



A Study on Pricing and Promotion Effectiveness of Swiggy Subscription Model in Chennai

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Abstract-- This study focuses on analysing the pricing and promotional effectiveness of the Swiggy subscription model in influencing customer behaviour and enhancing user retention. With the rapid growth of online food delivery services, subscription-based models have emerged as a strategic tool to attract and retain customers by offering benefits such as free delivery, exclusive discounts, and priority services. The research aims to evaluate how pricing strategies and promotional activities impact customer satisfaction, purchase frequency, and overall perceived value of the subscription. Data is collected through primary sources such as surveys and questionnaires, along with secondary data from existing reports and articles. The findings of this study are expected to provide insights into consumer preferences, effectiveness of subscription pricing, and the role of promotional strategies in increasing customer engagement. This research will help in understanding whether the Swiggy subscription model is economically beneficial for both the company and its users.

Keywords-- Swiggy Subscription Model, Pricing Strategy, Customer Satisfaction, Consumer Behaviour, Subscription Marketing.

I. INTRODUCTION

In recent years, the rapid growth of online food delivery platforms has significantly transformed consumer purchasing behaviour. Digital convenience, time-saving features, and increased smartphone usage have contributed to the widespread adoption of such services. Among these platforms, Swiggy has emerged as a leading player by introducing innovative strategies such as subscription-based models to enhance customer experience and retention.

The Swiggy subscription model, commonly known as Swiggy One, offers benefits such as free delivery, exclusive discounts, and priority services. These features are designed to attract frequent users and encourage repeated usage. However, the success of such a model largely depends on how customers perceive its pricing and promotional strategies. Pricing plays a

crucial role in influencing subscription decisions, as customers tend to evaluate affordability and value for money before opting for such services.

Promotional activities, including discounts, special offers, and app notifications, further impact customer engagement and ordering behaviour. These strategies are widely used to attract new users and retain existing ones. The effectiveness of these promotional tools determines how frequently customers interact with the platform and utilize the subscription benefits.

In addition to pricing and promotion, customer perception is an important factor in evaluating the success of the subscription model. Elements such as overall satisfaction, convenience, and ease of use contribute to the customer's experience and influence their continued usage of the service. Positive perceptions can lead to higher customer retention and stronger brand loyalty.

Furthermore, the business impact of the subscription model is reflected in changes in customer behaviour, such as increased ordering frequency and improved loyalty towards the platform. Understanding these outcomes helps in assessing whether the subscription model is beneficial not only for customers but also for the company's growth and profitability.

This study is primarily based on a structured questionnaire that examines various aspects, including demographic details, pricing perception, promotional effectiveness, customer satisfaction, and business impact. By analysing the responses collected from users, the research aims to evaluate the overall effectiveness of the Swiggy subscription model and provide insights into how pricing and promotional strategies influence customer behaviour and business performance.

II. STATEMENT OF THE PROBLEM

The increasing competition in the online food delivery industry has compelled companies like Swiggy to adopt innovative strategies to attract and retain customers. One such strategy is the introduction of subscription-based services like Swiggy One, which offers benefits such as free delivery, discounts, and exclusive deals. While these features aim to enhance customer satisfaction and encourage repeat purchases, their actual effectiveness in influencing consumer behaviour remains uncertain.

Pricing and promotional strategies play a critical role in determining the success of subscription models. However, customers often have varying perceptions regarding the value offered by such subscriptions. Some users may find the pricing affordable and beneficial, while others may perceive it as unnecessary or not cost-effective based on their usage patterns. Similarly, promotional offers may attract customers initially, but their ability to sustain long-term engagement and loyalty is questionable.

Moreover, excessive reliance on discounts and promotional schemes may lead to reduced profit margins and create dependency among users, making it difficult for companies to maintain a balance between customer acquisition and profitability. There is also a possibility that customers subscribe due to short-term promotional benefits rather than long-term value, leading to lower renewal rates.

Therefore, the core problem addressed in this study is to evaluate whether the pricing and promotional strategies of Swiggy subscription model are effective in influencing customer adoption, satisfaction, and retention. The study also seeks to identify gaps between customer expectations and the actual value delivered by the subscription service.

III. REVIEW OF LITERATURE

Jeya J. & Kaviya R. (2025)- A study on subscription services including Swiggy One analysed student behaviour in India. The findings revealed that discounts, convenience, and promotional notifications strongly influence subscription adoption, while perceived value determines continued usage.

Kesar Wani & Manikandan (2025)-This study compared promotional strategies of Swiggy and competitors in India. It concluded that digital promotions, branding, and app-based offers significantly impact customer acquisition and engagement, especially among young users.

ICMR Case Study (2025)-The case study on Swiggy highlighted that aggressive promotional strategies and advertising campaigns increase user acquisition but raise concerns about longterm profitability, indicating a trade-off between growth and margins.

Economic Times Report (2023)-Research on Swiggy One subscription pricing revealed that the company uses dynamic pricing, deep discounts, and bundled offers to attract users. The study noted that targeted pricing and promotional offers play a key role in increasing subscription adoption.

Singh & Katta (2023)-A study conducted in Chennai on Swiggy users found that young consumers (21–35 age group) are highly influenced by pricing, convenience, and promotional offers, leading to higher usage frequency and satisfaction levels.

Paul (2021)-This research on Swiggy's business model emphasized that pricing strategies such as discounts, bundled offers, and free delivery play a crucial role in customer retention and loyalty, especially in competitive urban markets.

Saxena (2019, with continued relevance in recent Indian studies)-Although earlier, this study remains relevant in recent Indian research and highlights that convenience, affordability, and promotional offers are the primary drivers of customer preference in online food delivery platforms like Swiggy, forming the base for subscription adoption trends.

IV. OBJECTIVES OF THE STUDY

1. To Analyse Pricing Strategy of the Swiggy subscription model.
2. To Evaluate Effectiveness of promotional strategies.
3. To Assess Customer Perception towards the subscription model.
4. To study the influence of pricing and promotional offers on customer's decision to subscribe.
5. To suggest Improvements for pricing and promotional strategies.

V. SCOPE OF THE STUDY

1. The study focuses on the pricing and promotional effectiveness of the Swiggy subscription model (Swiggy One).
2. It examines customer perception regarding pricing, discounts, and subscription benefits.
3. The study analyses how promotional strategies influence customer purchase decisions and usage frequency.
4. It considers customer satisfaction and loyalty towards subscription services.

VI. RESEARCH METHODOLOGY

Research Design

The study adopts a descriptive research design as it aims to understand customer perceptions, satisfaction levels, and behavioural patterns regarding subscription pricing and promotional strategies.

Data Collection Method

A. Primary Data

Primary data was collected through a structured questionnaire designed using Google Forms.

The questionnaire consisted of multiple-choice questions (MCQs). It covered areas such as pricing, promotion, customer perception, and business impact. Responses were collected directly from users of Swiggy.

B. Secondary Data

Secondary data was gathered from: Research journals, Articles, Company reports, Online sources related to Swiggy subscription services.

Sample Size And Sampling Technique

A total of 80 respondents participated in the survey. Respondents included students and working professionals who use food delivery apps. The study used convenience sampling, where respondents were selected based on ease of access and willingness to participate.

Area Of Study

The study mainly focuses on Chennai consumers, particularly users familiar with online food delivery platforms like Swiggy.

Statistical Tools Used

1. Percentage Analysis – Used to calculate and interpret the distribution of responses across different demographic and opinion-based questions, facilitating easy comparison across categories.
2. Correlation Analysis – Applied to examine the statistical relationship between key variables such as customer satisfaction and customer loyalty, identifying whether higher satisfaction is associated with stronger loyalty intentions among respondents.
3. Chi-Square Test – used to examine whether there is a significant association between two variables in the study, such as pricing perception and customer satisfaction.

The collected data were classified, tabulated, and analysed using the above statistical tools. The results were presented in the form of tables and interpreted accordingly to draw meaningful conclusions regarding the pricing and promotion effectiveness of Swiggy Subscription Model.

VII. DATA ANALYSIS AND INTERPRETATION

**TABLE I:
AGE DISTRIBUTION OF RESPONDENTS**

Age	No. of Respondents	Percentage
Below 20	11	14%
20-30	60	75%
31-40	5	6%
Above 40	4	5%
Total	80	100%

Interpretation

The majority of respondents (75%) belong to the 20–30 age group, indicating that the survey is mainly dominated by young adults, while other age groups have minimal representation.

**TABLE II:
GENDER OF RESPONDENTS**

Gender	No. of Respondents	Percentage
Male	33	41%
Female	47	59%
Total	80	100%

Interpretation

The majority of respondents are female (59%), while male respondents constitute (41%), indicating higher participation from females in the survey. Table 3: Usage of Swiggy among Respondents

**TABLE III:
USAGE OF SWIGGY AMONG RESPONDENTS**

Usage	No. of Respondents	Percentage
Daily	4	5%
Weekly	25	31%
Monthly	21	26%
Rarely	30	38%
Total	80	100%

Interpretation

The majority of respondents use Swiggy rarely (38%), followed by weekly (31%) and monthly (26%) usage, while only a small percentage (5%) use it daily.

**TABLE IV:
SUBSCRIPTION PRICING**

Subscription pricing	No. of Respondents	Percentage
Very affordable	6	7%
Affordable	26	32%
Moderate	36	45%
Expensive	10	13%
Very Expensive	2	3%
Total	80	100%

Interpretation

The majority of respondents (45%) consider the subscription pricing as moderate, followed by (32%) who find it affordable, while only a small percentage perceive it as very expensive.

**TABLE V:
IMPACT ON ORDERING FREQUENCY AMONG RESPONDENTS**

Ordering Frequency	No. of Respondents	Percentage
Increased Significantly	11	14%
Increased	43	54%
No Change	20	25%
Decreased	5	6%
Decreased Significantly	1	1%
Total	80	100%

Interpretation

The findings reveal that the majority, 68%, experienced increased ordering frequency, while negative impact was minimal at 7%. Hence, the factor studied has a predominantly favourable effect on ordering behaviour.

**TABLE VI:
LOYALTY TOWARDS SWIGGY AFTER SUBSCRIPTION IS**

Loyalty	No. of Respondents	Percentage
Very high	11	14%
High	36	45%
Moderate	30	37%
Low	1	1%
Very low	2	3%
Total	80	100%

Interpretation

Out of 80 respondents, 59% showed high to very high loyalty towards Swiggy after subscription, 37% showed moderate loyalty, and only 4% showed low loyalty. This indicates the subscription significantly improves customer loyalty.

CORRELATION ANALYSIS:

1. Value for Money and Customer Satisfaction

Null Hypothesis (H0):

There is no significant relationship between value for money and customer satisfaction of the Swiggy Subscription Model.

Alternative Hypothesis (H1):

There is a significant relationship between value for money and customer satisfaction of the Swiggy Subscription Model.

**TABLE VII:
VALUE FOR MONEY AND CUSTOMER SATISFACTION**

Pearson's Correlations				
			Pearson's r	p
Value for money	-	Customer satisfaction	0.800	.000

Interpretation

The Pearson's correlation value ($r = 0.800$) indicates a strong positive relationship between value for money and customer satisfaction. The p-value (.000) is less than 0.05, which shows that the relationship is statistically significant. This means that higher perceived value for money leads to higher satisfaction among users of Swiggy subscription. Therefore, the alternative hypothesis (H_1) is accepted and the null hypothesis (H_0) is rejected.

1. Promotional offers effectiveness and Customer satisfaction Null Hypothesis (H_0):

There is no significant relationship between promotional effectiveness and customer satisfaction of the Swiggy Subscription Model.

Alternative Hypothesis (H_1):

There is a significant relationship between promotional effectiveness and customer satisfaction of the Swiggy Subscription Model.

**TABLE VIII:
PROMOTIONAL OFFERS EFFECTIVENESS AND CUSTOMER SATISFACTION**

Pearson's Correlations				
			Pearson's r	p
Promotional offers	-	Customer satisfaction	0.72	.000

Interpretation

The correlation coefficient ($r = 0.72$) indicates a strong positive relationship between promotional effectiveness and customer satisfaction. The p-value ($p = 0.000$) is less than 0.05, which shows that the relationship is statistically significant. Therefore, the alternative hypothesis (H_1) is accepted and the null hypothesis (H_0) is rejected. This implies that more effective promotional offers lead to higher customer satisfaction among users of Swiggy subscription model.

2. Impact of discount on ordering and Impact of ordering frequency

Null Hypothesis (H_0):

There is no significant relationship between discounts and ordering frequency of the Swiggy Subscription Model.

Alternative Hypothesis (H_1):

There is a significant relationship between discounts and ordering frequency of the Swiggy Subscription Model.

**TABLE IX:
IMPACT OF DISCOUNT ON ORDERING AND IMPACT OF ORDERING FREQUENCY**

Pearson's Correlations				
			Pearson's r	p
Impact of discount	-	Ordering frequency	0.78	.000

Interpretation

The correlation coefficient ($r = 0.78$) indicates a strong positive relationship between discounts and ordering frequency. The p-value ($p = 0.000$) is less than 0.05, which shows that the relationship is statistically significant. Therefore, the alternative hypothesis (H_1) is accepted and the null hypothesis (H_0) is rejected. This implies that higher discounts lead to an increase in ordering frequency among users of Swiggy subscription model.

CHI-SQUARE TEST

Null Hypothesis (H_0):

There is no significant association between notification influence and ordering frequency of the Swiggy subscription model.

Alternative Hypothesis (H_1):

There is a significant association between notification influence and ordering frequency of the Swiggy subscription model.

**TABLE X:
NOTIFICATIONS VS ORDERING FREQUENCY**

Notification Influence	Increased Significantly	Increased	No Change	Decreased	Decreased Significantly	Total
Very High	6.00	7.00	2.00	1.00	0.00	16.00
Expected Count	1.76	6.88	3.20	0.80	0.16	16.00
High	3.00	15.00	10.00	2.00	1.00	31.00
Expected Count	3.41	13.33	6.20	1.55	0.31	31.00

Moderate	1.00	16.00	7.00	1.00	0.00	25.00
Expected Count	2.75	10.75	5.00	1.25	0.25	25.00
Low	1.00	3.00	1.00	0.00	0.00	5.00
Expected Count	0.55	2.15	1.00	0.25	0.05	5.00
Very Low	0.00	2.00	0.00	1.00	0.00	3.00
Expected Count	0.33	1.29	0.60	0.15	0.03	3.00
Total	11.00	43.00	20.00	5.00	1.00	100.00
Chi-Squared Tests						
	Value	df	p			
X ²	29.45	16	0.021			
N	80					

Interpretation

Since the p-value (0.021) is less than 0.05, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. This indicates that there is a significant association between notification influence and ordering frequency among 80 respondents of Swiggy subscription model.

VIII. FINDINGS

- The majority of respondents 75% belong to the 20–30 years age group, indicating that young consumers are the primary users of Swiggy subscription services in Chennai.
- Most respondents use the platform either weekly (31%) or monthly (26%), showing that online food ordering has become a regular habit.
- A majority of respondents perceive the subscription pricing as moderate (around 45%) and affordable (around 32%), indicating that pricing plays an important role in subscription decisions.
- Most respondents feel that the subscription provides moderate value for money (59%) and high value (25%), highlighting its importance in influencing satisfaction.

- Discounts have a strong impact on ordering behaviour, with a majority of respondents rating the impact as moderate to high (around 68%), indicating that offers encourage more purchases.
- Promotional offers are considered effective by most respondents, with effective (59%) and very effective (37%), showing that promotions positively influence customer perception.
- Customer satisfaction levels are high, with 59% satisfied and 13% very satisfied, indicating overall positive perception towards the subscription model.
- Correlation analysis shows a strong positive relationship between value for money and customer satisfaction ($r = 0.80$).
- The p-value (0.000) indicates that the relationship between value for money and customer satisfaction is statistically significant, proving that pricing effectiveness influences satisfaction.
- Correlation analysis shows a strong positive relationship between discounts and ordering frequency ($r = 0.78$), indicating that promotional offers significantly increase ordering behaviour.
- Another correlation result shows a strong positive relationship between promotional effectiveness and customer satisfaction ($r = 0.72$), indicating that effective promotions enhance satisfaction.
- The Chi-square test shows that there is a significant association between notification influence and ordering frequency ($p = 0.021$).
- This indicates that notifications influence customer ordering behaviour, although their impact is moderate compared to pricing and discounts.
- Overall, pricing and promotional strategies significantly influence customer satisfaction, usage, and ordering behaviour.
- Subscription models that offer better pricing and attractive promotions are more likely to increase customer engagement and retention.

IX. SUGGESTIONS

- Since a majority of respondents (59%) rated value for money as moderate, Swiggy should enhance subscription benefits such as increased free deliveries or exclusive discounts to improve perceived value.
- As pricing is mostly perceived as moderate, the company can introduce lower-priced or flexible subscription plans to attract more price-sensitive users, especially students in Chennai.

- Since discounts show a strong impact on ordering behaviour, Swiggy should continue to offer frequent and personalized discount offers to maintain high customer engagement.
- As promotional effectiveness is rated mostly between effective and neutral, Swiggy can improve by providing more targeted and relevant promotional campaigns based on user preferences.
- Since customer satisfaction is high (72% satisfied and very satisfied combined), Swiggy should focus on maintaining consistency in pricing benefits and service quality to retain customers.
- As notifications have a significant association with ordering frequency, Swiggy should use personalized and timely notifications rather than frequent generic messages to improve effectiveness.
- Since ordering frequency increases due to promotions, Swiggy can introduce time-bound offers (limited-time deals) to create urgency and boost sales.
- As loyalty is influenced by pricing and promotions, Swiggy should implement loyalty reward programs or cashback systems to encourage repeat subscriptions.
- Since most users fall under the young age group, Swiggy can design youth-oriented promotional strategies such as student offers and app-exclusive deals.
- Swiggy should continuously monitor customer feedback and usage patterns to adjust pricing and promotional strategies dynamically for better effectiveness.

X. CONCLUSION

The study conducted among respondents in Chennai highlights that pricing and promotional strategies play a crucial role in determining the effectiveness of the Swiggy subscription model. The analysis of the questionnaire reveals that a majority of users perceive the subscription pricing as moderate and the value for money as satisfactory, indicating that pricing significantly influences customer perception and satisfaction.

The findings further show that promotional strategies, especially discounts and offers, have a strong impact on ordering behaviour. This is supported by correlation results, which indicate a strong positive relationship between value for money and customer satisfaction, as well as between discounts and ordering frequency.

Additionally, promotional effectiveness also contributes positively to customer satisfaction, while notifications have a significant association with ordering behaviour.

Although customer satisfaction levels are relatively high, the study suggests that there is scope for improvement in enhancing perceived value and optimizing promotional strategies. The suggestions emphasize the need for flexible pricing, personalized promotions, and improved communication strategies to better meet customer expectations.

Overall, the study concludes that the effectiveness of the subscription model largely depends on maintaining a balance between affordable pricing and attractive promotional offers. By focusing on customer-centric pricing and targeted promotional strategies, Swiggy can enhance customer satisfaction, increase ordering frequency, and build long-term customer loyalty in a competitive market.

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