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Swiggy's Dineout Deal: A win-win for both the brands and the customers

by **Neethu Mohan** — May 18, 2022 in Exclusive, Featured 4 min read



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The Bengaluru headquartered food tech company Swiggy India has announced that it has entered into a definitive agreement with Times Internet to acquire Dineout (one of the leading dining out and restaurant tech platforms). Swiggy also added that Dineout will continue to operate as an independent app post-acquisition. Swiggy intends to capitalise on Dineout's unique claims and leadership position in the dining out space with the acquisition.

How is Swiggy going to benefit from the deal and what are the advantages Swiggy will have over Zomato with the acquisition?

With the Swiggy-Dineout deal, the food tech company will be able to enter the dining-out space, a category where its main competitor, Zomato, has had the upper hand for years and where the only distinguishing factor the publicly listed firm has over Swiggy.



According to **Chandan Bagwe, Founder & Director, C com Digital**, with the acquisition deal, Swiggy gets an added advantage over Zomato as Dineout has close to 5 million users while Swiggy has over 50 million active annual transacting users.

He says, "The deal will also allow Swiggy to Dineout deals cashless payments and earn cashbacks and Dineout passport membership, in addition to its existing benefits customers. Additionally, Dineout also has an events business which Swiggy can benefit from. Overall, it is a good deal for Swiggy and for Zomato, it will be additional pressure, especially at this time when it has gone public."

"In reality, there seems to be no great investment except for the deal. Swiggy is going to leverage the same technology that it has built technology that can cater to the needs of different foodies who prefer to move out of closed rooms," observes **Sumesh Ramankutty, CMO, Augmont Gold**.



He says, "Dining out and partying have come back after the lock down. Consumers are flocking to restaurants and some of them hits regularly at specific dining out spaces. The high category Restaurants are a huge market for aggregators. Why lose that market? This way, Swiggy has measured the alternate consumer journey and is tapping that market. Now they have got everything related to food, the making of food, the food eating ecosystem, including the offline high food hangouts. This way, Swiggy can get those customers who regularly use Dineout."

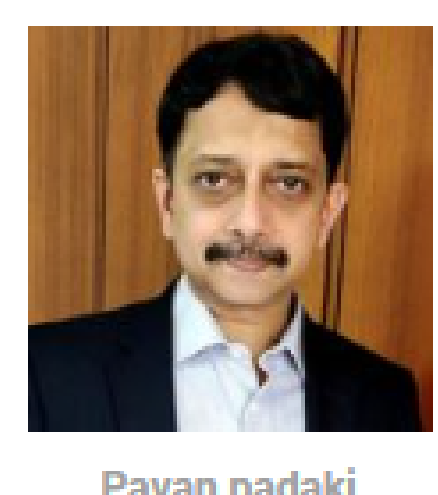
"As always in the new age, "data" is more important as it is easy for Swiggy now to push their offers to the good customer database of Dineout. And Dineout got tied up with multiple, especially with the country's largest private bank on cards, and there are several funded offers and co-branded Dineout card holders who actively use the same. Zomato pioneered restaurant listings and with this deal, Swiggy is now entering into the terrain via Dineout, which has almost 50000 restaurant partners," adds Ramankutty.



"By buying Dineout, Swiggy has made a smart move and hedged their risk in a scenario where more people prefer going out than ordering online. This move will also allow Swiggy to cover the entire food ordering and dining spectrum. Since Dineout is a well-loved brand by its customers as well as vendors (restaurant owners), it is likely that Swiggy will win even more customers eventually. With the acquisition, Dineout has more chances to be profitable as it works on an asset-light model," says **Kriti Aggarwal, Co-Founder & CPO, StoreHippo**.

What does the acquisition mean for the customers of Swiggy and Dineout?

"It's a win-win deal for all three—Swiggy, Dine out, and their respective customers. While Swiggy gets the benefit of using Dineout's ready and tested software for table bookings and payments along with its entire captive customer base for boosting Swiggy services, Dineout would get the benefit of reaching the huge Swiggy customer base to promote its services," says **Pavan Padaki, Author Brand Vinci and Branding Coach**.



According to Kriti Aggarwal, the customers are the biggest winners with the acquisition.

"The acquisition will benefit both Swiggy and Dineout customers as both brands will now utilise their synergies and provide their customers with more options. So customers are the biggest winners here, who will get more options, competitive prices (with Dineout vendors at their disposal) and better deliveries thanks to the already established delivery network of Swiggy," she adds.

Marketing & Customer Experience

"In terms of marketing, Swiggy could plan and formulate well-integrated loyalty programmes across all its offerings on a common app including the newly acquired Dineout restaurant table booking services, for an even smoother and richer customer experience. This would make Swiggy a full range foodtech company with a definitive edge over other foodtech service brands. Dineout customers can now anticipate disruptive and innovative services as witnessed with Swiggy in the recent past," says **Pavan Padaki**.

"In terms of range of services and experience, Zomato seems to have had an 'advantage' over Swiggy till date as a restaurant table booking service brand extending its services to food delivery. Now with the Dineout acquisition by Swiggy, it looks like it is 'deuce' and the market is now waiting to witness the next serve from either of the two brands to see who gets the next advantage, game, set, and match. Any which way, the customer is going to experience and enjoy ace service," adds Padaki.

It will be interesting to watch out if Swiggy goes for a pure Ad sales model or an inbuilt app journey for bookings in Dineout restaurants. Swiggy has stated that both the apps will operate independently. If that is the case, Swiggy wanted to cater to the high value category and keep the positioning as it is. For customers of Swiggy, they are then exposed to more varieties from 50,000 restaurants, and for Dineout customers, they enjoy the coupon and discount vouchers along with the experience of Dineout. Eventually, for Dineout, this might have come as a rescue as they were stuck very badly during the COVID and lock down.

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