

A STUDY ON FACTORS INFLUENCING ONLINE FOOD DELIVERY SERVICES

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Abstract

Consumers are offered numerous choices and there are many competitors among service providers in the form of online food ordering service offers like Swiggy, Zomato, Pizzahut etc. The service providers have been gaining popularity since the implementation of the pandemic and they have gained so much popularity that 72% of the restaurant are searched on a mobile device. Now owing to this heavy competition it becomes essential to research the topic of consumer perception of online food ordering. Present study tries to identify the factors that affect online food delivery services.

Keywords: *Online Food Delivery, Exploratory Factor Analysis*

Introduction

Consumer behaviour is a relatively new field of study that emerged shortly after the world's seller's market vanished and the buyers' market emerged. This resulted in a shift in the ideology of manufacturers from products to processes. Consumer, with a special emphasis on consumer behaviour, the assessment of the marketing concept has evolved from a simple selling concept to a consumer-oriented marketing concept. As a result, buy-in behaviour or has emerged as a distinct discipline. The expansion of Consumerism and consumer legislation emphasize the importance placed on the consumer. Consumer behavior is the study of individuals, groups or organizations and all the activities related with purchase, use and disposal of goods and service. Consumer behavior consists of consumer's emotion, attitude and preferences affecting the buying behavior. It refers through the psychological process that a consumer goes through while making the purchase. These psychological processes can be affected by the packaging, the goodwill, advertisement of the company and many other things. Understanding consumer behaviour is the foundation for developing marketing strategies. The reaction of consumers to this strategy determines an organization's success or failure. In this competitive environment, an organisation can only survive by providing more customer value than competitors (the difference between all the benefits derived from a total product and all the costs of acquiring those benefits). To provide superior customer value, an organization must outperform its competitors in anticipating and responding to customer needs. Understanding the consumer behaviour is the foundation to developing a good marketing strategy, especially in this competitive environment you need to understand the consumer behaviour if you want your company to succeed.

Review of Literature

According to **JYOTISHMAN DAS (2017)**, consumer perception towards online food ordering examined that the mobile application period has thrown open a new alley for today's marketing. It also affects the operation of companies and organizations. Companies have changed their traditional business strategies into online marketing to suit customer needs and taste at any time. Today more people are getting associated through the mobile application and this has made all conventional modes of business outdated and produced a amazing new possibilities in business. The popularity of online food ordering and delivery services is steadily growing, and expectations of the users are also increasing. According to **ADITYA TRIBHUVAN (2016)**, examine the consumer perception of food apps and analyze the factors that influence consumer perception towards food apps. The study concluded that some people still want the old-fashioned way by ordering over the phone and the whole population is influenced by improved people's preferences, time management effectiveness, affordability, food preferences, available discounts, and door-to-door service with no quality compromised. According to **APARNA ANIB, GAYATHRI, AND SHABU (2017)**, found the factors that influence the consumers to buy through food ordering application Swiggy is also identified in the study and the satisfaction derived out of the food ordering applications. It has also examined how it bridges the gap between the consumer and the restaurant. Online food ordering and delivery is a new type of business model in the current era of e-commerce and that leads to the startups of several online businesses. Finally, there is no association between age and frequent use of the Swiggy app and there is also an association between gender and convenience of the Swiggy app. According to **SERHATMURATALAGOZ & HALUKHEKIMOGLU (2012)**, e-commerce is rapidly growing worldwide, the food industry is also showing steady growth. In this research paper, they have used the Technology Acceptance Model (TAM) as a ground to study the acceptance of online food ordering systems. Their data analysis revealed that the attitude towards online food orders varies according to the ease and usefulness of the online food ordering process and also varies according to their innovativeness against information technology, their trust in e-retailers, and various external influences. According to **VARSHA CHAVAN, PRIYA JADHAV, SNEHAL KORADE, AND PRIYANKATELI (2015)**, the use of a smart device-based interface for customer to view, order and navigate has helped the restaurants in managing orders from customers immediately. The capabilities of wireless communication and smart phone technology in fulfilling and improving business management and service delivery. Their analysis states that this system is convenient, effective, and easy to use, which is expected to improve the overall restaurant business in the coming times. **BHATNAGAR, MISRA, AND RAO (2000)** have attempted to study the risk, convenience, and behavior of ordering from food apps. They found marital status of individuals does not impact the purchase behavior of the customers and found mixed results based on gender, internet usage time frame, and age. **CHO, MEEHEE & BONN, MARK & LI, JUN (2010)** have found that customer loyalty on the internet is key to long-term profitability. Loyal online customers, similar to offline customers, spend time, recommend friends and family, and try to research thoroughly when they purchase anything. The online retailers who have carved out the factor of building customer loyalty will help them to become profitable. According to the research of **CHO,**

MEEHEE et. al. (2010) study, it describes that 44% of students use the Internet pan India, and 72% of youngsters use the internet everyday. Factors affecting ease of use, usefulness, and enjoyment are linked to other factors like consumer individuality, situational factors, product distinctiveness, previous online shopping, and having faith in online shopping and these have shaped the behavior of an online shopper. The research also specifies that food apps are recommended to customers by their friends, family, or peers. However, some people use the telephone as the primary communication to use food apps. **RATHORE, SINGH, CHAUDHARY, ANDMAHIK(2018)** studied that youngsters connect to food apps and older people do not connect themselves to food apps when compared to the former group. The study summarizes that youngsters are addicted to food apps. Furthermore, the price of the food, discounts available, and offers have influenced consumers to use food apps. The second factor is convenience and time-efficient delivery. According to a study by **LEONG W.H.(2016)**, a properly designed self-service order system allows the time needed by the customers to order the food they want. Furthermore, this reduces the time of the customers ordering from the menu on mobile or telephone. Moreover, independent control has given the customers a higher satisfaction rate and they use the application with greater intent, which allows customers to take their own time while ordering online whereas ordering on telephone time is a constraint. As per the study of **AULIA, RACHMAT & ZAKI Ret. al. (2017)** only analyzes how food ordering mechanisms in restaurants use mobile-based technology. The ease produced is to replace the use of paper and pen to digital devices when making orders. In addition, this system can synchronize the server computer in the kitchen with digital devices such as tablets/smartphones that order data can be directly displayed on the LCD screen. Sure, this can reduce the level of errors that occur in the kitchen at the time of processing the consumer's order.

Research Objectives

- To study how online food delivery services are perceived by the consumers.
- To analyse what are the various factors that influence the consumers to choose online food delivery services.

Methodology

In this research paper, descriptive and cross-sectional research has been used. For this research paper, the survey method is used to collect data with the help of an electronic survey with googledocs. Sources for primary data include magazines, government institutions, organizational records, etc. for this research paper the secondary data has been collected from different journals and articles. The research instrument for data collection of this paper is a structured questionnaire, consisting of various question types like

- Dichotomous
- Multiple choice questions
- Multiple choice questions (Multi responses)

- Ranking
- Rating scale

The target population for this research study consisted of people living in Surat city of Gujarat. The sampling elements of this research study included people of genders, age groups, and occupations who have ordered food online at least once in their life. A sample size of 200 respondents out of the total population has been included. Majority of the respondents were from Surat city. As the questionnaires were circulated online, the respondents also include some people living outside the city of Surat. In this research study, the non-Probabilistic sampling approach has been used for collecting the data. In this particular research study, the technique of Convenience Sampling and snow ball sampling has been used for data collection.

Data Analysis

Factors for Online Food Delivery Services	Mean
Faster Delivery	4.16
Convenient to use the app	3.95
Time-Saving	4.03
Late-night Delivery	3.96
Packaging	3.75
Reviews of Restaurant	3.73
Variety of food	3.87
Variety of restaurants	3.92
Variety of cuisine	3.8
Rewards and Cashbacks	3.69
Discounted Pricing	3.73
Various Offers	3.74
Design of Application	3.74
Design of Menu	3.71
Navigation System	3.58

The respondents were asked to rate online food delivery services based on various quality parameters with 1 representing 'worst' and 5 representing 'Excellent'. From figure 4.4, it can be interpreted that the best-rated parameter of online food was faster-delivery and Time-saving with a mean score of 4.16 and 4.03. Late-night delivery (3.96), Convenient use of the app (3.95), variety of restaurants (3.92), Variety of food (3.87), and variety of cuisine (3.8). Packaging (3.75) Design of menu (3.71), Design of application, and various offers both have a mean score of (3.74), Discounted pricing and reviews of the restaurant both have a mean score of 3.73. The navigation system, with a mean score of (3.58), was the worst-rated parameter, although the mean parameter of these was not too bad either.

Exploratory factors analysis was performed on various statements showing online food quality.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.837
Bartlett's Test of Sphericity	Approx. Chi-Square	1044.279
	df	105
	Sig.	.000

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	5.498	36.656	36.656	5.498	36.656	36.656	2.471	16.473	16.473
2	1.267	8.446	45.102	1.267	8.446	45.102	2.388	15.922	32.395
3	1.189	7.928	53.030	1.189	7.928	53.030	2.177	14.512	46.907
4	1.010	6.735	59.765	1.010	6.735	59.765	1.929	12.858	59.765
5	.950	6.335	66.100						
6	.899	5.994	72.095						
7	.732	4.879	76.974						
8	.647	4.310	81.284						
9	.590	3.933	85.217						
10	.496	3.308	88.525						
11	.451	3.009	91.534						
12	.386	2.571	94.104						
13	.315	2.101	96.206						
14	.310	2.067	98.273						
15	.259	1.727	100.000						

Extraction Method: Principal Component Analysis.

Here, from total variance table, it is interpreted that the three factors extracted together account for 61.940% of the total variance. Here while reducing these factors to three factors, $(100-59.765)=40\%$ of the information content was lost.

Rotated Component Matrix ^a				
	Component			
	1	2	3	4
Various Offers	.778			
Rewards and Cashbacks	.629			
Design of Applications	.565			
Reviews of Restaurant	.528			
Discounted Pricing	.511			
Navigation System				
Variety of Restaurants		.762		
Variety of Foods		.730		
Variety of Cuisines		.624		
Late Night Delivery			.776	

Convenientto useapp			.680	
Packaging			.506	.504
Time Saving				
FasterDelivery				.752
DesignofMenu				.591
Extraction Method: Principal Component Analysis. Rotation Method: Vari max with Kaiser Normalization. ^a				
a.Rotationconvergedin 9iterations.				

FINALFACTORCOMBINATIONS

VariousOffers	.778	FACTOR 1 PROMOTIONAL OFFERS
RewardsandCashbacks	.629	
DesignofApplications	.565	
ReviewsofRestaurant	.528	
DiscountedPricing	.511	

VarietyofRestaurants	.762	FACTOR 2 VARIETY
VarietyofFoods	.730	
VarietyofCuisines	.624	

LateNightDelivery	.776	FACTOR 3 SUPPLEMENTARY SERVICES
Convenientto useapp	.680	
Packaging	.506	

FasterDelivery	.752	FACTOR 4 TANGIBLES
DesignofMenu	.591	

DISCUSSIONS

To conclude this research on customers' perception of online food ordering, it is thus inferred that most people use food app as it is time-saving and have fasterdelivery.The study shows that all age groups and both male-female use food apps, and they arehappy with the services except for the age group above 46, maybe because they still like the traditional method. According to the research conducted, it can be concluded that Zomato and Swiggy have competition in comparison to other services providers.Majority of the respondents are like to order food at the time of snacks and dinner andmany respondents order food once a week or once a month and they spend between 500-1000.Cash on delivery is the most preferred option of payment by the respondents but other digital techniques are also in the growth stage. Brands can study consumer perception of customers so that they can expand their reach to customers. Majority of the people get influenced by Friends, family, brand loyalty and they are satisfied by the app because most people respond that they will recommend others to use online food ordering services. Respondents are majorly satisfied with the quick responses from customer services and also, they have good experience with online

food ordering. Four factors were extracted viz. promotional offers, variety, supplementary services, and tangibles.

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