



A Study on the effectiveness Of Online Food Applications On Registered Restaurants

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Abstract

The internet has become one of the most powerful forms of media in this technologydriven age. As traditional media consumption is declining, and online media consumption is growing, businesses need to change their way of operating. The younger generation is one of the reasons for increasing online media consumption. Many leading companies have begun to adopt online business strategies in order to revive from declining sales. Online business methods have also been implemented by restaurant companies. Several new restaurant companies are now offering Made to Order (MTO) food without a physical store. The online platform is used by such restaurants as a means to connect with their customers. In order to increase sales, the internet also provided the same benefits to traditional restaurants. The internet has also led to the creation of "intermediaries" for restaurant companies, such as food ordering and delivery companies. Such intermediaries create partnerships with restaurants and list on their online platform the associated restaurants (i.e. mobile application websites). On the online platform, customers can then position their orders. These intermediaries 'income is generated either through restaurant commission fees, customer delivery fees, or both. Online food apps enable customers to create a food delivery platform by expanding their choice and convenience with a single tap of their mobile phones to order from a wide range of restaurants. Restaurant businesses that have focused primarily on local customers now try to maximize their business output by offering their services to a large number of customers around the world through a single mobile app. It is therefore not possible to underestimate the role of mobile apps as it allows users / customers to access it in a single touch. Online food apps provide the restaurants with a great platform by stabilizing their sales and sustaining their business. Whether the restaurants are big or small, they all try to get a piece of cake.

Keywords : Effectiveness, Intermediaries ,Online food apps, Made to offer

1.1 Introduction

The advent of the Internet, accompanied by the growth of related technologies, has created a significant impact on the lives of people around the globe. For marketers, one of the most significant impacts has been the emergence of virtual stores that sell products and services online. Consumers can now purchase goods and services virtually anywhere, 24 hours a day, 7 days a week, without geographical and temporal boundaries. The Indian Hospitality industry has emerged as one of the main industry that drives the growth of Indian service sector. Hospitality industry has evolved sensitive towards the needs and desires of the people. Customer loyalty and Customer satisfaction is a term frequently used in hospitality marketing. It measures how products and services supplied by a company meet customer expectation. Customer satisfaction is defined as “the number of customers, or percentage of total customers, whose reported experience with a firm, its products or its services exceeds satisfaction goals. The loyal customers give free word of the mouth judgment. There are extrinsic and intrinsic components of the food service decisionmaking process. The extrinsic influence includes culture, socio economic, reference group, and household and intrinsic influence covers needs, experience, personality and self-image, and perception and attitudes. Young generation even donate to charities and use their mobile devices for the same. In fact, among those who donate, nearly 50% do it by phone. A shopping habit that sets millennial apart from no millennial is their tendency to shop in groups and seek the opinion of others. When youngsters dine out, they're often in search of something exotic, adventuresome, memorable or new to explore during their dining experience.

1.2 Statement Of Problem

The trend is starting to move from traditional food distribution to online food delivery. If the online food supply industry is fully developed in the coming years, it may be greater than the traditional food supply industry. In this case, there is an opportunity to study the changes that have occurred in the restaurants' services through the implementation of the new transition and the user's desire for those changes. A larger number of customers can be served without any mess due to the advent in innovative technologies compared to the sit and dine model where customers will be lost at peak hours. Thus, the study focuses primarily on how the delivery format keeps customers loyal and how it manages costs effectively and increases business output.

1.3 Significance Of The Study

Because of the rapid growth of internet usage and related technologies, there are several opportunities on the web. As a result of the internet, so many businesses and companies are now entering their business with comfort. An online food ordering system is one of the businesses introduced by the internet. Many restaurants in today's life have focused on fast preparation and order delivery rather than offering a rich dining experience. Most of these delivery orders have been placed on the phone recently. Many restaurants in today's life have focused on fast preparation and order delivery rather than offering a rich dining experience. Most of these delivery orders have been placed on the phone recently. It is therefore more relevant to explore how far these

web applications are used by restaurants to reach their customers in order to make effective use of the online food delivery system.

1.4 Scope Of The Study

The study is conducted to investigate the current trend of moving traditional food delivery to online restaurant delivery. In this, the study is limited to the Kerala , where all restaurants registered are considered without significant differences. The study focuses primarily on analyzing the effectiveness of online restaurant food apps in terms of their low cost, sales, and corporate image.

1.5 Objectives

1. To study how restaurants manage the cost of products delivered via food apps.
2. To find out the impact on sales after online food apps have been introduced.
3. To identify whether the restaurants ' corporate image has improved through the use of technology.

1.6 Research Methodology

The study is descriptive and the data is gathered from both primary and secondary sources. Primary information is collected from the original source is first-hand by issuing questionnaire method from various registered restaurants. The second-hand data collected from different publications, magazines, newspapers, etc. The sample technique used is judgemental sampling. Mathematical and statistical tools are used for analysis.

1.7 Review of Literature

Anuj Pal Kapoor (2018) “Technology at dinner table: ordering food online through mobile apps”, article highlights the importance of online food delivery aggregators (OFA’s) who are expanding choice and convenience, allowing consumers to order from a wide array of restaurants with a single tap on their smart phones.

Tanna and Harshal Utekar (2018) “A survey on touch-based food ordering system in restaurants”, paper discusses different techniques and algorithms for making the entire food ordering system digitalized. The results states that the techniques, technologies used in the proposed system are all meant to increase the efficiency of the system by achieving better results. Thus, these techniques help in increasing the accuracy of the system and getting more desirable results.

Manoj Timilsina (2017) “Impacts of social media in restaurant business- A case study on restaurant based on Oulu Region”, thesis examines the impacts of social media has in restaurant business and how it influence the business activities. The results state that social media has positive impact on restaurant business.

Leong Wai Hong (2016) “Food ordering system using mobile phone”, examines the technological advancements in many industries that have changed the business model to grow. Efficient systems can help to improve the productivity and profitability of the restaurants.

Hong Lan, Li Ya'nan and Wang Shuhua (2016) "Improvements of online food delivery based on consumers' negative comments", states that online food delivery market is immature yet; there are some obvious problems that can be seen from customers negative comments.

Mayurkumar Patel (2015) "Online food order system for restaurants", is a paper mainly proposes how to develop an online food ordering system for both the customers and restaurants. The main aim is to highlight how this system will allow the hotels and restaurants to increase the scope of business by reducing the labour cost involved.

Snehal Korade and Priyanka Teli (2015) "Implementing customizable online food ordering system using web based application" article highlights the importance of food pre-order system using web based application in which customer can be able to create the order before they approach the restaurant. The solution provides easy and convenient way to select pre-order transactions for customers.

Serhat Murat Alajoz and Haluk Hekimoglu (2012) "A study on TAM: analysis of customer attitudes in food ordering system", is a research paper that have used technology acceptance model (TAM) as a ground to study the acceptance of online food delivery system. Their data analysis revealed that the attitude towards online food ordering vary according to the ease and usefulness of online food ordering process and also vary according to their innovativeness against IT, their trust e-retailers and various external influences.

1.8 Limitations of the study

Each study is suffering from certain obstacles. The main problems that arise in conducting the research are:

1. As the research is based on the sample, the findings cannot be generalized as such.
2. In the respondents' answers, there may be some prejudice that may affect the analysis.
3. Time in the course of the study is a significant constraint.

1.9 Major Findings

It is in this context that the present study was undertaken with the objective of understanding the effectiveness of online food apps on registered restaurants. In this chapter an effort is made to present the findings of the study and make suggestions in the light of these findings.

1. The study found that among these online applications, Zomato is preferred by most of the restaurants, because it improves sales of the restaurants through offers and reducing their commission.
2. The study reveals that almost all the restaurants provides food products such as south Indian, north Indian, Arabian along with juices and smoothies according to the needs of the customers through online media.
3. It is observed that most of the restaurants states that they incur service cost more for serving the customer needs. Labour cost material and maintenance cost are only constitutes a smaller part of total

cost. The respondents state that these costs are affordable for providing online services along with direct delivery.

4. The study shows that in comparison to the offline mode of services, the online delivery of food has led to the restaurants incurring an additional service cost for the availability of food via mobile applications. Therefore, the total cost involved in offering product using online food delivery application has moderately increased.
5. The study identifies that through the introduction of this online fooding delivery system the number of order which they received had increased and there by sales also have increased.
6. It is notified from the study that majority of the restaurants gets a turnover of 100000/- or more during a month. With restaurants adopting the online platforms, there has been a boost in the annual turnover of these restaurants as such delivery applications has resulted in increasing the customer base and thus led to the growth in sales.
7. The study indicates that majority of the restaurants pay commission at a considerable rate and the affordability of this commission depend on the sales turnover of these restaurants. Swiggy charges nearly 15%-20%, Zomato 7.5%-12%.
8. The study revealed that as the sales have increased restaurants states that there is a difference in margin of profits. By considering the benefits available to restaurants, there is a high degree of profitability that new and more restaurants would be compelled to join hands with online food delivery application like Zomato and Swiggy.
9. The study highlights that even though the Zomato app offers services at a low cost and that helps restaurants to get more orders thereby increasing sales. Hence most of the restaurants prefer Zomato as low cost service application.
10. It is observed that majority of the restaurants uses promotional techniques for increasing sales through social media, television etc. and they state that they only incur an average cost for using these techniques.
11. The study observes that majority of the restaurants has been increased their corporate image by registering on these online food delivery applications like Zomato and Swiggy along with providing quality food to the customers.

1.10 Suggestions

Based on the findings of the study made among the restaurants in Trivandrum city, the following suggestions were made:

1. Service providers should ensure timely upgradation of the online applications. With the fast pace of technology advancement, it is necessary that the food delivery apps should be constantly upgraded so as to make the provision of services easier and better.
2. Communication systems should be improved between the delivery app executives and the restaurant owners. Proper and regular contact among them can help in a smooth delivery of services in a manner profitable to both the executives and restaurant owners.

3. Proper training must be ensured to the delivery assistants as their timely and prompt transference of ordered food to the customers have a great influence on successful running of such applications. Punctuality is an important factor involved in this area as it chiefly determines the viability and usefulness of such online delivery applications. It is thus important to assign delivery assistants on time
4. Keen attention must be given to the details of the order taken from the customers as error-free services are expected by customers through usage of such apps. Also proper food packaging must be ensured so as to maintain hygiene and cleanliness during provision of such online services.
5. The online delivery applications must be made user friendly towards the restaurant owners. The payment system must be made easier and flexible so as to make changes in time. A more improved tracking system too could make such apps more suitable to the owners as well as the customers.

1.11 Conclusion

The primary fact of introduction of this online food delivery system is customers comfortability, whereas the secondary fact is to built a platform for the expansion of business by the owners for attracting the users attention by permitting them to see the whole food menu in a single window with dish names, image, its specialty and price. Integration of a web food ordering system by the restaurants helps them to increase their sales, profit and corporate image. The restaurants consider these apps as a medium to approach their potential or target customers. It can be concluded that, even though, the restaurants now serve the customers through online, it does not affect its direct delivery services. Inorder to serve the customers online the restaurants incur service cost by way of commission to these online apps which is compensated by the increment in sales and the profit thereby. Hence, the restaurants consider this online platform just as a channel to expand their business.

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