



# GRATIFICATION MARKETING IN FOOD AGGREGATORS: THE STRATEGIC ROLE OF AI IN DRIVING INSTANT AND DELAYED REWARDS

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## Abstract:

*In the competitive landscape of Indian food delivery, platforms like Swiggy and Zomato extensively deploy gratification marketing—offering instant rewards (discounts, free delivery) and delayed incentives (loyalty benefits)—to boost engagement and retention. Swiggy processes over 17 million monthly transactions and 3.5 billion cumulative orders (as of Sept 2024), utilizing real-time AI systems that make over 1 million predictions per second for route optimization, dynamic pricing, and personalized offers. AI-driven push notifications have improved click-through rates by 25% and conversions by 15% compared to non-personalized messages. Meanwhile, Zomato employs a personalized AI food assistant for its gold subscribers, powered by OpenAI LLMs, and offers retailers insights into performance through advanced dashboards. This article examines how these data-backed AI tools deliver instant and delayed gratification to users, quantifies their impact, and explores best practices for implementing ethical, effective AI-powered marketing in food delivery.*

**Keywords:** Gratification marketing, Artificial intelligence, Food Aggregators.

## Introduction:

In today's digital ecosystem, marketing strategies that tap into human psychology have gained significant traction. One such strategy is Gratification Marketing, which centres around the concept of satisfying consumers' needs for instant or delayed rewards. It harnesses emotional triggers like pleasure, surprise, and recognition to influence purchase decisions, improve user engagement, and build brand loyalty. In general marketing practice, gratification is provided through mechanisms like discount coupons, reward points, exclusive offers, and personalized recommendations. The goal is to create a sense of satisfaction or accomplishment, either immediately after an action (instant gratification) or after repeated engagement (delayed gratification). When applied strategically, gratification marketing not only improves conversion rates but also cultivates long-term customer relationships. Within the food industry, and particularly in the food delivery app segment, gratification marketing plays a pivotal role. Food Aggregators like Zomato and Swiggy have turned gratification into a central engagement tactic. From offering time-bound discounts, cashbacks, and free delivery for immediate impact, to loyalty programs, subscription models, and tier-based rewards for sustained engagement, these platforms have redefined digital food consumption behavior in India. The game-changer in recent years, however, is the integration of Artificial Intelligence (AI) into these marketing practices. AI enables real-time data processing, predictive analytics, and hyper-personalized user interactions. In food aggregators, AI helps identify when a customer is most likely to order, what type of cuisine they prefer, and what kind of reward will trigger a response. It also allows apps to automate and optimize notification timing, discount offerings, and promotional campaigns based on dynamic user behavior. This article explores how gratification marketing, empowered by AI, is transforming user experience and engagement in food delivery platforms. Focusing on Swiggy and Zomato, it examines real-time applications, industry data, and the impact of intelligent systems on marketing performance, customer retention, and competitive advantage.

## Review of literature:

Arora et al. (2024) in the study titled "Impact of Personalized Advertising on Consumer Ordering Decisions: A Study of Food Delivery Apps in Delhi-NCR" This study explores how personalized advertisements affect customer ordering

behavior on food delivery apps. Using surveys and focus groups, it was found that time-sensitive deals, coupons, and loyalty rewards significantly impact decision-making. Over 65% of users responded positively to AI-curated promotions. The study aligns gratification marketing with the Elaboration Likelihood Model (ELM), showing that central-route persuasion (personalized ads) leads to stronger engagement. The paper also notes a projected rise in the Indian food delivery market to USD 24 billion by 2026, emphasizing the business impact of personalized gratification strategies.

Khamoushi (2024) in their work titled “*AI in Food Marketing: From Personalized Recommendations to Predictive Analytics*” explores how AI reshapes marketing by analysing user behavior to offer real-time personalized suggestions, loyalty offers, and push notifications. It highlights how AI systems can adapt messaging and incentives based on mood, weather, and local events. The author emphasizes that these smart tools elevate customer satisfaction and retention. AI is credited for enhancing instant gratification (through tailored discounts) and delayed gratification (via rewards programs).

Thakkar, Shah & Vidani (2024) in their paper titled “*Consumer Preferences and Ordering Behaviour: A Comparative Analysis of Zomato and Swiggy Users*” The study analyses 400 users in Mumbai and finds that Zomato users prioritize discounts while Swiggy users focus more on delivery speed and order tracking. Gratification elements like daily deals, scratch cards, and subscription benefits (Zomato Gold/Swiggy One) are key differentiators. The findings show that both platforms use AI to segment users and push rewards accordingly. Swiggy’s AI-driven instant offers led to a 23% boost in order conversion.

Malukani & Sharma (2024) in their paper titled “*Unravelling Operational Strategies and User Patterns in the Indian Food Delivery Industry*” Focusing on tier-2 cities, this research explores how platforms optimize their operational models with the help of AI. It highlights how Swiggy and Zomato adjust reward types based on age, income, and order frequency. For instance, high-frequency users get combo-based discounts, while new users receive instant coupons. The paper also discusses AI’s role in auto-adjusting gratification strategies during festivals and peak hours.

Jain, Vora & Vidani (2024) in their article titled “*Consumers’ Preferences Toward Zomato and Swiggy Among Gen-Z in Ahmedabad*” evaluates how Gen-Z perceives food apps’ reward schemes. Zomato’s flash offers, milestone-based benefits, and app gamification are seen as more appealing to this cohort. Swiggy was found to be more predictable and less interactive. The study notes that AI-enabled, behavior-based gratification increased engagement by 40% among students and working professionals.

Varsha et al. (2024) in their paper titled “*A Comparative Analysis of User Experience and Satisfaction on Zomato and Swiggy*” conducted Based on surveys across major metros, this paper compares satisfaction metrics like ease of use, response time, pricing, and offers. It finds that personalization through AI (e.g., curated recommendations, festive rewards) plays a crucial role in retaining users. The authors argue that gratification elements drive repeat orders and app stickiness, with a significant correlation between satisfaction and reward mechanisms.

### **Objectives of the study:**

1. To identify the various gratification marketing strategies used by food aggregators like Zomato and Swiggy.
2. To understand the role of artificial intelligence in delivering these gratification strategies in a personalized and real-time manner.

### **Significance of the study:**

This study is significant as it highlights the growing importance of gratification marketing in shaping consumer behavior within the competitive food delivery industry. With the increasing reliance on mobile apps for ordering food, platforms like Zomato and Swiggy are not only competing on price and convenience but also on how effectively they can engage and retain customers through meaningful rewards. By identifying the strategies used to offer instant and delayed gratification, this study provides valuable insights into how these tactics influence user loyalty and satisfaction. Furthermore, by exploring the role of artificial intelligence in delivering these strategies in a personalized and timely manner, the study sheds light on how technology enhances marketing effectiveness. The findings will be useful for marketers, app developers, and researchers seeking to understand evolving digital marketing practices and their impact on user engagement in the food delivery sector.

### **Statement of the problem:**

With rising competition in the food delivery industry, platforms like Zomato and Swiggy rely heavily on gratification marketing strategies such as discounts, cashback, and loyalty programs to attract and retain customers. However, the success of these strategies increasingly depends on how personalized and timely they are. While Artificial Intelligence (AI) is being used to enhance these efforts, there is limited research combining gratification marketing with the AI-driven delivery of rewards. This study addresses this gap by identifying key gratification strategies and examining how AI supports their effective implementation, using secondary data from Zomato and Swiggy the two major food aggregators working in India.

### **Scope of the study:**

1. Identifying various instant and delayed gratification strategies used in food aggregators.
2. Examining how AI technologies like machine learning and real time segmentation support the delivery of these strategies.

**Research Methodology:**

- **Research Design:** This study is based on a qualitative and descriptive research design.
- **Data Collection:** The study is relying entirely on secondary data sources.

The research methodology includes a systematic review of existing literature, such as journal articles, case studies, whitepapers, company reports, and credible online sources. Particular focus is given to food aggregators like Zomato and Swiggy, with supporting data collected from academic databases (e.g., Google Scholar, Academia.edu), industry reports (e.g., RedSeer, Statista, NASSCOM), and published interviews or blog posts by the companies themselves.

The collected information is organized and analysed under two major headings:

1. Types of Gratification Marketing Strategies (e.g., discounts, loyalty programs, gamified rewards), and
2. Use of AI in Implementing These Strategies (e.g., personalization, predictive analytics, real-time targeting).

This approach helps in deriving insights based on documented facts and previously conducted studies, without any primary data collection. The findings are interpretative in nature and contribute to existing knowledge by summarizing and connecting the literature relevant to gratification marketing in food delivery services.

**Data Analysis and Interpretation:**

**Objective 1: To identify the various gratification marketing strategies used by food delivery apps like Zomato and Swiggy.**

**Types of Gratification strategies:**

1. **Instant Gratification:** Instant gratification strategies are designed to trigger immediate user responses by offering rewards at the point of purchase. These include time-limited discounts, cashback, free delivery, and gamified elements like scratch cards. The purpose of such strategies is to encourage impulse ordering, boost app traffic, and increase daily transactions.
2. **Delayed Gratification:** Delayed gratification strategies focus on long-term customer retention. By offering rewards over time—through loyalty programs, subscription models, or tiered benefits—these strategies aim to build sustained relationships, develop user loyalty, and improve lifetime value. Together, these tactics form a structured and strategic approach to customer engagement in food delivery platforms.

The following table outlines the sub-types of gratification marketing strategies used by food delivery apps, categorizing them under instant and delayed gratification. These sub-types include various promotional tools such as discounts, referral bonuses, subscription benefits, and milestone rewards that are tailored to enhance user engagement.

**Table 1: Gratification Marketing Strategies Used by Food Delivery Apps**

| Type                  | Strategy                    | Description                                       | Example                                     | Cited Articles/Sources                             |
|-----------------------|-----------------------------|---|---|--|
| Instant Gratification | Time-limited discounts      | Flat % off on orders within specific hours        | “50% off on lunch orders between 1–3 PM”    | Arora et al. (2024); Zomato app (2024)             |
|                       | Free delivery offers        | Conditional (min order value or for select users) | Swiggy’s ‘Free delivery above ₹149’         | Thakkar et al. (2024); Swiggy app (2024)           |
|                       | Cashback & wallet rewards   | Money credited back to app wallets or UPI         | Zomato cashback via Paytm                   | Malukani & Sharma (2024); RedSeer Report (2023)    |
|                       | Scratch cards & lucky draws | Post-purchase gamified offers                     | Swiggy’s ‘Daily Scratch Card’               | Jain et al. (2024); Swiggy Blog (2023)             |
|                       | Referral bonuses            | Instant credit for inviting new users             | “Invite & Earn ₹100” offers                 | Zomato Help Section (2024); Khamoushi (2024)       |
| Delayed Gratification | Loyalty Programs            | Rewards for repeated usage                        | Swiggy super (Swiggy one), Zomato Gold      | Varsha et al. (2024); Zomato Gold FAQ (2023)       |
|                       | Tiered rewards              | Levels based on spending/order frequency          | Zomato’s Gold Exclusive deals               | Jain et al. (2024); Zomato Press Releases (2023)   |
|                       | Subscription models         | Ongoing perks for a fee                           | Swiggy One: free delivery, priority support | Swiggy One Terms (2024); Khamoushi (2024)          |
|                       | Milestone bonuses           | Gifts or discounts after set number of orders     | “Get ₹200 off on your 10th order”           | Arora et al. (2024); App user reviews(2023)        |
|                       | Festive & seasonal rewards  | Extended gratification for holiday users          | Diwali Festive Coupons, IPL Combo Deals     | Swiggy Blog (2023); Zomato Campaign Archive (2023) |

*Source: Created by researcher based on secondary data.*

**Interpretation:** The review of literature and app data shows that Zomato and Swiggy use two main types of gratification strategies: instant and delayed. Instant rewards like discounts, cashback, and referral bonuses encourage quick orders, while delayed rewards like loyalty programs, subscriptions, and milestone offers help retain customers

over time. These strategies are designed to boost both immediate engagement and long-term loyalty. The wide use of such tactics confirms that gratification marketing is central to customer experience and business growth in food delivery apps.

**Objective 2: To understand the role of artificial intelligence in delivering these gratification strategies in a personalized and real-time manner.**

Artificial Intelligence (AI) plays a crucial role in enabling and enhancing gratification marketing in food delivery apps like Zomato and Swiggy. AI helps these platforms analyze customer data, such as browsing history, order patterns, location, and preferences, to deliver personalized offers and rewards in real time. This allows the apps to send timely push notifications, recommend relevant deals, and tailor discounts based on individual user behavior.

For example, Swiggy uses AI to increase click-through and conversion rates through smart segmentation and dynamic messaging, while Zomato applies machine learning to suggest dishes and offers that match user tastes. AI also supports automated reward triggers, such as sending a coupon when a user shows signs of inactivity or offering milestone bonuses after a certain number of orders. Overall, AI transforms gratification marketing from a generic strategy into a targeted and efficient engagement tool, making the experience more relevant for users and more effective for platforms.

**Table 2: Role of Artificial Intelligence in Delivering Gratification Marketing Strategies in Food Aggregators**

| AI Application                             | Platform | Outcome / Benefit                                      | Example                                       | Sources  |
|--|----------|--|---|--|
| Personalized Push Notifications            | Swiggy   | +25% click-through rate (CTR), +15% conversions        | Offer based on user's previous cuisine choice | Netcore AI Report (2023); Madani & Alshraideh (2021) |
| AI-Powered Email Campaigns                 | Swiggy   | 25% open rate, 7% CTR (double in 6 months)             | Discount emails tailored to order history     | Netcore Case Study (2023); Khamoushi (2024)          |
| Conversational AI on WhatsApp              | Swiggy   | 5× higher CTR, 2.3× engagement, 1.5× reactivation rate | Automated reward chat journeys                | Gupshup Insights (2023); Swiggy Blog                 |
| Personalized Recommendations               | Zomato   | 21% faster order decisions, +2.5% conversion           | AI-powered "Recommended for You" dishes       | Zomato Engineering Blog (2023); Khamoushi (2024)     |
| AI-Powered User Acquisition (Ad Targeting) | Swiggy   | +270% installs, -41% cost per install (CPI)            | Facebook ads personalized via Pixis AI        | Pixis-Swiggy Case Study (2023); RedSeer Report       |
| Real-Time Segmentation Engine              | Swiggy   | 2.5M requests/min, <25ms latency, +19% conversion      | Live customer triggers and rewards            | Swiggy Tech Blog (2023); Thakkar et al. (2024)       |

*Source: Created by researcher based on secondary data.*

**Interpretation:** The table highlights how AI technologies are being used by food delivery platforms like Swiggy and Zomato to deliver personalized gratification strategies. AI enables features such as real-time user segmentation, automated offer delivery, and predictive recommendations, which result in improved engagement metrics like higher click-through rates, better conversion rates, and increased app installs. For example, Swiggy achieved up to 25% higher CTR and 270% increase in app installs using AI tools. Similarly, Zomato has improved order flow speed and recommendation accuracy through machine learning. This shows that AI is not only enhancing the efficiency of marketing strategies but also making them more relevant and impactful, thus playing a key role in improving both user satisfaction and business outcomes.

**Limitations of the study:**

1. The study is based solely on secondary data, which may not capture real-time user experiences or preferences.
2. Findings are limited to Zomato and Swiggy, and may not apply to other small food delivery platforms or regions.
3. The dynamic nature of digital marketing may cause some strategies discussed to become outdated over time.
4. The absence of primary data restricts direct insights into consumer perceptions of gratification strategies.

**Major Findings of the study:**

1. Food delivery platforms like Zomato and Swiggy actively use both instant and delayed gratification strategies to attract and retain customers.
2. Instant strategies such as discounts, free delivery, cashback, and referral bonuses encourage quick ordering behavior.
3. Delayed strategies like loyalty programs, milestone rewards, and subscriptions aim to build long-term engagement and customer loyalty.

4. Artificial Intelligence (AI) plays a key role in personalizing these strategies based on user behavior, preferences, and real-time activity.
5. AI-driven tools such as push notifications, recommendations, and chatbots have led to measurable improvements in click-through rates, user engagement, and conversions.
6. The integration of AI with gratification marketing makes promotional efforts more efficient, targeted, and customer-focused.

**Suggestions:**

1. Regularly update reward strategies based on user feedback and AI-generated insights to maintain relevance.
2. Invest in ethical AI systems to ensure transparency and fairness in personalization.
3. Expand gratification strategies beyond discounts to include meaningful experiences and value-added services.
4. Encourage data-driven experimentation to optimize the timing and format of offers across user segments.

**Conclusion:**

The study concludes that gratification marketing is a core strategy for user engagement in food delivery apps, effectively supported by Artificial Intelligence. Zomato and Swiggy use a combination of instant and delayed rewards to influence customer behaviour at different stages of the user journey. AI enhances the relevance and timing of these strategies, making them more impactful. As competition intensifies, platforms that combine intelligent automation with customer-centric marketing are better positioned to succeed.

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