A Study On the Consumer Preference and Perception of Food Delivery Brands

Guruprasad Muthuseshan[1], Radhika Goel[2], Ashish Chhajer[3]

[1]*Professor, Universal Business School, Karjat, India*
[2]*Project Engineer, Armstrong Machine Builders Ltd., Nashik, India*
[3]*PGDM, Universal Business School, Karjat, India*

Abstract: **The period of handy applications has opened up a fresh path for today's marketing. The mobile application has decreed all traditional company methods obsolete and created incredible fresh company opportunities. Mobile application is a concoction of advertising acumen and technology–using the Internet as a medium for publicizing and selling services and products. Companies have at any moment altered their conventional business strategies into online marketing to fit client requirements and flavor. The research focuses on the study and interpretation of information gathered from all those customers who are already using the online food delivery services. The aim is to understand what the marking variables are, their views, requires, placement in their mind's distinct characteristics of distinct online gateways, and general happiness with online food delivery assistances.**

Keywords: **Food delivery services, Swiggy, Zomato, Food.**

1. Introduction

Home delivery style or takeaways have acquired plenty of extra clients for housing complexes in places such as centers, departments and big-party deals. Individuals missing breakfast thanks to job, order-in. People, the department of the United Nations wants a greater range of business dinner or party, also in order. Everyone seems to be in awe of the net food order and shipping option for comfort and instant food reception. In addition, the comfort of buying groceries from your mobile app or application program has definitely alienated some market share from the trusted 'kirana' or mom-n-pop shops.

Technology has played a major part in reforming the meal delivery service, it has led to adaptations in customer outlooks as their technology dependence has driven them to do everything online that includes having baked meals supplied to their doorstep. Convenience is the principal element for customers, as placing an order is as easy as just a few buttons on any mobile device. Technological dependence, comfort and less time required to deliver food benefits as an amusing reason for customers to choose the facilities provided by the online food ordering and delivery service channels.

The popularity of online food ordering and service delivery is endlessly increasing, and user expectations are also rising. This research paper aims to explore the opinions of customers on the facilities they obtain from different gateways. This paper will assist service suppliers know the view, requirements and thoughts of customers based on a study outcome.

2. Indian food delivery app situation

It also had its impact on the Indian economy with all the roar in the digital industry around the world. Online food ordering businesses have advanced in large numbers. The meat industry size in India is projected to attain Rs. 42 lakh crores by 2020, BCG reports. In 2016, the Indian food industry was reported at around $350 billion. The room is coming up with a lot of technology outfitting for their customer ease, fulfilment and perpetuation. This has also developed room for a range of fresh games aimed at certain groups of people. Many new companies enter the industry with creative business models such as offering food for health-conscious individuals, home-cooked meals, etc.

Food tech is the start-up town hot talk. After technology startups have produced their name in the fields of e-commerce, taxi & true property, the ever-hungry Indian entrepreneurs are now searching to satiate the hunger of others. Food tech is an enormous industry, and food distribution start-ups are just a section of it.

Various apps in the Indian market are
- Swiggy
- Zomato Order
- Uber Eats
- Foodpanda
- JustEat
- Faaso's
- TastyKhana
- FoodMingo, etc.

3. Objective of the Study

Primary Objective: To research how customers perceive online food delivery services**.**

Secondary Objective:
- To analyse the multiple variables driving customers in choosing online food delivery services.
- Analysis of the most favoured online food service portal by customers. ·

International Journal of Research in Engineering, Science and Management
Volume-3, Issue-4, April-2020
www.ijresm.com | ISSN (Online): 2581-5792

149

- Knowing what variables hinder customers from using online food delivery services.

4. Scope of Study

This research is performed to understand how customers view online food delivery services. Consumer perception may differ under varying conditions. We can have a stronger knowledge of the "Online Food Delivery Service Market "from this research. We will understand about the customer awareness of the facilities they provide across different regions of India and will get to apprehend the factors that affect their perception. Therefore, these results may assist service suppliers operate on these factors to fill the gaps in consumer mindset.

5. Research methodology

The research is focused on main information compilation. In this study, quantitative research technique was used to explore and monitor the information gathered using statistical, mathematical and computational methods. A structured questionnaire was used with close and open-ended issues. It has been intended in such a way that it covers all fields of research. The study was performed in separate regions of India and about 149 answers were gathered. Since the population was tiny & homogeneous, all sub-sets of the image are provided equivalent likelihood. Thus, technique of non-probability sampling was used. Convenience sampling method was used under non-probability technique. The population is made up of learners, self-employed, homemakers, private company employees and business owners from distinct fields in India Multi-item scales (5-point, Likert-type) varying from highly agree (5) to highly disagree (1) are used for all factors used in the research.

Hypothesis
- Ho: There is no significant relationship between factors affecting usage and the food apps.
- Ho: There is no association of popularity with the awareness methods used.
- Ho: There is no most popular app for food delivery among samples.

6. Literature review

Bhavna Singh (2015) said Food Panda has been on the Indian market since May 2012. Food Panda's first major move was the purchase of Tasty Khana, which was introduced in 2007 in Pune City. It is now active in over 200 towns and associates with over 12,000 establishments together with Tasty Khana and JUST EAT. She also spoke about the launch of JUST EAT in Denmark in 2001 and was publicly traded on the London Stock Exchange. Their Indian company was introduced in 2006 as Hungry Bangalore. It was renamed in 2011 when JUST EAT purchased a majority stake in the company. Today the business is partnering with over 2,000 establishments.

According to Anil Kumar, founder and chief executive officer, RedSeer (2018) it is becoming progressively apparent that food tech is largely a logistics game, restaurant discovery is not a profound competitive advantage. There are strong trends in client and vendor fulfilment backed by greater shipping velocity and enforcement that ensure the supremacy of the captive shipping model on the Indian market

According to *Hong Lan, et al, (2016),* the online food distribution industry is still young; there are some apparent issues that can be seen from the adverse remarks of customers. To solve these problems, we cannot depend solely on the self-discipline of online food service establishments or the oversight and governance of online food service systems Only by adopting legislation as the benchmarks, together with the efforts of the online food distribution systems and hotels, the public agencies involved, customers and all stakeholders in culture, can these issues be fixed and a strong internet take-off climate can be generated.

In accordance with *H.S. Sethu & Bhavya Saini (2016)* aimed to explore the student's knowledge, conduct and happiness of internet meal purchasing and circulation facilities. Their research shows that online food buying facilities help learners manage their time better. It is also learned that ease of accessibility of their required meals at any moment and at the same moment simple access to the internet are the main factors for using the facilities.

Dr. N. Sumathi, S. Josphin (2017), in their research allows online food ordering scheme is one of the biggest fast food restaurant facilities. This enables the use of a simple electronic payment approach and is also helpful to make simple payments for credit card consumers. In this research, stating about moderating consumer's lengthy queues at counter charging for meals and also reducing the workload of staff.

According *to Leong Wai Hong (2016),* technological progress in many sectors has altered the business model to develop. Efficient schemes can assist enhance a restaurant's productivity and profitability. Using the online food delivery system is thought to guide the restaurant's company to mature from moment to moment and assist restaurants encourage substantial online business.

According to *Varsha Chavan, et, al, (2015)* Using an intelligent device-based interface for clients to view, order and navigate helped restaurants manage customer requests instantaneously. The skills of wireless communication and smartphone technology to fulfil and improve business management and service delivery. Their assessment shows that this scheme is handy, proficient and simple to use, which is anticipated to enhance the conventional restaurant company in the coming moments.

According to *Deepinder Goyal, Zomato CEO and co-founder (2018),* he expects to reach 10,000 restaurants in India in a few months. "We have a sales team of around 300 in India and 5,000-odd advertisers... these partners know the volume we bring to them so it is quite easy for us to launch this new service."

According to *Shubham Anand, head of retail-consumer*

International Journal of Research in Engineering, Science and Management
Volume-3, Issue-4, April-2020
www.ijresm.com | ISSN (Online): 2581-5792
150

packaged goods at the consulting firm Red Seer (2018), While the large [food / cafe] chains have their own fleet, they cannot match the scope of food aggregators and graduallywant more elaborate meals from the customer's point of perspective. It is therefore crucial to be active on these platforms.

Anshoo Sharma from Light Speed Ventures believes that the forthcoming industry for meat ordering company will draw buyers. This is also a company that has a repetition ordering conduct as well as strong profits. The enormous financing in this room is anticipated to strengthen comparable to the ecommerce room.

According to *Zamarud Ansari and Dr. Surbhi Jain (2016),* the triumph of online food distribution start-ups is predominantly due to steady growth in the ecommerce sector. Some of the problems experienced by online food distribution companies are providing the funds as well as the workers ' technical abilities within the time frame and optimization. India has more than 400 food distribution applications with more than $120 million in bankrolling from venture capital companies and other shareholders. Food industry is a cyclic company as each person consumes at least 3 meals in a day, improving the frequency of food buying. This leaves investors and capitalists hopeful about this segment's development.

Karan Kashyap (2017) believed that the use of online food delivery facilities is gaining popularity in Tier 1 towns. Customers enjoy dining in opposed to heading out to a restaurant when there are traffic congestion problems. This segment has therefore seen a growth of almost 100% in the last couple of years.

7. Analysis of the Research

Locations: Across India. Now, let us analyse the brief profile of location where the research was conducted.

India is democratic country with population of 1,210,193,422 of which 623,724,568 males and 586,469,294 females as per 2011 census. India has 29 states and 7 union territories. India had a total of 247 million households as per 2011 census. The sex ratio was 940 females per males. The density of population was 382 per km^2. Most populous state is Uttar Pradesh and least populous is Sikkim. The literacy rate of India is at 74.04%. In India male literacy rate is 82.14% and female literacy rate is 65.6%. In 2016, India's per capita income was $1670 per year. India is homeland of major belief systems such as Hinduism, Buddhism, Sikhism, Muslims, Jainism and many others.

Now, let us understand the study findings on consumer preference and perception on food delivery services in India.

A. Most preferred food delivery brand

From the research conducted it can infer that majority of people preferred both Swiggy & Zomato. As per the study, 43% respondents prefer Swiggy whereas 42.2% respondents prefer Zomato while ordering food from online services. It is observed that there is cut throat competition between Swiggy & Zomato. UberEats is competing with these two market leaders with

market share of 11.4% as per the study. It is also observed that 23.5% respondents use online food delivery services on daily basis. It is also observed that mostly respondents prefer to order food in evening.
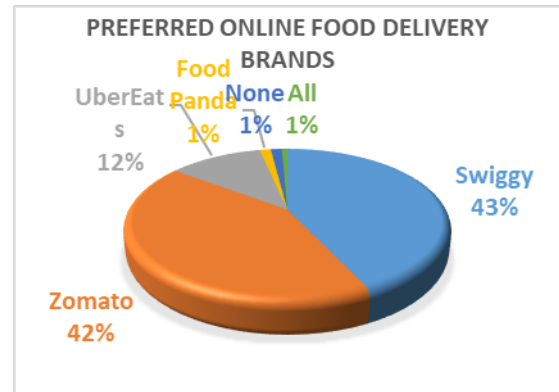

B. Mode of Payment
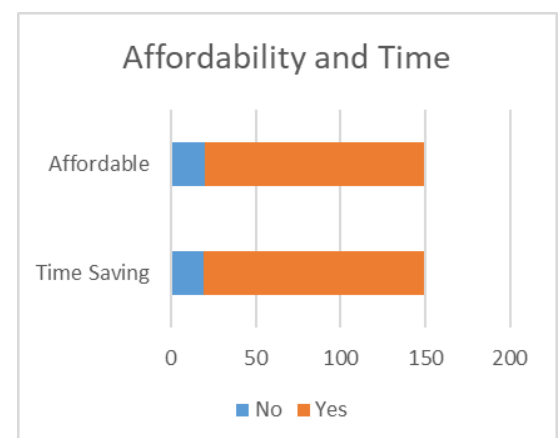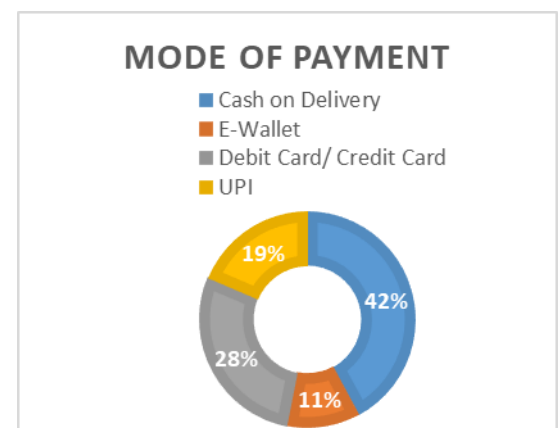
As per the study conducted, it is observed that 40.9% respondents prefer cash on delivery, 27.5% prefer debit and credit cards and 18.1% prefer to pay through UPI. 87.2% respondents agreed that online food delivery is time saving and 86.6% respondents agreed that it is affordable. Almost half of the respondents prefer to pay at the time of delivery. It is

International Journal of Research in Engineering, Science and Management
Volume-3, Issue-4, April-2020
www.ijresm.com | ISSN (Online): 2581-5792

151

observed that people feel online food delivery service save their time and it is affordable too.

Note: Below mentioned 1,2,3,4 & 5 are scale of agreement and disagreement among consumers. 1 represents "strongly disagree", 2 represents "disagree", 3 represents "Neutral", 4 represents "Agree" and 5 represents "Strongly Agree".

C. Availability
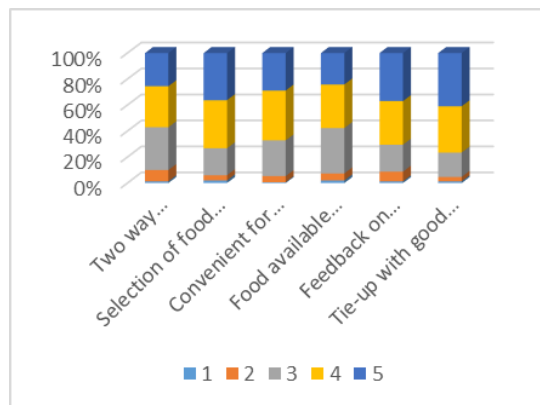
Majority of the customers agreed that they can easily avail the food. 57% respondent positivity agreed that food delivery app provides two-way communication (between customer and restaurant), it helps the customer to instruct directly to the restaurant. 73.1% respondent positively agreed that they ordered food online because of broad choice of selection of food items on internet. 67.2% respondent positively agreed that it is convenient for their dining needs. 55.8% respondent agreed that they got food according to their taste. 70.5% respondent agreed that feedback facility helped them to get some good food. 76.5% respondent positivity agreed that they ordered food because service provider app tied-up with good restaurants of their cities. These factors helped customers to make their life easier and good and tasty food at their door steps.
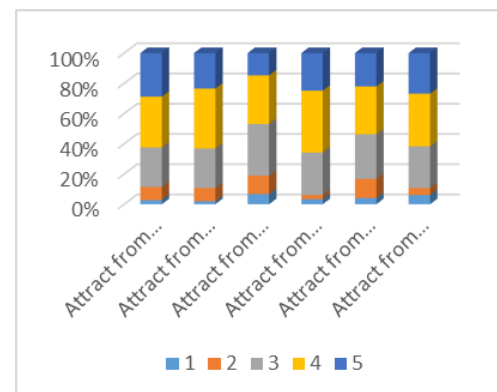
D. Health & Hygiene
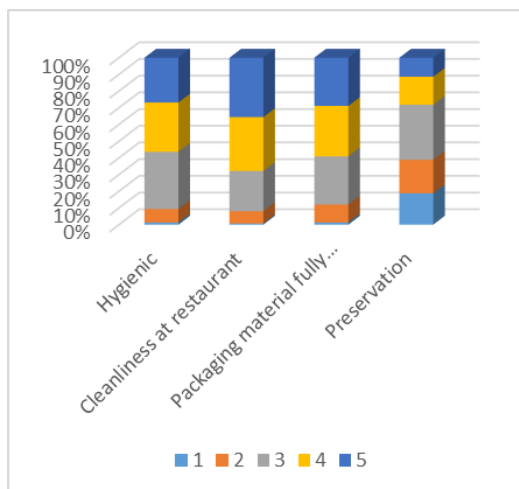
As per the study, 56.3% customers believe that the food, they are served hygienic food. Various online food delivery brands can promote by campaign of good hygiene at restaurants. 67.8% positively believed that cleanliness at restaurants is up to the mark. 59.1% customers believe that packaging material is fully hygienic. Just 28.2% agreed that they can't preserve food for long time. Most of customers don't agree with preservation factor. These factors helped companies to work on health and hygiene to differentiate their brands from others. Brands can supply healthy food as per diet plan to various customers on subscription basis. In that, they just need to focus on customer base rather than number of orders.

E. Delivery
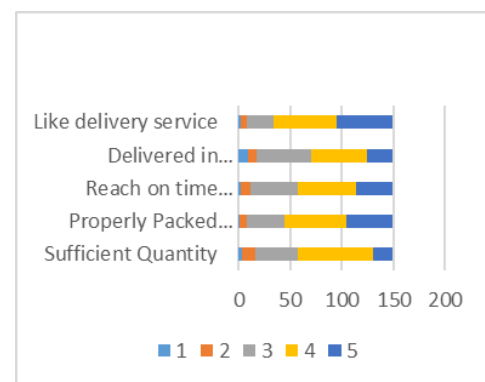
As per the study conducted, maximum respondents agreed that they are satisfied with the delivery services of online food delivery apps. But respondents also agreed that it takes long time for delivery of food from online food delivery apps. 61.8% respondent agreed that they got sufficient quantity of food which they ordered. 70.5% respondent agreed that food is properly packed and secure to eat. 61.8% agreed that they got order on time as per estimated by food delivery brands. 53% agreed that they receive order in appropriate temperature as food delivery brands are now focused in packaging and delivery. 77.1% respondent agreed that they like delivery service which help them to fulfil their dining needs from wide range and varieties products.

F. Advertisement & Promotions

International Journal of Research in Engineering, Science and Management
Volume-3, Issue-4, April-2020
www.ijresm.com | ISSN (Online): 2581-5792

152

Advertisement and promotions affect impulsive buying behaviour as they are attractive. As we observed on Hotstar (Video Streaming Platform), facilitates users to directly order from their app, they tied-up with Swiggy, which leads user to order food without disruption. 62.5% customers agreed that they attract from print and visual media. 63.1% respondents positively agreed that their main reason for impulsive buying through promotional activities which various brands offerings. Just 47% people agreed that they are attracted from hoardings and pamphlets. 65.7% respondent positively agreed that they are attracted from display of product on app. Point-of-Purchase plays an important role in purchasing psychology of a customer. 53.6% customers agreed that they are attracted from packaging of product which helps them to get food in appropriate temperature and flavourful as well. 61.7% customers positively agreed that they are attracted from attractive price which various brands offered through various promotional schemes.

G. Food Quality
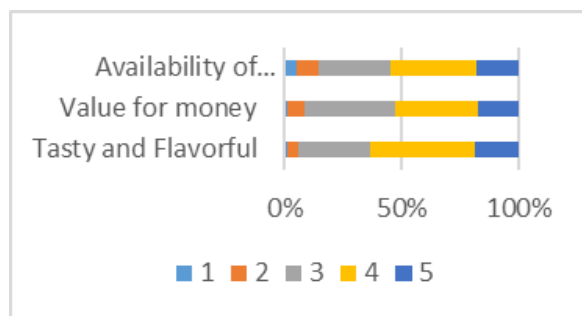
Food quality always play an important role in customer satisfaction. 63.1% respondent positively agreed that they got good tasty and flavourful at their door-steps. 52.3% people agreed that ordered food is value for money for them, as it is just half of result. Brands should work on this factor to satisfy customer needs, as now, market is more customer-driven. 54.3% respondent agreed that they avail sauces, napkins, utensils, etc. while ordering food.

8. Conclusion

- Brands should be more customer-centric as market is more customer-driven.
- The regular expanding populace swarmed metro urban communities and long travel times are drivers for the helpful, prepared to eat and less expensive alternatives of having food and foodstuffs conveyed at doorstep.
- Organisation that maintain their offer and pictures vibrant in the heads of buyers bring the Indian online food advantage pie's largest offer.
- Brands needs to improve delivery time so that waiting time will reduce and attracts more customers.
- As per the research, a significant connection between variables deemed important when choosing a food

distribution app and the service provided in creating an app buy. Social media should be the company's most required marketing platform.
- Cash on delivery is the most preferred option of payment by the respondents but other digital techniques are also in growth stage.
- Brands can study on consumer behaviour of customers so that they can expand their reach to customers.
- Technology and innovation will play a main part in development of food industry. Technology offers important changes in price and effectiveness for restaurant associates. In order to be lucrative, it is essential to concentrate on constructing scalable income flows and capacities with a long-term objective and develop incredibly rapidly on the technology hand to leverage efficiencies internally.
- The top most valued, unexplored and toughest model is the home cooked food model. This is truly effective where the greatest potential lies and innovation can spin off this industry in a wholly new direction.
- Approximately 90 percent of participant were conscious of the electronic meal order. Customers between the ages of 18-25 ordered more electronic food and it was often ordered as they didn't want to eat particularly during vacations. Customers who assess the quality of service based on relationship with staff will not want use self-service purchasing. Correspondingly, patrons who are not used to technology may be disinclined to attempt an electronic self-service facility they may be startled to get tangled up in the technology.
- As per the study, restaurant providers should concentrate on providing their clients greater rates of perceived command and comfort as they are linked with a greater intention with a greater intention to use internet ordering in the future. Young clients are more apparent to use internet, phone or email orders. Fledgling clients value comfort and pace more than elderly consumers do.

References

[1] Hong Lan, Li Yanan & Wang Shuhua (2016), "Improvement of Online Food Delivery Service asked on Consumers" Negative Comments", Canadian Social Science, Vol. 12, No. 5, pp. 84-88.

[2] H.S. Sethu & Bhavya Saini (2016), "Customer Perception and Satisfaction on Ordering Food via Internet, a Case on Foodzoned.Com, in Manipal", Proceedings of the Seventh Asia-Pacific Conference on Global Business, Economics, Finance and Social Sciences (AP16Malaysia Conference), Kuala Lumpur, Malaysia. 15-17, July 2016.

[3] Dr.N. Sumathi, S. Josphin (2017), "A study on prospect concernment towards food adjures apps", International journal of applied research, volume 3, issue 2, pp. 4905-4910.

[4] Leong Wai Hong (2016), "Food Ordering System Using Mobile Phone", A report submitted to BIS (Hons) Information Systems Engineering. Faculty of Information and Communication Technology (Perak Campus), UTAR.

[5] Varsha Chavan, Priya Jadhav, Snehal Korade and Priyanka Teli (2015), "Implementing Customizable Online Food Ordering System Using Web

Based Application", International Journal of Innovative Science, Engineering & Technology, Vol. 2 Issue 4, April 2015.

[6] Ansar Z. & Jain S. (2016). Food Portals – The Growth Engine "Do you have an appetite". International Journal of Management and Social Research Review, 1 (3), 185.

[7] Kashyap, K. (2017). The food Delivery aps that are competing to get Market Share in India. The little black book of Billionaire secrets.

[8] Neil Hall/Reuters (2018). The popularity of India's food-delivery apps is making India's restaurants think differently. https://scroll.in/article/903509/the-popularity-of-indias-food-delivery-apps-is-making-indias-restaurants-think-differently

[9] Mitali Gupta (2019). A study on impact of online food delivey app on restaurant business special reference to zomato and swiggy.

[10] Online Food Service in India: An Analysis. (AIMS Institutes) https://theaims.ac.in/resources/online-food-service-in-india-an-analysis.html

[11] Nishant Sharma (2018). Swiggy vs Zomato: Who has a better chance to win India's hunger games? https://www.bloombergquint.com/technology/swiggy-vs-zomato-who-has-a-better-chance-to-win-indias-hunger-games#gs.CdbOrzFm

[12] Alnoor Peermohamed (January 2018). India's online food ordering sector growing at 15% every quarter: RedSeer. https://www.business-standard.com/article/companies/india-s-online-food-ordering-sector-growing-at-15-every-quarter-redseer-118012901417_1.html

[13] Not only food, Swiggy will also delivery groceries, medicines, vegetables at your doorstep. https://www.businesstoday.in/current/corporate/not-only-food-swiggy-will-also-delivery-groceries-medicines-vegetables-at-your-doorstep/story/318547.html

[14] So, what is urban India eating? Zomato just gave you every detail. https://economictimes.indiatimes.com/industry/cons-products/food/so-what-does-urban-india-like-to-eat-zomato-just-gave-you-every-detail/articleshow/68793746.cms

[15] Food Delivery Apps Uber Eats, Swiggy, Zomato Bet Big on AI to Boost Delivery in India. https://www.indiawest.com/food/food-delivery-apps-uber-eats-swiggy-zomato-bet-big-on/article_33b8e204-45c0-11e9-b35b-abc96f45fda6.html

[16] Zomato posts USD 294 mn loss for FY19; revenue up 3-fold to USD 206 mn. https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/zomato-posts-usd-294-mn-loss-for-fy19-revenue-up-3-fold-to-usd-206-mn/articleshow/68743020.cms

[17] Google Will Let You Order Food Through Search Without Any Delivery Apps. https://www.news18.com/news/tech/google-will-let-you-order-food-through-search-without-any-delivery-apps-2158329.html