

A Study on Growth and Business Sustainability in accordance with Food Aggregators and Allied services, Post-Pandemic in India.

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ABSTRACT:-

The online food delivery industry has grown by leaps and bounds in the last couple of years. The ones who were active in the industry but often overlooked were food aggregators. Major players in this industry are Zomato and Swiggy. Despite immense popularity and universal adoption, very little is known about Sustainability of this industry in the market. The Studies conducted in the past only focused on certain components rather than the problem, causes and solutions as a whole. This Study aims at identifying Business Sustainability of the Food delivery industry. The nature of this research is Exploratory. To get genuine and reliable data primary and secondary data was collected. 239 responses were received from respondents. The finding of the study demonstrates that the food delivery industry has made a significant effort to develop powerful marketing and advertising campaigns in order to support and advance their business and have incorporated a number of cutting-edge ideas which aided the initial revitalization of the industry for sustainability. This Study concludes that although this industry is currently flourishing and maturing, they need to focus on creativity and Innovation to retain market position. Although the study has limited generalizability, the outcome will help the Food aggregators to predict the market trends and understand consumer behaviour to mould their operations in order to match the changing needs of the consumers and ensure Business Sustainability.

KEYWORDS - *Food Aggregators, Business Sustainability, Consumer Behavior, Pandemic.*

INTRODUCTION:-

Sustainability is the capacity to keep something at a particular level while taking into account the requirements of the present and the future. Every aspect of life, from maintaining a healthy lifestyle to protecting the environment, involves this phenomenon in some way. Sustainability is a factor in everything. There are many other sorts of sustainability, including social, political, environmental, and many others, but we'll focus on one in particular – “Business Sustainability”. A very significant element that every business should consider in this increasingly competitive market is how to keep and maintain one's business in the position it already occupies. It is nothing more than the capacity to continue and uphold a process over time. At this time for an enterprise to seek and build long-term value is hands down the most valuable asset.

Speaking of Food Delivery Platforms, in particular, a very important factor that has contributed to their success throughout the pandemic is the rapid expansion and magnification of the technology sector and its contributions to these platforms' success. The pandemic was a total disaster and trauma for the human race but it was a blessing in disguise for the online food delivery sector as it just changed the industry's fate for real. Also, due to the entire shutdown of the commercial operations, the HoReCa industry had been significantly impacted at the same time, and the only platform that offered them any hope was these food aggregators. The customers enjoyed unlimited food choices from the best local and luxurious restaurants with the best discount offers, in the comfort of their own houses, leading to the tremendous ballooning and maturation of the Online Food Delivery Industry. In comparison to post-pandemic, the domain of this industry was not that substantial. By this statement, we don't mean that this industry was drowning in the competitive market but it wasn't at that pinnacle and acme. It was during and after the pandemic that the services under this industry were declared as critical but pre-pandemic, the industry was far away from the market limelight. Boiling down to the overview of our research paper, speaks volumes about the comparison drawn in the scope, growth, working, demand, and overall factors of the Online Food Delivery industry PRE and POST Pandemic. It further talks about the shift of customers and their mindset pertaining to this industry.

STATEMENT OF PROBLEM:-

The pandemic resulted in disbanding of many industries globally, although there were a few industries that had an affirmative influence of the pandemic, one of them was the Food Delivery Sector. The rise of demand for food in the comfort of homes during the pandemic enhanced the scale of operations of these platforms, the platforms encompassed convenient and innovative practices well suited for this situation like contactless deliveries, vaccinated delivery agents, online payment options, etc. The primary conundrum of this paper aims to counter whether these platforms are still lucrative post-pandemic.

LITERATURE REVIEW:-

Aniruddha Deshpande(2016) in their paper titled “Zomato - Market and Consumer Analysis” in the international journal of advanced scientific research and engineering trends, has talked about Zomato since its inception till date, a detailed PEST analysis followed by competitive analysis in brief.

Carsten Hirschberg, Alexander Rajko, Thomas Schumacher, and Martin Wrulich(2016) in their paper titled, “The Changing Market for Food Delivery” have scrutinised the market data from 16 countries to understand the moving trends in current food delivery markets.

Mustafa Abbas Bhotvawala, Harsh Balihallimath, Nishant Bidichandani, M. P. Khond(2016) in their paper titled, “Growth of Food Tech: A Comparative Study of Aggregator Food Delivery Services in India” in

International Conference on Industrial Engineering and Operations Management, have compared multiple food aggregators on various grounds, thus providing a bird eye view of the current market scenario.

Kathleen GriesbacAdam Reich, Luke Elliott Negriand Ruth Milkman(2019) in their paper titled, “Algorithmic Control in Platform Food Delivery Work” in Socius: Sociological Research for a Dynamic World, have conducted a sociological research and talked about the role played by algorithms in platform based food delivery apps.

Dwi Suhartanto, Mohd Helmi Ali, Kim Hua Tan, Fauziyah Sjahroeddin Lusianus Kusdiby (2019)in their paper titled “Loyalty toward online food delivery service: the role of e-service quality and food quality” in the Journal of Foodservice Business Research, has highlighted that quality of food and service in Food Delivery Industry are amongst the most important aspects companies should take care of in order to win customer loyalty.

Anupriya Saxena (2019) in her research paper titled “An Analysis of Online Food Ordering Applications in India: Zomato and Swiggy” in the international journal of research, engineering, IT and social science, talks about how features like doorstep deliveries from people’s favourite restaurants have become the key attraction while it also mentions the other side of the story like bad reviews and experiences are discouraging.

Dr. Mitali Gupta(2019) in her research paper titled “A Study on Impact of Online Food delivery app on Restaurant Business special reference to zomato and swiggy” in the international journal of research and analytical reviews signifies how delivery platforms are beneficial for both the consumers and the company, while the former enjoy better services and During our research, we figured that most of the companies in this sector were private limited companies which lead to difficulty in accessing their data files.

Sazzad Parwez and Rajiv Ranjan(2021) in their paper titled, “ The platform economy and the precarisation of food delivery work in the COVID-19 pandemic Evidence from India” , talks about the industry from the employee point of view as it describes work organization labor and globalization.

Asish Oommen Mathew , Abhishek Nath Jha , Anasuya K. Lingappa Pranshu Sinha (2021) in their paper titled, “Attitude towards Drone Food Delivery Services—Role of Innovativeness, Perceived Risk, and Green Image” in Journal of Open Innovation: Technology, Market, and Complexity, talks about New and proposed technological advancements in food delivery platforms which are environment friendly and has the approval of young generation.

Ewa Kochońska Rafał M.Łukasik Maciej Dzikuc (2021) in their paper titled, “New Circular Challenges in the Development of Take-Away Food Packaging in the COVID-19 Period” in Energies – an open access journal from MDPI, talks about the food packaging used in deliveries and takeaways across 3 different countries from the consumers of these platforms in the respective countries.

Kabir Ahuja, Vishwa Chandra, Victoria Lord, and Curtis Peens (2021) in their paper titled, “Ordering in: The rapid evolution of food delivery” , talks in detail about how has the new normal shifted to ordering food in, as it has not always being in the picture with reference to USA.

Charlen Li Miranda Miroso & Phil Bremer (2022) in their paper titled, “Review of Online Food delivery Platforms and their Impacts on Sustainability” , a New Zealand based study which concludes that better actions must be implemented to make the Food Delivery platforms more sustainable in the changing market trends.

Mahek Lad , Jignesh Brahmhatt (2022) in their paper titled, “A Review of the Environmental Impact of Online Food Delivery Platforms on Sustainability” in the Journal of emerging technologies and Innovative Research talks about, the major three impacts of food delivery platforms on environment- plastic pollution, food waste and high carbon foot print.

Dr.Rusha Mudgal and Dr. Pooja Rana(2022) in their paper titled “Content, Communication, and Crisis Management: A Case Study on Zomato” in the international journal of research in social science, have emphasised how innovative and well-structured communication may help businesses maintain strong contact with their target segment and stay relevant in these changing trends.

RESEARCH GAP:-

From the literature review it has been identified that most of the companies in this sector were private limited companies which lead to difficulty in accessing their data files. As the food aggregator industry is not old and is a newly formed industry that entered the mainstream market and gained popularity during the pandemic, hence the business sustainability, Innovative practices and Diversification strategies of food aggregators was not studied.

OBJECTIVES:-

1.

To Scrutinise the escalation of Food Aggregators post-pandemic.

2.

o Examine the Innovative practices used by Food Aggregators with reference to HoReCa industry

3.

o Analyse the diversification strategies of food aggregators with reference to the HoReCa industry.

HYPOTHESIS:-

H0: There is no relationship between the rise of demand in food aggregators and the pandemic.

H1: There is a relationship between the rise of demand in food aggregators and the pandemic.

Data set:

I ordered through food aggregators during/ post pandemic.

My usage of Zomato and Swiggy (food aggregators) has increased after and during pandemic.

H0: There is no relationship between innovative practices and growth of the food aggregators.

H1: There is a relationship between innovative practices and growth of food aggregators.

Data Set:

I get persuaded by innovative advertising practices

I like the innovative price offers offered by Food Aggregators. (Zomato & Swiggy)

H0 : Increased diversification does not lead to sustainability of the food aggregator industry.

H1 : Increased diversification leads to sustainability of the food aggregator industry.

Data Set:

I think Zomato, Swiggy will sustain in the future.

I like eco-friendly packing.

Parameter	Hypothesis 1	Hypothesis 2	Hypothesis 3
R Value	0.835	0.921	0.768
P Value	<0.005	<0.008	<0.004
Level of Significance	Significant	Significant	Significant

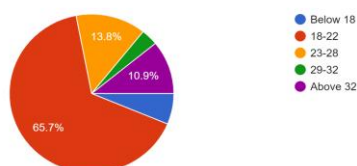
The Alternative Hypothesis is Accepted.

RESEARCH METHODOLOGY:-

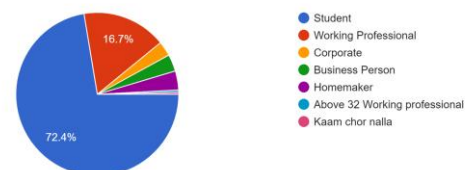
This research is Exploratory in Nature with the goal of acquiring more information about Business Sustainability, Innovative practices and Diversification strategies. A survey was conducted by circulating questionnaires through google forms to collect primary data by using Convenient sampling method. This research aims to analyse consumer behaviour of this industry. Responses were received from 239 respondents, the survey aims to understand the relationship between the two variables- 'demand for food aggregators' (dependent variable) and 'the pandemic' (independent variable).

DATA ANALYSIS AND FINDINGS:

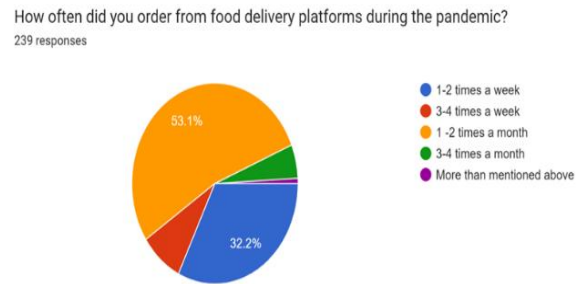
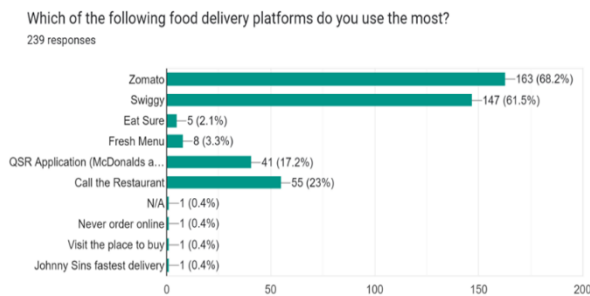
Age
239 responses



Occupation
239 responses



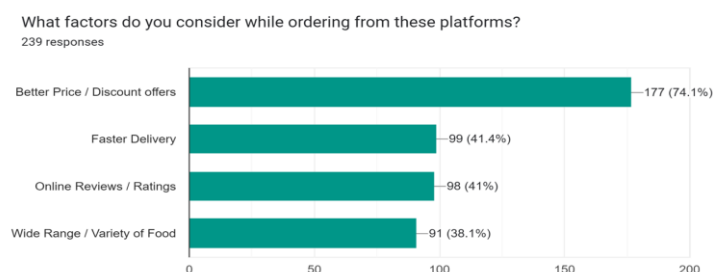
Among the respondents, the majority come from the age of 18-22 and people above the age of 32 make up the next. Over 72.8% of people were students and 16.2% of people made up working professionals. The formulated questions assess the growth of food



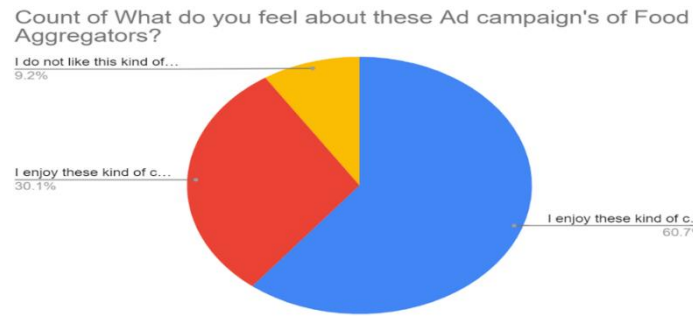
aggregators post-pandemic.

The usage of these food aggregators has spiked in particular Zomato and Swiggy with a usage percentage of 68.2% and 61.5% out of the total respondents respectively. This therefore proves that this sector of the economy grew and prospered during the pandemic as a result of the convenience of having everything at the touch of a button and in the comfort of one's own home, in comparison to the assumption that demand would decline and the food aggregators industry would perish.

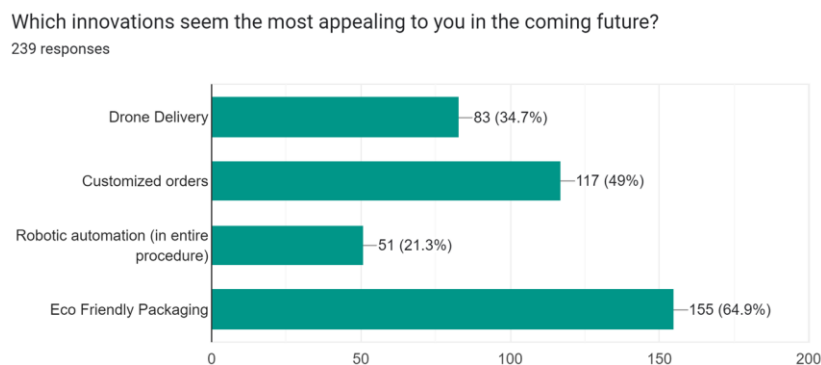
As per the survey, other options like QSR applications and directly calling the restaurant for ordering (17.2% and 23% respectively) are also prominent among our sample customers, Thus, making it crucial and critical for aggregators to survive in this competitive market and to retain and win customer loyalty.



74.1% of the total respondents only use the aggregator apps because of the offers and discounts making this as their unique selling proposition. Thus, to win over such a market, constant innovation, offering value to customers, and understanding consumer behaviour is one of the most powerful strategies.



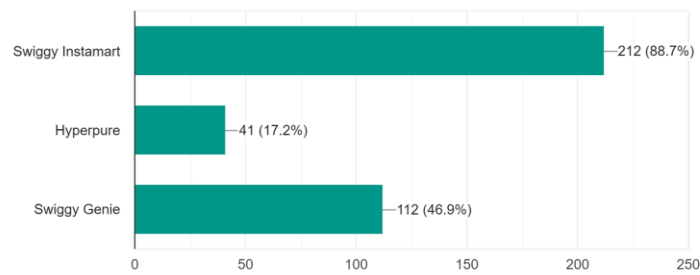
In our survey, respondents were asked: do the innovative ad campaigns adopted by the Food Aggregators attract you as customers? wherein maximum (60.7%) of respondents were persuaded by their lucrative, engaging, quirky, crisp, and well-curated content to effectively communicate with its consumer. These innovative practices further helped the food aggregators to maintain customer retention which is one of the most essential elements for any type of business. The upliftment of lockdown was a major bouncer for the food aggregators and more fresh and engaging advertisements were in desperate need to be executed for better running. That's exactly what the food aggregators did by implementing enriching and novel advertisements thus showing the food aggregators a ray of hope.



Diving deep into this conversation the next very important thing that the customers pay attention to is the need to adopt eco-friendly practices as seen in our survey, 64.9% of our total respondents are inclined towards these practices, For which Zomato’s Innovative practices such as opt-in feature and e-bike delivery, cycle delivery. Also, Zomato’s Hyperpure opt-out option for paperless invoices for restaurants has been implemented. Coming up with a “NO CUTLERY” option for the customers to cut down severely on the usage of plastic and related articles, canvas and paper-made carry bags for delivery purposes are another such initiatives.

Which of the following venture lines of these Food Delivery Platforms are you aware of?

239 responses



Zomato Hyperpure is an outstanding initiative toward the environment, people were not much aware of the same, while *Swiggy Instamart* and *Swiggy Ginnie* platforms are known to our respondents. According to our survey conducted we came to know that the customers are well informed about Swiggy Instamart with a total of 88.7%, followed by Swiggy ginnie with 46.9 % and at last Hyperpure with 17.2%. This is how the food aggregators used the diversification strategies for their business to remain in the limelight. Finally, To understand the overall growth of this sector let us look at the statistics of Zomato before and after the pandemic, Revenue from operations spiked from ₹ 466 cr in FY 2018 to ₹ 2,604 cr in FY 2020; a glaring 5.5 times hike in 3 years, Zomato drew a 13.2% hike in the number of orders placed on the app from 30.6 million in FY 2018 to 403.1 million in FY 2020. As per the reports, almost 10.7 million customers ordered every month from the app with an average frequency of more than 3 times a month, which is similar to what we have constructed through our survey that 90.7% of our total respondents have ordered more than three times a month.

RECOMMENDATIONS:-

In the existing competition, the performance of food delivery applications could improve by adopting innovative consumer retention practices, as discovered in the findings, consumers consider price and discounts the most while ordering in, so the companies could come up with more discount offers with faster delivery services. For offering better discounts, food aggregators could introduce new revenue models like dark kitchens and could introduce personalised discounts for loyal customers creating a loyalty program for their consumers. Since Zomato and Swiggy are the top food aggregators in India, having the majority of existing data of their consumers, they could create personalised homepages and order recommendations. Offers, Discounts, and Business communication are important from the customer side of view but after a point, investors look out for the return on their capital invested.

Since Zomato is the current market leader in the Food Delivery Segment they already have a decent amount of market share which is the key attraction for restaurants who pay to be listed and advertised on the platform. Likewise, with such tremendous amounts of consumer data from over the years, Zomato has started other ventures like consulting to be entrepreneurs on starting up a Restaurant/ Café/ Cloud kitchen-

based service. On the other hand, as mentioned before, Swiggy has been experimenting with delivery-based new ventures like Swiggy Instamart and Swiggy Ginnie, to tackle the Customer retention problem.

These innovative and new streams of revenue have spiked the inflow but they have still not hit green figures of profitability, for which along with constant innovation companies in this sector will have to fundamentally strengthen these new streams of revenue because they cannot cut down on offers and discounts as that is the only string holding their customer base.

CONCLUSION:-

This paper focused on the relationship between the Covid-19 Pandemic and the growth in the Food Delivery Sector. Although the pandemic closed the doors for growth in almost all industries, the food delivery industry was the one to take brilliant advantage of this situation. Major players that should be acknowledged for this successful continuation are the food aggregators. This paper throws light on these aggregators' hardworking and consistent innovative business practices to reach the peak it desires for. Their efforts on the environment as well as business sustainability, and customer satisfaction are focused and channelized with sheer passion and presence of mind. With changing times these businesses will have to change according to the market trends and mould their operations inclined with the recent demands of the consumers.

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