

Digital Marketing is Revolutionizing with Technology- A Case Study on Digital Marketing of Food Applications (Zomato and Swiggy)

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Abstract—Digital Technology which includes mobile applications and cloud computing have emerged as a catalysts for rapid economic growth and made everyone's life facile. The trend of Digital Marketing is raising day by day through Internet and social media platforms. Due to its benefits of wide reach in a very cost effective manner and drive engagement, almost every business is now shifting towards Digital Marketing. Food Delivering startups which came into existence a decade back, is now becoming so trendy among youth generally in tier-1 cities. Zomato, Swiggy and other Food delivering startups with their innovative digital marketing strategies have created a niche market in delivering delicacies at doorstep in a very less time. The case study on Zomato and Swiggy showcase how they expand their business by adopting Digital Marketing approach and earned more than Rs 400 crore in a year. The paper also analyze forecasted growth rate of Food Business in India and Worldwide, its users in next five years and spending on different digital marketing tactics by Statista, a German online portal for statistics, market research and business intelligence. Followed by a primary data collection through questionnaire for assessing the customer's preferences for different food apps and factors affecting the demand.

Keywords: Inbound Marketing, Social Media Marketing (SMM), Search Engine Optimization (SEO), Ad Campaigns, Food Delivery Applications.

Introduction

Today's customers are tech-savvy. Marketing has undergone a massive transformation and works as boon as it can reach larger mass of people at a cheaper rate and changed the way to reach information. In digital age, no one wants to sit through a sales pitch. Outbound Marketing Tactics uses push strategy to attract customers includes television, radio advertisements, cold-calls, print media, outdoor advertising, emails are not so effective as earlier they were. They can skip TV Ads by recording their favorite shows, streaming online services, avoid radio ads by digital music and satellite radio, block online banner ads by ad blockers, wind-up e-mails in the spam folder, least attentive outdoor billboards. So, marketers needed a whole new effective way to pull target audiences with the use of latent techniques, like social media, websites, digital

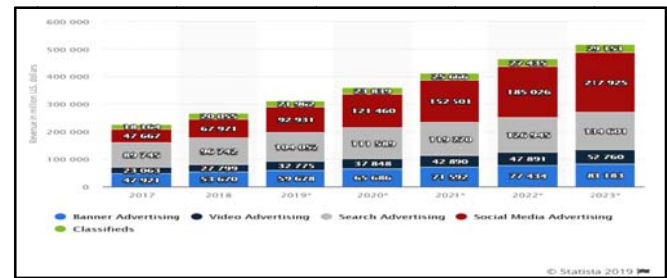
contents, search engines etc. and, from here inbound marketing strategy taken the outbound marketing strategies. Digital marketing encompasses both push and pull techniques to reach out potential customers. They still place commercial ads, emails, but the advertising on social apps, search engine marketing, content advertisements becoming much trendy. With the rise of technology, people look over mobile app for every work to be done. From Paying bills online, shopping, order grocery to order food everything can be done by a just a click using mobile apps. Due to busy schedules and rising working population, people demand delicacies at their doorstep which arose a profitable idea of doing business of delivering food and beverages from restaurants to home. In India, a number of online food startups started which caters to a huge target audience a wide range of menu through a single window and included a wide range of food parlors and restaurants under its umbrella. Swiggy, Zomato, FoodPanda, UberEats, Fasoos become most formidable and successful startups in a very less time using digital marketing. Live videos on Facebook, Instagram, You Tube live dominate the social media channels as modern generation is more comfortable with video context than text or printed advertising.

Research Objectives:

1. To discuss about the revolution of digital marketing and it's emerging marketing tactics in the digital age.
2. To showcase the changing marketing tools in food and beverages segments by online food delivering companies like Zomato & Swiggy.
3. To assess the consumers preferences for online food applications on the basis of a Questionnaire.

Digital Marketing rapidly changes the approach to reach customers. The Internet penetration rate is 55.6% worldwide, where 483 Mn Indian population access Internet in 2018. After China, India has second largest Internet and smart

phones users, which provide marketers a digital platform to marketing their brands right to the targeted audience in a very cost- effective manner. With Digital Marketing, companies can approach their target customers only, and need not to spend for those who are uninterested in watching the ads. Like SEO reach only those customers who search the web for particular content, Social Media Marketing target their followers only, Pay-per-Click Marketing method target those who shows their interest in viewing the ads. With Internet, 24/7 year- round exposure and Web Analytics is possible which generally lacks in traditional marketing. Internet marketing provides two way conversation, immediate feedback from customers. With this, products and services are promoted with the use of database-driven online channels such as emails, blogging, SMS, etc. Digital marketing can be done by using different tactics such as Social Media Marketing (SMM), Content Marketing, Search Engine Optimization (SEO), Search Engine Marketing (SEM), Referral Marketing, E-mail Marketing, Affiliate marketing, Floating Marketing, Mobile Marketing, Native marketing. SMM is a form of internet marketing to reach target audience in an economic way by creating and sharing content in the graphics images, videos and context forms. Instagram, Facebook, YouTube, Pinterest, GooglePlus, Twitter, etc. are some popular social media platforms. Content marketing includes blogs, educational articles, e-books, videos, entertainment, webinars and storytelling about the product, services offered by the company. SEO is the process of optimizing the online visibility of a web page in a web search engine in organic (unpaid) results. Referral Marketing or Word-of-Mouth Marketing is the way to promote business through existing customers to new customers through referrals. To promote the websites over internet by increasing their online visibility in search engine results pages (SERPs) using paid ads, SEM method is widely used. The ads may includes pay-per-click ads (PPC), product listing ads (PLAs), text-based ads, search analytics, web analytics, cost per impression(CPI), cost per thousand impressions(CPM), search engine optimization(SEO) etc. Affiliate Marketing is a performance-based marketing in which business rewards affiliates to bring new customers for the business. A floating ad is a type of Web Advertisement that superimposed over a user-requested web page and disappears in 5-30 seconds.



Source: Statista Digital Advertising Report, 2019

Figure 1: Digital advertising spending worldwide from 2017 to 2023, by format (in million U.S. dollars)

The above forecasted report of Statista depicts the spending on different digital marketing tools worldwide. From 2017 to 2023, the spending on Banner Advertising will expectedly increase by 73.58%; video advertising by 128.76%; Search advertising by 49.98%; Social Media advertising by 357.18%; Classifieds by 60.48%. This demonstrates how the companies are continuously moving for digital marketing means and especially for Social Media Marketing to entice customers.

Case Study on Zomato and Swiggy's Digital Marketing Tactics

Food Apps expand and promote their business worldwide using different Digital Marketing tools and generate revenues. In a very short time span, some food delivering startups expand worldwide, gain popularity and have a colossal followers community on social media. Convenience is one of the main reason behind the success of online food delivering companies as it saves time and transportation cost to reach restaurants. Wide options of different restaurants, comparables menu list, prices, ratings, offers are some benefits customers get.

Zomato

Initially, the Food Tech Industry in India began with Zomato earlier known as Foodiebay, established in July 2008 with the objective of converting the paper menu leaflets of different restaurants into a digital app. Zomato trying to solve the problem of finding a good restaurant with a mobile app. Zomato is a restaurant search and discovery app connected with over 1.4 million restaurants across 24 countries. In addition to restaurant search, Zomato offers online ordering, table reservations, ads of restaurants on Zomato website and point-of-sale systems, Subscription services to connect restaurants and customers. Zomato always remain in limelight with its funny and interesting poster ads on social media. White text on a red board, they ad with a quirkiest & catchy dialogues and trendy songs like "nation wanted to know- ladka nikal gya kya? - get live delivery updates on Zomato", "tu cheese badi hai mast mast- love things extra cheesy?- get food exactly the way you like it on Zomato", "mera pizza ghar aaya, o ram ji- super quick food delivery on Zomato", "oonchi

hai building? Lift teri band hai? We still deliver quick with Zomato”, “Computer ji, Kitchen pe taala lgaya jaye- find food for every mood on Zomato” and many more. Facebook, Twitter, Instagram & Pinterest are the main platforms behind the Zomato popularity. Zomato has invested a lot over SMO, SEO and on YouTube ads. With 128 k followers on Instagram, 2.2 M likers on Facebook, 1.4 M followers on Twitter the company has mammoth followers list. To give premium dine out and social drinking experience Zomato launched a membership programme ‘Zomato Gold’ and has partnered with 5400+ restaurants for this premium service. They deliver various cuisines from local to premium partner restaurants, Cafes, Pubs, Bars, and Brands like Burger King, BTW, Chaayos, Subway, Dominos, Nirulas, Gulab and many more.

Zomat uses:

- Unconventional mediums/ messages having less CPC like campaign by using Desi humour, the language of youth in social posts, billboards, ads in between xvideos etc.
- Low cost maketing mediums such as zomato stickers in partnered restaurants which say ‘Order online from us on Zomato’ or ‘Review us on Zomato’.
- Organic social media marketing (SMM) strategies which includes daily and festive posts, sponsored ads on Social Apps. To acquire customer engagement zomato use funny and trending posts. For instance, their one post showed the bar graph on “How much you Eat depending on where you are” where bars showing food consumption on a first date, at your own place, at a friend’s place, at others wedding, at owns wedding. While, once they relate “Panner” with Radhika Apte (actor on Netflix) by showing paneer is omnipresent in every dish like Radhika apte omnipresent at Netflix.
- Promotional ads on YouTube ranging from 07 seconds to 5 minutes that directly impact Gen Z. As in one ad when a friend told “rohit is not picking call, jaroor daal mein kuch kaala hai” the other friend start dreaming of Dal Makhani ,while in one ad they tried to show people’s 99 problems solve with code “99PROBLEMS” when they get 25% off on Zomato. They use easy to remember slogans on ad like No cooking January, Zomato & Cricket-The Perfect Match, Zomato TVC Contest Entry-Hungry, The Last Wish, Discover ,etc.
- Paid online advertising (SEM) displays ad on internet, web pages and to increase downloads of Zomato app they use activated banners on mobile web asking users to download their app.
- Discounts, offers like Cashback on Paytm to lure customers which include 50% off on first five orders in

one month, 50% off on orders from selected restaurants, Zomato Eazy- Single Service Meals with Free Delivery, Rs. 150 off Zomato Promo Code plus Upto Rs. 100 Paytm cashback etc.

- Strong relationship with restaurants by charging less commission from those restaurants who serve good quality food at less time.

Zomato focus more to internet marketing for promotion due to its low per head cost (CPC), trendy among youth, wide reach and customized advertising approach and very often use commercial TV ads, etc. Zomato’s revenue scaled by 40% to Rs 466 Cr in FY18 and losses fall down by 73% and recorded Rs 106 Cr from the FY17 records. Zomato’s CEO, Deepinder Goyal claims that its order run rate reached 28 million monthly orders in Dec 2018 from 21 million monthly orders in Sep 2018.

Swiggy

Another one of the leading example of a FoodTech startup operating in India from 2014, adopted several plans to create brand awareness and relies heavily on mouth publicity to satisfy customers. Swiggy do its marketing from both online and offline media. They promoted business using Social media platforms like Twitter, Facebook, Instagram, YouTube and Pinterest via innovative and interesting ad campaigns like #Secondtomom #SingWithSwiggy #SwiggyVoice of Hunger #onehourmore #SwiggyTuesdays and #DiwaliGhayAayi. Swiggy has tie-ups with restaurants that offer a minimum of 15% to 25% commission which helped it in increasing its distributive channel. Commenced operations in 2014 in Bengaluru India, Swiggy tie-ups with over 40K + restaurants in Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, Pune, Delhi etc swiggy is doing its operations in 25 cities in India. It partnered with Dabbawalas of Mumbai to gain brand exposure. They have their fleet of delivery boys equipped with smartphone devices and the Swiggy app. With 126 K followers on Instagram, 864 K followers community on Facebook, 66.2 K on Twitter, they also has colossal fan following like zomato. They too started Swiggy SUPER-Membership Program. They deliver 30+ cuisines including Indian, Chinese, Thai, American etc. from local joints, luxurious & elite cafes and restaurant chains like Dominos, KFC, Pizza Hut, Burger King, Subway, Mc Donald’s, Barista, Haldirams, BTW, Sagar Ratna, CCD etc.

Swiggy’s Digital Marketing Strategies include:

- Their social accounts Instagram, Facebook page is quite active with regular updates. From the different food posts to funny posts, food campaign ads by celebrities to Swiggy challenges, swiggy always try to remain in limelight. Few days back, Swiggy started a campaign on Instagram #SwiggyVoiceOfHunger which becoming very

trending on social media in which they give unique challenges to Recreate the shape of ‘Kebab Skewer’, ‘Nacho’, ‘Shawarma’, ‘Fish’, ‘21 stack Pancake’ food items by using Instagram voice notes to win Swiggy vouchers for a year. Swiggy has its promotional tagline ‘Swiggy Karo – Phir jo Chaahey Karo’.

- To lure customers they give Freebies, Cashbacks, Discounts and offers like 40-60% off use code “SWIGGYIT”, “BINGE50” and many more.
- They also run promotional ads on YouTube like in one ad they compare a woman delivering partner with Santa, Swiggy Hunger Savior, Swiggy Black Mamba, etc.
- To create brand’s leadership, Swiggy use quality content marketing and blogs, unique product descriptions. Educational videos about how to use Swiggy app & to help people discover new restaurants and menu.
- Paid SEO, SEM marketing ads to drive traffic on website, title tags which help in Search Engine Results Pages (SERPs).
- Outbound Marketing Strategies such as Pay-Per-Click (PPC) Advertising, Retargeting, Email Marketing, Billboards, TV ads.
- Technology used by Swiggy such as Mobile app, Google Mapping, Live Order Tracking, Document information, etc.

Swiggy’s operating revenue in FY18 crossed Rs 442 Crores from Rs 133 Crore earned in FY17. They hiked 232% in revenues as swiggy expanded its geographic footprint across the country. With hike in revenues, the operating and advertising cost has been raised to Rs 397 Crores as per financial documents filed with the RoC and accessed by data research platform Tofler. And that is, they earned Rs 1.11 for every one rupee they lost in FY18. Swiggy executed 28 million monthly order rates by Dec18.

Various Food Delivering apps operating in India

The following table show different Food Delivering Business operating in India and other countries with their year of commencement and followers on Social Media.

Table 1: Food Delivering apps operating in India

Food Delivering Apps	Commencement Year	Headquarters in	Operating in	Followers on Instagram	Followers on Facebook	Followers on Twitter
Swiggy	2014	India	25 cities in India	127K(India)	865 K	66.2 K
Zomato	2008	India	24 Countries	195 K (India)	1.6 M	1.4 M

Order	Year	Country	Locations	Revenue	Followers	Other
Food panda	2012	Germany	10 Countries	38K (India)	807 K (India)	120 K (India)
Fasooos	2011	India	16 cities in India	99.2 K	223 K	66.3 K
Uber Eats	2014	California, US	20 Countries	225K 61.9 K(India)	2.1 M	121 K
Dominos	1960	Michigan, US	16,000 stores Worldwide (March 4, 2019)	1.4M	20 M 7.2 M (India)	1.2 M
Pizza Hut	1958	Texas, US	16,796 restaurants Worldwide (till Mar, 2018)	1.5M	31 M	1.5 M
Just Eat	2001	London, England, UK	13 Countries	17.6K	1.3 M	123 K

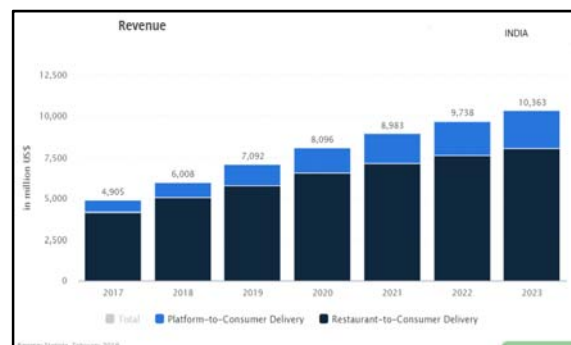
Source: Author created with help of Wikipedia and social accounts (followers recorded as on 28 March, 2019)

The table shows that within a very short time span from their commencement year, these businesses spread their operations across many countries and have colossal followers community which helps them reach to their target audience spread worldwide.

Statista Report on Online Food Delivery Segment

Revenue

Figure 2: Expected Revenue from Food Delivery Segments in India



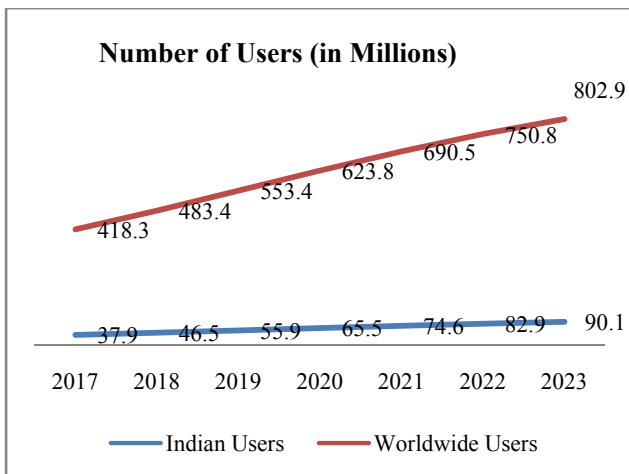
Source: Statista Report

Revenue from Indian Market is expected to show an annual growth rate of 18.0% in 2019 and amounts to US \$ 7,092m from US \$ 6,008m in 2018. It is expected to increase to US \$ 10,363m by 2023 at an annual growth rate of 9.9%.

The report also stated that maximum revenue in Food delivery segments is generated from China (US \$ 22,778 in 2019) throughout the world. Here, the online food delivery market segment includes two different food delivery methods, restaurant- to-consumer delivery and platform-to-consumer delivery. Delivery of meals carried by restaurants themselves comes under Restaurant- to- Consumer Delivery segment (e.g., Domino’s, Pizza Hut) while, the delivery done by delivering partners on commission known as Platform-to-Consumer Delivery (e.g., Zomato, Swiggy, UberEats etc.). According to report, major revenue is still coming from Restaurant-to-Consumer Delivery segment while, Platform-to-consumer delivery segment is also growing at a rapid pace.

❖ **Number of Users (in Millions)-**

Figure 3: Platform-to-Consumer Delivery Food Users in India and Worldwide

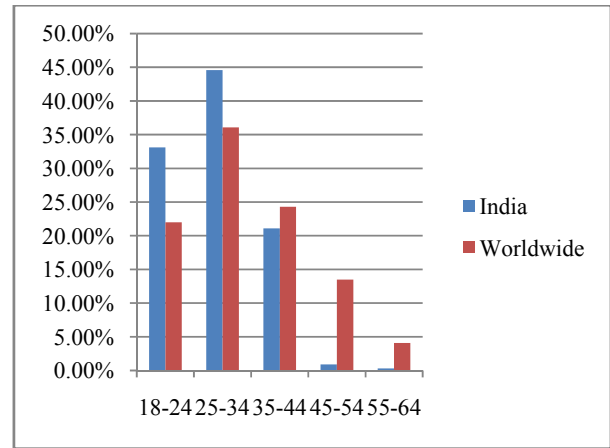


Source: Author created with the help of Record Collected from Statista Records

Number of users of mobile apps for ordering food online is expected to rise to 90.1 million till 2023 in India which is approximately 11.22% among the world. In 2018, out of total users 9.62% (46.5/483.4*100) users was from India, which depicts the percentage of Indian users is growing every year. The report shows the growth of 93.7% (90.1-46.5/46.5 *100) of Indian users (platform-to-consumer delivery) from year 2018 to 2023. While, 66.1% (802.9-483.4/483.4 * 100) platform-to-consumer delivery users is expected to grow worldwide from 2018 to 2023. So, it can be concluded users in India is growing at a faster rate than the whole world.

❖ **The Users by Age (2017 data)**

Graph 4: Comparison among Indian and Worldwide Users



Source: Author created from Statista Records

Throughout the whole world, it is Gen Y or adults (25-34 years aged people) who did the maximum orders followed by 35-44 years aged people worldwide and 18-24years aged generation (Gen Z) in India. People above 45 years of age hardly order food online due to technology use in ordering and marketing food online. Even, the online food delivering companies generally target teenagers and young population using smart phones.

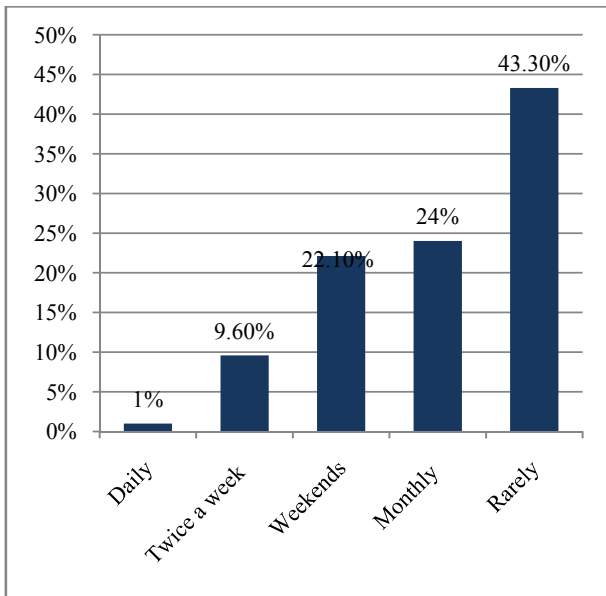
❖ **The users by Gender** is almost same as 51.7% males and 48.3% females in India ordered food online in 2017. While 50.7% males and 49.3% females ordered food worldwide in 2017 as per statista report.

Research Methodology

Both primary and secondary data has been used to collect the information regarding online food business. Data regarding forecasted spending of digital marketing mediums, various food apps working in India, digital marketing tactics and strategies help them in developing, users by age and gender etc. are collected from secondary sources. And, to assess frequency of using the food apps, preferences among various food apps, factors affecting ordering and marketing medium of awareness about food apps primary data has been collected through questionnaire method.

Sample size: The total sample size of respondents is 104. Mostly respondents belong to Gen Y and Gen Z, i.e. age 18-32 years.

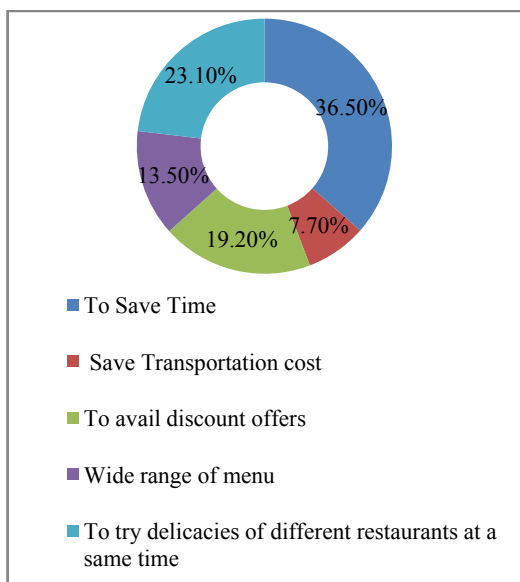
1. Graph 5 : Frequency of ordering food using apps



Source: Author created with the help of Primary Data collected

To determine the average frequency of using online apps for ordering food online, people were given different options. The frequency to order food depends on people’s demographic profile, i.e., age, family, employment status and income size. Most of the people rarely order food using mobile apps. With demographic status, health issues, hygiene, custom also affect the choices.

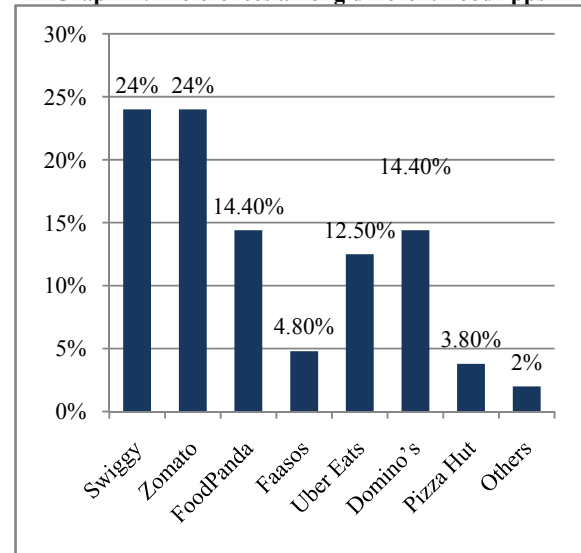
Chart 6: Factors influence Food Delivery



Source: Author created with the help of Primary Data

People mainly prefer food delivery to save time in Dine-out. 36.50% order food to save time in going outside. While, 23.10% order to try different delicacies from different restaurants at the same time and 19.20% people orders to avail discount offers. 13.50 % to get a wide range of menu and 7.70% people use food apps to save transportation cost.

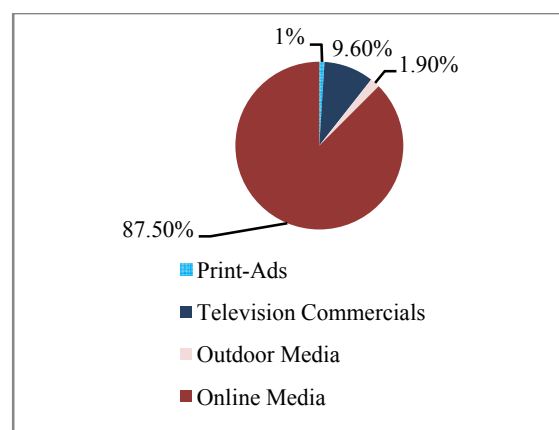
Graph 7 : Preferences among different FoodApps



Source: Author created with the help of Primary Data

From the popular online food businesses operating in India, Swiggy and Zomato is most preferred food apps followed by Food Panda, UberEats and Domino’s. Both Zomato and Swiggy has massive followers community on social media Facebook, Instagram, Twitter, etc.

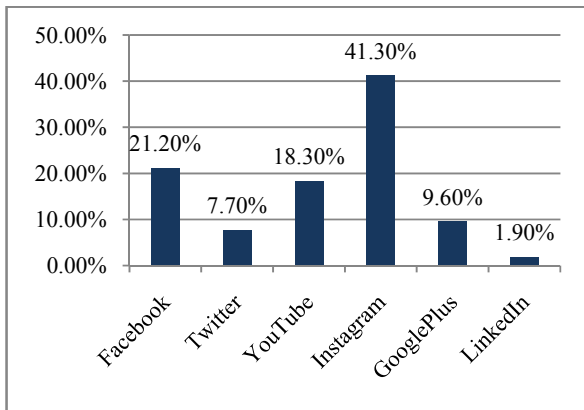
2. Chart 8: Marketing Media source of Food Apps



Source: Author created with the help of Primary Data

Print- Ads, Television Commercial Ads & Outdoor Media are related to Outbound Marketing Tactics while, Online Media is an Inbound Marketing Tactic. Responses clearly depicts that online media is the main platform to attract customers followed by Television Commercials.

3. Graph 9: Most effective Social Media platform of promotion of Online Food Delivering Businesses



Source: Author created with the help of Primary Data

According to collected data, Instagram followed by Facebook is the most effective platform for promotion. Since, online food businesses generally target 16- 35 aged people, who remain more active on social media, thus digital marketing becomes a best and cheapest way to target potential customers.

Conclusion: Food- delivery applications have become a big hit among tech-savvy individuals. Internet, digital devices and mainly social media platforms are the main reason behind their popularity and worldwide expansion. With digital marketing cost per customer (CPC) reduced substantially because companies can now promote their niche business only to their target customers. The revenue of Food apps surges the new limits but the Digital Marketing is not just the reason behind their success. The Offers & Discounts which they regularly give is one of the main reason behind their popularity and orders rate. Swiggy burn approx. \$16 Mn per month in promotional activities while Zomato burn \$ 17-18 Mn per month in FY18. Among all the digital advertising tools Video Advertising, Content Marketing and Social Media Marketing drive maximum engagement for the businesses. Instagram and Facebook is the most effective platform which grab attention among Social Media Platforms. These Food mobile apps are convenient to use for ordering food, comparing restaurants menus & prices, provide different payment options, linked with Google Maps, entertaining games while-waiting and online coupons, referrals etc. Consumers save time of going outside, try different delicacies from different restaurants at a same time, wide choices and much more.

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