



A Study on Optimising Incentive Structures to Enhance Food Delivery Partners Performance with Special Reference to Zomato, Coimbatore

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Abstract – With the fast-evolving gig economy, food delivery platforms like Zomato have been vital in urban logistics and employment. Therefore, delivery partners have found themselves at the operational ground underneath the influence exerted by incentive schemes set up by such platforms. The study assesses the relationship between incentive schemes with delivery partner performance, motivation, and satisfaction in Coimbatore. The study, based on a sample of 120 delivery partners who answered the structured questionnaires, finds that effective incentive schemes improve work hours, order acceptance, and general job satisfaction increases. The paper further suggests that an incentive structure that induces timeliness, transparency, and performance linkability in the payment scheme is the bedrock of retaining the delivery partners and delivery of service standard continuity.

Keywords – Gig Economy, Zomato, Delivery Partners, Incentives, Performance, Motivation

I. INTRODUCTION

In today's service industry, particularly in the gig economy, food delivery platforms have come to be seen as strong economic facilitators. Zomato being a major food aggregator in India employing several thousands of gig workers over thousands of cities to cater to the increasing demand for doorstep food service. Delivery partners are the human infrastructure of this system, linking restaurants to customers. To be effective, the incentive structures adopted by these companies have to build up increasing motivation, productivity, and retention of partners.

The very existence and effectiveness of the incentive schemes are of paramount importance, especially in cities like Coimbatore with huge demand for services and high expectations from deliveries. Structures of incentives such as payout frequency, order volume bonus, milestone rewards, and quality-linked incentives bear heavily on the perception from the side of partners. More than ever, circumstances help Zomato avert the perils of operational complexity and stiff competition through effective optimization of its incentive structure affecting service quality, customer satisfaction, and ultimately brand loyalty. The study thus investigates the current incentive structure of Zomato and its impact on the behavior of delivery partners and proposes improvements toward these parameters based on feedback and performance metrics from partners.

II. REVIEW OF LITERATURE

Ramesh and Aravindan (2018) opined that both financial and non-financial motivations impacted the motivation of the gig workers. They concluded that timely bonuses, payments for peak hours, and rewards for order

completion improved short-term performance. Other motivating factors included a flexible work schedule along with the recognition of partners, which helped in boosting morale. Their research brought out that partners under a balanced incentive model would have a higher retention rate. An important consideration for workers was the transparency and achievability of the incentives. Their findings emphasize the need for motivation through regular communication of performance. They concluded that the continuous combination of both extrinsic and intrinsic motivators would sustain engagement, which has been the basis to understand the incentive dynamics with regard to delivery-oriented platforms.

Surge pricing and performance incentive programs have been researched by Mathews and Roy (2020) to examine the effect on delivery partners' responsiveness. The surge incentive bonus window increased the order acceptance rates by more than 30 percent. Partners logged in and picked up extra deliveries when surge pay was offered. High-incentive conditions made them somewhat more punctual and deliver quality services. However, they observed high surges in pay affecting partners' motivation negatively due to monotony. Their recommendation was for scheduled rotations or breaks aimed at preventing burnout. Their conclusion is that short-term incentive pay needs to be bridged with standard base pay. Their findings help demonstrate the rapid behavioral shifts that occur in respect of urgency-based incentives.

III. RESEARCH METHODOLOGY

This descriptive study was conducted in Coimbatore, Tamilnadu. Sample of 120 delivery partners currently working with Zomato were picked using convenience sampling method. Primary data was collected by administering structured questionnaire. Data analysis involved percentage methods, chi-square testing and



correlation analysis for finding relationships between incentives and partner behavior. The collected data was compiled, tabulated and interpreted using MS Excel and SPSS tools. Study ensured complete confidentiality and voluntary participation of respondents. With this, the measurable insight sought to improve the operational incentive framework of Zomato

- Research Type: Descriptive
- Area of Study: Coimbatore
- Population: Delivery Partners of Zomato
- Sample Size: 120
- Sampling Method: Convenience Sampling
- Tools Used: Percentage analysis, Chi-square, Correlation

IV. DATA ANALYSIS AND INTERPRETATION

Demographics: Among the 120 respondents surveyed, a majority of 64.2% were male, indicating that the food delivery workforce in Coimbatore is largely male-dominated. Only 35.8% of respondents were female, highlighting a gender disparity common in gig economy roles that involve physical mobility. The most represented age group was 26–35 years (41.7%), followed by 18–25 years (26.7%). This reflects that the delivery workforce is primarily made up of young adults in their productive years.

Income: It was observed that 31.7% of the delivery partners had an annual income ranging between ₹2.5 to ₹3.5 lakhs. This income group represents those who work regularly and rely on Zomato as their primary or significant income source. A considerable number (22.5%) earned below ₹2.5 lakhs, indicating that some partners might be working part-time or in low-demand areas. Only 7.5% earned above ₹5 lakhs annually, typically those working full-time with high completion rates and incentives.

Experience: About 30% of respondents stated they had been working with Zomato for 1–2 years. This tenure suggests moderate experience in understanding incentive patterns and work dynamics. Another 23.3% had 3–4 years of experience, showing that many partners are willing to stay long-term if the conditions are favourable. A smaller share had over four years of experience, indicating that while retention exists, the majority are still within short-to-midterm engagement.

Preferences: The study found that 60% of the respondents preferred daily incentive payouts as it helped manage daily expenses and provided financial flexibility. Weekly payouts, though convenient for budgeting, were less favoured due to delayed access to earnings. Additionally, 67.5% preferred cash bonuses over vouchers, as cash offers immediate and unrestricted usability. Vouchers, while beneficial, were perceived as less flexible and less valuable.

Effectiveness: An overwhelming 75% of respondents reported that incentives significantly increased their order acceptance rate. This indicates a strong correlation

between bonuses and active engagement. Moreover, 70.8% agreed that incentives encouraged them to work more hours per day, particularly during peak hours and weekends. These findings confirm that incentives are not just motivators but also performance enablers in the gig economy.

Clarity: Many respondents acknowledged that the visual appeal of incentive messages was satisfactory, with good use of colors and layout. However, concerns were raised about the font size, style, and language clarity, which impacted their ability to quickly understand the terms. Some suggested incorporating regional languages and larger fonts to make the information more accessible. Overall, partners want incentive terms to be simple, direct, and clearly displayed.

Customer Impact: Around 65% of delivery partners felt that the presence of incentives motivated them to offer better customer service, leading to improved ratings. When bonuses were tied to customer satisfaction or on-time delivery, workers felt more responsible and focused. This in turn enhanced the company's image and customer retention. Therefore, linking incentives to service quality can yield mutual benefits for both the platform and its customers.

V. FINDINGS

Incentives significantly influence partner behavior and work intensity. Partners tend to accept more orders and work longer hours during high-incentive periods. This demonstrates that incentives are effective motivational tools that directly enhance productivity.

Daily payouts are preferred for better cash flow. Most delivery partners rely on daily income for household expenses and fuel. Receiving earnings at the end of each day helps them manage finances more efficiently and maintain consistent work.

Partners respond well to milestone and performance-based rewards. Incentives like "complete 10 orders, get ₹200 extra" are highly motivating. They give partners clear short-term goals and a sense of accomplishment, which increases engagement and loyalty.

Visual and textual clarity of incentives impacts comprehension and trust. When partners cannot easily read or understand incentive messages, it leads to confusion or missed rewards. Clear fonts, visual indicators, and regional languages help build transparency and confidence.

Bonuses tied to customer satisfaction improve partner service levels. When ratings and punctuality are linked to extra bonuses, partners are more likely to be courteous, punctual, and professional. This boosts both customer experience and platform reputation.

VI. SUGGESTIONS

Display incentive progress in real-time within the delivery app. Progress bars, milestone trackers, and live updates can help partners know how close they are to earning



bonuses, making them more goal-driven during their shifts. Use regional languages and better fonts for easier understanding. Many partners prefer receiving instructions in Tamil or other local languages. Using legible fonts and simple words will make the incentive communication clearer and more inclusive. Include milestone-based and shift-specific incentives to maintain motivation. Bonuses linked to peak time slots or certain delivery volumes will help spread activity evenly across the day. It also encourages partners to work during less preferred or busy hours. Provide fuel reimbursements or location-based bonuses. Long-distance deliveries or increased fuel costs can discourage partners. Offering extra compensation for these situations ensures fairness and encourages wider service coverage. Offer recognition or non-monetary rewards to promote long-term loyalty. In addition to cash, things like branded merchandise, certificates, or top-performer highlights can foster emotional connection with the platform and reduce attrition.

VII. CONCLUSION

This study highlights the strategic importance of optimizing incentive structures in the gig economy, especially for delivery platforms like Zomato. Delivery partners play a vital role in sustaining the brand's image and customer satisfaction. The research indicates that a combination of timely financial rewards, transparent communication, and performance-linked bonuses boosts efficiency, engagement, and retention. As competition intensifies in the food delivery industry, refining incentive systems based on data and partner input will be key to maintaining service excellence and workforce stability. Zomato and similar platforms must align incentive strategies with operational goals and partner expectations to ensure sustainable growth and mutual value creation.

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