

A Study on Customer Preference and Impact of Online Food Service Apps

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ABSTRACT

Online food ordering is one of the various services in e-commerce where a shop offers its customer access to interactive menus of the meals so that the customers can place orders. This is done through a website that is available to the customer over the internet on their personal computers or mobile phones. Just like ordering other consumer goods online, online food ordering usually involves creating user accounts for the customers so that they can easily place orders every time they visit the website. The customer selects from a list of available foods and pays to place an order for the chosen food. Payment can be done by credit/debit card, or in some cases through online checkout systems like PayPal. Some food stores may allow the customers to pay on delivery or during pick-up. The customer chooses to have the food they chose either delivered at their homes or places of work. The introduction of online food online food ordering system is a big milestone in food industry and this paper aims at studying the customer preference and impact of various food ordering apps in our day to day life and what factors have contributed to this great deal of food service app usage.

1. Introduction

In today's world service sector contributes 64.80% in GDP. The rise of digital technology is reshaping the industries. With the increased use of technology, the numbers of people engaging into the digital sector are rapidly increasing. Even Consumers are accustomed to shopping or even ordering online through apps or websites, with maximum convenience and transparency, expecting the same experience that they would get from the outlet itself. To match up with the expectations, apps are providing increased facilities and services to their customers.

Online food services are websites that feature interactive menus allowing customers to place orders with local restaurants. Much like ordering consumer goods online, many of these allow customers to keep accounts with them in order to make frequent ordering convenient. A customer will search for a favourite restaurant, choose from available items and choose delivery. Payment is also left to the option of the customer-cash/debit card/credit card/fund transfer. The first online food order was a pizza from Pizza Hut in 1994. Many restaurants offer the technology to place an order with a mobile app, and may offer a discount or bonus when the order is placed. Now, the famous online food apps available are Swiggy, Zomato, Uber eats etc., that delivers food from the restaurants chosen by the customers. There are also customized apps of certain restaurants.

Ordering System is an application which will help restaurant to optimize and control over their restaurants. For the waiters, it is making life easier because they don't have to go to kitchen and give the orders to chef. For management point of view, the manager will be able to control the restaurant by having all the reports on hand and able to see the records of each employees and orders. This application helps the restaurants to do all functionalities more accurately and in a

faster way. Food Ordering System reduces manual works and improves efficiency of restaurant.

2. Review of literature

According to **M. Hyde et al., (2017)**, consumers are served with assorted platter of goods along with increasing amount of decision relevant information which influence them in purchasing. It also shows the effect of demographic variables on the buying behavior of consumers.

Leong Wai Hong (2016), in his study on Food Ordering System using mobile phones, tells about the advancement and innovation of technology helping people to manage their tasks efficiently. It tells about the reduction of cost in restaurants in terms of manpower. He believes that online business can lead restaurant's business growth from time to time. The technology allows the portability requirement easy to achieve.

According to **Chavan et al., (2015)**, digital restaurant uses smart phones to take customer orders. PC interface was replaced with smart phones to provide customer user interface to view menu or track their orders. With secured login system, customers have the facility to view menu, place orders, track their orders, receive real time updates and make online payment and collect receipts from smart phone itself increasing customer comfort.

Mathews Joao Chornewkar (2014), in his study on Customer Perceptions of Electronic Food Ordering, tells us about how people prefer to buy food through electronic ordering. The satisfaction of the customer is seen through electric food ordering. People working in IT sector mostly prefer these electronic ordering. And telephone is the mainly used for electronic food ordering. And it was also found out that lots of money was being demanded during delivery of food.

Shinde (2014), E-commerce in India is expected to see an auxiliary growth by 2020, making it the fastest growing e-commerce market in the world. E-commerce is also witnessing a spurt in online food & restaurant service companies. With a population of over 1.2 billion, India is undeniably one of the biggest consumer markets in the world today. The changing of Business strategies along with transaction processing, increase of internet access, use of smart phones in emerging markets has been the main driver for e-transaction growth in the field of Food Order Delivery.

According to **Bhargave et al., (2013)**, ordering system will not only ease out customer operations and attract them but also will increase efficiency in restaurant's operation of taking orders and billing and the maintenance of it.

3. Research Gap

Online food service apps have made the life of a major population very comfortable and hassle free since people are relieved from a major task of cooking and carrying food. But the system has its own disadvantages of higher prices, network issues, non – availability of items that are usually available in restaurants, payment issues and so on. The paper explores the unexplored factors contributing to the extensive usage of food service apps and the impact which the apps have created on the eating pattern of Indian households and also the satisfaction levels of customers.

Demographic details

Age	Frequency	Percentage
15 to 25 years	24	43
26 to 35 years	21	38
36 to 45 years	8	13
46 to 55 years	2	4
Above 55 years	1	2

Gender	Frequency	Percentage
Male	32	57
Female	24	43

Marital status	Frequency	Percentage
Single	32	57
Married	24	43

Educational qualification	Frequency	Percentage
X	2	4
XII	4	7
Diploma	8	14
UG	14	24
PG	16	29
Professional Degree	10	18
Others	2	4

Income	Frequency	Percentage
Less than Rs.10,000	2	4
Rs.11,000 to Rs.20,000	10	18
Rs.21,000 to Rs. 30,000	12	21

4. Objectives Of The Study

The objectives framed for the study are :

1. To understand the factors influencing the preference of customers to make extensive use of online food service apps
2. To identify the expectation and satisfaction levels of customers who use the services of online food delivery apps.

5. Research Methodology

The present study is descriptive in nature and the method adopted for collecting the first hand information was convenience sampling. The sampling population selected for the study was the working people, college students and few housewives from Coimbatore district. Primary data was originally collected from 280 respondents. Responses of 56 people were collected through an initial pilot study. A structured questionnaire was prepared with the following sub sections: Demographic details, opinion about the factors that most influenced a customer to prefer online food service apps and the satisfaction levels of customers. At present, the collected data for the pilot study was assessed by using Frequency Analysis and Chi-Square as statistical tools.

6. Analysis and interpretation

The demographic characteristics of the respondents were evaluated with frequency analysis :

Rs.31,000 to Rs.40,000	14	25
Above Rs.40,000	18	32

The above table shows that 43% of the respondents belong to the age group of 15 to 25 years, followed by 38% in the age group of 26 to 35 years, 13% in 36 to 45 years, 4% in 46 to 55 years and the rest 2% belong to above 55 years of age. 57% of the respondents are male and rest 43% is female. Among the total respondents, 57% are single and 43% are married. In the point of qualification of respondents, 4% are Xth passed outs, 7% are XIIth passed outs, 14% are Diploma holders, 24% are under graduates, 29% are post graduates, 18% are professional degree holders and rest 4% are others. With regard to income level of respondents, 4% fall less than Rs.10,000 income category, 18% earn Rs.10,000 to

Rs.20,000, 21% earn Rs.21,000 to Rs.30,000, 25% earn Rs.31,000 to Rs.40,000 and 32% earn above Rs.40,000.

Objective 1 : To understand the factors influencing the customers to make extensive use of online food service apps

The pilot study was conducted among 56 respondents who were working men and women, college students and few homemakers. The collected data was assessed using frequency analysis. The objective 1 is to understand the factors influencing the preference of customers to make extensive use of online food service apps. The opinion of major respondents is given below :

Usage of food service apps		
Responses	Frequency	Percentage
Everyday	6	10
Once/Twice in a week	20	35
Once/Twice in a month	12	22
Once/Twice in 3 months	10	18
Once/Twice in 6 months	8	15

Time taken to place an order		
Responses	Frequency	Percentage
2 – 4 mins	19	34
5 – 7 mins	22	38
8 -10 mins	8	15
More than 10 mins	7	13

Days of a week where app usage is done frequently		
Responses	Frequency	Percentage
Saturday	19	34
Sunday	24	42
Week days	13	24

Typical meal that is often ordered through online		
Responses	Frequency	Percentage
Breakfast	8	14
Lunch	26	46
Snacks	7	12
Dinner	13	24
Others	2	4

Type of food preferred while ordering online		
Responses	Frequency	Percentage
South Indian	12	21
North Indian	15	26
Chinese	18	33
Chat / Junk food	9	17
Others	2	3

No of people for whom food is ordered		
Responses	Frequency	Percentage
Less than 2 members	14	24
2 to 4 members	22	40
5 to 8 members	12	22
More than 8 members	8	14

Opinion about security of payment		
Responses	Frequency	Percentage
Cash	21	38
Debit card	18	33

Credit card	12	20
Online transfer	5	9

Most favourite app

Responses	Frequency	Percentage
Swiggy	24	42
Zomato	17	31
Food panda	5	9
Uber eats	10	18
Others	24	42

The above table shows that majority of the respondents opined that they make use of the food service app once or twice in a week. Majority of the respondents said that on an average it takes 5 to 7 minutes for them to order food. Most of the respondents said that they order food online on Sundays. Lunch meal is the most frequently ordered food by most of the respondents. Majority of the respondents order chinese food through online food service apps. Most of the orders were

made in such a way that 2 to 4 members can eat the meal. Cash is the most frequently used option for paying money for orders. Swiggy is the most favourite app of majority of the customers.

Objective 2 : To identify the expectation and satisfaction levels of customers who use the services of online food delivery apps.

Timely delivery of food

Responses	Frequency	Percentage
Highly Satisfied	21	37
Satisfied	15	26
Neutral	11	20
Dissatisfied	7	13
Highly Dissatisfied	2	4

Variety of menu items

Responses	Frequency	Percentage
Highly Satisfied	15	27
Satisfied	21	38
Neutral	10	18
Dissatisfied	6	11
Highly Dissatisfied	4	6

Opinion of respondents about quality, taste and freshness of food delivered

Responses	Frequency	Percentage
Highly Satisfied	23	38
Satisfied	14	27
Neutral	10	19
Dissatisfied	6	11
Highly Dissatisfied	3	5

Pricing of items

Responses	Frequency	Percentage
Highly Satisfied	6	11
Satisfied	7	13
Neutral	12	21
Dissatisfied	20	36
Highly Dissatisfied	11	19

User friendliness of the app

Responses	Frequency	Percentage
Highly Satisfied	24	43
Satisfied	16	28
Neutral	8	14
Dissatisfied	6	11
Highly Dissatisfied	2	4

Offers provided by the apps

Responses	Frequency	Percentage
Highly Satisfied	5	9
Satisfied	20	36

Neutral	25	45
Dissatisfied	4	7
Highly Dissatisfied	2	3

Overall opinion about app usage and food delivery

Responses	Frequency	Percentage
Highly Satisfied	21	38
Satisfied	16	29
Neutral	8	14
Dissatisfied	7	12
Highly Dissatisfied	4	7

The above table shows that majority of the respondents are highly satisfied with the timely delivery of food. Majority of the respondents are satisfied with the variety of items in the food service apps. Most of the respondents opined that they are highly satisfied quality, taste and freshness of the food delivered. Majority of the respondents said that they are dissatisfied with pricing of items in food service apps. In the point of offers, most of the respondents opined that they are neutral about the offers provided in food service apps. Most of the respondents said that they are highly satisfied with the user friendliness and overall usefulness of the app.

A chi-square analysis on income levels and usage of apps revealed the following results :

H0a: There is no significant relationship between income levels of the respondents and their extensive use of food service app.

H1a: There is significant relationship between income level of the respondents and the extensive use of food service app.

The observed frequency is higher than the expected frequency for income and the use of food service apps. The result found that there exist an association between income level of the respondents and the extensive use of food service apps and hence null hypothesis is rejected.

7. Findings of the study

From the results and analysis, that majority of the respondents make use of the food service app once or twice in a week. Majority of the respondents said that on an average it takes 5 to 7 minutes for them to order food. Most of the respondents said that they order food online on Sundays. Lunch meal is the most frequently ordered food by most of the respondents. Majority of the respondents order Chinese food through online food service apps. Most of the orders were made in such a way that 2 to 4 members can eat the meal. Cash is the most frequently used option for paying money for orders. Swiggy is the most favourite app of majority of the customers.

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Majority of the respondents are highly satisfied with the timely delivery of food. Majority of the respondents are satisfied with the variety of items in the food service apps. Most of the respondents opined that they are highly satisfied with the quality, taste and freshness of the food delivered. Majority of the respondents said that they are dissatisfied with pricing of items in food service apps. In the point of offers, most of the respondents opined that they are neutral about the offers provided in food service apps. Most of the respondents said that they are highly satisfied with the user friendliness and overall usefulness of the app. The observed frequency is higher than the expected frequency for income and the use of food service apps. The result found that there exist an association between income level of the respondents and the extensive use of food service apps and hence null hypothesis is rejected. Food service apps should come up with new offers and discounts to attract more number of customers. Also the variety of items should be more to equate with what customers find in restaurants. Pricing of the items could be lesser so that all class of people can make use of the apps. Also additional features can be incorporated facilitating the customers to place orders in their regional languages.

8. Conclusion

Online food ordering could be called the response of the internet to the desire for delivery of food. It is a growing trend especially in urban areas and on college campuses that allows people to order from restaurants featuring interactive menus, by use of their internet connection. People started depending on the use of food service apps as a replacement for traditional method of visiting restaurants and ordering food. They feel that their valuable time and money is saved by visiting restaurants and they can spend the saved time for their work. The major finding of the study is that people use once or twice in a week. Most of the orders are made on Sundays and majority prefers to order lunch those too Chinese items specifically. Also they prefer to order frequently when they are given more offers with items at lesser prices. So food service apps might have to think of unique and feasible techniques to retain their existing customers and to face stiff competition from other marketers.

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