

GENERAL MANAGEMENT PROJECT REPORT ON

A Study On Crisis Management In Zomato During COVID-19 Pandemic

Submitted in Partial Fulfillment for the Award of the Degree of

Master of Management Studies (MMS)

(Under University of Mumbai)

BATCH 2019 - 21

SUBMITTED BY

Gauri Sharma

ROLL NO: 191062

SPECIALISATION

Human Resources

UNDER THE GUIDANCE OF

DR. BETTY SIBIL



**PILLAI INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
NEW PANVEL – 410206**

CERTIFICATE

This is to certify that project titled “_____” is successfully completed by Mr. / Ms. _____ during the IV Semester, in partial fulfilment of the Master's Degree in Management Studies recognized by the University of Mumbai for the academic year_____ through _____

This project work is original and not submitted earlier for the award of any degree / diploma or associateship of any other University / Institution.

Name of the Guide: _____

Date: _____

(Signature of the Guide)

DECLARATION

I hereby declare that this Project Report submitted by me to the _____, is a bonafide work undertaken by me and it is not submitted to any other University or Institution for the award of any degree diploma/ certificate or published any time before.

Name of the Student:

Roll No.:

Signature of the Student

Table of Content

Chapter 1: Introduction

1.1 Introduction

The research study mainly focuses on the need and importance for Crisis Management in an organization. Crisis Management is defined as “the process by which an organization deals with disruptive and unexpected events that threatens to harm the organization or its stakeholders”. It was originally given importance in the 1980s with the large-scale industrial and environmental disasters. Currently, it is considered to be the most important part of an organization’s strategic management.

The study will take into consideration three common elements of a crisis which are: (a) a threat to the organization, (b) the element of surprise, and (c) a short decision time. The study is focusing on how an organization reacts to the crisis and what are the difficulties faced, from an employee’s perspective and from a business perspective.

1.2 Research Problem

This study is taking into consideration the problems faced by the Online Food Delivery industry during the Coronavirus pandemic. It focuses on the impact the crisis had on Zomato’s business operations and how the organization tackled the challenges.

The study will also focus on the various initiatives made by the organization to help its employees at an individual level in dealing with the crisis.

1.3 Need of study

Even though all organizations have a basic plan in case of a crisis, most of the organization were badly impacted by the Coronavirus pandemic leaving them mostly out of business or bankrupt. Which is why it is more than important to understand how crisis management can be improved to help organizations more effectively.

This study is done to help us understand which aspects in an organization can never be taken for granted in case of a crisis. It also studies what should be given more importance to help an organization more flexibly.

1.4 Aim of the study

The intention of this research study is to understand, in depth, the various problems faced by an organization or its employees working in the Online Food Delivery industry. It will also be focusing on the various methods of dealing with the problems or initiatives to solve those problems.

1.5 Objectives of the study

There are three distinct objectives of this study. They are as follows:

- (i) To analyze the Online Food Delivery industry using industry analysis tools
- (ii) To analyze Zomato company using the company analysis tools
- (iii) To understand the depth of the problems
- (iv) To study and assess effectiveness of employee and customer safety initiatives taken by Zomato

1.6 Scope of the study

This study is going to help in understanding that an organization does not need to be too simple or too complex to be able to get affected by a crisis. A crisis does not affect a certain kind organizations or certain parts of an organization. An industry like Online Food Delivery can also be affected by a crisis and cause it to suffer losses.

This study is focusing only on the COVID-19 pandemic and its impact on the Online Food Delivery industry. The study focuses on how Zomato, one of the leading OFD service provider was badly affected by the COVID-19 pandemic and how it manages the health crisis and kept the interests of all its stakeholders safe.

The Online Food Delivery industry has been preconceived to be a beneficial business investment. It was thought of as too convenient for, both, the restaurants and the local customers. It was easy to create and manage as well. But the pandemic hit this industry very bad where the business operations were shut down globally. The study will give insight on how the organizations in this industry were able to stay in the market even after not having business for months and how these organizations bounced back.

1.7 Limitations of the study

The limitations of this study are as follows:

- (i) Time constraints: For the study, there was a time constraint. The study is based only on two months of research.
- (ii) Limited area covered: For the purpose of this study, majority of the data collected was from the Navi Mumbai region only.
- (iii) Method used to collect the data: To collect primary data for this project, sample size of the respondents was not very large.
- (iv) Data confidentiality: A lot of data required for the study was confidential due to which expected results were not achieved.

Chapter 2: Review of Literature

2.1 Background of Crisis Management

Crisis Management and Organizational Development (2007)

Each crisis seems idiosyncratic and administrators continue to repeat the same errors when a crisis occurs. The research proposal presented in this paper aims to remove these limitations by bringing together two apparently opposing fields of study, which is crisis management (characterized by what are perceived as specific events) and organizational development (characterized by the strengthening of organization's capacities to cope with lasting changes).

The occurrence and diversity of types of crisis in our societies have increased. The time frame of crisis has tended to expand, along with their geographic spread. Crisis management is on the public administration agenda and decision-makers are increasingly put on the carpet and pressed for answers on issues which they often find over-whelming.

These are the new realities organizations confront that require a fresh perspective on the issue of crisis management practices, as well as in the areas of research. Since the start of 1980s, the field of crisis management has been characterized by two main trends: planning in crisis management and the analysis of organizational contingencies during the crisis.

Researchers have highlighted the need for emergency planning, defining actions in relation to the various phases of the evolution of a crisis starting with the detection of warning signs up to post-crisis activities, stressing the development of a culture of security, both within the organizations and in the population at large, and the training and sensitization of leaders to their roles in times of crisis.

According to this perspective, crisis management should consider the larger social context, in addition to the characteristics of communities and organizations having to intervene in times of crisis. Researchers also highlight of variable geometry of intervention according to the missions of the organizations involved, the strategies deployed and the specific structural modalities adopted to confront the crisis.

Crisis Management and Communications (December 2007)

Crisis management is a process designed to prevent or lessen the damage a crisis can inflict on an organization and its stakeholders. Preparation involves creating the management plan, selecting and training the crisis management team, and conducting exercises to test the crisis management plan and crisis management team. A CMP provides list of key contact information, reminders of what typically should be done in a crisis and forms to be used to document the crisis response. Crisis management team identifies the common members of the crisis team as public relations, legal, security, operations, finance and human resources.

Management does not know if or how well and untested crisis management plan will work or if the crisis team can perform up to the expectations. This is because each crisis is unique which demands that crisis team should make decision accordingly. crisis preparation will make it easier for crisis managers to respond quickly. More recently, crisis experts have recommended a third component to an initial crisis response, crisis managers should express concern or sympathy for any victims of the crisis. The strongest lesson is that crisis managers should never forget employees are important during a crisis. While crisis begins as a negative or a threat, effective crisis management can minimize the damage and, in some cases, allow an organization to emerge stronger than before the crisis.

Crisis and Crisis Management – Integration, Interpretation and Research Development (July 2017)

Crisis management involves the coordination of complex technical and relational systems and the design of organizational structures to prevent the occurrence, reduce the impact, and learn from a crisis. The study presents a framework which categorizes the literature into internal and external perspectives and revolves around three primary stages of a crisis: pre-crisis prevention, crisis management and post-crisis outcomes. The internal perspective focuses on crisis leadership, while the external perspective focuses on stakeholder perceptions of the crisis.

Before considering the differences between the internal and external perspectives, we note that the factors that worked to prevent a crisis, including organizational

preparedness and positive stakeholder relationships. others have considered how more tangible aspects of an organization, such as size and age, influence crisis management, the greater of which may in habit leadership efforts during a crisis.

Finally, researchers in corporate communication and public relations have begun to focus on the role of internal crisis communication, showing the negative effects of neglecting employee during a crisis as well as the positive effects of engaging them, including the possibility of employees becoming outspoken defenders of the organization.

Research on crisis and crisis management, focusing on how individual, organization, and environmental level factors interact to influence the crisis and crisis management process.

The Role of Decision-makers in Crisis Management (May 2020)

The current study seeks to detect the role of decision-maker in crisis management, and to reveal the crisis decision-making process its skills, strategies and stages, as well as, to detecting crisis management. The results revealed that there are eight concepts that develop a broad theory of the crisis decision-making process, they are meaning of the decision, meaning of the crisis decision-making process, stages of the crisis decision-making process, crisis decision-makers' response, crisis management, crisis decision-making strategies, crisis decision-making skills, and the roles of decision-maker in crisis management.

From these findings, we generate a theory that explains the crisis decision-making process and its skills and strategies, to benefit decision-makers in making the decisions necessary to confront crises such as the COVID-19 pandemic crisis.

In light of the findings of the study, we need to pay attention to training decision-makers in the decision-making process in times of crisis, as well as increasing their awareness of the factors affecting crisis decision-making, as well as training them on proactive thinking to save time, effort and money and reduce the severe consequences of crises.

This theory of decision-makers in times of crisis also emphasized the concept of decision-makers, control, coordination, and organizational decentralization in times of crisis as process to illustrate how the decision-makers should make positive decisions in crisis, strategies, and skills and roles of them in crisis management.

Customer response to Online Food Delivery (OFD) services during COVID-19 outbreak (November 2020)

Binary logistic regression is used to examine the respondents' characteristics, such as age, patronage frequency before the lockdown, affective and instrumental beliefs, product involvement and the perceived threat, to examine the significant differences between the two categories of OFDs customers.

The binary logistic regression concludes that respondents exhibiting high-perceived threat, less product involvement, less perceived benefit on OFDs and less frequency of online food orders are less likely to order food through OFDs. The two critical issues for the drop in OFDs are the health of 2, the individuals who deliver the food and the sanitary condition of the restaurants.

Previous studies have linked it is clear that the perceived threat of COVID-19 infection is high fear appeal to the behavior of respondents to pandemic diseases through OFDs, which may influence the respondent's purchase. Similar results were recorded by many researchers and perceived barrier towards OFDs find them convenient. Benefits like contact-free delivery and e-wallet payments, which can reduce the risk of COVID-19 spread.

2.2 Theories of Crisis Management

Fink's Crisis Model

In his influential 1986 book *Crisis Management: Planning for the Inevitable*, Steven Fink laid out a four-stage crisis model consisting of the prodromal, acute, chronic, and resolution stages.

The prodromal stage covers the period between first signs and crisis eruption. During this period, Fink states that crisis managers should be proactively monitoring, seeking to identify signs of a brewing crisis, and trying to prevent it or limit its scope.

The acute stage begins when a trigger unleashes the crisis event. This phase entails the activation of crisis managers and their plans.

The chronic stage encompasses the lasting effects of the crisis, such as after a flood or a hurricane when teams repair damage to buildings and roads. Finally, the resolution stage represents the end of the crisis and a time for internalizing what went wrong through root-cause analysis and implementing changes to ensure there is no repetition.

Mitroff's Five-Stage Crisis Management Model

In 1994, Mitroff described five crisis stages, which also follows a similar lifecycle progression:

- Crisis signal detection
- Probing and prevention (probing refers to looking for risk factors)
- Containment
- Recovery
- Learning

Mitroff was one of the first researchers to recognize that, due to resource limits, preparing for every conceivable kind of crisis is impossible. He noted that crises tend to fall into certain categories, which Mitroff called clusters, such as breaks or defects in equipment, external actions, and threats (i.e., product recalls). Similarly, prevention actions cluster together, too.

Based on a survey of the Fortune 1,000 companies, in 1988 Mitroff recommended that companies should rationalize their crisis management programs by forming dual crisis “portfolios.” The first portfolio consists of crises, one drawn from each crisis cluster, and the second portfolio comprises matching preventative actions from each cluster. Mitroff and his colleagues posited that setting up these two portfolios provides at least minimum coverage across crisis categories.

Relational Model of Crisis Management

In 2007, Tony Jacques took issue with the idea that crisis management is a linear process of sequential phases in which you manage issues one at a time. Instead, he argued that important processes and activities often overlap or occur simultaneously, such as crisis prevention and preparation, and don't always proceed in one direction.

As opposed to the lifecycle models, Jacques proposed that crisis management and the field of issue management are related, integrated disciplines. Issues management involves creating systems to deal with problems — while issues are more routine than crises, they overlap because issues can become the source of crises if not properly dealt with.

Jacques' relational model has four primary elements — crisis preparedness, crisis prevention, crisis incident management, and post-crisis management — each with clusters of activities and processes. He concluded that understanding the relationship among these elements, and putting them in context of larger organizational management, diminishes crisis-related losses.

2.3 Factors / Determinants of Crisis Management

The few common factors that are critical in the success of managing a crisis effectively are as follows:

- **Leadership:** It is perhaps the most important factor in the success of crisis management. The leader must possess skills like the ability to multitask, excellent delegation skills, cool under pressure, ability to empathize, etc.
- **Speed of response:** This is often referred to as the 'golden hour'. If your crisis response is off to a rapid start, your chances for reputation damage decrease. This will only occur if you have an effective plan - see the next point.
- **A robust plan**
- **Adequate resources**
- **Funding**
- **Caring and compassionate response**
- **Excellent communication**

Chapter 3: Research Methodology

3.1 Research Design

3.1.1 Type of Research

For the purpose of carrying out this research study, both, primary data and secondary data is being used. The primary data is collected using Interview questions. The interview was taken on call, face-to-face, video-calling, or through E-mail depending on the convenience of, both, the interviewer and the interviewee.

The secondary data has been collected via the various websites and the official company website. Another source of secondary data was through research studies by different researcher/authors.

3.1.2 Research Method

For the purpose of collecting data for this study, basic survey method was used where the respondents were interviewed using different means of communications.

3.1.3 Population of the study

The population of the study was limited to Zomato delivery agents and a few regional office employees. The total number of people interviewed for the purpose of this project were 15, out of which 12 were delivery agents and 3 were regional office employees.

3.1.4 Data Collection Method

There were multiple methods used to collect data for this study. One of the methods used was the interview method which was mainly used to collect the primary data. Another method used was looking through existing documents

and records for pre-analyzed data like research papers or articles written on the topic. Apart from that, personal opinion and observations were also recording during the entire period of the study.

3.2 Sampling Design

3.2.1 Sample of the study

In order to collect primary data for this study, a set of 15 people were interviewed.

3.2.2 Sampling Technique

For the purpose of carrying out the study, the method of convenient sampling was used.

Chapter 4: Industry and Company Analysis

4.1. Industry Profile

The Online Food Delivery (OFD) market in India has reached a value of US\$ 4.35 billion in 2020. The industry consists of companies that offer services to its users to conveniently order and receive their desired food products at their doorstep. This involves browsing through the website or application, choosing from the wide variety of cuisines available, and paying for it through the different methods available. After that, the user is provided with live updates about the preparation of food and estimated time of delivery.

The OFD market is currently growing due to increasing access to high-speed internet facilities and a rise in sale of smartphones. These factors, along with the increasing working population and inflating levels of income, is working as a boost for the OFD market growth in the country.

The players in the markets are focusing not only in urban areas but also in the rural regions of the country, where they have found potential to grow their business operations. Moreover, there has been a rise in the ready-to-eat and fast-food items along with more affordable and cheap food delivery options, which have all increased the demand for OFD services. Furthermore, due to the COVID-19 pandemic, many of the leading players in the industry including Zomato, Swiggy, McDonald's and Domino's have started with the concept of Contactless Deliveries where the users are ensured that the food reaches them without being touched by bare hands. It will be delivered safely while following proper social distancing measures.

The companies in this industry are mainly operating through two types of platforms – either through a mobile application or through websites. These companies follow either an order-focused, logistics-focused, or a full-service business model and provide either Cash-On-Delivery (COD) or online payment methods or both.

Some of the leading players in this industry are Zomato, Swiggy, Foodpanda, Bundl Technologies, Fasso's, Domino's, etc.

4.2. Company Profile

4.1.1. History

In 2008, Zomato was initially established under the name “Foodiebay”, founded by Deepinder Goyal and Pankaj Chaddah. It was renamed as Zomato Pvt. Ltd. in 2010. By 2011, Zomato was already providing its services across various cities in India like Delhi NCR, Mumbai, Bangalore, Pune, Kolkata and Chennai. By 2012, the company expanded its operations globally in various countries including the UAE, Sri Lanka, Qatar, UK, South Africa, and the Philippines.

The story of Zomato started from Delhi in a cafeteria of Bain & Company which was a well-known consultancy firm in Delhi. Deepender and Pankaj, who used to work in Bain & Company, noticed that people were waiting in a queue and looking at the menu to decide what they wanted to have for lunch. It was then that they both came up with the idea of “Foodiebay”, which became a prologue for them to become successful entrepreneurs.

In order to get huge startup force to the company, Zomato successfully raised funds from Info Edge which summed up to around US\$ 1 million. This gave Zomato a huge boost in its business. The company again raised funds from Info Edge in 2011, after they achieved success in the market, which was of a total of US\$ 3.5 million. Till date, Info Edge has invested over \$25.4 million in Zomato and is also holding 50.1% shares in the company. Apart from Info Edge, the other two major investors of Zomato are Vy Capital and Sequoia Capital.

4.1.2. Vision and Mission

Vision:

“To be the Google of food”

Zomato envisions itself to become a global platform whenever someone wishes to look up for local cuisines in their region. They plan on doing so by providing better food for more people. They not only connect people to the

best quality of food around them but also make sure that restaurants are working to maintain a sustainable ecosystem.

Mission:

“Shaping the future of food”

Zomato aims to change what their target audience eats by improving the quality of food. They have committed to create a platform where they help restaurants, cafes and any food establishments in maintaining high standard food hygiene.

4.1.3. Core Values

The core values of Zomato are as follows:

1. Resilience – Zomato is constantly pushing itself beyond its own abilities to face tough situations and try to foresee any uncertain event by being flexible in its way of working.
2. Acceptance – Zomato accepts any and every feedback on a positive note and work on each and every element with even more efficiency.
3. Ownership – The employees at Zomato work for the company as if it was their own company. The employees think of themselves as a family and take responsibility for every problem and drive the change together. To quote Zomato, “People here don’t work ‘for’ Zomato, they work ‘with’ Zomato.”
4. Humility – At Zomato, people keep their personal pride aside and focus on being their simple selves in every way possible.

5. Spark – People working at Zomato are very enthusiastic about their work culture, whether its within Zomato or externally with all of its stakeholders.
6. Judgement – Zomato believes that one's abilities do not describe them; it is their choices that show who they truly are. They make sure that they make the right decisions, at least majority of times if not every time.

4.1.4. Line of activity

In the initial years, Zomato mainly focused on searching and discovering good restaurants all around a city. But after seeing the response they got from the users, it decided to expand its business into many other services like table reservations, online ordering, POS systems and cashless payments, etc.

Increase in Zomato's users was a result of the company's recently introduced app (ZomatoApp) in 2011, which was accessible across all major mobile platforms like Android, iOS, Windows and BlackBerry.

In 2015, the company decided to acquire MaplePOS and later renamed it to Zomato Base. It's a cloud-based point of sale product for the restaurant owner which allows its users to access features like inventory, recipe management, electronic receipts, cloud-based menu, real time analytics, etc. It has a build-in payment method which accepts debit and credit card payments. Another major acquisition made by Zomato was NexTable, which is a US-based platform used for table reservations and restaurant management.

4.1.5. Organizational structure

Zomato has a decentralized organizational structure. It means that the decision-making responsibilities pertaining to the regular day-to-day operations are delegated by the top management to middle and lower-level managers. This helps the top management to focus on the major decisions that need their attention.

4.1.6. Management Hierarchy

Zomato has a flat hierarchy. This means that there are not many layers between the CEO and the employees. The entire working of employees at top, middle and lower level are integrated together. The employees are given empowered roles where the employees are given proper recognition and rewards for their performance, either in teams or at an individual level.

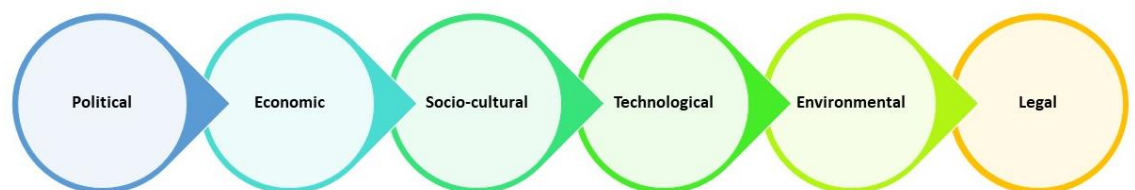
4.1.7. Milestones achieved

Zomato is included among the top start-ups in India which operated in over 25 countries which include India, Australia, US, and many more. In 2018, Zomato achieved its milestone of 21 million monthly food orders in its home country. Another milestone that was achieved by the organization was that their annual GMV rose from \$210 million (in January 2018) to \$1 billion (by September 2018).

4.3. Industry Analysis

4.3.1. PESTEL Analysis

PESTEL Analysis is a tool used in analyzing and monitoring the external marketing environmental factors that can have an impact on an organization and also the extent to which they can affect the business or the industry.



1. Political Factors – These are factors that determine the extent to which the government and government policies may impact the industry or its organizations. Following are such factors that impact the selected industry:

» Wide Regulations:

Governments around the world have set various regulatory frameworks for proper functioning of the food industry in the country. These include things like clean and hygienic kitchens, standard protocol to be followed for storage and transportation of products, labor requirement in the food business, etc.

All these regulations cause the industry to have a strict regulated framework. As a result, even the consumers are assured that they will not be exposed to any poor-quality food which might cause harm to their health.

2. Economic Factors – These are factors that impact the economy, which in turn affects the profitability of the organization.

» Decrease in disposable incomes:

In general, the disposable income of the individuals in middle and upper classes has been reduced which means that people have less money to spend on luxuries like restaurant food. As a result, the overall revenue of the food industry is also reducing. This has had a negative effect on all corners of the space, including restaurant owners, food distributor businesses, and all individual workers who played a major role in these businesses.

» Decrease in labor costs:

The reason disposable incomes are reducing is because the laborers are not earning enough money these days. After the pandemic, companies have stopped hiring employees which has caused the cost of hiring to decrease across all industries. This is because demand for employees has gone down. The salaries of people currently employed have also been slashed down due to loss in business.

3. Socio-cultural Factors – These are the factors that help the marketer in understanding their customers in a much better way and also find out what drives or influenced their buying decisions.

» Health consciousness:

Scientists confirm that there is a direct relationship between our food eating habits and our personal health issues. As a result, consumers have become more conscious about their eating habits and prefer to eat at home rather than order from or dine out in a restaurant. For businesses to stay relevant, many have started offering healthier alternatives like salad, etc.

Apart from that, consumers are afraid to eat from restaurants due to fear to coming in contact with the virus and infecting others. To assure the consumers that the restaurants are safe, restaurant owners have started sharing self-declarations regarding their safety initiatives with the general public.

» Dietary restrictions:

Aside from having knowledge about what types of food are healthy and what are not, one major thing consumers focus on is their personal dietary restrictions. For example, people suffering from Celiac disease now understand the problems faced due to consumption of gluten. So, consumers expect the food industry to also make certain changes to keep them happy and healthy.

4. Technological Factors – These are the factors that measure the impact of the new technological innovations or developments on an organization or its industry.

» Automation:

In the recent year, automation can be seen in the food industry in various forms. The best example is how convenient it is for

consumers to browse through a restaurant menu online and get the food delivered at home.

5. Environmental Factors – These are the factors which influence the functioning of an organization due to the ecological impact on the surrounding environment. These factors have become very important in the recent years due to depletion of natural resources and increasing pollution which is one of the major causes of global warming.

» Impact of meat:

Since there is a growing awareness about the repercussions of the kind of food consumed, there is also a rising awareness for the environmental consequences of the food being consumed. In particular, the one food group that causes problems from an environmental point of view is meat.

Meat production, especially red meat, requires large amount of water and leaves carbon footprint. To keep up with the demand for red meat, the industry is tearing down the forests on a large scale to create space for farms. So in order to reduce the deforestation, more and more people are switching their diets to plant-based diets.

6. Legal Factors – These factors help in creating certain legal boundaries within which an organization needs to work. These factors state the various functions and activities which are allowed within the territory where the organization is planning to operate. The difference between legal and political factors is that political factors are led by the government, and the legal factors are established laws which must be complied with.

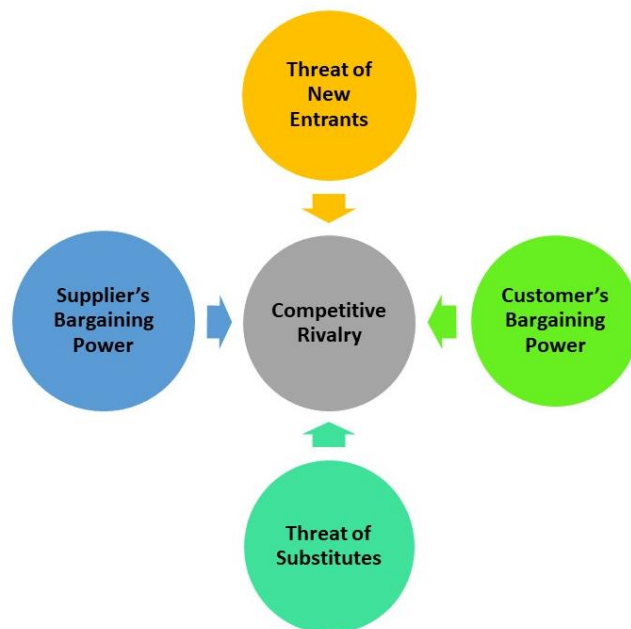
» Safety standards:

As briefly mentioned under the Political Factors above, the food industry has set high standards to ensure that the

customers are being provided with safe and hygienic food. These include rules like how the food needs to be packaged and delivered, how it should be stored or prepared in the kitchen, etc.

4.3.2. Porter's Five Forces

The Five Forces Model is named after Michael E. Porter. This model is frequently used to identify selected industry's structure to determine the strategy of the business. It can also be applied to various segments of the economy to understand the level of competition within the industry and enhance a company's long-term profitability.



The five competitive forces are:

1. Competition from rival sellers – High Rivalry

In the recent years, the Indian E-commerce businesses have seen a rapid growth. Even the online food delivery industry has seen over 100% of growth in the past 3 years. In an attempt to capture a large portion of the market share, Zomato acquired Uber Eats which had a positive impact on its business. Zomato was suffering losses due to its marketing expenses

and delivery charges. But all this effort were successful after gaining large portion of the market share over its major competitor, i.e., Swiggy.

2. Competition from potential new entrants – Low Entry Threat

Depending on the category of the products, the entry threat can vary from low to high. If the infrastructure cost is higher, entry threat becomes low. Whereas, if there is a low cost of operations, entry threat becomes higher.

Zomato is one of the major players in the food industry along with Swiggy. They have a combined market share of around 70-80%, due to which the threat of a new entrant is low.

3. Competition from producers of substitute products – Very Strong Threat

If a similar product is easily available in the market, it means that there is a very strong pressure/threat from the substitute products. One way to reduce this threat is by providing different products which can be distinguished from other products in the market.

But since all the online food delivery apps operate in a similar manner and are accessible on the same platforms, it creates a very strong threat from substitute products.

4. Supplier bargaining power – Moderate Bargaining Power

This factor can range from medium to high degree of bargaining power. This factor depends on the demand for raw materials. In order to make sure that there is an uninterrupted supply of raw materials for the planned production, proper contracts become mandatory. If the bargaining power of the supplier increases, it will cause a substantial increase in the cost of production.

In the online food industry, the restaurants, cafes, food joints, etc. are considered the suppliers. When a customer orders something, they expect the taste to remain the same irrespective of any change in geographies. It is easy for suppliers in tier 1 cities to gather all the required raw materials. But its not the same case for tier 2 and tier 3 cities. This difficulty in availability resulted in the supplier's bargaining power to be in the moderate range.

5. Customer bargaining power – High Bargaining Power

This factor can also range from medium to high degree of bargaining power. But in this case, the factor depends on the number of options available to the buyer. If there are large number of options, then the customer's bargaining power will be higher and vice-versa.

Since there is a high level of substitution threat in the industry, organizations provide many offers to attract the customers which gives the customers a high degree of bargaining power.

4.4. Company Analysis

4.4.1. SWOT Analysis

SWOT stands of Strengths, Weaknesses, Opportunities and Threats. It is an analytical tool used to assess these four aspects of business. It helps a person or an organization in identifying the internal and external factors that are either favorable or unfavorable to the business which achieve the goals or objectives of the organization.

<p>S</p> <p>STRENGTHS</p>	<p>W</p> <p>WEAKNESSES</p>
<p>O</p> <p>OPPORTUNITIES</p>	<p>T</p> <p>THREATS</p>

Strengths:

- Brand image – Zomato users perceive it as a “specialty product” which focuses only on foods and restaurants.
- High awareness – Nowadays finding good food and good places to eat are very important. Zomato is the first thing that comes to mind while such situations.
- Global presence – Zomato is currently functional in more than 25 countries and have partnered with over 1.5 million listed restaurants.
- Zomato uses superior technology and have a strong workforce of more than 1200 people.
- Business model advantage – Zomato has an asset-less business model which gives it a high financial leverage.
- Zomato has a simple and user-friendly interface which makes it easy for its customers to access its services without much difficulty.
- Marketing strategy – Zomato used aggressive and innovative marketing strategy to grab its customer’s attention. It has a strong brand recognition and has received many awards for this.

Weaknesses:

- Limited growth – Zomato has a high level of competition from other companies providing similar services and other search engines which limits the growth in market.
- Sensitive to bad content – In the OFD industry, when companies are trying to grow in the market, it can easily get exposed to bad content

which gives short term growth but in the long term, affect the sustainability of the organization.

Opportunities:

- Lots of untapped markets: The need for online food delivery services can be found all around the world. Zomato is currently operational in 25 countries other than India, and there are many other countries where there is an opportunity to expand.
- Rising number of users – Due to digitalization around the world, more and more people are starting to connect on the internet and smartphone users. This results in the opportunity of being able to reach more and more customers.
- Rapid technological advancements – As times are changing, more advance technological breakthroughs are taking place and since technology is one of the most important factors in the success of its business operation, new technological advancements create new opportunities for the company.

Threats:

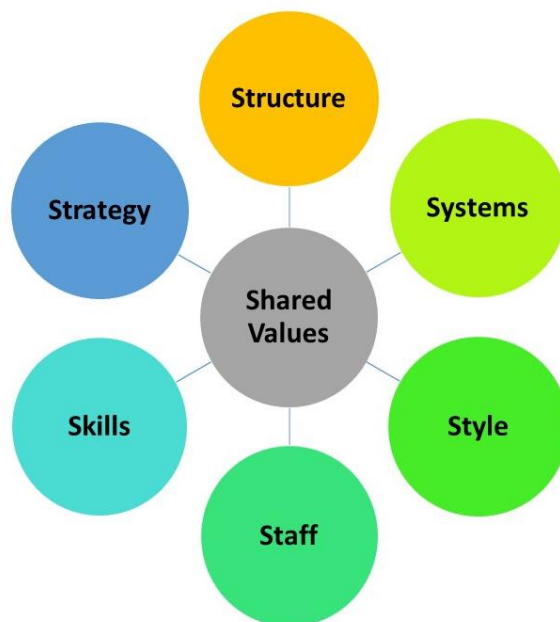
- Extreme competition – Zomato has a high level of competition where rival companies are also providing similar services at similar prices.
- Unclear rules and regulations – The OFD industry does not have any clear rules and regulations regarding how the companies are required to operate in the market. This easily affects the business model of the organizations after changes in any of the government policies.
- One-for-all business model – The business model of the organization is such that any rival can imitate the business model and start their own business operations.

4.4.2. McKinsey's 7S Model

This model was developed by Robert H. Waterman and Tom Peters, former consultants of McKinsey & Company. This model identifies seven internal

elements of an organisation that need to be aligned properly in order to establish a successful business.

4.4.1. The 7-S Model is most frequently used when a person wishes to know how the various parts of the organisation works together in order to achieve its goals or objectives. This model is also used to improve the performance of an organisation or to determine the best way to implement a strategy.



The seven elements of McKinsey 7-S Model are as follows:

- Strategy – Organization's plan for building and maintaining a competitive advantage over its competitors.

Zomato uses the segmentation, targeting and positioning technique in their marketing strategy. In the segmentation strategy, Zomato focuses on consumers under the age range of 18-35 years. These mainly include people who prefer to dine out more frequently and wish to find good restaurants in and around their city where they can spend some quality time with their friends and family. Apart from that, Zomato now also focuses on a larger segment of users mainly comprising of

working professionals who also wish to either dine out or want their food to be delivered at their doorstep. Zomato has positioned itself as the platform that connects the restaurants, customers, and food suppliers together all in one place.

- Structure – How the company is organized in terms of the structures of departments and teams (including who reports whom).

Zomato's organizational structure is highly decentralized and flat. There are very few layers between the employees and the CEO of the company and the working of different levels is mostly integrated together.

- System – The daily activities and procedures in the organization to get the job done.

Since Zomato is still following a start-up culture in its workplace, the system of communication and sharing of information is also very informal. The organization has limited rules and regulations which are formal in nature.

- Share values – Core values of the organization which can be seen in its culture and general work ethic.

Zomato has a very different work culture, wherein it provides its employees with an opportunity to work on highly empowered roles. These roles can be seen in teams as well as at an individual level. The efforts of these employees working at an individual level or in teams are also highly recognized and rewarded from time to time.

- Skills – Actual skills and competencies of the organization's employees.

The strongest skills possessed by the employees of Zomato would be to have excellent verbal communication skills and have a basic mathematics knowledge and good in calculation. Others required skills include having the ability to coordinate the efforts of a large team, have highly developed teamwork skills, have a thorough knowledge of the field the employee specializes in and always be open to explore new domains as well, and last but not least, be able to at least speak English and Hindi fluently. Due to confidentiality, more information regarding this is not made public.

- Style – The leadership style adopted.

From the data collected from various sources, it can be assumed that the leadership style adopted by Zomato is largely participative. This is an assumption based on the fact that all the employees, whether office employees or delivery agents, everyone is given an opportunity to share their view-point on matters concerning them, and every employee is given the opportunity to work on highly empowered roles. Due to confidentiality, more information regarding this is not made public.

- Staff – Employees and their general capabilities.

Zomato's majority of the workforce consists of delivery agents and restaurant partners. Apart from that, Zomato has employees working in their regional offices around the world. Since the company has a flat hierarchical structure, most of the positions at different levels are integrated together. Due to confidentiality, more information regarding this is not made public.

Chapter 5: Data Representation and Data Analysis

5.1. Data Representation

Objective 3:

After the rising cases of coronavirus in India, the government decided to enforce a lockdown in the country and forced businesses from all industries to either shift work culture from office to home or set up precautionary measures. People are staying at home and quarantining themselves, which has led the door-to-door delivery startups to face new challenges. The restaurant industry has been one of the worst hit during the pandemic.

The biggest concern for the customers ordering from Zomato was that they were afraid that the food being delivered to their doorstep might also become carriers of the coronavirus. So, the food delivery service provider started training their restaurant and delivery partners on how to package and handle food, wash and sanitize hands, use masks and identify symptoms. But then again, it is not easy for those who do last-mile services to integrate the masks and hand sanitisers into their routine.

There have been reports where employees complained that the company had not instructed them to take any particular measures while delivery amid the pandemic and did not even receive any masks to put on for safety purposes, let alone sanitizers. Most of the delivery agents were using their handkerchiefs to cover their faces to protect themselves as well as the customers.

The biggest fear haunting the delivery agents was the fear of ending up on the receiving end, i.e., getting infected by the virus, or worse become the carrier and infect others. At times, during a surge in the number of orders in a particular area, a single delivery agent was given the task of delivering multiple orders. This has resulted in an increase in workload of the delivery agents. While some delivery agents are given multiple orders, others are not getting enough orders, especially in contaminated areas which has

caused a significant decline in the income of the delivery agents as compared to before the pandemic.

Objective 4:

The COVID-19 crisis has impacted almost every industry including online food delivery services and to sustain in the market during this crisis, food delivery apps like Zomato are coming up with preventive measures that will ensure the safety of their customers, delivery partners, merchants, and employees. Zomato is educating its delivery partners and asking them to maintain a certain level of food hygiene in their kitchens. Zomato is doing everything to support their customers, delivery partners, restaurant partners, and the daily wage workers who were impacted the most during these times.

For the safety of customers, Zomato has started contactless delivery amidst the lockdown situation to ensure delivery of safe and hygienic food. Zomato provides the customers with an option to opt for the delivery partner to leave the package outside their home. This helps in ensuring the customer that no human-to-human interaction is being taken place and hence lowering the risk of any transmission. Additionally, Zomato has disabled Cash on Delivery (COD) to avoid any sort of contact between the users and delivery partners.

Apart from that, Zomato has set strict hygiene standards at its restaurant partners and sharing this information with the users. This way the customers are rest assured of the safety and hygiene standards of the food and can make an informed decision. The restaurant partners have an option to issue a self-declaration on whether they are complying with the best practices at their premises, as advised by WHO for the purpose of taking precautions against the spread of coronavirus.

Restaurants have been instructed to set up hand wash and sanitization stations in their premises. They also have to ensure that the restaurant staff as well as the delivery agents are using them regularly or not. They have been encouraging to sanitized their kitchen slabs and utensils at regular intervals during the day. Also, restaurants are

instructed to check the body temperature of their staff and delivery partners to ensure that the food is not delivered by someone who might have a higher-than-normal body temperature.

One last initiative taken up by Zomato for their customers is grocery delivering. They started this initiative in more than 80 cities across India to help with the supply of essentials. Zomato has the 2nd best network in the country after India Post and they are using this as an opportunity to help serve the community in the best way possible.

Delivery partners have also been asked to share their self-declaration on a daily basis regarding their hygiene and health issues like, normal body temperature, sanitized masks and bags, etc. Zomato has enforced certain policies to make sure that delivery agents are complying to the hygiene and health standards. Zomato has also added an option in the customer feedback on the app where the customers can also inform whether the delivery agent was wearing proper protective gear or not.

Besides this, Zomato has launched two initiatives for delivery partners – Rider Relief Fund and COVID Insurance. For the Rider Relief Fund, Zomato is donating and raising money from the community which will help support all the delivery partners whose earnings dropped sharply due to reduced demands for food delivery. On the other hand, COVID Insurance was launched to reassure the delivery partners that they do not have to force themselves to work due to financial reasons in case they get infected with COVID-19. Zomato has renewed their terms and conditions of its Delivery Partner Insurance Plan. This Insurance Plan, which initially covered only hospitalization, now also covers lost earnings if a delivery agent tests positive for COVID-19.

Zomato is also providing proper training and education to delivery partners on the best practices that they should follow regarding personal hygiene, proper method, and handwash and sanitizations on regular intervals. They have instructed what delivery agents are required to do in case they have symptoms related to COVID-19. As per the instructions, delivery agents have been asked to self-quarantine themselves as and when they feel any of the symptoms of coronavirus. Zomato will help them financially and provide them with free medical check-ups. Delivery partners are also kept well-

informed and up-to-date with the advisories provided by the Ministry of Health & Family Affairs regarding the COVID-19 regulations.

With a goal of helping out the restaurant partners who are finding it tough to support their employees, Zomato initiated the Zomato Gold Support Fund, where individual users can contribute by purchasing or renewing their annual Gold membership. All the fund generated from Zomato Gold subscriptions during the month of April 2020 were forwarded to support restaurant workers in need. Also, the users who subscribed to the Gold membership are given an additional year of Gold membership for free as a token of gratitude.

5.2. Data Analysis

Null Hypothesis: The safety initiatives taken by Zomato were not effective

Alternative Hypothesis: The safety initiatives taken by Zomato were effective

From the data collected by interviewing various delivery agents, restaurant partners and regional office employees of Zomato, it was found that in the initial days of COVID-19, no proper or clear instructions were given to any of the employees of Zomato. Office workers was adjusting to the new culture of work from home, whereas restaurant partners and delivery agents were clueless what to do.

According to most of the delivery agents, Zomato had not provided any clear instructions on how they should cover themselves enough so that both the customers as well as the delivery agents remained safe. They were also not provided with the proper safety gear with masks and sanitizers.

But later on, during the lockdown, Zomato provided masks and sanitizers to its delivery partners and restaurant partners. In addition to this, the restaurant partners were instructed on how they need to keep their kitchens hygienic and sanitize everything at regular intervals. Zomato reimbursed the expenses of masks and sanitizers to delivery agents in cities where they were not able to provide them with the safety gear.

Delivery agents were also provided proper training on how to carry out contactless deliveries. Zomato is ensuring that both the restaurant and delivery partners are well informed and up-to-date with the norms of COVID-19 safety measures which are issued by the Ministry of Health and Family Welfare and WHO.

Before every delivery, the delivery agent is asked to clarify and declare that they are not suffering from any flu-like symptoms and that they have sanitized their hands and are wearing a mask. Also, delivery agents were instructed to install the Aarogya Setu app.

Apart from that, Zomato has started a new service of Contactless Dining where people can visit and dine in the restaurant and dine together without touching any menu cards or even coming in contact with the staff working in the restaurant. Zomato even shared experiences of various of its users who opted for Contactless Dining and assured all its stakeholders about how safe it is to use.

Moreover, to make sure that the delivery agents are not adhering to the safety norms, like wearing a mask or sanitizing their hands properly, the restaurant partners and customers have an option to provide feedback regarding the same. Furthermore, in case any delivery agent does feel any symptoms, Zomato is going to be giving OPD coverage of up to Rs. 5000 to help support its employees financially while they are getting the required tests done. Zomato has also insured its delivery agents, so if any of them does come in contact with the virus, the lost earnings and medical expenses will be covered in the insurance.

Zomato is not only providing high-quality services to its customers but is also focusing on the well-being of its employees. It has decided to provide the female and transgender employees with 10 days of “period leave” per year.

All the employees working at Zomato agree that the initiatives taken by the company were very helpful to them and their family. According to some, they felt that their needs were giving importance and their problems were heard. This created a sense of belonging in the company.

Hence, we can say that the null hypothesis is rejected because the safety initiatives taken by Zomato were very effective.

Chapter 6: Results and Conclusion

6.1. Results and Discussions of the study

The results of the study help shed some light on how Zomato managed to sustain its business operations during the health crisis. After the COVID-19 pandemic, the food delivery industry and the restaurant industry were one of the worst affected. While carrying out the study, it was revealed that setting up a company in an industry like the Online Food Delivery services is very convenient. Yet, the biggest challenges during the pandemic were faced by the companies in this industry. And the study focuses on how the companies coped with these challenges.

In the annual report published by Zomato's founder and CEO, Deepinder Goyal mentioned that the pandemic has had a positive impact on the company's growth and profitability. This is because the pandemic helped in reducing the burn rate of the company which improved the health of the business. Also, Zomato was one of the essential services during the pandemic and it seized this opportunity to serve crores of customers.

Zomato, unlike its rivals, is focusing not only on customer satisfaction but also on employee satisfaction as well. It has made sure that all the stakeholders of the company, whether restaurant partners or delivery agents, are heard and all their needs were also taken care of.

6.2. Conclusion

After taking all things into consideration, it can be said that Zomato has set an example in the industry on how to stay flexible in case of any uncertain event. Zomato successfully managed the health crisis that had affected every industry. It made sure to prioritize the things that needed attention. First of all, it made sure that the safety of all the stakeholders were taken care of. Secondly, it looked for new ways to sustain its

business operations during the pandemic. It also launched various initiatives to help and support its employees, customers and the community.

Chapter 7: Recommendations and Suggestions

References

Appendix

Interview questions:

1. What all problems did you face during the initial period of the pandemic?
2. How did you manage the issues faced?
3. How did your regional office/head office contribute in helping you?
4. Zomato launched various initiatives during the pandemic to help you manage your work and health properly. To what extent were these initiatives helpful? Were there any shortcomings?
5. When did your employer start acknowledging the problems you were facing? (When were your problems heard?)