



A study of Zomato Company's Innovative Practices of the Current Business Crisis in Mumbai City

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Abstract:

Nowadays, Indian companies are emerging rapidly entering into the industrial sectors of the Indian Market. These companies are effortlessly trying to expand their business and trade among the consumers of the Indian Market to capture the Indian Market Share of their sectors. Due to the digitization phase started in India, in the last few years, the Indian Companies are now also focusing more on e-commerce with their company's best digital services for their consumers to generate strong sales of their company in the current financial year. The majority of these Indian Companies are currently also active in the foreign market as well. Speaking about the business crisis these companies are facing is not as easy compared to the current period as it has been in previous decades. The company has to come up with an initiative of innovative practices without damaging the company's reputation in the market between consumers and its competitors, with a steady flow of its sales without affecting any feelings of any of the people concerned in the market. The same innovative practice was seen and carried out by one of the Indian Companies called Zomato. The company was founded in 2008 by the Founders Deepinder Goyal & Pankaj Chaddah under the name FoodieBay, which was renamed further as Zomato (the existing name) in 2010 to date. The Zomato Company is an Indian Multinational Restaurant Aggregator and Food Delivery Company. The Zomato Company works through its private application with registered data of more than 90 million active users and more than 1.5 million registered restaurants to serve its users.

Purpose:

The main purpose of the research paper is to know about the innovative practice initiated by Zomato Company to deal with the current business crisis.

Research Methodology:

To provide the research with a practical support to analysis the various aspects initiated by the Zomato Company, the research is conducted on the basis of primary data through the Data Sampling Method with the data collection from Mumbai region of all ages.

Findings:

As per the research conducted and sampling received from the respondents, the research study found out that Zomato Company has currently implemented various innovative practices to deal with the business crisis in the Mumbai region like arranging live events, social works, reducing plastic waste, helping small restaurants/ home baker / cloud kitchens, etc.

Contribution:

The basic purpose of the research, is to know how the Zomato Company initiated various innovative practice in the market between its competitors. The outcome of the research contributes to the research study to understand that the current business crisis of Zomato Company helps the company to sustain in the market.

Keywords:

Indian Companies, Innovative, Mumbai, Restaurants, Zomato

I. Introduction:

Nowadays, currently the biggest crisis faced by the company in a financial year, is regarding the sales turnover. There are various factors to generates a heavy sales turnover of a company for example Marketing, Branding, Pricing, etc. but the innovation strategies remain the base factors to generates the sales turnover of a company. One such company was founded in 2008 under the name FoodieBay by the Founders Deepinder Goyal & Pankaj Chaddah, who provided information on the restaurant menus and user reviews. The FoodieBay was been run by the founder on the private website which can be accessed through search engines. Years later, in 2010, FoodieBay which was further rebranded as Zomato. In 2011, Zomato website was expanded to some urban cities of India and in 2012 to several international countries. The Zomato Company started with various innovative practice to be between the consumers of the market in the last 5 years.

In 2015, Zomato started food delivery service in India for Indian Restaurants that had no service or facility to deliver the food package to customer's location, which helped the small restaurants/ home baker / cloud kitchens, etc. to grow their business in their locality.

In the year 2018, Zomato Company started the Grand Food Carnival named as 'Zomaland' in the few cities of India, which was the first ever on ground food festival, which overall had lakhs of visitors. Recently in November, 2022; Zomato Company organized the Zomaland Event in Mumbai which was also showed a great response by the visitors by showing up on the event.

In the year 2019, a Non-profit organization started by Ankit Kawatra in 2014, named as 'Feeding India', which aims to serve free meals to the underprivileged people with the help of volunteers was been acquired by Zomato Company in July, 2019. As per the recent claimed by Zomato Company, the Feeding India NGO is serving 2 lakhs meals daily under the Daily Feeding Programme to eradicate hunger and malnutrition from in India.

In 2020, due to Covid-19, Zomato Company started its service after a long lockdown period with highly secure, consumer delivery measures. Contactless Delivery, Digital Payments, Grocery Delivery, etc. were just a few actions Zomato Company has taken for its consumers.

In April 2022, the Zomato Company announced 100% Plastic Neutral Delivery to being promoting biodegradable and other non-plastic alternatives to make them as affordable and available as plastic is available today.

In the Indian Market there are various other companies like Uber Eats, Swiggy, GrubHub, etc. that are competitors of Zomato Company, but Zomato Company is already grabbing 55% of the market share in the Food Aggregator Business.

II. Objectives:

The research study is conducted to understand the behavior of Zomato Company in the Indian Market. Here are the few listed objectives of the research:

1. To know the various innovative practice initiated by Zomato Company.
2. To know the Demographic profile of the consumer of the Zomato Company.
3. To study the awareness among consumer towards Zomato Company.
4. To examine the usage of pattern and contribution of consumer in the Zomato Company.
5. To analysis the consumer behaviour on Sale of Zomato Company.

III. Limitation:

In studying the research paper, we encountered many of the issues listed:

1. Zomato Company's innovative practices are limited.
2. The data is collected from citizen of all ages from the Mumbai region.

IV. Hypothesis:

H_0 : There is no significant relationship between buying behavior of the consumer and Sales of the Zomato Company.

H_1 : There is significant relationship between consumer behavior and Sales of Zomato Company.

V. Research Methodology:

1. **Data Sources:** The data study is always descriptive. The data is collected from students from various colleges and some adult citizens of the Mumbai region. Secondary Data is collected from the Statista Website for the research study.
2. **Tools and Techniques Applied:** To represent the data in the research paper, the statistical data pattern was used to display the primary data. The primary data shows the frequency and percentages to show the accuracy of the data collected.
3. **Sampling Method:** In order to conduct the research study with the practical information, simple random sampling was used in which sampling data was collected, which was answered by the respondents. To collect the data samples, the link to Google Forms was created and the link was shared among the student of from different colleges of Mumbai and some adults and seniors of the Mumbai region. Due to the time constraint, the sample data was limited to complete the research on time.
4. **Sample Size:** The data collected for the research study is primary, a total of 214 responses were received during the survey conducted.
5. **Scope of Research Study:** The scope of the study focuses on the collection of primary data and knowledge of the consumer behaviour of Zomato Company's consumers related to the innovative practices during the current business crisis with the help of the secondary data.
6. **Data Interpretation:** Primary and Secondary Data Analysis.

(Table 1: Demographic Profile of the Survey – Primary Data)

Parameters	Category	Frequency	Percentage
Age Category	aged or under 20 years of age	204	95.3%
	21 - 40 years of age	7	3.3%
	41 - 60 years of age	3	1.4%
	Total Respondents	214	100.0%
Gender	Male	97	45.3%
	Female	117	54.7%
	Total Respondents	214	100.0%
Occupation	Student	204	95.3%
	Businessman	0	0.0%
	Professional Job	4	1.9%
	Service Job	1	0.5%
	Homemaker	5	2.3%
	Total Respondents	214	100.0%

(Sources – Primary Data)

Table 1 shows the general questions asked for the primary data, the total number of respondents was 214, of which 204 respondents, accounting for 95.3% of the total number of respondents, were 20 years old or younger, and 7 respondents were in the age category having of 21 – 40 years of age, accounting for 3.3% of the total data, and 3 respondents were in the same age category with an age 41 – 60 years, accounting for 1.4% of the total data. The gender ratio of respondents, male respondents is 97, which represents 45.3% of the total data, and female respondents 117, accounting for 54.7% and also higher a gender of respondents compared to male respondents. No response received from a transgender person in the research study. Furthermore, the occupations of the 214 respondents, students with 204 respondents, accounting for 95.3% of the total primary data, 4 respondents have an occupation in professional job, accounting for 1.9%, 1 response from the service job profession accounting for 0.5% of the total data and 5 responses from the homemaker, accounting for 2.3% of the total data.

(Table 2: Questionnaires related to Zomato Company)

Parameters	Category	Frequency	Percentage
Are you aware about the Zomato Company?	Yes	211	98.6%
	No	3	1.4%
	Total Respondents	214	100.0%
Have you used the service offered by the Zomato Company?	Yes	194	90.7%
	No	20	9.3%
	Total Respondents	214	100.0%
Which service you have experienced offered by the Zomato Company in past 6 months?	Food Delivery	201	93.92%
	Grocery Delivery	18	8.4%
	Interstate Food Delivery	8	3.7%
	Booking Table Reservations	16	7.5%
	Didn't experienced any service	18	8.4%
	Total Respondents	261	121.9%
How frequently do you order from Zomato App in a week in past 6 months	No orders placed	79	36.9%
	Below 500/- Rupees	87	40.7%
	Uptill 1000/- Rupees	16	7.5%
	Uptill 1500/- Rupees	8	3.7%
	2000/- Rupees and Above	24	11.2%
	Total Respondents	214	100.0%

(Sources: Primary Data)

Table 2 shows the basic questions asked by the primary data respondents in relation to the Zomato Company. The total number of respondents was 214, of which 211 respondents know Zomato Company, accounting for 98.6% of the total responses, 3 respondents did not know Zomato Company, accounting for 1.4% of all responses. 194 respondents use the service provided by Zomato Company, accounting for 90.7% of the total data, and 20 respondents do not use the service provided by Zomato Company, accounting for 9.3%

of the total data. Various services are offered by Zomato Company and respondents have used the services offered by the company. The service provided by Zomato Company are Food Delivery, Grocery Delivery, Interstate Food Delivery and Booking Table Reservations. 201 respondents have experienced Zomato Company Food Delivery service, accounting for 93.92% of all respondents. 18 respondents have experienced Zomato Company Grocery Delivery service, accounting for 8.4% of all respondents. 8 respondents have experienced Zomato Company Interstate Food Delivery service, accounting for 3.7% of all respondents. 16 respondents have experienced Zomato Company Booking Table Reservations service, accounting for 7.5% of all respondents. But 18 respondents have not yet experienced any of the services offered by Zomato Company, accounting for 8.4% over the past 6 months. 87 Respondents frequently order from Zomato Company with an order under or maximum Rs 500/-, accounting for 40.7% of the total data. 16 Respondents frequently order from Zomato Company with an order under or maximum Rs 1000/-, accounting for 7.5% of the total data. 8 Respondents frequently order from Zomato Company with an order under or maximum Rs 1500/-, accounting for 3.7% of the total data. 24 Respondents frequently order from Zomato Company with an order under or maximum Rs 2000/-, accounting for 11.2% of the total data.

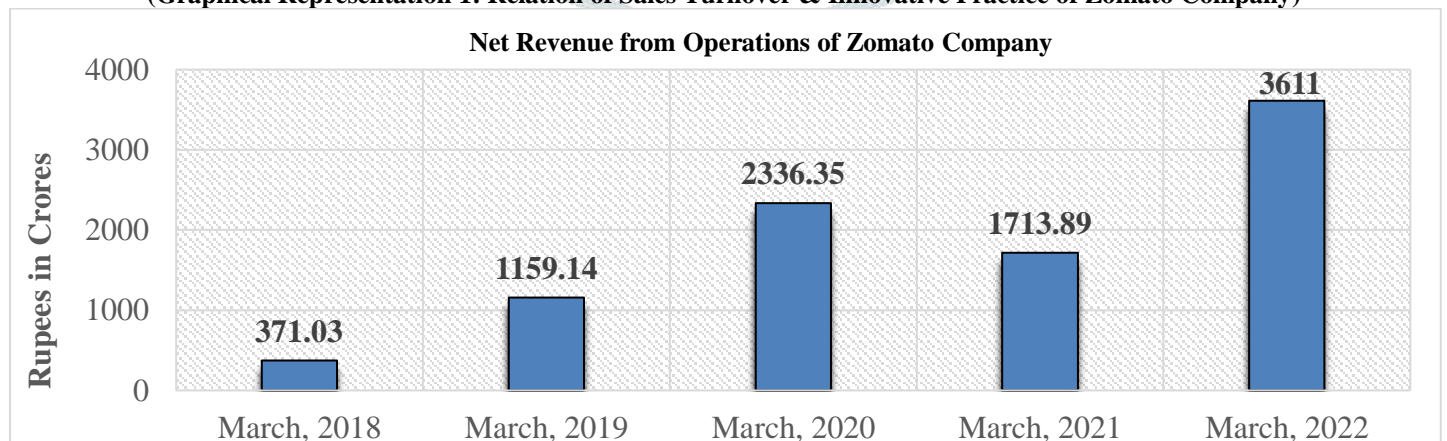
(Table 3: Innovative Practices taken by the Zomato Company)

Parameters	Category	Frequency	Percentage
As Zomato Company Donates currently Rs.2/- per order to Feeding India Donation working towards a Malnutrition-free India with the permission of the customer ordering on Zomato App. Do you pay, the Donation Amount while placing an order ?	Yes	108	50.5%
	No	106	49.5%
	Total Respondents	214	100.0%
Zomato App gives an option to pay the Tip Amounts to the Delivery Partners assigned on your order via the Zomato App. Do you pay, the Tip Amount after you received your order ?	Yes	137	64.0%
	No	77	36.0%
	Total Respondents	214	100.0%
Zomato Company started an initiative for its consumers, that they can place an order for someone else as a Gift. Have you placed such orders on Zomato App and gifted someone till yet ?	Yes	74	34.6%
	No	140	65.4%
	Total Respondents	214	100.0%

(Sources: Primary Data and Secondary Data Information)

Table 3 shows the top questions asked by the primary data respondents regarding Zomato Company's innovative practice. Of the 214 respondents, 108 respondents pay the Donation while placing an order with Zomato, accounting for 50.5% of the total responses. 137 respondents pay the Tip Amount to the delivery partner commissioned with the parcel delivery. 74 Respondents placed such an order with Zomato Application to give as a gift to someone close and dear to their loved one.

(Graphical Representation 1: Relation of Sales Turnover & Innovative Practice of Zomato Company)



(Sources: Moneycontrol)

The Secondary Data Graphical Representation 1, shows the net revenue from operations of the Zomato Company. The data shows total sales turnover of the Zomato Company at the end of the Financial Year. In 2018, the Net Revenue was 371.03 crores. In March 2019, the Net Revenue was Rs 1159.14 crores. In 2020, the Net Revenue was Rs 2336.35 crores. In March 2021, the Net Revenue was Rs 1713.89 crores and in the year 2022, the Net Revenue was Rs 3611 crores.

The Net Revenue of Zomato Company is the Sales Revenue which has the direct relation with the Innovative Practice of Zomato Company. So it been said that, there is a positive relation with Net Revenue and Contribution in Innovative Practices.

After Covid-19, Zomato Company has taken initiative for innovative practice due to which revenue has increased, as it is clearly shows in the graph. Contribution to innovative practice helps to maximize the buying behavior of the consumer in the market i.e. as per the research study there is a positive impact of innovative practices on buying behavior of customer which leads to maximum sales turnover of the Zomato Company. Hence the alternative hypothesis has been accepted and null hypothesis has been rejected.

VI. Findings:

1. As per the research study, the researcher found out that there are various innovative practices initiated by Zomato Company to address the current business crisis that aims to generate high revenue of a company.
2. A research study revealed that there is an awareness in the Indian Market for the Zomato Company.
3. Using the Secondary Data, the research study found that the sales are directly and positively related to the innovative practices.
4. According to the research study, the researcher found that the consumer's usage pattern and consumer's contribution helps to meet the needs of Zomato Company's innovative practice.

VII. Conclusion:

In the current business crisis, the innovation strategies remain the basic but effective method to generate high revenues from the markets through sales. As the research was conducted using the primary data, the results of the research study analysis revealed that 95% of the student surveyed were from college background and were from college background and were aged 20 or under. According to the data, 54% of the respondents were female respondents. 98% of respondents were aware of Zomato Company and 90% of respondents are Zomato Company users who have used the services offered by Zomato. Of the various services offered by Zomato Company, Food Delivery service remains the most recommended service as 93% of respondents have experienced Zomato's service. On average 40% of the respondents frequently place an order from Zomato Application with an order value below or up to Rs 500/-. Regarding the innovative practice initiated by Zomato Company, Zomato Company is currently donating Rs.2/- per order to Feeding India Donation, which is working towards a malnutrition-free India with the permission of the customer who has the Zomato ordering app and more than 50% of respondents are happy to pay for it. The same goes for the delivery partners tasked with delivering the grocery package, an optional tipping feature is available in the Zomato Application and 64% of respondents are happy to attempt tips. The Zomato Company has launched an initiative to place an order for someone else as a gift for loved or dear ones, and 34% of respondents have used the service provided by the Zomato Company. Some other innovative initiatives like Food Delivery, Interstate Food Delivery, Neutral Plastic Delivery, organising the Grand Food Carnival 'Zomaland'.

VIII. Recommendations or Suggestions:

It is suggested to the other companies in the market and Zomato Company's competitors that the innovative practices are perpetuating the business crisis that aims to generate high sales revenues from the markets and create a direct and positive connection to consumer purchasing behaviour.

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