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## CONSUMER BEHAVIOR TOWARDS ONLINE FOOD ORDERING IN JAIPUR

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### **ABSTRACT**

*The advancement of technology and greater use of internet has transformed the way of consumer's shopping and consumption. Now a day's smart phone is one stop solution for every necessity of a person whether a phone recharge, payment of bill, shopping of various categories, education, travel, communication, etc. The growing extent of use of smartphone has opened doors for various online or digital applications popularly known as apps. There are apps available for categories like e-payment, sports, games, education, food, travel, e-commerce, banking etc. One of the emerging market in online apps in Indian economy is the online food delivery apps, like FoodPanda, Zomato, Swiggy, Fasons, Box8, Ubereats, etc. The present paper is an attempt to recognize the penetration of digital food apps in consumer's mind. It highlights the important factors that influence consumer behaviour for using online food apps in Jaipur city and also analyze the statistical relationship between the same through primary research.*

**KEYWORDS:** *Online, delivery, apps, food, consumer, behavior.*

### **INTRODUCTION**

In the last decade the penetration of internet has highly affected the consumer decision making process to large extent. Nowadays a consumer wants to shop most of the things online. Due to this, most of the businesses have come into the online market with new types of services customized to solve consumers' problems or needs. The growing impact of western ideology on Indian customs have transformed the consumer behavior in areas like, clothing, food, travel, education, lifestyle etc. Indian consumer is now shifted towards ease and convenience parameter rather than

cost effectiveness. The necessity like food also has transformed into eating out and online delivery options due to the craziness and passion among Indians. Digitally enabled delivery allows consumers to access any type of food for any occasion—on demand. Owing to this food delivery at doorstep has turned to be one of the popular services among youth in India.

Technology has eased the process of customers having to travel to an outlet for eating out. Today customers can use their smartphones to order food from any restaurant of their choice and get it delivered too. No waste of time, no traffic hassles, no quality

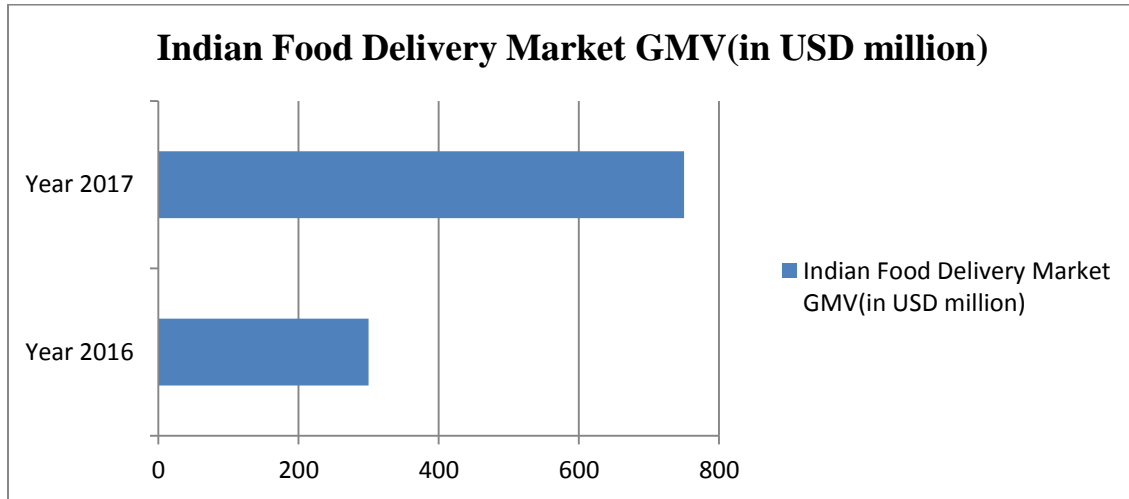
compromise – consumers are able to save time and enjoy restaurant food at the same time

According to a report Online food delivery market in India was almost non-existent around five years ago in India but now the companies like Zomato and Swiggy are both doing around 0.5 million daily food deliveries each in India. Even in cities like Ludhiana and Jaipur, where online food delivery started just a few months ago, the market has exploded to more than 10,000-20,000 food deliveries daily. Internet and ecommerce have upended lots of sectors, and food services are going to be the next big one. India is at the cusp of a great explosion in food tech and services, with big dine-in, delivery-only kitchens, and food aggregators becoming unicorns. The market size of food in India is expected to reach Rs. 42 lakh crore by 2020, reports BCG. Presently, the Indian food market is around \$350 billion.

A report by Statista on online food delivery stated that in 2018 online food delivery market’s revenue amounts to US \$ 7,011million. The revenue is anticipated to show an annual growth rate of 10.5% (CAGR 2018-2023), resulting in a market volume of

US\$ 11,569 million by 2023. With market volume of US \$ 6,527million in 2018, the largest segment in food delivery is Restaurant-to-Consumer Delivery. The food delivery market is well flourished in US with the worth around US \$ 600. Morgan Stanley’s U.S. restaurant analyst, John Glass articulated that Consumer demand for online food delivery is growing rapidly due to the persuasion of mobile apps and shrinking delivery fees.

According to RedSeer Analysis report 2017 Online food delivery grew at a staggering pace of 150% to reach USD 300 Million in Gross Merchandise Value (GMV) terms in 2016. In 2017 the GMV was growing at 140% rate with USD 700-750. Online food delivery players handled on an average 1, 60,000 orders in a day with an average order value of USD 5. In 2017, the figures reached to 3, 70,000 orders in a day with the growth rate of 130%. Consumers accustomed to shopping online especially in major cities are preferring online delivery platforms owing to convenience of scanning menus, prices and peer reviews across the restaurant, Transparency offered and Ease of payment through various modes.



Source: RedSeer Consulting

In year 2017 daily food orders raised to 3,70,000 as compared to 1,60,000 daily orders in 2016 in India.

Year	Indian Food Delivery Volumes
2016	1,60,000 daily orders
2017	3,70,000 daily orders

Source: RedSeer Consulting

According to industry estimates given in Zomato blog the daily orders in March 2018 were highest for Zomato with 1,80,000 no. of orders.

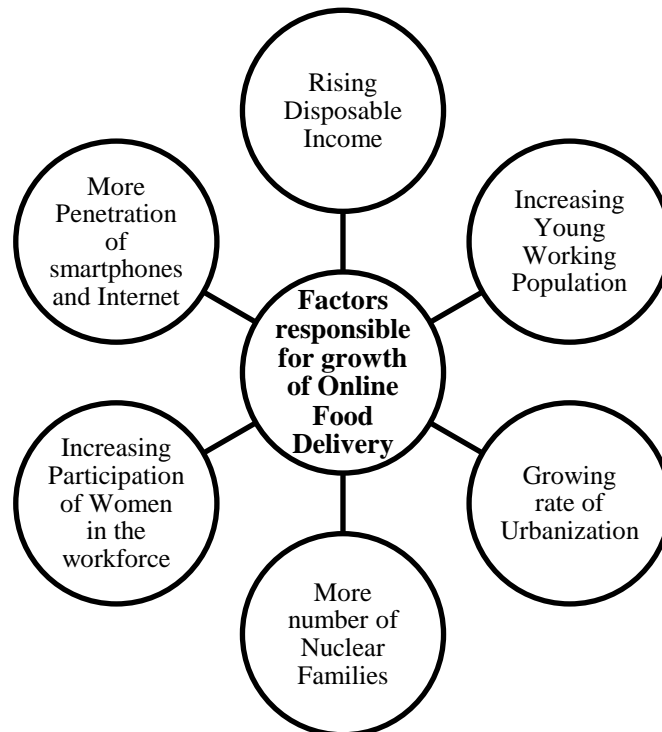
Food Delivery Aggregators	Daily Orders as of March 2018
Zomato	About 1,80,000
Swiggy	About 2,00,000
FoodPanda	Above 30,000
UberEats	12,000 – 15,000

Source: Zomato Blog Industry Estimates

**Key drivers of Online Food Delivery Business Growth:**

Due to busier consumer lifestyles and dual-working families with children, emphasis is increasingly being placed on quick meal solutions. Growing percentage of women workforce; increasing number of nuclear families, inclination towards

varieties of foreign food etc are some of the factors that have boosted the market of online food delivery apps. In the coming years food delivery will grow exponentially due to easy access to hygienic and affordable food with large varieties and changing youth consumer’s preferences.



**Fig 1: Factors Responsible for growth of Online Food Delivery**

**OBJECTIVES OF THE STUDY**

The major objectives for conducting this study are as under.

1. To identify the various factors those affect the consumer behavior towards online food delivery apps in Jaipur city.
2. To identify the most influential factor in opting a particular food app.
3. To examine consumer attitude for online food delivery services and facilities.
4. To analyze the relationship between the gender and usage of online food delivery apps.

**LITERATURE REVIEW**

In the study titled ‘Customer perceptions of electronic food ordering S. E. Kimes (2011) identified that Consumers are embracing online ordering because of its ease, speed, and precision, while restaurants see the potential for increased revenue and fewer errors—and they are responding to obvious consumer demand. The single most important attribute of electronic ordering is order accuracy. That is followed by convenience and

ease of ordering. This study concluded that perceived control and convenience are keys to customer use of online ordering for both users and non-users. Increased perceived control and convenience leads to higher satisfaction with online ordering and a higher likelihood that a customer will use or recommend online ordering.

**Banu et. al (2014)** in their article ‘A Study on Customer Preference towards Online Shopping with special reference to Tiruchirappall District’ mentioned that perception towards online shopping is getting better in India. Using internet, consumers can shop anywhere, anything and anytime with easy and safe payment options. It was concluded that consumers prefer online purchasing portals for their purchases because of the factors like product preferences, variety options available, and convenience of online shopping.

**Sethu and Saini (2016)** in their study ‘Customer Perception and Satisfaction on ordering food via internet, a Case on Foodzoned.com, in Manipal’ identified that the respondents prefer online food

purchasing due to time saving and easy access to internet. The respondents find e-payment a secure option and their online food buying is influenced by family, friends and discussions on online forums.

**Soham Trivedi (2018)** in the paper titled ‘Consumer Perception about Online Sales of Food in Indian Consumer Market’ stated that Indian contemporary lifestyle has developed a behavior in acceptance towards the convenient on-the-go food delivery system. In the survey it was examined that respondents were significantly interested in online ordering, especially the young population of India. Indian population is by all accounts in awe of this online food request and delivery choice for the comfort and prompt wellspring of food at home. With more individuals utilizing smart phones, expanding knowledge and access to the Internet, the configuration of home delivery or the takeaways have picked up significantly more customers in areas, for example, shopping centers, workplaces and enormous gathering orders for residential complexes. With the growing awareness about the different types of food applications, people prefer to buy from the most popular application or website in the Indian market. Currently, in the Indian market the most booming applications used for online purchase of food are Zomato, Swiggy, Uber eats, Foodpanda. Amongst which the maximum number of people prefer to use Zomato with 80.8% followed by Swiggy with 48.3% and Uber eats with 15.9% as per the survey conducted among 150 respondents.

**Jyotishman Das (2018)** in the paper ‘Consumer Perception towards Online Food Ordering and Delivery Services: An Empirical Study’ recognized that Doorstep delivery is the most influencing factor for online food ordering followed by ease and convenience. Most preferred online food delivery service provider is Zomato followed by Swiggy as per the findings of the survey. The factors that prevent consumers to use the online food delivery services are Bad Past Experience followed by Influence from friends/family. Consumers tend to order the food online frequently due to Rewards and Cash backs in contrast to Location factor.

**Rashmi (2018)** in the study ‘SWOT Analysis of Online Food Industry In India’ identified that the growth of Food services market is majorly influenced by the penetration of technology in the Indian population. Relatively high percentage of young and working population is eating out more than their predecessors. The factors that have led to more consumption of online food ordering services by youth and working consumers are higher income, hectic routines and tech savvy characteristic.

## RESEARCH METHODOLOGY

The present study is based on both primary data and secondary data.

### Data Collection and Sampling:

The present study is based on both secondary data and primary data. The secondary data was collected from various reports, journals, company websites, industry news, etc. For the purpose of primary data collection a structured questionnaire was designed covering major influencing factors of consumer behavior towards online food delivery apps. Both close-ended and open-ended questions were used. For collecting responses for all variables focused in the study 5-point Likert scale ranging from strongly disagree(1) to strongly agree(5) was used. The questionnaire was distributed among 130 respondents of different locations of Jaipur city, out of which 113 questionnaires were considered appropriate for data analysis. So the sample size for the present study is taken as 113 respondents. The Convenience sampling method of non-probability sampling was used for data collection. The researcher has provided questionnaires to students, housewives, professionals and self-employed residing in the prominent locations of Jaipur city.

### Tools for Data Analysis:

The following tools were used for analyzing the data collected from respondents.

- Percentage Analysis
- Ranking method
- Weighted Average method
- ANOVA

## HYPOTHESIS

- $H_0$ : There is no most influential factor for usage of online food delivery apps.  
 $H_1$ : There is a most influential factor for usage of online food delivery apps.
- $H_0$ : There is no significant relationship between gender and online food ordering behaviour.  
 $H_1$ : There is a significant relationship between gender and online food ordering behaviour.

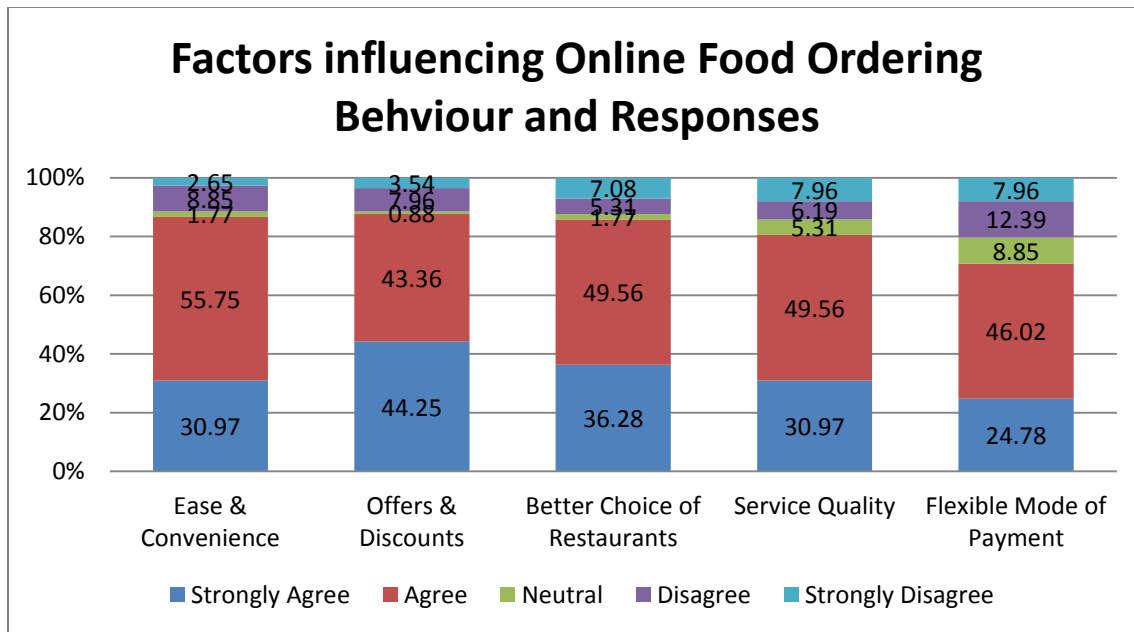
## DATA ANALYSIS AND INTERPRETATION

The consumer behavior is affected by various factors. For the purpose of analyzing consumer behavior towards online food delivery apps, these influencing factors were classified into five major heads:

1. Ease & convenience using food delivery app
2. Offers & Discounts
3. Better choice of Restaurants
4. Service Quality
5. Flexible mode of Payment

The Likert scale was used to collect responses related to the questions based on above five major influencing factors. The summary of responses collected is given in the following chart.





Source: Primary Data

From the above graph it can be interpreted that 44.25% of respondents strongly agree that Offers & Discounts highly influence their food ordering behavior. 55.75% of respondents agree for Ease and Convenience as influencing factor.

For the purpose of identifying the most influencing factor of Online Food ordering behavior the responses of agree and strongly agree were taken together as agree. The responses of strongly disagree and disagree were summed as disagree. The responses of neutral were not considered for data analysis using weighted average method. The results of analysis are depicted in the following table.

Influencing Factors	Ease & Convenience	Offers & Discounts	Better choice of Restaurants	Service Quality	Flexible Mode of payment
Mean	3.973	4.124	4.044	3.912	3.628
Rank	III	I	II	IV	V
Weighted Average	3.936				

Source: Primary Data

The mean of various factors affecting consumer behavior towards online food delivery apps shown in the above table demonstrate that offers & discounts are the prime influencing factor with average value of 4.124. Consumers are least influenced by flexible mode of payment factor (average value= 3.628) while using online food delivery apps. The weighted average value of the five influencing factors carried out in

present study is 3.936. Thus the null hypothesis ‘There is no most influential factor for usage of online food delivery apps’ is rejected.

To investigate how gender affects consumer’s attitude towards online food shopping ANOVA technique was used with a single factor. The gender based responses for all five factors are shown in the following table.

Influencing Factors	Ease & Convenience	Offers & Discounts	Better choice of Restaurants	Service Quality	Flexible Mode of payment
Gender					
Male	56	54	61	49	40
Female	42	45	36	42	40
Total	98	99	97	91	80

Source: Primary Data

Using ANOVA on the above data related to gender following table was created.

**Table 3: Results of ANOVA**

Source of Variation	SS	df	MS	F	P-value	F-crit
Between Groups	125	4	31.25	0.3286	0.848	5.192
Within the Groups	475.5	5	95.1			
Total	600.5	9				

If the P-value is less than alpha ( $\alpha$ ) i.e. 0.05, then there is statistically significant difference between groups. In this study, the P-value between groups of male and female is 0.848 which is greater than 0.05. Therefore this test results indicate that there is no significant difference between Males and females online food ordering behavior. It can be concluded that gender do not have any significant impact on consumer behavior towards online food delivery at 95% confidence level. Thus null hypothesis 'There is no significant relationship between gender and online food ordering behaviour' is accepted.

### CONCLUSION

The growing percentage of youth and women in employment and their hectic schedule the demand for digitally enabled services are gaining momentum in India. Nuclearization, industrialization, inclination towards more cuisines has opened market for food delivery aggregators in the country. The cities like Bengaluru, Delhi and Mumbai are major target audience for these online delivery apps. The food delivery companies are estimating Jaipur city as the huge potential market due to food loving habits of citizens and increasing women percentage share in employment. The present study investigates the consumer behavior towards online food ordering and the factors influencing the same. It was observed that most of the people were aware about the presence of online food delivery apps in Jaipur. The popular apps among Jaipurites were Zomato, Swiggy, Uber Eats and Food Panda. These companies offer promotional schemes and special offers on festivals and weekends to attract more number of consumers. The offers and discounts was the most influential factor for ordering food online among residents of Jaipur city. People were least affected by the mode of payment available on the apps. It was observed that there is no difference in the usage of food apps on basis of gender. Both male and female prefer to order food online due to offers and discounts provided by the online food delivery aggregators in Jaipur. Ease and convenience provided by the delivery apps is second persuading factor among the Jaipurites. While choosing a food delivery platform majority of respondents' decision making is affected by the better choice of restaurants on the portal.

### Limitations of the Study:

The present study is restricted to small sample of Jaipur city. Hence the results may not be applicable to other places of the country. The conclusion and analysis is solely based on the responses provided by the respondents. There may be a possibility of biasness in the information given by respondents.

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