

“Customer’s Expectation and Satisfaction with online food ordering portals with special reference to PCMC region in Pune”

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Abstract: The study examines the determinants that are responsible for creating hype for online booking and ordering food in Pune. It also aims to examine the customer’s expectation and satisfaction levels and consumer buying behavior with the popular online food ordering apps viz. Food Panda, swiggy, zomato, delivery chef etc. Hence study also deals with service attributes and its satisfaction. As being marketer belief says that satisfied customer is your lifetime asset.

Keywords: Customer Expectation, Customer Satisfaction, Service Attributes, Online Food Business.

INTRODUCTION:

The food business faces challenges that are unique. "A new mobile phone purchase or clothes purchased online can be delivered in one, two or more days and it won't bother people. But in the food business, fulfillment has to be within 30-40 minutes. "Besides, there has to be a very tight control on quality of food and service, else people will reject it. Customer expectations are high." Online restaurant guide and food ordering app Zomato has launched its 'Zomato Gold' programme -- a paid subscription-based service -- in India. Complimentary food and drinks can be accessed by the subscribers over 1200 top restaurant partners while placing an order. (<http://www.livemint.com>, 2017) The service -- which was launched in the UAE and Portugal earlier this year -- is available at an inaugural price of Rs 299 (3-months) and Rs 999 (12-months). The number of orders placed online, via mobile, or website, has seen a staggering increase in the last few years. Ordering online is one of the choicest thing by the customer to order food to be delivered or to be picked up from the restaurants. Not only is it convenient for customers, it also a marvelous way for restaurants to increase their sales and provide better customer support and engagement.

Various services such as providing their own delivery boys and keep a check on the time frame that is taken to deliver the order, are provided by various online food delivery platforms such as Zomato, Swiggy. Food panda etc. By expanding choice, convenience and comfort, online food ordering portals allow customers to order from umpteen restaurants just by a single click of their mobile phone. The business of delivering restaurant meals to the home is undergoing rapid change as new online platforms race to capture markets and customers in cities.

Common form of delivery by far is the traditional model, in which order is placed by the customer and waits for the restaurant to deliver the food to the door. Market share captured by traditional method is 90%, and most of those orders are placed by phone, but with the hype in digital technology, the market is reshaped. The experience most of the consumers get while shopping online through user friendly apps or websites that holds for transparency, same experience they expect while ordering dinner from the online food portals.

Literature Review:

Orientation towards online shopping are anticipated to motivate the online shoppers as we measure the shopping behavior and the desired goals and experiences, they feel or seek when accomplishing their online shopping activities (Stone, 1954). As in home shopping, shopper is motivated to shop because of the convenience he gets while ordering from home as in other case ,distinguishing shopper value or give importance to experience that he gets while interacting with a known sales person. Shopping orientations have also emerged as reliable discriminators for classifying different types of shoppers based on their approach to shopping activities (Gehrt and Carter, 1992; Lumpkin and Burnett, 1991-92). A lot of research has

been employed into shopper orientations to understand the behavior among elderly purchasers, succession shoppers, out shoppers, and the shoppers who shop from malls (Bloch et al., 1994; Evans et al., 1996; **Gehrt and Shim, 1998; Korgaonkar, 1984; Lumpkin, 1985; Lumpkin et al., 1986; Shim and Mahoney, 1992).**

According to **Mehta & Sivadas, 1995)**, over time the Internet shopper, once discovered the trendsetter or early adopter, has transformed. While once young, professional males with higher educational background, incomes, bearance for risk, social position and a lower reliance on the mass media or the requisite to shop at recognized retail outlets (Citrin, Sprott, Silverman & Stem, Jr, 61 2000; Ernst & Young, 2001; Mahajan, Muller & Bass, 1990; Palmer & Markus, 2000; Rogers, 1995; Sultan & Henrichis, 2000), today's Internet buyer shows a diversity of income and education (U. S. Dept. of Commerce, 2003).

Akhter (2002) signposted that more educated, younger, males, and wealthier people in disparity to less educated, older, females, and less wealthier are more likely to use the Internet for buying. According to **O'Cass and Fenech (2002)**, found that Internet buyers were more often judgment leaders, spontaneous, and competent Internet users. They trusted web safety, were satisfied with existing web sites and had a positive 62 shopping alignments. **Eastlick and Lotz (1999)** found that latent adopters of the cooperative electronic shopping medium professed a relative benefit of using the Internet over other shopping set-up. They also found the Internet users to be pacesetters or early adopters.

According to **research firm RedSeer**, India's online food distribution market encircling of aggregators and cloud kitchens, where the chefs prepare food in a physical outlet for orders that they accept online, grew at 150% last year 2016, in comparison to 2015, with an estimated Gross Merchandise Volume (GMV) of \$300 million in 2016. For online food delivery platforms, more than 80% of orders are now coming from the top five cities in India, out of more than 20 cities where online food delivery is active in this country. Due to this bulky number of orders, food delivery companies in India have narrowed their extension to newer towns and are now are centering on achieving operational productivities and effectiveness in Tier 1 cities only. To harvest a bulk of the portion in this budding market, which has perceived the ingress of new players from stables of global behemoths such as Google and Uber, Indian startups such as Swingy, Zomato, Delivery chef etc. have taken steps including fundraising or making procurements in order to protect and advance their market share. As per the report issued on the Indian Brand Equity Foundation's website, the systematized food professional in India is worth US\$ 48 billion, of which food delivery is esteemed at US\$ 15 billion.

The BCG had prior this year said the market size of food in India was anticipated to stretch Rs 42 lakh crore by 2020, from Rs 23 lakh crore in 2014. And the upsurge of online food entrants, aiming to bang the millions of internet users in India, has a lot to do with this progression.

According to a report in **The Times of India**, Rocket Internet backed Food panda has not found a consumer even with a rock bottom price tag of \$10-15 million. The company arranged 300 people in December 2015, about 15% of its staff. In September 2015, TinyOwl had afire 100 employees in its Mumbai and Pune offices. And in October, Zomato sacked 300 workers.

One more food ordering portal, Zomato came into this existence in middle of 2015 while Food Panda, Swiggy and many others started as food ordering sites and apps says Niren Shah, managing director, Norwest Venture Partners India, "It's a technique Ola, Uber efforts with cab drivers. Food tech startups exercise the platform to associate operators with eateries." The topmost 25 cities have about 75,000 restaurants, including systematized chains and separate restaurants). The number of day-to-day orders over phone for food (mainly lunch and dinner) varies between 0.7 million and 1 million. Dominos itself does 1.8 lakh to 2 lakh orders a day and has made Rs 1,800 crore business in India. Swiggy, which newly raised a fresh round of funding, does about 15,000 orders in a day and Zomato does 13,000. Overall food tech startups accommodate to less than 50,000 orders a day. That's just 5% of the total daily orders.

According to report generated by **VCCEdge**, January 2016 alone has seen three deals with about Rs 300 crore being elevated by food tech companies. The major was Rs 230 crore upstretched by Swiggy from Norwest Venture Partners, Saif Partners and others.

Universally, online food delivery market holds positions at approx. €83 billion, or 1 percent of the total food market and 4 percent of food vended via restaurants and fast-food chains. It has already experienced in most countries, with total annually progress rate projected at 3.5 percent for the next four to five years conferring as per Mckinsey research.

Two platforms for ordering food online:

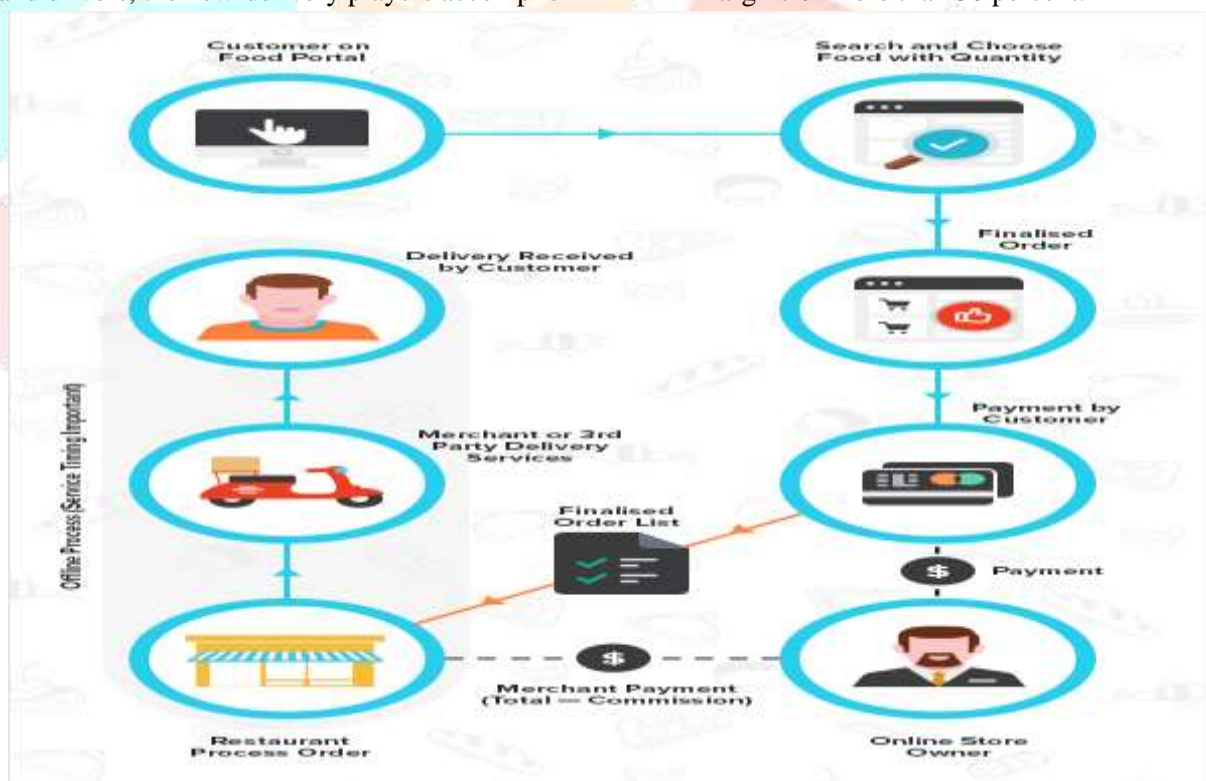
The first type is the “aggregators,” which arose roughly 15 years ago; the second is the “new delivery” players, which seemed to have origin in 2013. Both allow consumers to compare menus, scan and post reviews, and place orders from diverse restaurants with a single go. The aggregators simply take orders from consumers and enroutes them to restaurants, which handle the distribution themselves. In disparity to this, the new-delivery players shaped their own logistics networks, providing delivery for restaurants that don’t have their personal drivers.

Aggregators:

The traditional model for food delivery forms the base for aggregators, offering access to umpteen restaurants via single online portal. By logging in to the site or the app, consumers can hastily compare menu cards, prices, and reviews from peers. Fixed margin of the order is collected by aggregators, which is remunerated by the restaurant, and the restaurant grips the actual delivery. There are no further charges to the consumer. With their asset-light model, aggregators post earnings before interest, taxes, depreciation, and amortization (EBITDA) margins of 40 to 50 percent.

New delivery:

Consumers are allowed to compare offerings and order meals from a group of restaurants through a single website or app by new delivery players. Logistics for the restaurant in this sphere is also provided by the new delivery players.. This allows them to open a new section of the restaurant market to home delivery: higher-end restaurants that traditionally did not deliver. The new-delivery players are compensated by the restaurant compensates the new delivery players with a fixed margin of the order, as well as with minor flat charges from the customer. In spite of the higher costs of upholding delivery vehicles and drivers, the new-delivery players accomplish EBITDA margins of more than 30 percent.



Objectives of the study:

1. To examine the customer Expectation and customer satisfaction with reference to buying food online.
2. To understand customer Expectation and customer satisfaction with reference to its service attributes
3. To provide solution to the online sellers based on the result of the research.

Hypothesis:

H0: There is no significant relationship between Customer’s Expectation and Satisfaction with online food ordering portals.

H1: There is significant relationship between Customer’s Expectation and Satisfaction with online food ordering portals.

H0: There is no significant relationship between expectation related to service attributes and its satisfaction.

H1: There is a significant relationship between expectation related to service attributes and its satisfaction.

Methodology: The research follows exploratory and descriptive research methodology to find answer to the research question pertaining to the gaps between customers' expectations and their satisfaction level with online food ordering portals in PCMC region of pune city. 5-point likert scale is used .Data is collected from a structured questionnaire using eight variables which were tested for reliability in which responses were collected from 100 respondents (cronbach's alpha value: .833)

Under Probability sampling cluster sampling is used, PCMC population was divided in to the clusters on the basis of age and accommodation hence 100 samples selected for conducting this study, to collect primary data structured questionnaire is used. Secondary data were collected from research journals, reports and cases. The collected data were converted into data matrix using SPSS 18 software an differential analysis was employees to test various hypothesis at the 5%level of significance, which include t-test, Freidman-test.

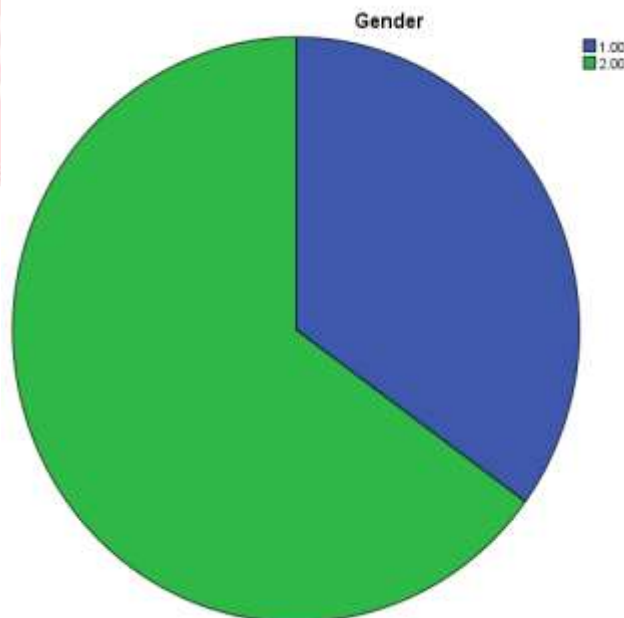
Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.833	.827	08

Socio-Demographic Descriptive Analysis

Q.1) Gender of Respondents.

Gender

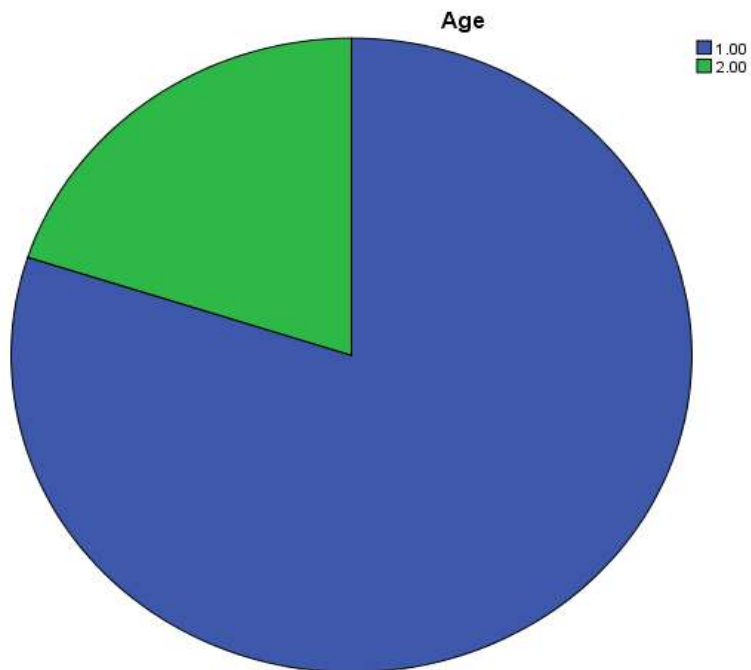
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	35	35.0	35.0	35.0
	Female	65	65.0	65.0	100.0
	Total	100	100.0	100.0	



It can be inferred from the above data frequency table and pie chart that 35% respondents are male and 65% respondents are females.

Q.2) Age of the Respondents

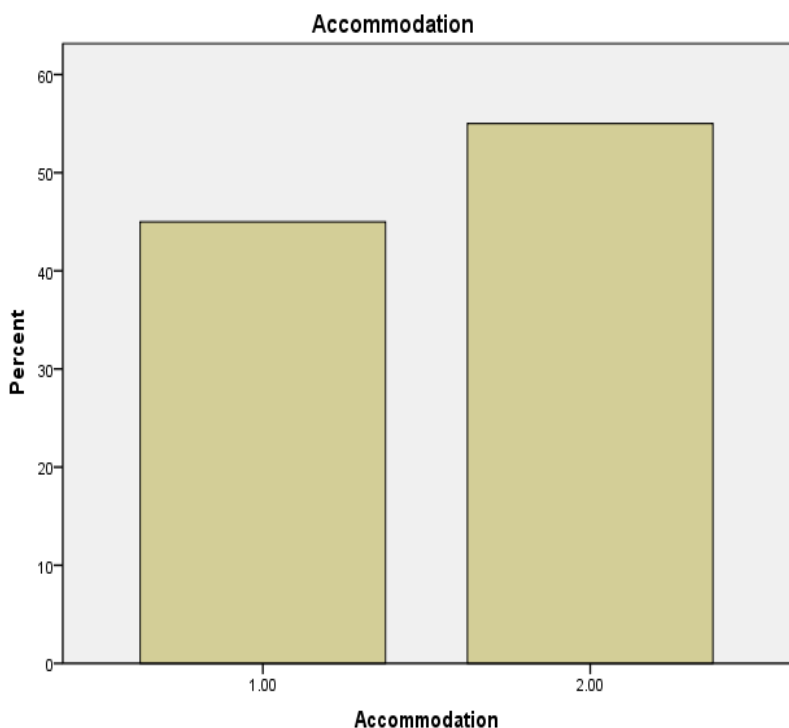
Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24 YEARS	80	80.0	80.0	80.0
	25-34 YEARS	20	20.0	20.0	100.0
	Total	100	100.0	100.0	



It can be inferred from the above data frequency table and pie chart that 80% respondents constitutes 18-24 years of age group and 20% respondents constitutes 25-34 years of age group.

Q.3) Accommodation of Respondents

Accommodation		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Host elite	45	45.0	45.0	45.0
	Non-Hostelite	55	55.0	55.0	100.0
	Total	100	100.0	100.0	

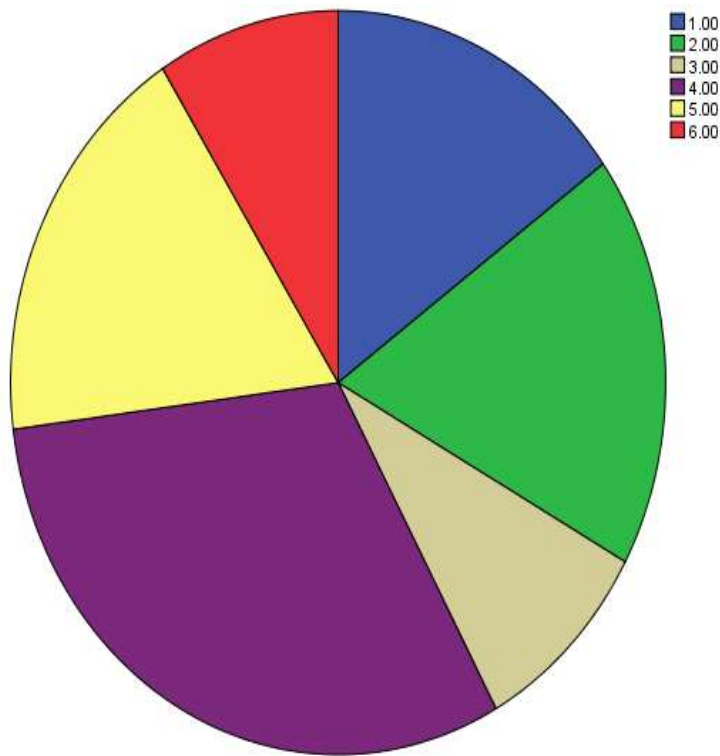


From the above data analysis, it can be inferred that host elite constitutes 45% of the total population while as non-host elite constitute 55% of the total population.

Data Analysis and Interpretation with Hypothesis testing

Q.1) Select the appropriate option for not ordering food online.

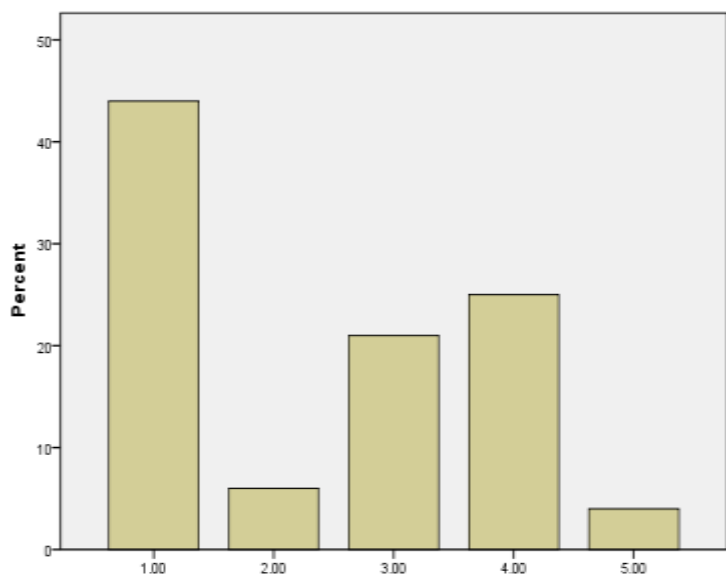
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Don't trust	15	15.0	15.0	15.0
	Unavailability	18	18.0	18.0	33.0
	Not aware	9	9.0	9.0	42.0
	High delivery charges	31	31.0	31.0	73.0
	uncomfortable	18	18.0	18.0	91.0
	Can see risk	9	9.0	9.0	100.0
	Total	100	100.0	100.0	



From the above statistical data, it can be interpreted that 15% of the population don't trust ordering food online, 18% of the population do not order online food because of unavailability of, 9% are not aware of ordering online, 31% of population believe high deliver as one of the cause of not ordering online, 18% gets uncomfortable while ordering food, and 9% infers risk associated with debit cards.

Q.2) Which of the following according to you is the most preferred method of ordering food?

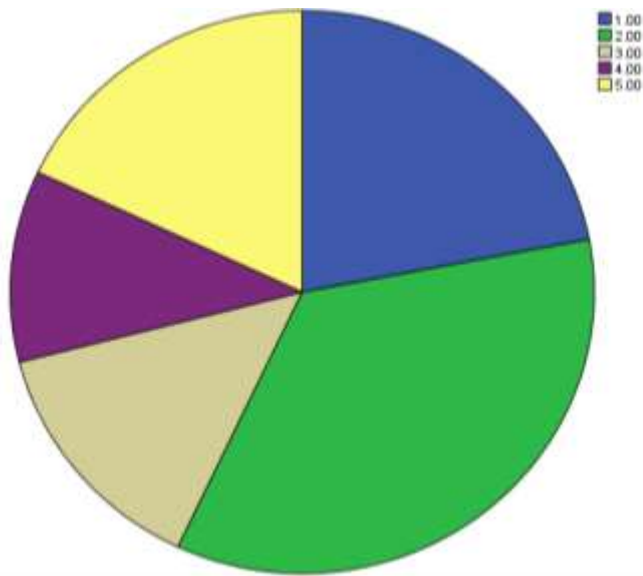
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Through an online web portal	44	44.0	44.0	44.0
	Self pick up	6	6.0	6.0	50.0
	Eating at the restaurant	21	21.0	21.0	71.0
	Phone call to the restaurant	25	25.0	25.0	96.0
	Any other	4	4.0	4.0	100.0
	Total	100	100.0	100.0	



From the above frequency table and histogram,44% believe most preferred mode of ordering food online is through an online web portal,6%believe self pick up,21%eating at restraurant,25%believe phone call to the restaurant and 4% any other ways.

Q.3) Why do you like to order food from an online web portal?

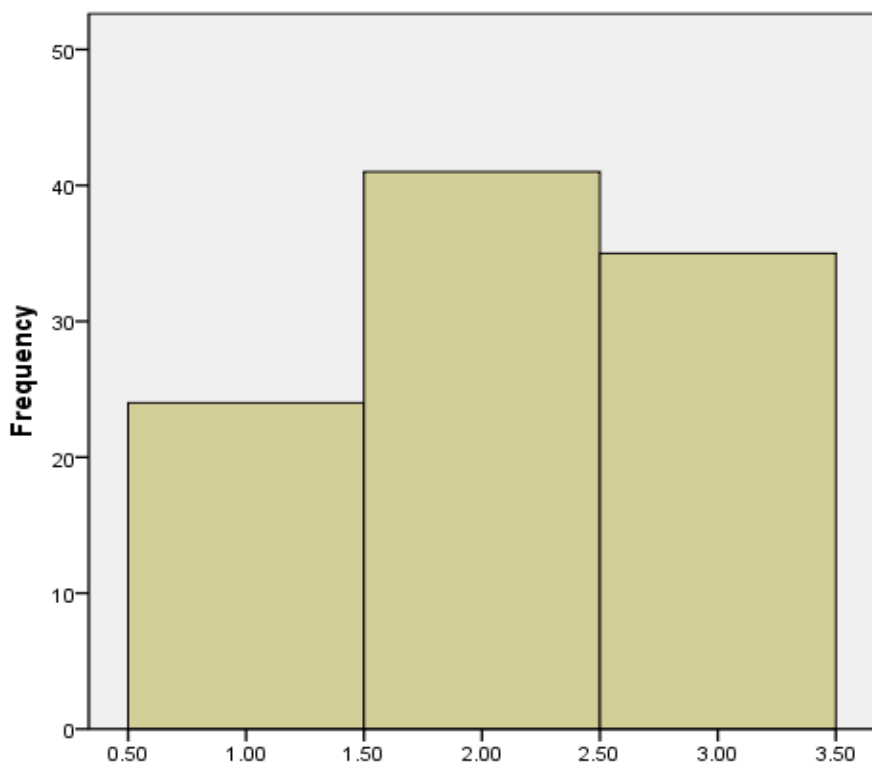
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fast & convenient	22	22.0	22.0	22.0
	I don't prefer ordering online	35	35.0	35.0	57.0
	They provide other benefits	14	14.0	14.0	71.0
	Easy	11	11.0	11.0	82.0
	Saves time and cost	18	18.0	18.0	100.0
	Total	100	100.0	100.0	



From the above data analysis,22% respondents order food through online web portal because of fast service and convenience,35% dont prefer ordering online,14% gets other benefits while ordering online food,11%find it easy to order online,18% believe it saves time and cost while ordering food online.

Q.4) What kind of uncertainty do you face while ordering the food online?

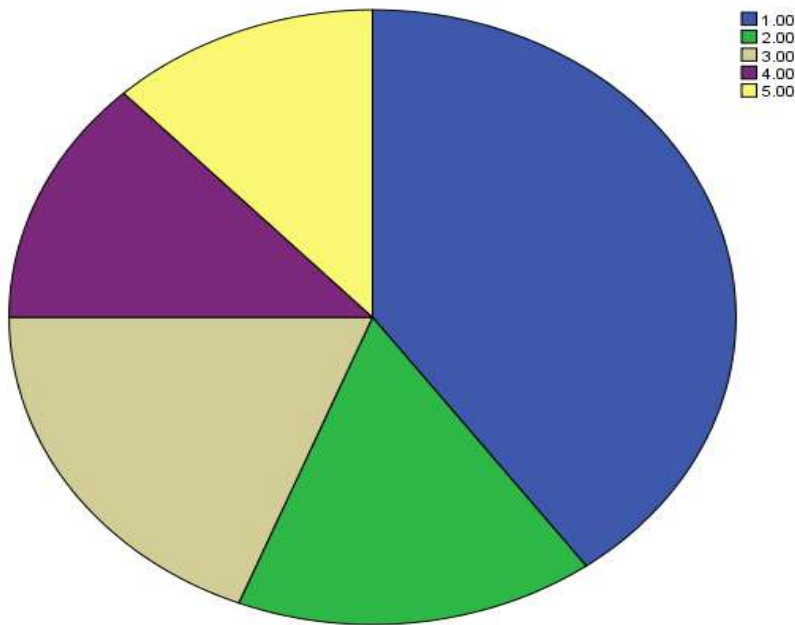
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	confirmation	24	24.0	24.0	24.0
	Hygiene	41	41.0	41.0	65.0
	Order status	35	35.0	35.0	100.0
	Total	100	100.0	100.0	



It can be inferred from the data that 24% of respondents feel uncertainty regarding the confirmation of order while ordering food online, 41% feel uncertain regarding the hygiene, and 35% face uncertainty regarding order status.

Q.5) Which online food portal do you use mostly for ordering food?

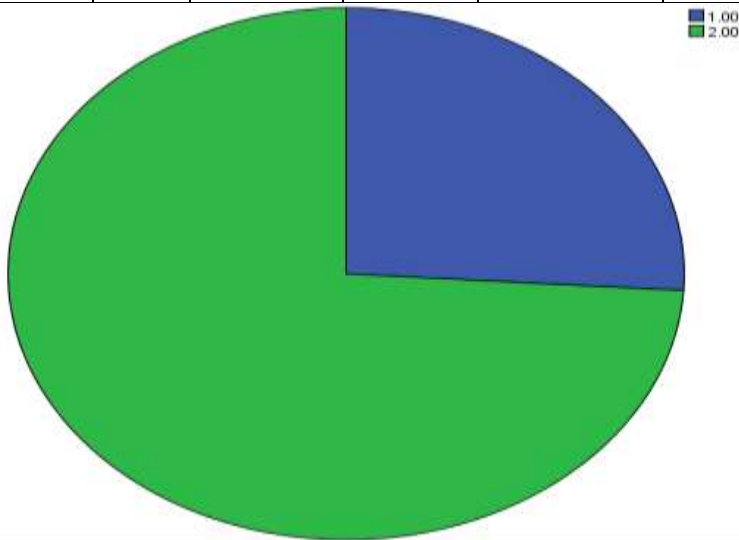
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Swiggy	40	40.0	40.0	40.0
	Zomato	16	16.0	16.0	56.0
	Food panda	19	19.0	19.0	75.0
	Fassos	13	13.0	13.0	88.0
	Delivery chef	12	12.0	12.0	100.0
	Total	100	100.0	100.0	



It can be inferred from the above data analysis, 40% of respondents use Swiggy mostly while ordering food online, 16% use Zomato, 19% use food panda, 13% use food panda and 12% use delivery chef web portals while ordering food online.

Q.6) Do you feel the delivery fee is high while ordering?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	26	26.0	26.0	26.0
	Yes	74	74.0	74.0	100.0
	Total	100	100.0	100.0	



It can be inferred from the above data analysis, 26% says that delivery charges are not high while 74% respondents says that delivery charges are high while ordering online food.

	One Sample Test					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q.7) Your satisfaction level with ordering food on ordering food online	27.235	99	.000	2.81000	2.6053	3.0147
Q.8) Do you feel the help line services are up to the mark?	33.326	99	.000	3.84000	3.6114	4.0686
Q.9) Do you find the prices competitive?	40.556	99	.000	3.63000	3.4524	3.8076
Q.10) Services provided by the service provider are up to the mark [Zomato]	31.464	99	.000	3.00000	2.8108	3.1892
Q.11) Services provided by the service provider are up to the mark [Faasos]	24.558	99	.000	2.74000	2.5186	2.9614
Q.12) Services provided by the service provider are up to the mark [Swiggy]	27.371	99	.000	3.08000	2.8567	3.3033
Q.13) Services provided by the service provider are up to the mark [Food Panda]	27.228	99	.000	3.01000	2.7906	3.2294
Q.14) Services provided by the service provider are up to the mark [Delivery Chef]	24.545	99	.000	2.35000	2.1600	2.5400

Q.15) Rank the following factors regarding ordering food online

Ranks	
	Mean Rank
Test	3.45
Hygiene	3.27
Quality	3.41
Delivery Time	3.58
Presentation	3.56
Variety	3.73

Test Statistics ^a	
N	99
Chi-square	5.243
df	5
Asymp. Sig.	.387
a. Friedman Test	

In Such conditions the Null Hypothesis is accepted as $0.387 > 0.050$

Conclusion:

In this study the broad motive of the researcher is to prove two hypothesis, further more according to analysis of Q. 7 to Q.14, It can be concluded that following alternate hypothesis should be accepted hence it has been proven statistically that ,There is significant relationship between Customer's Expectation and Satisfaction with online food ordering portals.

As study moves in further phase to prove some more facts regarding ordering online food through web portals second hypothesis has been demonstrated statistically by Q.15 ,Hence Null hypothesis is accepted there is no significant relationship between expectation related to service attributes and its satisfaction.

Marketing is all about feeling the experiences, delivering values therefore food providers should improve their services and should look into their online costing along with affordability for the customer,

Provider should enhance trust and confidence and ease to customer regarding the online transactions and delivering food at door step within stipulated time with promised quality.

Fulfilled service attributes should add value to their brand name in the market because as study is emphasized on expectation, so likely to be dealt with perception so here we have seen satisfaction.

The findings of the research are of great significance to the restaurant owners/food startups who are in association with popular food ordering portals as they provide insights into the gaps between customer expectations and satisfaction.

The geographic area of the study is restricted to PCMC region of Pune city. Therefore, further research can be undertaken covering a wider geographic area.

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