

An Empirical Study on Customers' Predilection towards the Online Food Delivery Companies in Madurai

Dr. Subramania Bala Jeshurun¹, Sally M², Mr. S. RamKumar³

¹Assistant Professor, Department of Management Studies, Francis Xavier Engineering College (Autonomous), Tirunelveli, Tamilnadu, India.

²Assistant Professor, Department of Commerce, The American College, Madurai, Tamilnadu, India.

³Assistant Professor, Department of Commerce, Nazia College of Arts and Science, Kariapatti, Tamilnadu, India.

Abstract

Due to the rise in the number of working women, there is a rapid change in the eating practices of the people. People do not have time to cook their food or pack it to their workplace. It is this point which has increased the demand for hotels and other food points. As the world is running short of time, going to hotels and restaurants for food is also considered as a mere waste of time. This has brought into practice the online food delivery system. This system brings the customers' wish list to their doorstep and makes work easy. More and more companies are entering the market now-and-then in order to serve the ever-increasing demand of the customers. This paper emphasizes on the evolution and growth of the online food delivery companies and analyses the preference of customers towards the food delivery companies.

Keywords: Online food delivery, customer, perception.

1. Introduction

Online food delivery has risen as one of the quickest paced improvements in the web-based business space. This sector has changed the entire view about the food industry as buyers now have the advantage to choose from a wide range of hotels, anywhere, anytime from a series of restaurants listed online. Besides, buyer adaptabilities in form of no minimum order value and various payment options like net banking, digital wallets and cash on delivery have further augmented the ease of all consumer groups. The developing urbanization with simple access to PDAs has quickened the development of the online food delivery framework. This

paper gives an outline of the factors driving the growth of online food delivery companies in India, the current competition and how this affects the traditional hotel business in India.

Evolution of Online Food Delivery Industry in India

The online food delivery system was traditionally confined to restaurants, enabling customers to order food online through their websites. This changed with the emergence of the concept of the 'aggregator business model', wherein the business player provides a 'single' online window, facilitating the customers to order food online from a wide assortment of restaurants registered on the website. The aggregator gathers a fixed edge of the order paid by the restaurant and, in return, performs the actual delivery of food itself. Though the business system of the food delivery industry then quickly progressed to a stage, wherein aggregators provide the delivery of food, thus causing the disturbance in the market. The focus changed exclusively from technology to logistics also, which operates as the chief cost drivers for the industry.

Growth of Online Food Delivery Industry in India

Zomato is the chief in the online food delivery industry with sales proceeds of roughly INR 3.33 billion, followed by Swiggy at INR 1.33 billion and Foodpanda at INR 0.62 billion, by 2017. The prime cause for the high income of Zomato is the number of listed hotels, which stands at ~50,000. This is followed by Swiggy at ~35,000, Foodpanda and Uber Eats at ~15,000 and ~12,000 respectively. Though Uber Eats has just entered the market a couple of years ago in the country, it is running with a growth rate of almost 50% on a monthly basis and has ordered almost getting doubled in the last 3 months.

2. Review of Literature

Suryadev Singh Rathore, MahikChaudhary "Consumer's Perception on Online Food Ordering."(2018): The study shows that recent improvement of the Internet has increased the e-commerce industries in a country like India. Though consumers continue to visit hotels for food, consumers feel very convenient to order food online as it reduces the need for them to visit the restaurants.

H.S. Sethu & BhavyaSaini "Customer Perception and Satisfaction on Ordering Food". (2016): The study revealed that the online food delivering systems being used by 100 percent of the respondents, and the purchasing decisions were mainly controlled by the views of

friends and family and online customer reviews. The study shows that the opinions of the existing customers and discussions in online forums decide the success of web-based food shopping.

3. Objectives of the Study

1. To analyze the origin and growth of the online food ordering system.
2. To find out the preference of the customers in online food delivery companies.
3. To offer suggestions based on findings.

4. Methodology

This study is mainly based on the primary data collected from the customers who order online food through a well-designed questionnaire and secondary data was collected from various sources like textbooks, reference books and journals and the internet. This study analyses the customers' predilection among the people in Madurai District. All the questions were followed by alternative answers. The respondents are asked to put a tick mark on the prepared answers. 250 questionnaires were distributed nearly 225 completed questionnaires were collected for analysis.

The collected data are then classified and tabulated and according to the objectives and hypothesis stated. The sample size taken for this study is 225. The sampling design adopted for the study is Convenience sampling. The questionnaire was prepared to obtain the required primary data. The data collected through the questionnaire was transferred to a master table from which various tables were prepared from further analysis. The secondary data was collected from the internet.

Framework of Analysis

To analyze the primary data, the researcher has used the following tools:

- Percentage analysis, Pie-chart, One-way Anova

Hypothesis

1. There is no significant relationship between the gender of the respondents and the Online Food delivery App preferred by them.

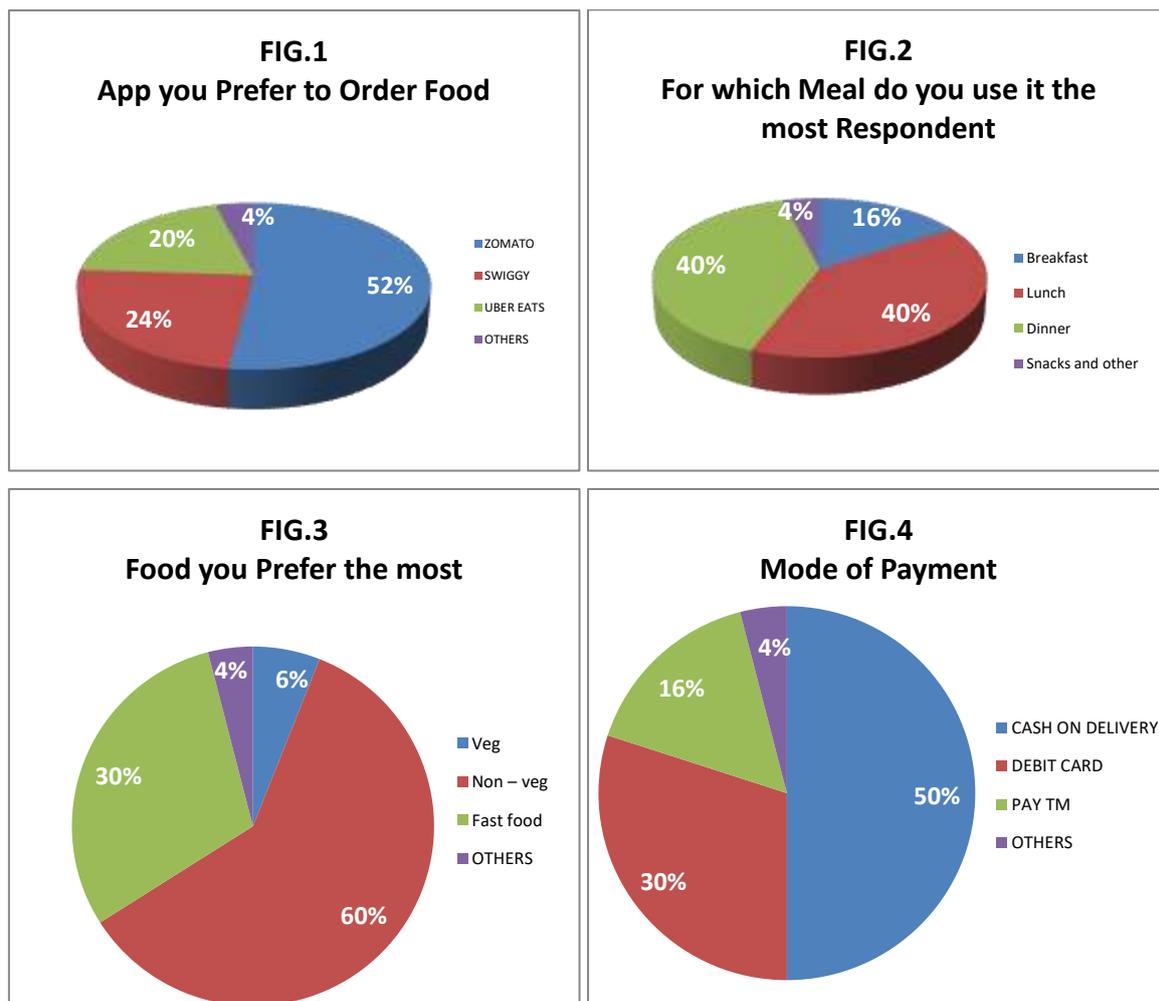
2. There is no significant relationship between the income of the respondents and the mode of payment preferred by them.

5. Limitations of the Study

- The study was restricted only to the respondents in Madurai city.
- The sample size is 225; it does not represent the whole population in the city.

6. Analysis and Findings

The Findings of the study are as follows, A maximum of 52% of the respondents prefer Zomato (Fig.1). 40% of the respondents order Lunch and Dinner respectively through online food delivery portals (Fig.2). 60% of the respondents prefer buying Non-Vegetarian food items through the online food ordering system (Fig.3). 50% of the respondents prefer cash-on-delivery mode of payment while purchasing through the online food delivery system (Fig.4).



Source: Primary Data

The results of the hypotheses are,

- ❖ H01: There is no significant relationship between the gender of the respondents and the Online Food delivery App preferred by them.

Table 01

ANOVA					
Gender of the Respondent					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.28	3	1.093	6.23	0.001
Within Groups	38.783	221	0.175		
Total	42.062	224			

Source: Primary Data

Interpretation: From table 01 F-value is the ratio between – groups mean square and within-group mean square. The F-ratio in this example equals 6.230, and its associated p-value (sig.) is reported as 0.01. It indicates the probability of observed value happening by chance. The results show that the difference between means of groups of gender is significant. Thus, we fail to accept the null hypothesis and say that there is a significant relationship between gender of the respondents and the Online Food delivery App preferred by them.

- ❖ H02: There is no significant relationship between the income of the respondents and the mode of payment preferred by them.

Table 02

ANOVA					
The income of the Respondent					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.255	3	.752	2.780	.042
Within Groups	59.745	221	.270		
Total	62.000	224			

Source: Primary Data

Interpretation: From table 02 F-value is the ratio between –groups mean square and within-group mean square. The F-ratio in this example equals 2.780, and its associated p-value (sig.)

is reported as 0.042. It indicates the probability of observed value happening by chance. The results show that the difference between means of groups of income of the respondent is significant. Thus, we fail to accept the null hypothesis and say that there is a significant relationship between the income of the respondents and the mode of payment preferred by them.

Table 03 Age of the Respondents

Particulars	Frequency	Percent
Below 25	80	35.6
26-30	59	26.2
31-35	78	34.7
41 Above	8	3.6
Total	225	100.0

Source: Primary Data

Perception is a process of an individual to identify and describe the satisfaction that is the most critical to the selected role. Age plays a vital role in the satisfaction of the online food delivery app. From table 03, 35.6% are of below 25 years and 34.7% are 31-35 years of age group.

Table 04 Marital Status

Particulars	Frequency	Percent
married	87	38.7
unmarried	138	61.3
Total	225	100

Source: Primary Data

Marital Status is a major factor that influences online purchase. Here the unmarried category is more when compared to married. From the above table 04, 61.3% of the respondents are unmarried and 38.7% are married.

Table 05. Gender of the Respondent

Particulars	Frequency	Percent
Male	169	75.1
Female	56	24.9

Total	225	100
-------	-----	-----

Source: Primary Data

Gender is a major factor influence the purchase in online delivery. Here the male category is more when compared to females. From the above the 75.1% are male and 24.9% female respondents.

7. Suggestions

1. Since most of the respondents prefer Zomato for ordering their food, the company should view this as a positive signal and maintain the same quality of service in the coming years. The other companies must strive harder to reach a greater position in the market.
2. The respondents use the online food ordering system mainly for lunch and dinner. This shows that people are not able to cook and pack their food as most of the women today are working. Companies must consider this and provide many venues to serve the customers.
3. The respondents mainly prefer Non-Vegetarian foods while ordering through online food delivery companies. This shows that customers prefer having Non-Vegetarian food items more than other foods. The companies must focus on this and provide them with foods from a huge variety of cuisines. This will probably enhance the companies in increasing their market share.
4. A maximum of the respondents prefers Cash – on – delivery mode of payment because customers are aware of the security hazards prevailing in the online payment system. In order to reduce such security issues, companies must take safety measures and provide safer payment platforms.

8. Conclusion

Hence, the online food delivery industry has not only secured its advantages and convenience to consumers but has also rejuvenated the income generation ability for businesses. The online aggregators have given a large consumer stand to restaurants over and above the already existing dine-out facility. These hotels have a new supply of business through online portals with an input of approximately 35% for the overall business. Thus, keeping in view the benefits offered to restaurants, there is a high degree of likelihood that new and more restaurants would be forced to join with the online delivery companies. This paper highlights

the preference of the customers towards the online food ordering system. Thus it provides the reader with a clear idea about the system in society.

References

1. Suryadev Singh Rathore, MahikChaudhary “Consumer's Perception on Online Food Ordering.”(2018) IJMBS volume 8, issue 4. ISSN : 2230-9519 (Online) | ISSN : 2231-2463 (Print).<http://www.ijmbs.com/Vol8/issue4/2- Suryadev-Singh-Rathore.pdf>
2. H.S. Sethu, BhavyaSaini, “Customer Perception and Satisfaction on Ordering Food via Internet, a Case on Foodzoned.Com, in Manipal”, Published by, [Online] Available: <http://www.globalbizresearch.org>.
3. https://www.researchgate.net/publication/333642857_SATISFACTION_OF_CONSUMERS_BY_USING_ONLINE_FOOD_SERVICES.
4. Jeshurun, S. B., &Karthikeyan, R. (2017, Special issue). An Empirical Study on Customer Perception towards Multi Speciality Hospitals, Tamilnadu. International Journal of Pure and Applied Mathematics, 117(22), 63-70.
5. Jeshurun, S. B., &Prakash, K. (2020, Feb). A Study on Employees Perception with Special Reference to Private Bank, Tirunelveli. Our Heritage, 68(30), 6661 - 6667.
6. <https://www.televisory.com/blogs/-/blogs/rapidly-growing-indian-online-food-delivery-industry-and-its-unrealised-profits>.
7. <https://economictimes.indiatimes.com/industry/cons-products/food/indian-online-food-delivery-industry-grew-150-in-2016-report/articleshow/57000685.cms?from=mdr>.