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TECHNOLOGY, RESEARCH, SOCIAL INNOVATION & PARTNERSHIPS

CONSUMER BEHAVIOUR TOWARDS FOOD DELIVERY APPS

BY

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Consumer Behaviour Towards Food Delivery Apps

Abstract :

The purpose of this research is to find consumer behaviour towards Food Delivery Apps. The study shows most preferred app used by consumer to order food online and factors leading to us consider it the most preferable app. There are many factors related to customer's ordering behaviour- like price, on time delivery, packaging, peer service provider behaviour, platform design etc. There is gradual shift in way people order food. The purpose of this research is to know what are factors that defines consumer's perception and to find most popular app in the food delivery industry.

Keywords:

Consumer Behaviour, Consumer preference, most affordable Food delivery App, most preferred online food delivering app, Factors related to customer's ordering behaviour

Objective of the Research

1. To explore consumer behaviour that influence selection of online food ordering app.
2. To determine driving factors that influence selection of online food ordering app.
3. To find out the most preferred online food delivering app.
4. To understand consumer rating towards the services provided by online food ordering apps.

Introduction:

Rapid digitisation and growth in both online buyer base and spending will help India's online food industry to become a $8 billion market by 2022 -- growing at a CAGR of 25-30 per cent

The report by Google and Boston Consulting Group (BCG) revealed that variety in cuisines (35 per cent) was one of the top reasons for recurrent use of online food ordering apps, followed by good discounts and convenience.

Peer or network advocacy (52 per cent) played a critical role in drawing people to try online food ordering for the first time. This was followed by advertisements (19 per cent) that emerged to be a strong driver in metros and among the higher income groups across the country.

Zomato and Swiggy currently dominate the online food delivery market in India. Zomato last week announced it has acquired Uber's Food Delivery Business in India in an all-stock deal of nearly $350 million and Uber will have 9.99 per cent stake in the Deepinder Goyal-led food delivery platform.

Delivery charges (18 per cent), food quality concerns (13 per cent) and lack of customization (10 per cent) are other reasons why customers have, so far, not experimented with online food ordering.

"Interestingly, these observations vary based on the maturity of the market. While delivery charges are the top reason for not ordering food online in metro cities; in Tier I cities, lack of trust in apps (29 per cent) is the primary roadblock," the findings showed.

"Food tech start-ups have revolutionized the way Indians eat. Ordering food online is now a habit. There is large headroom to increase reach, engagement and usage frequency for food tech apps," said Abheek Singhi, Senior Partner and Managing Director at Boston Consulting Group. (wire agency feed , 2020)

Limitations of research:

The study has some limitations about sampling method used. Majority of sample chosen considered was of Pune, some from other parts of Maharashtra and fewer from Gujarat. So, the findings and conclusion would be limited to these areas only.

Literature Review

Food ordering and delivery companies make advantage or opportunity to develop faster customer base. In next few years market volume of online food delivery is of $5.7 billion by 2022.to make online food delivery market successful we can develop referral system, dashboard, social media integration etc.in the internet era demographics play an important role towards consumer behavior. Preeta & Iswaraya conducted research in (2019) to analyze towards online order and delivery application, considering demographic as a part of its study. According to their study young person is mostly like are order to online restaurant delivery, using one of these services. According to their survey 63% of people between 18-29 years old have used a multi restaurant delivery website or app service in past 90 days,51% between 30-44-years old,29% between 45 to 60years old, and just 14% between 60 & above.

On the basis of past studies conducted in the area of online food ordering, there is a clear indication which advocates lots of changes in this scenario especially when technology is growing by leaps and bounds. Most of the studies have been embarked on to apprehend the attitude, perception, preference etc. towards online food ordering. With the boom of smartphones in India, more and more people prefer using mobile apps for doing routine things. Custom-made offerings as per the customer's predilections allow these mobile apps to bring in better results and make food ordering an easy task. Due to this change, there arises a need to study and analyze the impact of demographics associated with food ordering through apps.

The recent development of the Internet has augmented the e-commerce industries in a country like India. E-commerce development has made Online food ordering services seamless for people who want to get food delivered at their doorstep. Although consumers continue to go out for the meals, consumers feel very convenient to order food online since it frees the customer from personally visiting the restaurants. In this study, our main focus was to analyze the perception of consumer towards Online food ordering services. In order to understand what

factors have played a dominant role to attract consumer in the developing country like India towards them, we decided to study on the consumer perception on online food ordering. In this research paper, two objectives were set for study.

It is appreciated by everyone, as things being flexible enjoys a lot of perks and online food ordering is a very example of it. No matter where you are, at what time you want you can order, this is what the consumer desires as things being worked out according to their needs and wants. All of the applications and web browsers are being designed with adjustments according to the consumer's needs and making their experience as flexible as possible.

Online food delivery is a service in which a store or restaurant delivers food to a customer through the restaurant's website. In this research, a mixed approach of both quantitative and qualitative method is taken for the collection of data and its analysis. In quantitative approach, data is collected through survey method by distributing questionnaire among 300 users and 100 non-users of online food delivery applications of different age groups from 18 to 40 and 18 to 58 respectively. In qualitative approach, review of secondary literature, news reports and articles on different online food delivery mobile applications are analyzed.

On analyzing the consumer perception of online food delivery applications in Kochi, it can be concluded that online food ordering system has its benefits and limitations. The chief reason of electronic ordering is convenience. Based on the result of this research, it is understood that online food delivery application helps customers in the easy and fast ordering of food. It gives every detail of the customer's order, thereby providing the best customer service. The tracking system is an added advantage for the users. Online food ordering system maintains the service provider to keep a database and enhance the customer experience.

Hypothesis

H0- Behaviour of Peer service provider don not affect consumer behaviour towards online Food Delivery App.

H1- Males **are** more likely to order food online than Females.

H2- Most of the people ordering food online are graduated and post graduated

H3-Zomato is the most affordable food delivery app.

H4-- Behaviour of Peer service provider affect consumer behaviour towards online Food Delivery App.

H5- Zomato has best platform design.

H6-Zomato and Swiggy provides maximum number of restaurants on its app.

Research Methodology

Type of Data: The study is based on collection of primary data.

Research Type: Basic research because the research aims to for acquisition of knowledge for students and not to solve any industrial problem.

Research method: Quantative 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.

Research Design: We have used descriptive research design with quantative data analysis and we come up with results which is conclusive in nature.

Sampling Technique: The population we considered over here is people of Gujarat and Maharashtra. Simple random sampling technique is used for this research work.

Sample size: 81 respondents of Gujarat and Maharashtra

Data Collection tool

The research paper consists of a primary research in order to find the data for the paper. A total of 81 respondents were selected.**:** A structured questionnaire was designed with close ended and open-ended questions. It was designed in such a manner so that it caters all areas of study. Respondents were asked to fill up form related to their online purchase behaviour of food ordering and their frequency of the purchase. The data was analysed by simply entering the data into excel sheet where respondents answering the various options.

Data Interpretation and Data Analysis

The data was analysed using simple percentages of respondents answering the various options. The presentation was made with the help of tables and charts. Conclusions were drawn on the basis of findings related to observations after analysis of data.

(1) NAME OF THE CITY
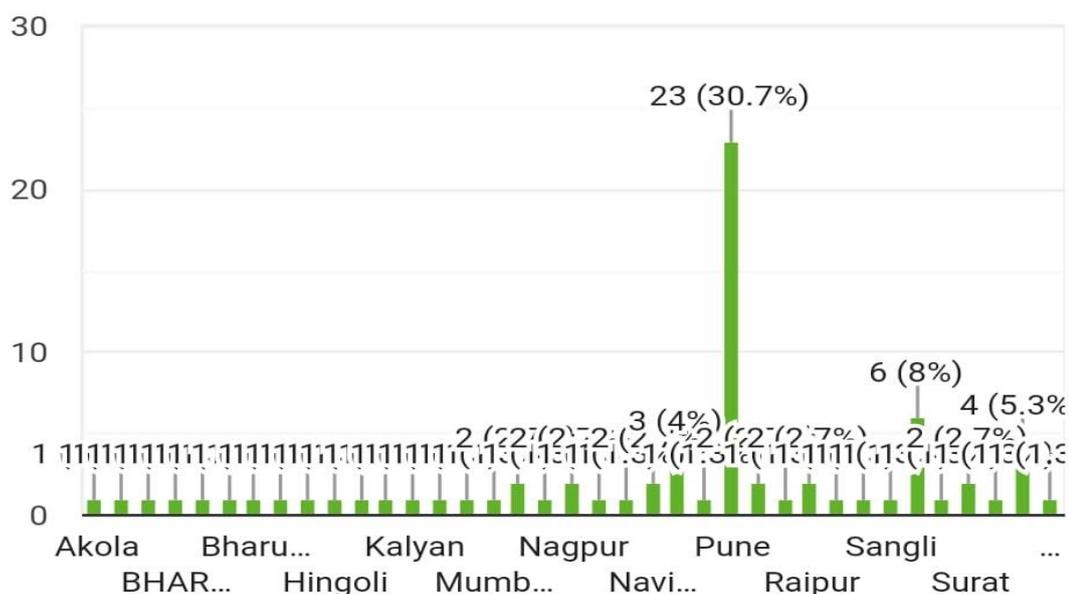
Interpretation: With this survey we could understand that the greatest number of respondents are from Pune city.

(2)GENDER
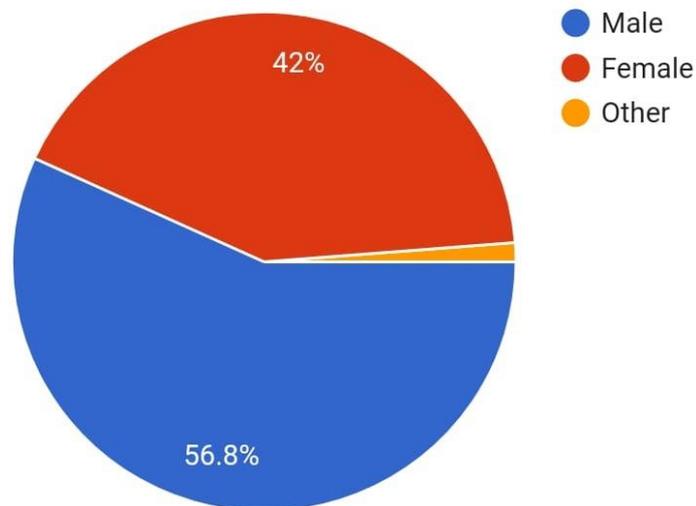
Interpretation: With this survey we could understand that the ratio of male and female with respect to digital food ordering is different. The female respondents were 42% and male were 56.8%, while the other is 1.8%.

(2) EDUCATION
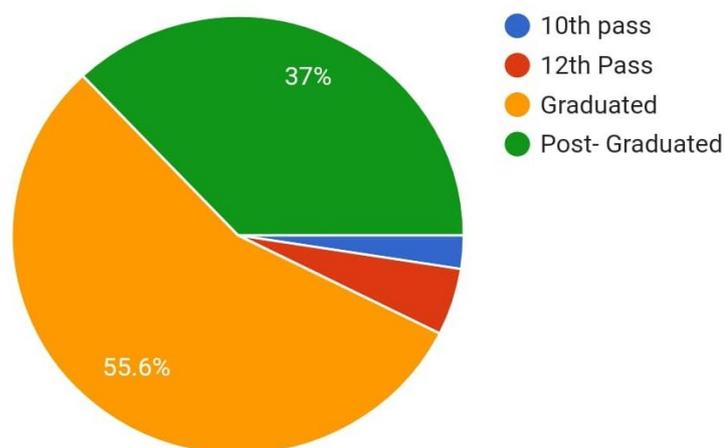
Interpretation: Most of the respondent are graduate and post-graduate. 55.6% are graduate below that 37% are post-graduate and remaining are 10th and 12th pass.

(3) OCCUPATION
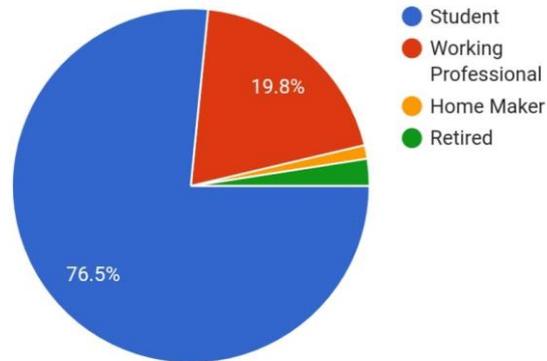
Interpretation:

The occupation of most of the respondent is student followed by working professional and some are home maker and retired.76.5% respondents are students and 19.8% are working professional.

(5)MARITAL STATUS
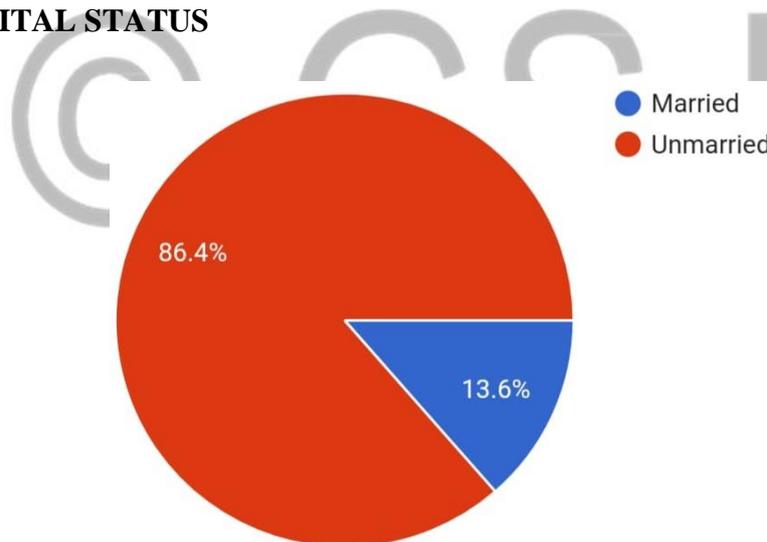
Interpretation:

From the survey we understood that 86.4% are unmarried while, 13.6% are married who use online food delivery services.

(6) HOW OFTEN PEOPLE ORDER FOOD ONLINE
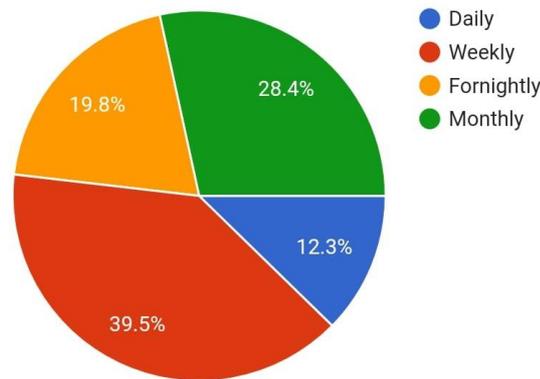
Interpretation: From this survey, we got to know that 39.5% people order food online weekly,28.4% monthly,19.8% fortnightly and 12.3% daily. So, most people tend to order food online weekly.

(7) WHICH FOOD DELIVERY APP PEOPLE USE?
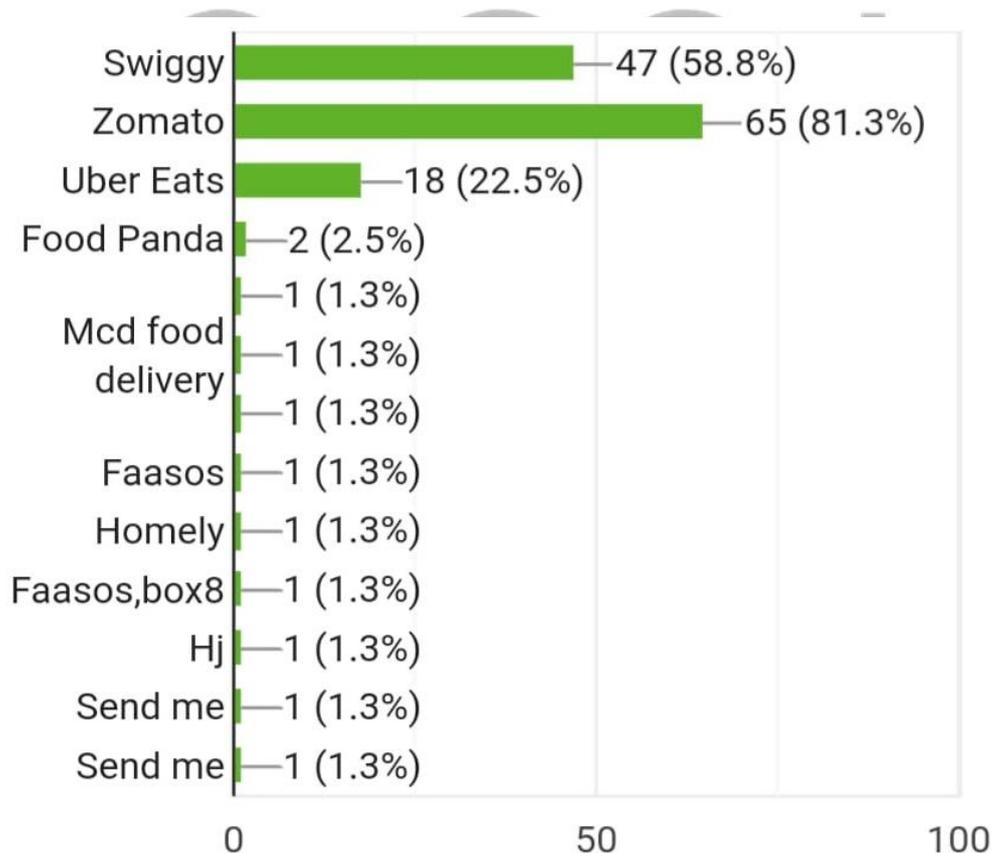
Interpretation: This survey let us know that the most people of the people prefer using Zomato for online food delivery followed by Swiggy, Uber Eats and Food Panda

(8)BRAND AFFORDABILITY

Swiggy
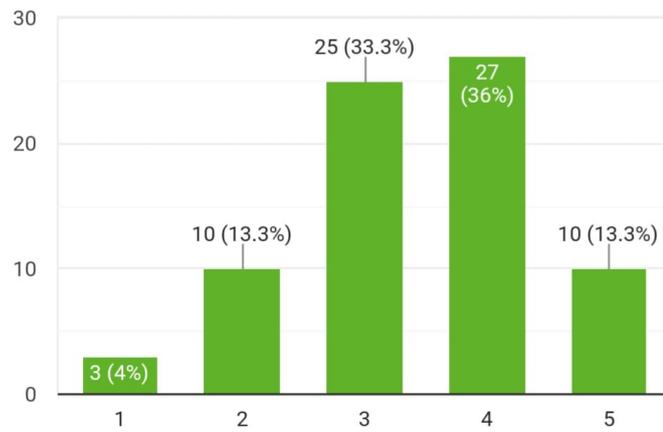
Zomato
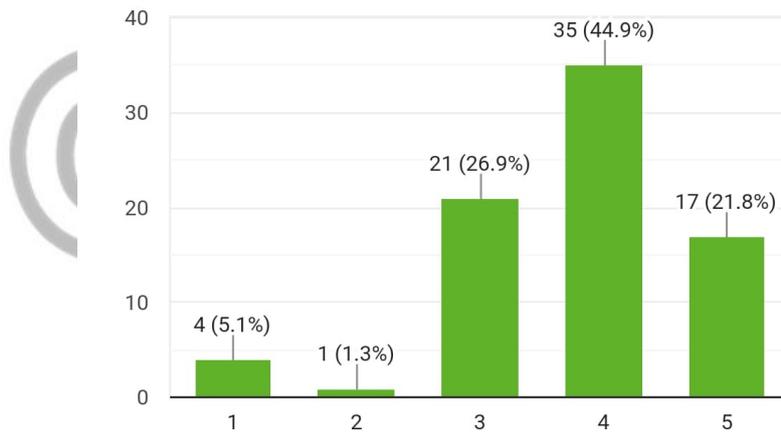
Uber Eats
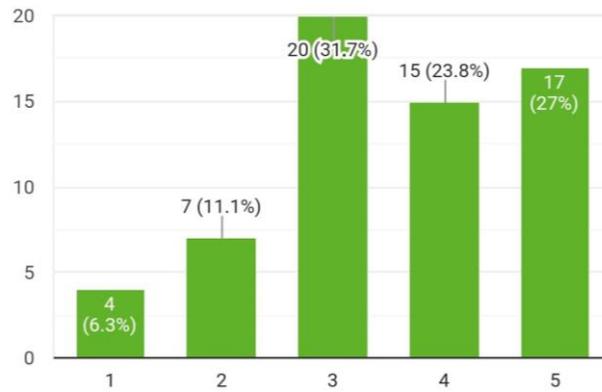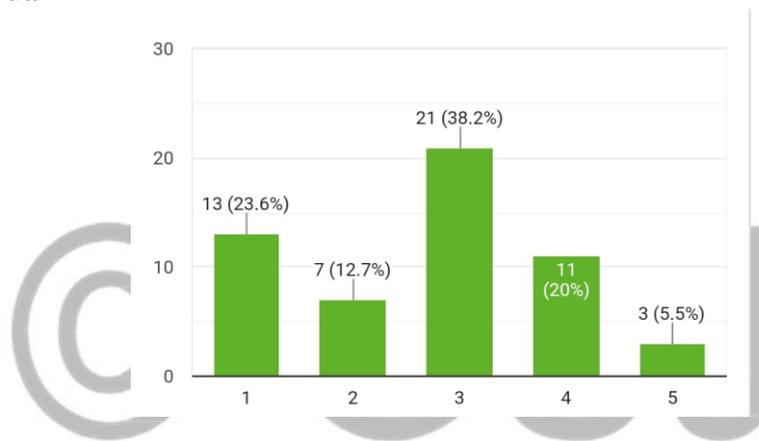
Foodpanda

Interpretation

13.3% of people rated Swiggy at 5

21.8% of respondents rated Zomato 5

27% rated Uber Eats 5

5.5 % rated Food Panda as 5

Hence we can say that Uber Eats is most affordable online food delivery app.

(9) ON TIME DELIVERY

### SWIGGY
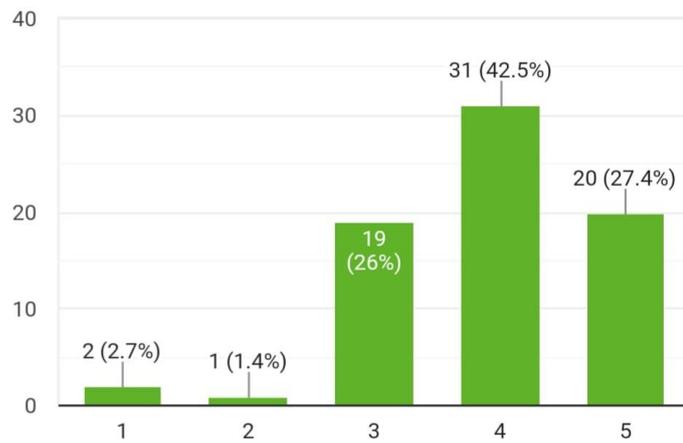
Zomato
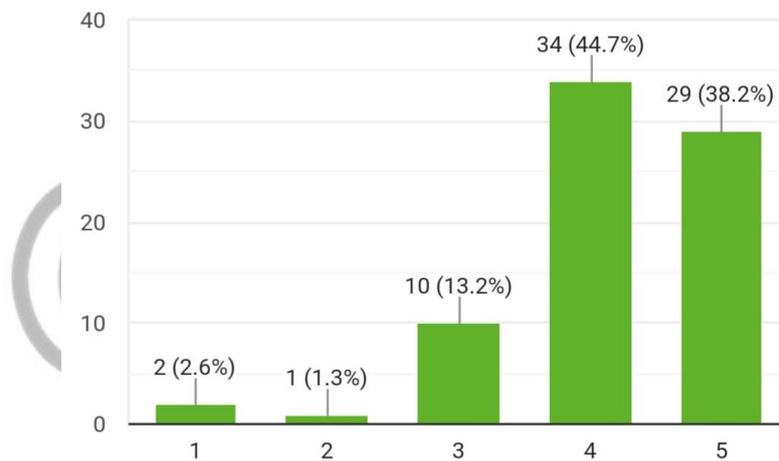


Ubereats
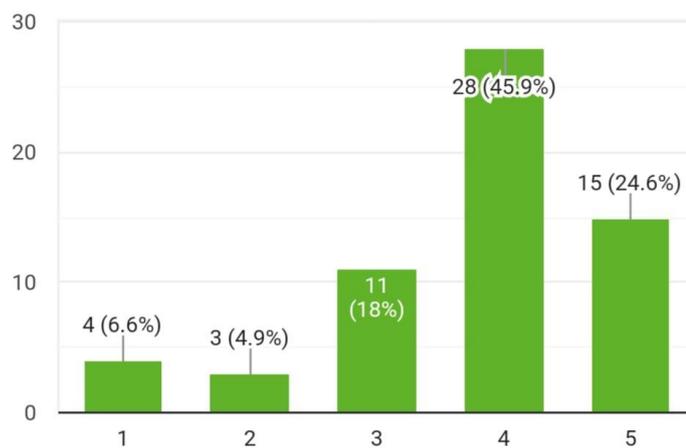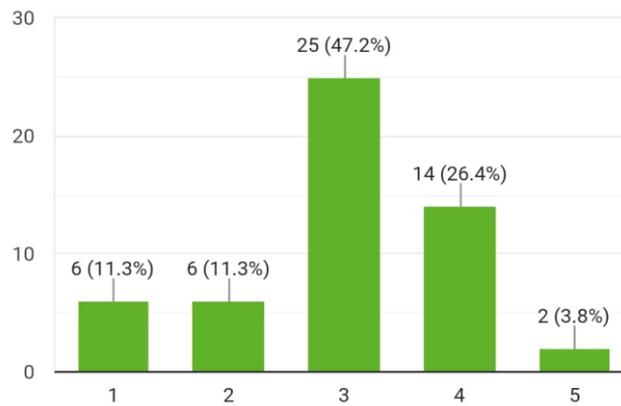
Foodpanda

Interpretation

The above graphs depict that 38.2 % of people rated Zomato as highest (5 points) mad is most on time delivered app.

(9)BEHAVIOUR OF PEER SERVICE PROVIDER

Swiggy
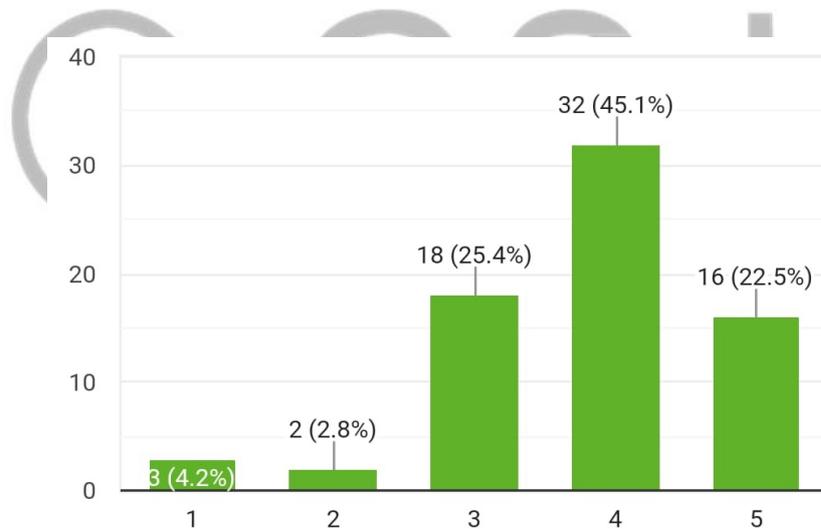
Zomato
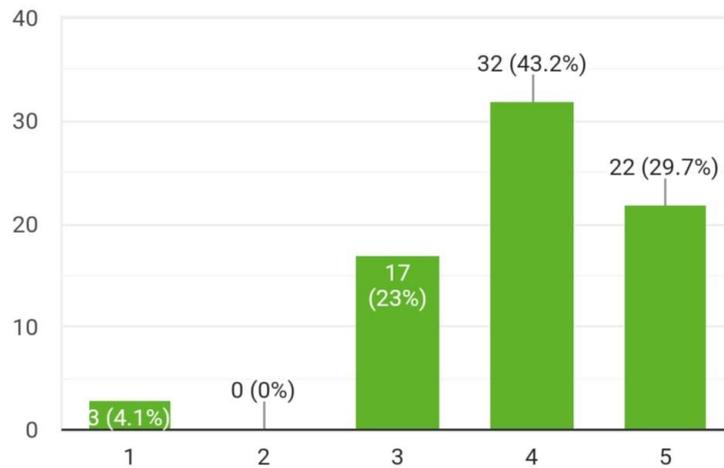
Uber Eats
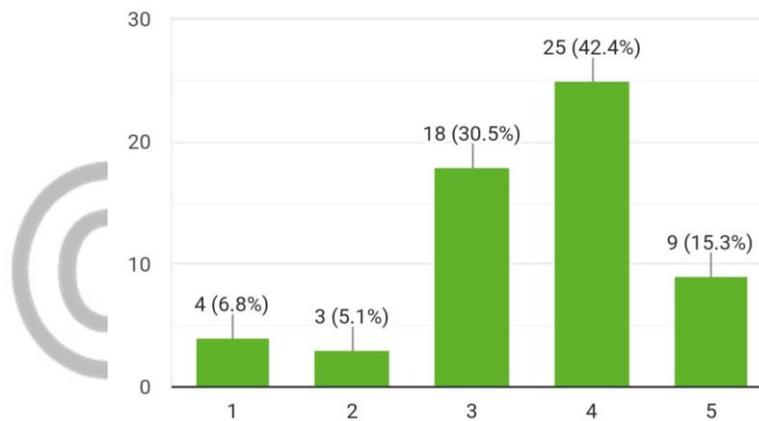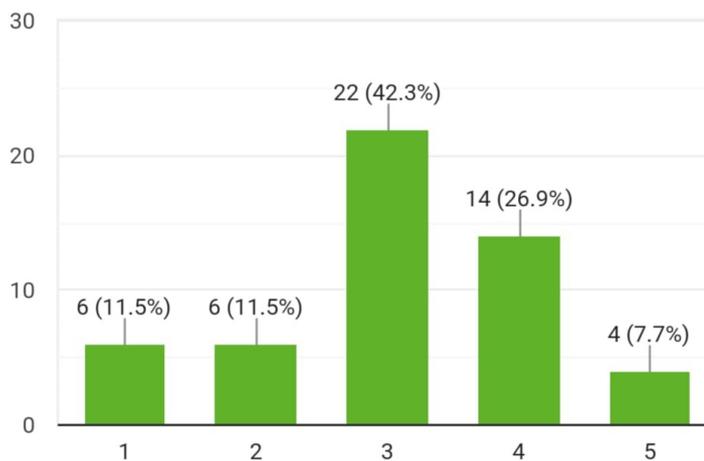
Foodpanda

Interpretation: In case of Peer service provider behaviour,most of the respondents i.e 29.7% gave 5 stars to zomato. Hence zomato is best peer service provider

(10)DIVERSITY OF PAYMENT OPTION

Swiggy
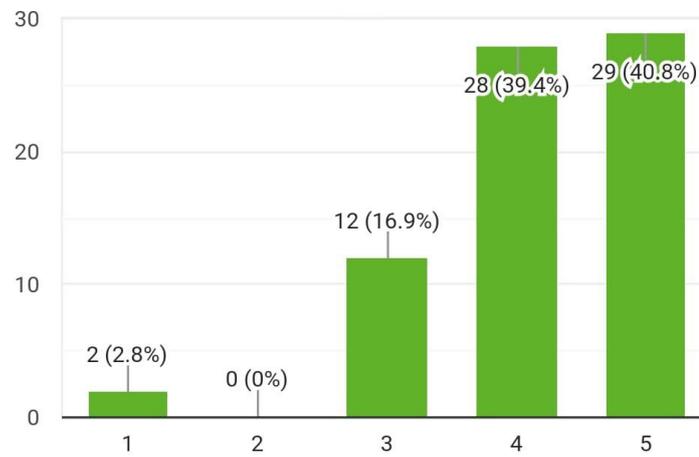


Zomato
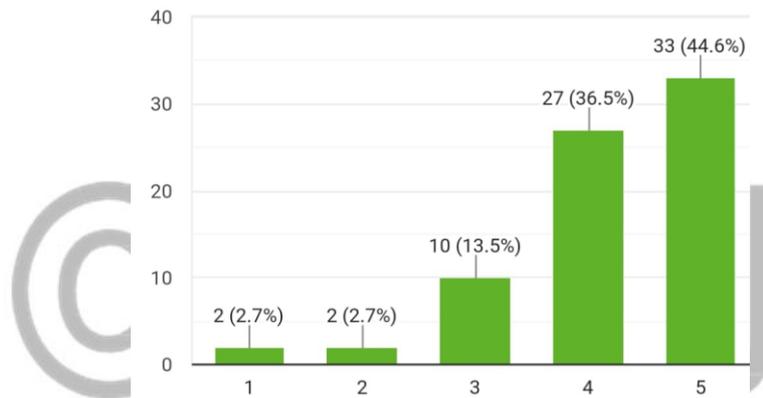
Uber Eats
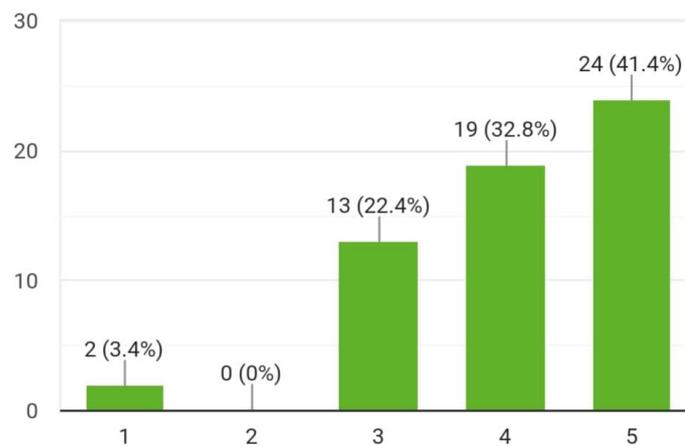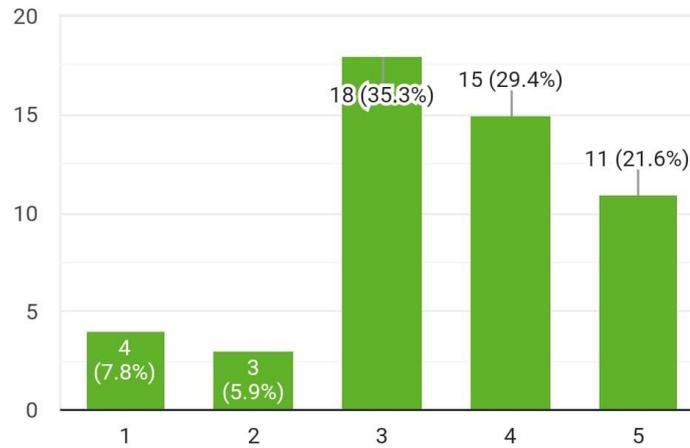
Foodpanda

Interpretation: Nearly 40.8% people gave 5 points to Swiggy for diverse payment option,zomato have 5 points maximum,uber eats also have 5 points(41.4 %) and foodpanda have 3 points.Most percentage of 5 points is with Zomato.So,zomato has maximum diverse Payment option amongst all apps according to survey.

(11)DESIGN OF PLATFORM
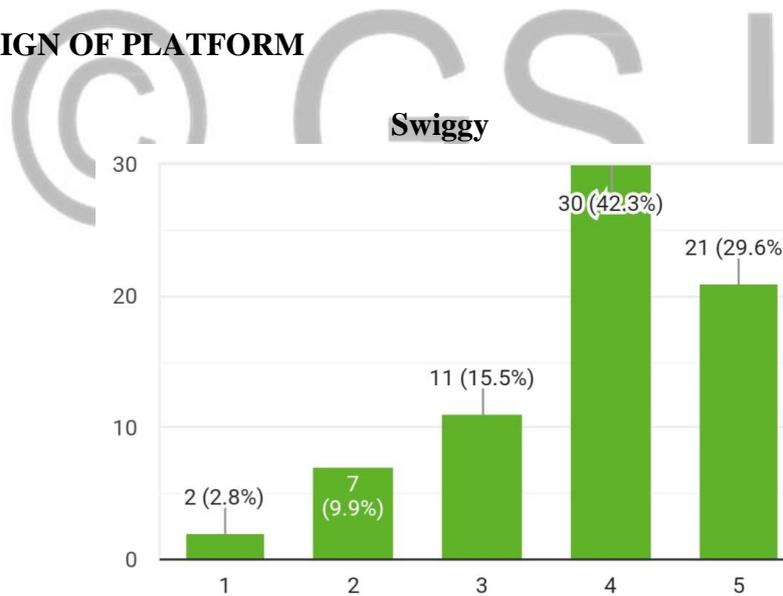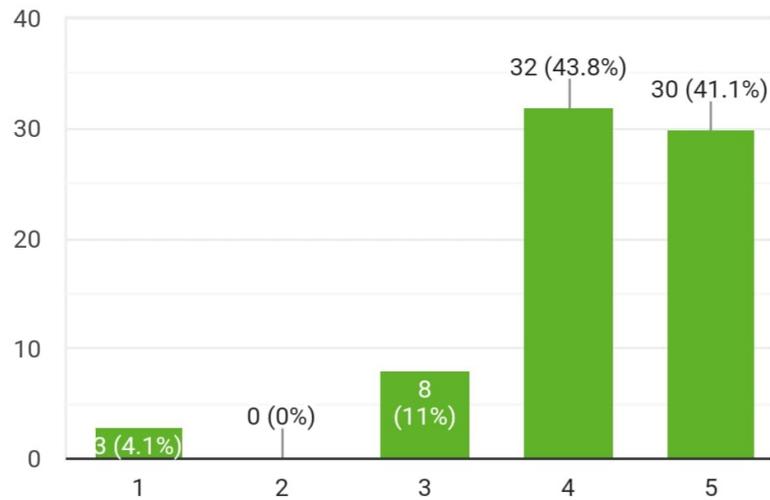
Swiggy
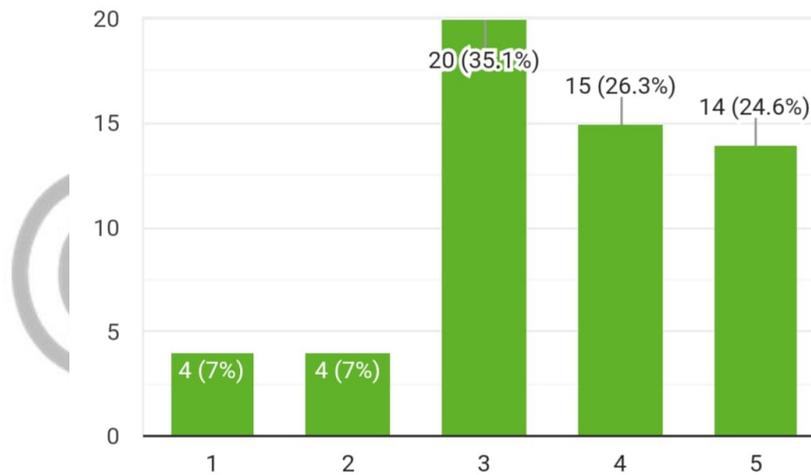
Zomato

Uber Eats
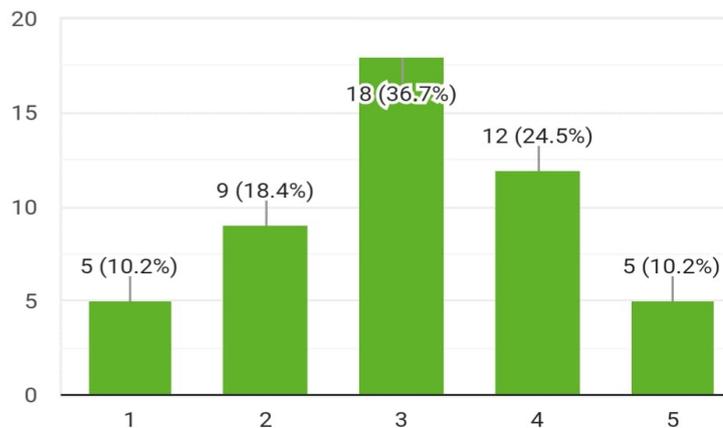
Foodpanda

Interpretation: Here also,Zomato has been rated highest(41.1 %) for the design of platform by the respondent in the survey.

(12)VARIETY OF RESTAURANTS AVAILABLE ON THE APP

Swiggy
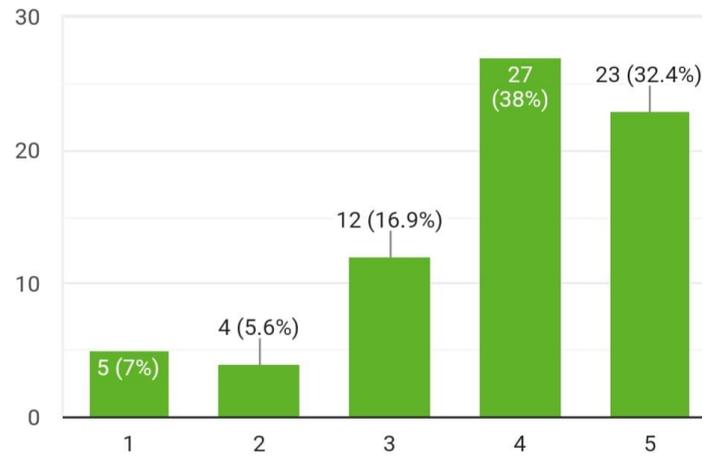
Zomato
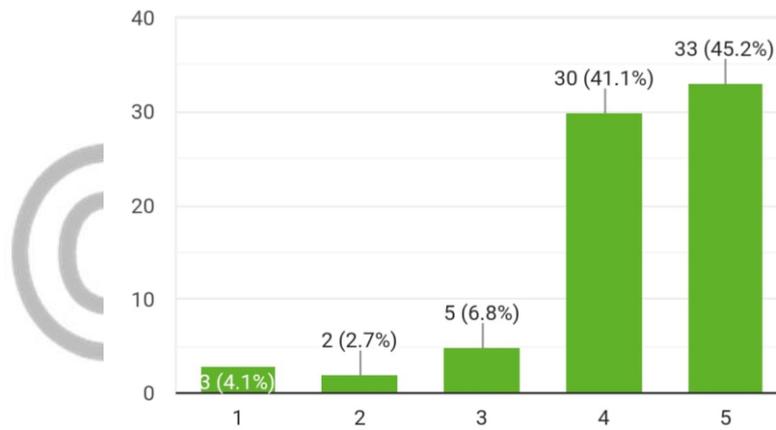
Uber Eats
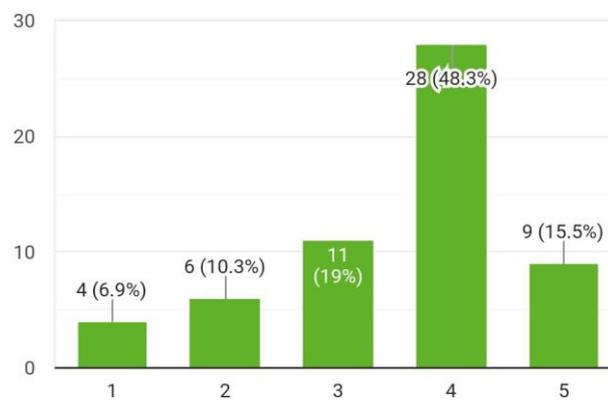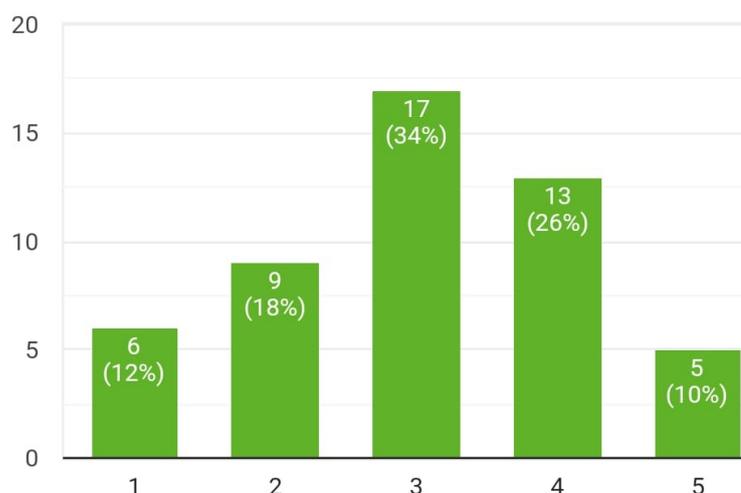
Foodpanda

Interpretation: Respondent of the survey gave highest points to zomato i.e 45.2 % of respondents. regarding variety of restaurants available , followed by Swiggy,uber eats and foodpanda

Testing of Hypothesis

H0- Behaviour of Peer service provider don not affect consumer behaviour towards online Food Delivery App.

The above data analysis shows that in case of Peer service provider behaviour,most of the respondents i.e 29.7% gave 5 stars to zomato. Hence zomato is best peer service provider

27.4 % of respomdents rated Swiggy at 5 .

24.6 % of respomdents rated Swiggy at 5 & only 7.7 % of people ratyed Food Panda at 5.

This proved that contradicts Behaviour of Peer service provider affect consumer behaviour towards online Food Delivery App and hence we reject null hypothesis.

H1- Males **are** more likely to order food online than Females.

This hypothesis is proved to be true because 56.8 % of our respondents who use online food delivery apps are males.

H2- Most of the people ordering food online are graduated and post graduated

 Most of the respondent are graduate and post-graduate. 55.6% are graduate below that 37% are post-graduate and remaining are 10th and 12th pass.

Hence this hypothesis is also accepted.

H3-Zomato is the most affordable food delivery app.

Zomato proved to be ranked highest in other all aspects but people ranked Uber.

H4-- Behaviour of Peer service provider affect consumer behaviour towards online Food Delivery App.

This hypothesis is proved true by rejecting null hypothesis.

H5- Zomato has best platform design. Platform

Zomato has been rated highest(41.1 %) for the design of platform by the respondent in the survey.Hence this hypothesis is true.

H6-Zomato and Swiggy provides maximum number of restaurants on its app.

As per the above interpretation Respondent of the survey gave highest points to zomato i.e 45.2 % of respondents. regarding variety of restaurants available , followed by Swiggy,uber eats and foodpanda. Therefore this hypothesis is also accepted

Findings

1. Out of 81 respondents, the greatest number of respondents are from Pune city and most of them were males i.e. 56.8%. male.
2. 76.5 % of respondents ordering food online were students.
3. Frequency of people ordering food is mostly on weekly basis.
4. Uber Eats is most affordable online food delivery app.
5. Zomato as highest (5 points) mad is most on time delivered app.
6. Zomato is best peer service provider
7. Zomato has maximum diverse Payment option amongst all apps according to survey.
8. Zomato has maximum number and variety od restaurants available on its app.

Conclusion

From the above research we can relate our interpretation with consumer behaviour. Factors like gender, affordability, education, on time delivery, behaviour of peer service provider, diversity of payment options affects consumer preference towards selection of online food delivery platform. Zomato ranks as highest in most of the above aspects. Hence Zomato is the most preferred online food delivering app.

Questionnaire

Consumer behavior towards food ordering apps.

Declaration

Dear respondent,
We Gopi Mistry, Palash Veer & Abhishek Maliwal , students of MIT - WPU Pursuing MBA degree. As part of curriculum we are required to do a research on Consumer Behaviour towards Food Delivery Apps. The study is intended for educational purpose only. All responses given by you will be kept confidential.

Instructions:

Kindly read the following statement and tick your responses in the appropriate box/column kindly respond to all items honestly without omitting any items.

1. Name of respondent: _____

2. Gender:
   Male( )   Female( )   others( )

3. Age
   ( ) 18-30   ( ) 31-40
   ( ) 41-50   ( ) 50-above

4. Education

   ( ) 10th pass   ( )12th pass

   ( ) graduation   ( ) post- graduation

5. Occupation
   ( ) student   ( ) working professional
   ( ) home maker   ( ) retired

6. Marital status
   ( ) married   ( ) Unmarried

7. Do you order food online?
   ( ) daily   ( ) weekly
   ( ) fortnightly   ( ) monthly

8. Which of the following apps do you use?

Apps	Use
Swiggy	
Zomato	
Uber eats	
Food panda	
others	

Tick the check box that you feel appropriate based on following statements , where following scaling is used.

1	2	3	4	5
Strongly Disagree	Somewhat Disagree	Not agree	Somewhat agree	Strongly agree

FDA- Food Delivery App

No.	Statements	Zomato					Swiggy					Uber eats					Food panda				
---	Ratings	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
9.	**I feel the brand is affordable**																				
10.	**I feel that FDA gives on time delivery**																				
11.	**I feel that packaging is perfect**																				
12.	**Behavior of peer service provider is appreciated**																				
13.	**Consist of diversity of payment options**																				
14.	**Design of the platform is excellent**																				
15.	**There are variety of restaurants available on the application**																				

16.please write any suggestions to improve efficiency of food delivery apps.

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