GROWTH OF FOOD TECH STARTUPS: A STUDY ON VARIOUS FOOD DELIVERY SERVICES

Dr. Jayanti Goyal  
Associate professor,  
Kanoria PG Mahila  
Mahavidyalaya, Jaipur

Ms. Anjali Vijayvargiya  
Associate professor,  
Kanoria PG Mahila  
Mahavidyalaya, Jaipur

Ms. Poonam Awasthi  
Associate professor,  
Kanoria PG Mahila  
Mahavidyalaya, Jaipur

Abstract

Almost in each and every sector, e-commerce has opened up its branches widely and strongly from online shopping to ticket bookings, cab bookings, healthcare and entertainment. One of its applications is in e-food industry, which has brought a revolution in food industry and many restaurants at a single platform. Food startups in India have become popular in a short span of time and have revolutionized the way people look around for places to take their food. Now decision for the best places to order food is only a single click away. One can pick the best reviewed place and order from it. The study comprises the factors which affect the rise and growth of various foodtech startups. By studying the operating strategies of Zomato, Swiggy, Foodpanda and Ubereats etc. our motive is to analyze how these all affect the Indian market. This study also focuses on understanding the behavior of consumers that how they select and use that goods and services to satisfy their needs. This paper helps to find out what consumers like, what they want, what makes them to shift towards digital technology and which application they are satisfied with.

Keywords: E-commerce, E-food industry, Food startups

Introduction:

The idea of getting a food with a single click at home has done a revolution in the field of food business. Digital platform and social media have played a vital role in setting the trend of getting cooked meals at their doorstep. This is changing the food habits of the people. People now ordering their food at home, office and at random places instead of going and eat. The habit of people using smart phones has proved to be a boon for the food industry. Increased demand and advanced technology has become a right hand of this industry. The offers and discounts offered by the food applications have mesmerized the customers and affixed them with applications. This phenomenon pushed them to order instead of cooking. Today the food delivery services industry is fastest growing industry with a huge benefit. In this paper, we will observe the behavior of the consumer towards online food industry. Ease of getting cooked food on a reasonable price, more convenient and accessible and 24/7 availability convinced them to order online. The motive of choosing this as a study topic to analyze which one is offering best service among Zomato, Swiggy, Foodpanda and Ubereats in terms of rates, discounts and offers, choices of restaurants, delivery time, food quality and quantity.
Literature Review:

The research on online food ordering and other related topics in the Indian context are limited as the online food ordering services has entered into Indian market only a few years back. The food industries are exponentially growing in overseas and after getting name and acclaim outside the India. Few years back, industry found a new place in Asian continent that is India with having a huge population. Research is based on how well Indians are adopting the culture of ordering the food and in spite of cooking and going to the restaurants. Food tech industry is a well-known in India and has grown up now. They are targeting people with fancy offers and discounts and less delivery time. Various research studies have analyzed the behavior and perception of customers towards the food tech industry.

According to Jyotishman Das (2018) empirical study Zomato has acquired the first position among all food companies because of its wonderful discount offers and coupons, powerful campaigns and on time delivery nature.

According to Suryadev Singh Rathore and Mahik Chaudhary (2018) this study food tech industry is targeting youths mainly they're focusing on the people like students, working people whom are vulnerable. They concluded their theory by giving 3 key points. Their research says that they are influencing people by their honey coated discounts and offers and reasonable rates another one is ease of accessibility and last one is lesser delivery time.

According to Leong Wai Hong (2016), the technological improvement has changed the business model to grow in many trades. Efficient systems can help improve the productivity and profitability of a restaurant. The use of online food delivery system is believed that it can lead the restaurant’s business grow from time to time and will help the restaurants to facilitate major business online.

According to Varsha Chavan, et al, (2015), the use of smart device based interface for customers to view, order and navigate has helped the restaurants in managing orders from customers immediately. The capabilities of wireless communication and smart phone technology in fulfilling and improving business management and service delivery. Their analysis states that this system is convenient, effective and easy to use, which is expected to improve the overall restaurant business in coming times.

Objectives:

The objectives of this paper are as following-

- To compare food services Zomato, Swiggy, Foodpanda and Ubereats.
- To find the most popular food delivery app on the basis of ratings and reviews.
- To analyse which one is providing better services on an affordable rate and discounts & offers.
- To find out the factors those influence the consumer to use online food delivery services.
- To find how these applications are beneficial for both the Consumers and the restaurants.
Methodology:

In this paper, we compared some food delivery services on the basis of their strategy, marketing policy, working environment. The purpose of this study is to explain how all these applications is meeting the necessity of customers in appropriate way and how they are grasping the attention of the users.

I. Comparison Index:

Here are the fact and figures about the leading food delivery services & companies. It is all about how they became a well-known name from the commencement. In this we studied what were the factors which helped them the most to became a brand and what were their leading campaigns to compel the customers with them.

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Zomato</th>
<th>Swiggy</th>
<th>Foodpanda</th>
<th>Ubereats</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>App Rating</strong></td>
<td>4.3</td>
<td>4.3</td>
<td>3.2</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>App Downloads</strong></td>
<td>5,00,00,000+</td>
<td>1,00,00,000+</td>
<td>1,00,00,000+</td>
<td>5,00,00,000+</td>
</tr>
<tr>
<td><strong>No. of Cities</strong></td>
<td>41</td>
<td>27</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td><strong>Web/App based</strong></td>
<td>Both</td>
<td>Both</td>
<td>Both</td>
<td>Both</td>
</tr>
<tr>
<td><strong>Modes of payment</strong></td>
<td>Offline &amp; Online</td>
<td>Offline &amp; Online</td>
<td>Offline &amp; Online</td>
<td>Offline</td>
</tr>
<tr>
<td><strong>Order Tracking</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>website</strong></td>
<td>Zomato.com</td>
<td>Swiggy.com</td>
<td>Foodpanda.in</td>
<td>Ubereats.com</td>
</tr>
</tbody>
</table>

II. Marketing strategies:

These applications are using different strategies for sustaining their positions and to continue to be a part of user's life. Zomato has thoroughly utilized the social media platform; twitter the most to sustain its life and continuously giving 50% discount to new users. Swiggy has offered faster and more accurate search engine optimization and influencer marketing strategy to maintain its position. To win the battle, Foodpanda applied
its marketing strategy on various platform like mobile, social media and email too. Ubereats has centralized on Omni-channel approach as its trump card for catching the attention of new users as well as providing the customer loyalty program for previous subscribers of uber cab services.

III. Popularity on the basis of Ratings and Reviews:

During the previous few years, reviews became crucial to the success of any business, sensible reviews will boost the performance and quality of that business whereas terrible reviews even have the potential of closing businesses down. That's why it's crucial for food delivery services to understand the impact of review and how they lead the success or downfall of a business. If anybody is going to download the application then they first see ratings and reviews; and if they further find it useful then they will be loyal to that particular service.

IV. Discounts and Offers:

These types of start-ups use various appealing offers and discount strategies for their promotions to stay in the market for long time. The enormous analytical study of their plans has been done in the research and summarized in the figure shown below. According to the study Ubereats leads in attracting consumer's with its maximum discount offers while Swiggy and Zomato give more continuous discount plans to draw costumer's attention.
According to a study Zomato and Swiggy both have controlled over 68% market share of online food delivery. They have gained this position by applying different innovative strategies which attract the masses more. On the other hand, Foodpanda and UberEats is taking benefit from huge install base of their parent apps—Ola and Uber cabs. These companies developed separate apps associated with food industry for driving up the sales. Zomato has built up for food delivery as well as for restaurant discovery too. Discovering restaurants, identifying popular dishes, searching deals and ordering food all in one app made it in lead.

VII. Beneficial for both customer and restaurants:

- **FOR COSTUMER**
  - No more waiting in long queues to place an order.
  - Increased transparency in pricing.
  - Convenience of ordering from any place at any time.
  - Multiple ways to pay for the order.
  - Earn loyalty points which is beneficial for better savings.

- **FOR RESTAURANT**
  - Restaurants can handle orders with more accuracy.
  - They can increase their productivity.
  - Easier to check the cash amount and transactions.
  - Improved efficiency and lesser running costs.
  - Loyalty programs help restaurant to retain customers and do more repeat business.

**Factors that influence the consumer to choose the online food delivery services**
- Fast Delivery
- Convenience
- Easy Accessibility
- Flexibility
- Ease of Payment
- Discount offers and Coupons
- Rewards and Cashbacks
- Navigation Facility
- Ratings and Reviews
- Previous Experiences
- Social Media
- Advertising

**Factors that prevent the consumer to use the online food delivery services**
- Unwanted Delivery Charges
- Unaffordable
- Issues with Navigation
- Bad Past Experience
- Unawareness
- Availability of some nearby restaurants
- Socially Dependent
- Fully dependent on Network
- Bounded with Technology and Smartphones

https://www.gapjournals.org/
Conclusion:

In our study we analyzed many factors such as strategies behind food campaigns, eye-catching discount offers and how to exert the customer’s heed. It states that Zomato and Swiggy are acquiring most of the Indian market; it’s like 68% share of the food industry. Swiggy entered in this industry before Zomato, but Zomato is trying to give a tough competition to Swiggy. Both food applications are exponentially acquiring food market and trying to grab each other customers to maintain their popularity index. Now coming to Foodpanda it’s a well-known brand outside India and now acquired by the Ola cabs. It came to India to become Google of food industry but unable to influence customers in comparison to Zomato and Swiggy. Negative ratings and reviews have played a crucial role behind its decreasing notability. Ubereats is trying to snatch their customers and it is doing well in that field. It is offering up to 60% discount for new customers. In a very short span it’s quite popular among the users with admirable reviews and ratings. If it preserves same growing pace it will be threat to the secured position of Zomato and Swiggy. If Zomato will start thinking from customer’s perceptive then it could be the king of food tech market.

References:

- Suryadev Singh Rathore & Mahik Chaudhary, “Consumer’s Perception on Online Food Ordering”, IJMBS Vol8, Issue 4, Oct-Dec 2018, ISSN : 2230-9519 (Online) | ISSN : 2231-2463 (Print)
- Leong Wai Hong (2016), "Food Ordering System Using Mobile Phone", A report submitted to BIS (Hons) Information Systems Engineering, Faculty of Information and Communication Technology (Perak Campus), UTAR.
- Dr. Neha Parashar & Ms. Sakina Ghadiyali,“A study on customer’s attitude and perception towards digital food app services”.
- https://restolabs.com/blog/online-mobile-ordering/7-advantages-using-mobile-ordering-app-your-restaurant
- https://iide.co/digital-marketing-strategy-devesh-shah-Swiggy/
- https://www.annexcloud.com/blog/ubers-marketing-strategy-in-7-steps/
Zomato, Swaiggy, Ubereats and foodpanda android application for play store