

An Assignment on Digital Marketing Strategy of ZOMATO





DISCOVER MORE PLACES TO EAT AROUND YOU
BETTER FOOD FOR MORE PEOPLE

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Objectives



• **Increase Brand Awareness:**

- Enhance recognition of the Zomato brand in major European markets such as the UK, France, Germany, Italy, and Spain.
- Establish Zomato as a preferred platform for both consumers and restaurant partners through strategic partnerships and localized campaigns.
- Leverage social media and influencer marketing to improve Zomato's visibility across key European digital channels.

• **Improve Digital Presence and Customer Engagement:**

- Optimize Zomato's website and mobile app for European audiences by integrating multilingual support and region-specific UI/UX.
- Increase organic and paid reach by implementing data-driven SEO and PPC strategies, boosting website traffic and app downloads.
- Highlight Zomato's commitment to sustainability with eco-friendly initiatives like biodegradable packaging and waste reduction to attract environmentally conscious customers.

• **Customer Acquisition and Retention:**

- Utilize personalized promotions, loyalty programs, and region-specific offers to attract new customers and retain existing ones.
- Implement robust CRM campaigns to foster deeper relationships with customers through targeted email marketing and push notifications.

• **Competitive Benchmarking:**

- Identify main competitors (e.g., Just Eat, Deliveroo, Uber Eats) and analyze their market strategies.
- Study their pricing models, digital campaigns, and logistics frameworks to propose actionable improvements for Zomato.



Operational Efficiency and Revenue Growth:

- Increase the average order value by encouraging bundled orders and offering exclusive deals.
- Establish a scalable logistics framework, including partnerships with local delivery services and introducing autonomous delivery solutions where feasible.
- Improve cost-efficiency in high-operational-cost European regions by investing in data-driven solutions.

Address Key Challenges:

- Identify and address key legal and regulatory hurdles, including GDPR compliance and local labor laws.
- Mitigate cultural and consumer preference differences through in-depth market research and region-specific menu customization.
- Propose sustainable solutions to overcome high operational costs in competitive markets.

Summarize Findings and Propose Future Directions:

- Evaluate Zomato's current position in the European market and its potential for growth.
- Propose actionable steps to enhance customer satisfaction, increase market share, and improve profitability.
- Suggest future directions, including partnerships, market expansions, and innovative technologies to ensure long-term success.



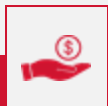
➤ Overview of ZOMATO ➤

- Started in : July 2008, Delhi
- Founded By: Deepinder Goyal, Pankaj
- Initial Name: “Foodie Bay”
- Renamed as ‘Zomato’ in November 2010
- Parent Company: Info edge
- Category: Mobile Application Based
- Positioning: Zomato provides the ‘Guide’ or the ‘Discovery’ experience of restaurant & food

- Target Group: All Smartphone Users
- Segment: Young Population, working professionals & market research companies
- USP: Restaurant & exciting nightlife guild with menus, map locations & pictures
- Tagline/ Slogan: Discover great places to eat around you
- Sector: Food & Restaurant

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Zomato Statistics for the FY 2023-24



€ 857.12 MM

Annual Revenue



247 K

**Average Monthly
Active Food Delivery
Restaurant Partners**



400 K

**Average Monthly
Active
Delivery Partners**



18.4 MM

Monthly Active Users



753 MM

Orders



€ 857.12 MM

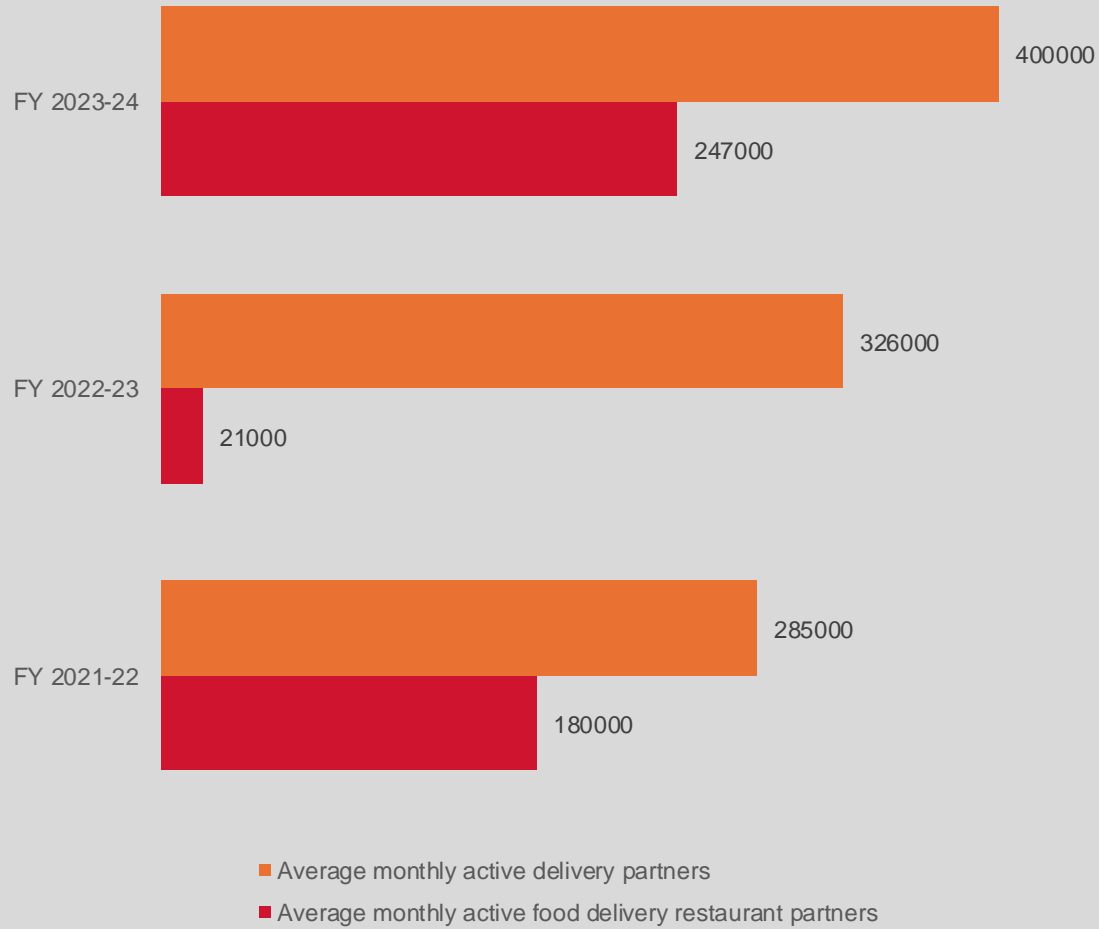
Gross Order Value



Zomato

🔥 Zomato Over the Years 🔥

Monthly Average Delivery Partners



Orders Vs Revenue



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➤ Zomato for Environment and Community

Environment Conservation

Environment conservation by completely avoiding plastic packaging; use of bio-degradable packaging.

Women Empowerment

Empowering women through participation, employment and contribution.

Feeding India

An initiative of feeding the underprivileged kids to solve the malnutrition and food wastage issues.

Zomato Pathshala

Education and guidance to the children of the employees by volunteers.

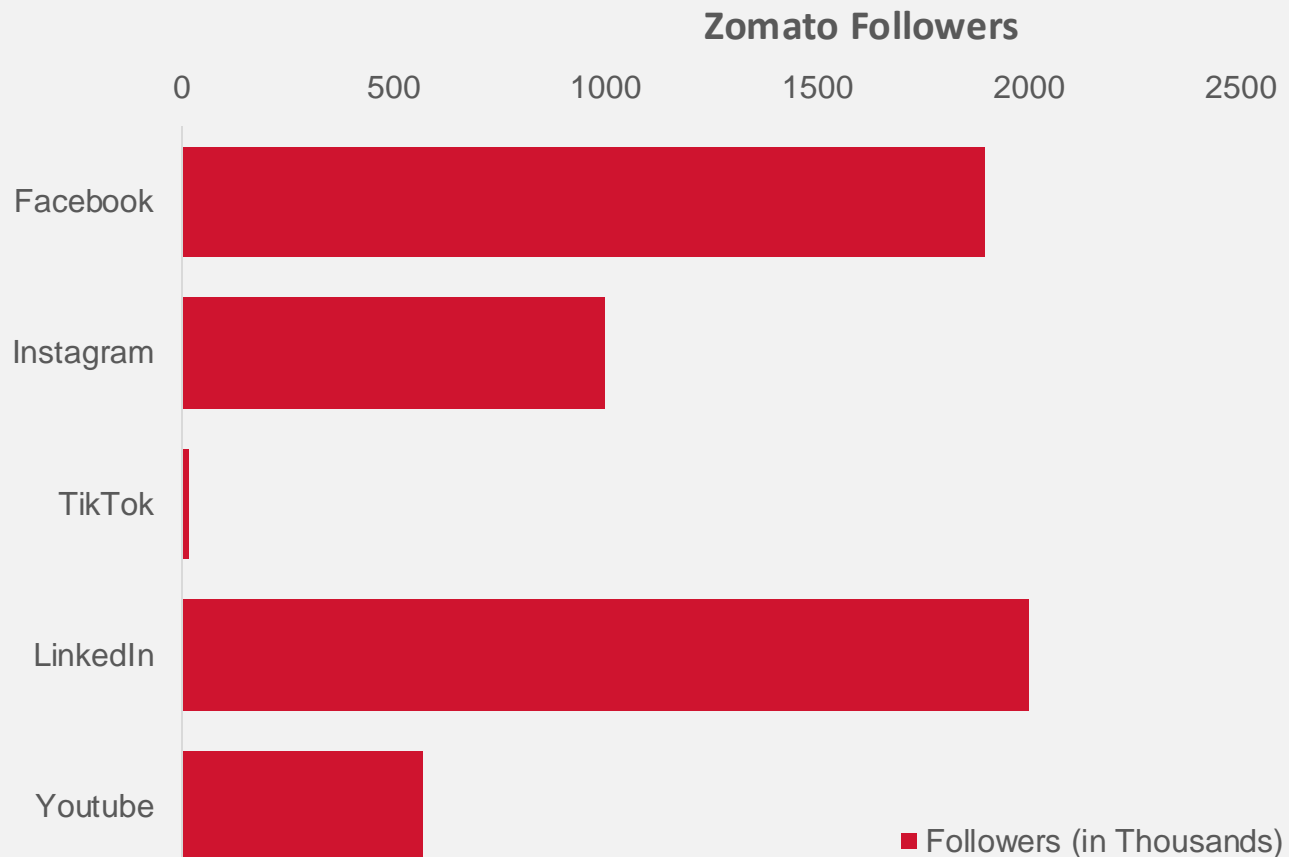
Emergency

Partnered with Delhivery to supply oxygen concentrators and other medical supplies to the hospitals to examine patients during the COVID.



Zomato Social Media Following

Among different social media platforms, Zomato has the highest number of followers on LinkedIn followed by Facebook. TikTok has the least followers among the 5 social media platform with 14.6 k followers.



➤ Theoretical Background ◀

Establishment of Zomato

Established in 2008 as FoodieBay by Deepender Goyal and Pankaj Chaddah, later rebranded as ZOMATO in 2010. Initially created as a platform to bridge gaps between customers, restaurants, and delivery partners.

Sustainability and CSR

Initiatives like plastic-free packaging and reducing food wastage Zomato's commitment to environmental sustainability.

Business Model and Strategy

Built on a commission-based model with additional revenue streams through advertisements, subscription services e.g., Zomato Pro and cloud kitchen support.

IPO and Growth

Publicly listed on the Indian Stock Exchange in 2021, showcasing significant investor confidence. Transitioned into International markets, focusing on compliance with local regulations and consumer preferences.

Core Features

Acts as a marketplace for customers to discover restaurants. Order food and read/write reviews.

Challenges and Adaptation

Faced with legal and logistical challenges in expanding into Europe, including GDPR, employment laws, and cultural food preferences.

Emphasis on Hygiene and Quality

Ensure partner restaurants adhere to high standards of food safety and quality.



Survey and Market Research

European Market Overview

- UK is the king in this business with high online food delivery penetration (49% online penetration).
- Grab the opportunities in markets which has low online penetration like Italy (13.5%), France (23.4%), and Germany (32.7%)

Key Competitors

- **Just Eat** leads in Italy, Spain and the UK with 50% EBITDA margin.
- **Deliveroo** eyes premium markets segments with its embedded logistics model .
- **Takeaway** commands in Benelux and Poland but faces competition in Germany and France .

Competitive Advantages of ZOMATO

- Zomato's strengths lie in its strong, user-friendly platforms, multi-language support, and community-driven initiatives such as "Feeding India."
- Its strong emphasis on hygiene and food quality aligns well with the stringent food safety regulations in Europe.
- By forming partnerships with local restaurants and offering promo codes and gift vouchers, Zomato could achieve quick market penetration.

Limitations in Europe

Legal Issues

One of the major hurdles for ZOMATO is to adhere to the Data Protection and Privacy Laws of European countries. This includes user data collection, processing and storage.

Operational Costs

Competing in European markets is not an easy task; due to high labor, marketing and deployment costs unlike India where the overall operational costs are comparatively cheaper than Europe. These factors directly impact the profitability of the brand.

Financial Factors

Although the main goal of brand expansion is to generate more revenues. The idea of brand expansion may not always hold true. Inflation, market fluctuation, economic and political instability may affect the profitability of the company.

Market Competition

Since European countries already have reputed food delivery companies such as UberEats, Wolt, Delivery Hero, it will be difficult to grab the market share from these companies unless ZOMATO performs magic to lure the customers to use their platform for food delivery.

Culture

The food preferences in Europe vary largely. Local cuisines, dining habits and food delivery expectations of the consumers should be thoroughly researched. Providing the option of traditional taste as well as international cuisines would probably attract more customers. Also, it should strictly monitor the quality and hygiene standards of its partner restaurants, time and again to ensure that food quality and hygiene are always maintained.

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➤ Mitigation Ideas ➤

• Data Privacy

- Data collection, processing and storage with user consent under GDPR regulations.

• Food and Health Standards

- Monitor the food quality of the partner restaurants. Ensuring the food safety and hygiene standards of EU.
- Maintain food standards through internal audits and certifications.

• Market Competition

- Establish robust partnership with reputed restaurants
- Provide unique offerings to the customers with variety of promotions, coupons, gift vouchers.
- Recommend restaurants based on user preferences and provide food guidance as well.

• Operation Challenges

- Incorporate dual delivery model (own fleet + partner fleets) to reduce costs.
- Use AI tools and applications for optimized navigation for faster delivery.

• Market Adaptation

- Develop and Deploy website and app with contents that reflects European culture and language. Recommend menus specific to region to match customer preferences



➤ Digital Marketing Strategy ➤



Zomato, the first Indian food tech company, entered international market from the UAE where it grabbed an astounding 75% market share with an average of 300k monthly users. The company seized every opportunities to become the largest restaurant search platform in Dubai. With deep marketing strategies, cultural understanding, it has demonstrated how to capitalize at the international market by continually amending its tactics to keep up with the demands of the customers and stand firm to dominate the markets of its kind.

Potential Framework for Expansion



Research and Market Entry:

Initiate surveys, campaigns and partnerships in major European capital cities.



Growth:

Expand and enlarge the logistic capabilities with a mix of partners and local fleets.



Sustainability:

Implement localized CSR actions and develop independent delivery services.

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➤ Digital Marketing Strategy ..ctd. ➤

A detailed study on the following analysis models will not only help Zomato to expand its business across Europe; this will allow Zomato to understand and mitigate the issues and difficulties it may face during the deploy or during the operation. Zomato will grab every opportunities to compete with other similar companies in the market and show its USP to attract customers to their platform.

Pestle Analysis

Laws and Regulations:

- Abide to the EU labor laws and comply with the existing economic regulations for delivery partners.
- Orient the partner restaurants other partners with EU food safety standards and hygiene regulations.
- User data security. Collection, processing and storage of data through user consent.

Social Culture and Environment:

- Incorporate modern and traditional dining preferences based on countries.
- Follow sustainable and eco-conscious food delivery options.

Economic:

- Busy schedule and the culture of dining out directly supports growth in online food delivery service.
- Inflation, market fluctuation and economic instability may hamper revenue growth.

Technological:

- Deployment of user-friendly app and website with multilingual support and simple UI interface.
- Advanced and secured e-commerce system.
- Implement autonomous delivery solutions in densely populated urban areas.
- Dedicated support team with proficiency in major European languages to handle queries and user grievances.



➤ Digital Marketing Strategy ..ctd. ⬅

SWOT Analysis

Strengths:

- Global expertise with advanced digital platform for restaurant and food browsing with wide payment system.
- Solid brand presence as it orients the partner restaurants with EU food safety standards and hygiene regulations.
- Trusted brand reputation in emerging markets

Opportunities:

- Increment in convenient and digital food delivery services.
- Enforce modern technology and AI tools for delivery and logistics handling.
- Opportunities for expansion in countries like Spain and Italy due to low market presence of other deliver partner companies.

Weaknesses:

- Brand awareness is lower in Europe in comparison to Deliveroo and JustEat.
- Deployment, logistics and operational costs are higher compared to Indian markets.

Risks:

- Economic instability leading to low spending by customers.
- Legal issues throughout Europe.
 - Intense market competition.



➤ Digital Marketing Strategy ..ctd. ➤

Data Analytics :

- Predictive Analytics: Use modern machine learning and AI tools to study customer behavior; demand patterns, cuisines and delivery options.
- Customer Classification/Segmentation: Apply clustering methods to distinguish specific customers/users based on food preferences, demography and order frequency.

Competitor Analysis:

- Compare and standardize Zomato's unique services with European competitors such as Deliveroo and Uber Eats
- Analyze and evaluate pricing strategies, delivery time effectiveness, and customer satisfaction levels.



➤ Digital Marketing Strategy ...ctd. ⚡

Race Framework for Expansion

Reach:

- Target urban millennials, GenZ, busy professionals, food enthusiasts and tourists through social media campaigns, paid search ads and SEO.
- Team up with local influencers specially food bloggers, chefs and food enthusiasts.

Act:

- Maximize app engagement through various offers and discounts, coupons, loyalty programs and attractive user-contents along with user experience.

Convert:

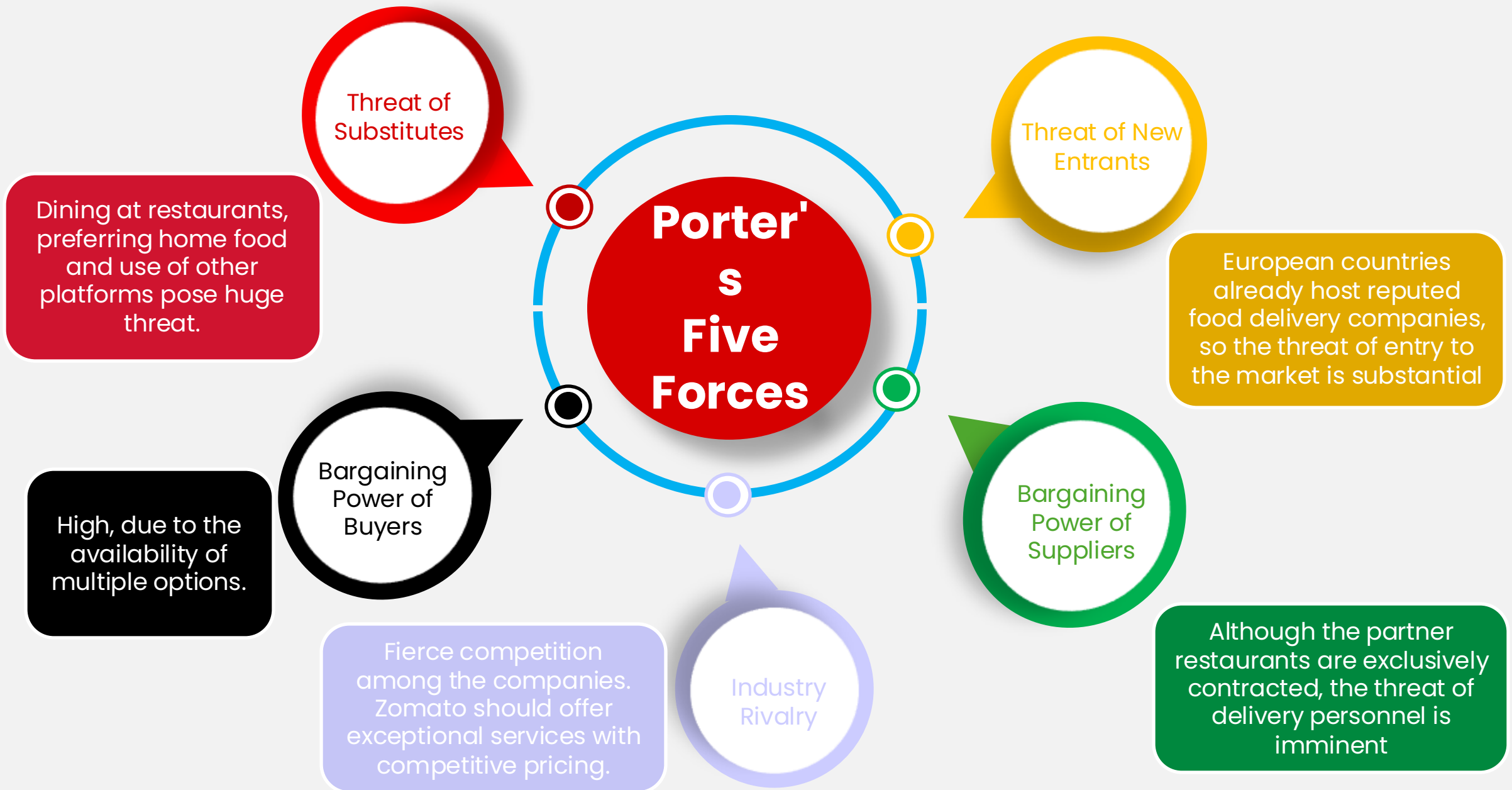
- Provide wide payment options.
- Provide discounts and coupons on first order, bulk orders and holiday offers.

Engage:

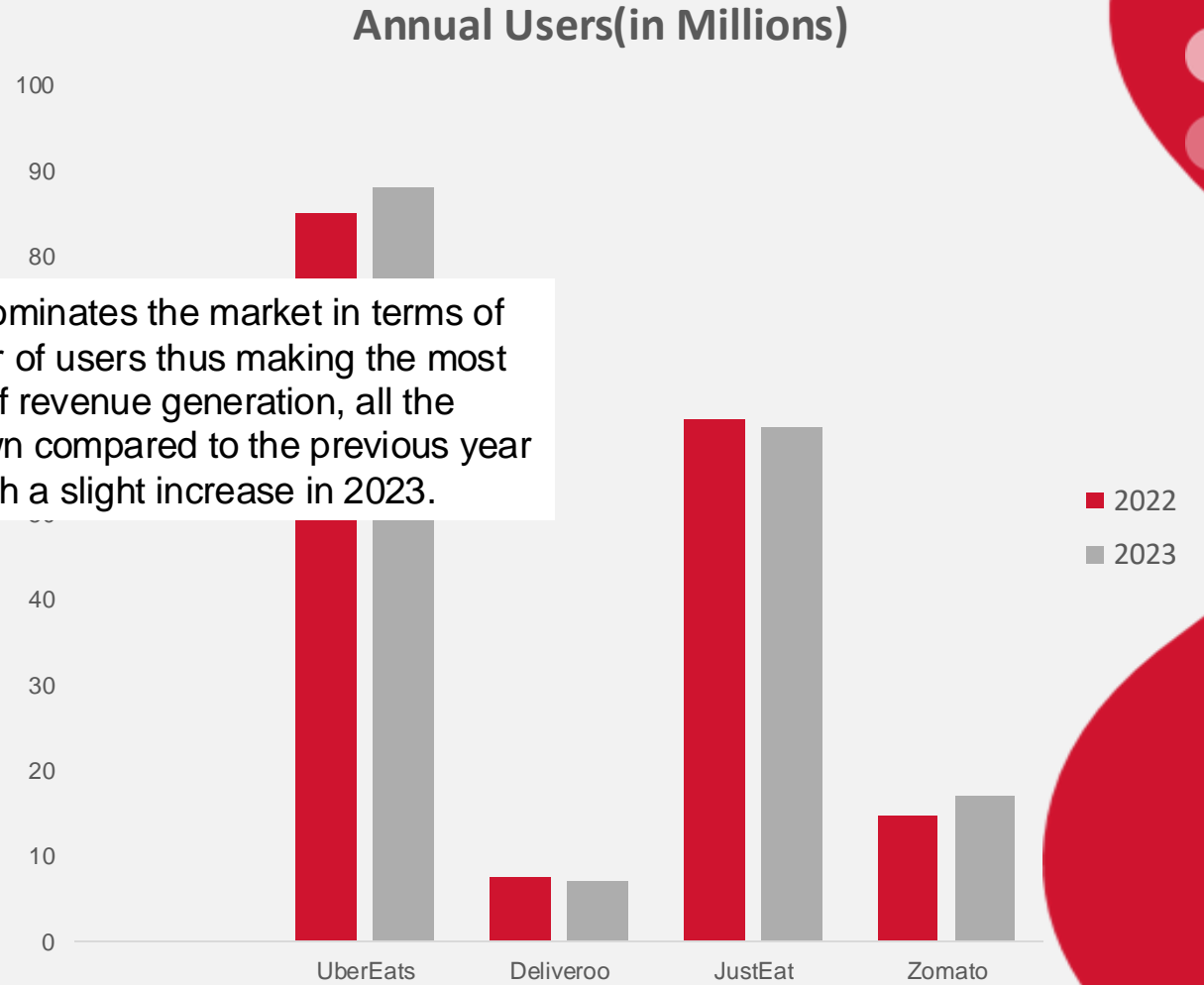
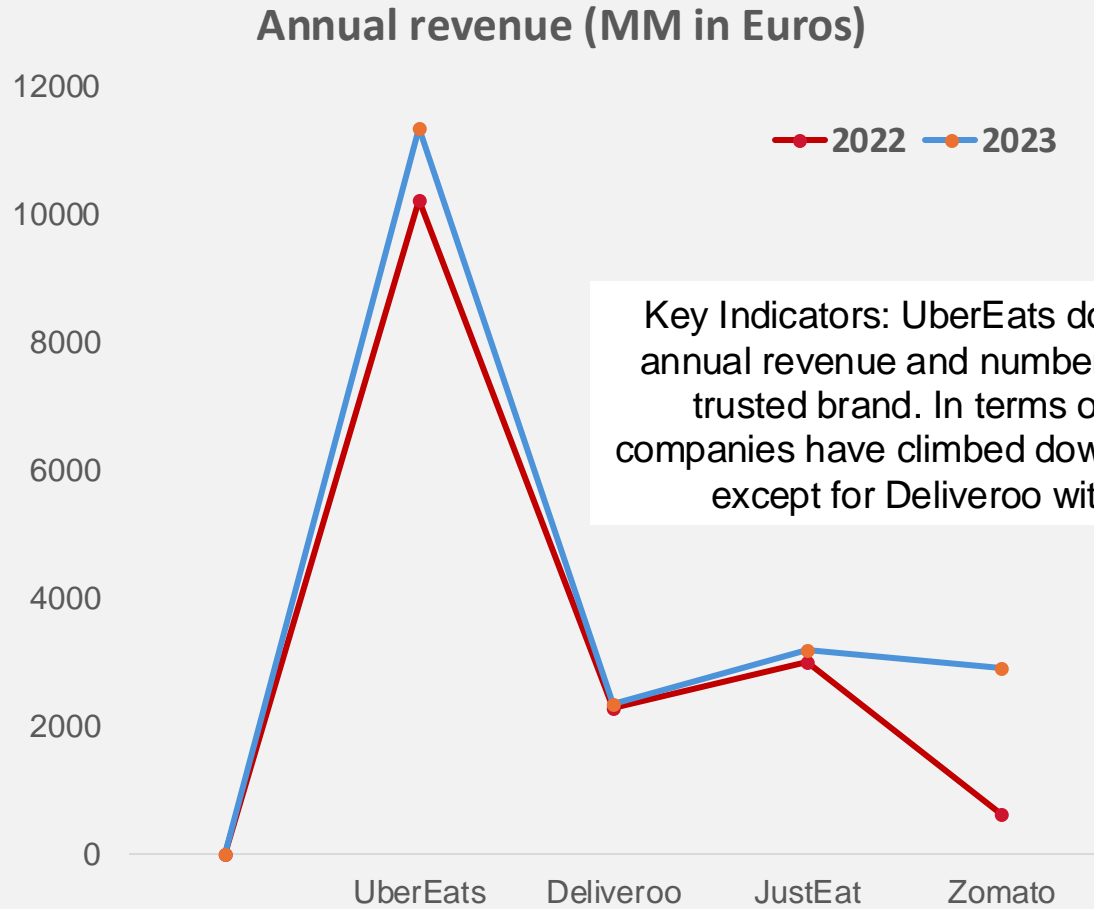
- Focus on building long term healthy relationship with personalized push notifications, feedbacks, post-delivery follow-ups and CRM.
- Develop friendly relation by sending personalized messages during holidays, social and cultural events, birthdays and anniversaries.

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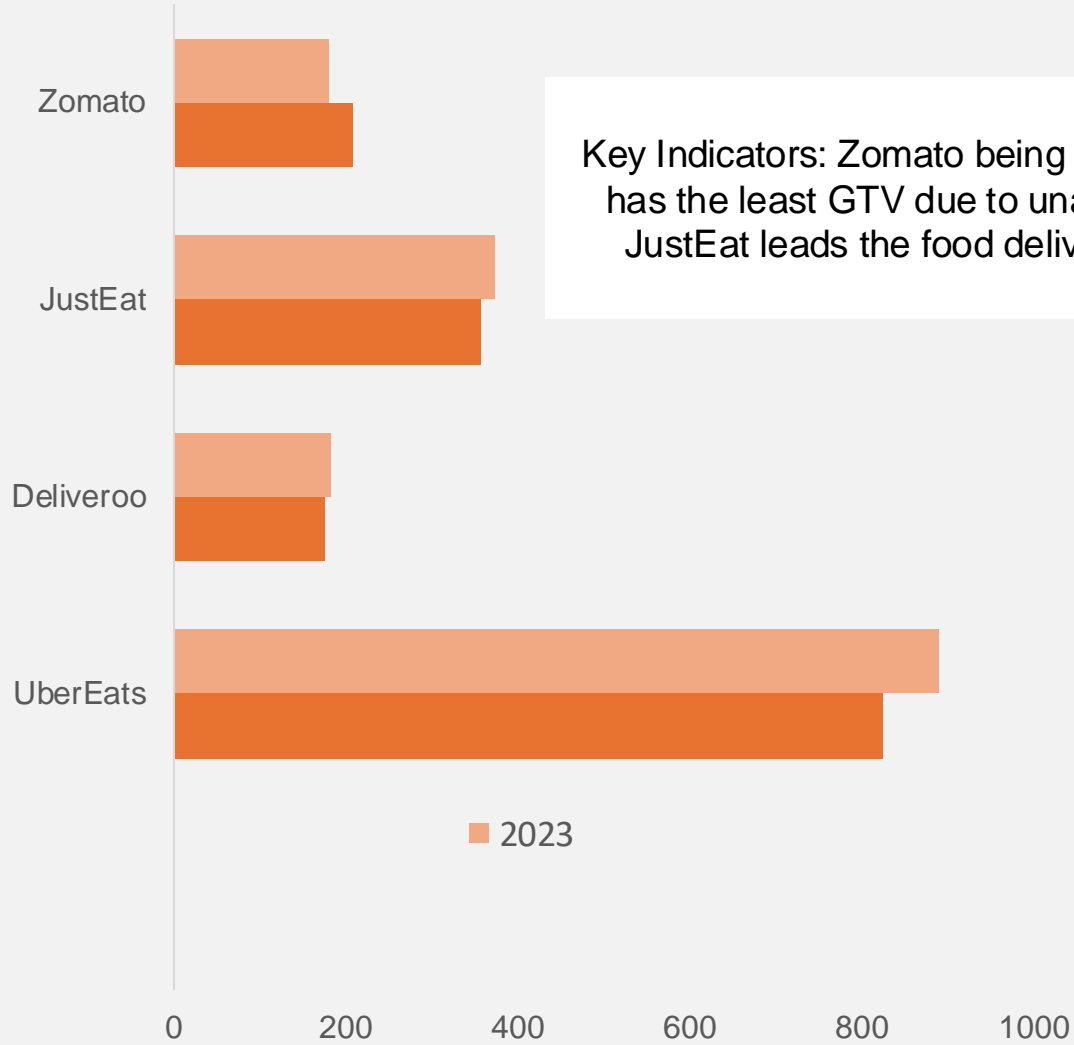




Competative Analysis

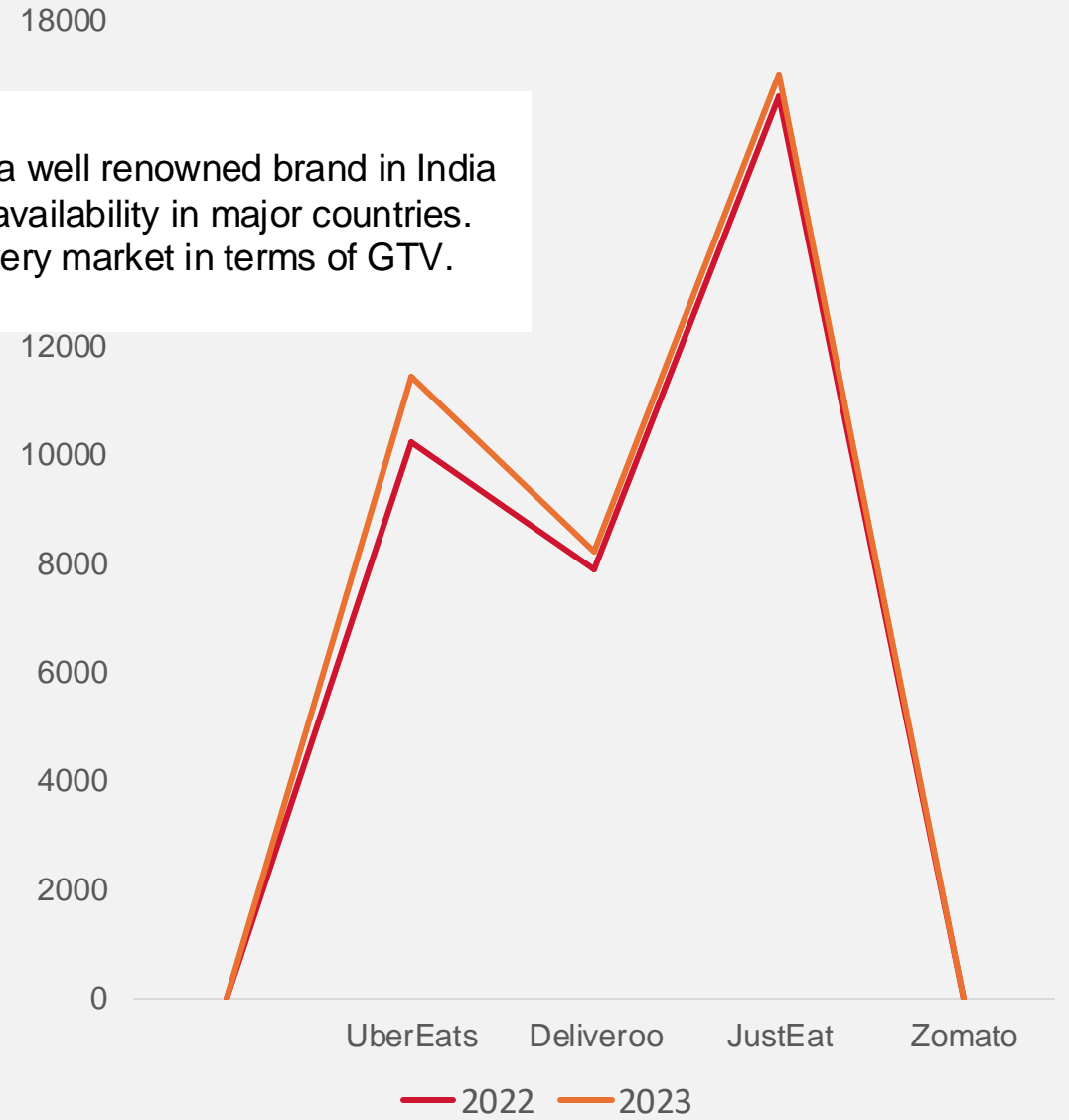


Annual Partner Restaurants (in Thousands)

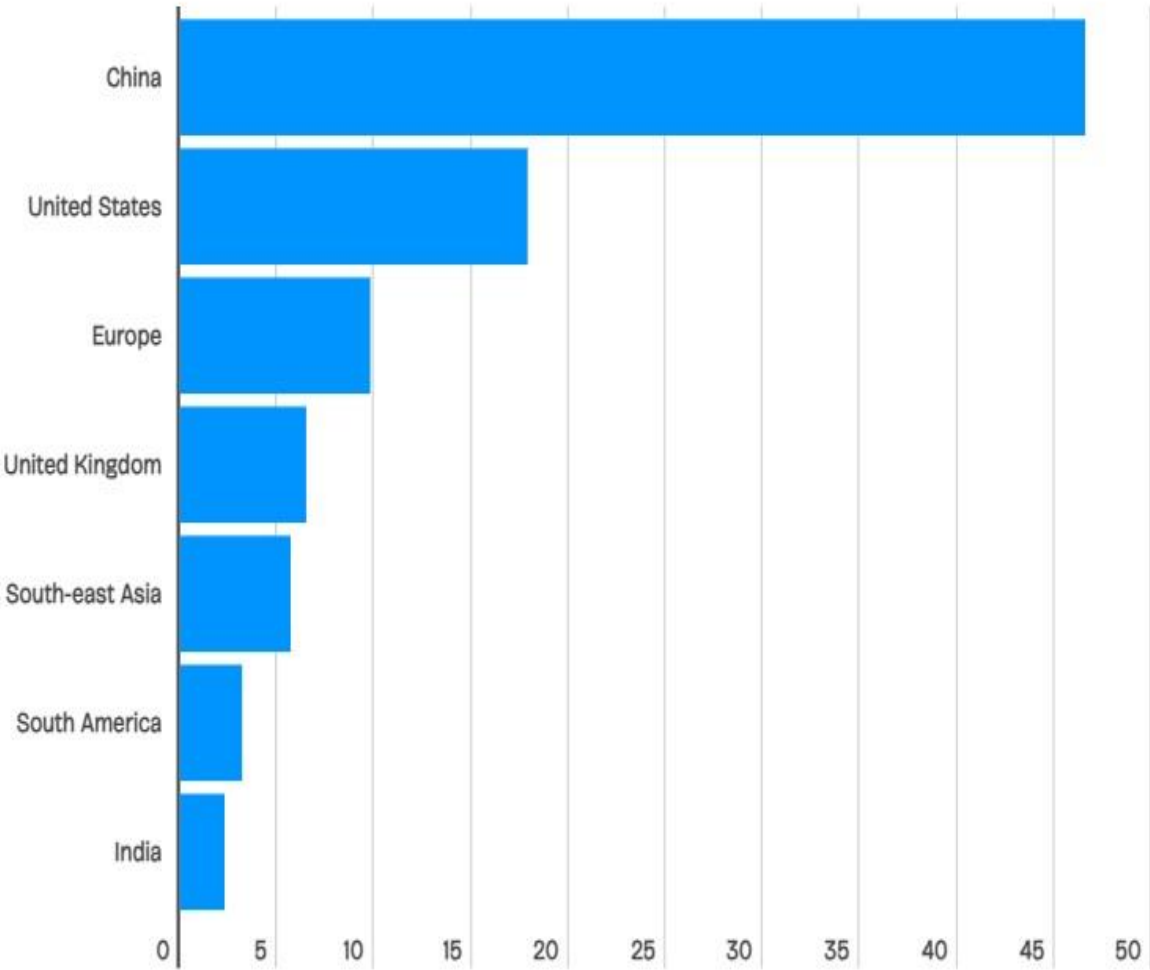


Key Indicators: Zomato being a well renowned brand in India has the least GTV due to unavailability in major countries. JustEat leads the food delivery market in terms of GTV.

Gross Transaction Value (MM in Euros)

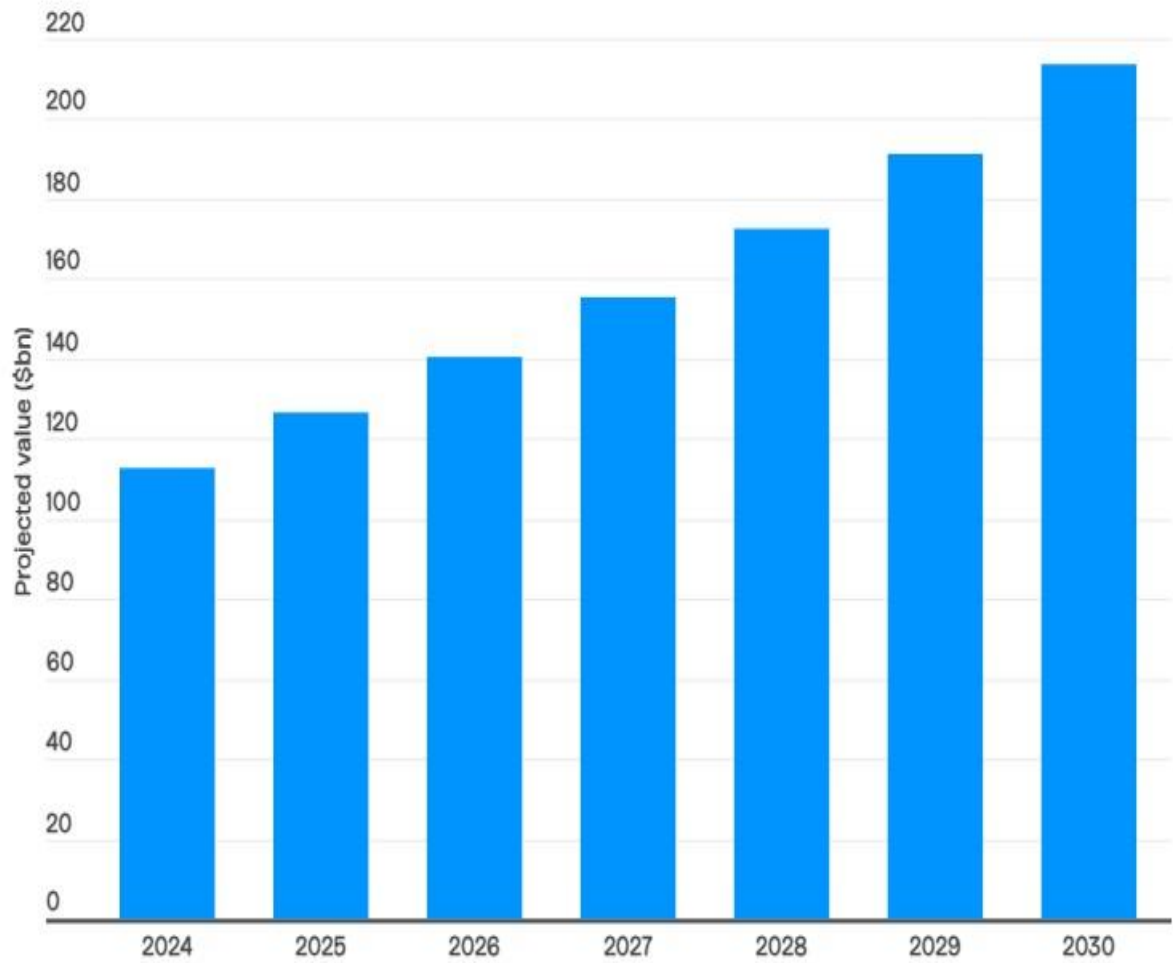


Food delivery revenue by country 2023 (\$bn)



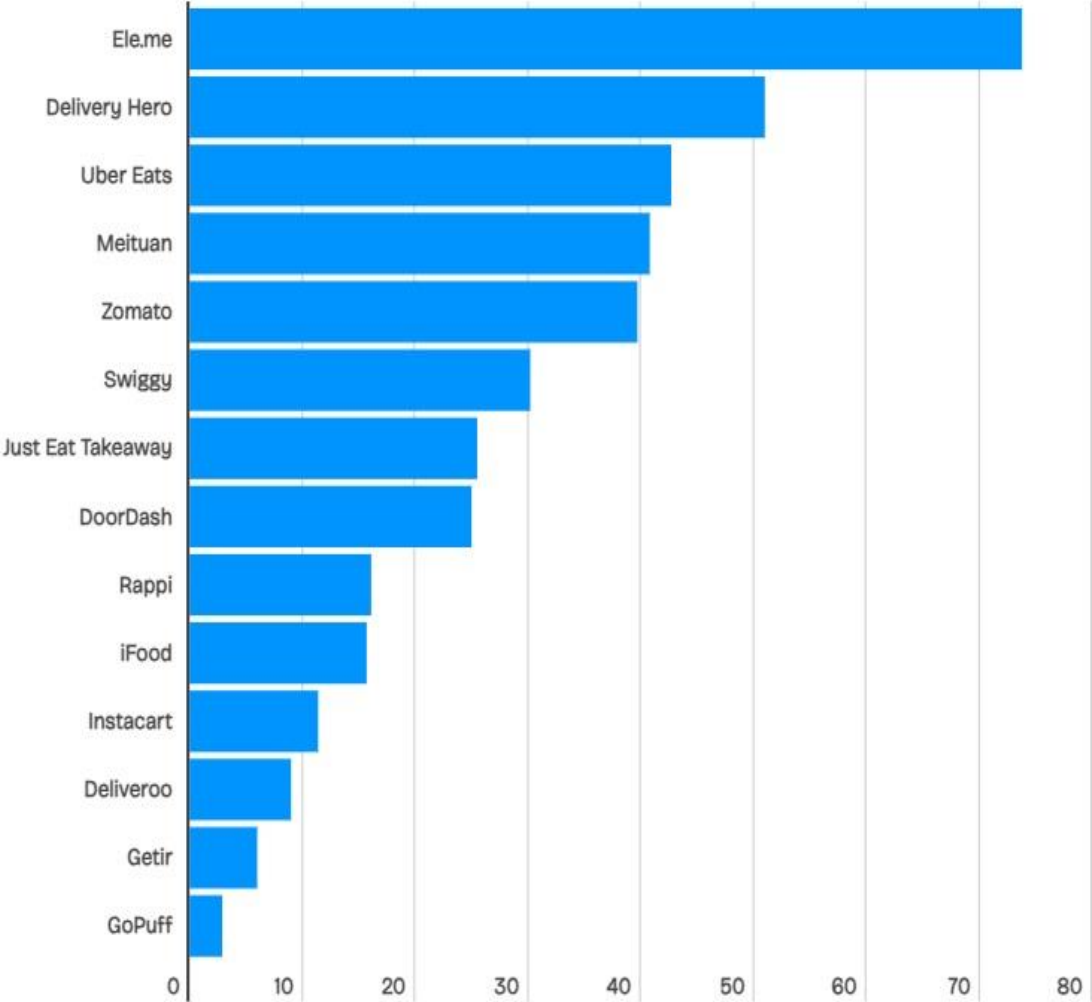
Sources: Company Data, Bloomberg, Daxue Consulting, The Information

Projected food delivery market size 2024 to 2030 (\$bn)



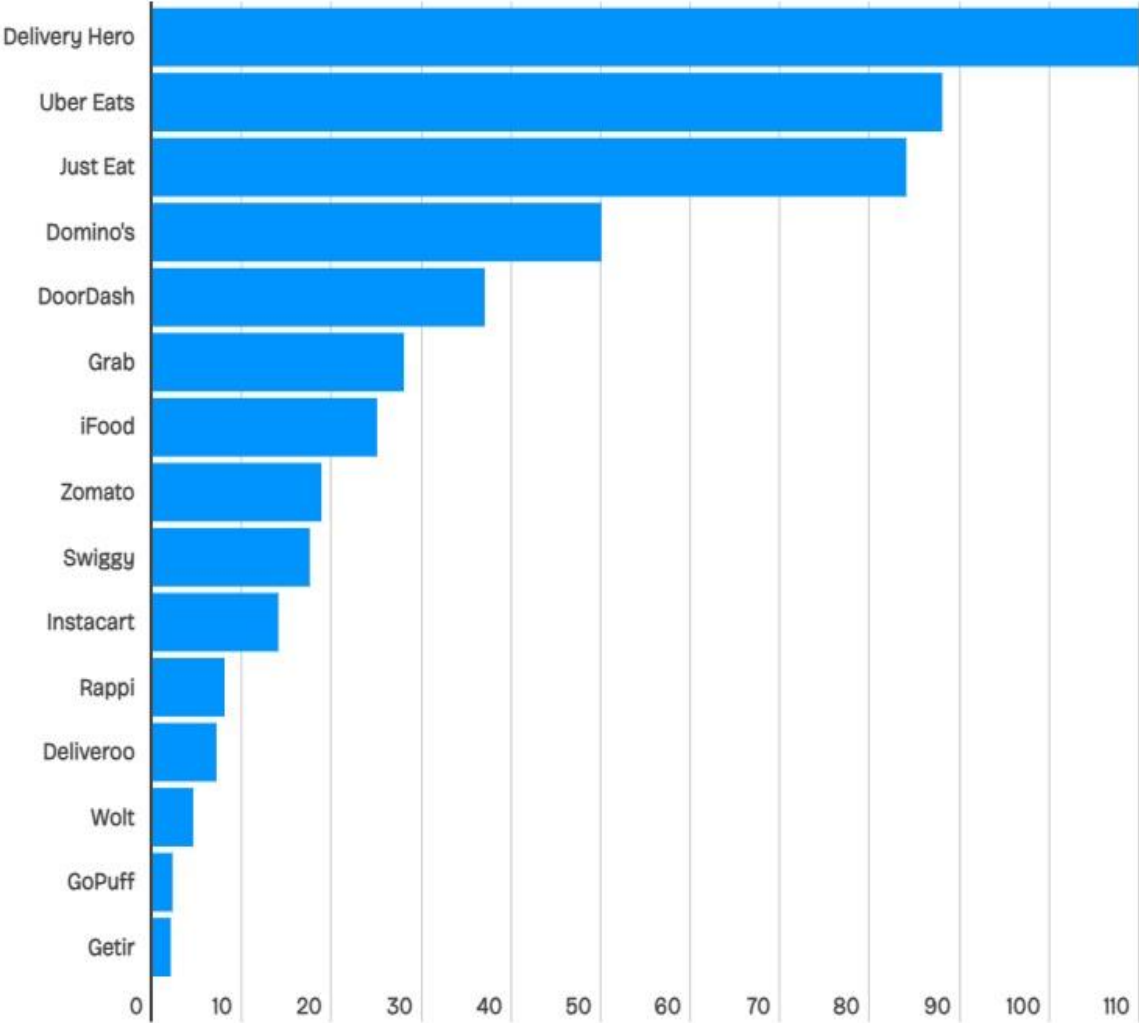
Sources: CB Insights, Research & Markets

Food delivery app downloads 2023 (mm)



Sources: AppFigures, AppMagic, data.ai

Food delivery users by app 2023 (mm)



Sources: Company Data, Bloomberg, Daxue Consulting, The Information

➤ Recommendations

• **Target Audience:**

- Target tech-geek individuals, busy professionals, tourists and food enthusiasts. Include menus based on their preferences and recommend restaurants as per the same.

• **Awareness of the brand:**

- Aware people of the brand through social media campaigns, SEO, influencer collaboration, affiliate marketing, google ads, etc.
- Post food and service-related blogs, videos for user engagement. Use different social media platforms to build a community of food lovers.

• **Loyalty campaigns and discounts:**

- Implement attractive offers and discounts for engaging customers and special discount for first time users. Also, provide coupons and passes to selected customers during holidays and special events.

• **Competitor Observation:**

- Always observe and track the progress of similar companies and apply the trick at the right time.

• **Use of Modern Digital Tools:**

- Use modern AI tools to keep track of the customer behavior, and implement ideas to bolster the user experience, make recommendations of products through augmented reality.

• **Digital Marketing:**

- Collaborate with renown figures to create and publish contents on social media platforms. Collab and partner with celebrities from different fields from sports, music, food industry, politics, corporate to students showcasing the unique features of Zomato.

Zomato

➤ Conclusion ➤

Although European countries has countless food delivery companies that offer variable services, Zomato's expansion to European countries will ignite a fierce competition with the exiting companies. Solid digital infrastructure, dynamic professionals, creative marketing strategies and ideas will assist Zomato to cover a portion of the European market. In a long term, Zomato will eventually lay down a strong base in Europe regardless of countless limitations such as culture, operating costs, laws and regulations. The aim of expansion may not be an easy task since it will have to research more and deliver unique services that differ from other companies. Expansion is possible and so is financial growth though not in the initial years, but in a long term, it can compete with major brands.

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Thank You

