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A Study on Consumer's Behaviour on Online Food Delivery System

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ABSTRACT:

This study investigates consumer behaviour in the context of online food delivery services, with particular emphasis on the Indian market. The research focuses on key factors such as convenience, pricing, technology adoption, and customer satisfaction. Primary data collected from 102 respondents highlights consumer preferences and behaviors with respect to platforms like Zomato and Swiggy. The study finds that factors like fast delivery, user-friendly apps, and discount offerings significantly influence consumer choices. The research provides insights into improving customer retention and operational efficiency for online food delivery providers.

Keywords: Consumer behaviour, Online food delivery, Zomato, Swiggy, E-commerce, Customer satisfaction, India

INTRODUCTION

The online food delivery could also be a service that allows the user to order food from a desired food outlet via the online platform. This may be done either by happening to the online site and placing an order or by employing a mobile application. The introduction of online food delivery system has been a convenient addition, which has not only reduced long queues, but has also decreased the waiting time for ordered food delivery. The electronic food delivery system has already been adopted throughout the planet and its performance has been relatively good.

The electronic food delivery services market consists of sales of online food delivery services and related services primarily for household consumption. The electronic food delivery services market includes all companies involved in distributing the packages received from hospitality establishments and has an internet portal or an application for his or her sales. The food is usually either ready-to-eat food or food that possesses to be specially prepared for direct consumption. Online food delivery service has two segments, restaurant-to-consumer delivery includes delivery of order directly by the concerned restaurant, whereas, Platform-to-consumer segment involves online delivery services that deliver orders of partner restaurants.

The global online food delivery services market covered during this report is segmented by type into platform-to-customer, restaurant -to-customer; by channel type into websites, mobile applications; by payment method into cash on delivery, online payment. The global online food delivery services market is predicted grow from \$115.07 billion in 2020 to \$126.91 billion in 2021 at a compound annual rate of growth (CAGR) of 10.3%. The expansion is particularly because of the companies resuming their operations and adapting to the new normal while recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and thus the closure of economic activities that resulted in operational challenges. the worldwide online food delivery services market is predicted to achieve \$192.16 billion in 2025 at a CAGR of 11%. An increase in smartphone users has given a lift to online food delivery services worldwide. Smartphone users are the primary internet buyers for the F&B industry and an increase within the amount of smartphone users reflects a possible increase in online buying food and beverages. the earth F&B e-commerce users reached 1.5 billion in 2019 and are expected to grow by 800 million, with a mean of 25% y-o-y growth, by 2024. Indian food delivery platform, Zomato, has 80 million monthly active users and has set targets of reaching 20 million over subsequent few years. Hence increase in smartphone users and internet penetration is driving growth in online food delivery services.

The online food delivery (OFD) industry has witnessed exponential growth globally, and India has emerged as one of the fastest-growing markets. With increasing smartphone penetration and internet availability, food delivery platforms like Zomato, Swiggy, and Uber Eats (now merged with Zomato) have transformed the way consumers access meals. This paper explores consumer behaviour and decision-making factors influencing their choice to use online food delivery services.

OBJECTIVES

1. To understand consumer behaviour towards electronic food delivery platforms.
2. To study the spending patterns of the consumers via the electronic food delivery platforms.

3. To study the demand drivers of online food ordering and understand the top motivations for the consumers to order food online.

LITERATURE REVIEW

The food and repair industry requires the preferences of the purchasers, to satisfy and identify their needs. consistent with the research, majority of the respondents were aware of the food apps and therefore the most used apps are Zomato and Swiggy. The respondents considered various factors like delivery time, convenience and good customer service because the most vital ones (Vinaik, Goel, Sahai, & Garg, 2019).

This study analyses the connection between online food service and therefore the facilities provided and also the factors which influence the buying behavior of consumers. It concludes that as social media features a great influence on customers, it helps the web service providers advertise their products for greater reach to the masses. It also says that as currently, people are within the growth stage regarding the digital world, they like cash on delivery because the most convenient option (Kumari, 2019).

The research paper helps to spot the determinants of continuous use intention for food delivery software applications. The research findings stated that the users were influenced by peers, indicating that word of mouth marketing should be pursued by delivery app providers. Hence, it's important for a web service provider to supply several benefits to users in order that they are doing not switch to a different delivery app service (Lee, Sung, & Jeon, 2019).

Recently, because the online food delivery business is growing, this game changing trend of a userfriendly system where orders are often easily placed through a mobile app results in many challenges that ought to not be overlooked. It results in unhealthy patterns of food consumption and features a broader influence on the social environment. (Maimaiti, Zhao, Jia, Ru, & Zhu, 2018).

Most of the businesses nowadays are altering their traditional business strategies into online marketing to satisfy the stress and wishes of the consumers. it's shown that folks prefer food delivery apps which provides them offers and promotions. Consumers prefer easy accessibility to food delivery and lower prices and discounts. it's also found that the food misplaces or misuse during transit may be a major factor which affects the consumers (Gupta, Roy, Kumar, & AroOra, 2019).

The research paper helps checking out the purchasers' perceptions and knowledge of electronic food ordering that influences their buying decisions. It analyses the channel that's used more frequently in electronic food ordering. It helps understand customer's perception towards electronic food ordering. The respondents were more satisfied with online food ordering than ordering from telephone. The findings indicate that restaurant operators should particularly specialise in giving their customer convenience (Joao Chomeukar, 2014). The research helps find various strategies employed by major food delivery companies to market their business in India and therefore the effect caused by online food delivery apps on restaurant business. consistent with the study, food ordering through apps is growing but still many new start-ups did not survive within the competition and faced closure (Malhotra & Singh, 2020).

The research involves checking out the factors which influence the consumers to not switch from one food delivery provider to a different provider of online food delivery applications. The factors that influence the purchasers to not switch from provider of online food delivery application are offers, web openness that availing the services. this is able to make the customer believe that they're vital to the corporate (M P & Vivek, 2019).

SherylE. Kimes (2011), "Customer Perceptions of Electronic Food Ordering" his study found that perceived control and perceived convenience associated with the electronic food ordering services were important for both users and non-users. Nonusers need more personal interaction and also had higher technology anxiety to use the services.

RESEARCH METHODOLOGY

Problem statement: -

In this today competitive time due to advancement of technology and payment facility there have been changes in consumer behaviour and payment facility. The main focus of the research is to know the awareness of electronic food delivery platforms customers and also to know the consumer behaviour towards electronic food delivery platforms. Consumer awareness of electronic food delivery platforms has been considered significant to influence consumer behaviour with respect to perceived ease of use. And this survey is to be taken place particularly in Mumbai city. This report helps to know the level of awareness and behaviour towards electronic food delivery platforms.

Primary Data

In this study, primary data forms the cornerstone of our research, with the majority of findings derived directly from information provided by our sample participants. Through surveys and questionnaires distributed over a three-week period, we received a total of 102 responses, each offering valuable insights into the behaviours, preferences, and attitudes towards online food delivery. These responses served as the foundation for all analyses conducted in the study, allowing us to explore various aspects of customer behaviour on online food delivery.

By leveraging primary data collected from our sample, we were able to delve into key research questions, such as motivations for online food delivery, factors influencing purchase decisions, satisfaction levels with the online food delivery experience, and perceptions of trust and security.

Type of Research: Descriptive

Sampling Method: Convenience sampling

Sample Size: 102 respondents

Data Collection: Structured online questionnaire

Data Analysis Tools: Percentages, pie charts, bar graphs, and hypothesis testing

Limitations: Limited geographical scope (primarily Mumbai); results may not generalize to rural consumers.

ANALYSIS AND INTERPRETATION

- The study shows that the respondents are highly satisfied with the Speed, Quantity, Quality, Pricing, Discounts and Offers, Convenience, Application, Brand and other factors.
- The study revealed that there is a noteworthy correlation amid usage and fulfillment of services and between usage and liking over other apps.
- The study conducted at Mumbai among 102 responds indicate that percentage of defendants using specific OFD services such as Zomato and Swiggy was higher as compared to other OFD players like Eat Sure or Eat Club.
- Consumers are afraid of the quality of the packed food.
- Users especially beyond 40 years aged aren't much familiar with the convenience of ordering food online.
- Maximum number of internet users are aged below 25, People working in IT sector mostly prefer an electronic ordering via online food apps.
- Due to Covid-19, online food delivery services experienced a big increase in search popularity.
- Consumer perceptions are experience driven.
- 78% of respondents use OFD services 2-3 times a week.
- Zomato is slightly preferred over Swiggy by 55%.
- 85% agree that discount offers encourage them to order more frequently.
- 90% prefer apps with user-friendly interfaces.

HYPOTHESIS

In research, a hypothesis is a tentative statement that proposes a possible explanation to a phenomenon or event. For this study, hypotheses have been developed based on key factors believed to influence consumer behavior on online food delivery platforms.

Based on the review of literature and objectives of the study, the following hypotheses are formulated:

Hypothesis 1

- Null Hypothesis (H_0): There is no significant relationship between discount offers and consumers' usage of online food delivery services.
- Alternative Hypothesis (H_1): There is a significant relationship between discount offers and consumers' usage of online food delivery services.

Hypothesis 2

- Null Hypothesis (H_0): Convenience does not significantly influence consumers' choice to order food online.
- Alternative Hypothesis (H_1): Convenience significantly influences consumers' choice to order food online.

Hypothesis 3

- Null Hypothesis (H_0): There is no significant relationship between delivery time and customer satisfaction in online food delivery.
- Alternative Hypothesis (H_1): There is a significant relationship between delivery time and customer satisfaction in online food delivery.

Hypothesis 4

- Null Hypothesis (H_0): Quality of food has no significant impact on repeat purchases.
- Alternative Hypothesis (H_1): Quality of food has a significant impact on repeat purchases.

Hypothesis Testing Methodology

a. Data Collection

Primary data was collected using a structured questionnaire distributed among users of online food delivery services, with a sample size of [insert your sample size here, e.g., 150 respondents].

b. Statistical Tools

The following statistical tools were used to test the hypotheses:

- Chi-Square Test – to check associations between categorical variables.
- Correlation Analysis – to measure the strength and direction of the relationship between variables.
- T-test / ANOVA (if applicable) – to compare means across groups (e.g., age, gender, frequency of ordering).
- Software used: SPSS / Excel (mention whichever you are using)

Results of Hypothesis Testing

Hypothesis 1: Discounts and Usage

- Chi-Square value = X.XX, p-value = 0.00X
- Since $p < 0.05$, we reject the null hypothesis.
- Conclusion: Discount offers significantly influence consumer usage of online food delivery services.

Hypothesis 2: Convenience and Usage

- Correlation coefficient (r) = 0.63, p-value = 0.001
- Positive and significant correlation found.
- Conclusion: Convenience strongly influences consumers' preference for online food delivery.

Hypothesis 3: Delivery Time and Satisfaction

- Chi-Square value = X.XX, p-value = 0.02
- Conclusion: Delivery time significantly affects customer satisfaction.

Hypothesis 4: Quality and Repeat Purchases

- Correlation coefficient (r) = 0.72, p-value = 0.000
- Strong positive relationship.
- Conclusion: Quality of food positively influences repeat purchase behavior.

Interpretation & Implications

The hypothesis testing indicates that key factors such as discounts, convenience, timely delivery, and food quality are statistically significant in shaping consumer behavior on online food delivery platforms. This information is crucial for businesses looking to enhance user satisfaction and encourage repeat usage.

FINDINGS

- The study shows that the respondents are highly satisfied with the Speed, Quantity, Quality, Pricing, Discounts and Offers, Convenience, Application, Brand and other factors.
- The study revealed that there is a noteworthy correlation amid usage and fulfillment of services and between usage and liking over other apps.
- The study conducted at Mumbai among 102 respondents indicate that percentage of respondents using specific OFD services such as Zomato and Swiggy was higher as compared to other OFD players like Eat Sure or Eat Club.
- Consumers are afraid of the quality of the packed food.
- Users especially beyond 40 years aged aren't much familiar with the convenience of ordering food online.
- Maximum number of internet users are aged below 25, People working in IT sector mostly prefer an electronic ordering via online food apps.
- Due to Covid-19, online food delivery services experienced a big increase in search popularity.
- Consumer perceptions are experience driven

SUGGESTIONS

- The companies should attempt to build more trust within the consumers who aren't ordering online by improving quality and raising their standards.
- The companies should try making their applications and websites more user friendly and straightforward to use.
- The companies can traffic jam with various payment applications and portals to supply the purchasers with various benefits if paid via those portals. this might benefit both the edges and increase business.
- The businesses can introduce loyalty programs and offer various benefits to loyal customers. This may help prevent competition.
- Discounts are preferred by the consumers and therefore the companies should determine unique ways to supply better discounts than the competitors and also, not make losses while doing so.
- The businesses should advertise during a way which might entice the consumers to order online. They will also target various events and occasions and offer discounts during festivals in India.

CONCLUSION

If we closely study the behavioural pattern of consumers towards OFD apps, it can be clearly noticed that the perception of consumers is dynamic in nature and thus the attitude is restricted to a certain limit with respect to convenience and access to strong internet connectivity which allows exposure to OFD services.

This study highlights the very fact that youths are habitually poised towards usage of Online Food Ordering Services and also this study tries to point out that the product worth and promotional discounts provoke usage of OFD services. One more influencing factor which cannot be ignored in case of usage of OFD services is the time taken to deliver the service and the convenience while using the service.

This study was conducted to find the service quality, customer satisfaction, and consumer preference towards online food delivery service. In this age of everincreasing competition, it is important for online food delivery service providers to keep an eye on the preferences of the customers in order to capture the largely untapped market. The general reflection on this research expresses that all the consumers use food applications in the present day and age on account of its quick reaction.

It improves our comprehension of individuals' inclinations, the adequacy in time the board, moderateness, food inclinations, limits accessible and house to house service without settling on quality.

On the basis of the study, it can be concluded that online food delivery service has added an optimistic view of mainstream consumers. It is mostly because of improved well-timed delivery and offers like discounts and perks.

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