Online Food Delivery Apps in the Modern Era: A Contemporary Perspective

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Abstract
Online food ordering is one of the fastest-growing sectors of the Indian e-commerce market. Online ordering is perhaps the easiest and most convenient option whether through a fast food chain's website or mobile application, or a site or app that offers more options for food delivery from various eateries. The platforms offer varieties of cuisines like fast food, Indian, Chinese, Italian, and more. In these days, the culture of eating out is replaced by the culture of eating in. Due to this, it is seen that more Indian households have online food delivery services. The best well-known food online delivery services include Zomato, Swiggy, Food Panda, and many more. This paper is conceptual in nature and mainly deals with the Notion of OFD Apps, Role of OFD Apps in current Scenario, various technologies adopted by online food delivery apps, Copious business models and revenue streams of Zomato, SWOT analysis and the future of Online food apps and their potential innovations.
Keywords: Cuisines, Online Food Delivery Apps, Potential Innovations, Revenue Streams, SWOT

Introduction

Within Internet Order World, a waitress or waiter was hired in 1995 to be the first Internet food ordering site. In its early stages, it only operated in northern California, but it eventually expanded to several other locations in the United States. Using an online food ordering system, your company may take online orders for delivery or takeout and manage them. On a website or app, customers browse a digital menu, make their order, and complete the payment process online. In 2022, the Indian market for online meal delivery was touched at a size of almost USD 7.4 billion. The industry has been growing at a rate of 100% every year over the last three years. The industry growth is fluctuating very much and is dependent on investments. In the coming years, it is expected to undergo a lot of growth. Kolkata is the largest regional market in India for online meal delivery. Almost 30 percent of the market is captured by a city. Delhi-NCR, Mumbai, Hyderabad, and Chennai are in the following list. In 2020, access to online meal delivery platforms became smartphone applications controlled, and about 80 percent of payments were done through paid online payment methods. The most popular service type in India is platform-to-customer delivery. Under this model, food is delivered to the customer with their own delivery staff by the platform, making the service more dependable and accountable. This delivery type nearly forms three-fourth of the delivery types in the market. Due to the quick rise in smartphone usage in India and the availability of affordable options, the online meal delivery market in that nation is seeing a surge in its

customer base. It is also being aided by increasing use of the internet due to lower data rates. And since the major companies are moving their usual metro strongholds to smaller towns and cities, the sector is being pushed even further forward. The business is getting a boost for growth in tier-2 and tier-3 cities due to the launch and expansion of delivery-only kitchens, especially in areas with few restaurant and cuisine options. Increased marketing efforts by leading players also helps the sector. The sector is ably fuelled by the platform incentives, such as memberships and discounts, that are bringing more customers into these online delivery platforms. The industry's increased funding and the expansion of the major businesses' own delivery fleets are giving the sector's growth even more of a boost. The Indian online food business is expanding as more women are moving into employment and as more households have double incomes, which increasingly prefer to eat out. India's Internet food market remains on an expansion course. The growth is likely to be driven by the economic development and the increasing household incomes arising from their expenditure on consumption in the coming years. The customers will spend on the sectors of food, housing, transport, and communication. As they establish their food consumption habits, the population of younger people will grow and have more disposable income, which will further super industry expansion.

Review of Literature

(Jadhav) translates into the online meal delivery market growing at 150% in the last years. The two facets of the growth factors are penetration of the internet and increasing usage of smartphones. Customers, according to the survey, expect a wide selection of restaurants, ease of ordering, having food delivered to doorsteps, and lower costs from online meal delivery apps. For conducting primary research for this work, two questionnaires-one completed by restaurants and the other by random customers who order a takeaway or neat out-were used.

(Herikson and Kurniati) clearly detailed the process of ordering food from a digital Food store and how it can give customers important information when placing an online order. The method utilised in this paper was descriptive in nature and was used

to gather both primary and secondary data about the ordering system in grocery stores through interviews and observations. The primary goal is to improve the efficiency of the ordering process and make it simpler for customers to place meal orders while enabling the admin to offer the best possible service to customers via the website.

(Panigrahi et al.) had honed in on the details of the background of Zomato, that is, a discovery website for restaurants and food delivery, with info about its digital marketing approach. They had discussed its values, market share, investments, success, feeding India, swot analysis, revenue models, and business models based on the case study.

(Thakur) have apparently said that the usage of online food ordering services is gaining momentum in our country. The customers prefer ordering food through online food delivery services because it is convenient and easy for them to order from their own home. They said that 80% of the consumers liked to shop at Swiggy due to the deals, deliverance was fast, and the rates were affordable along with other reasons. Cash on delivery is the second most commonly used form of payment by the customers. OFD applications are more used by the youth.

(Kumar et al.) had already aided the key objectives of understanding consumer attitudes and behaviour towards food services through the internet. The methods of utilizing mobile applications, the internet of things, and cloud computing for the delivery of numerous services, including food service delivery, was also encapsulated in the literature review for this study. Carrying some of those recommendations forward include the use of chatbots for customer care, augmented reality in its functioning to avail a better user experience, and developing blockchain technology for guaranteed secure transaction processing.

(Amis et al.) enumerated that online food ordering in India is growing rapidly, with a 15% increase in the past year and predicted growth in the years to come. Particularly in the rural areas, there is tremendous potential growth for online aggregators in the Indian industry. From a study on Indian consumer buying and perception behaviour relevant to online food ordering applications such as Zomato, Swiggy, Food Panda, and Uber Eats, the

most downloaded apps are identified, and the factors that influence the customers' attitudes towards these apps are researched in the article. It is revealed that more males buy than females, and the students are most regular app users.

The food aggregator has been a great leap for the billion-dollar online food delivery market. The methodology adopted in this research is primary data. Out of 150 questionnaires with respondents, 175 are accurate in consideration. In this paper, here the frequency distribution and percentage tools given by SPSS were used in order to analyze how the customers feel about the online food aggregators. They have come to the conclusion that the food industry also evolved through the Internet and that through technology, and that their study has shown Zomato and Swiggy as the best aggregators in the market. Therefore, research signifies the fact that because of the comfort and convenience food aggregators offer, numerous payment options, and a reliable delivery system, in addition to the fact that ratings and reviews are now available for customers, the primary preference of all customers is the wide variety of food options (Srivastava and Srivastava).

(Pai and Mayya) has analysed that the youth will most probably get addicted to ordering food online and will be likely to do it at least one time a week. Snacks is something customers order most and then comes dinner. This survey reports Swiggy and Zomato are the most used services for food delivery while Uber Eats, Food Panda, etc., less used. For the study methodology, 168 respondents were collected based on a questionnaire. The tools applied in the study were NPS, Multidimensional Scaling, Factor Analysis, and ABCD Analysis.

Most of the present views are based on the growing demand in food delivery app development, particularly during the COVID-19 period, and they also mention that platform-to-consumer delivery member is expected to reach US$96.8 million across the world by 2024, reported that digital orders and deliveries are picking up 300 faster than traditional dine-in deals since 2020. The report has also discussed the level of competition in the market for food delivery apps and argued that new businesses can thrive by finding gaps in the given options. It also emphasized how understanding the tastes and

opinion of consumers is crucial for deals to increase and customers to increase (Sharma et al.).

(Prima Frederick and Bhat) explained that, the brand Swiggy, an online food ordering and delivery service in India that evaluates the brand using a SWOT analysis and competitor, marketing, and financial performance analysis. This paper comes to the conclusion that Swiggy places a high priority on its clients and leverages its online platform to improve the whole dining experience. Both the company's revenue and its customer base have greatly grown since its inception. The study also discusses Swiggy's business model and lists the top ten rivals.

(Ariffin et al.) has discussion regarding the variables that still guide the intentions of the usage of meal delivery applications among Malaysian youth, hence based on the modified TAM that is the empirical underpinning of the adoption of the online meal delivery as a useful means to improve the quality of life. The researcher used a simple random sampling method to draw the survey of the results for 384 respondents by utilizing a questionnaire-based method followed in this study. The research concludes that social influence has the strongest impact on the continued use intentions of meal delivery applications among the users.

Objectives of the Study
- To know the Notion of OFD Apps.
- To access the role of OFD apps in current scenario.
- To study the various technologies adopted by Online food delivery apps.
- To understand various business models and revenue streams of Zomato.
- To find out the future of OFD apps and their potential innovations.

Theoretical Background
Notion of Online Food Delivery Apps
Meal delivery is a service or amenity that transmits food to a customer through a restaurant's website or mobile application. Indeed, the more location penetration by internet food ordering across the country, the more sales restaurants can claim. Every smartphone app generates an online menu.

One can order food from any restaurants in our locality through mobile applications like Zomato, Swiggy, and Uber Eats, which provide a myriad of variety of food. For every step of the delivery process, these mobile applications provide tracking features that make clients friendlier. Customers can trace how their orders are being delivered to the right eatery. Several payment options like COD and online are also available. These apps have a feedback system where users can rate and review the delivery service, restaurants, and the food delivered so that, again, there is an avenue for suggestions and recommendations.

Attributes of OFD Apps

User-friendly interface: For users to rapidly explore the app and place orders, it must have an intuitive and simple-to-use interface.

Customizable menus: Users of online food delivery services should be able to alter their orders to suit their dietary requirements and preferences, including selecting meals that are free of allergens and vegetarian or vegan options.

Secure payment options: To safeguard customers' financial information, online meal delivery applications should provide secure payment methods like credit/debit cards or digital wallets.

Real-time order tracking: This feature, which is crucial for online food delivery apps, lets consumers know the precise status of their order, including when it is being cooked, traveling, and being delivered.

Integration with third-party services: To provide precise delivery estimates and directions, online meal delivery apps may link with third-party services like Google Maps or Waze.

Loyalty programs and promotions: To encourage customers to use their services again, several online food delivery apps provide loyalty programmes and promotions that may include discounts or free delivery for multiple orders.

Responsive customer support: Online meal delivery services should offer responsive customer support, including live chat, email, and phone options, to help users with any problems or inquiries they might have.

Aids of Online Food Delivery Apps

Enhancing the Business: Partnering with multiple food delivery apps will increase your visibility and reach a wider customer base. Optimize your menu to make it more appealing to online customers, include the high-quality photos, descriptions, and pricing that are clear and concise. Offers promotions and discounts to attract new customers and encourages repeat orders& excellent customer service is the key to retaining customers and building a loyal customer base. Streamline your operations to ensure that orders are fulfilled efficiently and accurately. Use technology, such as order management systems, to manage orders and deliveries. Finally, maintain the high standards of food quality and safety to ensure that customers are satisfied with their orders and keep coming back.

Brand Building: Develop a strong brand identity by defining your brand values, personality, and tone of voice. This will differentiate your brand from competitors and attract customers who share similar values. Ensure that all touch points from your website to social media channels, as well as online food delivery app profiles, are consistent with the brand. Use the same branding messaging and tone of voice so that the experience is always uniform and aligned with the brand. Use high quality visuals, such as professional photos and videos, to showcase your food and brand. This will make your brand more visually appealing and memorable. Monitor your online reputation by regularly checking your reviews and responding to negative feedback promptly. This will help protect your brand reputation and show that you care about customer satisfaction.

Increased Customer Base: One of the main reasons is convenience and ease of ordering food from the comfort of one's own home or office. Customers can browse menus, select items, and pay for their orders all through a few taps on their smartphones. Additionally, online food delivery apps offer a wide range of options for customers to choose from, including restaurants, cuisines, and dishes. The main contributing factor of online food ordering apps is the availability of discounts, promotions, and loyalty programs.

Reduced Cost: By optimizing delivery routes, food delivery companies can reduce transportation

costs, fuel consumption, and overall delivery time. Increasing a self-pickup option can help to reduce costs associated with delivery, as customers can collect from a designated location, eliminating the need for delivery drivers. By negotiating with suppliers, food delivery companies can reduce the cost of ingredients and other suppliers, leading to cost savings.

Emerging Trends in Online Food Delivery Apps

Dark Kitchen: is also known as ghost kitchen or virtual kitchen are facilities designed exclusively for food delivery. They allow restaurants to expand their delivery capabilities without the expense of a physical storefront. These kitchens are typically located in industrial areas or suburban areas, and the food is prepared and delivered directly to customers.

Contactless Delivery: Contactless delivery has become a trend due to the COVID-19 pandemic. Customers can now select the contactless delivery option, which means the delivery driver will leave the food on the doorstep without coming into contact with the customer.

Integration with Smart Speakers: Online food delivery apps are now integrating with smart speakers such as amazon echo and google home. Customers can now place their orders using voice commands and receive real-time updates on their delivery status.

Virtual Reality: Some online food delivery apps are exploring the use of virtual reality to provide customers with an immersive experience. Customers can use VR headsets to explore restaurant menus, place orders, and even watch their food being prepared.

Sustainability: Sustainability is becoming a key trend in the food delivery companies are exploring ways to reduce the environmental impact of food delivery, such as using eco-friendly packaging and optimizing delivery routes to reduce emissions.

Variations of Cuisines in OFD Apps in India

North Indian: North Indian cuisine, including dishes like butter chicken, biryani, and tandoori chicken, is popular among customers across India.

South Indian: South Indian cuisine, including dosas, idles, and vadas, is a popular choice for customers who prefer lighter, vegetarian options.

Chinese: Chinese cuisine, including both traditional and Indo-Chinese dishes like noodles, fried rice, and Manchurian, is widely available on online food delivery apps in India.

Italian: Italian cuisine, including pizza, pasta and risotto, is popular among customers who are looking for comfort food.

Fast Food: Fast food options like burgers, fries, and sandwiches are also available on online food delivery apps for customers who are looking for quick and easy meals.

Street Foods: Street food is a popular choice for customers in India, with online food delivery apps offering a variety of options like chaat, vada pav, and pav bhaji.

Technology used in OFD Apps

For various reasons, there will be in use a food-ordering mobile application that uses different algorithms. Machine learning algorithms process all data about customers, foods, and restaurants. AI and machine learning is used in the following ways: Gradient Boosting Decision Trees improve the order with which the delivery person receives notifications about orders taken. The algorithms of random forest and decision tree help categorize the restaurant into different groups based on the feedback received from consumers regarding the services offered. Additionally, AI and ML enhance food delivery operations by connecting consumers with the best restaurants without letting them wander around looking for an ideal meal. This may help in pushing micro-optimisation, thousands of times every day, on dynamic demand-supply in real time. Adopting AI & ML would boost the value order of business for online delivery. Some kiosk applications based on AI use facial recognition to personalize experience for customers, accelerate ordering and selection, and minimize wait times.

Three key sectors in the food delivery industry apply machine learning:
1. Planning delivery routes.
2. Predictions of sales and the quantity of food to be prepared to prevent waste.
3. A product recommendation.

- Route Planning ML applications are geared to reduce delivery times and costs. Typically, neural networks that make recommendations for the best fit scenarios for new routes using historical data as the input.
- Forecasts for sales the purpose of applications in ML is to reduce costs and losses from inefficiencies at the level of the supply chain. It makes recommendations for production and quantities of stock to increase sell-out while minimizing costs and preventing losses of food by using data proxies such as information related to sell-in and sell-out, prices, price elasticity, and market demand.
- The product suggestion algorithm is essentially a function of machine learning systems: it would suggest to your food that you'd probably want to order, given your preferences, navigation on the website, previous orders, etc.

Cloud computing: It can be very crucial in the food industry related to supply chain management, customer service, and customer relationship management. Because cloud computing connects individuals and businesses in real-time and makes their jobs easier, food service providers can ensure that the correct product is delivered at the right time at the right location. In addition to these technologies, many platforms are used in the development of the food delivery application's front and back ends. Java and C++ are utilised in front-end programming for Android and Apple mobile devices. Some cross-platform applications are created utilising various frameworks to simplify the process of creating apps that can run on various platforms easier. PhoneGap, jQuery Mobile, AngularJS, and others are among the frameworks now available. These frameworks aid in enhancing the quality of the app, the price of developing an app is comparably inexpensive, and the targeted audience is sizable due to the combination of several platforms. After the application's construction, one of the elements that significantly contribute to its success is the availability of a variety of payment options. Customer convenience, safe payment architecture, referral coupon strategy, varied discounts offered by portals, and customer payment preferences are all aspects of e-payment systems that contribute to a growth in sales volume.

Table 1 Technologies Used

Programming Languages	Objective C
	Swift
	Java
	Kotlin
Frameworks	Phone Gap
	jQuery Mobile
	Angular JS
	Ajax
Web development	HTML5
	CSS3
	Java Script
	XML
Data scripting	PHP
	MySQL
IDE	Xcode
	Android Studio
Cloud Storage	Amazon S3
Database	Mongo DB
	Redis
Utilities	Google Analytics
	Visual Website Optimizer
Analytics	Mix panel
	Google Analytics
	Keen.io
Email	Gmail
	AWS
Deployment platforms	Cloud
	iOS
	Android
Data Encryption	MD5 encryption (Message Digest algorithm 5) SSL (secure socket layer)

Source: (Kumar et al.)

Table 2 Tech- Initiatives of OFD Apps

Service	Zero Bounce
Push notifications	Firrebase Cloud Messaging
	SendGrid
	Plivo
	Apple Push Notifircations
	Firrebase Cloud Messaging

Payments	PayPal
	Stripe
	Braintree
	Apple Pay
	Google Pay
Navigation	Google Maps
	Google Places
Mailing services	Gmail
	Zero Bounce
	Firrebase Cloud Messaging
	SendGrid
Social media	Google
	Facebook
	Twitter
	Instagram

Source: (Sharma et al.)

Web-based Ordering System

This is an information system known as web-based ordering information system that attempts to process meal orders that clients submit to the admin via a website. Customers have access to an established system that they can use in order to make payments. Use case diagrams and use case scenarios are object-oriented tools used in this system design. An overview as well as a description of each use case is contained in the use case diagram; the use case scenario has a scenario that describes the workflow of the use case.

Figure 1 Use Case Diagram of Ordering System
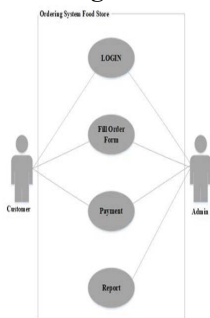
Source: (Herikson and Kurniati)

Use Case Diagrams

In the use case illustration proposed, have 2 actors, namely Client and Admin. Guest can pierce the website to place orders and payments while the admin can pierce the website to admit orders, payments and making order report. Use case starts from login into the website with the Client username and password, ordering food, making payment to the admin. Also, the admin makes an order report grounded on client order data (Figure 1).

Use Case Scenarios

The original part is proposed use case scenario is to login first and make form that containing use case numbers, name of the use case, function, actor, actor action and system response (Table 3).

Table 3 Use Case Scenario Doing Proposed Login

Indispensable Scenario use case Login	
Use Case Number	01
Name of use case	Login
Function	To pierce web with login account
Description	Doing login exertion guest and admin to web
Actor	Guest and Admin
Actor Action	**System Response**
1. Guest input user name and password 4. Guest Login	2. System check login data 3. System displays login data 5. System displays home menu

After finishing use case scenario login, coming part is use case scenario proposed ordering with make form that containing same as use case scenario login (Table 4).

Table 4 Use Case Scenario Doing Proposed Ordering

Indispensable Scenario use case login	
Use Case Number	02
Name of use case	Ordering
Function	To fill order form
Description	Doing order exertion guest to admin
Actor	Guest and Admin
Actor Action	**System Response**
1. Guest to order menu 2. Guest input order menu 5. Guest validate order data	3. System check order data 4. System displays order data 6. System storing order data

Also, make form use case scenario proposed payment with analogous format as use case scenario login and ordering (Table 5).

Table 5 Use Case Scenario Doing Proposed Payment

Indispensable Scenario use case login	
Use Case Number	03
Name of use case	Payment
Function	To do payment order
Description	Doing payment exertion client order to admin
Actor	Guest and Admin
Actor Action	**System Response**
1. Guest to payment menu 2. Guest input amount of payment 5. Guest validate payment data	3. System check payment data 4. System displays payment data 6. System storing payment data

Final part makes use case scenario proposed report analogous format as use case scenario ordering (Table 6).

Table 6 Use Case Scenario Proposed Report

Indispensable Scenario use case login	
Use Case Number	04
Name of use case	Report
Function	To create order report
Description	Doing exertion making report by admin
Actor	Admin
Actor Action	**System Response**
1. Guest to payment menu 2. Guest input amount of payment 5. Guest validate payment data	3. System check payment data 4. System displays payment data 6. System storing payment data

Guest may find it simpler to order food via a web-grounded ordering system without having to physically visit eateries, saving both time and money. By helping consumers order their food and simplifying the order report, admin can best service their needs. Customers may also use online payment methods using a system that is available to help them pay for their orders.

Indian Market Outlet of Food Industry Statistics

The food industry in India is a major contributor to the country's economy and employs millions of people across the country. Here are some statistics on the Indian food industry:

1. The food industry in India is expected to reach a market size of $540 billion by 2024, up from $258 billion in 2015.
2. The food processing industry in India contributes around 9% of the country GDP and employs around 12 million people.
3. The India food and grocery market is expected to grow at a CAGR of 10.5% between 2016 and 2021.
4. The online food delivery market in India was valued at $7.7 billion in 2020 and is expected to grow at a CAGR of 12.8% between 2021 and 2026.
5. The quick service restaurant (QSR) segment is the largest segment of the Indian food services industry, with a market size of the amount $50 billion.
6. The market for India Packaged Foods is expected to grow at a CAGR of 11% in the forecast period 2016-2021, on account of factors such as growing disposable incomes, changing lifestyles, and demand for easy-to-consumer goods.
7. The Indian food and beverage industry is expected to create around 5.8 million new jobs by 2024.

Business Models and Revenue Streams of OFD Apps Services
Zomato: History

A restaurant search and discovery app for India was founded in 2008 by Deepender Goyal and Pankaj Chaddah. Currently, the company is working in 24 different countries. It provides information about the place, customer reviews, and images of menus if the restaurant doesn't have its own website. It is, indeed, an online portal that has some great gastronomical options for customers to enjoy at home and when dining out fairly regularly. From their beginning desire not to have anyone have a lousy lunch to date, Zomato over the past ten years incrementally developed a search and discovery network supporting stable and growing transaction organisations. Zomato is an Indian restaurants' search

and discovery app, established in 2008 by Deepender Goyal and Pankaj Chaddah. Today, Zomato offers a wide range of products and services that will ensure users have an enjoyable experience while forwarded the food sector. Zomato's annual sales rose 45% in FY'18. Every month, Zomato connects more than 90 million users with 1.3 million restaurants worldwide. They are still working to fulfill a bigger purpose: wholesome food for all! To do so, they ensure that customers have access to the best quality restaurants, easily accessible and affordable. The Zomato Gold, launched in November 2017, today caters to over 400,000 membership bases with support from over 3000 restaurant partners. Working at a dizzying speed, they are actively trying to move forward with their technology. Since its launch, Zomato's meal delivery service has grown quite fast and doubles in size every three months! This is achieved through its network of more than 50,000 riders that it should maintain the balance of heightened order volume with efficient delivery and unyielding loyalty from customers.

Business Model of Zomato

Zomato value proposition: Value proposition of Zomato: Business structure that Zomato gives customers a value choice. Value proposition of work being valued for the purpose. Zomato gives importance to its QAAA approach, assuring quality and delivering access and portfolio. Zomato tries not to be biased to its platform. Hyper purged continually adds to a huge food supply. The project of Zomato, on its part, gives its franchise restaurants high-quality freshly prepared food. Such a high-in-demand food hygiene grade has a quality mark that is well known to its affiliated eatery. Ever since the launch, Zomato's supply made it reach across larger townships and cities. They expand their services at a rapid pace. It now takes the reservation of the tables, feeds India, and serves businesses. The popularity of Zomato Gold is proof of Zomato's success in several interesting options. Zomato never compromises on the best and doesn't miss a beat. They offer affordability without jeopardizing their company. Zomato believes in the expansion of its brands to offer new tastes and experiences to its customers that cross regional boundaries. They ensure the best knowledge available to their customers and help

them make the most well-informed decisions they can. (Shastri)

Zomato customer Segment: The customer segment for Zomato states that customers are the base source of income for any service provider. Restaurants and customers function as major customers of Zomato. Those searching for different restaurants in their localities will be able to find various restaurants and a menu of Various eateries according to interests, the spending capacity, and proximity. Zomato also has customers who are interested in speedy home delivery, too. Zomato houses treasure troves of user data created by users who review and rate restaurants. The brand database is thus found useful by database companies and market research organizations that need extensive customer data. They also employ Zomato. Exams, often termed as content creators, are those rating and commenting about the food and other services offered in restaurants. Active journalists also show pictures of restaurants in the locality on the Zomato platform.

Zomato Target Audience: It targets young adults between 18 and 35 years in age, who often wish to dine with friends and co-workers. It is targeted towards customers who mostly use ratings and reviews in determining whether a location is good. It is those customers who wish to enjoy themselves with their buddies and believe the location is worth the money. It also looks for those foods that yearn to be discussed and devoured by others. They would want to know the best restaurants around and where they can be found. The reason for eating is to find out what people say about restaurants via the Internet.

Figure 2 Business Model of Zomato
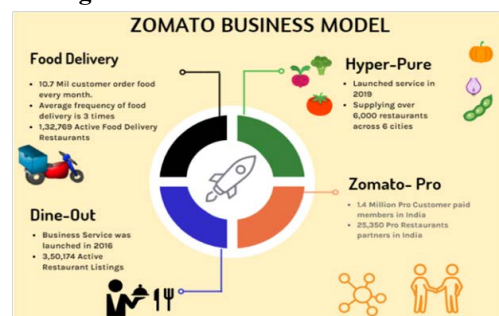
Zomato Channels: Zomato provides multiple access routes for its site:

- A mobile application (smartphone or tablet)
- Zomato.com is the official website.
- The Food Porn (Zomato also created a website for the porn food industry that provides an image of exotic foods from around the globe).

Revenue Streams of Zomato

Zomato was losing a lot of money on each unit it delivered up until last year, but since it chose to apply for an IPO, this unit economics have turned around. Zomato was losing Rs. 30.5 on each order in 2020. This year, the profit per order is Rs. 22.9. Zomato receives money from restaurants in the form of commissions as well as through advertising. In contrast, its expenses consist of paying its delivery partners, offering discounts, and other varying charges.

This year, Zomato's commissions per order rose from Rs. 43.6 to Rs. 62.8. The issue here is that restaurants are growing more and more upset with their affiliation with Zomato as they are being forced to pay greater commissions. Additionally, it increased its customer shipping fee from Rs. 15.3 per order last year to Rs. 26.8 this year. Customers will order less meals if the delivery fees rise. Zomato has dropped its average discount because its expenditures have decreased from Rs. 21.7 last year to Rs. 7.3. Discounts are at a major selling point in India, particularly for food items, so cutting back on them can drive away customers. They are unhappy because Zomato has decreased the cost it pays to its delivery partners.

Figure 3 Revenue Stream of Zomato
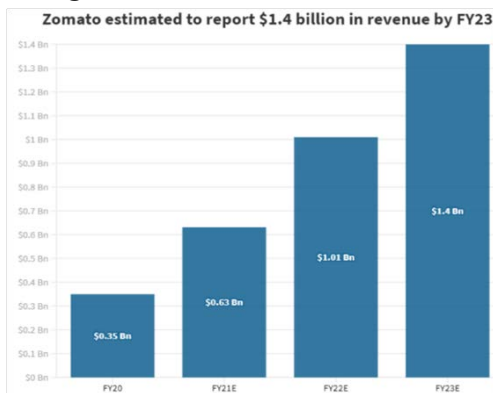
Source: (Pachisia)

Zomato Advertising: Zomato charges restaurants to feature their business on the site. The more a restaurant pays Zomato, the higher ranking it will receive and the higher it will appear in top results. Zomato also recommends banner advertising and mini pop-ups that will display specific restaurants on the website. Restaurants can pay for various features and promotions for their events.

Zomato Delivery Charges: Zomato will charge a small amount of delivery charges. On the other hand, Zomato and the restaurant owner split the delivery cost, and it's just the delivery boy who is paid by Zomato a fixed amount as wages. According to the government, restaurant owner has to charge 18% GST on all food purchases. Delivery charges do not carry separate GST.

Zomato Subscription Charges: Zomato charges Toers a fixed amount as a subscription fee. This is a marketing technique in which customers can be convinced to make more frequent purchases and bigger deals. Zomato charges fees for the same services. Once paid the subscription costs are available for a predetermined period of time and can be renewed at any time. Zomato gold and Zomato pro are the names for them.

Figure 4 Analysis of Zomato

Source: (Amis et al.)

Zomato live Events: One of India's biggest food festivals, Zoma land has offered a wide variety of delectable eats, an array of engaging activities, and incredible artist performances to ensure that your weekend is exactly what it should be-piled high with food, fun, and frolic! The users of the Zomato platform need to pay some fees in order to access this grand event. One may look forward to entertainment, creative beauty, and most importantly, a wide range

of foods at this festival. This is accessible on the Paytm Insider website and even in the Zomato app. Further details of the same will be mentioned. In 2019, Zomato Land events took place in Kolkata, Bangalore, Hyderabad, Mumbai, Jaipur, Pune, and Delhi. The event is currently scheduled online owing to the pandemic going on presently.

Zomato Green Deliveries

Zomato like other food delivery platforms, is taking steps to reduce its environmental impact through initiatives such as green deliveries. Green deliveries refer to the use of eco-friendly vehicles or modes of transportation, as well as optimizing delivery routes to reduce carbon emissions and waste. As of 2021, Zomato has implemented several measures to promote green deliveries, including:

Electric vehicle (EV) fleet: Zomato has partnered with EV manufactures in India to add electric scooters and bicycles to its delivery fleet. These EVs are more energy-efficient and produce fewer emissions than traditional gasoline-powered vehicles.

Route optimization: Zomato uses machine learning and AI algorithms to optimize delivery routes and reduce unnecessary driving. By doing this, fuel usage and carbon emissions are decreased.

Packaging materials: Zomato has also introduced biodegradable packaging materials, such as paper bags and boxes, to reduce plastic waste.

Packaging size: Zomato has implemented a feature called Smart packaging which user's data to recommend the appropriate packaging size for each order. This helps to reduce the amount of packaging waste and improve efficiency in the delivery process.

Future Innovations of Online Food Delivery Apps

The Online food delivery industry is constantly evolving, and there are several innovations that are likely to shape the future of this industry.

Drone Delivery: It is an emerging technology wherein a capability to deliver food straight to a customer's door would avoid traffic and reduce delivery time. And so long as this idea is still in its infancy, it has tremendous potential to revolutionize the delivery industry.

Autonomous vehicles: Like delivery drones, self-driven food delivery vehicles are under development without manned chauffeurs. Such technology is still in its infancy and appears to reduce delivery time and cost and ensure safety.

Predictive analytics: Predictive analysis tools are being developed to better anticipate customer demand and optimize delivery routes. This technology can help to reduce delivery times, improve efficiency, and reduce costs for delivery providers.

Sustainable packaging: As concerns over the environmental impact of food packaging continue to grow, online food delivery companies are exploring more sustainable packaging options. This includes using biodegradable or compostable materials, as well as reusable containers.

Suggestions

- Delivery by drones could become a popular method for online food delivery in the future.
- Online food delivery platforms could use the data and AI to create personalized menus for customers.
- Improved packaging and transportation methods could ensure that food remains fresh during delivery.
- Restaurants could partner with online food delivery services to expand their reach and provide more delivery options for customers.
- Virtual Kitchens could become more common, providing a wider range of food options for online delivery.
- Contactless delivery options could become a standard feature, with delivery drivers leaving food at the customers door to minimize contact and reduce the risk of spreading illness.

Conclusion

Online food ordering applications have made ordering and enjoying food a delightfully easy experience for everyone. Making the availability of convenience and accessibility from around the world available to customers, such online food delivery apps are sure to further boost in the coming years in relation to growth and expansion, given the already fast pace that technology has been advancing, as well

as an increased demand for food delivery services. However, to be ahead in providing superior services to the customers, there will be a need for innovation in personalization, sustainability, and the efficiency of delivering food through these apps. This way, they will have the contribution and make their marks as leading companies in the delivery industries.

Acknowledgement

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