Comparative study on branding strategy of online ordering and delivery platforms of food industry with reference to Zomato and swiggy

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STUDENTS DECLARATION

I hereby declare that the Dissertation report titled **"Comparative study on branding strategy of online ordering and delivery platforms of food industry with reference to Zomato and Swiggy"** submitted in partial fulfillment of the requirement of degree of Master of Business Management in Bangalore University, has been prepared by **team number** during the academic year 2023-2024 under the Guidance (**Prof. ALY SAYYAD)** in Department of Management.

We further declare that this live project report is the outcome of our own efforts and is not submitted to any other University / Institute for any certificate.

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Abstract

This study provides a comparative analysis of Swiggy and Zomato, two leading online food delivery platforms in India. Both platforms have significantly influenced the food delivery industry through their distinct approaches to service, technology, and user engagement. This study examines various aspects including:

1. Market Reach: Analysis of geographical coverage, user base, and market share to understand the extent of their presence in urban and rural areas.

2. Service Offerings: Comparison of core services, including delivery speed, and additional features like grocery delivery or restaurant reservations.

3. Technology and User Experience: Evaluation of app usability, interface design, real-time tracking, payment systems, and customer support.

4. Pricing and Discounts: Assessment of discount strategies, subscription plans, and promotional offers to gauge their impact on consumer preferences.

5. Operational Efficiency: Insights into delivery logistics, order fulfillment, and partnership management to understand operational strengths and challenges.

6. Consumer Feedback: Analysis of user reviews and ratings to evaluate customer satisfaction, service quality, and areas for improvement.

CHAPTER 1

Introduction

1.1 Introduction of Brand Strategy & Food delivery

Brand strategy is the holistic approach behind how a brand builds identification and favourability with customers and potential customers. A brand strategy encompasses several different brand elements, like voice, storytelling, brand identity, brand values, and overall vibe. If your brand is how, you present your business to the world, your branding strategy is the scaffolding that holds it up.

A brand strategy is a playbook for founders, their teams, and anyone acting on behalf of the business. It answers questions about how a brand behaves in certain situations. It defines what a brand is—and what it's not.

Food delivery

Food delivery apps have revolutionized the way consumers interact with restaurants and food services. These platforms leverage mobile technology to provide users with a convenient way to order meals from a wide variety of eateries, ranging from fast food chains to gourmet restaurants. The rise of smartphones, coupled with increased internet penetration, has driven the popularity of these apps.

Evolution

1. Early Beginnings: The concept of food delivery isn't new. It dates back to ancient times when food was delivered to soldiers or during famines. Modern food delivery started with phone orders and delivery services offered by pizza chains like Domino's in the 1960s.

2. Online Platforms: The internet boom in the late 1990s and early 2000s led to the creation of online food ordering websites. Companies like Seamless and Grubhub emerged in the US, allowing customers to place orders through their websites.

3. Mobile Revolution: The advent of smartphones and mobile apps in the late 2000s and early 2010s transformed the food delivery industry. Apps like Uber Eats, Zomato, and Swiggy utilized GPS technology, real-time tracking, and user-friendly interfaces to streamline the ordering process.

Business Models

1. **Marketplace Model**: The app acts as an intermediary between customers and restaurants, earning revenue through commissions on orders (e.g., Grubhub, Zomato).

2. **Full-Stack Model**: The app manages the entire process, including food preparation and delivery, often operating its own kitchens (e.g., Rebel Foods, formerly known as Faso's).

3. **Hybrid Model**: A combination of the marketplace and full-stack models, where the app collaborates with restaurants but also operates its own kitchens and delivery fleet (e.g., Swiggy).

The market is currently witnessing growth on account of the increasing access to high-speed internet facilities and the boosting sales of smartphones. This, in confluence with the growing working population and inflating income levels, is propelling the online food delivery market growth in India. Although the players are mainly concentrated in the urban regions of the country, with Bangalore, Delhi and Mumbai representing the three largest markets, vendors are now also targeting smaller cities, as they have strong growth potential. Moreover, the rising trend of the on-the-go food items and quick home delivery models that offer convenience,

ready-to-eat (RTE) and cheaper food delivery options are escalating the demand for online food delivery services in the country. Furthermore, owing to the rising cases of COVID-19, some of the leading players like Zomato, McDonald's Corporation and Domino's Pizza Inc. have introduced contactless delivery services. These services ensure that the food reaches the customer without being touched by bare hands and is delivered safely with adequate social distancing measures.

1.2 INTRODUCTION OF COMPANIES:

ZOMATO

Zomato is a fastest growing restaurant discovery website, established in 2008 by Deepinder Goyal and Pankaj Chaddah. Initially, it was named as Foodie Bay but in 2010, it was renamed as Zomato. It provides not only information related to nearby restaurants but also provides facilities such as online ordering, table reservations and management. Zomato currently serves in 10,000 cities across 36 countries having 1.2 million popular restaurants with 80 million foodies every month. It is available in 10 different languages and has 10 million reviews with 18 million bookmarks. It gives a platform to the restaurants owners to serves a large number of users a good quality of food.

SWIGGY

Swiggy is India's leading on-demand delivery platform with a tech-first approach to logistics and a solution-first approach to consumer demands. With a presence in 500 cities across India, partnerships with hundreds of thousands of restaurants, an employee base of over 5000, a 2 lakh+ strong independent fleet of Delivery Executives, we deliver unparalleled convenience driven by continuous innovation.

Built on the back of robust ML technology and fuelled by terabytes of data processed every day, Swiggy offers a fast, seamless and reliable delivery experience for millions of customers across India.
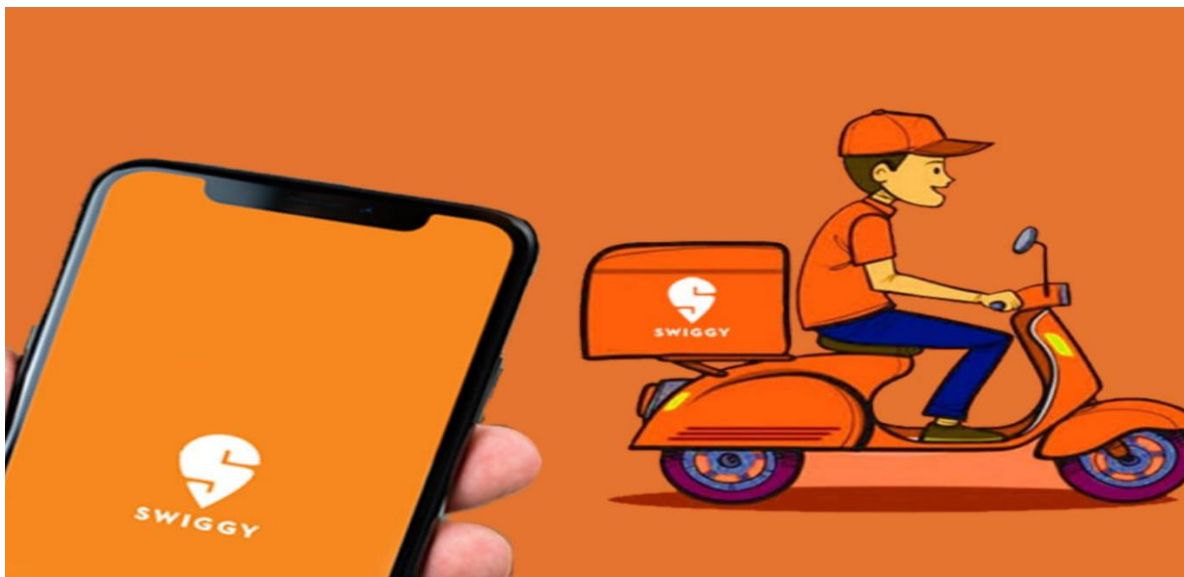
Swiggy initiated a new promotional campaign and explored a novel food combo. The campaign has a slogan '**Ghar ka Khana, Saath Mein Thoda Swiggy'!** The company draws this idea by observing that Indian purchasers like to supplement their home-prepared the food with some ordered dishes from Swiggy. Swiggy makes the customer eating experience delightful where shoppers can complement their preferred food with the food, they love ordering from outside. The Start-up advertised the campaign through TV plugs and digital platforms and tried to connect emotionally with their customers.

ADVERTISING STRATEGY

The term advertising strategy refers to a brand's long-term plan to reach their target audience. A marketing strategy encompasses products and pricing offered, as well as brand marketing and the promotion of products

BRAND MARKETING STRATEGY

Brand marketing strategy is a long-term plan whose purpose is to increase a brand's position and positive perception in the market. The strategy can include several media channels, campaign types, and a variety of tactics to reach its goals. These may include paid ads, native ads, social media marketing, video marketing, SEO, and search marketing, among others. A solid strategy will gather momentum, building on past results to increase its power and influence among the target audiences as time goes on.

BRAND POSITIONING

Brand positioning is a marketing term that refers to the unique value that a brand presents to its customer. A brand positioning statement is a document that defines how a company articulates the value their brand brings to target customers.

Zomato vs Swiggy– The Food Brand War
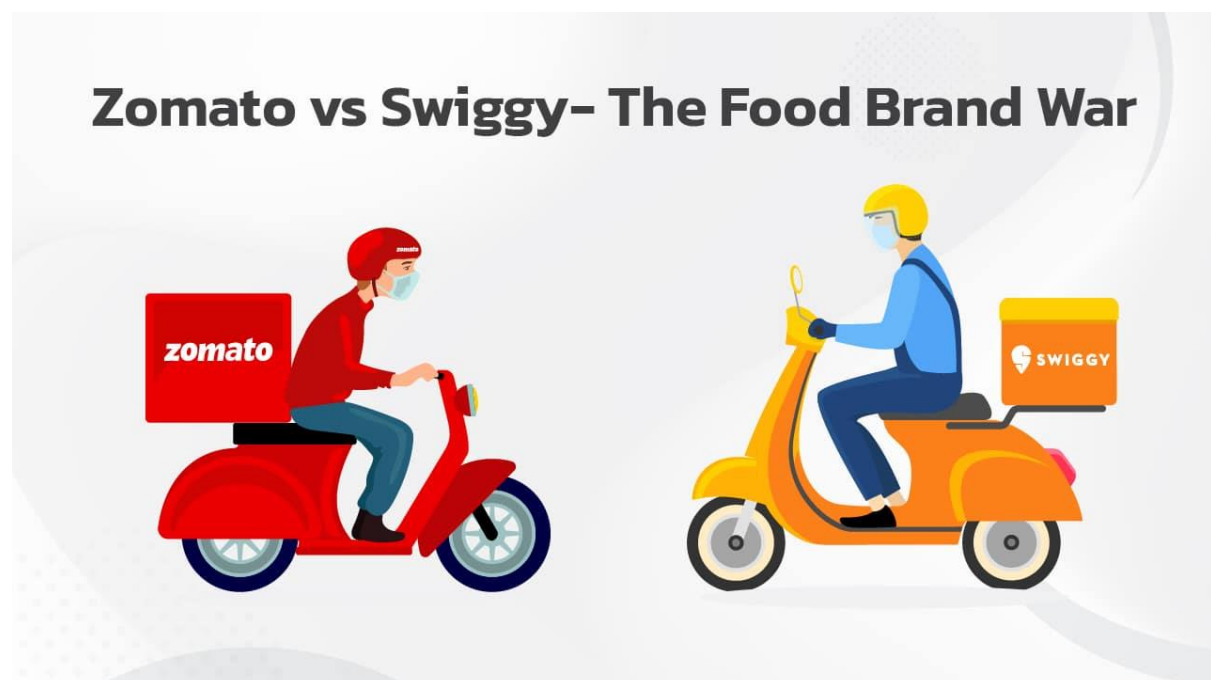
CHAPTER 2

LITERATURE REVIEW

2.1 Comparative Study on the Marketing Strategy of Online Food Delivery Platforms.

Introduction

Literature review is the most important and the second step in the process of any research. First of all, literature review is to do find out and to understand the main background of the particular subject or research which is taken by the researcher. It is a record which showing what had done in this regard in the recent past.

Progression of Online Food Delivery Platforms

The concept of online food delivery has transformed significantly over the past decade. Initial studies highlighted convenience and time-saving as primary drivers (Ray, 2018). With the advent of smartphones, the sector saw a dramatic shift towards app-based ordering systems. Literature from this period outlines the evolution of these platforms from simple delivery services to comprehensive ecosystems offering a range of services including reviews, ratings, and loyalty programs (Kimes, 2011).

Branding Strategies in the Digital Age

Branding in the digital age involves more than just logos and taglines. It encompasses the entire user experience, from app interface design to customer service and social media presence. Aaker's (1991) brand equity model emphasizes the importance of brand loyalty, awareness, perceived quality, and brand associations. These elements are crucial in understanding the branding strategies of Zomato and Swiggy.

Zomato's Branding Strategy

Zomato has positioned itself as a comprehensive food discovery platform. Its branding strategy focuses on the following elements:

1. **Content Marketing**: Zomato has leveraged content marketing effectively. The platform provides restaurant reviews, blogs, and social media content that engage users (Saxena, 2019)

2. **User Experience**: Zomato's app interface is designed to be user-friendly and visually appealing. The integration of features like personalized recommendations enhances user engagement (Verma & Bhattacharyya, 2017).

3. **Community Building**: Zomato has built a community of food enthusiasts through initiatives like 'Zomato Gold,' which offers exclusive benefits to subscribers (Choudhary & Sinha, 2020).

Swiggy's Branding Strategy

Swiggy has focused on creating a brand synonymous with convenience and speed. Key elements of its branding strategy include:

1. Logistics Excellence: Swiggy's robust delivery network and real-time tracking have set it apart in terms of reliability (Sundararajan, 2019).

2. Customer-Centric Approach: The brand emphasizes customer satisfaction through responsive customer service and consistent quality control (Mukherjee, 2020).

3. Innovative Campaigns: Swiggy's marketing campaigns, such as 'Swiggy Pop' and 'Swiggy Stores,' have expanded its brand beyond food delivery, enhancing brand recall (Nair, 2018).

Comparative Analysis

Brand Positioning

Zomato and Swiggy have adopted distinct brand positioning strategies. Zomato emphasizes being a one-stop solution for food discovery, while Swiggy focuses on efficient and reliable delivery. Studies suggest that Zomato's content-driven approach has helped build a strong community and user loyalty (Bhattacharya & Mehta, 2018). On the other hand, Swiggy's emphasis on logistics and customer satisfaction has resulted in high repeat usage rates (Banerjee, 2019).

Digital Marketing and Social Media

Both platforms utilize digital marketing and social media extensively. Zomato's humorous and engaging social media presence has garnered significant attention and user engagement (Rao, 2020). Swiggy, however, focuses more on targeted advertising and promotional offers to attract and retain customers (Sharma, 2019).

Customer Loyalty Programs

Customer loyalty programs are critical in the food delivery industry. Zomato Gold and Swiggy Super are designed to enhance customer retention. Studies indicate that Zomato Gold has been more successful in creating a sense of exclusivity and community among users (Mishra, 2019). Swiggy Super, with its focus on free deliveries and other practical benefits, appeals to frequent users seeking value for money (Patil, 2020).

CHAPTER 3
Research Methodology

3.1 Research Methodology

1. Research Design

This study employs a comparative case study design to examine and contrast the branding strategies of Zomato and Swiggy. This design is appropriate as it allows for an in-depth understanding of each platform's unique approach to branding within the competitive landscape of the online food delivery industry.

2. Research Objectives

➢ To identify and analyse the key branding strategies employed by Zomato and Swiggy.
➢ To compare the effectiveness of these strategies in terms of brand recognition, customer loyalty, and market positioning.
➢ To understand consumer perceptions and preferences towards the branding of these platforms.

3. Data Collection

b. Primary Data

1. Surveys: Online surveys will be administered to a sample of customers who use both Zomato and Swiggy. The survey will include questions on brand perception, customer satisfaction, loyalty programs, and overall user experience.

2. Focus Groups: Focus group discussions will be held with a diverse group of users to gather qualitative data on consumer attitudes and perceptions towards the branding efforts of both platforms.

4. Sampling

> Survey Sampling: A stratified random sampling method will be used to select survey participants, ensuring a representative sample across different demographics (age, gender, income level, geographic location).

> Focus Group Sampling: Focus groups based on their expertise and usage frequency of the platforms.

7. Ethical Considerations

> Informed Consent: Participants will be informed about the purpose of the study and their consent will be obtained prior to data collection.

> Confidentiality: All personal information collected will be kept confidential and used solely for the purpose of this research.

> Data Security: Collected data will be securely stored and only accessible to the research team.

8. Limitations

> Response Bias: There may be inherent biases in self-reported data from surveys and interviews.

> Generalizability: Findings from this study may be specific to the Indian market and may not be generalizable to other geographic regions.

Conclusion

This research methodology outlines a comprehensive approach to examining the branding strategies of Zomato and Swiggy. By employing both quantitative and qualitative methods, the study aims to provide a holistic understanding of how these platforms differentiate themselves in a competitive market and how their branding strategies impact consumer behaviour.

CHAPTER 4

4.1 Data analysis and Interpretation

TABLE 4.1.1 AGE OF RESPONDENTS

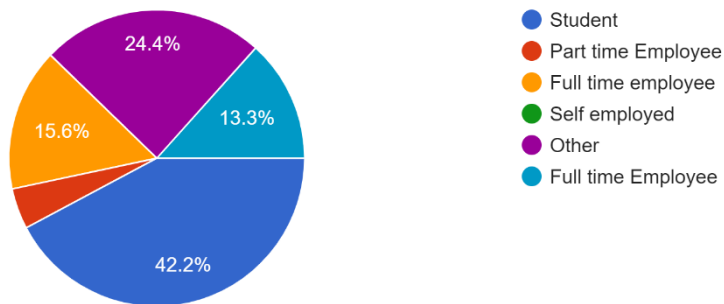| S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Under 18	3	2.2%
2	18-24	82	71.1%
3	25-34	28	24.4%
4	35-44	3	2.2%
5	45 and above	0	0%
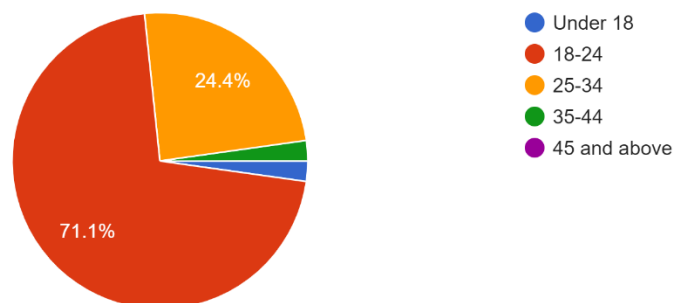
(Fig:4.1.1)

DATA INTEPRETATION: From the above analysis71.1% percentage of the respondents are from the age group of 18-24 and 24.4% of the respondents are from the age of 25-34

TABLE 4.1.2 OCCUPATION OF RESPONDENTS

| S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Student	49	42.2%
2	Part time employee	5	4.4%
3	Full time employee	34	28.9%
4	Self employed	0	0%
5	Other	28	24.4%

(Fig:4.1.2)

DATA INTEPRETATION: The above chart shows 42.2 percentage of the respondent where majority are students

TABLE 4.1.3 RELIABLITY, SERVICE AND QUALITY

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Zomato	41	35.6%
2	Swiggy	31	26.7%
3	Both equally	39	33.3%
4	Neither	5	4.4%
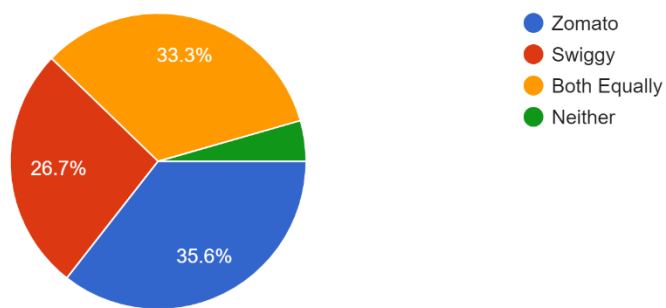
(Fig:4.1.3)

Data Interpretation: From the above analysis 35.6 percentage of the respondents trust Zomato's Reliable service and quality and 26.7 percentage of the respondents trust Swiggy's Reliable service and Quality.

TABLE 4.1.4 PREFERABLE APP BETWEEN SWIGGY AND ZOMATO

| S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Zomato	46	40%
2	Swiggy	28	24.4%
3	Both equally	36	31.1%
4	Neither	5	4.4%
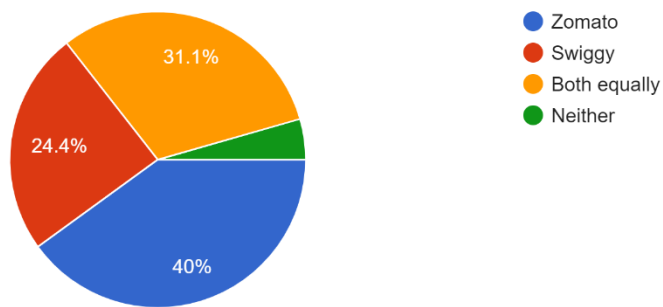
(Fig:4.1.4)

Data Interpretation: From the above analysis 40 percentage of the respondents prefers Zomato and 24.4 percentage of the respondents prefers Swiggy.

TABLE 4.1.5 ATTRACTIVE ADVERTISEMENTS

| S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Zomato	62	53.3%
2	Swiggy	18	15.6%
3	Both equally	31	26.7%
4	Neither	5	4.4%
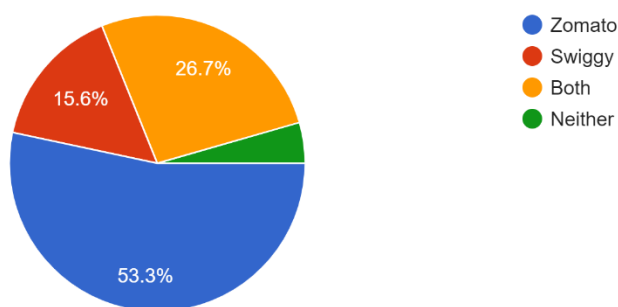
(Fig:4.1.5)

Data Interpretation: The above chart shows 53.3 percentage of the respondents are attracted towards Zomato advertisements where 15.6 percentage of the respondents prefer Swiggy advertisement which is comparatively lesser than Zomato.

TABLE 4.1.6 STRONG SOCIAL MEDIA PRESENCE

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Zomato	54	46.70%
2	Swiggy	23	20%
3	Both equally	31	26.70%
4	Neither	8	6.70%
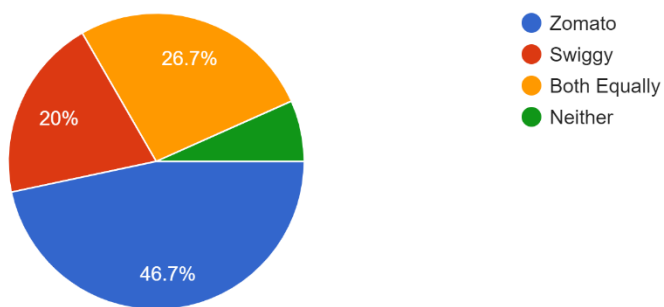
(Fig:4.1.6)

Data Interpretation: The above chart shows 46.7 percentage of the respondents trusts Zomato.

**TABLE 4.1.7 RATINGS OF RESPONDENTS FOR ZOMATO**

On a scale of 1 to 5, how would you rate the following aspects for (Zomato) ?
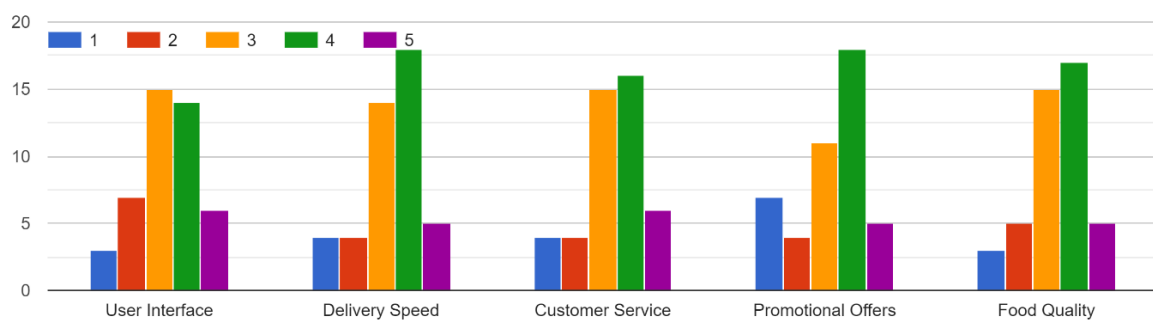
(Fig:4.1.7)

Data Interpretation: From the above analysis is the ratings of the respondents which includes User Interface, Delivery Speed, Customer Service, Promotional Offers, Food Quality where majority of the respondents has given the rating of 3 and 4.

TABLE 4.1.8 RATINGS OF RESPONDENTS FOR SWIGGY

On a scale of 1 to 5, how would you rate the following aspects for (Swiggy) ?
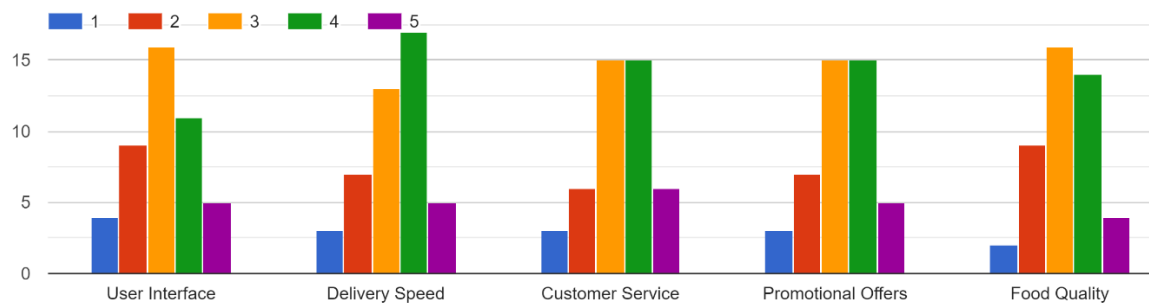
(Fig:4.1.8)

Data Interpretation: The above chart is the ratings of the respondents which includes User Interface, Delivery Speed, Customer Service, Promotional Offers, Food Quality where the responses are 3 and 4 ratings which is almost similar shows the respondents are not satisfies in User Interface and preference of Food.

CHAPTER 5

Findings, Suggestions & Conclusions

5.1 Findings

1. Age Distribution

Insight: The majority of respondents are aged 18-24, indicating a strong presence of young adults in the sample.

2. Occupation

Insight: A significant portion of the respondents are students, followed by full-time employees.

3. Reliable Service Quality

Insight: Zomato is slightly ahead in terms of perceived reliable service quality, but a large portion of respondents see both platforms as equally reliable.

4. Preferable App

Insight: Zomato is preferred by a higher percentage of respondents compared to Swiggy.

5. Social Media Presence

Insight: Zomato has a stronger social media presence among the respondents compared to Swiggy.

6. Advertisement Effectiveness

Insight: Zomato's advertisements are considered more effective by the respondents.

7. Ratings for Zomato (1 to 5)

- User Interface: Majority ratings are 3 and 4.
- Delivery Speed: Majority ratings are 3 and 4.
- Customer Service: Majority ratings are 3 and 4.
- Promotional Offers: Majority ratings are 3 and 4.
- Food Quality: Majority ratings are 3 and 4.

Insight: Zomato generally receives moderate to high ratings across all categories.

8.   Ratings for Swiggy (1 to 5)

- User Interface: Majority ratings are 3 and 4.
- Delivery Speed: Majority ratings are 3 and 4.
- Customer Service: Majority ratings are 3 and 4.
- Promotional Offers: Majority ratings are 3 and 4.
- Food Quality: Majority ratings are 3 and 4.

Insight: Swiggy also generally receives moderate to high ratings across all categories.

5.2 Findings in the Comparison of Swiggy and Zomato

- Zomato is preferred by a higher percentage of respondents compared to Swiggy.
- Swiggy need to strengthens its social media presence
- Zomato offers more attractive offers than swiggy to attract more customers.
- Social media is the powerful weapon to reach more audience
- Zomato social media presence is stronger than swiggy
- Zomato's marketing strategy is better than Swiggy's.

5.3 SUGGESTIONS AND RECOMMENDATIONS

1.   Targeting Young Adults: Both platforms should focus marketing efforts on the 18-24 age group, which is the largest segment in the sample.

2.   Enhancing Service Quality: While both platforms are perceived as reliable, there's room for improvement, especially for Swiggy to close the gap with Zomato.

3.   Strengthening Social Media Engagement: Swiggy needs to improve its social media strategies to compete with Zomato's stronger presence.

4.   Improving Advertisements: Swiggy should invest in more effective advertising campaigns to match the impact of Zomato's ads.

5.   User Interface Improvements: Both platforms should focus on refining their user interfaces based on feedback, with particular attention to ease of use and visual appeal.

6.   Delivery Speed and Customer Service: Continuous improvements in delivery speed and customer service will help maintain and increase customer satisfaction.

7.   Promotional Offers: Both platforms should keep their promotional offers competitive to attract and retain users.

8.   Quality Assurance: Ensuring consistent food quality will help in gaining higher customer satisfaction and loyalty.

By focusing on these areas, both Zomato and Swiggy can improve their services and better meet the expectations of their users.

5.3 CONCLUSION

While there may be differences in the effectiveness of certain marketing strategies between Zomato and Swiggy, it's important to note that both companies have been successful in building their brands and acquiring a large user base in the highly competitive online food delivery market in India. Both companies have utilized a variety of marketing channels such as social media, email, SEO, SEM, and push notifications to engage with their users and drive sales. In terms of specific areas of strength, Zomato has been particularly successful in leveraging social media to connect with its users through witty and engaging content, while Swiggy has focused on optimizing its SEO to drive organic traffic to its website. Additionally, both companies have invested in email marketing and Google Ads to reach their users and incentivize them to order food through their platforms. Overall, while there may be room for improvement in certain areas, it's clear that both Zomato and Swiggy have developed effective marketing strategies

that have helped them build their brands and drive growth in the highly competitive online food delivery market.

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