

# CONSUMER PERCEPTION TOWARDS ‘ONLINE FOOD ORDERING AND DELIVERY SERVICES’: AN EMPIRICAL STUDY

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## ABSTRACT

*The mobile application era has thrown open a new pathway for today's marketing. The mobile application has made all traditional modes of business outdated and generated amazing new possibilities in business. Mobile application is a combination of marketing acumen and technology – uses the Internet as a medium to advertise and sell services and goods. Today, more people are getting connected through mobile application and they are ready to trade through it. 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. This research paper aims to discuss the consumer's perception towards the online food ordering and delivery services in Pune. The survey was conducted for a purposeful analysis of the study on around 153 respondents. The research is focused on the study and analysis of data collected from all those users who are already using the online food delivery services. The purpose is to know what are the influencing factors, their perceptions, needs, positioning of various attributes of different online portals in their mind and overall satisfaction towards online food delivery services. To achieve the objective, data from different areas of Pune have been collected and also visited restaurants to know their point of view. Four parameters are taken under consideration for analysis using positioning study (perceptual mapping).*

**Key words:** Online food delivery service, consumer perception, consumer preferences, current customer feedback, expectations of consumers, mobile applications.

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## 1. INTRODUCTION

Technology has played a key role in revolutionizing the food delivery service, it has contributed to the changes in consumer preferences as their dependency of technology has motivated them to do everything online comprising getting cooked meals delivered to their doorstep. Convenience is the prime factor to the consumers, as to place an order is as simple as few clicks on any mobile devices. Technological dependency, convenience and less time

taken for the food to be delivered aids as a good reason for the consumers to choose the services offered by the online food ordering and delivery service portals.

The popularity of online food ordering and delivering services is steadily growing, expectations of the users are also increasing. This research paper is aimed to investigate consumers' views about the services they receive from different portals. This paper will help the service providers to understand the consumers' perception, needs and views on the basis of the result of a survey.

To start this discussion, a look at the relevant literature, particularly in relation to the online food ordering and delivering services has been described below. The survey and its results, followed by findings and conclusion on how the consumers perceive the services can be used by the online food delivery service businesses to develop better strategies to market their mobile applications successfully.

## 2. LITERATURE REVIEW

According to **Serhat Murat Alagoz & Haluk Hekimoglu (2012)**, e-commerce is rapidly growing worldwide, the food industry is also showing a 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 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 information technology, their trust in e-retailers and various external influences.

According to **H.S. Sethu & Bhavya Saini (2016)**, their aim was to investigate the student's perception, behavior and satisfaction of online food ordering and delivery services. Their study reveals that online food purchasing services help the students in managing their time better. It is also found that ease of availability of their desired food at any time and at the same time easy access to internet are the prime reasons for using the services.

According to **Sheryl E. Kimes (2011)**, his study found that perceived control and perceived convenience associated with the online food ordering services were important for both users and non-users. Non-users need more personal interaction and also had higher technology anxiety to use the services.

According to **Leong Wai Hong (2016)**, the technological advancement in many industries have changed the business model to grow. Efficient systems can help improve the productivity and profitability of a restaurant. The use of online food delivery system is believed that it can lead the restaurant's business grow from time to time and will help the restaurants to facilitate major business online.

According to **Varsha Chavan, et al, (2015)**, the use of smart device based interface for customers 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 coming times.

According to **Hong Lan, et al, (2016)**, online food delivery market is immature yet; there are some obvious problems that can be seen from consumers' negative comments. In order to solve these problems, we can neither rely merely on the self-discipline of online food delivery restaurants nor the supervision and management of online food delivery platforms. Only by taking laws as the criterion, with the joined efforts of the online food delivery platforms and restaurants, the government departments concerned, consumers and all parties in the society, can these problems be solved and a good online take away environment can be created.

### 3. OBJECTIVES OF THE STUDY

#### 3.1. Primary Objective

To study how online food delivery services are perceived by the consumers.

#### 3.2. Secondary Objective

- To analyse what are the various factors that influences the consumers to choose online food delivery services.
- To analyse the most preferred online food delivery service portal by consumers.
- To know what are the factors that hinders consumers to use online food delivery services.

### 4. SCOPE OF THE STUDY

The study is basically conducted to know how consumers perceive the online food delivery services. The perception of consumers may vary under different circumstances. From this study, we can have a better understanding of the 'Online Food Delivery Service Market'. We will know about the consumer perception regarding the services they provide in Pune area and will get to know the variables affecting their perception. Therefore, these findings may help the service providers to work upon on these variables to fill up the gaps in the mindset of consumers.

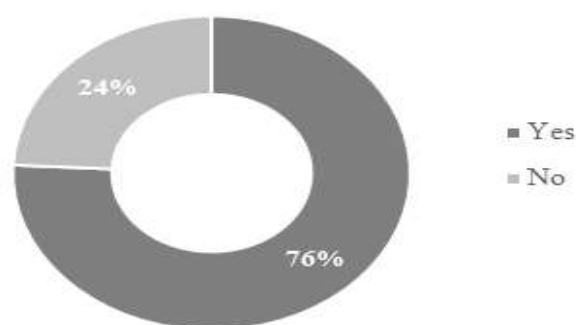
### 5. RESEARCH METHODOLOGY

The study is based on the collection of primary data. Quantitative research method was used in this research so as to investigate and observe the collected data with the help of statistical, mathematical and computational techniques. A structured questionnaire was designed with close-ended and open-ended questions. It was designed in such a manner so that it caters all the areas of study. The survey was conducted in different areas of Pune and around 153 responses were collected. As the population was small & homogeneous, all subsets of the frame are given an equal probability. Thus non-probability sampling method was used. Under non-probability technique, convenience sampling method was used. The population consist of the students, self-employed, homemaker, private company employee and business owners of different areas in Pune. For all variables used in the study, multi-item scales (5-point, Likert-type) ranging from strongly agree (5) to strongly disagree (1) are used.

### 6. LIMITATION OF THE STUDY

A small sample size of 153 respondents have been taken for study which is carried out in different areas of Pune, so the findings may not be applicable to the other parts of the country because of social and cultural differences.

### 7. DATA ANALYSIS & INTERPRETATION



**Figure 1** Users of online food ordering and delivery services

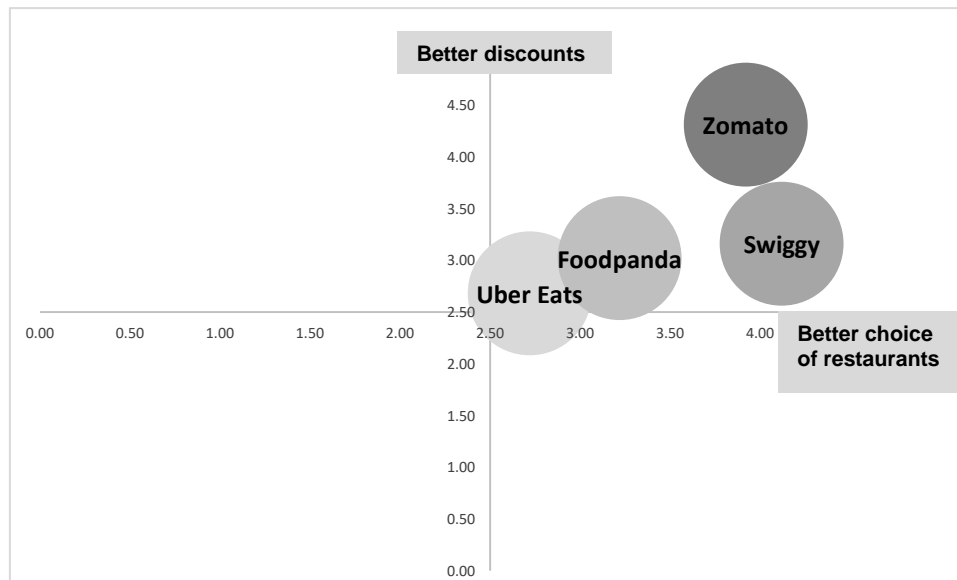
### ***Interpretation***

From the above analysis, it can be concluded that:

Out of total respondents 153, 76% (i.e. 116 respondents) of the total respondents use the online food delivery services and rest 24% (i.e. 37 respondents) do not use online food delivery services.

### **7.1. Positioning Study (Perceptual Map)**

Perceptual mapping is a diagrammatic technique used by asset marketers that attempts to visually display the perceptions of customers or potential customers. Perceptual Map is a graphical representation of the positioning of various brands on the mind of customers with respect to some major factors such as Better choice of restaurants, Better discounts, On-time delivery, and Customer services.

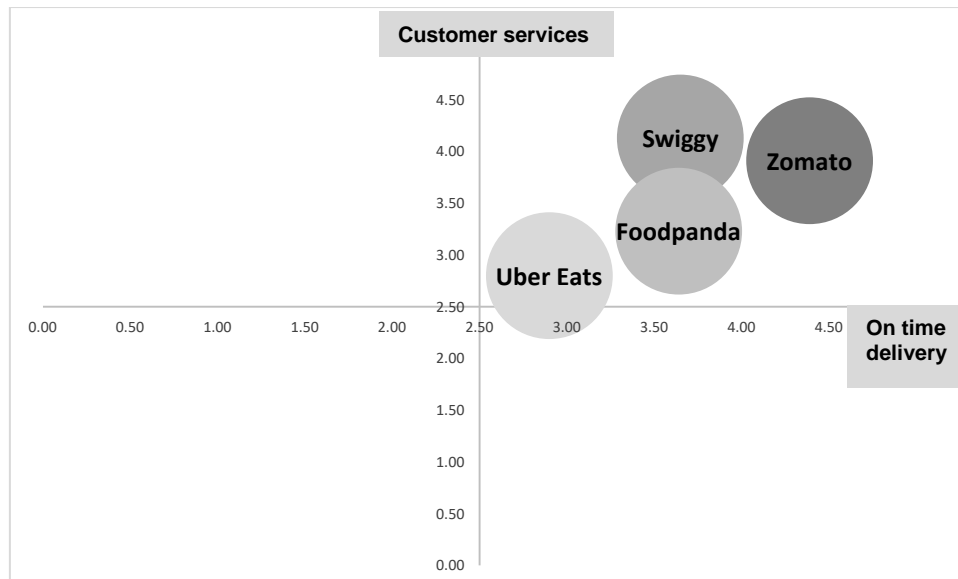


**Figure 2**

### ***Interpretation***

From the above analysis it can be concluded that:

- ZOMATO is best in terms of providing 'Better Discounts' and good in terms of providing 'Better Choice of Restaurants'.
- SWIGGY is good in terms of providing 'Better Discounts' but lag in terms of providing 'Better Choice of Restaurants'.
- FOODPANDA is good in terms of both providing 'Better Discounts' and 'Better Choice of Restaurants'.
- UBER EATS is average in terms of providing 'Better Discounts' and 'Better Choice of Restaurants' due to their location constraints. For this reason, consumers opt to other service provider.



**Figure 3**

### ***Interpretation***

From the above analysis it can be concluded that:

- ZOMATO is the best in terms of providing on time delivery and good in terms of customer service. For this reason most of the consumers opt to choose ZOMATO over other online food delivery service portal.
- SWIGGY is good in terms of providing on time delivery and best in terms of customer service which acts as a motivator for the consumers. This helps in strong presence & demand in & around Pune.
- FOODPANDA is good in terms of providing on time delivery and customer service.
- Uber EATS is average in terms of providing on time delivery and customer service. As they are new in the Pune market, they might require some more time to expand their service availability to entire Pune and achieve better responses in near future.

## **7.2. Reliability Test to Analyse the Internal Consistency among the Factors that Encourages to opt for Online Food Delivery Services**

**H<sub>0</sub>:** There exists no internal consistency among the six factors.

**H<sub>1</sub>:** There exists an internal consistency among the six factors.

Six factors considered during analysis are:

- Ease & Convenience
- Cost Effectiveness
- 24x7 Availability
- Easy Mode of Payment
- Doorstep Delivery
- Choice of Restaurants

**Table 1** Reliability Test

Reliability Statistics		
Cronbach's Alpha*	Cronbach's Alpha on Standardized Items	No. of Items (N)
0.872	0.871	6

\*The alpha coefficient for the six items is 0.872, suggesting that the items have relatively high internal consistency. (Note that a reliability coefficient of 0.70 or higher is considered “acceptable” in most social science research situations.)

**Table 2** Mean Rank

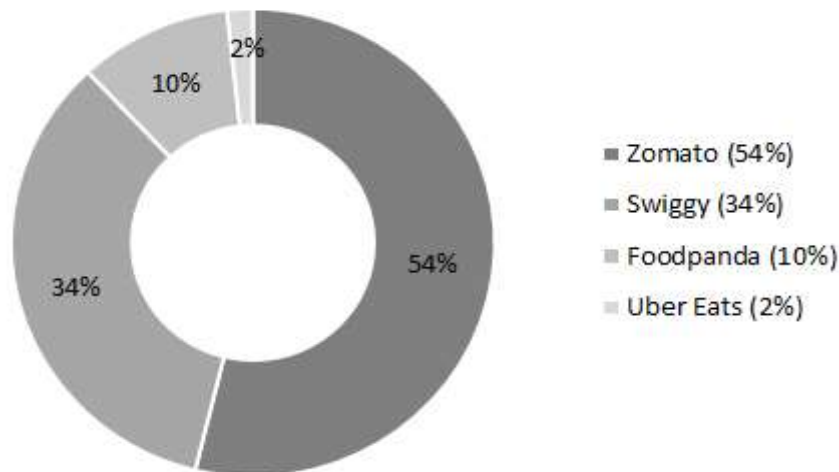
Item Statistics			
	Mean	Std. Deviation	N
Ease and Convenience	4.11	1.277	116
Cost Effectiveness	2.97	1.176	116
24x7 availability	3.91	1.234	116
Easy mode of payment	3.66	1.021	116
Doorstep Delivery	4.22	1.216	116
Choice of Restaurant	3.85	1.152	116

### **Interpretation**

From the above analysis, it can be concluded that:

‘Doorstep delivery’ of online food delivery services is the most important parameter which encourages consumers to use the services followed by ‘Ease & Convenience’.

### **7.3. Analysis of Most Preferred Online Food Delivery Service Portal**

**Figure 4**

### **Interpretation**

From the above analysis, I can conclude the following:

- 54% of the total respondents using the online food delivery services prefer Zomato over other online portals.
- Swiggy with 34% is the second most preferred online portal by the consumers.
- Foodpanda is preferred by 10% of the respondents using the services.
- Whereas, Uber Eats is least preferred by the consumers with 2% preference from the total respondents.

#### 7.4. Pareto Chart to Analyse what are the Factors that Influences the Consumers to Choose the Online Food Delivery Services from 'Zomato'.

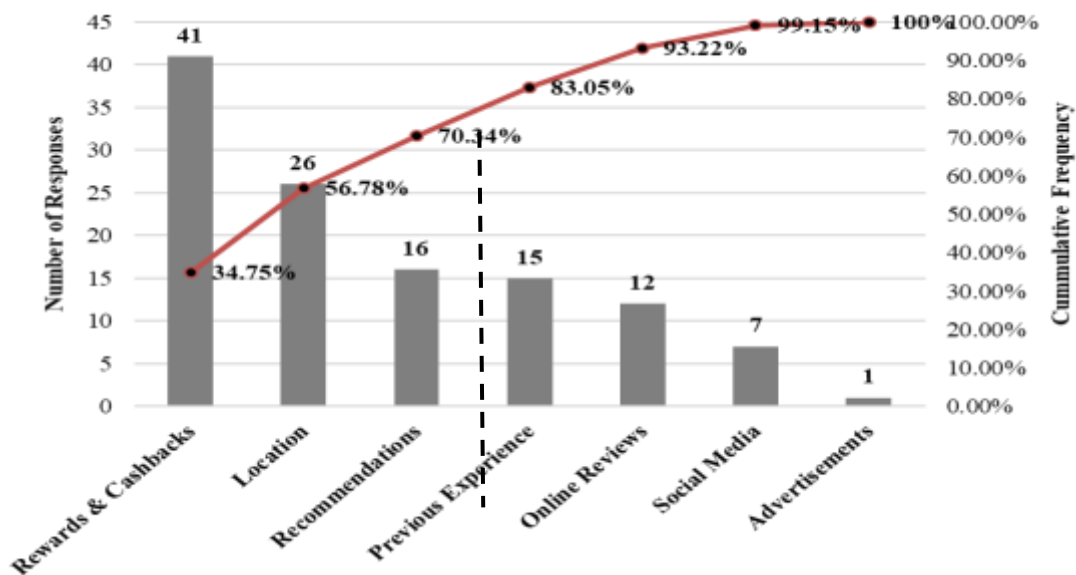


Figure 5

#### Interpretation

From the above analysis, it can be concluded that:

Among all the respondents who prefer Zomato, 80% of them are influenced to use their services as they provide:

- Better Rewards & Cashbacks
- Location
- Recommendations

#### 7.5. Factors that Prevents Consumers to use the Services

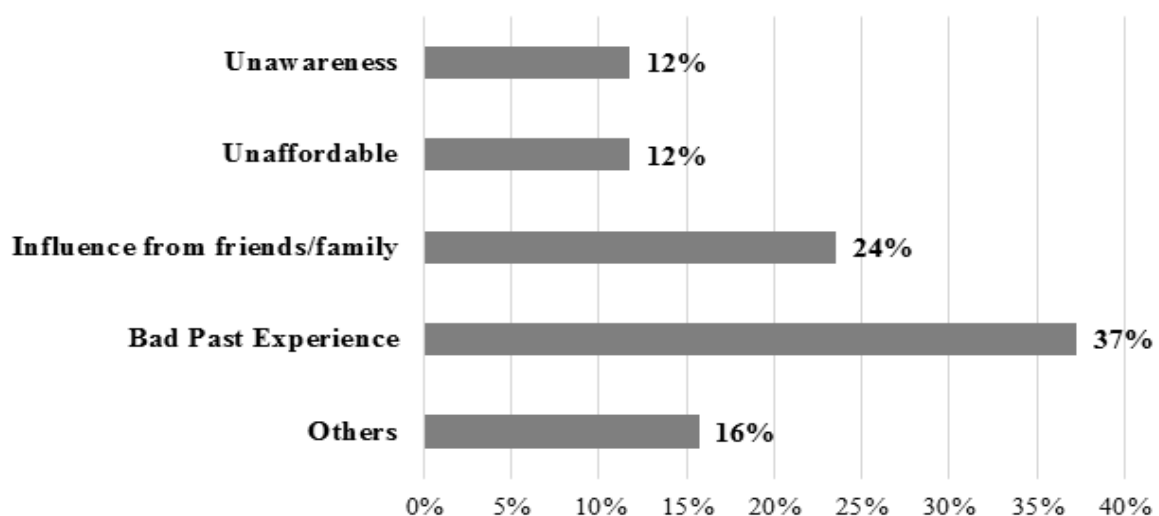


Figure 6

### ***Interpretation***

From the above analysis, it can be concluded that:

Out of 37 respondents, 51 different responses were received. Among which Bad Past Experience is the most important factor which hinders consumers to use the online food delivery services. Followed by Influence from friends/family, Unaffordable, Unawareness and others, which includes comments like no such requirement.

## **8. FINDINGS**

Findings show that:

- The factors that encourages consumers the most is Doorstep Delivery (Mean Rank #1) followed by Ease & Convenience (Mean Rank #2).
- Consumers are mostly influenced when they receive any Rewards & Cashbacks followed by Location.
- Most preferred online food delivery service provider is Zomato followed by Swiggy.
- The factors that prevent consumers to use the online food delivery services are Bad Past Experience followed by Influence from friends/family.

## **9. CONCLUSIONS**

According to the research conducted, it can concluded that Zomato has gained positive opinion of majority of the consumers in comparison to other service providers. It is mainly because of their better on time delivery and better discounts. Zomato has been in the first position in online food delivery service provider and if it includes the minor improvements, it will sustain its upper hand in forthcoming future.

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