and gets approximately 66% of its traffic from online searches. The company receives 99.44% of organic traffic from its search ratio whereas their paid searches are only 0.56%. These rising metrics are a result of its SEO strategy, which includes target keywords, URL linking, pages on website, internal linking and their social media strategies. Zomato targets around 900K keywords to rank high in search results which is why it holds such a dominant position. It allows restaurants to create and maintain their pages on its website and there are about 6500 registered restaurants on Zomato, which is why Zomato has over 54 million pages on its website. Zomato procures backlinks from 12,274,172 domains and increases its domain authority. It also obtains high authority backlinks from .gov and .edu domains. Zomato makes its SEO game stronger by getting quality links.

### 7.2.4 Social Media Campaigns:

Zomato is an app that has the target audience of the 18-35 age group, and cannot leave out social media marketing. The company understands its target groups well and is aware that most of its customers are active social media users. Therefore, it focuses on delivering social media ads and engaging posts to connect with its audience. Infact, 0.73% of Zomato's traffic comes from social media. It also follows the meme marketing strategy to connect with the younger audience, even the company Instagram bio was "Meme page...occasionally posting brand posts due to business team pressure."

### 7.2.5 Zomato's Paid Advertising:

Zomato also runs Google ads to reach its users, as Google displays organic search results along with paid ads when we search online. Zomato has adopted both branded and non branded keywords for Google ads. Approximately 0.56% of Zomato's traffic comes from paid search ads on Google.

### 7.2.6 Zomato's Email Marketing Strategy:

Zomato has not missed any marketing tool and undertakes efficient utilisation of Email Marketing as well. Like its tweets, Zomato's Email marketing is also one of the wittiest and captivating strategies. Zomato maintains its brand loyalty through compelling subject lines and a call to action.

### 7.2.7 Push Notifications:

Zomato always ends up popping on our screens with quirky and personalized push notifications, tempting us to place an order. This strategy enables Zomato to connect better with its users and encourage them to order the food in their carts.

### 7.2.8 Zomato's Visual Advertising:

Be it their video adverts or billboards, Zomato comes up with great content and connects with its target audience. Following are some famous adverts by Zomato:



*Fig 7.1 Visual Advertisement by Zomato*

*Fig 7.2 Visual Advertisement by Zomato*





*Fig 7.3 Visual Advertisement by Zomato*

The brand often leverages the popularity of TV shows and steals the limelight.



*Fig 7.4 Visual Advertisements by Zomato*

### 7.2.9 Emotional branding:

**#OrderForMom Campaign:** These campaigns saluted the mothers who spent their time in the kitchen cooking delicious meals for their family, and targeted their children who are blessed to have them. The campaign was launched to inspire everyone to celebrate mother's day.



*Fig 7.5 Visual Advertisement by Zomato used on Mother's Day*

## 7.3 Survey Analysis

The analysis suggested that most of the respondents believe Zomato provides a wider range of restaurants, a vast variety of food as well as better food quality and faster delivery, as compared to its competitors, which thereby, makes Zomato their preferred brand. They also show that the frequency at which they order food has considerably decreased owing to the ongoing pandemic at the time of this survey. Most of the users are greatly concerned about the quality of food compared to other factors that impact their food delivery experience. Discounts and offers are the most attractive features to the consumers that make them prefer one app over another. People also tend to order in more because of the discounts offered by the app. Zomato advertisements are also in play and a lot of consumers are exposed to it in their everyday lives. Premium subscriptions were not as necessary a feature compared to the others. We also found out that payment mode specific discounts sway the consumer to use that mode of payment to avail the extra discounts offered by Zomato.

## 8. DISCUSSION AND CONCLUSION

Everything that Zomato does today, equips it uniquely for the long run. As the industry standard for restaurant reviews, and as one of the largest players in delivery and dining out, it has unparalleled access to user insights, and relationships with restaurateurs. This is helping it design and scale business models that make this future viable. We formulated a simple questionnaire for this research to assess Zomato's current positioning in the market and its correlation with consumer perception and behavior.

Furthermore, from the current study, it may be concluded that online food delivery services have assumed a serious trend and preference among the population of the country. This trend has brought numerous new business opportunities not just for the young entrepreneurs but also for the general public sectors to begin their new ventures under various public-private partnerships. The reach in rural sectors isn't that top. With more and more technological avenues opening up, the brand has to exploit it through aggressive advertising.

A good brand name is essential when it comes to the food industry and Zomato has been successful in creating a brand name that resonates with trust and convenience. There have been many new competitors in this market like Food Panda and Uber eats but they haven't been able to match the brand name created by Zomato.

Zomato has constantly initiated innovation across different verticals and has ensured to build on the advantages that they have created. Zomato has obtained a competitive edge and a primary reason behind the same is that it is extremely data-driven. Zomato has efficiently driven both operational and commercial efficiencies like delivery time prediction, logistics optimization, ad delivery, and supply prioritization.

Zomato is mostly an app-based company these days. Whether it's the app's clean interface, or unique features like rating, hygiene, cuisine options, fastest delivery, and cost, it's a winner in every category. It is compatible with both iOS and Android devices. It has over 2.5 million downloads, and its app accounts for more than 40% of traffic. All of this makes Zomato the best food delivery app in the industry of food delivery, which has also been proven in the survey we conducted.



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