

Major Research Project

On

**A COMPARITIVE STUDY OF CONSUMER
PREFERENCE BETWEEN SWIGGY AND
ZOMATO**

Submitted by

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2K20/DMBA/165

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CERTIFICATE

This is to certify that **Barsha Singh (2K20/DMBA/165)** has submitted the project report titled '**A Comparative study of Consumer Preference between Swiggy and Zomato**' partial fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA) from Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2021-22.

Signature of Guide

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Place: Delhi

Date:

STUDENT DECLARATION

I, Barsha Singh, student of MBA 2020-22 of Delhi School of Management, Delhi Technological University, now declare that the Project Dissertation report on “A comparative study on Consumer preference between Swiggy and Zomato” submitted in partial fulfilment of the degree of Master of Business Administration is the original work done by me.

The information and data given in this project are authentic to my knowledge.

This report is not being submitted to any other university for the award of any degree, diploma, or fellowship

Barsha Singh

2K20/DMBA/165

ACKNOWLEDGEMENT

The achievement and result of this research project required a great deal of direction and help from many individuals, and I am incredibly lucky to have this up and down the culmination of my task work. I am very grateful for all the guidance, support and feedback that came my way throughout the process.

I also express my heart full thanks to my guide **Mr. Dhiraj Kumar Pal** for providing valuable suggestions in completion of my project. Without him the project could not have been completed.

It is indeed a pleasant task and small effort to thank all the people especially some of my friends who have contributed towards the successful completion of this project work.

My peers and friends have played an important role in helping me out with their contribution on this topic and responding to the survey with utmost honesty. All the efforts and assistance are truly appreciated.

Eventually, I would like to take this opportunity to thank my parents for their endearing support and faith in me throughout my MBA journey and all the support provided through the making of this project.

Barsha Singh

2K20/DMBA/165

EXECUTIVE SUMMARY

In the quest to compare consumer preference in terms of food ordering trends, the report tries to compare Swiggy and Zomato in my report to understand which one stands out in the market today.

Zomato, a noticeable platform for eatery search and revelation, online food ordering, and café table reservations, was established in 2008. Deepinder Goyal and Pankaj Chaddah began the organization, which is situated in Gurgaon (authoritatively Gurugram). Zomato has been a trailblazer in India with regards to supper requesting and eatery disclosure, which has helped the two organizations and clients.

Swiggy is India's most famous food requesting and food delivery app. The company is headquartered in Bangalore and began operations in 2014. Swiggy capacities by connecting the gap among clients/restaurants and diners. It utilizes a forefront mechanical foundation that empowers clients to buy dinners from restaurants around them.

The goals and objectives for the topic are included in the report. Swiggy and Zomato have been given a literature assessment to better understand the companies better and their unique financial positions.

The questionnaire was then sent to 50 people between the age of 14 to 30, sorted into age groups. They took notes and gave their opinions on both companies, which were then interpreted in my Analysis.

Finally, a conclusion has been reached on how both organisations have performed up until the year 2019, their partnerships with other companies, their future ambitions, and which company has topped the rankings so far.

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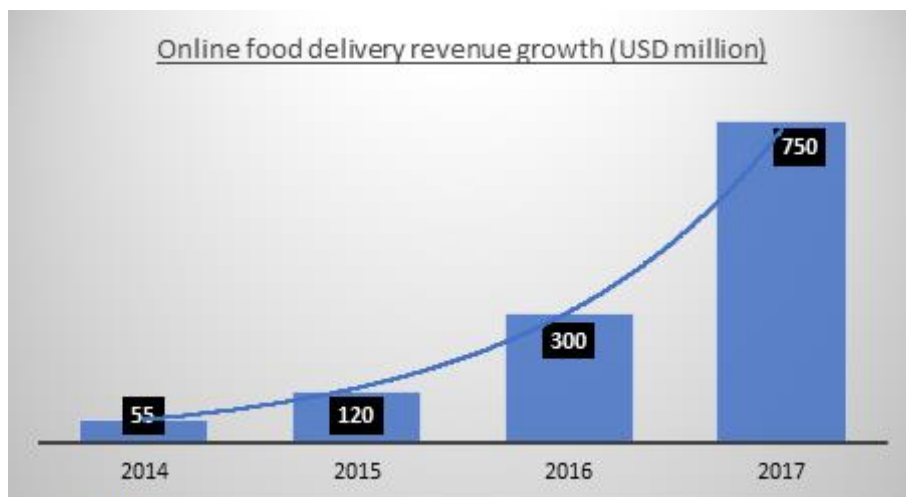
CHAPTER 1

INTRODUCTION

1.1 About food start up industry:

Food delivery over the internet has become one of the most rapidly growing aspects of e-commerce. Consumers can choose from a variety of restaurants listed online anytime, anyplace, which has transformed the overall picture of the food industry. Furthermore, clients have the flexibility of no minimum purchase along with variety of payment options. Consumers today can choose from variety of payment options such as digital banking digital wallets cash on delivery etc they also have the flexibility and leverage of no minimum purchase amount which only leads to boost in delivery orders and caters to a vast segment of consumers.

Because of urbanisation and easy availability to cell phones, the growth of online grocery delivery systems is rising. The online grocery/food business category in India achieved a value of up to US \$ 750 million in 2017, with revenue growth of 150 % YOY (2016 and 2017), and a CAGR of over 140 percent since 2014.



Source: Televisory's Research

Traditionally, online meal delivery has been limited to restaurants, with customers ordering food directly from their websites. This has slightly been modified since the introduction of "aggregator business model," which provides a "single" online window through which

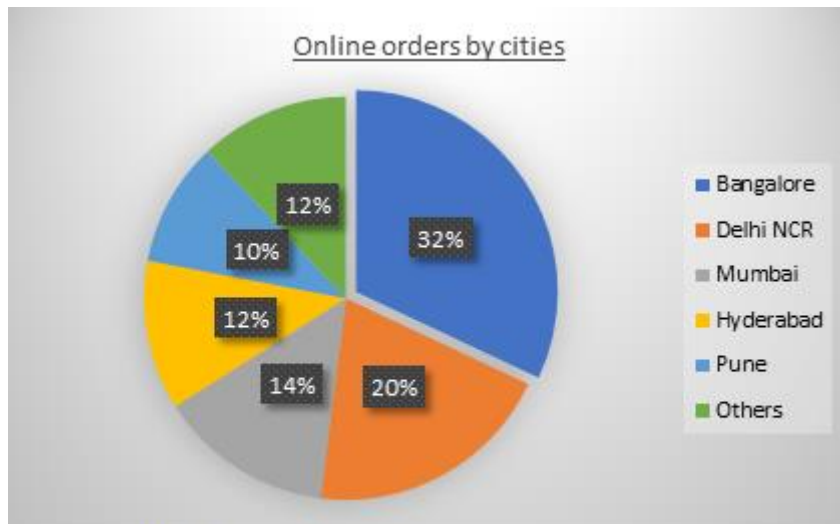
businesses can purchase food from a variety of eateries listed on the portal. The curator gathers a set percentage of the restaurant's orders and then handles the actual delivery of the food.

However, the business model of food delivery industry has rapidly developed to the point where curators now provide food delivery, disrupting the market. The emphasis has shifted entirely away from technology and toward logistics. The main expense factor in the sector is logistics.

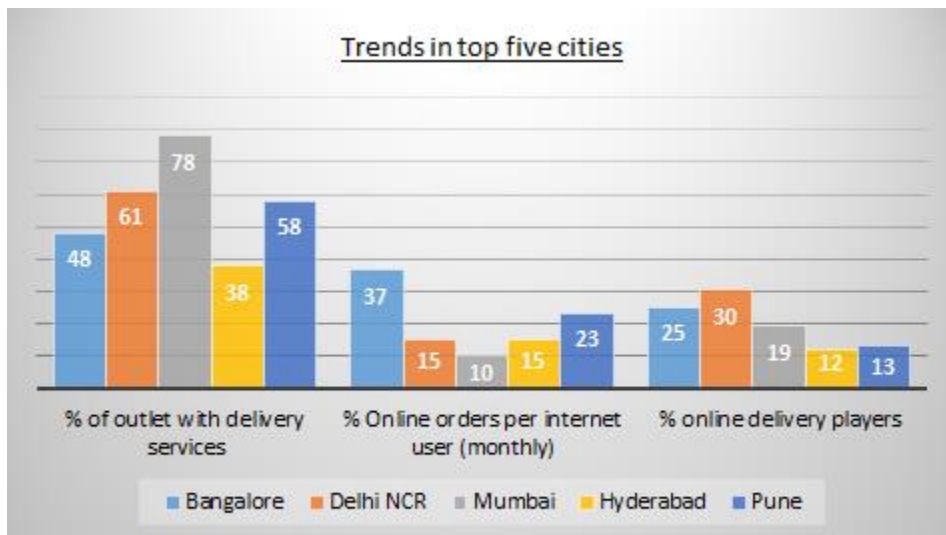
The fact that Zomato has almost 50,000 eateries listed is the major reason for its great profitability. Swiggy comes in second with over 35,000 users, followed by Foodpanda and UberEats with approx. 15K and 12K users, respectively. Uber Eats has only been in the country for a few years, but its monthly growth has accelerated to about 50%, and orders have nearly doubled in the previous three months. The massive investment in Zomato and Swiggy, the leading players who are extensively backed by foreign investors, indicates the future of India's online food delivery market.

With a \$ 200 million investment from Ant Financial, Zomato's valuation surpassed \$ 1.1 billion. This investment is expected to develop technologies while also broadening the global reach of Zomato. Swiggy, Zomato's competitor, isn't far behind, having raised \$ 100 million in capital from Chinese e-commerce business Meituan Dianping and its previous investor Naspers. This will improve our market position, as well as our ability to provide new services and products. In addition, Foodpanda, a food delivery service, has agreed to a \$ 200 million transaction with Ola, which has bought Foodpanda's Indian operation to promote local expansion.

At the moment, revenue generation is concentrated in a few major cities. According to RedSeer's data, India's top five cities account for more than 85% of total online food orders (2017), with Bangalore leading the way with a 32% share and Delhi NCR 20 percent. The graph below depicts the share of online food orders in India by the top five cities. Bangalore, Delhi NCR, Mumbai, Pune, and Hyderabad accounted for around 40% of the total commodity value in the eatery industry of India.



Source: IAMAI. RedSeer Analysis

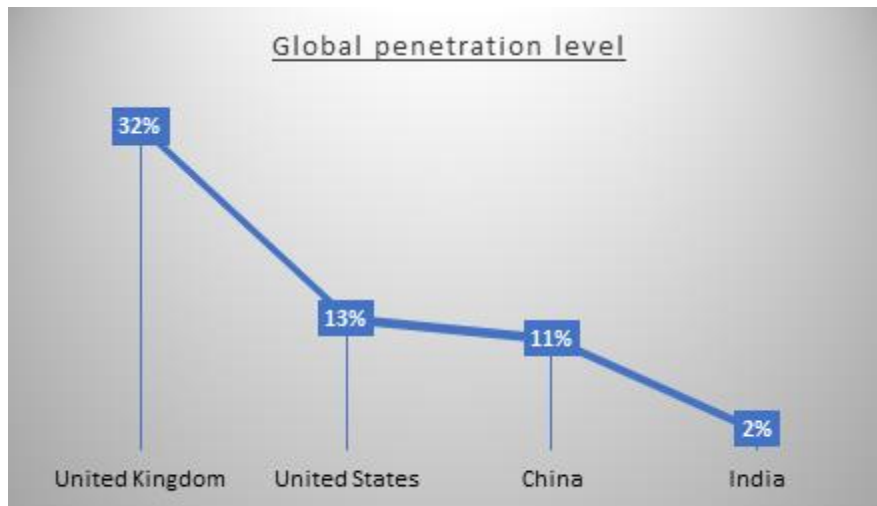


Source: IAMAI. RedSeer Analysis

1.2 About the Topic

A closer look at the trends in India's top five cities for online food delivery reveals that Mumbai has the most stores listed as online delivery partners, followed by Delhi NCR. Bangalore has the most monthly online orders per Internet user, with 37 percent, followed by Pune with 23 percent. Furthermore, there are 60 online vendors in Delhi NCR, compared to 50 and 38 in Bangalore and Mumbai, respectively.

These cities have a high population of young working people with a lot of disposable income and easy access to the internet. India's internet food market is booming. Furthermore, as the proportion of women working in these fields increases in large corporations, online orders are increasing.



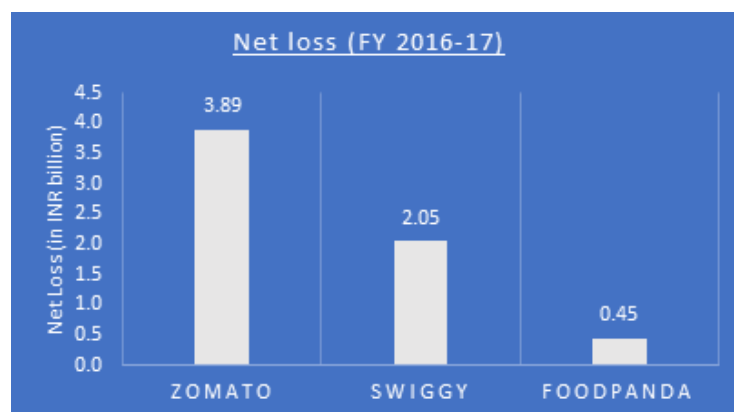
Source: NRAI, Online Reports, RedSeer Analysis

Although India's internet distribution sector is quickly expanding, with the industry predicted to reach \$ 100 billion by 2025, market penetration remains low in comparison to other major economies. India's food delivery industry is still in the initial stages comparatively and accounts for only 2% of global online delivery business (online orders account for percent of all delivery orders), whereas the UK is well-established, with a global penetration rate of about 32%. US and China are at roughly 13% and 11%, respectively (numbers are shown in the graph above). High penetration is attributed to high discretionary wealth in major industrialised countries, which leads to structured personal consumption, cheaper and faster delivery, a sophisticated interface, and other benefits. Another cause for India's poor penetration is the lack of internet connection. This represents only 26% of the world's population of approximately 1.3 billion people.

Furthermore, because India's online delivery and shipping market is still in its infancy, businesses are putting forth significant effort to maintain market share by offering competitive prices, discounts, and lower shipping rates. These businesses compete by delivering quick delivery and excellent after-sales support. Another element that distinguishes one aggregator is its partnership with a restaurant known for its high-quality meals. Because the supermarket delivery model is so reliant on order volume, businesses are doing everything they can to make

it easier. One such initiative to improve order numbers was the unveiling of Zomato and Swiggy's "Cloud Kitchen Mockup.". It should also be noticed that these businesses have recently taken initiatives to raise the pay of their delivery partners by offering incentives depending on delivery completion and distance travelled. These organizations are also aggressively trying to leverage from artificial intelligence and machine learning by actively investing in them which are mostly driven by data and trends.

As a result, the most difficult problem is lowering wasteful expenses while improving logistics and technology on both the front and back ends, resulting in large orders. This means that, despite increased sales and consumer numbers, businesses are still losing money. The graph below depicts the losses suffered by three of India's largest online grocery retailers in 2017. Zomato's net loss was Rs. 3.89 billion, followed by Swiggy's loss of Rs. 2.05 billion and Foodpanda's loss of Rs. 450 million



Source: Statista

With variety of features available on their portal, such as restaurant search, online ordering, table bookings, and chat feature for customer support , Zomato has the biggest amount of food orders, which means more revenue opportunities, but it also means greater maintenance and logistical costs, as well as higher advertising expenditures.

Despite this, Zomato's sales growth rate has been stable, with the above sales activities expanding at a CAGR of around 180 percent over the last five years. Furthermore, according to the most recent financial report from Info Edge, a Zomato investor, the cash balance of the organization is at a comfortable position for now and is approaching break-even soon.

In this approach, it can be noted that the food delivery industry has not only developed and focused on consumer benefits and conveniences but has also awakened the company's

revenue-generating potential. Online aggregators give restaurants access to a huge customer base that extends beyond their current customers. The clients/restaurants have found new sources of revenue in the form of provided online model, which account for around 35% of overall revenue. As a result of the advantages of restaurant availability, more and more restaurants are expected to be obliged to join with online distribution platforms. The rapid expansion of the newest entry, Uber Eats, as well as Google's creation of Areo, a new meal delivery aggregator, demonstrate that this notion is unlikely to burst. In fact, they are expected to stay in the long run and make a profit.

1.3 Zomato: Company Profile



Zomato, which was founded in 2008 went by the name of Foodie Bay in the earlier days. The founders, Deepinder Goyal and Pankaj Chaddah came up with the idea of curating food menus of restaurants nearby on web for users to become more aware of restaurants serving near them and many consumers were unaware of hidden gems around their locality when it came to eateries.

Headquartered in Gurgaon, Zomato has been the leading brand when it comes to restaurant discovery and now meal ordering. This business model aims at benefiting both the clients – restaurants as well as the consumers.

It is one of the few businesses which is globally recognised, and the model has been adapted elsewhere. Today Zomato hosts millions of restaurants on their app for both discovery and delivery features.

Zomato: History and Origin

Zomato's origins can be traced back to the founders' realisation that many individuals were unaware of the restaurants and eateries around them. The founders of Zomato aimed at providing the full menu of such eateries on web for discovery purposes.

Geographically, Zomato initially focused on Delhi NCR region only until it started gaining recognition. Now it has expanded on a global level.



The entrepreneur then chose to change the company's name. In 2010, Foodie Bay was renamed Zomato. Ever since, Zomato has expanded in terms of location and operations around the country. It has also started a worldwide company and now has over 10,000 offices in 24 countries around the world. Zomato is used by millions of people around the world daily to explore and try new eateries around their locality or city or a new place while travelling.

Zomato:Financing/Fundings

The organization has raised an investment of \$ 443.8 million in over ten rounds. Ant Financial, Sequoia Capital, Temasek Holdings, Info Edge, and Vy Capital are the top investors among many others.

Zomato:Acquisition

The brand has acquired many companies in the past years. The most notable among them is the US-based company, Urbanspoon in 2015. Other acquisitions of Zomato include Obedovat, Menu Mania, Lunchtime, MapleGraph, Sparse Labs, Gastronaucci, NexTable, Cibando, Mekanist and Runnr.

Zomato: Competitors

Zomato faces competition with many similar restaurant discovery and delivery services brands like Swiggy, dineout, Grubhub, Yelp, Justdial etc.

Zomato: About the founders

Founded by Deepinder Goyal and Pankaj Chadah, Alumni of IIT Delhi. Deepinder Goyal is handling the CEO position at Zomato currently. Prior to this, he was working as a Consultant at Bain & Company. Pankaj Chaddah on the other hand is handling responsibilities as a co-founder of Zomato. Prior to this he too at Bain & Company as a Senior Analyst and Associate Consultant.

Swiggy: Company Profile

Swiggy today is known as India's most popular online food ordering and delivery service. The company operates its HQ functions from Bangalore since 2014. Swiggy's service aims at connects clients with eateries. Customers can order meals from nearby eateries and have it delivered to their doorsteps using an innovative technology platform. Swiggy eliminates the need for customers to save or maintain a data base of restaurants contact details for menu and order enquiry. The brand s serves as a one-stop shop for ordering food from any eatery that accepts delivery for that area. Swiggy has their own delivery staff that picks up orders from eateries and delivers them right to the customer's door. Customers' food orders have been substantially simplified because of this.



Swiggy: History

Swiggy was founded in 2014 after the founders noticed a large void in the grocery ordering and delivery industry. Staffing issues were common in restaurants, and delivery personnel were not trained to bring food on schedule. Swiggy began as a modest business in August 2014, with a team of six suppliers covering 25 eateries. Customers and restaurants, on the other hand, were ready to embrace this concept. Swiggy presently has offices in eight cities and a platform with over 10,000 restaurants.

Swiggy: Funding/Financing

Swiggy has raised \$ 155.5 million in investment over the course of six funding rounds. SAIF Partners, Harmony Partners, Naspers, No West Venture Partners, Bessemer Venture Partners, and Accelerator Partners are some of the investors.

Swiggy: Competitors

Currently Swiggy is in race with other food ordering and shipping providers such as Zomato, Box8, Holachef and Dineout etc.

Swiggy: About the founder:

Sriharsha Majety, Nandan Reddy, and Rahul Jaimini founded Swiggy. Sriharsha Majety is the CEO of Swiggy and an alumni of IIB Kolkata. Nandan Reddy, a graduate of Birla Institute of Technology, is Swiggy's co-founder and oversees the company's operations. He has worked for Galla, Zurna, IDinsight, and Intellectap in the past. Swiggy's Chief Technology Officer, Rahul Jaimini, graduated from IIT Kharagpur. He had worked at Myntra and NetApp before joining Swiggy.



1.4 Objectives of the Study:

The goal of this Project is to observe:

- To analyse consumer preference between Swiggy or Zomato
- To understand customer inclination between Swiggy or Zomato
- To study customer satisfaction between Swiggy or Zomato

1.5 Scope of the Study:

Zomato had a much wider variety of eating places and desire of meals in comparison to Swiggy. Furthermore, from the existing observe, it could be concluded that on-line meals transport offerings have turn out to be a primary fashion and desire the various populace of the country.

CHAPTER 2

LITERATURE REVIEW

The food delivery market in India is **fragmented** and the vendors are deploying organic and inorganic growth strategies to compete in the market. The food delivery market report in India offers information on several market vendors, including **Swiggy Pvt. Ltd., Diverse Retails Pvt. Ltd., Dominos Pizza Inc., Dunzo Digital Pvt. Ltd., McDonald Corp., Ola Foods, Pizza Hut, Poncho Hospitality Pvt. Ltd., Rebel Foods Pvt. Ltd., and Zomato Media Pvt. Ltd.** among others. The food delivery market in India size is expected to increase by **USD 716.53 million** from 2021 to 2026, registering a **CAGR of 28.13%**, according to the latest research report from Technavio.

According to McKinsey, 2016 : “Globally, the food delivery market accounts for 4% of food products sold in restaurant chains and fast food outlets. This market has reached maturity in many countries with an estimated growth rate of 3.5% within 5 years. The situation is not so different in our country. The conventional method of food delivery where customers order food online through restaurant or fast food chain websites has now been replaced by the concept of an "aggregated business model". Here, the commercial actor offers a "one-stop shop" for customers to order food online from multiple caterers registered on the portal. The "aggregator" will charge a fixed markup of the order to the food supplier and in turn will arrange for the delivery of the food product to the consumer's door. The focus has now shifted from technology to logistics, which now serve as a major cost driver for the food industry. Despite escalating vehicle maintenance and travel costs, these food delivery businesses are making profits of up to 30%.”

According to Kapoor and Vij, 2018: “Indian consumers accustomed to online shopping experience through digital apps and e-commerce websites with maximum convenience and transparency will expect same thing when ordering food online.”

According to Kanteti, 2018: “Besides groceries, food delivery has proven to be a huge opportunity for Indian e-commerce businesses. The online food delivery market in India, which includes internet fusion and kitchen service providers, has grown significantly in recent years. The market in India is \$15 billion in size and is poised for a period of exponential growth.”

According to Gera et al., 2018: “The industry is highly competitive and the growth of online food ordering through digital platforms has awakened and noticed entrepreneurs and entrepreneurs. Some popular “food aggregators” like Zomato, Swiggy, Food Panda and UberEats are powering India's cities online and generating decent profits. Various food delivery web portals and mobile apps provide reasonable Indian customers with direct comparison between prices and ratings of different shops and restaurants serving the same dishes and to choose from different options.”

According to Serhat Murat Alagoz & Haluk Hekimoglu (2012): “e-commerce is growing rapidly around the world and the food industry is also growing steadily. This study used the Technology Acceptance Model (TAM) as the basis for studying the acceptability of online grocery ordering systems. Their data analysis reveals that attitudes towards online grocery orders depend on the ease and usefulness of the online grocery ordering process, innovation in information technology, reliance on retailers, and various external influences. I did.”

According to H.S. Sethu & Bhavya Saini (2016): “their purpose was to examine student perceptions, behaviors and satisfaction with online meal ordering and delivery services. According to their research, online grocery shopping services help students manage their time better. It also shows that easy access to the internet at the same time as having access to the desired groceries at all times is the main reason for using this service.”

According to Sheryl E. Kimes (2011): “study found that the perceived control and convenience associated with online meal ordering services was important to both users and non-users. Non-users needed more face-to-face dialogue and were more afraid of the technology to use the service.”

According to Varsha Chavan, et al. (2015): “Restaurants can now instantly manage customer orders by using smart device-based interfaces for customers to view, order, and navigate. The potential of wireless communication and smartphone technology to enable and improve business management and service delivery. According to their analysis, this system is convenient, effective, and easy to use, and is expected to improve the restaurant business in the future.”

According to Hong Lan et al. (2016): “The online grocery delivery market is immature. Are there some obvious issues that consumers can see? Negative comment. You cannot rely solely on the self-discipline of online food delivery restaurants or the monitoring and

management of online food delivery platforms to solve these problems. Only by law, these issues are solved by the joint efforts of online delivery services and restaurants, relevant government departments, consumers, and all stakeholders in society, creating an excellent online takeaway environment can do.”

Food Delivery Market In India Scope (A forecast)

| Report Coverage | Details |
|-------------------------|---|
| Page number | 120 |
| Base year | 2021 |
| Forecast period | 2022-2026 |
| Growth momentum & CAGR | Accelerate at a CAGR of 28.13% |
| Market growth 2022-2026 | USD 716.53 million |
| Market structure | Fragmented |
| YoY growth (%) | 25.60 |
| Competitive landscape | Leading companies, competitive strategies, consumer engagement scope |
| Companies profiled | Bundl Technologies Pvt. Ltd., Diverse Retails Pvt. Ltd., Dominos Pizza Inc., Dunzo Digital Pvt. Ltd., McDonald Corp., Ola Foods, Pizza Hut, Poncho Hospitality Pvt. Ltd., Rebel Foods Pvt. Ltd., and Zomato Media Pvt. Ltd. |
| Market Dynamics | Parent market analysis, Market growth inducers and obstacles, Fast-growing and slow-growing segment analysis, COVID-19 impact and future consumer dynamics, market condition analysis for the forecast period |
| Customization purview | If our report has not included the data that you are looking for, you can reach out to our analysts and get segments customized. |

Source: prnewswire.com

Perception based Analysis:

(1) Tracking online mentions



Frequently used keywords in literature (source: Voyant-tools.org)

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Objective of the study

“A Comparative Analysis of Consumers Preference between Swiggy and Zomato”

3.2 Research Objectives

- To analyse consumer preference between Swiggy or Zomato
- To understand customer inclination between Swiggy or Zomato
- To study customer satisfaction between Swiggy or Zomato

3.3 Research Methodology

In my project I have used **Survey research and perception-based analysis which is a mix of quantitative and qualitative research method** to collect data from a set of respondents.

The population of the study refers to group or focus on which the study revolves. Although the study was based on convenience sampling method yet more responses were gathered from the younger generation as compared to the other age group. Thus, the population of the study would be younger section of the society i.e 16-35 age group.

Data Source

The data collection was done through 1. Primary Data 2. Secondary Data

Data collection method:

1. Primary Sources: This data is qualitative as well as quantitative. As a research tool, a questionnaire is used to collect data.

Survey Method: Questionnaire Types:

- Structured non-disguised Type of Questions:
- Open-ended
- Close-ended questions

2. Secondary Sources: Information was gathered from journals, the internet, reports, and industry publications.

Sample Unit

Working queer people and queer students who have worked in the past SAMPLE SIZE
Total Sample size: 40 DATA COLLECTION Both primary and secondary data were used to complete the project.

Data Analysis

The most crucial aspect of any endeavour is the analysis. To make fair conclusions, it must be done in an unbiased manner and with the utmost care. The report that is created is subjective. Bar graphs and pie charts have been made to offer a more thorough picture. The following tools were utilized to do the analysis:

(a)Microsoft Excel

- Tables are used to do logical data analysis, and frequencies and percentages have been calculated.
- The information gathered has been numbered and compiled for analysis. For all the tables, percentages have been calculated, and various charts have been created.
- Variety of charts are used to analyse and represent data.

CHAPTER 4

ANALYSIS & INTERPRETATION

All the questions asked in this questionnaire are solely for academic purposes and will not be used against you in any case. The information shared will remain confidential.

Instructions

1. All the questions are compulsory to answer.
2. Your feedback is highly valuable. Hence, kindly be honest about your views.

Name-

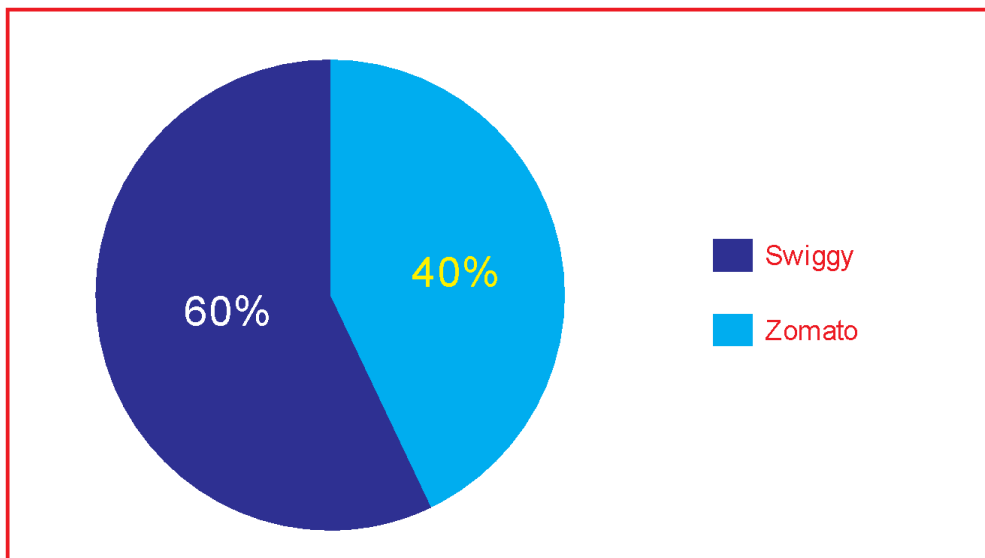
Age –

Gender –

Q1. Which food delivery app do you prefer on a regular basis?

Zomato

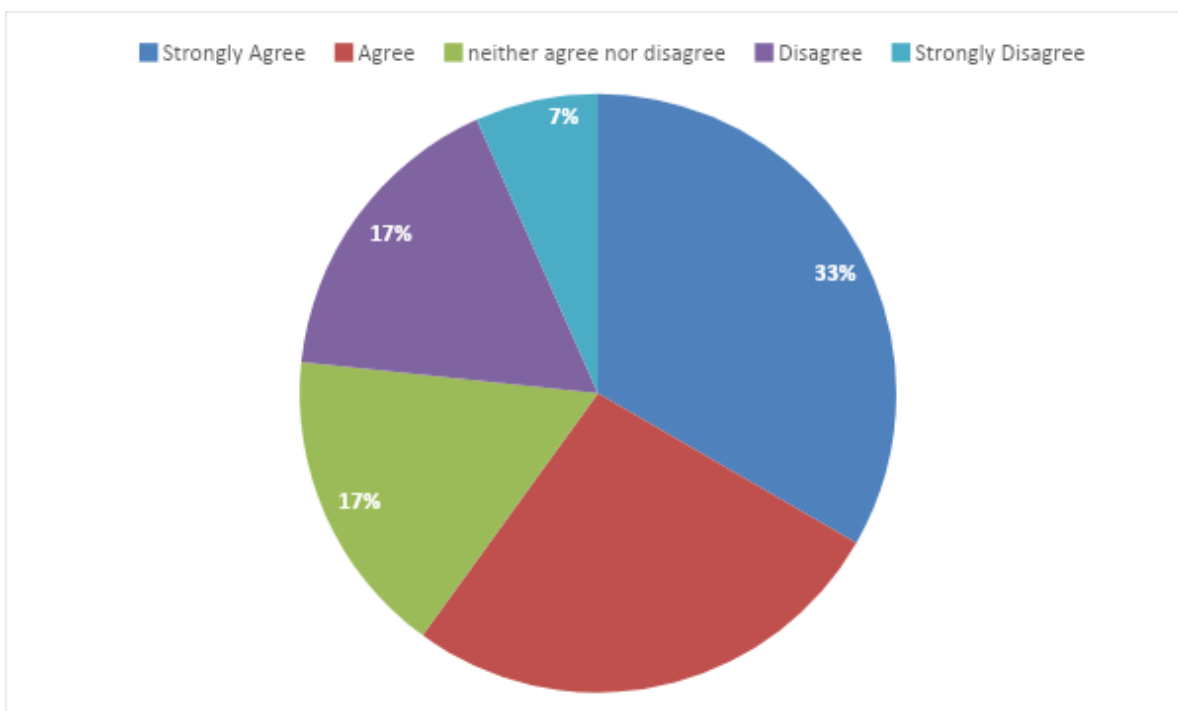
Swiggy



Interpretation

The pie chart representation above shows the percentage distribution of customers where 60% prefer Swiggy, while 40% of them prefer Zomato.

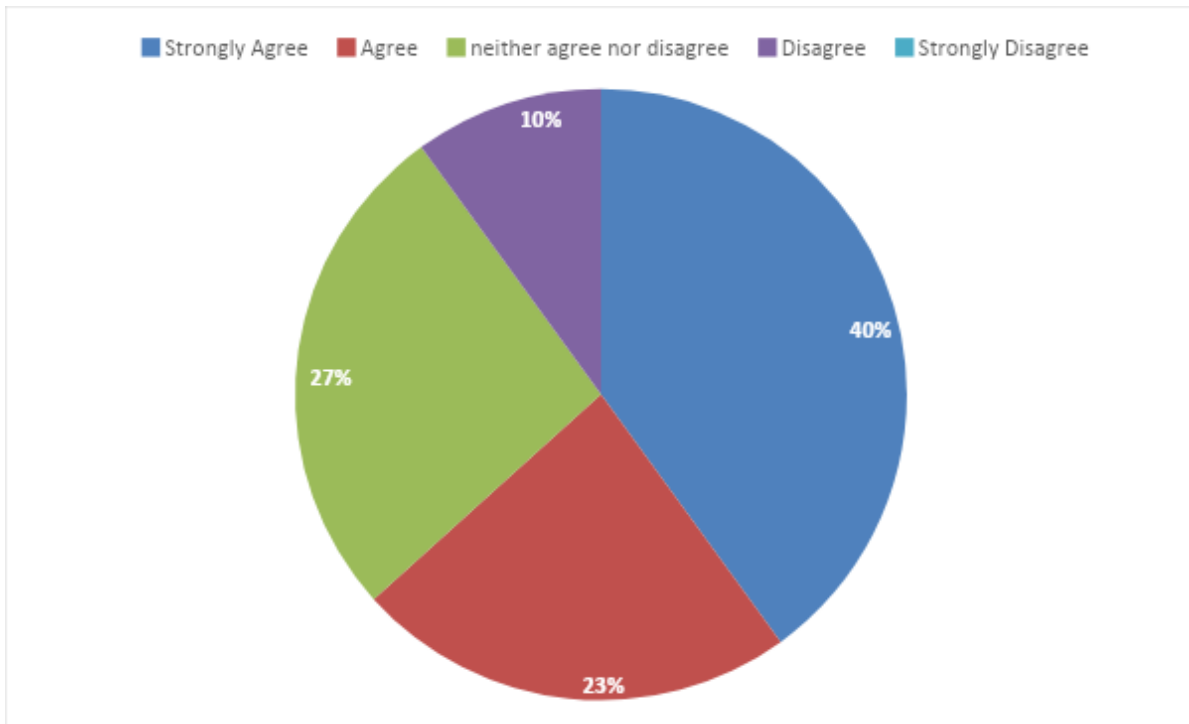
Q2. Do you think ambience of the food joints influences your choice for a particular food joint?



Interpretation

The Aforesaid pie-chart shows the percentage distribution of customers it states that 33% of customers strongly agree, 27% of customers agree, 17% of the customers neither agree nor disagree, 17% of customers disagree and 6% strongly disagree.

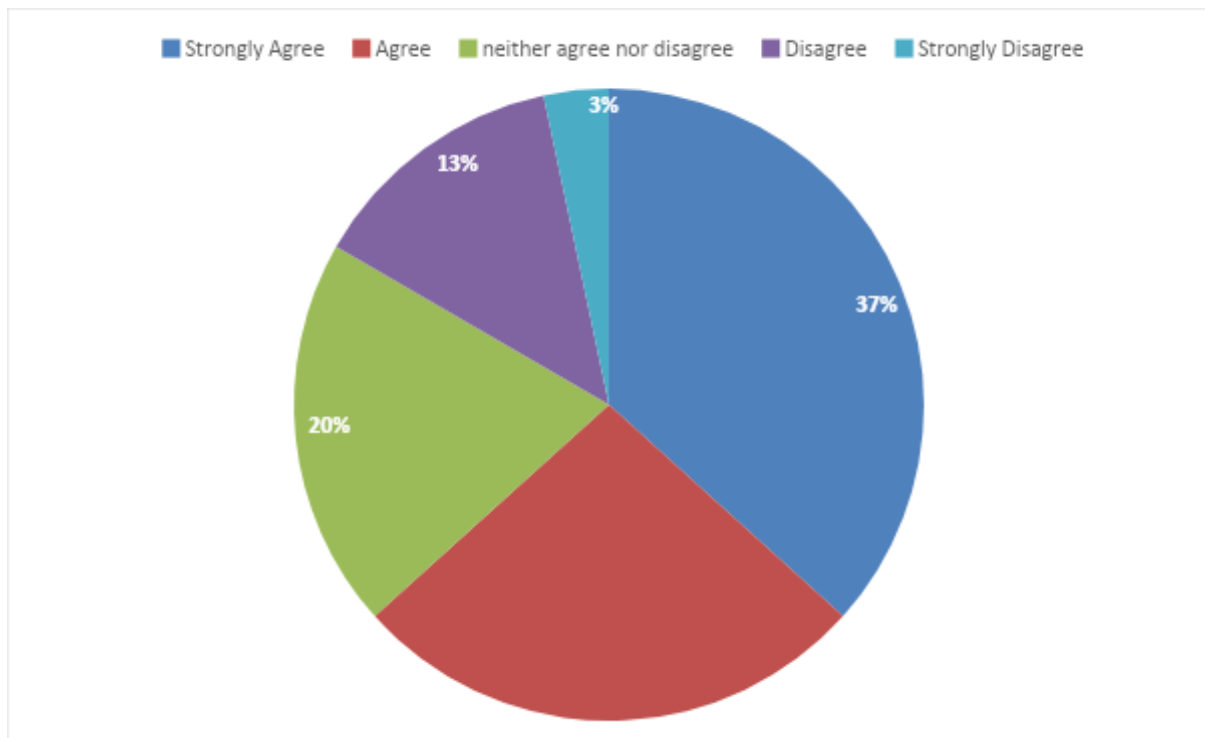
Q3. Does Swiggy have better user interface in terms of cleanliness and crowd as compared to Zomato?



Interpretation

The Aforesaid pie-chart shows the percentage distribution of customers it states that 40% of customers strongly agree, 23% of customers agree, 27% of the customers neither agree nor disagree, 10% of customers disagree and 0% strongly disagree.

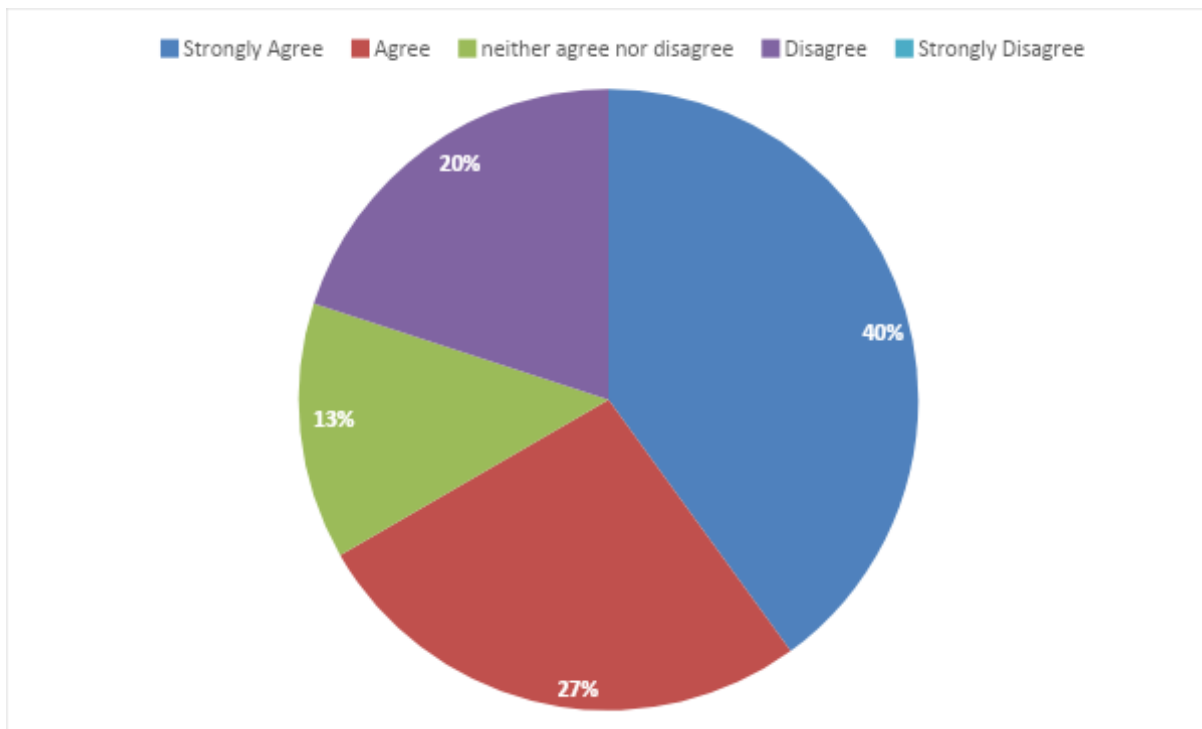
Q4. Customer service of Swiggy is prompter than Zomato?



Interpretation

The Aforesaid pie-chart shows the percentage distribution of customers it states that 33% of customers strongly agree, 23% of customers agree, 10% of the customers neither agree nor disagree, 17% of customers disagree and 17% strongly disagree.

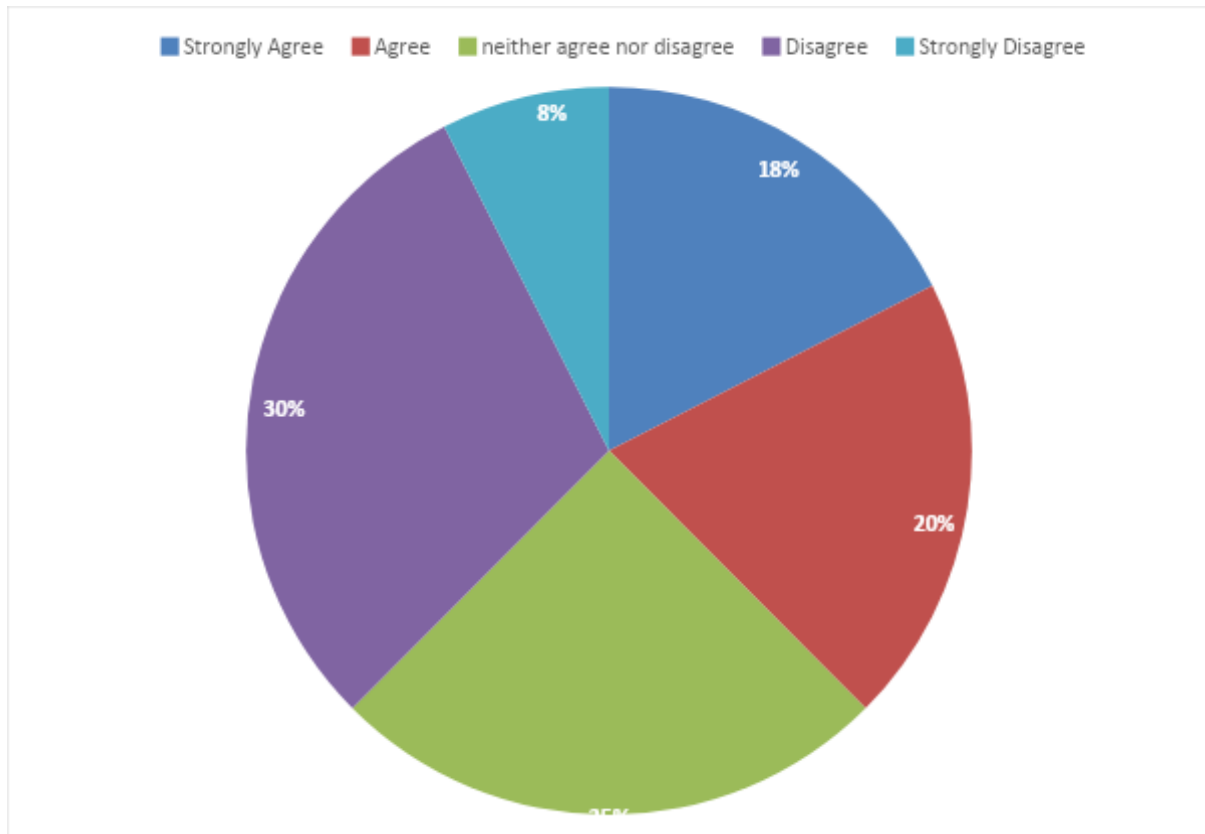
Q5. Are food prices of Swiggy more reasonably priced than that of Zomato?



Interpretation

The above pie-chart shows the percentage distribution of customers where 40% of customers strongly agree, 27% of customers agree, 13% of the customers neither agree nor disagree, 20% of customers disagree and 0% strongly disagree.

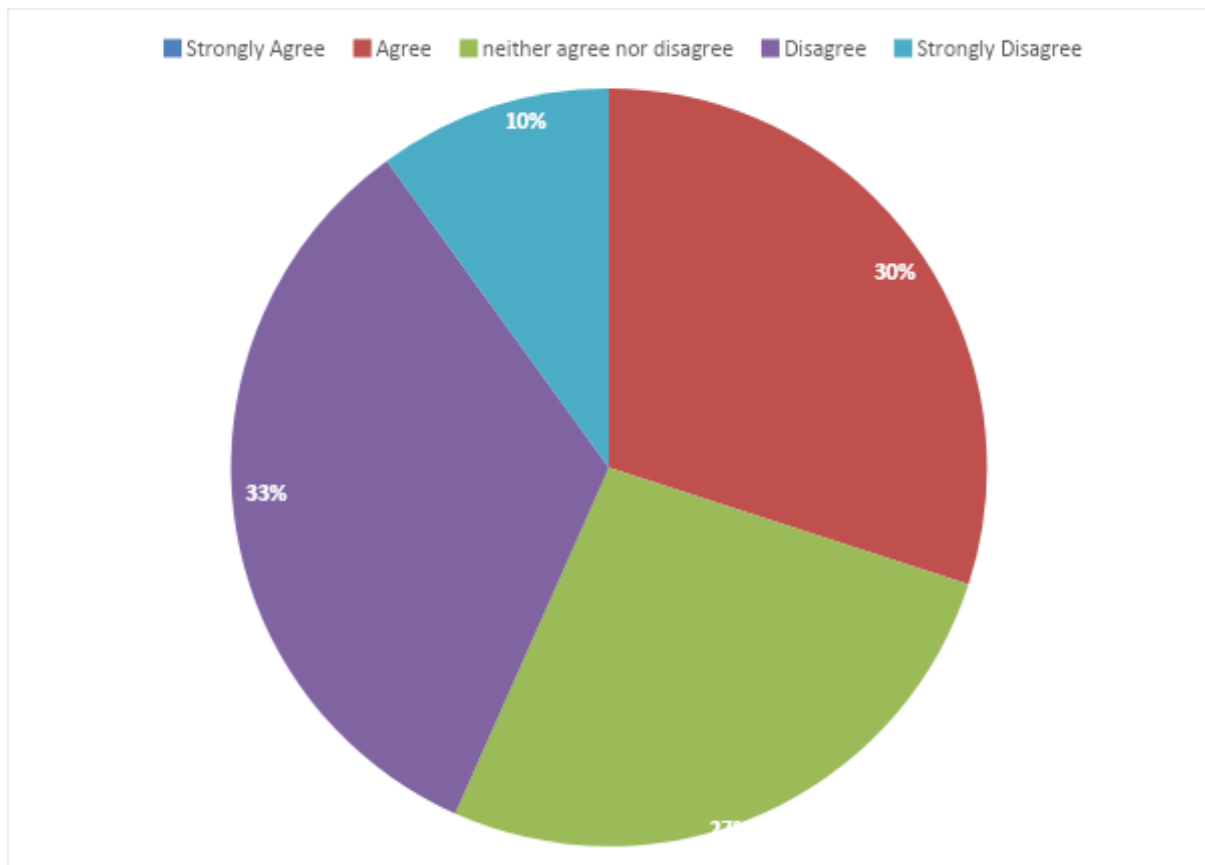
Q6. Does Swiggy provide frequent discounts and coupons compared to Zomato?



Interpretation

The above pie-chart shows the percentage distribution of customers where 17% of customers strongly agree, 20% of customers agree, 25% of the customers neither agree nor disagree, 30% of customers disagree and 8% strongly disagree.

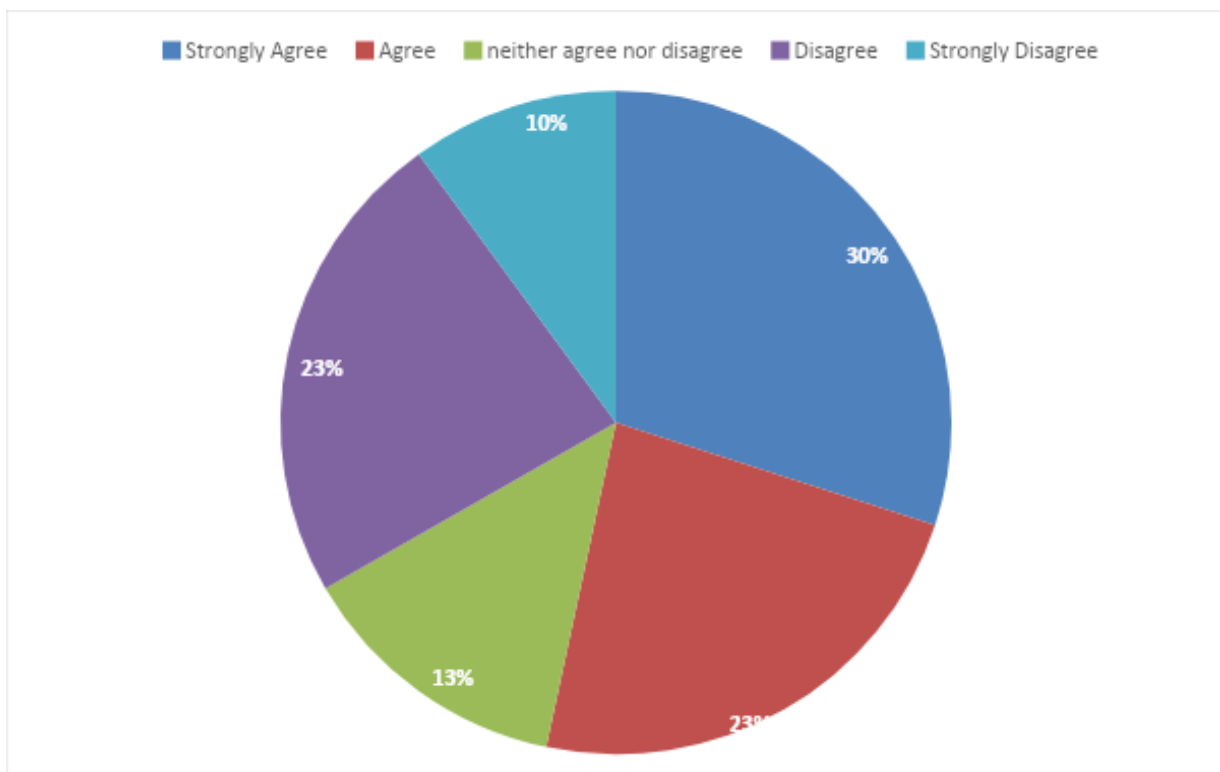
Q7. Is the food and packaging quality of Swiggy better than Zomato?



Interpretation

The above pie-chart shows the percentage distribution of customers where 0% of customers strongly agree, 30% of customers agree, 27% of the customers neither agree nor disagree, 33% of customers disagree and 10% strongly disagree.

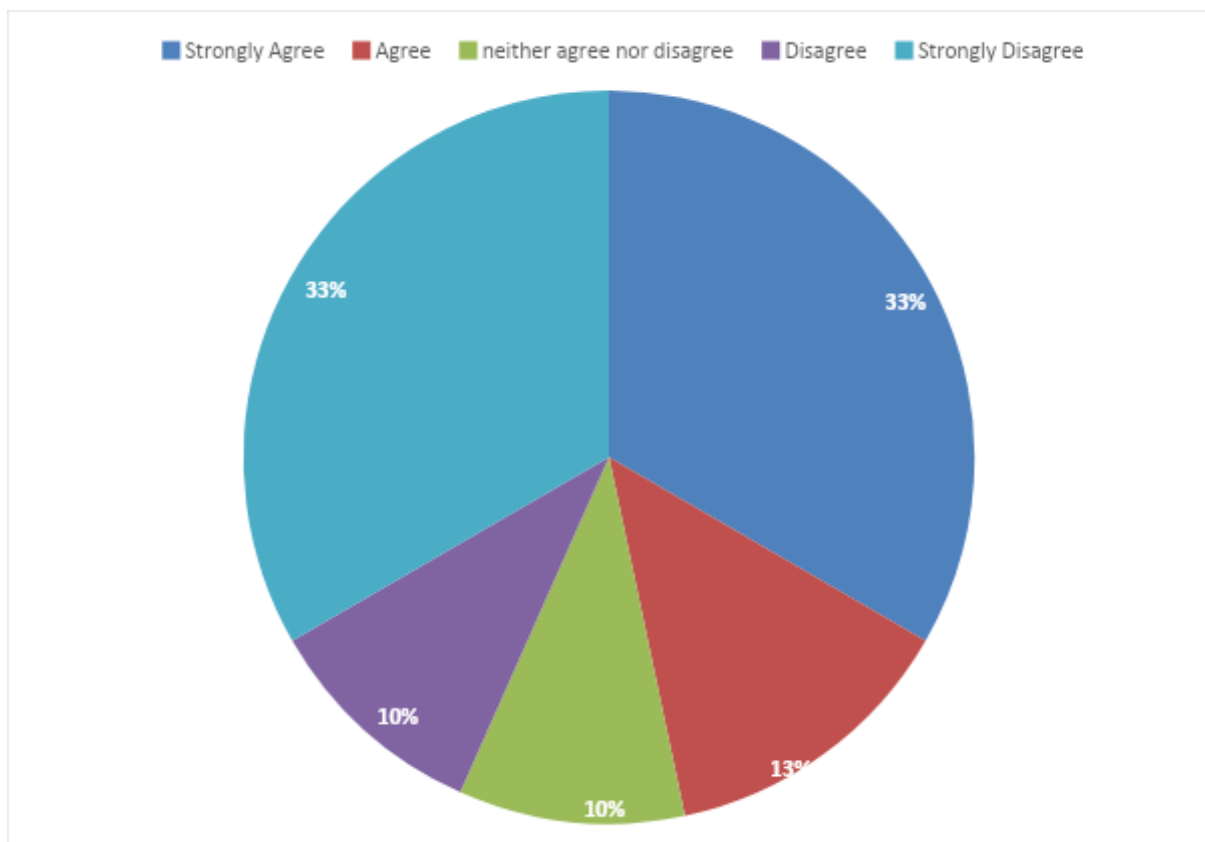
Q8. When it is about fresh food, I prefer Swiggy to Zomato?



Interpretation

The above pie-chart shows the percentage distribution of customers where 30% of customers strongly agree, 23% of customers agree, 14% of the customers neither agree nor disagree, 23% of customers disagree and 10% strongly disagree.

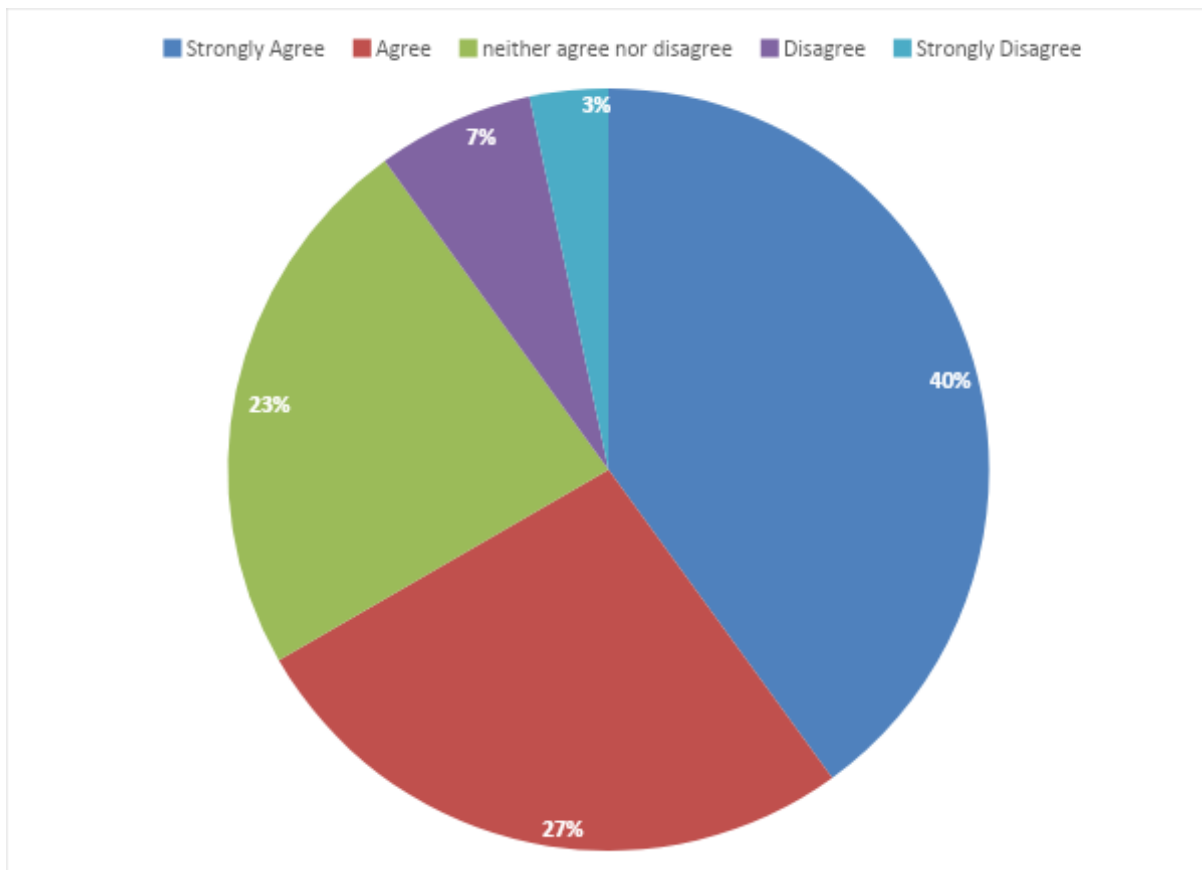
Q9. Home Delivery and tracking services of Swiggy are better than of Zomato?



Interpretation

The above pie-chart shows the percentage distribution of customers where 34% of customers strongly agree, 13% of customers agree, 10% of the customers neither agree nor disagree, 10% of customers disagree and 33% strongly disagree.

Q10. Refund and cancellation policy of Swiggy is better than Zomato?



Interpretation

The pie-chart shows the percentage distribution of customers where 44% of customers strongly agree, 25% of customers agree, 19% of the customers neither agree nor disagree, 12% of customers disagree and 0% strongly disagree.

CHAPTER 5

FINDINGS & SUGGESTIONS

Findings:

- About Zomato, the same respondents say, “Zomato is slower than Swiggy and they prefer COD which is, honestly, a tad bit of a hassle. It is only good for online menu and not for delivery.
- Swiggy takes one order at a time while Zomato takes 2 to 3 orders at a time resulting in delay of service. Hence, Swiggy is preferred.
- The main revenue model for both apps are the restaurants they're associated with, favouring Swiggy over Zomato. Here is what one respondent who has both Zomato and Swiggy apps said: “I can say that Swiggy is much faster than Zomato with their service. This is reliable for both the customer and the restaurant owner, as the deliverers arrive within 5-10 minutes of the order being placed and once the order has been prepared, the responsibility is on Swiggy. Even if the customer cancels the order midway, Swiggy ensures that the amount will be credited to the restaurant owner's account.”
- Respondents also consider Swiggy over Zomato due to logistic reasons. Also, Zomato has a relatively higher tax and delivery charges.
- Swiggy provides customers with live tracking of their order and delivery partner while Zomato’s live tracking is still not up to par.
- While Zomato was winning with social media advertising, Swiggy did not hesitate to deliver a clear message to TVCs that worked wonders. Social media campaign With food delivery pop-ups everywhere won hearts of consumers, eg: “Let us know which app you prefer when your stomach rumbles? because no amount of statistics can

determine what drives your heart.” And “ As they say, "You don't need a silver spoon to eat good food"

- The design of the application is questionable again. Zomato reviewers say, "Such a noisy design, I want the colours on my plate, not on my screen,". Swiggy undoubtedly has a better user interface and is easy to use.
- Zomato strives to be a one-stop destination for foodies across the country. Hence, we can agree that it is not just a food ordering app but more than that. Even if a consumer is not actually ordering food, Zomato still allows them to explore restaurants anywhere globally, what the menu looks like, what the ambience looks like, what the ratings are, pictures of the dishes and even suggests what to order at a particular restaurant based on customer reviews. It curates' restaurants in different categories like – breakfast places, brunch places, budget places, bars and pubs, outdoor seating, restaurants with a view, luxury indulgence etc. They even have their own streaming service with about 18 original shows just customers to use. And that tells you something very important. Zomato only focuses on food and food. And he wants to capture the entire value chain, from restaurant discovery to delivery.
- Swiggy's intentions are not the same as Zomato. It is currently focusing only and only “delivery” and distribution part of the food cycle. It has ventured into groceries and home utility delivery as well with Swiggy Instamart which is gaining a lot of popularity and positive feedback as it allows people to run groceries errands from the comfort of their home.
- Swiggy's Genie feature is another take on what Dunzo has been doing for a while which is delivering any item from point A to B. Think groceries, drugs, etc. Since Swiggy has an elaborate workforce and delivery partners chained with them, they can easily expand into the B2B space as well.
- **So yes, Swiggy looks beyond the food space, while Zomato is all about food.**

Recommendations:

The overall comparison between Swiggy and Zomato has shown a clear preference of customers being attracted towards Swiggy than Zomato when it comes to food delivery.

Reason being that Swiggy uses more user-friendly promotional strategies, discounts and a better user interface than Zomato. In addition, most respondents are more satisfied with food quality and prompt delivery that Swiggy provides.

However, when it comes to variety in food options and number of restaurants listed, Zomato is way ahead of Swiggy. Moreover, from the current research, it can be concluded that though food delivery culture is relatively new in India and has only picked up in the metro cities for the being, it is only matter of sometime that this trend will be followed nationwide In a way it is benefiting and boosting the country's economy as it brings new business opportunities not only for young entrepreneurs but is also introducing the concept of starting new business under various forms of private-public partnership.

Hence, For Zomato to pick up on their numbers it is suggested that they work on

- Application interface
- Promotional coupons and texts
- Live order and delivery partner tracking
- Delivery charges should be revamped and brought to par with Swiggy

CHAPTER 6

CONCLUSION AND LIMITATIONS

Conclusion:

The research project has helped me understand where India's food delivery industry is currently at and what the consumers are preferring between the two leaders of the industry that is Swiggy and Zomato. No doubt, Investors are currently rooting for Swiggy as it competes with Zomato and the same can be inferred from the analysis of the consumers response to the survey floated.

Combined, Swiggy and Zomato had raised nearly \$7.6 billion in investor funds this year. Swiggy alone has raised an investment of \$5.5 billion with **\$1.25 billion** from SoftBank Vision Fund II in 2022. While Zomato has raised \$2.1 Billion in total over 21 rounds of funding.

Currently the startup industry and food industry in India is thriving. Swiggy and Zomato have raised three times as much money as food delivery companies have received in the past four years, according to data shared by Venture Intelligence. This investment optimism and success came the hard way only after many food delivery companies were closed or acquired. According to Redseer, the market will explode when cheap data encourages online ordering. "Today, the food technology industry leans more towards who can attract more money and investors, then service or innovation."

Though the report focuses on what the consumers prefer in terms of food quality and delivery satisfaction, on a wider perspective it can be concluded that both the brands are no longer associated OR limited to just 'food delivery' as a service. It can be concluded that Zomato's core remains all things food, be it from delivery to discovery or recommendation, knowledge etc. When it comes to delivery aspect, there are few points that Zomato can work upon as suggested in the suggestions section of the report.

Swiggy on the other hand is continuously expanding and focusing only on the distribution and delivery aspect and hence the consumer preference lies more towards Swiggy.

However, overall, both the brands have their own vision and goals which they are working and catering towards. Both Swiggy and Zomato have their own set of loyal customers who prefer them for what they do and serve. When it comes to food quality and delivery, it is Swiggy that is winning hearts of both customers and investors currently.

Limitations:

- A sample size of 50 respondents may not be enough to gauge the reviews and satisfaction of customers who prefer to order food online via using startup app.
- But keeping in view social and cultural variations amongst the population, the results of the study cannot be generalized to each part of country or its adjacent locations.
- Therefore, the study area is very limited, and respondents are small in number.
- The questionnaire focuses only on preference questions in terms of quality of food, delivery, and customer support. It does not ask a variety of questions assessing the app and app experience as a whole or the consumer perception of the brand.

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ANNEXURE

Appendices:

All the questions asked in this questionnaire are solely for academic purposes and won't be used against you in any case. The information shared will remain confidential.

Instructions:

1. All the questions are compulsory to answer.
2. Your feedback is highly valuable. Hence, kindly be honest about your views.

Name-

Age –

Gender –

Q1. Which food delivery app do you prefer on a regular basis?

Zomato

Swiggy

Q2. Do you think ambience of the food joints influences your choice for a particular food joint?

- Strongly agree
- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree

Q3. Does Swiggy have better ambience in terms of cleanliness and crowd as compared to Zomato.

- Strongly agree
- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree

Q4. Customer service of Swiggy is prompter than Zomato?

- Strongly agree
- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree

Q5. The food products provided by Swiggy are more reasonably priced than that of Zomato?

- Strongly agree
- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree

Q6. Swiggy provides frequent discounts relative to Zomato.

- Strongly agree
- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree

Q7. Food Quality of Swiggy is better than Zomato?

- Strongly agree
- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree

Q8. When it is about fresh food, I prefer Swiggy as compare to Zomato?

- Strongly agree
- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree

Q9. Home Delivery Services of Swiggy are better than of Zomato?

- Strongly agree

- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree

Q10. As far as customer cancel the order Swiggy is better than Zomato to return money to the customer?

- Strongly agree
- Agree
- Neither agree nor Disagree
- Disagree
- Strongly disagree