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A Study on Customer Preference on Online– Food Ordering and Dining-Out

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ABSTRACT

In recent years, the food service industry has seen a significant shift with the rise of online food ordering platforms alongside traditional dining-out options. This study investigates the preferences of consumers when choosing between online food ordering and dining-out, highlighting key factors that influence these decisions, such as convenience, cost, time, variety, and social experience. The widespread adoption of smartphones and increased access to digital platforms have made online food ordering a popular choice, allowing customers to explore a variety of cuisines and order with ease, especially for busy individuals or during unexpected events

However, dining out retains its appeal due to its experiential value, offering social interaction, ambiance, and the enjoyment of a complete dining experience that online ordering cannot replicate. Consumers tend to prefer online food ordering when they prioritize convenience, such as during workdays or when time is limited. In contrast, dining out is often chosen for special occasions, gatherings, and when seeking a change from routine, emphasizing the social and sensory elements that enhance customer satisfaction.

The study also examines how demographic factors, like age, lifestyle, and income levels, impact these preferences, noting that younger consumers with busy schedules lean towards online ordering, while older demographics may value the traditional dine-out experience more. Insights from this study suggest that food service providers should consider a hybrid model that integrates the convenience of online ordering with elements of the dining-out experience. Such an approach could include exclusive digital offers for online orders or creating unique in-restaurant experiences. Understanding these evolving consumer preferences can help businesses enhance customer satisfaction, increase retention, and adapt to the dynamic landscape of the food service industry, ultimately catering to both convenience-oriented and experience-driven customers.

INTRODUCTION

The food service industry has undergone a remarkable transformation with the integration of digital technology, offering consumers a choice between online food ordering and dining-out experiences. The convenience of ordering food online has gained popularity, driven by advancements in mobile technology, increased internet penetration, and shifting consumer lifestyles. Online platforms such as Swiggy, Zomato, Uber Eats, and others allow consumers to order from a variety of cuisines, view reviews, customize orders, and have meals delivered directly to their doorstep with minimal effort. This shift reflects an increasing preference for flexibility and convenience, particularly among younger, tech-savvy consumers and those with busy schedules.

Despite the appeal of online food ordering, dining-out continues to hold a special place for consumers who value the overall dining experience. Dining-out offers the opportunity for social interaction, ambiance, and enjoyment that cannot be replicated online. Restaurants provide an environment where people can relax, celebrate, and connect, making it a preferred choice for gatherings, family outings, or special occasions. Additionally, dining-out allows consumers to enjoy freshly prepared meals and engage with the restaurant's unique atmosphere, aspects that add to the sensory appeal of the experience

This study aims to explore the factors that drive consumer preferences for online food ordering versus dining-out, focusing on aspects such as convenience, cost, time, social engagement, and experience. By understanding these preferences, businesses in the food service industry can better adapt to consumer demands, creating a hybrid approach that caters to both online convenience and in-restaurant experiences. This research provides valuable insights into how consumer behavior has evolved with technology and how restaurants can position themselves to meet the needs of both convenience-seeking and experience-oriented customers.

REVIEW OF LITERATURE

The growing popularity of online food ordering has significantly shifted consumer preferences and behavior within the food industry. Convenience and time-saving have emerged as critical factors influencing the choice of online food ordering, as emphasized by Kim et al. (2015). Consumers increasingly prefer the ability to order food from the comfort of their homes, especially during busy schedules, highlighting the appeal of digital solutions that reduce time and effort. This preference is largely supported by the seamless user experiences offered by food delivery apps, which include features such as real-time tracking, diverse cuisine options, and easy payment methods (Gan et al., 2020). Additionally, online food ordering is often associated with comfort food and routine meals, while dining-in remains the preferred choice for special occasions and social interactions, where ambiance and atmosphere are valued more highly (Lee et al., 2020; Ladkin et al., 2019).

Dining-out continues to hold its place as an essential aspect of social life, with factors like ambiance, décor, and service quality playing pivotal roles in shaping customer satisfaction. Ryu et al. (2012) highlight that ambiance, including the restaurant's décor and overall atmosphere, significantly influences customers' dining choices. The dining experience, which incorporates sensory elements like music and lighting, contributes to a memorable outing and supports dining-in as a choice for social gatherings and celebrations. Furthermore, Han et al. (2019) explain that high service quality positively impacts customer satisfaction, enhancing the likelihood of repeat visits and fostering loyalty.

Consumer intentions and preferences are also influenced by technological advancements and ease of use. Hwang et al. (2019) reveal that the accessibility of online food ordering platforms encourages repeat usage among tech-savvy consumers, especially younger demographics. Similarly, mobile app functionality plays a crucial role, with Kumar et al. (2019) indicating that the ease of navigation and user-friendly design of food delivery apps are primary factors in boosting consumer engagement with online platforms. Liu et al. (2020) also emphasize that food quality perception in online ordering is critical, with consumers expecting consistency in taste, freshness, and temperature, which directly affects their satisfaction and trust in online food delivery services.

In contrast, for dining-out experiences, Ladkin et al. (2019) found that social aspects significantly influence customer choices, as dining-out offers a break from routine and provides a setting for interpersonal interactions that cannot be replicated by online platforms. This combination of social engagement, quality of service, and experiential factors ensures that dining-in remains relevant, particularly for customers seeking unique, memorable experiences. As a result, businesses in the food industry can benefit from adopting a hybrid model that meets the diverse needs of customers by offering both online convenience and immersive in-restaurant experiences, thus catering to both routine and special-occasion dining preferences.

METHODOLOGY

This study employs a mixed-methods approach, combining quantitative surveys and qualitative interviews to examine customer preferences for online food ordering versus dining-out. The methodology aims to understand the factors influencing these preferences and the demographic characteristics of consumers who favor each option. The research was conducted in two phases: first, quantitative data collection through surveys, followed by qualitative insights through interviews.

Phase 1: Quantitative Survey

The quantitative phase involved a structured survey distributed online to 500 participants aged 18-60 years across urban and suburban areas. The sample was selected to represent diverse demographic characteristics, including age, gender, income level, and frequency of food ordering or dining-out. The survey consisted of closed-ended questions and a few Likert-scale items designed to measure variables such as convenience, time-saving, cost, ambiance, food quality, and social experience. Questions included statements like "I prefer online food ordering because it saves time" and "I choose dining-out for the experience and ambiance," with participants rating their agreement on a five-point scale.

The quantitative data was analyzed using descriptive and inferential statistics, including frequency analysis and cross-tabulations, to identify key trends and differences across demographic groups. Regression analysis was also applied to examine the relationship between convenience, cost, and other factors in influencing the choice of food ordering versus dining-out. This analysis helped establish the significance and strength of each factor.

Phase 2: Qualitative Interviews

To gain deeper insights, semi-structured interviews were conducted with 20 participants who regularly order food online or dine out. These participants were selected from among the survey respondents based on their preferences to ensure a balanced view. The interviews focused on understanding motivations behind choosing online food delivery or dining out, the role of technology in shaping preferences, and perceptions of food quality and service. Open-ended questions encouraged participants to share detailed experiences and perspectives, providing nuanced insights into factors like ambiance and social interaction in dining-out and convenience in online ordering.

DATA ANALYSIS TOOLS

The questionnaire became the basis to build five hypotheses (Null) for further testing. To analyse the results Microsoft Excel has been used. From data analysis tools Weighted Average was applied and from statistical formulas CHISQUARE test was applied in order to undertake the hypothesis testing. Correlations used to find out the relationship between how likely are you try new restaurants and what types of tools do you prefer to order online and

why. Chi square used to find association between do you rely on customers review and ratings when choosing a restaurant for food orders and how often don you dine out at restaurant compared to ordering food online

WEIGHTED AVERAGE

- When factors influencing your decision to order food online instead od dining is 0.797

- When features (or) incentives would made you more likely to order food online is 0.816

Ex:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
factors influence	103	1	4	1.95	.797
when features	103	1	4	1.98	.816
Valid N (listwise)	103				

CORRELATIONS: to find out the relationship between how likely are you try new restaurants and what types of tools do you prefer to order online and why

HO: there is no relationship between how likely are you try new restaurants and what types of tools do you prefer to order online and why

H1: there is a relationship between how likely are you try new restaurants and what types of tools do you prefer to order online and why

Ex:

Correlations

		how likely	what types of food
how likely	Pearson Correlation	1	-.032
	Sig. (2-tailed)		.750
	N	103	103
what types of food	Pearson Correlation	-.032	1
	Sig. (2-tailed)	.750	
	N	103	103

CHI SQUARE: to find association between do you rely on customers review and ratings when choosing a restaurant for food orders and how often don you dine out at restaurant compared to ordering food online

HO: there is no association between do you rely on customers review and ratings when choosing a restaurant for food orders and how often don you dine out at restaurant compared to ordering food online

H1: there is a association between do you rely on customers review and ratings when choosing a restaurant for food orders and how often don you dine out at restaurant compared to ordering food online

Test Statistics

	do you rely	how often do you
Chi-Square	23.379[a]	39.631[a]
df	2	2
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 34.3.

Ex:

1* How often do you order food online for delivery(or) take-out?
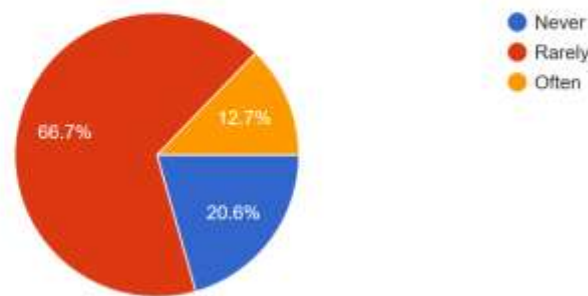102 responses

- Never
- Rarely
- Often

66.7% 12.7% 20.6%

Fig. 1 Sources of information consumers are how often they order food online for delivery(or) take-out. Respondents were asked about the delivery (or) take out are rarely and nearly 66.7% (figure 1).

2* What factors influence your decision to order food online instead of dining-in?
102 responses

- Convenience
- Time
- Health
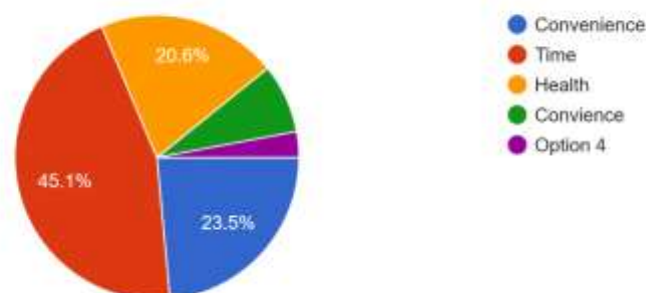- Convience
- Option 4

20.6% 45.1% 23.5%

Fig. 2 Sources of information consumers that What factors influence your decision to order food online instead of dining-in. Respondents were asked about the time are nearly 45.1% (figure 2).

3* Do you prefer using mobile app (or) websites to place online food orders ?
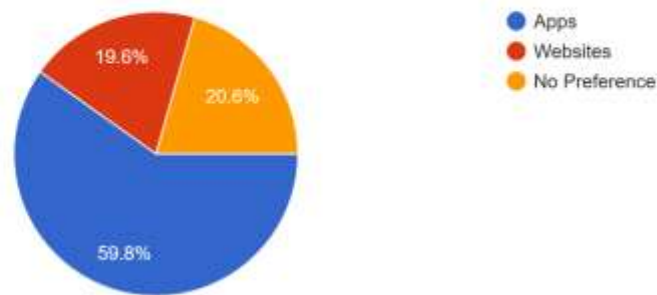102 responses

Fig. 3 Sources of information consumers Do you prefer using mobile app (or) websites to place online food orders . Respondents were asked about apps are nearly 59.8% (figure 3).

4* How important in the speed and accuracy of delivery when ordering food online?
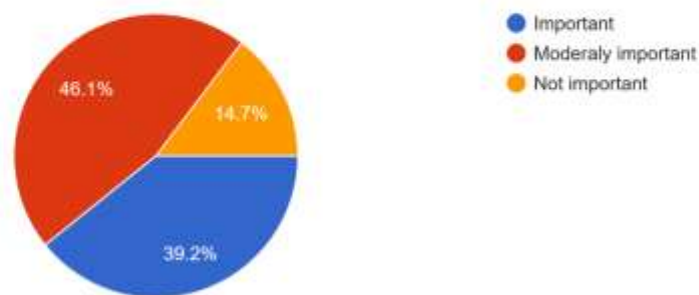102 responses

Fig. 4 Sources of information consumers How important in the speed and accuracy of delivery when ordering food online. Respondents were asked about moderaly important are nearly 46.1% (figure 4).

5* Have you noticed any changes in your online food ordering habits during the "Covid-19" pandemic?
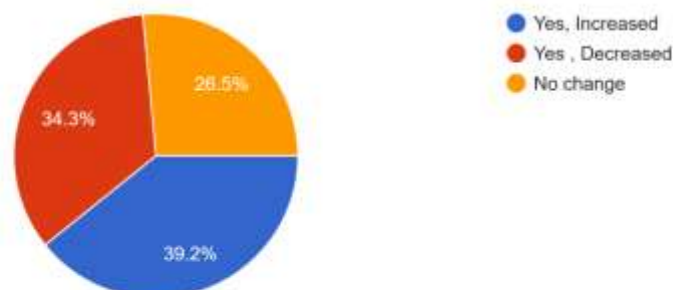102 responses

Fig. 5 Sources of information consumers Have you noticed any changes in your online food ordering habits during the "Covid-19" pandemic. Respondents were asked about increased important are nearly 39.2% (figure 4).

FINDINGS

The analysis of survey and interview data reveals distinct consumer preferences for online food ordering and dining-out, driven by factors such as convenience, social experience, cost, and demographic differences.

1. Convenience and Time-Saving Drive Online Ordering:

   Convenience emerged as the primary reason for online food ordering, with 78% of survey respondents citing time-saving as crucial. Younger consumers (aged 18-35) are especially likely to choose online ordering for its flexibility, easy access, and efficiency in fulfilling routine meal needs. Interviewees highlighted the value of avoiding travel and wait times, aligning with busy schedules and lifestyle demands.

2. Dining-Out Valued for Social and Experiential Aspects:

   Dining-out is strongly preferred for social gatherings and special occasions, with 63% of respondents identifying ambiance and atmosphere as critical. Qualitative responses reflected the desire for a memorable experience, where restaurant décor, lighting, and overall ambiance add significant value. Respondents also noted that dining-out fulfills a social role, offering a setting for celebrations and interactions that are difficult to replicate with online food ordering.

3. Cost Sensitivity with Online Ordering, Not Dining-Out:

   Cost-effectiveness is a notable factor for online ordering, with 54% of respondents favoring discounts and promotions. Students and lower-income groups especially indicated that discounts drive online food orders. In contrast, consumers are willing to spend more when dining out, valuing the in-person experience and perceiving it as worth the additional expense.

4. Demographic and Quality Factors:

   Demographics play a role in preferences, as younger and tech-savvy users prefer online ordering, while older consumers favor dining-out for the experiential value. Food quality expectations are high for both options; however, participants noted that issues such as temperature and freshness sometimes affect online orders, suggesting a need for quality improvements.

SUGGESTIONS

Based on the study's findings, the following suggestions are proposed to help food service providers cater effectively to the evolving preferences of consumers who engage in both online food ordering and dining-out.

1. Adopt a Hybrid Service Model:

   Restaurants should consider adopting a hybrid model that integrates the convenience of online ordering with the engaging experiences of dining-out. This could involve offering exclusive menu items or discounts for online orders, combined with in-restaurant perks for dine-in customers. Additionally, loyalty programs that reward both online and in-person customers can enhance satisfaction and encourage repeat business across both channels.

2. Enhance the Online Ordering Experience:

   Improving food quality and delivery standards for online orders is essential, particularly in ensuring that food arrives fresh and at the correct temperature. Collaborating with delivery services to implement quality checks, temperature control measures, and secure packaging can help address common issues and increase customer trust. Restaurants could also add digital features, such as order customization, real-time tracking, and virtual previews of the dishes, to enhance the online experience.

3. Create Ambiance-Oriented Dine-In Promotions:

   Since ambiance and social experience are major draws for dining-out, restaurants should create an inviting atmosphere with a distinct décor, music, and lighting tailored to enhance the dining experience. Offering themed nights, live music, or other special events can attract customers seeking memorable, social outings. Dining-out experiences can also be promoted through social media, showcasing the ambiance to attract experience-driven customers.

4. Targeted Marketing by Demographics:

   Tailoring marketing efforts based on demographics can help reach different customer segments effectively. Younger, tech-savvy consumers may respond well to promotions on social media and discounts through food delivery apps. Meanwhile, older customers may appreciate email newsletters or in-person loyalty cards that offer dining-in discounts or exclusive in-restaurant experiences.

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