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A STUDY ON ONLINE FOOD ORDERING COMPANIES IN INDIA

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ABSTRACT

Food is one of the basic needs for a human being. Now a days people can order the food from home with the help of internet. Online food ordering is emerging as a new trend all over the world. By the increase of usage of internet in India ordering food was becoming more popular. These days online food ordering in India has been increasing in urban areas. In rural areas there is no noticeable increment in rural areas,

Marketers such as Food Panda, Swiggy, Zomato, Uber eats should know the consumer behaviour to develop their performances. They should know the customers in order to update them according to the tastes of the people. This is an attempt to know about strategies and trends of the marketers who deliver food online .

KEY WORDS: *Online food ordering, Swiggy, Zomato, Food Panda, Uber eats.*

INTRODUCTION

Since 2008, e-commerce has grown phenomenally for a variety of reasons including changes in consumer lifestyles, technological advancements, increase in consumer income and education, and rapid financial development throughout the world. People started shopping through online due to time saving and energy saving. e-commerce made people's life so happier and added a lot of values to their lives which made it as a success industry recent times. Even Times of India newspaper in November 2017, stated that online shopping increased a lot new customers and a lot loyal customers for the marketers and even for the customers it had increased the exposure of a lot of marketers who will be difficult in finding in the offline world.

Online food industry

In my childhood, whenever my family wanted to have a dinner or breakfast we were in confusion as of which restaurant we should go to? Which restaurant is best in quality and prices? Which restaurant will have a lot number of items? After all that confusion, some restaurant is confirmed now there is a bit of discomfort if the restaurant is far from our home. All these factors led our family to go for restaurant hardly once in a month. I never dreamt of having a restaurant food once in a day, but when I was doing my graduation I got a notification from an online food delivery app i.e. Swiggy in my mail. I opened the website, after to my goodness my dream come true, in the past what all the problems our family faced is just solved by this one app. I was so excited to see all the listings of restaurants, all the

items available in the restaurants with the prices written next to it and the most best thing is that hot and delicious food is coming to our doors by just one-click.

These things happened 5 to 10 years back. The industry is going massive and now plays a prominent role in the Indian ecommerce industry. Statistics show that there is a 15 % hike in 2017 which made the online food industry as a one of successful industries.

OBJECTIVES

- To understand the advertising strategies and USP of the online food ordering companies in India.
- To know the profiles, major statistics and annual revenues of the major online food ordering companies in India.
- To know about the latest trends in the online food ordering in India.
- To know the latest issues of the major online food ordering companies in India.

LITERATURE REVIEW

Bhatnagar, Misra, and Rao (2000), in their recent study made an attempt to study the risk, convenience and Internet food ordering behaviour. They found that marital status has no effect on purchase behavior and found mixed results based upon gender (except for specific gender-related products), years on the Internet, and age.

S.Baveja and S. Rastogi (2000), have identified that customer loyalty on the Internet is a key driver of long term profitability. Loyal online customers, just like offline ones, spend more, refer more people, and are more willing to expand their purchasing into new categories. As a result, they are more profitable than one-time shoppers. Online retailers who succeed in building customer loyalty will ultimately be more profitable than online competitors who focus only on transactional metrics such as number of visitors, number of shoppers, eyeballs, and so forth.

Bhavani and Prakash (2008), in their article have explained the importance of online shopping, its advantages and disadvantages and also the impact of doing business online. The internet has become a preferred place for the shoppers to carry out their business. The number of shoppers and volume of business continue to surge. They have given three main factors which mainly make online shopping attractive, they are abundance (i.e.) the customers have a vast choice, vast selection (i.e.) various products can be displayed reviewed and compared at no cost in time or funds and quick comparison (i.e.) consumers can quickly compare products in terms of price, quality, shipping cost, etc., before making a final choice

Katawetawaraks & Wang, (2011) suggested that Customers can be influenced by the image of the web site when they decide what website they should buy from.

Hoyer et al. (2012) divided the factors causing consumer behaviour into four broad categories: situational, personal, social and cultural factors.

METHOD

This paper gives information about the online food ordering companies operating in India, their profiles and their USP. It also tells about the market share of the companies and the new trends in the online food industry.

MAJOR PLAYERS IN THE INDUSTRY

Although there are a lot of local players in this industry, but this industry is highly dominated by four major players, the major pillars of this industry are Swiggy, Zomato, Food Panda and Uber eats. These four players dominate the industry due to their restaurant listings, marketing strategies, user friendliness of app and websites and on top of all that they are more trust worthy than the others.

Swiggy

Swiggy food ordering start up is founded in 2012 in Bengaluru. Swiggy currently has 650 delivery executives from different backgrounds mainly college students working as part-time and full-time employees. It employees 5000 people right now.

Zomato

Zomato, initially Foodie Bay is started in 2008 in Delhi by Deepinder Goyal, Pankaj Chaddah. Initially Zomato's motto is to list restaurants, their timings, prices of the items and reviews of the restaurants. Later they added an extra feature to book a table of the restaurant just by sitting in your home. Presently, they too became a food delivery service like Swiggy, Food panda and others with the previous features. Now, in Zomato we can book a table, we can have the list of restaurants and we can order food to our doors.

Food panda

Food Panda, initially hellofood is founded in 2012 in Germany. It employs 10000 people and it is currently operating in 40 countries. There are more than 25,000 restaurants in Foodpanda shelf worldwide. It is the fastest growing rocket venture in terms of country expansion.

Uber eats

Uber eats was newer entry in to the Indian market when compared to others. It was started in 2014 and completed 10 billion trips all around the world.

After these four players, there are some newer entries such as fasoos, Foodie5, cure.fit, Freshmenu, Box8, Cookaroo, Holachef, Cookgourmet, Innerchef, Twigly etc..

STATISTICS OF MAJOR PLAYERS

Swiggy

Swiggy has a operating revenue of 442 crore in financial year 2018 where it had only a revenue of 133 crore in its previous financial year. According to Economic times June 2018 analysis orders of Swiggy has crossed 14 million orders per month. Swiggy's average order value is about Rs.380. Swiggy has

acquired scootsy and 48east in 2018 and 2017 respectively. 6.4 Lakhs people follow Swiggy facebook page where 44,000 people are following it's Twitter account.

Zomato

Zomato has an operating revenue nearly 600 crore in the financial year 2018 where it had a revenue of 309 crore in its previous year. Zomato's losses reduced from 100 crores to 67 crores when compared to it's financial year. According to Zomato blog, in October 2018 Zomato has crossed 21 million orders in a month where as its March month deliveries count upto 10.5 Million orders only. Zomato's average order values is upto Rs.420. 18 Million people follow Zomato's facebook page and 21,000 people follow it's Twitter page.

Uber eats

Uber eats has an operating revenue of 70 crores in the financial year 2018 which has a growth of 50% when compared to its previous financial year. According to Economic time Uber eats contributed 13 % of Uber's company revenue. By October 2018, Uber eats clocked 4 Million orders per month. It has 50% Month-on-Month growth in orders and revenue. 15 Million people follow their facebook page and 1,500 people follow their twitter account.

Food panda

Food Panda has an operating revenue of 64 crores in 2017 which increased by 64% from its previous financial year. Food Panda did not released its 2018 annual revenues where as some third party sources stated that it has a revenue of 78 crores in financial year 2018. In September 2018, Food Panda clicked 30,000 – 35,000 orders per day.

ADVERTISING STRATEGIES AND USP

Swiggy

Swiggy is famous for its hygiene packaging when compared to it's major competitor Zomato. Swiggy advertises its brand with old couple, friends watching a cricket match etc and says that they provide faster deliveries when compared to it's competitors.

Zomato

Zomato is famous for its amazing deals than it's competitors. Zomato advertises with animation and cartoons with a caption "Get amazing deals at quicker deliveries". Zomato is aggressive in marketing when compared to others, it actually uses guerrilla marketing.

Uber eats

Uber eats is famous for its premier packaging and lunch and dinner menus. It mainly targets IT employees and graduate students. It concentrates more on dishes rather than concentrating on restaurants

Food panda

Food Panda advertised its brand with Shah Rukh Khan in their earlier days. It is famous for its unique restaurants which will not be available from it's competitors.

NEW TRENDS IN ONLINE FOOD INDUSTRY

Swiggy SUPER

It is a subscription service offered by Swiggy, by which the customer gets the benefit of free delivery service for all orders in a month. It costs for Rs 99 for a month.

Zomato Gold

It is a subscription service offered by Zomato, by which the customer gets the benefit of one item for free if he buys one. It was like buy one get one offer.

Zomato treats

It is a subscription service by Zomato, by which customer will be offered an extra dessert if they made a bill of certain specified amount.

Ola and Food panda merger

In December 2017, Ola (taxi service start up) invested 200 Million dollars in Food Panda which benefited customer that he can order from Ola interface.

Zomato- Tech Eagle deal

This is an upcoming deal, which happened between Zomato and Tech Eagle that Zomato delivers food with the help of drones in the upcoming year.

LATEST BUSINESS CASES

Swiggy new Advertisement

Upto December 2018, all food companies targeted employees and university students in their advertisements. But Swiggy these days targeting house wives in a way that there is no need to cook food, when you can order food by just single tap.

We can see in the Swiggy's new advertisement, that there are three women from different generations from the same family i.e. grandmother, mother and her daughter sitting in the home and one combing the other's hair. When the youngest one asks her mother to cook food, in return her mother asks her mother i.e. child's grandmother to cook food. Then the old lady opens Swiggy application in the phone and tells to her child to order food from Swiggy and child's mother also passes the same phone to the child and tells her to order food from Swiggy. So in this advertisement we can see that the women's mind-set is changing from traditional behaviour of cooking to modern behaviour of ordering food.

Zomato issue

In November 2018, a Zomato customer had some trust issues when Zomato's delivery boy caught while eating the food. This whole episode went viral in social media which damaged the trust and image of Zomato in a single day. Zomato in order to rebuild the trust it started a new campaign No cooking December, No cooking January and offered food items at half prices and it also started using tight packed covers.

CONCLUSION

Some people are facing some connectivity issues with the company's executives. Although the

companies are having a good revenue but they are still in losses due to high discounts offered by them in order to survive in competition. So, companies should increase safety measures, good chatbot etc. Online food companies have a big market to grow on societies like India.

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