



Consumer's Perception Regarding Online Food Delivery Applications in India

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ABSTRACT

The main objective of this study is to understand the perception of customers towards the online food delivery application and to analyse what new techniques and technologies are changing the food tech industry also need to study about customer experience while ordering food via such as electronic mediums and factors that obstruct customer to use the online food delivery services. We also discussed the perception of customers what are the advantages and disadvantages of online food ordering and how this food tech industry changing the lifestyle and Indian population. The questionnaire includes 12 questions for the customers which include multiple choice grid questions and Likert scale questions. The primary data is the responses which we get from questionnaire that is 61 responses and the secondary data includes both qualitative and quantitative data which were taken from literature review and company website.

Keywords: Online food delivery; customer preference; customer satisfaction

1. Introduction

Technology has an important role in changing food delivery service, it has changed the consumer preferences as change in technology has inspiring them to order and getting cooked meals delivered to their doorstep. Comfort is the major factor for the consumers, as to ordering online is done by few clicks on the consumer devices. Consumers tend to select online food delivery services based on factors such as convenience, technological dependency and fast delivery services. With the rise in popularity of food delivery services, the expectations of users from these services is also increasing. The various food apps available in India are Swiggy, Zomato, Food-Panda, Fasoos, Dominos, Pizza Hut and many more. The Indian online food industry is expected to grow up to 9000 Crore by 2023, the online food delivery market in India is growing at a rate of 15%. Swiggy has sales of 1000 crore, whereas Zomato is at sales of around 600 crores. Jointly both the companies have delivered 700 crore orders from 2017-2018. The diversity of applications including food apps, has become especially important for the business to innovate and enthrall existing consumers. There is little evidence about how the internet and mobile technology has supported consumers in meeting their daily demands by using a display to order from their preferred restaurants. The importance of this research is that it defines consumers' attitudes towards the use of online food applications and the features provided by these applications. Swiggy had its entry in 2014 in the vast market, and the only competitor was Zomato, which was on the sky of the food tech industry. In 4 years, Swiggy was on its high of start-ups, and their competition with Zomato has become very intense. This has led to substantial increase in investment by Zomato in their venture. Zomato is leading giant in food tech industry, and recently, it acquired UberEATS for around 2485 crore. This leads to acquiring nearly 50-55% of the market share in terms of numbers of orders, getting ahead of their closest competitor Swiggy. The merger of Zomato and UberEATS, helps company to overtake Swiggy in terms of market share. Overall, the competition between Swiggy and Zomato has been tough, but Swiggy is at the top with the highest repeat order rates, and it is the customer's favourite app to order from. According to a stat, about 90% of consumers choose only Swiggy.

2. Literature Review

Yeo et al. (2017) examined the structural relationship between variables such as post-usage usefulness, motivation, convenience, price saving orientation, prior experience with online services, time saving orientation and behavioural intention towards online food delivery services. The researchers proposed a theoretical model based on the extended model of IT continuance. Suhartanto et al. (2019) studied the influence of factors such as food quality and e-service quality on loyalty towards the online food delivery services. The study also looked into the mediating effects of perceived value as well as customer satisfaction on the relationship between the dependent and independent variables. Li et al. (2020) conducted a study from an economic standpoint and looked into the business model of online delivery services from the perspective of stakeholders such as restaurants and the delivery people. Pigatoo et al. (2017) conducted a study on the online food delivery companies in Brazil and found that most of these companies receive large investments from foreign investors. Also, a trend of acquisition of these domestic online food delivery companies was observed. The study found factors such as content, functionality and usability to be important dimensions of online food delivery applications. Gunden et al. (2020)

conducted a study to examine consumer's intention to use online food delivery services using a structural model based on UTAUT 2. Three additional constructs were added to the model including impulse buying tendency, mindfulness and congruity with self-image. The study found that performance expectancy was the strongest predictor of intention to use online food delivery services.

3. Research Methodology

This study uses a descriptive and quantitative structure. The data is collected through a structured questionnaire. This questionnaire was made to collect the responses from the customers about the Perception towards online food delivery apps and responses for the issues they are facing and taking a feedback from them. These responses were recorded using Google forms having 12 questions which consists of questions including Multiple choice grid, Likert scale and dichotomous scales. The questionnaire was very simple and easy to understand so that the respondents can easily fill the questionnaire. All the responses which will be recorded in the research as per the questionnaire which will be fill by the Customers. This questionnaire consists both qualitative and quantitative data. The study is conducted with all responses which we collected through questionnaire 61 Responses. The sampling frame for the study were Indian Customers. The study used Non-probabilistic sampling, Convenience Sampling. The data was analysed using MS Excel.

The objectives of the study were:

1. To study about how customers perceived online food App's.
 2. To analyse factors that influences the consumers to choose online food.
 3. To analyse factors that obstruct consumers to use online food delivery services.
 4. To study customer experience while ordering food via such electronic mediums.
4. Analysis

The data was analysed using MS Excel and SPSS software. The results of the analysis are provided as follows:



Fig. 1. Frequency of orders

From all the sixty-one responses of the customers, majorly 27 people had given their response that they ordered the online food on frequent basis they love to order food online and enjoy the meal. On the other hand, there are 23 people who had given a response that they are not ordering the food on frequent basis and there are 11 responses who are not sure and think that they order food sometimes when they need it urgently.

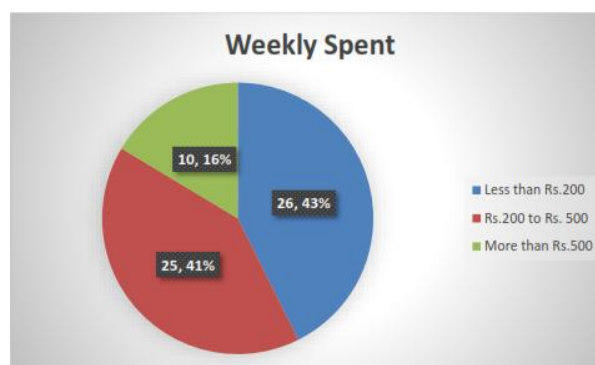


Fig. 2. Money spent weekly

From all the sixty-one responses of the customers, there are 26 people who spend less than 200 Rs per week, there are 25% of people who love to order food online and their weekly spend is between 200 to 500 Rs and There are 10 people who order the food very frequently and they spend more than 500 Rs per week to order food online. Mostly they are the people who used to travel from one place to another on frequent basis.

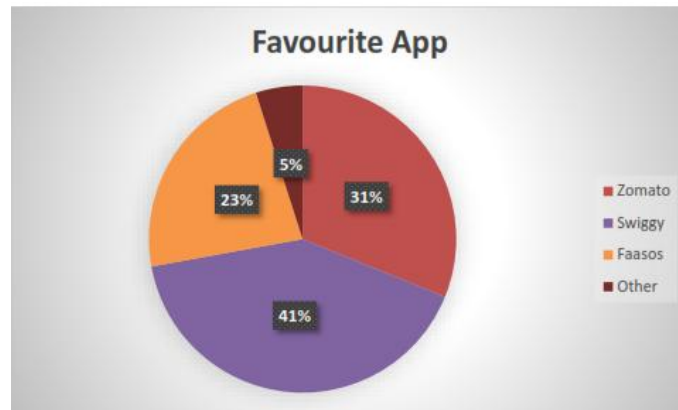


Fig. 3. Favorite application

From all the sixty-one responses of the customers, there are 25 people who love to order food through Zomato, there are 25 people who love to order food through Swiggy, there are 14 people who love to order food through Faasos, there are 2 people who love to order food through Dominos and there is only 1 person who uses to order food from different other websites.

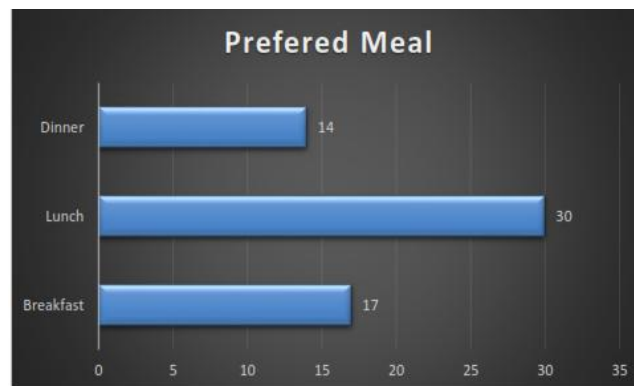


Fig. 4. Preferred meal

From all the sixty-one responses of the customers, there are 30 people who love to order at lunch time, there are 17 people who love to order food for breakfast meal and there are 14 people who love to order food at dinner time. This data concludes that most of the orders are placed during lunch time and these orders are from students, employees.



Fig. 5. Order time

From all the sixty-one responses of the customers, there are 21 people who take 5 to 10 minutes to place an order, there are 16 people who take more than 5 minutes these are the people who are very choosy, there are 14 people who take less than 5 minutes to order their food online and there are 10 people who order food very easily and fast but sometimes it depends on cuisine what type of food they are ordering it takes more time.

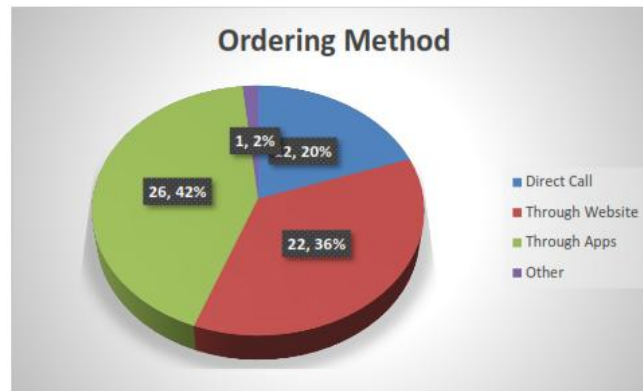


Fig. 6. Ordering method

From all the sixty-one responses of the customers, there are 26 people who used to order their food online through application, there are 22 people who used to order their food from website, there are 12 people who used to order their food to direct call these are the people who want to confirm their order from the restaurant itself and there is one person who had given a response that it depends on the interface of different apps and website.

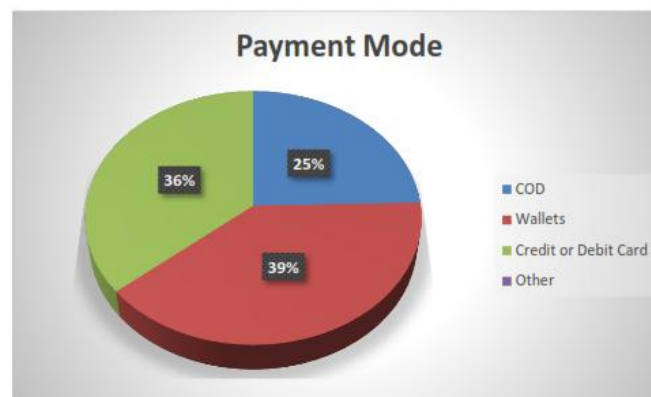


Fig. 7. Mode of payment

From all the sixty-one responses of the customers, there are 39% of people who used to order their food through wallet like Paytm, Amazon pay, Mobikwik, etc., there are 36% of people who used to order their food through netbanking and credit card or debit card and there are 25% of people who used to order their food cash on delivery. They have some trust issues regarding the delivery of food.

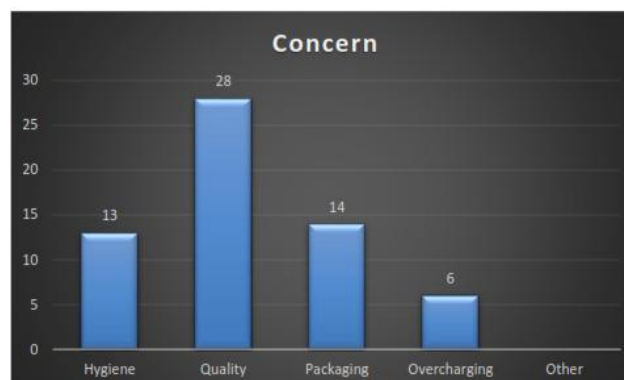


Fig. 8. Major concern

From all the sixty-one responses of the customers, there are 28 people who had a major concern about the quality of their food, there are 14 people who need a good packaging for their food, there are 13 people who need hygiene when they are ordering their food online and there are 6 people who had a concern about overcharging from the restaurant.



Fig. 9. Major reason for ordering food online

From all the sixty-one responses of the customers, there are 28 person whoorderd their food according to their convenience, there are 18 people whoorder their food when there is going offers, discounts and coupons areavailable, there are 9 people who ordered their food just because they aregetting their food at doorstep and there are 6 people who are ordering theirfood online as they get better option and better selection through onlinemedium.



Fig. 10. Experience with delivery time

From all the sixty-one responses of the customers, in term of experiencethere are 28 people who thinks that when they are ordering their food onlinesometimes, they get their order on time and sometimes the order is late,there are 23 people who thinks that whenever they order their food online,they always get their food on time whereas there are 10 people who thinkswenever they order their food online every time, they are facing theproblem of late delivery

Hypothesis testing

1. HYPOTHESIS: Relationship Between Occupation and Frequent orders of Customers.

- NULL HYPOTHESIS: There is no relation between 2 variables that is Occupation and Frequent orders of Customers.
- ALTERNATIVE HYPOTHESIS: There is relation between 2 variables that is Occupation and Frequent orders of Customers.

Observed Value				
Occupation/Frequent Order	Yes	No	May Be	Total
Student	5	4	3	12
Employee	10	10	4	24
Business	5	4	4	13
Housewife	6	5	0	11
Other	1	0	0	1
Total	27	23	11	61

SUM OF RESULT OF CHI SQUARE IS 5.741746

CONFIDENCE LEVEL=5% THAT IS 0.05

DEGREE OF FREEDOM (3-1) * (4-1) = 6

VALUE FROM TABLE IS 12.592

The above test was based on observation from survey. Here, the confidence level is 5% that is 0.05 and from the resulted table with we can say that degree of freedom is 6. So, from confidence level and degree of freedom the value with derived from table is 12.592 which is greater than the resulted Chi square value that is 5.741746. Hence, we can conclude that here the alternative hypothesis is rejected and null hypothesis is accepted and there is no relationship between two variable occupation and frequent orders of customers.

5. Conclusion

By doing the questionnaire survey from the customers of perception of customers for online food delivery apps it can be concluded that online food ordering systems are on a boom and majority of people use food apps as it's the best way to save time and is convenient. The study also states that all age and income groups use food apps, and they are happy with the service quality, hygiene, and packaging system but the user above 45 years of age are getting some problem while ordering food online they are not familiar with its interface. Mostly employees preferred to order food online instead of going for lunch they feel placing orders at the lunch time will serve them hot food. The weekly spent is also less than 200 rupees per week of the customers and it can also be concluded that users are also not comfortable with credit/debit card or net banking service they prefer most of the time cash on delivery as their payment mode and the major concern with users about ordering food from these apps and website is quality and hygiene. After the post covid-19 scenario users are aware and they need a quality of food with hygiene and proper packaging. Furthermore, the questionnaire also found that some people still prefer the old fashion way that people who love to go outside to enjoy their food in restaurant or hotels they feel hesitate to order food online. This Research helps to enhance my understanding of people's preferences, the efficacy in time management, affordability, food preferences, discounts available and door-to-door service without compromising on quality.

The age group between 20-45 years is mostly using online delivery apps in the collected sample. The age group above 45 facing issues while ordering the food online as they are not familiar. It has found that 43% of the user spent less than 200 in a week. Among all of the major concern considered for food delivery, 'Quality of Food' seemed as most important one. Convenience, Coupons & Discount Promoted through Apps and Website are the biggest factors of Motivation for frequent orders. 84% Customers would wish to again Order through Online Food Ordering App are satisfied with time taken in delivery. Mode of Payment for Online Order Delivery is preferred as Cash on Delivery or wallets by most of the users. Most preferred online food delivery service provider is Zomato followed by Swiggy.

6. Managerial Implications

The study suggests that it is important to understand various service features associated with online food delivery services. Managers should provide more emphasis to factors such as quality of food provided in order to maintain a good impression of the food delivery service. They should tie up with only restaurants which provide good quality food as low quality food can affect their image in the minds of the consumers.

7. Limitations and future scope.

The use of convenience sampling was the biggest drawback of the study. Also, due to the limitation of pandemic, the number of respondents reached quite low. Research can be done in the same line in order to understand different factors affecting consumer choice. Geographic location and gender of the respondents can be important factors that can be analysed to check the acceptance of online food delivery services.

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