

# ONLINE FOOD DELIVERY AAPS – STUDYING PANDEMIC CHALLENGES AND SOLUTIONS

Ms. Priyanka Ganguly <sup>1</sup>, Dr. Rajendra Bhadale <sup>2</sup>

<sup>1</sup> Research Scholar, Commerce & Management, Sinhgad Institute of Business Administration & Computer Application (SIBACA), Maharashtra, India

<sup>2</sup> Associate Professor, Commerce & Management Sinhgad Institute of Business Administration & Computer Application (SIBACA), Maharashtra, India

## ABSTRACT

*The global movement of people has been limited due to the pandemic. This also led to a shift in behaviour among consumers, who limit their trips outside the home. Additionally, they are limiting what they bring into the house to maintain household hygiene. Almost every industry has been affected by Coronavirus, including the home delivery industry. There are both opportunities and challenges for online food delivery apps as more people stay at home and quarantine themselves. However, the general concern is that items delivered to your doorstep could be carriers of the Coronavirus. In reality, however, there are still a lot of people unaware of the masks and hand sanitisers and aren't able to incorporate them into their daily routine. In the meantime, food delivery apps were going to great lengths to keep their business alive.*

*The purpose of this research paper is to study several challenges faced by the online food delivery businesses during the Pandemic. Also, it has discussed what Zomato and Swiggy are doing to combat the Coronavirus outbreak. Concerning the technological, operational, financial and marketing aspects of the online food delivery market, this paper is going to investigate the varying changes that have occurred during the pandemic. Online food delivery apps like Swiggy and Zomato are training their restaurant and delivery partners on safe food packaging and applying proper cooking techniques, using proper sanitation protocols, identifying symptoms and using more preventative measures.*

*Therefore, in this research paper, you can overview the challenges faced by the leading food delivery apps during the Pandemic and the strategies used to overcome these challenges.*

**Keyword:** - Digital marketing strategies<sup>1</sup>, Swiggy<sup>2</sup>, Zomato<sup>3</sup>, Covid-19 Impact<sup>4</sup>, Online Food Delivery Apps<sup>5</sup>, Food delivery<sup>6</sup>, Contactless dining<sup>7</sup>, Lockdown<sup>8</sup>, Pandemic Challenges<sup>9</sup>, Social Media Marketing<sup>10</sup>, OFD Apps<sup>11</sup>, Pandemic solutions<sup>12</sup>, Covid-19 measures<sup>13</sup>

## 1. INTRODUCTION

Technology is accelerating in this sector due to consumers switching from the dining-out trend to home delivery services. Online food order applications are changing the way people eat. The craze for online food delivery applications is increasing day by day. Nowadays, the competition among them is becoming very severe because of the applications. In the past, customers would call and order or even walk into restaurants to place their orders. Now, the applications have taken over, and customers can use these applications to order food from anywhere and anytime. They have become very popular for the reason that most of these applications are providing the best quality

of food, and it's just a click away. These applications are also providing additional benefits with their food, like free delivery and cashback. However, these applications have gained much more popularity among restaurant giants and even smaller restaurant chains during the Pandemic.

Online food delivery app is faster, cheaper and much more convenient to have food delivered than going to a restaurant for a meal. There is competition between different companies for providing the best services to their customers. They are trying to attract customers by adopting new technology and strategies to improve their services. Today, the online marketplace is currently dominated by food delivery services. Statistics show the total revenue of online food ordering marketplaces will grow by 8.8% between now and 2024 [1]. Each day, food delivery businesses are gaining significant numbers of new customers. The number of users of Online Food Delivery is expected to reach 2,655.9m by 2026 [1]. Many food delivery companies and businesses are entering the market with a greater thrust now that the market is thriving and offers many opportunities. As a result, the market is forecasted to become more competitive and difficult to access.

## 2. OBJECTIVES

1. To identify the Pandemic challenges faced by the online food delivery apps.
2. To identify the solutions implemented by the online food delivery apps during Pandemic.

## 3. RESEARCH METHODOLOGY

The research is exploratory research. This paper focuses on the analysis of Pandemic Challenges and Solutions of OFD apps of the Indian unicorns Zomato and Swiggy. The data and information of the research paper are collected from secondary sources such as news articles, blogs, few journals, Wikipedia and official sites of Swiggy and Zomato.

## 4. Brief History of Swiggy and Zomato

### Swiggy

- **2014-** Founded
- **Headquarters-** Bangalore, Karnataka, India
- **2017-** Saw introduction of Cloud Kitchen and Swiggy Pop, Introduced Swiggy's Private Label Cloud Kitchen – The Bowl Company
- **2018-** Revolutionised the market by introducing Swiggy Super, Swiggy Go, Swiggy Stores, Acquired Supr Daily
- **2019-** Expanded from 100 cities to 500 cities and Launched Swiggy Daily
- **2020-** Rebranded Swiggy Go as Swiggy Genie
- **2020-** Launched Swiggy Instamart, Swiggy Genie and Meat Stores, Swiggy Health Hub
- **2021-** Launched Swiggy One
- **Partnerships-** Burger King, Google Local Guide, Sodexo, Indifi Technologies- To facilitate a financing program for partner restaurants
- **Launched Digital Wallet** – Swiggy Money in partnership with ICICI Bank

### Zomato

- **2008-** Founded
- **Headquarters-** Gurgaon, Haryana, India
- **2018-** Introduced Zomato Gold, acquired TongueStun Food, Bengaluru-based food e-marketplace and TechEagle Innovations, Lucknow-based startup
- **2019 -** Launched Online Streaming VOD – Zomato Originals
- Acquired TinyOwl
- **2020** – Launched Grocery Deliver Services- Zomato Market and acquired UberEats
- **2021** – Zomato Wings – A platform to connect investors with restaurants for securing funds and signed a deal with Grofers.

\*Source – Wikipedia

## 5. Overview of Pandemic Challenges

In the current year, some of the top market players, which include Zomato and Swiggy are continuing with their usual business operations. But due to Covid-19, they are, however, dealing with the difficulties of meeting increased customer demand as a result of India's lockdown restrictions. In contrast to what was previously the case, both Zomato and Swiggy pack food in a double layer today. Riders are instructed to place the bag at the customer's doorstep and wait at a distance until a customer picks up the order.

While online food delivery apps have been able to overcome several challenges that affected their performance, such as the rise in food prices, a surge in competition and the rise of local players, the coronavirus pandemic has put a lot of pressure on the entire segment.

It has reduced the time to delivery for restaurants, thereby, increasing the chances of restaurants' customers coming into direct contact with the food delivery partners. At the same time, restaurants find themselves competing with their delivery partners for customer relationships. As such, there has been a steep fall in restaurant traffic and consumer patronage. Three major challenges have been identified which resulted due to the following reasons:

- Restaurants' inability to offer their usual services to customers.
- Delays in making restaurants open online
- Inability to scale quickly to cope with the increased demand for food delivery

Now, let us study the Pandemic challenges faced by the Online Food Delivery industry in detail. They are as follows-

### 5.1 COVID-19-related Issues

The COVID-19 pandemic has caused the food delivery industry in India to come to a standstill, especially the delivery drivers. A majority of the delivery platforms in the market are unable to access the market for the time being. Most of these drivers who deliver on foot in cities are dependent on their delivery platforms for the money they make. It is a challenge for the delivery platforms as well as their drivers to keep up with the business in the absence of food deliveries.

Also, some of the online food delivery platforms had to shut down operations due to the lockdown and were forced to lay off hundreds of employees. Another challenge with the COVID-19 is that many businesses are shutting down due to disruptions caused by the virus. This has also affected delivery systems.

To top it all off, there is a growing concern about COVID-19 in various countries. Many countries have decided to close schools, colleges, theatres, and public gathering spaces in the wake of the spread of the virus. As a result, the delivery drivers are also facing challenges like finding alternate sources of income to pay their bills and feed their families, while waiting for the market to get back to normal. All such restrictions are impacting the food delivery industry as a whole.

### 5.2 The Government's Regulatory Guidelines

The delivery platforms have to deal with certain restrictions from the government of India. Still, in some parts of India, a majority of the delivery operators have to abide by a curfew between the hours of 9 PM and 5 AM to avoid spreading the virus to the consumers. This has restricted the time window for food delivery by food delivery apps and delivery operators.

Food delivery services are not allowed to serve food, except for takeaway delivery. The delivery platform cannot be in the delivery space. Any deliveries have to be limited to customers who order food online. Another issue with the delivery operators is that they cannot accept the refund of the food. The only thing that can be refunded is the delivery cost. This may be because the delivery operator has to hire delivery riders. As a result, the operational and financial costs are being affected.

### 5.3 The Increased Competition

The competition in the market started to build up pressure due to the Covid-19 crisis. The competition has grown intense between these various delivery platforms. Even if the government tries to protect the consumers, the delivery business is bound to suffer in this scenario. The cost for delivery platforms is very high. Delivery costs are very high when compared to other restaurants in the city. It is not easy for online food delivery companies to compete with other similar restaurants that are available in the market during this outbreak.

### 5.4 Drop in Revenue

Kitchens were also having problems obtaining supplies, causing several to close their doors. The food sector had been heavily affected either by a lack of dine-in services or a significant reduction in online orders. While almost 95% of restaurants carried their operations offline, the majority of the online services came to a halt due to a shortage of staff and supplies. As per the Economic Times report, Swiggy's consolidated revenue from operations fell 26.6% year over year to Rs 2,547 crore in the financial year ending March 2021, despite the firm expanding beyond food to boost its fast commerce business [2]. As the food delivery platform survived the first year of the pandemic, its net losses shrunk nearly 59% to Rs 1,616 crore from the preceding year. And according to Zomato's red herring prospectus, revenue declined by roughly a quarter year after year to Rs 1,994 crore in FY21 [8].

### 5.5 Job Termination

Swiggy and Zomato, the two unicorns in the online food delivery space announced salary cutdowns and job layoffs due to high operational costs, slower business recovery, shortage of raw materials and supplies, and a challenging Covid-19 work environment. In case of Swiggy, it laid off 1100 employees in May 2020 [4]. And for Zomato, it laid off over 10% of its workforce (540 workers) in September 2019, focusing on back-end tasks such as customer service, vendor assistance, and delivery partner support. Again, in May 2020, laid off 520 employees [17].

### 5.6 Unstable Market Prices

The food industry's prices were influenced by a variety of factors. Along with the customer base, food prices are also very volatile. Most food delivery businesses struggled to keep track of market prices, determine factors and formulated an appropriate pricing strategy.

As inflation continued to rise and partner's revenue deficits continued to grow, food delivery services also adopt offensive or defensive pricing strategies. Profitability was affected by this, which further pressured margins.

### 5.7 Shifting Customer Preferences

Food delivery services must grow their market share by providing the best value at the lowest cost so they can grow their market share. As the number of food delivery companies grows, the marketing game has been elevated to an unprecedented level that the customer shifted their choices. Customer loyalty is being affected as a result of this instability. Delivery boys were asked to keep the meal outside and leave. The marketing challenge that was observed here was to increase consumer engagement.

### 5.8 Managing Customer Expectations

A business's attempt to capture a market is only successful if its customer's needs are met. As a result, it is not just the delivery partners who are responsible for customer satisfaction, but the restaurant staff as well. Other challenges that the online delivery executives faced included double workload, disrespectful customer behaviour, and annoying queries. The challenge is to bridge the gap between restaurant owners and delivery partners to meet customer expectations.

### 5.9 Adhering to the Food Quality Standards

The growing popularity of online ordering has created the challenge for delivery services of delivering food from far away from restaurants without compromising on quality. Delivering food to one's doorstep is extremely different from receiving it from a restaurant. This gap should be tackled by food delivery services.

### 5.10 Impact on Dine-in hours

Restaurants were also experiencing difficulties obtaining supplies, forcing several to shut their doors. The restaurant sector has been hit hardest due to the lack of dine-in services and a significant reduction in online orders.



With the advent of online food ordering applications, Dine-in hours are getting lesser and lesser. People preferred to order food online and enjoy it in their comfort. But due to the government time-related protocols, even the online food delivery services were hampered. The restaurant industry has been severely damaged by the pandemic, with no dine-in services and a significant decline in online orders. Since the coronavirus outbreak, restaurants have taken a thumping, Food delivery platforms such as Swiggy and Zomato, which have been operational, also suffered a major setback. Economic Times, reported during the crisis, orders on Swiggy and Zomato decreased by 60% [6].

### **5.11 Improper Food Handling**

Due to a lack of training, delivery drivers frequently mishandle orders. It's rare for food delivery companies to ensure their drivers treat food properly. It is very rare for food delivery companies to ensure that their drivers handle food responsibly.

Many customers are concerned about the lack of hygiene, which is one of the primary reasons why restaurants should train their employees properly to optimize the food delivery experience and retain control over delivery performance.

### **5.12 The Logistics Dilemma**

Start-ups that offer food delivery face enormous logistical challenges. Food delivery companies must ensure that they can get more orders from a specific area, allocate the right number of vehicles, and ensure the quality of food. As restaurants and delivery services determine their end-to-end logistics models, they must consider all these variables. Also, while delivering, food delivery executives faced hurdles from city government officials and police officers. Additionally, those who provide last-mile service, are finding it difficult to include masks and hand sanitisers into their daily routine.

Therefore, with the advent of the Covid-19 pandemic, everything switched, from small Kirana shops to big shopping malls. Due to the closure of many restaurants and the fear of food safety, the offline activity business faced a serious crash. During the multiple stages of lockdown, Zomato and Swiggy, two of the largest food delivery services in the world, suffered a major setback as all of their revenue came from food delivery.

## **6. An analysis of Swiggy and Zomato Strategies to Combat Pandemic Hurdles**

All businesses faced difficult times during this period. Nevertheless, grocery and medical supply-demand spiked amid this crisis. So, whether it's receiving an online delivery at the doorsteps or offline shopping, masks and sanitiser became the most essential components. Despite government-imposed restrictions, online food platforms managed to provide services that meet customers' needs. Customers switched platforms, to find the service that met their needs. But in return, it only led to disappointment and frustration. This resulted in the loss of credibility and goodwill towards the brand. But just as a silver lining, came an era for change.

Necessities such as food, essential resources and safety were prioritized. To address these issues, platforms had to change their approach and align with the "New Normal" trend. Following are the strategies that were considered to fight against the Pandemic-

### **6.1 Ensuring safety**

Both Swiggy and Zomato adhered to the safety protocols. Keeping "Health & Safety" was their primary concern.

During the initial months of the pandemic, there was a decrease in the number of restaurants open and the number of orders placed. Key safety policies such as no-contact delivery, greater delivery partner hygiene, and best safety standards labelling for restaurants were established to overcome the anxiety and restore consumer trust, while also conveying these measures and proper food handling procedures to consumers. Owing to the WHO and other sources, resulting in a revival of demand, consumer awareness about food ordering has expanded throughout time.

Also, they redesigned the interface so that a user's attention is immediately drawn to safety measures and regulations. Rather than marketing products and services, they focused on information about the World Health Organization's safety standards. They altered their app store graphics in an attempt to make potential users more aware of safety standards. Moreover, the recent rise in orders was fuelled by the cricketing and festive seasons.

### 6.2 Helping and Acknowledging

As the pandemic grew, sections of society and industry crumbled. During the first month of lockdown, the restaurant business virtually collapsed. Kitchen workers, waiters, cooks, and wage and migrant workers perished as a result.

Keeping this in mind, Zomato launched campaigns to aid restaurants and their delivery partners. Where subscribers can donate a percentage of Zomato's Gold subscription money to their favourite restaurant. Once restaurants are operational, all gold members will get the benefits.

Meanwhile, Swiggy provided meals to COVID-19 relief camps and partnered with various government bodies, NGOs, and other entities. The claim recorded, 20 people could be fed with just Rs.600. Donation platforms aimed to keep donors informed of how their money will benefit someone or a cause. 'Share a meal,' which was another campaign that was initiated for a rewarding cause.

### 6.3 Restructuring Business Models

Globally, the company's operational models shifted dramatically in 2020. Airbnb became a platform for home cooking and online classes, book my show started having movie links to Hotstar, Netflix and Amazon Prime. As some cities cautiously reopened, it was difficult to predict how things would look six months or a year from then. Due to high food costs, rising demand for groceries and low revenue from restaurants, food and restaurants became extremely localized. This caused a desperate need for a secondary source of income. The company's cost was ramping up as the delivery partners were waiting for orders to be delivered.

With Zomato Market, Zomato has entered the market in 80 cities. Their principal source of action is products, which are placed underneath so that they can be reached. It leads customers to the search list when they tap it, allowing them to see what's available. When the commodities aren't available after researching, it frustrates the customer, who is hopping from application to application looking for foodstuffs.

In contrast, Swiggy follows the universality principle and addresses the most common needs and wants. Thus, the customer can access what they want without spending a lot of time exploring. This can be achieved by understanding user pain points, prototyping, and requesting feedback regularly.

There is a mark next to the restaurant's name indicating its safety measures. In the end, it is the customer's choice of restaurant that is responsible for ensuring safety, not Swiggy or Zomato.

There comes a point where business, safety, and everything they need to promote all must be balanced. Both have used a motivating strategy to advance in the market. Swiggy has found success by instantiating back and forth on what they offer on their home screen. They're treating supermarkets the same way they're treating restaurants. Meanwhile, Zomato has declined food deliveries as part of its decision to exit the supermarket business. Order volumes appear to have recovered after four months. According to Economics Times, a rise in order value has resulted in a 60–65 % increase in average sales [15]. As a result, it's safe to say that food delivery is once again in high gear.

During the pandemic lockdowns, leading Indian food delivery brand Swiggy adapted its model to stay up with the continuous shift in consumer thinking, focusing on creating trust and comfort strategically for the market. Swiggy was available for the customers' every need, from hand sanitiser to meals.

### 6.4 The New Strategy

The 'new' normal forced brands across categories to go beyond their core offers and into new demand hotspots. Swiggy introduced innovative services like Swiggy Instamart and HealthHub, and also swiftly extended services like Swiggy Genie, thanks to its nimble footing.

Swiggy Genie is a new service that allows customers to order anything from groceries to laundry and deliver home-cooked meals or products to friends and family.

Swiggy's Instamart service was established with the USP of supplying quick delivery of groceries and daily essentials within 30-45 minutes to meet the needs of busy and convenience-seeking urban residents. In these periods of social distancing for consumers as well as revenues for delivery partners, the hyperlocal delivery service has unleashed a new dimension of ease. Swiggy's Instamart quick commerce service presently has 1 million orders,

while Zomato has already begun discussions to join with Blinkit, a 10-minute grocery delivery app (formerly Grofers).

Swiggy HealthHub, which Swiggy partnered with major restaurants to help them create delightful healthy choices of popular dishes, is another newest subcategory recognized to fill requirement gaps.

Zomato launched its "On-Time or Free" promotion in December 2019, similar to Domino's Pizza. The main difference was that this promotion was valid across Zomato's whole restaurant menu, rather than simply pizza. Users must simply hit the "On-Time or Free" option in the app to receive a refund if Zomato fails to arrive on time.

### **6.5 People Reach Out Programs**

Swiggy's efforts and campaigns were more concerned with doing their part for customers and the restaurant and delivery partner ecosystem than with conventional promotional campaigns. Consumer sentiment was considered at all times during the crisis.

Both pre-lockdown and early lockdown phases focused on cleanliness and safety procedures. To explain & inform customers about how ordering in is safe and explain what precautions they should follow in the later stages.

For instance, Swiggy launched the 'At Your Service' campaign to support the critically hit restaurant industry. The campaign was mostly promoted through social media. The goal of the campaign was to build consumer trust and encourage people to support their local restaurants by ordering in or contributing to the restaurant community's recovery.

Another campaign was launched by Swiggy to provide food for the poor and aid the homeless community "Hope not Hunger". Over 30 lakh meals were distributed to people in need during this campaign, which raised over Rs 10 crore.

Zomato's excellent marketing strategy is based on effective communication. Their tone of voice has always been engaging but unconventional, which is what sets them apart. Their primary goal is to interact with their audience.

Zomato, with its vast delivery network and logistical resources, is in an optimal situation to make a significant difference during this crisis, which they have already done. They've played a vital role during these difficult times, from delivering food to delivering groceries. What they did was as follows:

Zomato rolled out home-style mini menu features on its app, contactless dining, and grocery delivery for all paid Zomato Gold Membership (Zomato Gold Extensions). It also made certain other initiatives like users will have the option to mark their orders for Covid-19 emergency, that is in other words "Special Covid-19 delivery" and disabled COD. Additionally, Zomato supported its delivery partners through Rider Relief Fund, Delivery Partner Insurance Plan (COVID Insurance) and restaurant partners through Zomato Gold Support Fund.

For the underprivileged community, Zomato assured Food Security as their mission is 'better food for more people and Feeding Foundation known as Feeding India. The goal of the Feeding Foundation is to use Zomato's connections with the food business and users to offer food security to millions of individuals who are on the verge of starvation.

Feed the Daily Wage- Around 450 million Indians rely on daily wages to support their families and have lost their jobs as a result of the lockdown. To assist families of daily wage earners who are trapped indoors, unable to generate any income, going hungry and are in desperate need of assistance during these times. To assist with the situation, Zomato launched the "Feed the Daily Wager" initiative in India, in which they distributed ration kits to daily wage communities. They have already collected more than 28.13 crores out of their target of 50 crores. These meal/ration kits provide a family with 100 meals (three meals a day for a family of five, for a week). They've collaborated with a network of non-governmental organizations and other organizations to ensure that the food reaches the right people.

Food for quarantine facilities – Zomato have partnered with Apollo Hospitals to deliver food to those in isolation wards and quarantine centres across the country.

Zomato is committed to giving back to the community and connecting with its customers. In the long run, this converts to loyalty and, possibly, a higher CLV (customer lifetime value). According to Forbes India, Zomato



collaborated with singer-producer Teshar on 'Jalebi Baby,' a remix of the Canadian-Indian rapper's 2020 song, which became a TikTok chartbuster.

Also, Swiggy offered 'Match Day Mania' during the ongoing IPL 13 matches while Zomato Premier League was running on its app. As part of its IPL sponsorship, Swiggy ran quirky and well-crafted TV commercials, contests and games, as well as amazing offers throughout the season.

Swiggy launched the 'At Your Service' campaign to support the severely impacted restaurant industry. Through its social media channels, the campaign aimed to create trust among consumers and inspire them to support their local restaurants by ordering in or by helping the industry recover.

"Foodoshop on Instagram", another initiative, provided Instagram filters with food dishes and allowed consumers to share their lockdown griefs about missing their favourite restaurants or dishes.

As the unlock phase progressed, Swiggy gradually restored the consumer's trust by re-establishing the trusted Swiggy experience.

As a thank-you and appreciation anthem for all delivery partners of Dunzo, Grofers, Medlife and Swiggy, Swiggy collaborated with Universal Music India and Havas Group to release "Shukriya Kare." Similarly, Zomato launched 'Zomato Originals,' a streaming platform in India.

## **7. The Biggest Solutions Implemented beyond the Unlocking Phase**

Globally, the restaurant industry has been devastated by this pandemic. It is very obvious, that people turn to trusted brands when they are in a crisis. During difficult times like these, businesses must prove their value and their trustworthiness. In lockdown and unlock phases, these two giant brands emerged as a key service driven by in-house capabilities technology, a deep understanding of hyper-local trends and logistic expertise. Due to the closure of dine-in restaurants, online ordering increased in response to public health advisories. Hence, today while we strive to reach full recovery, both Swiggy & Zomato are focusing on strengthening their offerings, expanding services, and adding features that will enable greater convenience for the users and give them a better experience.

Therefore, even though the business has sustained significant losses, the online restaurant food delivery market is leading the rebound. The following are some of the most notable solutions implemented in the online food delivery sector since the pandemic:

### **7.1 Hi-tech Deployment**

Online food delivery platforms are gaining popularity as new restaurants enter the business. One of the reasons that have contributed to the expansion of the restaurant food delivery sector is the wise usage of technology. Equipped with an array of modern technologies, delivery is now faster and more reliable. Customers no longer have concerns about online food delivery services because restaurants have managed to reduce the number of interactions where the infection potentially travels deeper.

Restaurants typically list on several different food platforms, each with its backend infrastructure. It would have been difficult to manage orders from numerous platforms during peak or high demand periods, necessitating the creation of a second software platform that would combine all of these live orders on a single dashboard, making it easier for restaurant owners to manage orders. In the Indian setting, this is where the need for restaurant SaaS began.

Zomato has made several SaaS acquisitions, the most recent of which was a \$5 million cash purchase of restaurant management platform & UrbanPiper in exchange for a 5% share of the company as part of a bigger \$24 million investment. Swiggy is said to acquire Dineout, a developer of point-of-sale software, for \$25-50 million [8]. Dineout is a leader in the online food ordering industry, as well as a provider of SaaS technologies. Zomato is expanding its role as a direct service provider for restaurants, providing online discovery, table booking, cloud kitchen infrastructure, and B2B raw material procurement.



More than 20,000 restaurants are now enrolled on Dineout's online reservation engine, up from 10,000 in 2020. By 2021 90% restaurants adopted digital menus. Before Covid, we had roughly 2.2-2.5 million monthly reservations on the marketplace in February 2020, but that number has since risen to 6.5 million in February 2022 [8].

To better manage day-to-day operations, restaurants of all types, including pubs, cloud, and QSR units, have turned to SaaS. Dineout's CRM and online marketing tool is one of the most in-demand SaaS solutions post-pandemic. Aside from that, Dineout has seen a significant shift in demand patterns, with Tier-2 cities increasing at a significantly quicker rate. These figures show that there is a rising market opportunity for restaurant software management, where Swiggy and Zomato may aim for it first in the industry.

The primary goal underlying COVID-19 is to make customers feel safe. Restaurants may still monitor the temperature and masks of riders using point-of-sale software. When the order is set to be dispatched from the restaurant, the POS software checks to see if the rider is dressed appropriately and wearing their or her mask. The information is subsequently sent to the consumer via delivery tracking notifications or shown on the app.

Secondly, restaurateurs, on the other hand, are concerned about the large commissions paid by food delivery. As a result, restaurateurs have used APIs to create their delivery services. This allows them to deliver products to customers' doorsteps without having to give up a portion of their profit as royalty.

## **7.2 Being Contactless**

Restaurants had already attempted their best to move ahead with strategies to control the entire transaction operations digital.

Automation is the right approach. Complete automation of each step, from ordering to delivery, has made online food ordering more convenient for consumers. Such as-

- Digital Menus
- Ordering with a QR code
- Contactless Delivery Method
- Online Payment Modes

Well, even before Covid-19, these above-mentioned pointers were considered but, since the outbreak of the pandemic these initiatives were taken into utmost consideration.

## **7.3 Restaurants Turning to Food Delivery**

Online food delivery has evolved to be more customer-centric. Restaurants have started delivering sanitization kits with every order to ensure the safety and delight of their customers. Another key reason to emphasize online food delivery is to save money.

Here are a few instances of how restaurants have improved their food services-

## **7.4 Delivery Focused Menus**

Delivery was, and probably still is, the primary way for restaurants to generate revenue after the pandemic since dine-in facilities were shut down. However, it is critical to strive to provide consumers with the same experience and quality as if they were dining in. As a result, menu items that become mushy are being deleted, as diners should always receive high-quality cuisine. Hence, you can say Menu Optimization was one of the main motives.

For instance, Barbeque Nation, a prominent Indian buffet restaurant, has created a unique "Barbeque in A Box" concept. This concept focuses the restaurant's menu on delivery, attempting to bring the taste of BBQ to the customer's home.

## **7.5 Creative Ways to Deliver Food**

Restaurants have begun to develop innovative ways to attract more customers amid the pandemic. They put into action the double layer of packaging during the online delivery of the food. This is not just a realistic operating plan, but it is also crucial from a marketing one.

Daryaganj, a prominent Delhi restaurant, has created a box idea to reignite interest in North Indian cuisine by stimulating the sensory experience.

Additionally, environmentally sustainable packaging is now being used to interact with clients based on ecological compatibility.

### 7.6 Result-Driven Marketing Techniques by Restaurants

The onset of COVID-19 has prompted restaurants to step up their marketing efforts. Restaurants are striving to increase customer engagement and gain their trust. Leading online food delivery apps like Swiggy and Zomato are now offering interactive notifications to their customers.

Restaurants have found themselves in a rather unique position with the ongoing pandemic outbreak. With so many people being affected by the virus, people have been discouraged from leaving their homes and have been looking for ways to stay warm and well-fed. This has given restaurants a unique opportunity to showcase their services and to have consumers get to learn about the various benefits of eating at these restaurants. Here are a few result-driven marketing techniques used by restaurants to provide for their communities-

- Concepts for content development to promote your restaurant
- Strategies to fix the performance level of your website and social media channels
- Partnering with other foodies and influencers
- Promote the relaunch of your restaurant

### 7.7 Formulate A Successful Social Media Marketing Plan

When it comes to creating viral marketing strategies, social media has now become a valuable asset. The digital world of social media platforms that connects countless individuals and businesses across the globe. Social media makes it easier to broadcast the brand message to wide customer groups. These platforms can be used to conduct engaging forums, organize polls and contests, gather customer feedback or reviews via customer satisfaction surveys.

Restaurant chains can use platforms like Instagram, Pinterest, and Facebook to spread awareness and promote businesses. To re-build customers' trust, events such as vaccination campaigns and fundraising events can be posted on social media.

In the end, the pandemic has contributed in the evolution and refinement of the global online food delivery sector on numerous levels. Today, the restaurateurs' primary goal is to re-establish customers' trust and retain them. In the long run, all of these technological, operational, and marketing developments have the potential to benefit restaurants.

Even though online food ordering trend is slowly taking over, a lot of consumers have started ordering their food online post-pandemic as compared to earlier times. The growth of food delivery apps is not just limited to the food delivery market. These apps have also started expanding into different sectors. This can be seen in several companies such as Instacart, UberEats, DoorDash, and Amazon Restaurants. The delivery companies have the advantage of being close to the consumers. This is what makes the delivery companies more reliable. They know what the consumers want and where to go for.

The rise of online ordering is not new. Successful social media planning, innovative techniques and engaging promotional campaigns worldwide resulted in a hike in revenue. According to the latest update for FY22 posted by Swiggy, the food delivery revenues increased 56 % and were 91 % higher than pre-Covid-19 levels in the six months ending September 30 [14].

Swiggy's grocery sales increased by 75% in April compared to March. Higher demand during the second Covid-19 wave, as well as the company's diversification of Supr Daily and Instamart in the grocery market, were credited with the revenue increase [15].

Swiggy claims to have revived 1,28,000 restaurants on its platform, which is the same number as before Covid-19. Furthermore, the food delivery network processed 1.59 million orders every day, generating \$984 million in revenue, rising 69 % from the previous quarter [14].

"Swiggy's revenue share for the first half of the year was \$87 million, up 61%. This growth indicates greater average order values and higher revenues from delivery costs and advertising revenue compared to pre-pandemic periods," Swiggy's investor Prosus stated [14].

Zomato's acceptance of services has been hastened by the coronavirus outbreak. The firm claimed its operating profit increased by 5.5 times over the last 3 years, from Rs 466 crore in FY18 to Rs 2,604 crore in FY20. For the 9 months ending December 31, 2020, revenue from operations was Rs 1,301 crore [16].

The food delivery business began to revive as India's lockdowns in response to the Covid-19 pandemic abated toward the end of May 2020.

## 8. FINDINGS

- At the beginning of the pandemic, most online food delivery platforms were facing significant technical challenges as they were not able to offer their usual service. However, this challenge has been overcome by major players like Swiggy and Zomato. The COVID-19 pandemic has been a catalyst for these platforms to introduce new features to become more efficient and provide a new source of income for their restaurants and their customers.
- In addition, some of these challenges became evident during the first few weeks of the pandemic. As a result, customers were not able to make online orders as there were many non-functional delivery options. Some of these challenges were overcome by the introduction of new features to improve reliability.
- Consumers' purchasing decisions are influenced by innovation in OFD, which can boost the experiential value as it evolves toward a ready-to-enjoy notion. COVID-19's social impact has an impact on users' inclination to order.
- As of now, food deliveries in India have nearly recovered to the levels they were at before Covid. In many markets, they are over 99%. Also, during the cricket season, Swiggy experienced a 30% increase in online food orders.
- After offices resumed, the brands witnessed an increase in orders placed from the workplace, as employers returned to their homes.
- Consumers are searching for brands they can believe in and rely on, especially because when health, cleanliness, and trustworthiness are top priorities in all brand interactions.
- To begin with, to ensure that customers could continue to place their orders online and that the restaurants were able to meet the demand, several features were introduced. These features included making sure that restaurants remain open and their usual services are available.
- To make sure the customers are satisfied, restaurants can provide food delivery services, order in-store, order delivery from independent restaurants and open in-store takeaway. These features were used to enable the companies to stay open as their customers were still eager to place their orders.
- To ensure restaurants remained open to meet the demand and increase their revenue, many new business models were introduced. These included using delivery drivers to visit homes and send out food delivery to homes.
- Moving into online restaurant reservations, food delivery companies may find that acquiring a PoS and SaaS platform through M&As is a suitable alternative for ensuring excellent delivery and a consistent client experience.
- The decision to expand into grocery delivery was always suggested as a mechanism to re-optimize the food delivery service during off-peak times. Swiggy and Zomato's arrival into the restaurant SaaS area, on the other hand, resulted in market dominance.
- For a variety of reasons, including royalties and special discounts, numerous restaurants are attempting to build their niche customer base beyond the aggregators via their online channels.
- The Government's intervention is doing an amazing job of making sure that the food delivery market does not suffer any disruptions post COVID-19 pandemic lockdown. The government has taken several measures to make sure that the consumers can access food easily. It is trying to protect the rights of consumers who use delivery services.
- At the same time, the government is focusing on educating the consumers about the reliability of ordering food from a delivery app. The government's job will not be over after the lockdown ends.

- While innovation may boost the experiential value of a delivery choice, the fear of COVID-19 will still affect consumers' decisions in multiple ways. As a result, once the Covid-19 effect subsides, they would prefer to order food online.
- It is undeniable that the pandemic has contributed to the creation and improvement of online meal delivery apps on a big scale in several industries around the world.
- After the outbreak, restaurants have moved to SaaS, Online Ordering and Reservation CRM, and online marketing technologies and applications to effectively manage day-to-day processes.
- To increase customer engagement, food delivery businesses are implementing digital marketing strategies and tactics.
- To retain their consumers and develop their market share, online food delivery apps have been performing extremely tough to survive up with their sales volume and catch up with the evolving competition.
- Swiggy is once again growing strong due to a surge in demand and an improved go-to-market strategy as compared to Zomato.
- With the COVID-19 outbreak in high gear, online food delivery apps like Swiggy and Zomato have had to cope with a slew of concerns, difficulties, and a struggle to survive and prosper in the industry.

## 9. RECOMMENDATION

- Most likely, Swiggy and Zomato should have helped restaurants get more exposure rather than address safety concerns. In contrast, customers are accustomed to ordering through these platforms, and they trust them. Customers order food and groceries through both of them. Generally, people learn about safety measures through past experiences and word of mouth.
- There is a need for education on the best practices for food delivery systems so that the consumers are educated to avoid these practices. Consumers need to be more vigilant when ordering food from delivery platforms.
- Online food delivery companies need to ensure that they offer the best services to the consumers. This will ensure that the consumers are willing to switch to a different delivery platform. They should take a big advantage of the company. This means that the delivery platforms might have to pay more to avail of these services.
- The consumers who order food online are ordering both food and alcohol. These consumers are a very large demographic and these services are a major part of the food and beverages delivery market. If the delivery platforms do not respond to the growing trend of the consumers ordering both food and beverages, then they may not be able to maintain their current market shares in the market.
- The food delivery industry must find new ways to address these operational, financial and demographic challenges that can lead to growth and development in the delivery industry. Here are some more suggested solutions:
  1. By reducing operating costs and increasing operational efficiency, resource management methods can increase customer satisfaction and reduce customer complaints.
  2. Both the companies should have an aggressive pricing strategy to compete with the competitors as well as other players like the caterers and vendors.
  3. Focus on customer-centred digital marketing initiatives.
  4. Continuously updating their business strategies to accommodate the changing market trends.
  5. Offering excellent customer service, responsiveness, and a high level of support.

## 10. CONCLUSION

The online food delivery market is expected to become more competitive. In the future, consumers will be ordering more food online than going to a restaurant. With more than three-fourths of India's population living in urban areas and with their income expected to double over the next decade, food delivery apps have seen immense growth in India over the last five years. Market research firm Markets and Markets estimates the Indian food delivery market will expand to \$1.9 billion by 2025.



This will mean that consumers are seeking delivery services. They will be ordering online multiple times a week. The online food delivery apps will also be working more aggressively with the restaurant industry to expand their reach. The delivery platforms will start working more with restaurants to increase their market share. They will work with the restaurants in a more organized manner. This will lead to the growth of online delivery apps.

Besides, the restaurant industry is going to face a lot of changes as a result of this delivery trend. Some restaurants may have to change the way they operate. The increase in food delivery apps is something that should not be missed out. If people are ordering more food through these apps, then the restaurant industry needs to adapt to the changing landscape.

While COVID-19 had affected the lives of millions across the world, it has brought on an economic shock like never before for a market segment that announced one of India's biggest revenue generators. Therefore, the pandemic, accelerated the shift towards digital payments and food delivery apps.

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