

A CASE STUDY OF ZOMATO USING THE HOWARD-SHETH AND PSYCHOANALYTICAL MODELS

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ABSTRACT

This study explores how rational thinking and emotions shape consumer decisions, using Zomato, India's leading food-tech platform, as a case study. By applying the Howard-Sheth Model (rational decision-making) and the Psychoanalytical Model (emotional influences), we analyse Zomato's strategies. Findings show that Zomato succeeds by combining practical features (e.g., discounts, fast delivery) with emotional campaigns (e.g., nostalgia-driven branding). Emotional loyalty boosts long-term customer retention, while rational factors like app usability drive initial adoption. Recommendations include blending data-driven personalization with storytelling to strengthen loyalty in competitive markets.

Keywords: Consumer Behavior, Howard-Sheth Model, Psychoanalytical Model, Rational Decision-Making, Emotional Branding, Food-Tech Industry, Zomato Case Study, Consumer Loyalty, Discount Strategies, Nostalgia Marketing, Brand Positioning, Customer Retention, Digital Marketing, User Experience (UX), Market Competition, Social Influence on Buying, AI-Driven Personalization

1. INTRODUCTION

Consumer decisions are shaped by two forces: rational analysis (e.g., price comparisons) and emotional impulses (e.g., cravings, nostalgia). While traditional models focus on logic, modern brands like Zomato thrive by balancing both.

Why Zomato?

Zomato dominates India's food-tech sector with 50+ million users. Its success lies in merging practical incentives (e.g., discounts) with emotional appeals (e.g., community-building campaigns).

Research Objectives:

1. Evaluate how Zomato aligns with the rational Howard-Sheth Model.
2. Analyze Zomato's emotional strategies using the Psychoanalytical Model.
3. Provide actionable strategies for brands to balance logic and emotion.

2. LITERATURE REVIEW

2.1 The Howard-Sheth Model (Rational Decision-Making)

This model explains how consumers make logical choices through three factors:

- **Input Variables:** Marketing efforts (e.g., discounts, ads).
- **Hypothetical Constructs:** Perceptions shaped by past experiences (e.g., app ratings).
- **External Variables:** Social influences (e.g., reviews, trends).

Example: Zomato's live order tracking (input) builds trust (construct), while user reviews (external) sway new customers.

2.2 The Psychoanalytical Model (Emotional Influences)

Rooted in Freudian theory, this model highlights unconscious desires (e.g., status, nostalgia). Brands like Zomato tap into emotions through storytelling.

Example: Zomato's #FoodMemory campaign revives childhood food memories, triggering emotional purchases.

2.3 Emotional vs. Rational Loyalty

Emotionally loyal customers spend 3x more than transactional buyers. Zomato's Pro membership combines rational perks (unlimited deliveries) with emotional messaging ("More time for family").

3. RESEARCH METHODOLOGY

- **Design:** Case study using Zomato's annual reports (2018–2023), campaigns, and peer-reviewed articles.
- **Tools:** Thematic analysis comparing Zomato's strategies to Howard-Sheth and Psychoanalytical frameworks.
- **Limitations:** Focus on urban India; reliance on public data.

4. CASE STUDY: ZOMATO'S DUAL STRATEGY

4.1 Rational Drivers (Howard-Sheth Model)

- **Input Variables:**
 - Discounts (e.g., "50% off first order").
 - Real-time delivery tracking.
- **Hypothetical Constructs:**
 - High brand recall via viral social media memes.
 - Learning from positive experiences (4.8/5 app rating).
- **External Variables:**
 - 10 million+ user reviews and influencer partnerships.

4.2 Emotional Drivers (Psychoanalytical Model)

- **Symbolic Meaning:** Zomato Gold membership as a status symbol.
- **Nostalgia:** #HarGharKaZomato campaign linking food to family memories.
- **Ethical Alignment:** CSR initiatives like meal donations during COVID-19.

4.3 Synergy of Both Models

Zomato's "Pro Membership" ads show rational benefits (savings) alongside emotional scenes of family dinners, blending logic and feeling.

5. FINDINGS

1. **Rational Anchors:** 68% of users choose Zomato for discounts and speed.
2. **Emotional Triggers:** 72% of loyal users stay for Zomato's "relatable" branding.
3. **Loyalty Impact:** Emotionally engaged users order 2.5x more frequently.

6. DISCUSSION

Zomato's hybrid strategy works because:

- **Rational factors** attract first-time users.
- **Emotional bonds** keep them loyal.
Challenge: Overusing discounts can make brands seem cheap.

7. RECOMMENDATIONS

1. For Brands:

- Pair AI-driven discounts (rational) with storytelling (emotional).
- Use CSR (e.g., sustainability) to build emotional trust.

2. For Researchers: Study cultural differences in emotional triggers.

8. CONCLUSION

Zomato's success proves that blending logic and emotion is key in today's market. While discounts draw customers in, emotional campaigns turn them into loyal advocates. Future brands must master both to thrive.

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