

A Comparative Study of Zomato and Foodpanda as Food Networking Start-ups in the Indian Market

*NagendraAsha

**MadappaTanavi

**Tomar Anjali

**ChhetriKumar Nirmal

* = Professor, Symbiosis Institute of Management Studies, Pune

** = MBA Students, Symbiosis Institute of Management Studies, Pune

Abstract:

The study “**Comparative study of Zomato and Foodpanda as food network start-ups in the Indian market**” aims at understanding the impact of strategies followed by Zomato and Foodpanda on the users and analysing the grade of acceptance of food networking start-ups by the Indian market. Food networking startups embrace strategies to provide an important service to the people; which is, finding and delivering food. Zomato and FoodPanda are India’s leading food network startups. During the study, in order to get the primary data the researchers prepared a questionnaire of 20 questions and carried out a survey with 100 respondents residing in Pune. The first finding of the paper is that, majority of the users of the online portals are of the age group 25-30 and belong to the working class. Secondly, Zomato is more popular than Foodpanda in features such as user interface and visual appearance. Lastly, majority of the respondents feel that there is scope for further growth of food networking start-ups in India. The study is beneficial to the society since people have shown evident interest in the contribution of food networking startups, considering the recent significant growth of the sector and the manner in which they have made a part of their life easier.

Key words: Food-networking, Strategies, Popularity

Introduction:

“There is no sincerer love than the love of food.” -George Bernard Shaw

India is home to start-ups from various sectors of the industry and its market is now implementing E-commerce on a large scale as the age of technology is providing the people with quick access to their requirements at their fingertips. Food networking start-ups are on a rise because of the significant rise in consumerism, customer’s quest for knowledge regarding new developments in the field of food technology and the app-culture, and relatively better incomes which are encourage the Indian community to try new avenues in the sector. Zomato and FoodPanda are India’s leading food network. According to Business today, Zomato combined the use of technology with the love for food among people and helped them search and discover places to eat whereas Foodpanda focused on food delivery at the doorsteps of the customers. Zomato is still leagues ahead of everyone else in the food space, but online food Delivery Company Foodpanda has picked up enormous funding and is on an acquisitive and marketing binge, making comparisons inevitable.

This paper is a comparative study on the various aspects of the two market leaders in food portals and how the Indian market has accepted them as the most popular in their field. Upon reviewing various case studies it was noted that the two start-ups have been individually studied. Also, the study deals with how and why the companies were launched, user experience and competitor study. There is a dearth in the study upon their comparison between Zomato and Foodpanda with respect to how they work, why people prefer either of the two and what are the practices followed by them that make them different though being in the same field.

Objectives:

- 1) To understand the impact of strategies followed by Zomato and Foodpanda on the users
- 2) To analyse the grade of acceptance of food networking start-ups by the Indian market

Limitations:

- 1) The survey is restricted to the people of Pune city.
- 2) The survey is done on 100 people and they may not represent the entire users’ perspective.

Review of Literature:

Sathe (2015) in his article **“Can Zomato Eat Foodpanda's Lunch in India?”** discusses about the Zomato’s starting of food delivery system in India. This new launch will make the Zomato stand in

front of Foodpanda; a neck to neck competitor. Deepinder Goyal justifies the move saying it was for making Zomato ultimate place for food lovers. The article describes how Zomato is working on several things to improve user experience like restaurant ordering, payments, best place food discovery etc. Thus with its advantage of a big sales force and its entering into new areas, Foodpanda needs to be alert.

Thetechpanda.com (2013) in their article “5 competing Food network start-ups” gave among the first few comparisons to food order and delivery start-ups in the country in the year 2013. The article concentrates on giving an insight into the origin, growth in India, the expansion into the world market, the app-website culture, and their delivery networking along with their CEOs individually. A detailed comparison and facts such as the acquisition of Just Eat which are recent developments and comparisons between the five have not been covered in the article. The researchers get a view into the market’s view towards food network start-ups which have seen a significant growth in the last two years.

Research Methodology:

The topic has been selected keeping in mind the substantial growth of food networking start-ups in the country and the rising popularity of the two forerunners Zomato and Foodpanda in the online restaurant search and food delivery market. A stratified sample size of 100 individuals was subjected to a questionnaire. This sample includes people from Pune city of the age group 18 and above. The questionnaire was pre-tested on 10 respondents which comprised of students of SIMS. Their behaviours and responses were clearly recorded and suggestions given by them were incorporated. The primary data for the research was collected from primary sources. 80 responses were taken via mail (Google Doc Form) and the remaining was taken on a one on one basis.

Results:

Table 1: Response on Foodpanda taking over Zomato in popularity

SNo	Response	n=100	percentage
a.	Yes	37	37
b.	No	63	63

Discussion:

Maximum respondents (63%) feel that Foodpanda cannot take over Zomato in popularity, whereas only 37 % think that Foodpanda can take over Zomato in popularity. The above results are in

accordance with the results of **Sathe (2015)** who in his article "**Can Zomato eat Foodpanda's lunch in India?**" found out that that the two portals have a neck to neck competition in the field of online food ordering, but Zomato is putting in efforts towards improving restaurant ordering payments and so on. Hence, its sales force ensures a strong competition for Foodpanda and also takes over in terms of popularity.

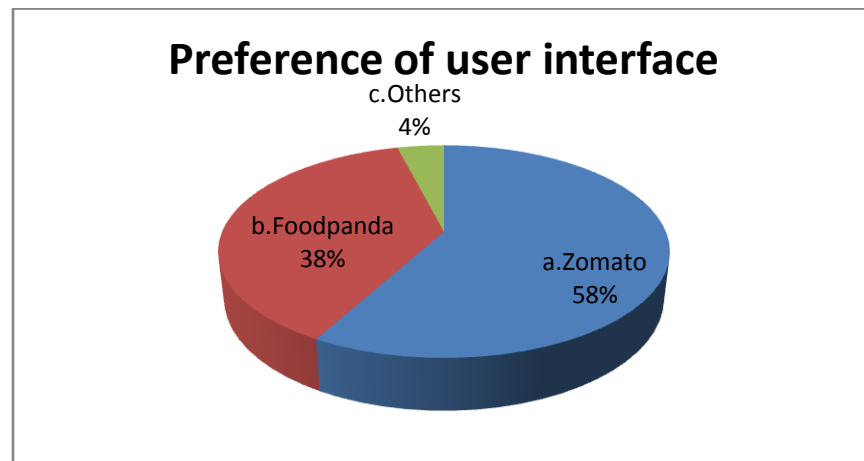


Fig 1: Preference of user interface

Discussion:

Maximum respondents (58%) feel that Zomato has a better user interface, second largest respondents (38%) feel that Foodpanda has a better user interface and very few (4%) feel that other food networking start-ups have better user interface.

Table 2: Scope for new entrants into the food networking sector

SNo	Response	n=100	Percentage (%)
a.	Yes	61	61
b.	No	39	39

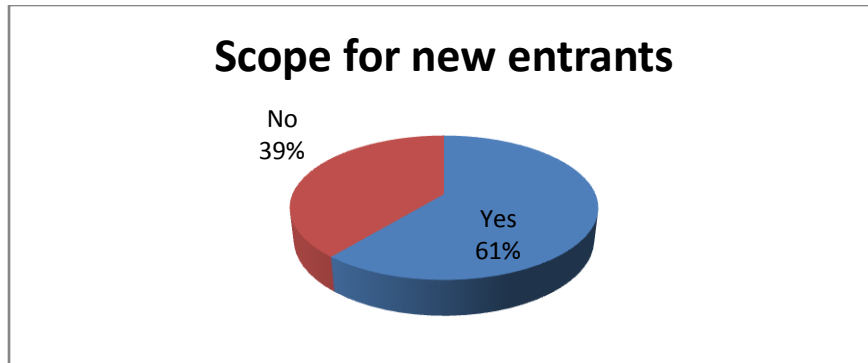


Fig 2: Scope for new entrants

Discussion:

Maximum respondents (57%) feel that the food networking start-ups are not youth oriented while only 43% think it is youth oriented. The above results are in accordance with the results of **Thetechpanda.com(2013)** who in their article "**5 competing Food Networks start-ups**" found out that there is significant growth over the last two years in the food networking portals in relation to the app-website culture and their delivery networking. Hence once can establish a relation with the responses obtained from the respondents.

Table 3: The website that the user recommends

SNo	User recommendation	n=100	Percentage
a.	Zomato	54	54
b.	Foodpanda	45	45
c.	Others	1	1

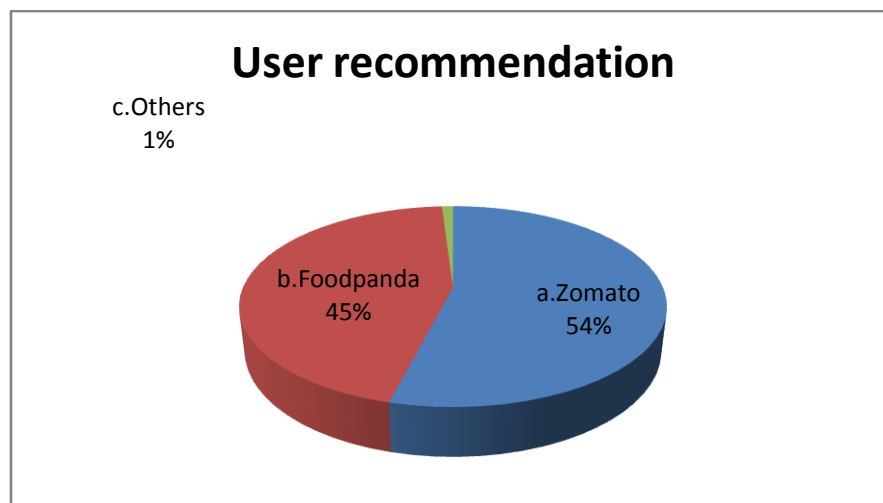


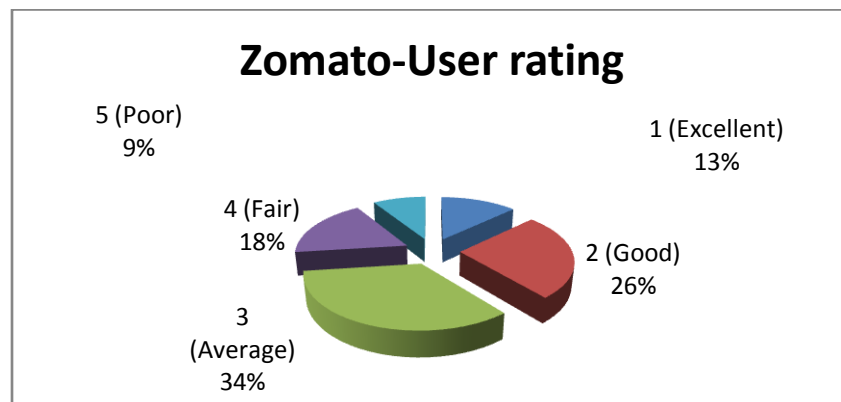
Fig 3: User recommendation

Discussion:

Maximum respondents (54%) recommend Zomato followed by Foodpanda to others (44%), very few (1%) recommend other food networking start-ups.

Table 4: User rating of Zomato

SNo	Rating- Zomato	n=100	percentage
a.	1 (Excellent)	13	13
b.	2 (Good)	26	26
c.	3 (Average)	34	34
d.	4 (Fair)	18	18
e.	5 (Poor)	9	9

**Fig 4: Zomato: User rating**

Discussion:

Majority of the respondents (34%) give user rating of average to Zomato followed by 26% rating it good whereas only 9% rating it poor.

Table 5: User rating of Foodpanda

SNo	Rating- Foodpanda	n=100	percentage
a.	1 (Excellent)	10	10
b.	2 (Good)	15	15
c.	3 (Average)	9	9
d.	4 (Fair)	43	43
e.	5 (Poor)	23	23

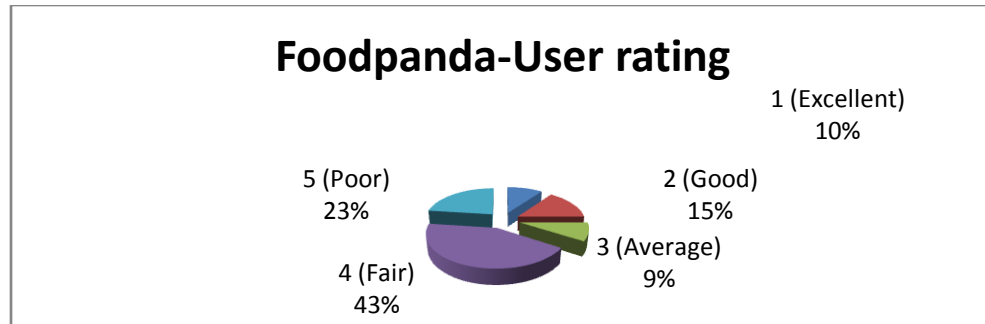


Fig 5: Foodpanda-User interface

Discussion:

Maximum respondents (43%) give user rating of fair to Foodpanda followed by 23% rating it poor, while very few people (9%) mark it average.

Conclusion:

The first objective of the study was to understand the impact of strategies followed by Zomato and Foodpanda on the user. Maximum respondents (63%) feel that Zomato should go ahead with food delivery services whereas only 37% think it should not go ahead. The two portals have a neck-to-neck competition in the field of online food ordering, but Zomato is putting in efforts towards improving restaurant ordering payments and so on. Hence, its sales force ensures a strong competition for Foodpanda and also takes over in terms of popularity as per the survey results.

The second objective of the study was to analyse the grade of acceptance of food networking start-ups by the Indian market. Most respondents (38%) use online portals once a week, the second largest majority of the respondents use by once a month (33%) and least being others (3%). Maximum respondents feel that there is scope of growth of food networking start-ups in India (70%), whereas only 30% think the other way. There is significant growth over the last two years in the food networking portals in relation to the app-website culture and their delivery networking. Hence, one can establish a relation with the responses obtained from the respondents.

Overall, the research shows that Zomato has so far done quite well and is ahead of Foodpanda in terms of popularity, preference of user interface, easy navigation, wider options etc. Foodpanda is also making a lot of efforts to win the online space for food networking. Zomato still trying to keep the competitive edge shows there is a lot to witness as to who actually wins eventually.

Recommendations:

After undertaking this research and studying its findings, it can be recommended that the websites, Zomato and Foodpanda

- 1) They can introduce a feature Google Maps based interface for the nearby search feature. Something like what Housing.com has for listing apartments. This would be especially helpful when people are in a new city or a new part of town and the eatery's distance from their location is a big factor in the decision making process.

- 2) Use review data for food-sentiment analysis to get an idea. They could also use the same method to provide a list of recommended food items.
- 3) Information about parking would be fascinating.
- 4) Banner advertisements - Use a machine learning algorithm to identify restaurant clusters and display ads related to the current search. It will enhance user experience without damaging their revenue from advertisements.

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