



A Comparative Study on Zomato and Swiggy with Special Reference to their Marketing Strategies

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ABSTRACT

This study conducts a comparative analysis of the marketing strategies employed by two leading players in the online food delivery industry: Swiggy and Zomato. As these platforms navigate a competitive and rapidly evolving landscape, understanding their distinct approaches to customer engagement, brand building, and market expansion becomes imperative. The abstract provides a concise overview of the research, emphasizing the examination of user experience, loyalty programs, partnerships, and advertising campaigns as key focal points. The study also aims to uncover how Swiggy and Zomato adapt to regional variations and cultural nuances, shedding light on the dynamic nature of their operations in diverse markets. Ultimately, this research contributes to a deeper understanding of the strategies these platforms employ to capture and retain a burgeoning customer base in the fast-paced realm of online food delivery.

KEYWORDS: Marketing strategies, customer satisfaction.

INTRODUCTION

In the dynamic landscape of the food delivery industry, two prominent players have emerged as frontrunners, each employing distinct marketing strategies to gain a competitive edge. This comparative study delves into the marketing strategies of Swiggy and Zomato, shedding light on their approaches to customer acquisition, brand positioning, and overall market penetration. As the demand for online food delivery services continues to surge, understanding how these platforms differentiate themselves in the minds of consumers becomes pivotal. Swiggy and Zomato, both born out of the digital revolution, have navigated the complex web of customer preferences, technological innovations, and market trends to carve out their niches. This comparative analysis aims to explore the nuances of their marketing strategies, emphasizing key aspects such as user experience, loyalty programs, partnerships, and advertising campaigns. By examining the tactics employed by Swiggy and Zomato, we can discern the unique paths they have chosen to captivate and retain their customer base. Additionally, the study will scrutinize how these platforms adapt to regional variations and cultural nuances, considering the diverse markets they operate in. As Swiggy and Zomato vie for supremacy, understanding the intricacies of their marketing strategies provides valuable insights into the evolving dynamics of the food delivery industry. In essence, this comparative study serves as a comprehensive exploration of Swiggy and Zomato's marketing endeavors, offering a nuanced understanding of how these industry giants position themselves, compete, and innovate in the ever-evolving realm of online food delivery.

OBJECTIVES OF THE STUDY

- To compare the success of their marketing strategies.
- To identify which channel has provided them more customer base.
- To determine what kind of perception is created in the mind of the customer by their marketing strategies.
- To know the different marketing strategies adopted by them.

SCOPE OF THE STUDY

This study aims to compare the marketing strategies of Swiggy and Zomato, two leading food delivery platforms in India. The study will focus on their online and offline marketing campaigns, social media presence, customer engagement tactics, and brand positioning. Additionally, the study will analyze the impact of these strategies on the user acquisition and retention rates of both platforms. The data for the study will be collected through surveys,

interviews, and secondary research. The study will provide insights into the competitive landscape of the online food delivery industry and help businesses in formulating effective marketing strategies.

NEED OF THE STUDY

The food delivery industry in India has seen a significant growth in recent years, with Swiggy and Zomato being the major players. As these companies continue to expand their operations and compete with each other it becomes important to understand their marketing strategies and how they impact their success. This study aims to provide a comparative analysis of Swiggy and Zomato's marketing strategies and their effectiveness in attracting and retaining customers.

REVIEW OF LITERATURE

Aditya Jain (2022) Zomato and Swiggy consists of over 95% of the total market share in the food delivery sector. The aspects that have the greatest influence on Indian clients' decisions when they select a certain online meal delivery service to meet their demands. Perceived Service Quality, Proper Flow of Communication by the Delivery Person, Wide Range of Options, On Time Delivery, Fresh, Well Cooked &

Well Packaged Food, Price and Discounts Offered, Real Time Tracking of Delivery, Online Promotions & Advertisements were the eight factors tested in this study. In addition, the study sought to determine whether variations in the classification of a city—Tier 1, Tier 2, or Tier 3—affect the weight that consumers accord a certain factor.

Prof. (Dr.) Sagar H. Mohite, Dr. Ambar Beharay (2020) While social media presence can certainly have an impact on a company's revenue, it is just one of many factors that contribute to a company's success. Swiggy and Zomato are both major players in the online food delivery market in India, and both companies have their own unique strengths and weaknesses. While Zomato may have a strong social media presence, Swiggy may have other advantages such as faster delivery times or a wider selection of restaurants in certain areas. Ultimately, it will be a combination of factors that will determine which company emerges as the market leader in the long term.

Anubhav Kumar Pathak, Muskaan Saraf (2020) The cost of online food delivery services can be a barrier to adoption for some people, and the need to increase prices to cover costs or turn a profit can exacerbate the problem. However, offering discounts and deals is also a common marketing strategy to attract new customers and retain existing ones. It's a delicate balance that online food delivery services must strike to remain competitive while also remaining profitable. Additionally, expanding the availability of service to areas that currently do not have it is crucial to growing the market and reaching new customers.

Mrs. A. Mohanapriya, Mrs. P. Geetha & Mr. A. Prasathkumar(2020) The consumer behaviour has become an emerging area of research within the business discipline here various factors has an influence on consumer behaviour. The research investigates the consumer's preference on dining in a restaurant and ordering food online. Even online food delivery service is an emerging market in India the consumer prefers the traditional way of dining in the restaurant. Restaurants is the place where people can sit and relax and spend their time with their family by having their favourite food. Most of the people prefers the restaurant with good ambience and provide hygiene food. Most of the consumers have online food delivery apps in their mobiles but they place orders only once in a while. From this research paper we had identified that the main problem for the consumers not preferring online food delivery service is lack of trust. Consumers afraid of the quality of the packed food, so the online food aggregators should gain the trust of the consumers to improve their business.

Dr. Mayuri Chaturvedi, Tatikonda Karthik (2019) It's important to note that while some people may face connectivity issues with company executives, many food delivery companies have implemented various customer support channels such as chatbots, email support, and call centers to improve their customer service. Regarding the discounts offered by food delivery companies, it is a common strategy used to attract and retain customers, but it can also lead to losses for the companies.

Jacob, Sreedharan, and K. (2019) made it abundantly clear that demographics are crucial to online food delivery services. Additionally, because some online applications are difficult to use, people over the age of 45 tend to cook their own meals or prefer eating out. The study also made it clear that people between the ages of 14 and 45 are more likely to use online services than those under this age bracket. The demographics are an important factor that online services should consider because there are still some locations where these services are not available, such as a specific area in a city or town or it is not as functional in small cities, and the service is only available during specific hours, which leaves a negative impression of the online service.

Dr. Mitali Gupta (2019) declares in his research the impact of food delivering Apps on restaurants. The study outlines on the benefits as well as positive and negative effects of electronic food delivery and various online food delivering applications. The researcher has also focused on strategies of food delivering applications with special reference to Zomato and Swiggy.

RESEARCH DESIGN

The study is descriptive in nature. This research is basically fact finding with adequate interpretation using simple analysis of data and by developing thinking and elaborating of patterns and obtaining tentative generalizations as hypothesis.

SOURCES OF DATA:

- Primary Data – Questionnaire given to 150 respondents.
- Secondary Data - Websites and, Published reports & Review of literature from published articles.

HYPOTHESIS**HYPOTHESIS - 1**

- **H0:** There is no significant difference in the criteria for ordering food by the respondents.
- **H1:** There is significant difference in the criteria for ordering food by the respondents.

HYPOTHESIS - 2

- **H0:** There is no significant difference in getting discounts between 'Online food Distribution Apps' and 'Traditional Restaurant'.
- **H1:** There is significant difference in getting discounts between 'Online food Distribution Apps' and 'Traditional Restaurant'.

PERCENTAGE ANALYSIS

Research questions are always answered with a descriptive statistic generally either percentage or mean. Percentage is appropriate when it is important to know how many of the participants gave a particular answer. Generally, percentage is reported when the responses have discrete categories.

CHI-SQUARE TESTTest Statistics

Q5 How do you order food ?	
Chi-Square	16.95
df	2
P-value	.000

INTERPRETATION

Above results indicate that the calculated p-value less than 0.05. Therefore, Chi-square test is rejected. Hence, null hypothesis is rejected and the alternate hypothesis is accepted.

FINDINGS

To understand the findings of the hypothesis observed and expected frequencies are obtained and presented in the following table:

How do you order food?

	Observed N	Expected N	Residual
Call Restaurant	26	66.66	-40.66
Use online food delivery app like Swiggy ,Zomato,etc	103	66.66	36.34
Visit Restaurant	71	66.67	4.33
Total	200		

INFERENCE

There is a significant difference in the criteria for ordering food by the respondents.

FINDINGS

- Majority 58% of the respondents are male.
- Majority 34% of the respondents belong to the age group of 31-35 category.
- Majority 96% of the respondent's order food from online.
- Majority 57% of the respondents prefer Zomato than Swiggy.
- Majority 54% of the respondent's order food from online weekly.
- Majority 51% of the respondent's order dinner.
- Majority 57% of the respondent's state that Zomato gives more offers and promotions.
- Majority 61% of the respondent's states that Zomato provide better customer service than Swiggy.
- Majority 56% of the respondent's states that Zomato has more tie ups with restaurants than Swiggy.
- Majority 54% of the respondents have responded that it takes 5-10 minutes to place an order. > Majority 40% of the respondents responded that it takes 25-30 minutes to receive an order.
- Majority 62% of the respondents has responded that they prefer ordering food from online than going to the restaurants.
- Majority 58% of the respondents have responded that zomato is more reasonable in charging price.
- Majority 65% of the respondents are attracted towards zomatos and Swiggy's advertising campaigns.
- Majority 63% of the respondents responded that they have received offers from Zomato and Swiggy based on their previous order.
- Majority 56% of the respondents have responded that Zomato gives more discounts and coupons.
- Majority 68% of the respondents have responded that Zomato's and Swiggy's marketing strategies are innovative.
- Majority 60% of the respondents have responded that they have not faced any issues in delivery and customer service.
- Majority 63% of the respondents have good opinion about both apps.
- Majority 59% of the respondents have responded that Zomato is better in refund and cancellation policy.

SUGGESTIONS

1. They should do more research on consumer behavior and try to get a deep understanding of consumer behavior, which can help them improve their marketing strategy.
2. They should increase their marketing spend budget to give more discounts and to attract the customers.
3. They need to identify why people prefer Zomato over Swiggy and make the necessary changes.
4. Swiggy can post different creations on Facebook and Twitter. Publishing the same creation on different platforms can also be ineffective. Each platform is independent and targets different people. They should have their own strategies and creativity for different platforms.
5. Zomato can spend more money on Research and development to find out the other potential market and reasons why other people are not preferring their app in existing locations.
6. Swiggy can focus on expanding their delivery network to reach more customers in remote areas.
7. Zomato can introduce more personalized recommendations based on user preferences and order history to increase customer loyalty.

LIMITATION OF THE STUDY

- The study only focuses on two companies, Swiggy and Zomato, and may not be generalizable to other food delivery platforms.
- The study is limited to the marketing strategies of the two companies and does not explore other aspects such as customer service or delivery times.

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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