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Food Delivery Apps: Brand Preference and Brand Communication

¹Dr. Ansted Iype Joseph, ²Dr. Ranjith Somasundaran Chakkambath, ³Ann B. Mathew, ⁴Joel Sam Jacob

¹Assistant Professor, ²Assistant Professor, ³Student, ⁴Student

¹Department of Management,

¹Amity Global Business School, Kochi, India

Abstract: The popularity of food-ordering apps such as Swiggy and Zomato has been on the rise. These online services have grown as they have made inroads into areas beyond urban India. The apps have loyalty programs and regularly offer promotions through various brand touchpoints. This study investigates the factors which influence the choice of food-ordering app and also evaluates the attitude of users towards the brand communications. The results indicate that 'Brand and Customer Services', 'Promotions and loyalty programs' & 'Payment Options' influence the choice of apps. 'Online Brand Communication' and 'Promotions' influence the attitude towards brand communications. Food-ordering apps being a relatively new category in the market offers a lot of potential for further research.

Index Terms – Food-ordering apps, Brand Preference, Brand Communication

I. INTRODUCTION

The traditional Indian community was always preferring homely food over any restaurant. But certain changes in the demographics and especially the life style of the working professionals have changed the entire scenario. The Digital era has also played its part to come up with new innovations of food ordering. The tradition of dining out once a week or on special occasion has changed to ordering food to our door step whenever we want and where we want. This research paper tries to highlight some of the interesting facts related to the millennials who were found to be more influential in this online food application growth we now experience.

The Online Apps related to Food Delivery had a rapid growth over the years due to the change in the life style of people, their earnings and the development of Information technology. The popularity of these mobile apps are mainly due to the convenience of getting the food at your office or where ever you are located. The online marketing trend has come with innovative ideas to attract potential customers. The food industry are taking advantage of this online boom. The rapid increase in the internet usage among youth have led to increased engagement by them to order food online. This in turn has allowed many companies to take off to steep growth in India. Research results by certain websites show that the market volume is going to be 5.7 billion USD by 2022.

The target group includes College students and working professionals. The demographics, life style changes, developments in technology related to internet and smart phones ,youth population have all contributed to this popularity of online food apps. Aggressive marketing by some startups in this food tech industry and also the convenience of ordering food to your door step have also been a part of the reasons for the growth of this sector.

These food apps are using features like code referral, easy and user -friendly interfaces, customized notifications etc. Some reports are mentioning about #D images and 360 degree view of food that people might be planning to order online in these websites. Details of the menu and even the ingredients and size is also expected to be there.

According to various census reports, India has the highest number of 10 to 24 year old's, two hundred and forty two million. The results in a huge number of youngsters concentrated in cities with both genders workings. This ends with very little or even no time to prepare a home cooked food which the tradition of Indian Families. They are forced to buy food through different outlets. When the Food delivery apps came into the picture, the whole scenario changed and this led to the boom. The millennials benefited the most by having the varieties of choices at different rates, all with a click of a button.

II. LITERATURE REVIEW

The digital era, the various demographics has an important role in consumer behaviour. This was used to understand the response to food apps. Preetha and Iswarya(2019), tried to study the user demographics connecting with the user response to online food order and delivery applications. The study concluded that there was not as expected a relation between demographics and food app usage.

Murat and Haluk (2012) found a connection between the age and gender do have a relation with online food ordering. The millennials were into these especially the working females. Sheryl E. Kimes (2011), conducted a research Based on respondents from the US to find that the youngsters were more involved in the purchasing food online. Sixty percent of the respondents were in the millennials category. Kedah(2015) found that some factors related to customer ordering experience. The included the website trust, loyalty and customer satisfaction. The result was pointing towards the connection between trust of online food applications and quality. They also concluded that service quality and customer satisfaction were connected. Parashar and Ghadiyali (2017), were able to find the different factors related to the online food applications which made them more favourable. These included the mode of payment, speed, quality of service and some specific restaurant based apps.

The Millennials were the respondents in the study and their perception were collected through this research. Social media marketing had impacted the major impact on the popularity of these online applications in the food industry. COD or cash on delivery was the most desired tool for payment. Sumathy and Joseph in (2017) identified certain parameters related to food apps which made them grow rapidly. This included app features like security, user friendliness etc. The research summarizes that the use of online food apps by restaurant can boost their business to make the consumers aware of their business and feel safe of e-payment methods. The benefits and challenges of food delivery apps have been studied by Jadhav (2018). The increasing urbanization and modern technology were the main factors responsible for exponential growth of this sector.

Kanteti (2018) analyzed some of the online food app companies. The study summed up that customer service and transparency were crucial here. It helped to decide the logistics and manage delivery times. Innovative strategies by startups in the online food app sector like drone delivery which is an upcoming technology was found to be key in the growth of this sector. Sing and Kaur (2018) found most of the respondents were in the habit of consuming fast food at least once in a month with pizza being the popular food item. Brand name and the taste factors played a crucial role in this purchase. Sharma and Waheed (2018) studied the extensive use of online food apps among college students in middle east focusing on Dubai. The online food ordering has begun to grow exponentially among the youth there. Rathore and Chaudhary (2018) were able to link certain factors with online consumer purchase of food. These factors were like time and delivery, convenience, easy accessibility, easy payments etc. The popular items ordered were snacks followed by dinner. Ordering frequency was on a weekly basis.

Das (2018) various factors like convenience, cost effectiveness, availability, location, mode of payment and doorstep delivery, that influence the consumer's choice and perception of online food delivery services along with the most preferred portal used by consumers for online food delivery. Delivery of food at the consumers door step was the most popular factor along with convenience and ease of obtaining the service by these online food applications. Trivedi (2018) has described the perception the people in India have towards the growing trend of the online food sales. According to him, the student community have the major interest in online food ordering than any other group. The conventional way of dining out seems to have lost its trend and online ordering of food has increase owing to cost reduction.

Jacob, Sreedharan and Sreena.K (2019) studied the factors like ease and convenience, offers, quality, health concerns, tracing system, hygiene and payment options, leading to the boom of online food ordering system with major influence of these mobile applications on youth. Sixty one percentage of the respondents preferred to buy food online rather than go to the restaurant while thirty three percentage liked to walk to the dining outlets. The study found that the traditional dining out is getting affected by the rise in online ordering applications. But some have cited concerns of hygiene as factor to prefer homely food. Preetha and Iswarya (2019) studied the influence of demography on the usage of online food application. They found no significant relations between most of the demographics parameters with consumer purchase but the purchase was affected by delivery, prompt responses, packaging, personalized services, variety, information, ease of usage, display and accuracy of given information.

III. METHODOLOGY

The type of research was descriptive and based on a survey conducted using a structured questionnaire. The respondents were from different parts of Kerala, India. Likert Scale was used for questionnaire framing. The data collected will include the demographics of the respondents. The factors influencing the choice of food delivery app and attitude towards brand communication were part of the investigation.

The reliability test resulted in a Cronbach's Alpha greater than .7, which showed that the items in the constructs were adequate to generate a good result. According to (Griethuisen et al., 2014), any value greater than or equal to 0.7 was adequate to show the reliability of the questionnaire.

Sampling method: The sampling method used was convenience sampling. Primary data was collected through an Online questionnaire. Secondary data was collected from journals and websites/related reports.

Sample Size: The sample size was 200 respondents from different parts of Kerala. Customers who used food delivery apps such as Swiggy, Zomato and Food Panda were respondents in the study.

Data Collection method: A structured questionnaire designed using Google forms was used for executing this survey.

Data Analysis: IBM SPSS Statistics 23 was used to perform the data analysis.

Data Analysis Technique: Factor analysis was used to analyze the data.

IV. ANALYSIS & FINDINGS

4.1 Description of Sample

The summary of demographic profile of respondents is provided in Table 1. A majority of the respondents are male and educated. The largest demographic in terms of occupation was students. The largest category of respondents were identified as those with a family income of Rs. 45001- Rs. 60000.

Table 1. Summary of Demographic Profile of the Respondents

Demographic Characteristics	Percentage of Respondents
<u>Gender</u>	
Male	58.10%
Female	41.90%
<u>Educational Qualification</u>	
PG	46.80%
UG	46.80%
PhD	5.40%
High School	1%
<u>Occupation</u>	
Student	38.90%
Self-Employed	26.60%
Salaried/Employed	32.50%
Home Maker	2%
<u>Monthly Family Income (in Rs)</u>	
Less than 30,000	23.60%
30,000 to 45,000	25.10%
45,001 to 60,000	29.60%
Above 60,000	21.70%

The results indicate that Swiggy is the most popular app among the respondents with 85.70% of the sample being its users. A majority of the respondents have indicated that they use food-ordering apps a few times a week (Table 2).

Table 2. App-wise usage pattern

	Percentage of Respondents
<u>Food Ordering App Usage</u>	
Swiggy	85.70%
Zomato	75.40%
Food Panda	10.30%
Other	17.70%
<u>Ordering Frequency</u>	
Daily	4.90%
Rarely	27.60%
Few Times in a Month	33%
Few Times in a Week	34.50%

Table 3. describes the period of usage for Swiggy, Zomato and Food Panda. A majority of respondents have been using Swiggy and Food Panda for less than year while most of the Zomato users have been using the app for 1-2 years.

Table 3. App-wise usage period

Food Ordering Apps	Less than 1 Year	1 – 2 Years	More than 2 Years
Swiggy	39.40%	30%	22%
Zomato	29%	38%	13%
Food Panda	35.40%	4%	5.40%

The app-wise usage frequency (Table 4) shows that the respondents prefer to use the food-ordering apps frequently.

Table 4. App-wise usage frequency

Food Ordering Apps	Always	Often	Sometimes	Rarely
Swiggy	20%	38%	24%	13%
Zomato	13%	36%	30%	12%
Food Panda	7%	7%	20%	24%

4.2 Factor Analysis

Exploratory Factor analysis (using principal component analysis) was used to identify the factors influencing the choice of food delivery app and attitude towards brand communication. Data collected from the sample of respondents who had rated their level of agreement/disagreement with the variables in the questionnaire was subjected to Factor analysis.

The variables which made up the 'choice of food delivery app' and 'attitude towards brand communication' components were factor analyzed using Principal Component analysis after ascertaining the appropriateness of Factor analysis (Malhotra, 2004) using the Bartlett's Test of Sphericity (significant at the 0.05 level) and Kaiser-Meyer-Olkin (KMO) statistic (>0.6). Factors with eigen value greater than 1 and a loading of 0.5 and above were then rotated using varimax rotation with Kaiser Normalization.

In order to summarize the information contained in the original variables, a smaller number of factors should be extracted. In this research, approaches based on eigen values (that is, eigen value > 1) are used to determine the number of factors. To ensure that the variables for each of the factors were internally related, their Cronbach's coefficient alpha were measured and found to have acceptable internal consistency reliabilities, that is, greater than 0.7 (Griethuijsen et al., 2014).

4.2.1 Factors influencing choice of food delivery app

The 'choice of food delivery app' component comprised of 21 variables which were factor analyzed using Principal Component analysis and four factors emerged explaining 64.14 per cent of the variance. The summary result of the factor analysis of all the elements and sub-elements is presented in Table 5,6 & 7.

Table 5. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.923
Bartlett's Test of Sphericity	Approx. Chi-Square	2634.602
	df	210
	Sig.	.000

Table 6. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative%	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.662	46.010	46.010	9.662	46.010	46.010	4.198	19.991	19.991
2	1.642	7.819	53.829	1.642	7.819	53.829	3.610	17.189	37.180
3	1.116	5.313	59.142	1.116	5.313	59.142	3.410	16.240	53.421
4	1.050	5.002	64.144	1.050	5.002	64.144	2.252	10.723	64.144
5	.944	4.495	68.639						
6	.854	4.066	72.705						
7	.674	3.208	75.914						
8	.671	3.196	79.109						
9	.597	2.841	81.951						
10	.480	2.284	84.235						
11	.450	2.141	86.376						
12	.403	1.921	88.297						
13	.339	1.616	89.913						
14	.329	1.567	91.479						
15	.314	1.494	92.973						
16	.298	1.419	94.392						
17	.286	1.360	95.752						
18	.277	1.320	97.072						
19	.244	1.163	98.235						
20	.224	1.065	99.299						
21	.147	.701	100.000						

Extraction Method: Principal Component Analysis.

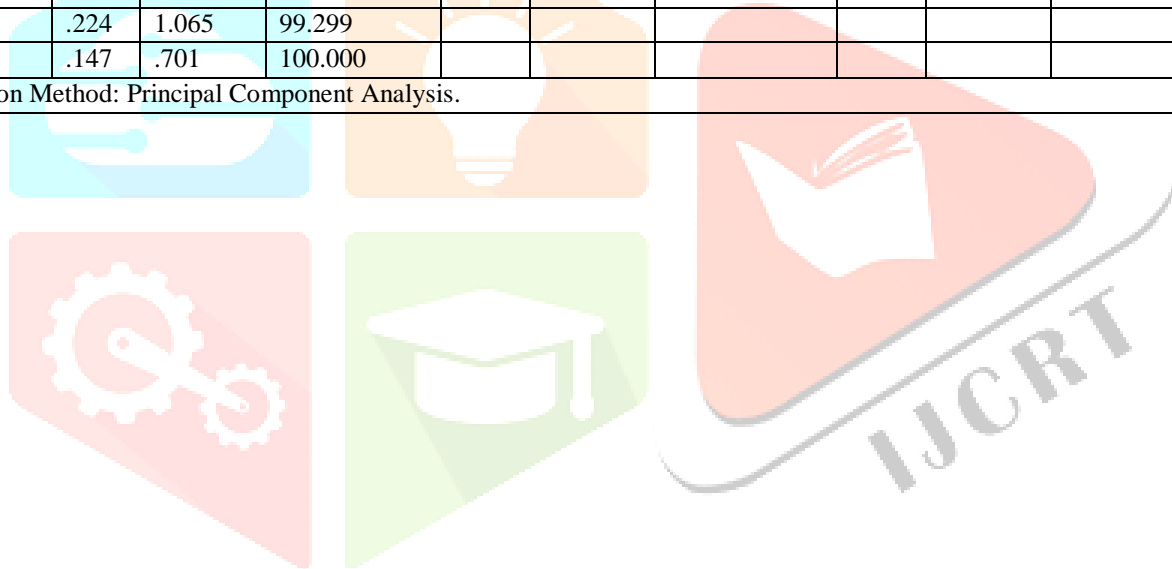


Table 7. Rotated Component Matrix^a

	Component			
	1	2	3	4
[Customer Service]	.691	.100	.227	.302
[Locations covered]	.689	.188	.269	.136
[Food Handling]	.685	.223	.237	.316
[Delivery Charge]	.673	.031	.175	.135
[Attitude of delivery person]	.576	.357	.287	.205
[Coupon Codes with discount]	.562	.430	.424	-.178
[Packaging]	.538	.284	.251	.490
[Brand]	.468	.430	.185	.308
[Recommendations from friends and family]	.123	.817	.105	.013
[Rating of the App]	.107	.754	.185	.324
[Review of the App]	.088	.723	.112	.355
[Availability of special cuisines]	.346	.697	.207	.045
[Loyalty programs]	.530	.543	.194	.225
[Cost effectiveness]	.215	.050	.793	.161
[Different mode of payment]	.172	.188	.718	.143
[Ease & Convenience of shopping]	.202	.144	.625	.167
[Delivery time]	.233	.124	.606	.465
[Availability of restaurant]	.351	.224	.595	.274
[Offers & Promotions]	.445	.337	.541	-.179
[Hygienic measures of restaurant]	.294	.333	.274	.691
[Hygiene of delivery person]	.392	.217	.278	.674

The first factor identified is 'Brand and Customer Services' which consists of eight items; customer service, locations covered, food handling, delivery charge, attitude of delivery person, coupon code, packaging, brand. This factor accounts for 46.01 per cent variance. The second factor identified is 'Promotions and loyalty programs' was made up of five items; recommendation from family, rating of the app, review of the app, availability of special cuisine, loyalty programs. This factor accounts for 7.82 per cent variance. 'Payment Options' is the third factor and accounts for 5.31 per cent variance. It contains six items; different mode of payment, cost effectiveness, ease & convenience of shopping, delivery time, availability of restaurant, offers & promotions. The fourth factor 'Hygiene Measures' consists of two items; hygiene measures of restaurant and hygiene of delivery person. It accounts for 5 per cent of the variance.

4.2.2 Factors influencing attitude towards Customer Communication

The 'attitude towards customer communication' component comprised of 12 variables which were factor analyzed using Principal Component analysis and two factors emerged explaining 58.468 per cent of the variance. The summary result of the factor analysis of all the elements and sub-elements is presented in Table 8, 9 & 10.

Table 8. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.905
Bartlett's Test of Sphericity	Approx. Chi-Square	1183.482
	df	66
	Sig.	0.000

Table 9. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.844	48.704	48.704	5.844	48.704	48.704	4.302	35.853	35.853
2	1.172	9.764	58.468	1.172	9.764	58.468	2.714	22.615	58.468
3	0.989	8.241	66.709						
4	0.801	6.676	73.385						
5	0.633	5.274	78.659						
6	0.499	4.162	82.821						
7	0.445	3.706	86.527						
8	0.428	3.566	90.092						
9	0.356	2.968	93.061						
10	0.327	2.721	95.782						
11	0.282	2.354	98.136						
12	0.224	1.864	100.000						

Extraction Method: Principal Component Analysis.

Table 10. Rotated Component Matrix^a

	Component	
	1	2
[check the easy cooking recipes]	0.792	0.228
[notification regarding grocery delivery during pandemic]	0.777	0.170
[receive offers and promotions through loyalty programs]	0.755	0.179
[receive app notification through SMS]	0.749	0.112
[receive Pinterest notification of food experience]	0.738	0.333
[receive blogs notification on brand update and initiatives]	0.675	0.476
[notification on Google text Ads]	0.580	0.501
[read the mails of the brand]	0.488	0.379
[receive the mails of the brand]	-0.022	0.799
[receive YouTube bumper ads on offers]	0.328	0.663
[receive notification about discount and coupon codes]	0.251	0.662
[receive message on latest campaigns of the brand]	0.442	0.583

The first factor is 'Online Brand Communication' which consists of eight items I regularly check the easy cooking recipe provided in the app, I receive notification regarding grocery delivery by the app during the pandemic situation of Covid-19, I receive offers and promotion through loyalty programs, I receive app notification through SMS, I receive Pinterest notification which share food experience, I receive blogs notification regarding latest brand update and initiatives, I usually get notifications on Google text Ads and display Ads regarding the brand, I regularly read the mails of the brand. This factor accounts for 48.704 per cent variance. The second factor identified is 'Promotions' was made up of four items; I receive regular e-mail from the brand used, I receive YouTube bumper Ads on latest offers, I receive regular notification about discount and coupon codes, I receive messages from Social media apps regarding latest campaigns of the brand. This factor accounts for 9.764 per cent variance.

IV. Discussion of Results

A study by Cai and Leung (2020) described the mindset of the customer towards advertisements, campaigns and offers of food delivery apps. The popularity of food delivery apps, brand, loyalty of consumers, offers required to be loyal, motivators of ordering online, different modes of payment, preference for healthy foods were investigated in multiple studies (Chandan, 2020 and Zhao & Bacao, 2020). The research has uncovered the main factors which influence the choice of food-ordering apps; 'Brand and Customer Services', 'Promotions and loyalty programs' & 'Payment Options'. These variables have been highlighted in previous studies. 'Online Brand Communication' and 'Promotions' were the factors which influenced the attitude towards brand communications.

In a study of perception towards food delivery platforms, Goel et al., (2020) identified variables such as variety of option available in online both for restaurants and cuisines, convenience and low delivery time, convenience and discounts, gathering and recommendations of family and friends, quality, price, packaging, delivery charge. Prajapati et al., (2020) discusses about how food delivery apps uses social media platforms to inform about their campaigns, offers and other strategies with their customers. Food delivery must continue to promote themselves on social media platforms and engage with customers. As a strategy, food-ordering apps could look at personalizing their marketing promotions towards individual customers as they already have access to individual tastes and preferences of the users. Future studies could be taken up to understand the behavior of users towards various cuisines and their propensity to try something new.

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