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A critical analysis of Zomato’s brand activism

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Abstract

The intersection of a brand and customer today meets at brand activism where the relationship between a brand and its customers has become more than that of buying and selling. This paper aims to critically analyse the brand activism of popular Indian food delivery and restaurant aggregator app – Zomato and understand how brand activism influence customer perception associated with a brand. Major findings of this paper are that customers do expect brands to stand for social causes in the society but at the same time, brands are also expected to be true to their cause and evaluate their words and actions before sharing it with the target audience. Brand Activism is here to stay, and brands must make the right use of opportunity and trust of its customers. The combined ecosystem of aware customers and authentic brands will benefit the society at large.

Keywords: brand activism, Zomato, social causes, customer loyalty

1. Introduction

Brand Activism might be a new phenomenon but brands standing up for social causes is not. 1929 was a landmark year as it marked the beginning of brand activism, when Edward Bernays- the father of PR used cigarettes as a tool to emancipate and find equal rights for women. Brand activism is where brands use their brand name, logo, products, symbols to stand for a cause in the society. Christian Sarkar and Philip Kotler in their 2018 book; ‘Brand Activism: From Purpose to Action’ have laid down six ecosystems (social activism, business activism, political activism, legal activism, economic activism and environmental activism) which can stand for a cause and work for bringing actual changes in the society. Brand Activism can also be defined as a consistent effort to bring about changes in the society by the means of using a corporate brand name. Different forms of brand activism range from writing newsletters to changing logos. Brand activism is the natural evolution of Corporate Social Responsibility (CSR), but when CSR was responsibility driven, brand activism is purpose and value driven in nature.



Fig 1: Natural Evolution of Brand Activism

As customers expect their brands to give back to society, they find it easy to connect and choose brands which are specifically inclined towards standing up for social causes and aren’t afraid to stand for what’s right. As customers believe that brands have the ability to create an impact in the society, the evolution of this relationship has made brands realise that if they have to stand out in the market and get their product and services differentiated from

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others, brand activism is the key to achieve that. Today's customer is not just a passive information receiver but tend to understand how a brand functions and why it takes certain actions. The political and social unrest is often the prime time for brands to seep deep inside the mindset of their customers by standing for a cause and proving that brands do not just exist for making profits.

1.1 Objectives of the study

1. To seek a deeper insight about how brand activism is associated with consumers' perception about the brand.
2. To understand how Zomato uses activism and to check if the actions and reactions of Zomato on social media align with their words and motive behind brand activism.
3. To use Zomato as a case study to evaluate brand activism and changes in consumer attitude because of brand activism.

2. Review of literature

2.1 Understanding core of branding and brand activism

Branding is an effective marketing strategy tool that has been in practice since a long time (Rooney, 1995) ^[12]. Today, branding is gaining new grounds because of application of innovation and strategy development in the process of branding. Corporate, industrial, and service branding are emerging as new trends of branding. These non-traditional branding environments will become the future of branding in coming years.

Brand activism is defined as a process that seeks to influence customers by means of campaigns created and sustained by political values. It involves a change in corporate communication and a change in the corporate social responsibility practices. This corporate political shift involves the use of tagline messages, slogans and content based on final or instrumental political values. Political conduct doesn't work in a vacuum; however, it is the reaction to an adjustment of upsides of the young utilizing computerized advancements and requesting an alternate and more social behaviour from worldwide firms (Manfredi, 2019) ^[10].

2.2 Consumer perception of brand activism

Consumers today have extended their role from buyers to external shareholders. Neglecting to stay aware of the needs and wants of the customer can be adverse for any organization. Along these lines, to hold and pull loyal consumers and employees, to stand out from the existing competition in the market brands have to be on their feet when it comes to driving social change (whitehouse, 2020). A series of studies done on both well known and unknown brands proved that there was an asymmetric relationship between brand activism and consumer relation. (Mukherjee, 2020, 772-788) identified that people's interest towards a particular brand subsequently reduced when the opinions of brand and consumers did not match. This has directly impacted both consumer's intentions and consumers choices.

2.3 Introduction to the case company

Zomato is an Indian multinational restaurant aggregator and food delivery company started in the year 2008 by two IIT Delhi alumnus; Deepinder Goyal and Pankaj Chaddah. Zomato, earlier known as 'Foodiebay' was rebranded as

'Zomato' in the later years. Zomato was launched with a motive to be the best delivery pattern and food searching platform in India. Today, Zomato is amongst the top start-ups in India which is operating in 23 other countries. In the year 2015, Zomato started delivering in Delhi NCR, followed by Kolkata, Mumbai, Bangalore, and Pune. Within just four years after this, in 2019, Zomato started delivering food to almost 200 cities across India. Zomato has acquired various companies in India like UberEats, Maple Graph, Fitso and Runnr. Zomato's vision and motto has been to make meals valuable. Zomato aims to be the 'google' of ordering food and aims to target people of the age-group 18 to 35 years who are digitally sound and are comfortable with using various applications. Based on the services zomato offers, it has divided its customer base into two groups: people who want to dine out and people who want to get their food delivered. As an online food delivery app, technology has been a major area of focus for Zomato with immense focus on the website and app for gaining customer attraction. It has an excellent user interface which creates a hook for the visitor. Zomato has a strict data-driven approach which helps it tap into the customer's mindset. Personalised push notifications, delivery time, and ad-targeting have all contributed to the overall success of Zomato as a brand.

3. Methodology

This study adopted mixed methodology by making use of both qualitative and quantitative techniques to understand the consumer perception surrounding Zomato. A well-structured questionnaire created on google forms was used to collect responses from 168 respondents who use and subscribe to Zomato. The questionnaire was divided in three sections based on the nature of questions: 1. Background information of respondents 2. Consumer Awareness about Zomato as a brand and knowledge of Zomato's brand activism 3. Consumer perception of brand activism at large. For secondary research, existing studies about Zomato and various controversies associated was used to analyse and answer the research questions. The news generated on Twitter, Instagram, and Facebook during the time of the selected campaigns and crisis were also studied to understand the traction generated around the brand.

4. Analysis

4.1 Menstruation leaves for employees

In the year 2020, Zomato announced 10 days of 'period leaves' for its female and transgender employees. The founder and CEO of the company, Deepinder Goyal declared that Zomato wants to foster a culture of trust and acceptance, and hence this policy was adopted by Zomato. For each menstrual cycle, women were allowed one day of leave. He also stated that as a brand, they understand the biological fundamentals of men and women and hence they want to create a room for biological needs without lowering the bar of the quality and impact created, and also being the first company in India to do so. This move of Zomato was highly appreciated by popular celebrities in the country. However, this move of Zomato sparked a debate between people if period leaves will actually help improve the taboo around menstruation in India or will it further make it more complicated for women to reach top-level managerial positions in the country. This move opened a way for debate

if period leaves were a necessity and also a lot of people raised disagreement around the label of 'period leave'. The respondents in survey with a majority of 69.9% had agreed that brands should take a stand for different social causes in society and Zomato announcing period leaves for its employees was a stand intended to normalise menstruating women in workplaces and to embrace the biological differences between different genders. Since the age-category of the majority of respondents (20-23 years) aligned with the target audience of Zomato (18-35 years), it clearly shows how Zomato has understood the psychology of its target audience.

4.2 Religious controversies

In July 2019, a Zomato user tweeted that he didn't want to receive his food delivery order from a non-hindu delivery boy. This tweet went viral on twitter and backlash against the tweet started gaining attention. However, Zomato took this issue seriously and responded by saying 'food doesn't have a religion, food is a religion'.

Further, Zomato founder and CEO, Deepinder Goyal said, "We are proud of the idea of India - and the diversity of our esteemed customers and partners. We aren't sorry to lose any business that comes in the way of our values". This response of Zomato was highly appreciated by some famous personalities like Swara Bhaskar, Omar Abdullah and others. But the consequences that Zomato had to face because of this tweet were huge.



Fig 2: Tweet on religion controversy by Zomato

In a single day, Zomato got over 5,800 one-star ratings on its Playstore app. This controversy has flooded Zomato with huge backlash and negative profiling all over the internet. People have called out the brand as 'hypocrite' with double standards when one of the customers asked for replacement of his order when he received 'halal meat'. All of these incident's cost Zomato a huge backlash on social media. On the third day of the incident, #uninstallzomato was still trending on twitter.

According to an article (*Food, Religion and Hypocrisy of Zomato*, 2019) the argument that food doesn't have religion doesn't have a strong base, not in India at least. As Indians, our food habits emerge out of our religious sentiments and

faiths. Our eating culture varies from one religion to another. The whole controversy about beef in our country has emerged out of our religious beliefs. If food wasn't associated with religion in India why are there special menus for *Jain food* and special menus for *Navratri*. Zomato itself has special provisions for separate delicacies based on various religious events in the Country. This makes an argument for the ambiguity brands can showcase while making campaigns or standing for a cause.

Out of 168 respondents, 28.6% respondents said that they found this reply from Zomato to be highly ambiguous in nature. Whereas 32% people took a neutral stand between the reply being diplomatic and ambiguous. However, the respondents of this survey were also asked if they uninstalled Zomato's app after this controversy, 89.3% denied doing so. This is an indication of the fact that such social media backlashes against a brand might slow down on social media itself over a period of time. Yet, it cannot be denied that such incidents can completely tarnish the image of a brand. Consumers expect brands to be socially sensitive towards the religious sentiments of people.

However, right after a few days of this controversy, Zomato got caught in another religion-based controversy. On August 4, 2019, a few Zomato employees near Kolkata started protesting about the dipping pay cuts and also about how they didn't want to deliver pork and beef. Zomato responded to this by saying that our employees are being made to understand the practical nature of the job and for a country like India which is vast and diverse, managing vegetarian and no-vegetarian deliveries will be quite a task. What added to the existing controversy was, Zomato's video advertisement around the time of Diwali, about how food can be used as a common ground to build interfaith relationships added to the already existing controversies raging on the ground of religion for Zomato.

4.3 Zomato's Advertisement on Republic TV

In November 2020, Zomato was trending on twitter again with the hashtag #boycottzomato. According to a report by 'The Wire', a twitter user pointed out that people who have donated funds for the 'Feeding India' campaign by Zomato, did not want their money to be used for indirect monetary benefits to the hate and fake news spreading platforms like Republic TV. The user shared a video of Arnab Goswami, chief journalist at Republic TV, talking about 'love jihad' a conspiracy mongered by the right-wing propagandists. Actor and activist, Swara Bhaskar stood by this view and asked Zomato in a tweet to not support any platform which spreads communal hatred. Zomato replied to this tweet by stating that they do not endorse communal hatred in any form, however they still claimed that the matter will be looked into. Within a span of 5 hours, there were 53,000 tweets on twitter debating about what Zomato should do (*#BoycottZomato Trends Again, This Time over Advertising on Arnab Goswami's Republic TV*, 2020). Twitter was polarised into two, on one hand the leftist and centrist supported Swara Bhasker and asked Zomato to take down its ad from Republic TV. On the other hand, the right-wing supporters threatened that Zomato might lose business if they took down their ad. Earlier in the year, in July, a Pune-based activist filed a complaint against Republic TV for dividing the country on the basis of religion. The activist accused Arnab Goswami of creating a mob mentality which

was based on half-truth and was meant to brainwash the audience (Goyal, 2020).

The aftermath of all of these controversies was seen on the brand perception index of Zomato. According to a report (Khatri, 19), 'BrandIndex' which is YouGov's daily brand health tracker, monitors how media and news events impact consumer's behaviour towards a brand in terms of perception and purchase. This BrandIndex data has shown that Zomato's Buzz, which records data about brand's popularity in a span of two weeks, declined steadily due to the mounting controversies, and saw a fall of 6.8 points, from 42.7 in the beginning of July to 35.9 in August end.

5. Discussion

The respondents of this research were asked about how they view Zomato's responses on various social issues and 41% of the respondents took a neutral stand indicating that their stand is in between the lines of social inclination and hypocrisy.

Controversies regarding social stances of Zomato have been in the media's attention for a long time now. This raises a question about the original motive of brand activism by brands which hold a power in society to influence and impact the audience's opinion about various social issues. The relationship between brands and customers is much more than exchange of goods and services today. People today are on their toes and can take minutes to spot hypocrisy. By choosing to comment in the situation of crisis, brands are putting themselves under the lens of customer scrutiny. But actions and words from brands must be evaluated and well-thought. When an action or comment from a brand doesn't align with its past record of events, even good intended moves can come out as insincere. Any action or reaction without clarity can leave brands at a stage of extreme social media backlash, advertiser takedowns and falling prices of stocks (Chen, August).

5.1 When brands become Activists

Majority of the respondents expected brands to be part of or initiate some kind of social activism. With arm-chair activism gaining popularity, people find it easy to amplify opinions and messages. And brands like Zomato have very well tapped into this opportunity. By creating 'woke' and morally inclined posts on Instagram and Twitter, Zomato has played its part by spreading awareness and talking about social issues like sexuality awareness and the plight of daily wage workers.

When brands become activists, they take one step forward in establishing themselves as change-makers in the market. Besides this, brands becoming activists makes it easier for brands to stand apart from their competition in the industry. This activist tendency of a brand might bring both positive as well as negative outcomes, but brands must stand by their value driven approach in marketing to bring actual change in the society.

5.2 Influence on purchase decision because of brand activism

When CEOs of companies make statements about certain issues and if people agree, they are most likely to purchase from that company in the near future. And hence, (Sarkar & Kotler) in their book - Brand Activism: from purpose to action explain how progressive brand activism can have positive impact on the sales of a company and the same goes

for regressive activism, which will negatively affect sales of the company in near future. The respondents of this survey have shown that people are actively choosing brands which stand for social causes even if this requires customers to pay an extra price. Brands might argue that brand activism might upset some set of customers but standing neutral is definitely not something customers expect from brands today. The respondents were also asked if they would stop choosing a brand because of social media backlash and 49.9% respondents said that social media backlash does not influence their purchase decision in any form. Brands need to understand that sometimes, standing for a cause might have repercussions on the brand image but in the long run, customers will lean towards brands which showcases higher sensitivity towards issues prevalent in the society.

5.3 Authenticity of Brand Activism

(Kubaik & Ouda, 2020)^[8] have explained how consumers find it necessary that there should be a logical connection between brand activism and products the brand is selling. If brand activism is merely a follow-up of recent trends it is more likely to come out as inauthentic in nature. Moreover, consumers are worried if brand activism is anything but empty talk and no action. Lastly, consumers are sceptical about the good intentions of the brands because they believe that the ultimate motive of the brand is to make profits. This consumer distrust towards marketing and brand activism can be explained using Friestad and Wright's statement which says that consumers distrust such activist tendencies because they are aware of different marketing tactics that corporations follow. It is clear that actions matter more than mere communication when the talk is about brand activism. The respondents of this survey were asked if they agreed about the fact that brands genuinely believed in causes, they campaign for. And 59.5% of the respondents took a neutral stand for the same. Which clearly implies that customers still are sceptical about the authenticity of brands in the view of brand activism.

5. Conclusion

Findings of this research suggests that customers do expect brands to stand for social causes in the society but at the same time, brands are also expected to be true to their cause and evaluate their words and actions before sharing it with the target audience. We live in a society where social media is the largest platform for any activism and brands must understand that every action of theirs will be scrutinised. This study on Zomato, is a classic example of how people will appreciate your move if it's authentic and aligned with your corporate values. However, at the same time, customers have become more than just a passive audience. Today customers are voicing out their opinions and calling out on false or vague promises by the brands. The findings of this research align with the findings of (Broberg, 2020) that well planned and thought after brand activism will bring positive sense of brand recognition amongst the consumers, like the case of Zomato introducing menstruation leaves for its female and transgender employees. But at the same time if customers find out the blatant hypocrisy in the name of brand activism customers won't keep quiet and will question the intentions of the brand at large, like the case example of Zomato responding in a vague sense about religion to one of its customers.

Brand activism is here to stay and brand managers must take the right steps in order to do so. To find the correct balance between corporate and social communication is the key to bring about the desired output from the social campaigns. However, just for further application by any brand manager, here are a few points which discuss the most appropriate and effective way to work on brand activism.

1. Brand managers must be educated about what brand activism is and they must understand that ground or surface level tensions will not only nullify their whole objective but will also bring unnecessary backlash for the company.
2. Brand managers must be aware of the past actions and reactions of the company. Any contrasting opinions may create a sense of deceptiveness towards the brand amongst consumers and brand managers should directly consult activists before planning out any campaign in order to understand the in-depth factors associated with any social cause.
3. Research is the key to understanding what your target audience expects. Brand managers must adhere to in-depth market research to understand the length and breadth of consumer opinion. For example, in the survey conducted for this research, 33% respondents said that Zomato needs to be more clear and specific about its social and political standing. Transparency is what consumers expect from brands who are pursuing brand activism of any form.

Lastly, to sum up, this study has concluded that consumers keep a check on the brand activism followed by brands, and they also support and appreciate brands taking a stand for the greater good of the society. However, customers expect the brands to be transparent, authentic, and true to their cause. This study has empirically found out that brand activism is not as risky of a move. If brand managers are aware about the cause and evaluate their actions and reactions, customers are less likely to backfire. If done right, brand activism can help the brand to gain customer loyalty which will in-turn benefit the brand's business in the long run.

6. Future Suggestions

For further study about brand activism, an in-depth understanding can be done by conducting interviews of brand managers of the company. Also, more and more start-ups can be considered for case study and critical analysis because start-ups are known to be innovative and hence can make a good case for brand activism. This research did not evaluate if gender makes a ground for differentiation for the case of brand activism, that can be an interesting way to understand impact of brand activism.

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