

Product and Brand Strategy of Zomato*

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Abstract - With the advent of e-commerce boom in India, the Indian consumer has seen his life being touched by e-commerce in almost every vertical from online shopping to ticket bookings, healthcare, etc. One of such verticals is e-food industry, which has very efficiently utilized the e-commerce platform in the online food review and food ordering business. This is a vertical, which has brought almost every restaurant in India under a single roof in the hands of the consumer. Now, finding a great place to eat, ordering food, reserving tables, and giving positive or negative feedback for a restaurant has become very easy and accessible for the consumer. This vertical has shown tremendous growth over the last 5 years signifying the untapped potential. The pioneer and leader of this segment in India has been Zomato. Zomato is a brand, which every consumer would associate to when he thinks of an e-food platform.

Keywords— Zomato, online discovery guide, restaurants, food

I. INTRODUCTION

Zomato is an online discovery guide for restaurants, bars, pubs and clubs and for dine-outs. The registered users are required to post reviews and rate (on a scale of 1 - 5 stars) the restaurants on the basis of their choice, visit and experience. The website helps in defining the restaurant/pub/club on the basis of presence or absence of air conditioning, smoking area, WiFi Internet, stag entry, live performances and outdoor seating or whether non-vegetarian food and alcohol are served or not. Zomato also provides information related to cuisines served, operation timings, approximate cost of a meal for two, credit cards accepted or not.

A. History of Brand Zomato

Zomato started as the website Foodiebay.com, by Deepinder Goyal, a post-graduate from IIT Delhi. Foodiebay officially started in July 2008 with a list of 1,200 restaurants in the Delhi NCR region. This database expanded to 2,000 restaurants by end 2008. Expanded its reach to Kolkata, Mumbai, Bangalore and Pune within the next six months That is when Info Edge (India), the parent company of the Naukri.com group, invested 4.7 crore (US\$1 million) in the business. In November 2010, Foodiebay.com was renamed Zomato.com. The brand name was changed due to a possible move outside of the food vertical and also to avoid a possible conflict with eBay, because the earlier brand name Foodiebay contained 'eBay' in it. (Source: www.wikipedia.com)

B. Geographical Coverage

By 2011, Zomato's coverage reached Chennai and Hyderabad as well. In 2011, Zomato also launched applications for iOS, Android, Windows Phone and BlackBerry devices. In September 2012, Zomato expanded to its first overseas location by launching its

services in Dubai, UAE. This was followed by quick expansion into Sri Lanka, Qatar, the United Kingdom, The Philippines, South Africa, New Zealand, and more recently to Brazil, Turkey and Indonesia. (Source: www.wikipedia.com)

II. OBJECTIVES

The objectives of this research paper are:

- To study and understand the branding and marketing strategy of Zomato
- To analyze the current positioning of the brand as per consumer perception
- To suggest scope of improvement for the brand as per consumer responses

III. RESEARCH METHODOLOGY

The paper is based on primary and secondary research. Primary data was collected from respondents and food bloggers through a set of questionnaires prepared to understand the perception of the brand 'Zomato'. Secondary data was collected from consumer food blogs, newspaper research articles & social media pages of Zomato.

IV. OVERVIEW

A. Brand Elements

Brand Name: Zomato named after Foodiebay to avoid conflicts with eBay. It is an arbitrary brand name (no relationship with the company/product)

Brand Tagline: "Discover more places to eat around you"

Brand Logo: Simple and classy



B. Positioning: The brand/website is very popular and common these days among the youth especially, since they want to experiment new places to dine-out or enjoy with their friends and family. Such experiments require reviews.

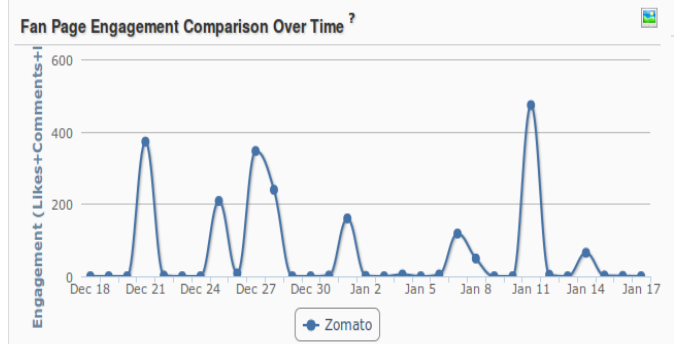
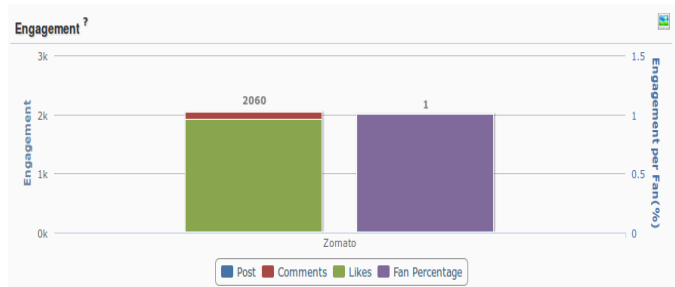
C. Customer Support: Thousands of customers view and use the Zomato website daily. These customers belong to India, Dubai, UAE. This was followed by quick expansion into Sri Lanka, Qatar, the United Kingdom, the Philippines, South Africa, New Zealand, and more recently to Brazil, Turkey and Indonesia. (Source: www.wikipedia.com)

Overall Brand Social Media Strategy

Zomato aims to be the place where Foodie’s hangout. In fact, it had rechristened itself as a Food Network. It is leveraging 3 primary platforms to power its own Food Network: Facebook, Twitter and Pinterest. Their social media content strategy revolves around food and restaurants but the efforts look a little half-hearted.

Facebook

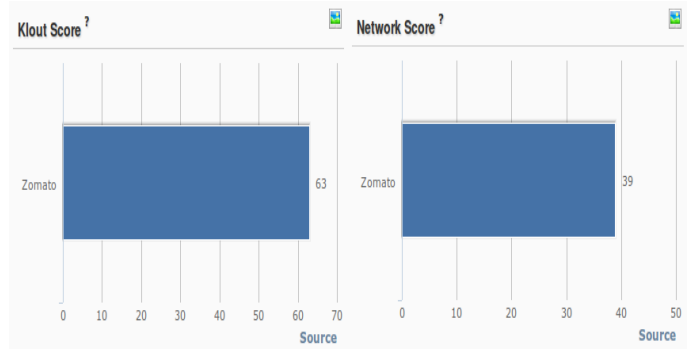
Though Zomato has a 1288k strong Facebook community, it is seriously lacking in engagement



The page doesn’t have regular updates going out. Only a handful go out each month. But whatever content they share, they do a stellar job at it.

Twitter

Twitter is where Zomato shines. Twitter is primarily being used as a conversation platform and the brand is doing an excellent job at engaging in conversation with the people.



Because Twitter allows for Realtime conversation, it is used daily to respond to queries from people asking for recommendations. They also periodically run contests on Twitter, Foodie Friday being one that has taken off and seen a great response. The Yummy Yatra happened recently and was covered live almost entirely on Twitter. Twitter is less about updates, more about conversation/engagement.

Facebook is a little static in comparison, and is more a platform for updates from Zomato. For example, our new TV commercial, posts fresh off our official blog, or photo albums from events conducted by us.

Blogs

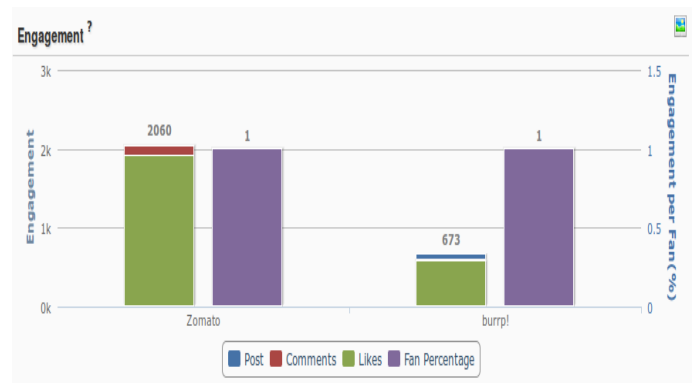
The Zomato blog is the company’s mouthpiece where it shares all the latest updates about the brand and its initiatives. Though the posts are written very well, there is no regularity here as well.

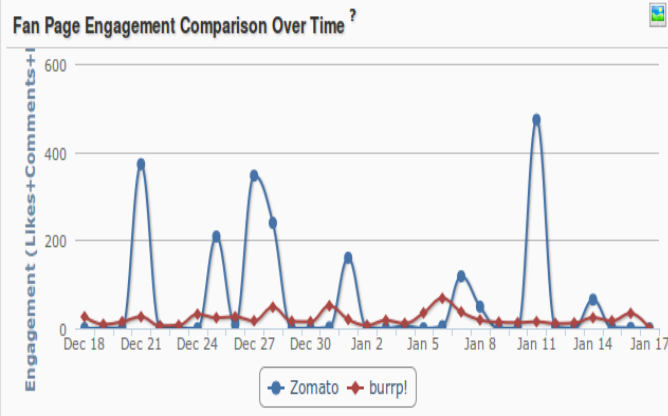
Pinterest

A visual treat and a foodie’s true delight, the content shared on their Pinterest channel is simply amazing! They should work hard on promoting it.

Comparison of Brand Zomato with Competitors

With the might of Network 18 behind it, *Burrrp.com* still can’t give a tough fight to *Zomato*. *Zomato* is low on content and it has low engagement, but *Burrrp* is worse. Even when it is adding content twice a day, there is still not enough engagement to mention about.





Yelp focuses on local businesses as well as compared to Zomato. Also Just eat / Yelp are not that technologically strong as compared to Zomato.

PESTLE Analysis of Brand Zomato

Political

The political situation in India is favourable for Zomato. A company entering a global market is always prone to political risk.

Economic

- * Global expansion requires the firm to raise more funds
- * The banking system is different, so setting up bank accounts and carrying out transactions also takes time to settle.

Social

- * It was difficult to operate in a new language while also trying to reinvent their operations.

Technological

Superior technology allows Zomato to better meet the needs of their customers in ways that competitors can't imitate.

Positioning and Communication Strategy of Brand Zomato:

Zomato has a presence in 11 countries and lists more than 3,00,000 restaurants. Its website gets 15 million visits a month. It has a very strong online presence along with below the line to TV advertising to remain on top of the user's mind. The sheer amount of content aggregated daily sets them apart from its competitors and gets connected to their customers.

Zomato is present across all social platforms such as Facebook, Twitter, Pinterest and Google Plus which allows it to keep interacting with its customers base on a regular interval and communicating the fact that Zomato is for the love of food and is the first place to reach out to when it's about food.

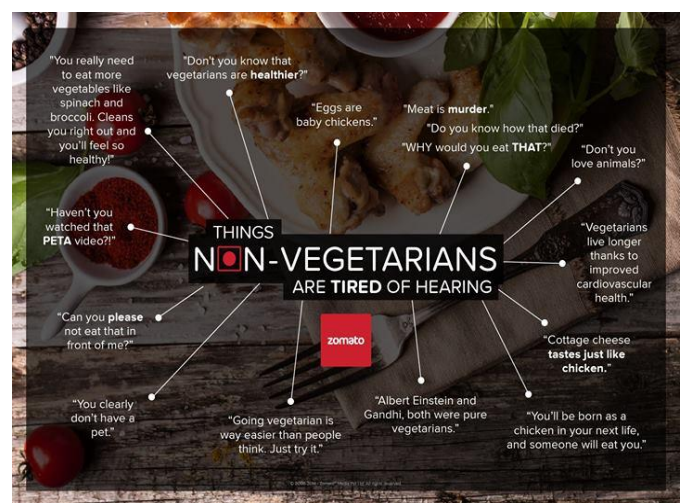
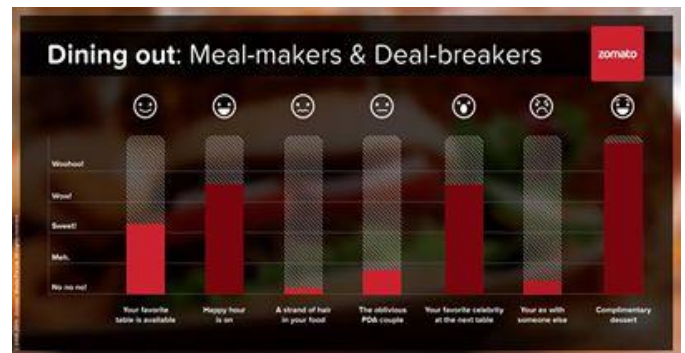
Engaging stuff on Twitter (#FoodieFriday quiz) has worked very well, TV advertisements for New Year Ticketing in December were very aggressively implemented and established Zomato as a brand to watch out for among both users and merchants. Getting involved with users, especially the ones who are very active on Zomato, with physical activity like the FoodSprint in Delhi and Zomathon in Bangalore, has given Zomato a lot of brand ambassadors who are always very highly valued.

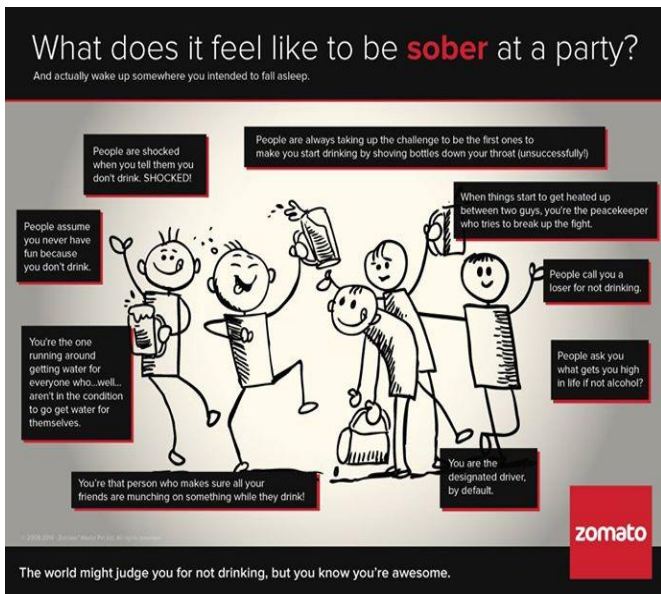
Zomato Print Restaurant Guides -The Connoisseur's guide to eating out have really helped establish Zomato as an authority in the restaurant space.

Zomato's initiative "Menus For Change" to work for the less privileged, a program that aims to give back to society and help provide nutrition and overall health to children less fortunate than us has positioned it as a much superior brand than its competitors and enhancing its brand value.

Communicating with its customer base through online presence:

Zomato communication through its Facebook page:





local advertising. They make sure that advertisements only reach to people who are looking for food options in their locality, and that they only pay for relevant exposure.

Track the ROI on your spending- Unlike most other advertising platforms, Zomato have the technology to track the impact Zomato has on your business. This is what really keeps the clients coming back again and again.

An advertiser Review: Vishesh Bachan Nanda, General Manager at Delhi-based restaurant Thai High, vouches for Zomato. Nanda used the food guide portal for marketing Thai High, just as he did in his previous stints at restaurants Veda, Kink and Second Sin in the National Capital Region. "We got 11 calls from Zomato on the first day of listing," he says.

Communicating with its customer base through technology: Zomato has been smart enough to react swiftly to technological developments. With more and more consumers using phones to search for food, the company launched a mobile application in 2011. The app has recorded more than 3 million downloads so far.

Pricing Strategy

*Pricing Model-*The company earns revenue from advertising by listed restaurants. Ad rates vary between Rs. 5,000 and Rs. 3 lakh a month, depending upon location, cuisine and other factors.

Advertising Options:

1. Headliner Strip
2. Hover Advertisement
3. Banner Advertisement
4. Enhance your business page

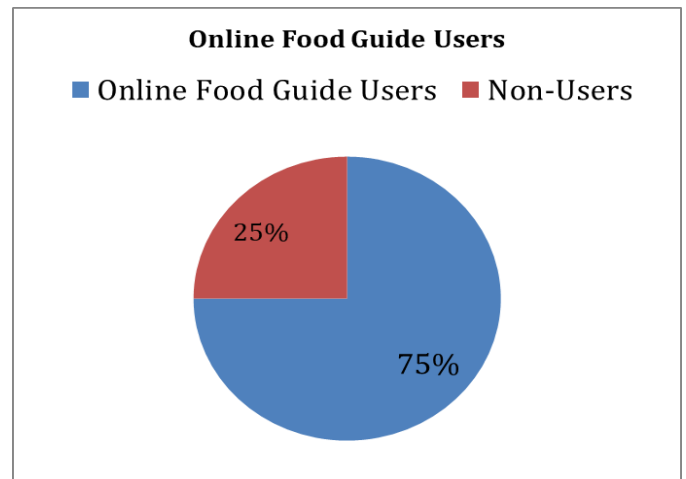
Brand Zomato: Attractiveness as an Advertising Avenue: 15 million people visit Zomato every month across Brazil, India, Indonesia, New Zealand, Philippines, Qatar, South Africa, Sri Lanka, Turkey, UAE and The United Kingdom. Foodies visit Zomato to discover more places to eat around them - Zomato can help them discover your business.

Zomato is only built for food/restaurant discovery - Therefore, it has a very targeted audience. Most of Zomato users buy a meal within an hour of visiting Zomato.

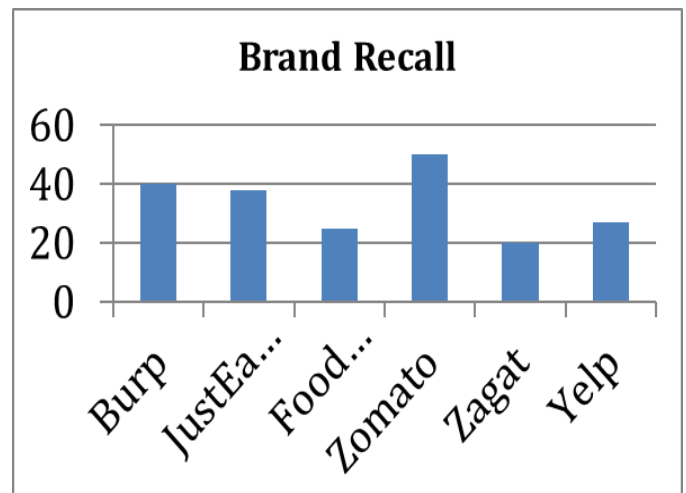
Zomato users spend a lot on Food - Most of Zomato users are working professionals with high disposable incomes. And they eat out more than thrice in a week.

Hyperlocal advertising. Advertise only to the customers who can reach you and spend with you - Zomato defines hyper

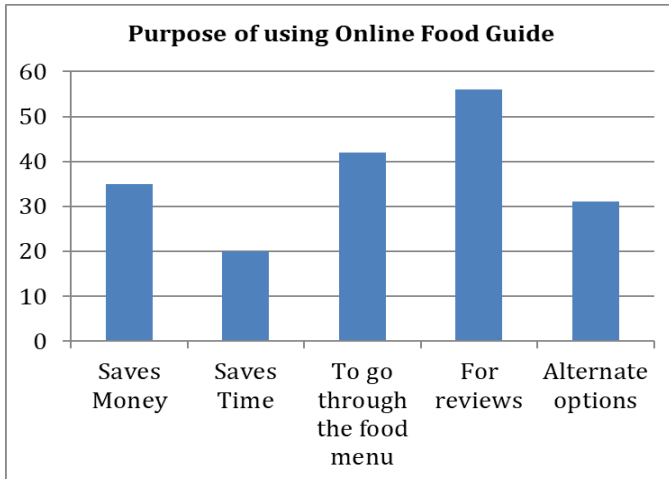
V. RESULTS OF CONSUMER SURVEY



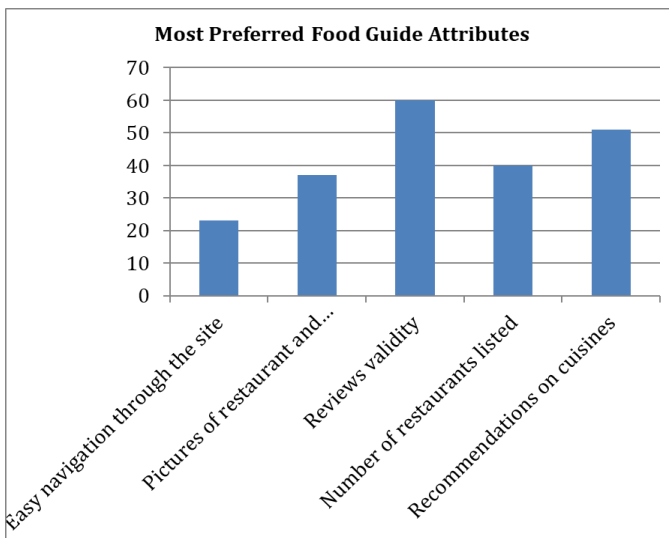
- A survey was conducted for 60 respondents
- 75% of the respondents were current Online Food Guide Users



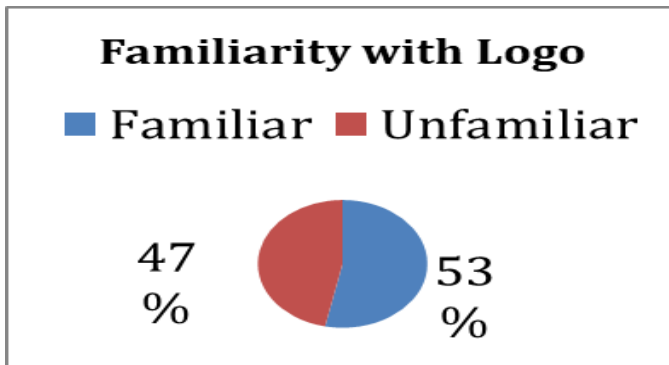
- Zomato had the highest brand recall
- 50 out of 60 respondents could recall brand Zomato



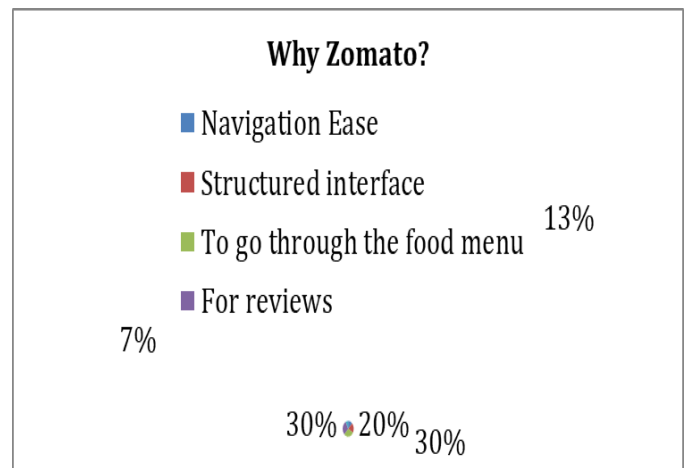
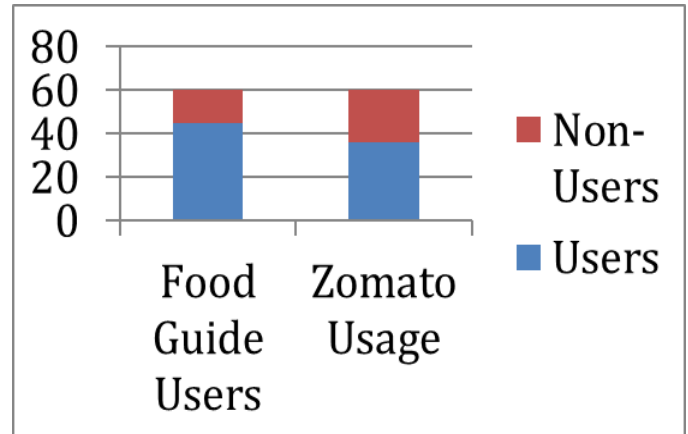
- Majority of respondents used Zomato for checking reviews
- Respondents also used Zomato to go through the food menu of various restaurants
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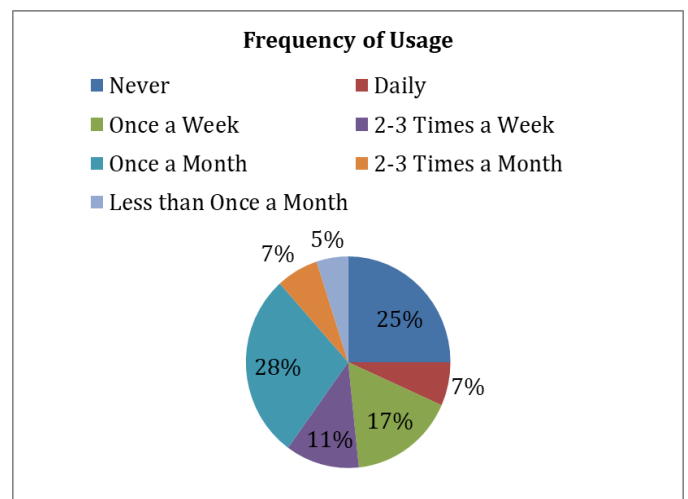
- Validity of reviews was the most preferred attribute for the respondents
- This was closely followed by the Recommendation on cuisines



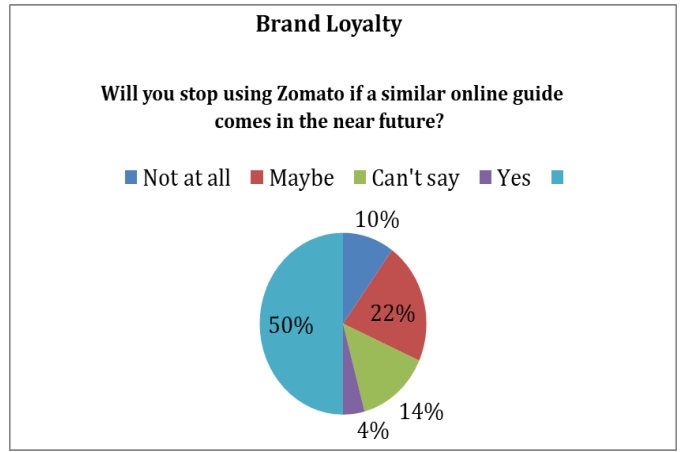
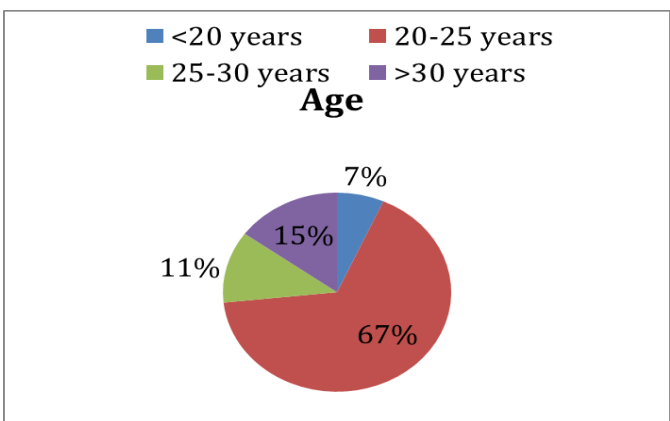
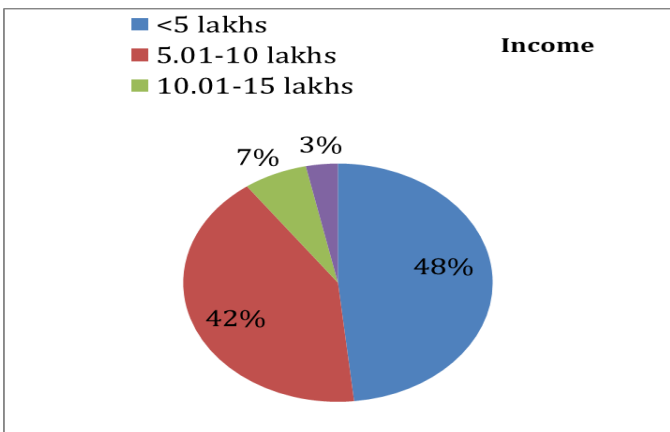
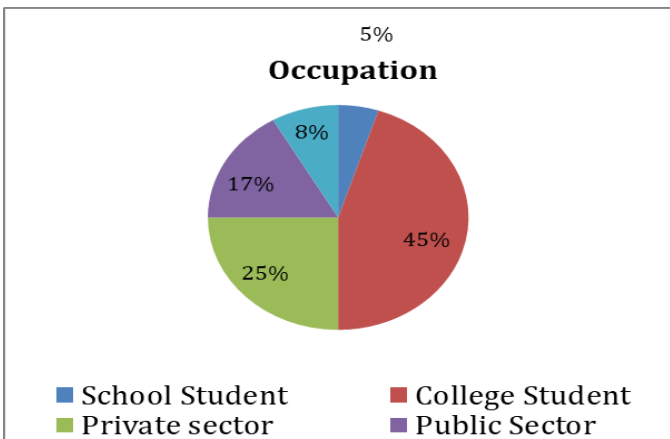
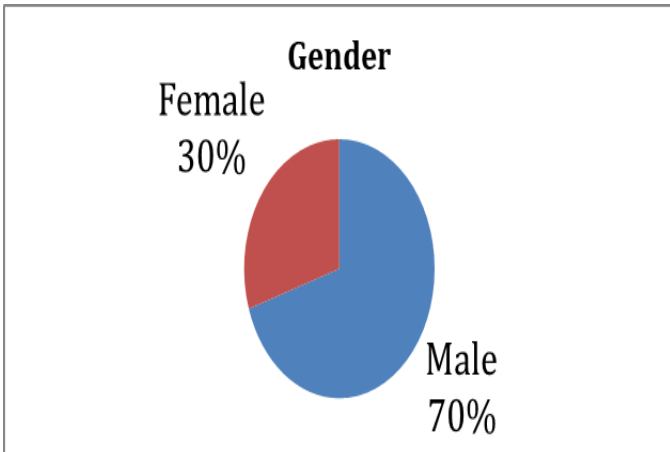
- 53% of the respondents could correctly identify the Zomato logo



- Zomato was liked and chosen mainly because of the reviews feature
- The authenticity of the reviews made the consumers chose the brand



- 28% of users use Zomato at least once a month
- 17% use it once a week
- This shows most users are frequent, and this ensures better returns for the advertiser



- Consumers are very loyal to the brand Zomato
- They are not willing to switch to any other similar site like Zomato in the future

VI. ANALYSIS OF CONSUMER RESPONSES

- *Zomato has an excellent Brand Equity*
 - Most consumers are aware of the brand Zomato
 - Most consumers can easily recall the brand Zomato
 - Consumers can recall the brand logo
 - Consumers have a great degree of loyalty for Zomato
- *Sources of equity*
 - It caters to the most relevant needs of the customer, and fulfilled them better than the competitors
 - It gives ROI to the advertiser/ restaurant owner
 - It is the leader in the segment which it serves (food)

VII. CONCLUSION & RECOMMENDATIONS

It was found that social media platform is not being properly utilized. The Facebook page should be more active to interact with consumers. Also, Zomato needs to keep innovating. New features like virtual tour of restaurants should be added. Live video shots from café/pubs can be added if some famous band is performing over there. The brand should build on its most used features. It must ensure that Authenticity of the reviews should be maintained. Paid reviews should not be encouraged, as it will dilute the brand

REFERENCES

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