

## **Customer Perception and Satisfaction on Ordering Food via Internet, a Case on Foodzoned.Com, in Manipal**

**H.S. Sethu,**  
Manipal University, India.  
**E-mail:** [sethu.hs@manipal.edu](mailto:sethu.hs@manipal.edu)

**Bhavya Saini,**  
Manipal University, India.  
**E-mail:** [bhavyasaini011@gmail.com](mailto:bhavyasaini011@gmail.com)

---

### ***Abstract***

*The World Wide Web is supposed to be ranging from 15 billion to 50 billion websites (www.worldwidewebsite.com). As the culinary art is well represented on the television networks, magazines and at the top of bestsellers list, food has taken over a large swath of the internet. The aim of this study is to investigate the student's perception, behavior and satisfaction of online food shopping and provide solutions to online sellers based on the results of the research. Though there are numerous studies on customer satisfaction and loyalty with reference to physical shopping, not much literature is available on online food shopping. This study is based on a non-probability convenience sampling method. Data was collected from 212 students of four colleges of the Manipal University. The questionnaire consisted of closed ended questions. The study revealed that the online food ordering services was used by 100 percent of the respondents, and the buying decisions were largely influenced by opinions of friend's family and discussions on online forums. The study reveals that good word of mouth and experiences by existing customers and online forums decides the success of web based food shopping.*

---

**Key Words:** Online food shopping, Customer perception and Customer satisfaction,

## **1. Introduction**

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 (Prajogo & Sohal, 2006). 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 decision-making 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 (Fromm, 2015). A shopping habit that sets millennial apart from no millennial is their tendency to shop in groups and seek the opinion of others (Fromm, 2015). Young generation is a generation that wants to co-create the product and the brand, companies that understand it and figure out ways to engage in this co-creation relationship will have an edge. When youngsters dine out, they're often in search of something exotic, adventuresome, memorable or new to explore during their dining experience.

### **1.1 Overview on Internet Age and Popularity of Online Business**

Over the past one year, there has been an exponential growth in the number of food startups. This area is garnering investors' interest, so much so that the market size of food in India is expected to reach Rest. 42 lakh crore by 2020, presently, the Indian food market is around Rs. 23 trillion (Boston Consulting Group, 2015).

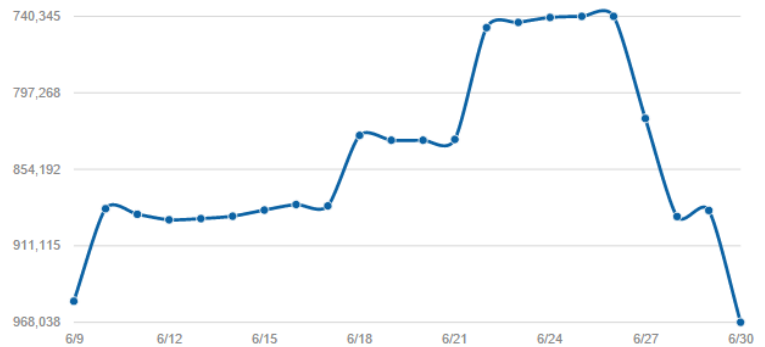
### **1.2 “Foodzoned.Com in Manipal” an Overview**

Foodzoned.com is an online food ordering portal which consists of the varied menus of all the food joints enlisted on it. The website acts as a one-step go platform for the users who wish to order food online. The website releases the users from the humdrum of carrying printed menu cards and searching for restaurant phone numbers. The easy and appealing User Interference of the website allows the users to order the food of their choice with a few clicks. The users can experiment with different cuisines available with the restaurant even when ordering from home and thus they can bring in the fine dining experience.

On June 30, 2015 – the Alexa rank of foodzoned.com is 968038. During the viewing period of time, its highest rank is 740345; its lowest rank is 968038.

**Figure 1: 30 Days Ranking of Foodzoned.Com**

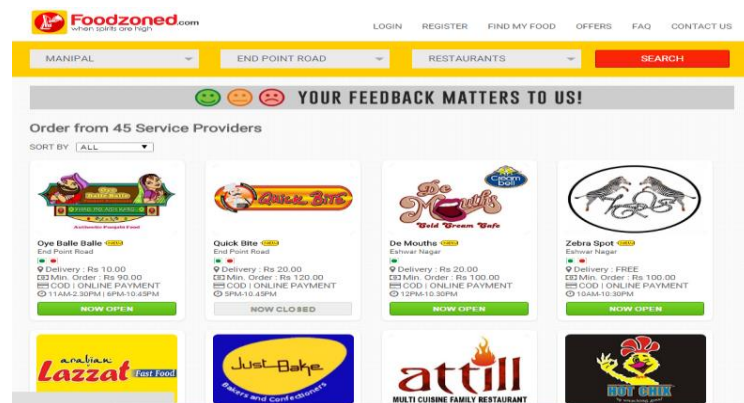
Date	Alexa Rank	Growth
August 23, 2015	Not in top 1 million	N/A
...	...	...
June 30, 2015	968038	-83211
June 29, 2015	884827	4528
June 28, 2015	889355	-73023
June 27, 2015	816332	-75987
June 26, 2015	740345	0
June 25, 2015	740345	834
June 24, 2015	741179	3686
June 23, 2015	744865	3881
June 22, 2015	748746	83197
June 21, 2015	831943	597
June 20, 2015	832540	0
June 19, 2015	832540	-3584
June 18, 2015	828956	52469
June 17, 2015	881425	-1016
June 16, 2015	880409	4136
June 15, 2015	884545	4550
June 14, 2015	889095	1789
June 13, 2015	890884	888
June 12, 2015	891772	-4105
June 11, 2015	887667	-4161
June 10, 2015	883506	68861
June 09, 2015	952367	N/A



(Source: Dailyrank.net)

It currently covers services in 4 cities, Mangalore, Manipal, Udupi, Surathkal. Currently foodzoned.com has enlisted 45 restaurants in Manipal.

**Figure 2: A look at the website**



(Source: www.foodzoned.com)

**1.3 Objectives of the Study to determine** student's perceptions of online food shopping at Manipal based on four education institutions in Manipal.

- To examine the customer behavior and customer satisfaction with reference to buying food online in Manipal.
- To provide solutions to the online sellers based on the results of the research

## **2. Literature Review**

**Internet Marketing** the Internet creates endless market opportunities by offering a significant advantage of two-way communication, which is different from traditional mass marketing communication Warrington et.al. (2000). The Internet reached a critical mass of 50 million users in a period of less than five years. As a comparison, radio took 38 years, television 13 years, and cable television 10 years to get more or less the same number of viewers (Waldo 2000).

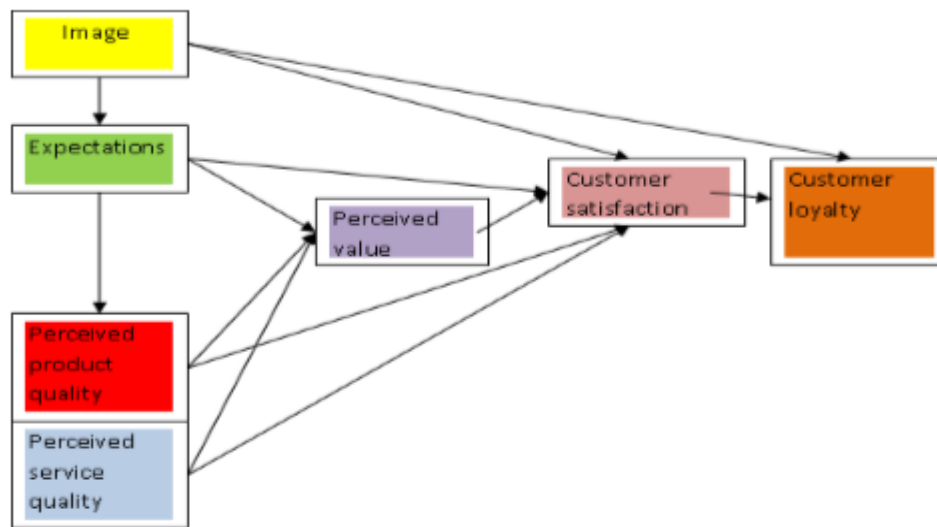
### **Customer Behaviour in Online Market: Customer Satisfaction**

Customer service is the key difference between virtual world physical business. Some of the reasons that lead to customer dissatisfaction for online businesses is security, design, unnecessary emails, newsletters etc irritate customers, speed with which the customer queries are answered, on time delivery, quality or performance as expected,

### **The Evolution of Customer Satisfaction Index**

Cumulative customer satisfaction helps to predict the subsequent behaviour and the future economic performance of the business. While making a repurchase, customers evaluate and arrive at a decision not only based on one particular transaction but based on the past experience of the previous purchase and consumption (Johnson, 2001). The evolution of CSI (Customer Satisfaction Index) and ASCI (American Customer Satisfaction Index) Swedish Customer Satisfaction Barometer (SCB) and European Customer Satisfaction Index (ECSI) European Performance satisfaction Index)EPSI, EFQM (European Foundation for Quality Management), EOQ (European Organization for Quality) and academic network IFCF (International Foundation for Customer Focus), are the indices established for measuring customer satisfaction. They are integrated systems that collect, analyse and disseminate information about what customers expect in terms of quality, value etc. from the product/services they buy. EPSI rating is a structural equation model to stipulate the seven latent variables – customer expectation, customer satisfaction, perceived value, perceived quality, customer loyalty, Image, product/service quality (Eskildsen & Kristensen, 2007).

**Figure 3: The Seven Latent Variables of EPSI Rating Framework (Carroll & Broadhead, 2001)**



### Satisfaction Profit Chain

Customer satisfaction and customer retention are directly linked with the profitability of a business (Best, 2005). Exceptional customer service results in customer retention which in turn leads to increased profitability. Due to loyalty a customer perhaps finds it difficult to accept competitors products. Both ACSI (American Customer Satisfaction Index) and ESCI (European Customer Satisfaction Index) have tracked strong linkage between customer satisfaction and profit performance. In case of new customer acquisition, business's profit will be negative initially due to up front acquisition expenditure.

### Customer Retention

In less competitive markets, markets where there are few substitutes and when switching costs are high it is quite easy to retain customers costs (Best, 2005). This may be true in case of physical shopping. But on the contrary online customers quickly switch to competitors in case of dissatisfaction since choices are wide with no switching costs. Hence, customer retention is a challenge in online business and requires higher levels of customer satisfaction. Online customer relationship is difficult and that makes customer retention scary. An analysis of e customers is vital since customer satisfaction results in loyalty and customer loyalty is the basis of successful customer relationship (Nigel & Jim, 2006).

A customer recommending a product or service shows his commitment and loyalty to the brand or company. This is due to the confidence in the value created and delivered by the company or brand (Best, 2005).

### **Customer Loyalty**

According to Best (2005) customer loyalty is a psychological commitment that a customer has towards a specific brand or company. Customer loyalty can be measured through customer Loyalty Index (CLI):

**CLI = (Customer Satisfaction) X (Customer Retention) X (Customer Recommendations)**

Customer satisfaction, customer recommendation and customer retention are seen as components of customer loyalty (Best, 2005).

Decreased customer complaints and increased customer loyalty are the important drivers of increased customer satisfaction (Johnson, 2001). Customer loyalty can be built when the online business focuses on providing exceptional customer service and exceeding the expectations of the customer. Such an excellent customer service will help in retaining customers. For example, online businesses offer special discounts, promotional offer and exclusive service for customers who have a personal shopping account with them. This is one of kind of marketing for site registration wherein the customer gets the feeling that he receives extra benefits when he registers as a preferred customer (Carroll & Broadhead, 2001). By enhancing customer service, the online business can increase their customer's loyalty. This is one way for the business to promote their brand, market their products and at the same time offer exclusive service to its customers (Carroll & Broadhead, 2001).

### **3. Methodology**

This study aims to describe the activities of Foodzoned.com and analyzing customer perception and satisfaction while ordering food online. Generally for descriptive observational method, case studies and survey methods are used. The methodology is adopted from the paper 'Online Shopping' Customer Satisfaction and Loyalty Norway" a Master's Thesis in Business Administration, MBA programme by (Pervaiz, 2010).

The study being conducted is following the Quantitative approach. Survey was conducted on the sample of 212 students of Manipal university comprising of students from the Kasturba Medical College(KMC), Welcomgroup Graduate School of Hotel Administration(WHSHA), Manipal Institute of Technology(MIT), Manipal School of Communication(SOC).

Sample was selected from those students who volunteered to be a part of the study. Convenience sampling plan was used, which is a non-probability sampling method.

### **Questionnaire**

The questionnaire designed for this study contained closed ended questions. First part of the questionnaire has the following section

Demographics- The first section of the questionnaire contains questions related to demographics like age, gender, and college of the student who volunteered to fill the form.

Second part of the questionnaire contains the questions regarding experience of students while ordering food online and factors affecting buying behavior.

### **Questionnaire Administration**

Students were approached to fill the questionnaire. Once the students agreed to participate in the survey, randomly, the samples were selected from the students who volunteered to be part of the survey. The survey was conducted over a period of only 2 weeks.

The data was analyzed for the following details

**1.Respondents' profile:** Age, Gender, College of the respondent, accessibility to the net, awareness of online purchasing, availability of internet, Online purchase history, frequency of purchase on line and frequency of purchase from food.zoned.

**2. Customer perception analysis:** High delivery charges, risk of sharing credit and debit card information online, perception of risk for foodzoned.

**3. Customer satisfaction analysis:** Overall quality of food, level of knowledge of the seller, competitive prices, consumer information provided by foodzoned.com

**4. Responsiveness:** Use of online help services, feel quality is bad, user friendliness of food zoned website

**5. Reliability:** Satisfaction of hygiene factor of food, time saving through online purchase

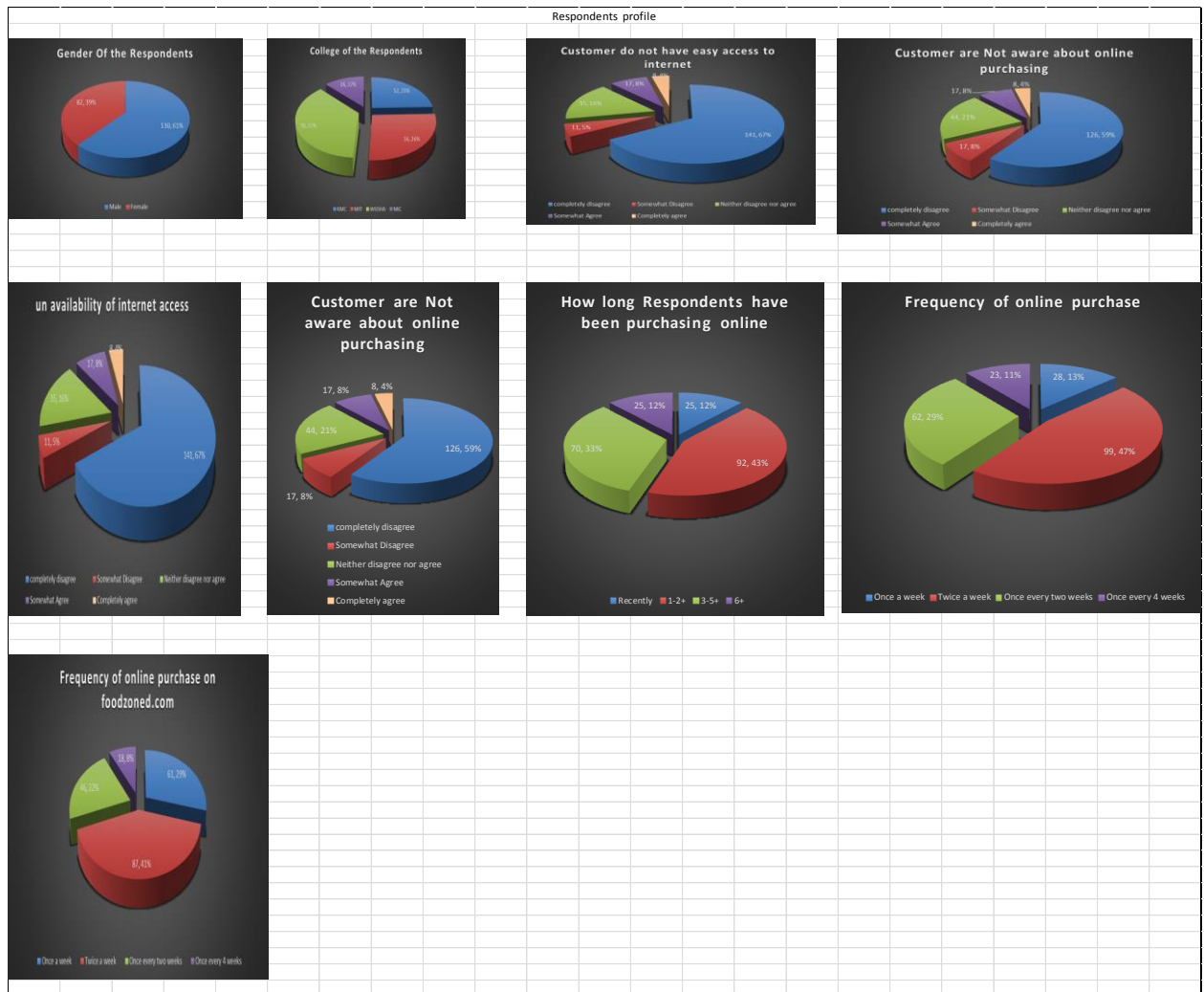
**6. Consumer Behavior:** Effect of opinion of friends, online forums, family on purchase

## **4. Results and Discussion**

### **1. Respondents' Profile**

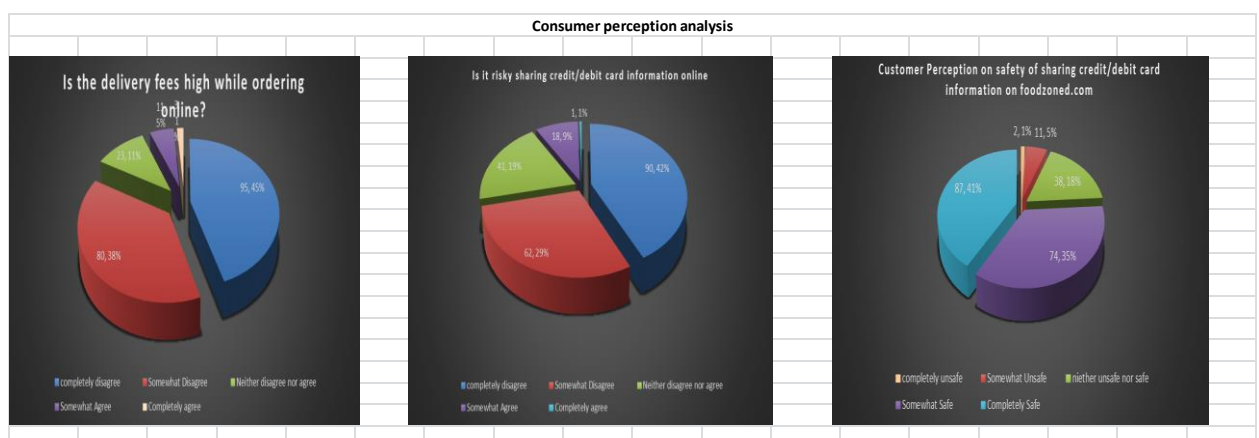
The analysis of respondents' profile shows that 61% of them were male and remaining were females. 67% of the respondents found it easy to access the internet and 59% were knowledgeable about purchasing on internet and 33% were using internet for buying online food for past 3 to four years. 47% of the respondents bought food online for at least twice a week.





## II. Customer Perception

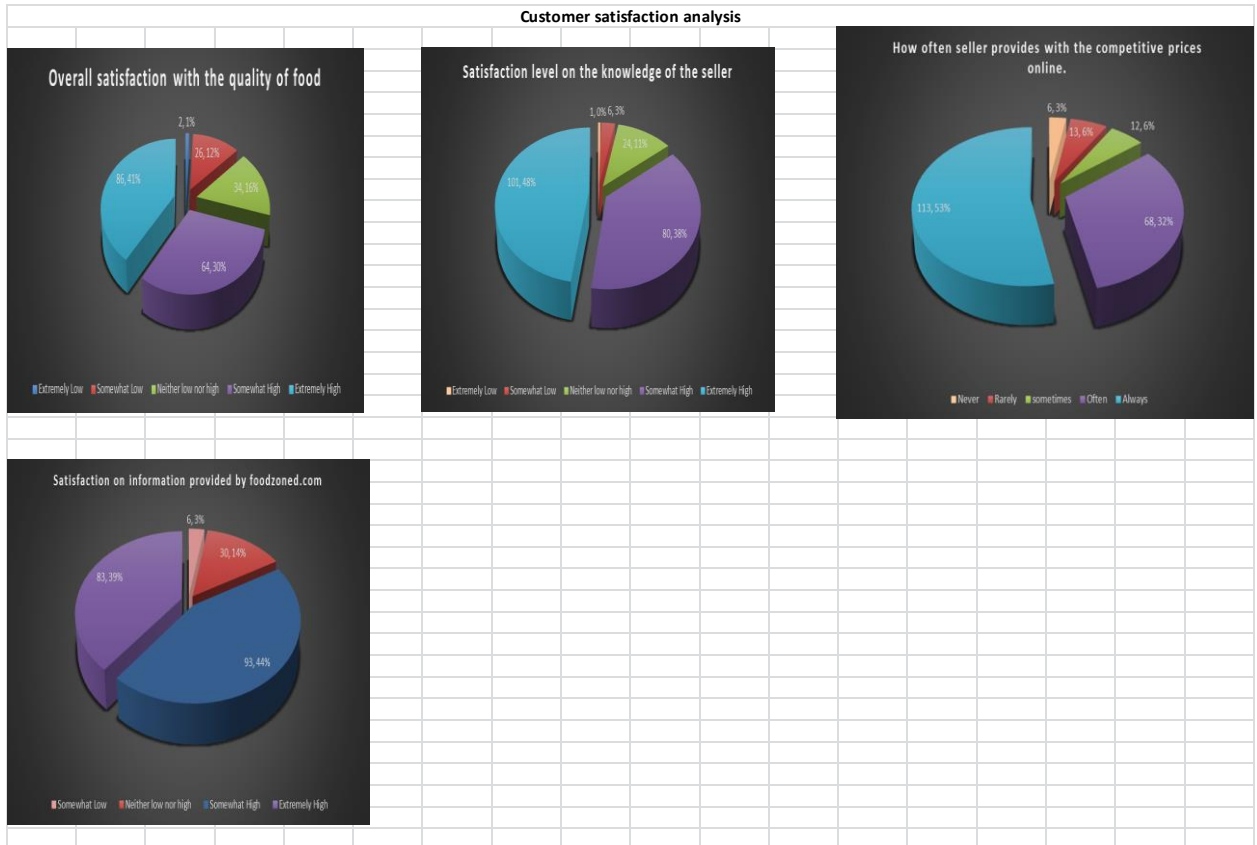
45% percentage of respondents do not find the delivery charges high. 41% of do not also find it risky to share online data.



## III. Customer Satisfaction

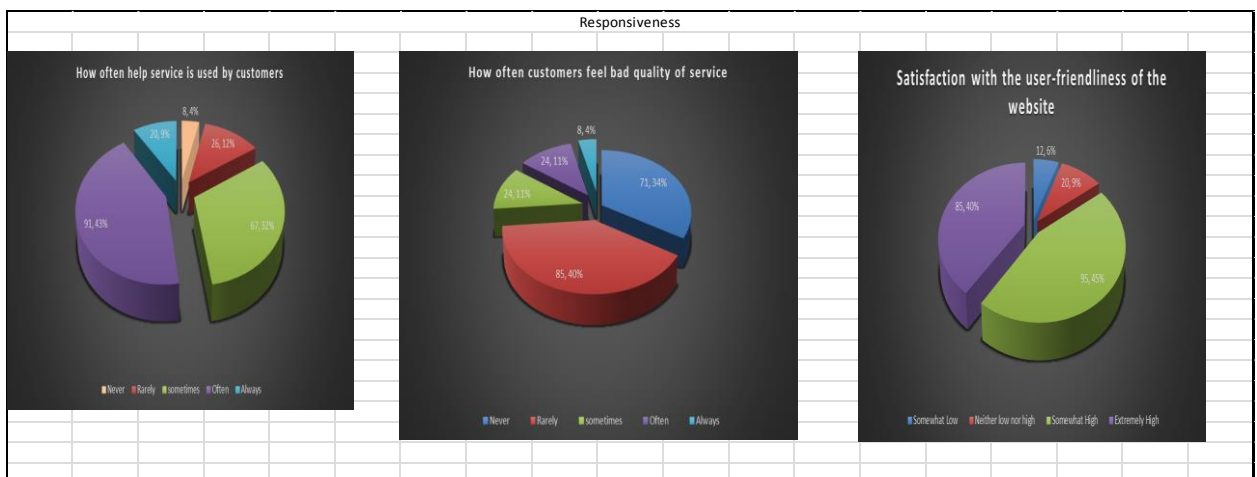
70% and above respondents find the quality of food, information provision, prices satisfactory or somewhat satisfactory.





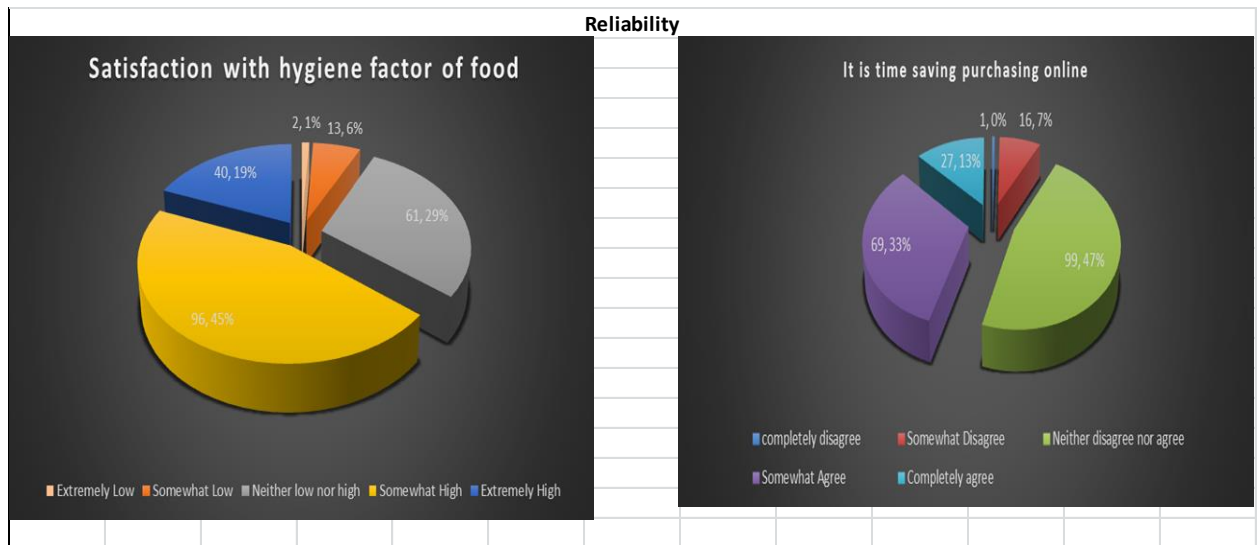
#### IV. Responsiveness

With reference to responsiveness measured in terms of use of help services, approximately 40% of the respondents feel that the quality of services are not bad and are user friendly



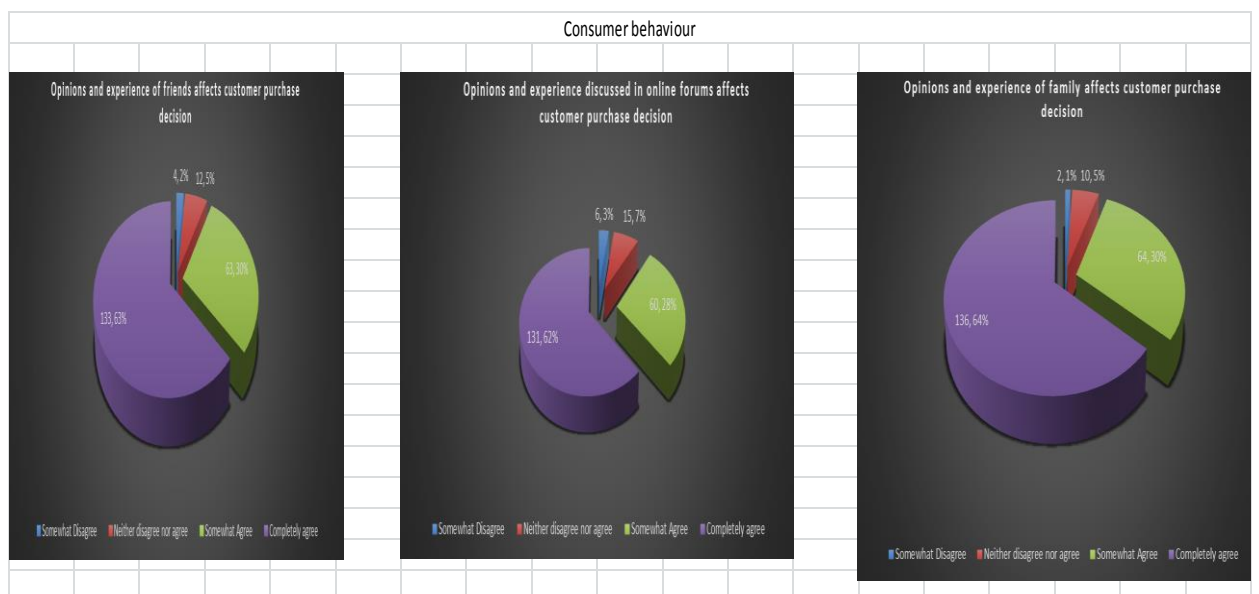
#### V. Reliability

With respect to reliability around 50% the respondents find that the food is hygienic or somewhat hygienic. Regarding time saving they respondents are neutral.



## VI: Consumer Behavior

90% of the customers agree that their purchase behavior is affected either by friends, family or online discussion forums.



## 4.2 Compilation of Results of Data Analysis

The analysis of respondents' profile shows that 61% of them were male and remaining were females. 67% of the respondents found it easy to access the internet and 59% were knowledgeable about purchasing on internet and 33% were using internet for buying online food for past 3 to four years. 47% of the respondents bought food online for atleast twice a week.

Sl.No	Categories		Particulars	Percentage details		Results of analysis based on the data
1.	<b>Customer perception analysis</b>	1.	Is the Delivery fees is High	45% disagree	38% agree	Most number of people disagree that the delivery charges are high
		2.	Is it Risky to share their credit/debit card details	42% disagree	29% agree	Most number of people disagree that the there is risk in sharing credit/debit card details.
		3.	Is it Risky to share their credit/debit card details on <b>food zoned</b>	41% disagree	35% agree	More respondents disagree that there is risk
2.	<b>Customer satisfaction analysis</b>	1.	Is the quality of food Not Satisfactory?	71% disagree	29% agree	Large number of respondents are agreeing that they are satisfied with the quality of food
		2.	Is the Information provided by the seller Not satisfactory	86% disagree	14% agree	Large percentage of respondents are satisfied with the information provided by the seller
		3	Are the prices not competitive	85% disagree	15% agree	Vast percentage of respondents are satisfied with the prices Ri
		4.	Is the Information provided by foodzoned not Satisfactory	83%dis agree	17% agree	Large percentage of respondents are satisfied with the information provided by the seller
3.	<b>Responsiveness</b>	1.	Do the respondents use the help services	42% use it often 9% always use it	32% use it sometimes	Respondents usually use the help services
		2.	Are the help services satisfactory?	34% never feel the services to be bad	40% rarely feel the quality of services to be bad	The quality of services are found to be satisfactory
		3.	Are the help services user friendly	40% find it extremely satisfied	45% find it somewhat satisfied	The respondents find the web services user friendly
4.	<b>Reliability</b>	1.	Is the food found to be hygienic?	19% find the food extremely hygienic	45% find it somewhat hygienic	Most of the respondents are satisfied with the hygiene factor of the food
		2.	Is it time saving for purchasing online	46%agree that it is time saving	54% disagree	Most of the respondents are neutral on this variable.
5.	<b>Consumer behavior</b>	1.	Does opinion of friends and	95% agree	5% somewhat	Decisions of most purchases get affected

			affect the purchase behavior		disagree	with opinions of friends
		2	Does opinion of online forums affect the purchase behavior	90% agree	10% disagree	Decisions of most purchases get affected with opinions of online forums
		3	Does opinion and experience of family affect purchase behavior?	94% agree	6% disagree	Decisions of most purchases get affected with opinions and experience of family

Note: The category 'somewhat agree' is clubbed with 'agree', for avoiding confusion.

## 5. Conclusion

Manipal is an educational hub with students too busy with academic activities. E commerce has pervaded the lives of students in a overwhelming manner. On line food purchasing helps the students in managing their time better. It relieves the students from spending time to go to their desirable food joint at any point of time, but at the same time providing an avenue where their favoured food reaches them. It is found from the study that almost all the respondents have easy access to the Internet, a major percentage of the respondents buy twice or at least once a week. Most of the respondents are familiar with ordering food online over 3 years. Overall satisfaction level on the scale of 5 is 3.69 which mean it is somewhat high on reliability assurance and responsiveness. Most of the respondents disagree to the fact that online websites charge high delivery fees. All respondents are aware about food zoned website. Almost all customers feel safe paying online. Customers buying decision gets affected by the opinions and experience of friends, family and discussions on online forums.

The study reveals that penetration of online food ordering services is high. The student users of these services are well versed with the information available on these websites and also use help services available online. The service provider foodzoned.com therefore needs to at least maintain the overall quality of service levels. Raising the service levels could delight the customer but at the same time create more expectations in the minds of the consumers. This would require more investment from the company to ensure the desired service level.

## Reference

- Best. (2005). Market-based management. In R. J. Best, Strategies for growing customer value and profitability (pp. 7-20). New Jersey: Pearson Prentice Hall.
- Carroll, & Broadhead. (2001). Selling online:how to become a successful e commerce merchant, . Canada: Dearbon Trade.
- Eskildsen, & Kristensen. (2007). customer satisfaction-the role transparency, Total quality Management (Vol. 18).
- Fromm, J. (2015, dec 3). Mrketing to millannials. Retrieved June 2, 2016, from millennialmarketing.com: <http://www.millennialmarketing.com/author/jfromm/>

- Johnson. (2001). The evolution and future of national customer satisfaction models. *Journal of economic psychology*, 22(2), 217-245.
- Nigel, H., & Jim, A. (2006). *The Handbook of customer satisfaction and Loyalty Measurement* (3rd ed.). Gower Publishing Company.
- Pervaiz, A. (2010). 'Online shopping' customer satisfaction and loyalty Norway'. MBA thesis.
- Prajogo, I., & Sohal, D. (2006). The relationship between organisation strategy, total quality management(TQM), and organisation performance-the mediating role of TQM. *European journal of operational research*, 35-50.
- Warrington, T., Abgrab,N.J., & Caldwell, H. (2000). Building trust to develop competitive advantage in E-Business Relationships. In *Competitive review* ( 160-168).