A Study of Customer Satisfaction with Online Food Delivery Applications

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Abstract:

Food technology has evolved over time, from cutting-edge technology in the food manufacturing process to facilitating online food delivery operations. Zomato, an Indian company, pioneered the online food industry by creating a search tool for nearby restaurants with a user-friendly interface and virtual space for comments, reviews, and assessments. This led to the evolution of the online food industry in India as a search engine rather than a delivery service. Companies like Foodpanda and Swiggy entered the market, competing for consumer attention, leading to the emergence of online food delivery applications. These platforms have become the youngest and most popular online segments in India. They serve as intermediaries between consumers and food establishments, facilitating the delivery process, bridging the gap between customers and restaurateurs, and facilitating the overall functioning of the online food delivery ecosystem. Revenue for online meal delivery enterprises is derived from commissions on food goods, typically 22% to 26% of the food item's price. However, these applications also help businesses reduce expenses related to delivery personnel wages, vehicle upkeep, fuel expenditures, and the risk of losing customers due to insufficient staff during peak periods. During discount seasons, applications allocate around 60% of the discount offered to buyers. Online meal delivery applications have been crucial in helping restaurants formulate strategic approaches to attract clients and secure their viability in a competitive environment. A study by the Interactive Advertising Bureau and Viggle showed that 69% of the overall customer base prefers using mobile devices for online orders. The Indian culinary and beverage industry has evolved, with Indian restaurants gaining global prominence due to cultural diversity and international cuisine. Online food delivery applications allow people to experience a variety of cuisines without the inconvenience of cooking and avoiding chaos and wasted time. These apps allow users to explore different restaurants and cuisines from home, place orders, and receive meals within specified timeframes, freeing up time for other productive tasks.

Keywords: Online food delivery, Customer satisfaction, Zomato, foodpanda, Online meal delivery applications.

Content

Due to the fact that the online food delivery service industry is the fastest-growing sector, it is projected to reach $2.9 billion by 2021. Restaurants are progressively leveraging technologies to provide customized services and deliver the best experience to their clients. Therefore, online food delivery and restaurant companies are anticipated to flourish by 2019 due to increased competition in the industry, optimal utilization of brick-and-mortar infrastructure, and increased revenue generation. Due to its attractive discounts, reward points for regular customers, cashback offers, availability of a variety of payment

options, and most importantly, the convenience of having a hot and fresh meal delivered to your doorstep, the online food delivery option has become increasingly popular. Not only has the option been appealing to customers, but it has also managed to entice a large number of restaurants, particularly cafes and small restaurants newly established in the area, to attract the crowd to the outlet and assist during the first year of a limited customer base to recover the costs of online orders received and balance the business.

The concept of food technology has been prevalent for many years, but the terminology has evolved over time. Initially, the concept was referred to as the cutting-edge technology employed in the food manufacturing process. Currently, this expression pertains to the technology used to facilitate online food delivery operations. Zomato anticipated the technological revolution in the online food industry, innovating to create a search tool for nearby restaurants with a user-friendly interface and a virtual space to contribute comments, review, and assess the experience. Based on these ratings and evaluations, the online technology platform assisted novices in locating restaurants with favorable reputations. Consequently, the evolution of the online food industry in India began more as a search engine than as a delivery service. Later, when companies such as Foodpanda and Swiggy entered the market and competed for consumer attention, a new concept of online food delivery emerged, ushering in a new era of online food delivery applications. Since then, the concept has been embraced by the public and, in no time, has become the youngest, with the eldest company in the sector being only 11 years old and yet one of the most popular online segments.

Zomato, originating from select Tier I cities in India, has expanded its operations globally, establishing a significant foothold in countries such as Australia and the United States of America. Uber Eats, in contrast, used a niche approach by expanding its market presence in areas that had not previously been targeted by established industry leaders, and specifically focusing on Tier-II and Tier III cities, despite entering the competition at a later stage. The prominent entities in the realm of online meal delivery have seen a surge in public fundraising, as well as engagements in mergers and acquisitions, alongside both vertical and horizontal development. The industry's prosperity has prompted cab-hailing companies like as Uber and Ola to expand their business operations into a potentially lucrative idea, using their management and distribution networks to obtain a competitive edge over other market players.

The Indian food sector has significant potential for development, mostly attributed to its capacity for value addition and its well-established food processing industry. Moreover, it remains a very lucrative sector with promising opportunities for expansion. The global society is gradually transitioning towards a period in which technology assumes pervasive influence over many aspects of human existence. The era in which individuals were required to leave their residences in order to get a package of biscuits, purchase a new party dress, or simply enjoy a meal has come to an end. The rapid proliferation of internet technology is increasingly permeating all aspects of society. The prevalence of online technology has become more prominent as a result of the growing number of individuals in the workforce who are experiencing time constraints and have limited availability for activities such as shopping, investing, banking, cooking, and even collecting pre-ordered meals from restaurants. Consequently, a visionary industry has emerged that embraces online technology, enabling individuals to access these services through their mobile devices or personal computers and have them delivered with a simple button press. Hence, the notions of online shopping, mobile banking, e-retail, and online meal ordering have emerged as widely discussed topics. Online meal delivery applications are mobile software programs that enable users to search for restaurants based on various criteria such as name, location, cuisine, or popularity. Users can then make their orders online and have the food delivered to a specified address.

Online food delivery platforms in India have established a mutually beneficial scenario across three dimensions: firstly, they serve as intermediaries between consumers and food establishments, facilitating the delivery process; secondly, they bridge the gap between customers and restaurateurs, enabling seamless transactions; and thirdly, they facilitate the overall functioning of the online food delivery ecosystem. Restaurants have successfully garnered business volume by using these applications, therefore ensuring sustainability and consistency in their operations even during periods of reduced demand. The profitability of online meal delivery enterprises is derived from the commissions they levy on the cost of food goods, which are pre-established and contingent upon mutually agreed-upon terms and conditions. Typically, the commission for this particular service is within the range of 22% to 26% of the food item's price. However, it should be noted that while some restaurants may perceive this commission as discouraging, online food delivery applications provide a means for businesses to reduce expenses related to delivery personnel wages, vehicle upkeep, fuel expenditures, and the risk of losing customers due to insufficient staff during peak periods, such as weekends when home deliveries are in high demand. Furthermore, it is worth noting that during the discount season, the applications are allocated around 60% of the discount that is offered to buyers. The use of online meal delivery applications has been crucial in assisting restaurants in formulating a strategic approach to enticing clients and securing their viability within an intensely competitive milieu. Based on a study done by the Interactive Advertising Bureau and Viggle, it has been shown that a significant proportion of consumers, accounting for 69% of the overall customer base, exhibit a preference for using their mobile devices to place online orders.

The article titled "Online Food Ordering Trend is Hot and on a Roll" discusses the rapid growth of online food ordering in India. It highlights the emergence of several food tech companies on the internet, driven by an expanding customer base and increasing demand for food. The Indian market is often regarded as a very profitable market with significant prospects for expansion. The online article named "The Real Reason Behind the Utilization of Zomato, Swiggy, and Other Food Delivery Apps: An Analysis" discusses the factors influencing individuals' decision to buy meals via these platforms, emphasizing that discounts are not the primary motivator. The primary reason that attracts consumers to engage in online ordering is convenience, followed by price considerations. A significant majority of customers, 81% to be precise, acknowledge that the convenience offered by online food ordering applications has more sway over their decision-making process than the substantial savings given by these applications. A mere 10% of the participants expressed a preference for using online platforms for food ordering, citing the allure of discounts and promotions offered by online meal delivery applications. Additionally, a smaller subset of 5% indicated a preference for online ordering due to the wider range of options accessible, enabling them to make more informed decisions. A total of 12% of participants held the perspective that online meal delivery applications impose a larger fee on clients compared to the real amount. In addition to the aforementioned notable discoveries, the study also indicated that a considerable number of consumers express apprehension over the quality of food, as seen by more than 22% of respondents expressing anxiety regarding the prompt delivery of meals. The poll results indicated a generally positive sentiment. The report posits an increase in discretionary money, a burgeoning phenomenon of DINK (Double money No Kids) couples, a continuous expansion of internet accessibility, and a surge in smartphone sales. The potential for a prosperous future in the food technology business is bolstered by the convenience that is offered by this notion. The convenience of doorstep delivery, along with the flexibility to make payments via other methods, together with substantial savings and the opportunity to earn reward points, might be seen as an added advantage. The food technology firms mostly cater to those who have time constraints

due to their professional commitments, such as office goers and working couples. Additionally, they also target college students who possess little expertise in preparing appetizing dishes. The considerable increase in demand for online meal delivery may be attributed to the expansion and improvement of educational infrastructure, as well as the rise in job prospects due to an inflow of working professionals.

The majority of India's population is comprised of young people. The preponderance of the population falls between the ages of 18 and 40. They are able to order food online due to the intuitive interface of the online food delivery applications, which do not require an in-depth understanding of information technology. Youth migrate to distant cities over time to pursue higher education, career goals, and employment. More time spent on professional activities leaves less time for cookery, and after a long, exhausting day, one would like nothing more than to eat and go to bed in order to rise early the next morning. This lifestyle-appearing trend has temporarily boosted the Indian online food delivery industry. Over the years, the customers' lifestyles have undergone significant transformations, as have their dietary preferences. People are pursuing a nutritional diet and adopting a healthful lifestyle. Working hours and weekly shift changes have severely disrupted the sleep pattern and caused such a time constraint that a meal was skipped because there was no time to prepare it. Online food delivery apps allow users to customize queries by the filter on their applications to assist nutritional explorers in locating restaurants serving those cuisines nearby, accessing the menus, ordering online, and relishing the meals from the convenience of their residences. With a limited schedule around the clock, it is advantageous to pre-schedule orders and deliveries through online food delivery applications, so that you can have breakfast before racing to work or supper after a tiring day. Due to time constraints and travel-related fatigue, the demand for services such as online food delivery applications has increased.

There has been a significant global rise in the workforce population. The Indian society has seen a shift in thinking, resulting in increased support from families and the governmental system for the provision of equal chances to individuals of both genders. This effort has therefore facilitated the access of women to educational possibilities, enabling them to attain literacy. The rise in female literacy rates has resulted in a surplus of professional prospects. Over the course of time, the representation of women has increased across several industries. Furthermore, it is noteworthy that women who possess exceptional qualities and abilities are increasingly assuming leadership roles in multinational corporations (MNCs). Nevertheless, when individuals take on more professional obligations, they find themselves pushed to make concessions in their personal obligations. An increasing number of women are opting to buy whole meals online for their families, since this allows them to save time on cooking and clean-up tasks. Consequently, they are able to allocate more time to spending quality moments with their children and loved ones.

The presence of a youthful workforce engaged in high-paying occupations has contributed to an enhancement in the metrics pertaining to discretionary income. The substantial increase in disposable income has positively impacted the level of spending. Adolescents allocate a substantial portion of their financial resources on indulging in a diverse range of culinary experiences. Engaging in nocturnal activities is often associated with an increased propensity for indulging in excessive food consumption over time. During contemporary times, online meal delivery applications seem to be advantageous in fulfilling such desires, as they do not impose any minimum order requirement. According to existing research, the primary business opportunities for online meal delivery enterprises mostly lie within the target demographic, including office workers, dual-income couples, and college students. There is a growing inclination towards organizing social gatherings and celebrations for coworkers and acquaintances inside a professional setting. Online meal delivery applications facilitate the organization

of such gatherings with utmost convenience, eliminating any potential difficulties. This versatile option accommodates a wide range of meals, including appetizers, main courses, and desserts from many culinary traditions. This enables individuals to participate in the festivities and fulfill their hosting duties without being confined to the kitchen among disarray. Over the course of time, there has been a noticeable decrease in the prevalence of persons consuming home-cooked meals in India, accompanied by a significant increase in the use of online food ordering services, hence bolstering the expansion of the online food delivery industry.

Over time, the Indian culinary and beverage industry has developed. Indian restaurants have achieved global prominence due to the country's cultural diversity and international cuisine. The restaurant industry has presented difficulties for chefs in terms of honing their skills, experimenting with new flavors, and updating their knowledge of various cuisines. Thanks to evolution, people can now experience a diversity of cuisines on their plates. Online food delivery applications permit satiety to the palette of all the members of the family without having to go through the inconvenience of experimenting in the kitchen, thereby also avoiding the detested chaos and waste of time and effort of doing it incorrectly for the first time. These apps enable you to investigate different restaurants and cuisines from the comfort of your own home, and you can place orders from multiple restaurants with the press of a button. If that does not suffice, these meals are delivered within a specified time frame, freeing up a great deal of time for other productive tasks.

Not only for restaurants, but also for patrons, online food delivery applications save time. These applications enable you to save time cooking, waiting in lines for a restaurant table, and waiting for a meal to be served at the table after placing an order. A person can access the menus of various restaurants with all the pertinent information, such as price, opening and closing times of the restaurant they wish to order from, food item availability, etc., without having to physically enter one. Additionally, one can place an order while preoccupied with work and continue working while the package is in transit. Additionally, the facility enables customers to save money on dining out.

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