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ONLINE ORDERING SYSTEM AND CONSUMER ACCEPTANCE FOR FOOD ORDERING APP IN CHENNAI

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ABSTRACT

Online ordering of food in India is still in its early stages despite gaining visibility recently. "Despite the visible popularity of online food ordering,we reckon only 27 per cent of the 40 million online shoppers are ordering food online,'' a report said. E-commerce companies in the food-tech space are present across the delivery value-chain in the form of order aggregators such as Swiggy, Zomato, Dunzo with outsourced delivery; as full-stack food delivery companies such as Freshmenu and Holachef; and as B2B delivery outfits such as Grab, Roadrunnr and Shadowfax, which work with aggregators and restaurants.This paper deals with evaluation of the competitor analysis towards different services offered by online food ordering companies and the effect on consumer online ordering this study has been conducted for online food ordering app among students and IT professionals. . The outcome of this research helps in understanding the services like discounting facilities, food delivery, information of restaurants, cost of food, review and ratings on hotels, proximity are few of the important factors considered in comparing the services of online food ordering companies with its competitor's services that are crucial from the point of view of consumers.

KEYWORDS: E-Commerce, SWIGGY, ORDERING APP, ZOMATO etc.,

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INTRODUCTION

Food and Beverage retail sector is growing rapidly across the world. In 2015 the overall growth rate of this segment is 25% which would remain stable or might increase in faster pace in the coming years (Technopak, 2015). Eating out is a common practice of entertainment throughout the world. Even in underdeveloped and developing countries it is found to be passion among people. Especially in metros and small cities, the restaurants and takeaway services are changing the lifestyle of human beings from traditional cooking method to buy cooked stuff outside methods. This paves way for the gigantic growth of online restaurant search and food delivery companies in India. Compared to the 10-12 cities covered by the Indian food delivery companies, comparable companies have scaled up operations to cover 200-plus cities in China with online food delivery sales estimated at $20 billion in 2015. The dawn of social media as a marketing tool made each customer based segment run to invent new trend of marketing. In this world of "reach out or lose out", it is no shock that Food & Beverage brands have also marched up into the social media space. In addition to that restaurants are showing their individuality in offerings, companies like Swiggy are playing vital role in making the customers aware of restaurants in their locality with all the data in a single search. The mindset of the foodies especially those involved in organized part of food needs to understand the role of customers that will be helpful in the development of the business. Customers are confronted umpteen numbers of alternatives in front of them. Sensing the importance of matter at hand, it was taken as a subject of study in the present project. The study is focusing on the competition prevailed within the online food ordering industry, focusing on online food ordering companies one among the businesses. The competitors included for this study were Zomato, Faasos, and Dunzo and other options to know the customers' perception about challenges and prospects in the industry.

PROBLEM OF THE STUDY

The customers in Chennai are prone to many options left out in the market when it comes to food and restaurants. The competition advantage of major players who accept online order and deliver food through apps has expanded vastly after Covid pandemic. Players like Zomato, Dunzo, Faasos, easydiner, dominos, KFC, Pizza Hut, etc., are slowly covering ground in domestic area. Advertisement focused on the social layers

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in the website and mobile applications on maintaining a rock solid content platform.which is funny and interactive at the same time makes these companies stand strong inthe competitive market

NEED FOR THE STUDY

Food industry is amongst the fastest growing sectors in the country and India is one among the emerging potential market. So this project analyzes the current trends of online food ordering segment and the scope of the research is limited to Chennai location. The study of the consumer awareness and their shopping trends enable us to analyze one's own decision in buying. The very look of the online food ordering companies attracts people, the way in which restaurants are listed not only to buy, but also spend sometimes in browsing the page. The consumer takes a look to choose the product and understands the inferential as well as the external factors. This is done by sitting inside their house or office. It is a matter for study as to why people come and visit the page. This research helps to gain insight of the competitor analysis and how to cope up with issues regarding the retaining the sales volume, increasing the customer base, and change in strategy, competitor analysis. Consumers are being attracted towards colorful display, and outlook of the website and app

OBJECTIVES OF THE STUDY

Primary Objective

To study the online ordering system and consumer acceptance for food ordering app in Chennai

Secondary Objectives

- To find out the customer perception about the delivery performance To understand service quality of various competitors
- To identify the respondents group who are mostly ordering food throughmobile apps
- Analyzing their competitors and better execution of their strategies
- To study the availability of information on site and app in par with its competitors

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SCOPE OF THE STUDY

The scope of the project is limited to online food ordering companies servicing in and around Chennai location. This project report deals with evaluation of the competitors' analysis prevailed within the online food ordering industry, focusing on Swiggy, Zomato, Faasos, and Dunzo and other options to know the customers' perception about challenges and prospects in the industry.

LITERATURE REVIEW

Aniruddha Deshpande, 2019, Some start-ups in the Indian Food & Beverages industry have revolutionized the way we look around for places to dine. The scenario has changed from previous practice when we had to actually go to restaurants to select the restaurant and have the experience. Today, choice for the best places to have food is just a click away. One can choose the best rated place and then decide to enjoy there with friends and family. Zomato is an online website which provides restaurant search and discovery service. It provides its customers a platform to evaluate choices for great places to eat. It has set foot on 22 countries including India

Mredu Goyal, 2016, The rapid development of technology and communication channels has made consumers use internet and web tools more today. The most significant one of the tool is social media. Social media gives consumers the power to seek information about the various product and services, criticize them in equal manner and much more. Thus majority of companies today have incorporated social media in their strategies and operations to connect with prospective consumers. This paper aims to study the impact of social media on consumer behavior in restaurant industry of jaipur city. The data presented in this paper is collected through questionnaire which was distributed among various consumers of different age groups and the collected data is coded, calculated and analyzed with the help of statistical tools. In the research various variables such as aim, duration, motivation and effect of using social media, have been conceptualized into an integrated framework to analyze the impact of social media marketing on consumer behavior while selecting restaurants to visit.

Varsha Chavan, Priya Jadhav, Snehal Korade and Priyanka Teli, 2015, Typically

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in a restaurant food order process involves several steps for ordering the food where firstly customer starting from browsing the paper based menu and then inform to the waiter for ordering items. Usually the process requires that the customer has to be seated before starting. An alternative method for the customers is "Food Pre-Order System using Web Based Application" in which customer can be able to create the order before they approach the restaurant customer using Smartphone. When the customer approach to the restaurant, the saved order can be confirmed by touching the Smartphone. The list of selected pre-ordered items shall be shown on the kitchen screen, and when confirmed, order slip shall be printed for further order processing. The solution provides easy and convenient way to select pre-order transaction form customers

Zulkarnain Kedah et.al., 2015, This study examines the determinants of the customer ordering experience, which include website trust, customer satisfaction and loyalty. The determinants are represented by website quality and service quality. A survey data of 353 online food ordering customers were used to test the research model using structural equation modelling (SEM). Results reveal that not only is there a significant positive relationship between website quality and website trust but also a significant positive relationship between service quality and customer satisfaction. Furthermore, significant positive relationships are also found not only between website trust and customer satisfaction but also between customer satisfaction and loyalty. Finally, the study also found an unexpected direct link between service quality and loyalty. Overall, the study provides valuable insights for operating online food ordering services successfully.

METHODOLOGY

The respondents are students and IT professionals in Chennai. The research questions are set in a structured format to be asked to the respondents. Descriptive research adopted in this study. Convenient sampling method is used to collect data through questionnaire.

Sampling Segment: Students and IT professionals in Chennai

Sample Size: 250 respondents

The primary data was collected using Questionnaires from information given by Food lovers using online sites and app for food order and restaurant search.

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DATA ANALYSIS & INTERPRETATION:

CHI-SQUARE TEST

Considered Factor: *Preference for online Food Ordering Vs Age of the respondents*

To find the reliability of the collected data Chi-square test has to be conducted, required hypothesis is the null hypothesis

Null Hypothesis:

Ho = There is no significant relationship between age of the respondents and the reason they have to prefer food online ordering

Alternate Hypothesis

H_1 = There is a significant relationship between age of the respondents and the reason they have to prefer food online ordering

Age * Preferonline Crosstabulation

			Preferonline					Total
			Fast delivery	Convenient	Time saving	Money saving	All the above	
Age	0-15 Years	Count	7	2	0	0	0	9
		Expected Count	5.4	2.5	.4	.2	.6	9.0
	16-30 Years	Count	135	48	10	5	14	212
		Expected Count	126.4	59.4	8.5	4.2	13.6	212.0
	31-45 Years	Count	5	20	0	0	0	25
		Expected Count	14.9	7.0	1.0	.5	1.6	25.0
	45-60 Years	Count	2	0	0	0	2	4
		Expected Count	2.4	1.1	.2	.1	.3	4.0
Total		Count	149	70	10	5	16	250
		Expected Count	149.0	70.0	10.0	5.0	16.0	250.0

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	52.034[a]	12	.0005
Likelihood Ratio	44.703	12	.000
Linear-by-Linear Association	5.559	1	.018
N of Valid Cases	250		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .08.

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Chi square value of **χ (12) 52.034 > P (0.0005)** and the accepted is Null Hypothesis. Hence there is no significant relationship between age of the respondents and the reason they have to prefer food online ordering

ONE WAY ANOVA TEST

Hypothesis set between income of the respondents and their approximate spending on food order

Null Hypothesis: Ho = There is no statistically significant relationship between income of the respondents and their approximate spending on food order

Alternate Hypothesis: H_1 = There is a statistically significant relationship between income of the respondents and their approximate spending on food order

Descriptives								
Approximate								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Less than 20K	90	1.9000	1.03912	.10953	1.6824	2.1176	1.00	4.00
20-30K	86	1.7209	.94123	.10150	1.5191	1.9227	1.00	4.00
31-40K	28	2.2500	1.17458	.22197	1.7945	2.7055	1.00	4.00
41-50K	31	1.8065	1.10813	.19903	1.4000	2.2129	1.00	4.00
Above 50K	15	1.8000	1.01419	.26186	1.2384	2.3616	1.00	4.00
Total	250	1.8600	1.03377	.06538	1.7312	1.9888	1.00	4.00

ANOVA TABLE

ANOVA					
Approximate					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.209	4	1.552	1.463	.214
Within Groups	259.891	245	1.061		
Total	266.100	249			

This is the table that shows the output of the ANOVA analysis and whether we have no statistically significant difference between our group means. We can see that the

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significance level is 0.214 (p = .214), which is above 0.05, therefore, there is no statistically significant relationship between income of the respondents and their approximate spending on food order

CORRELATION CO-EFFICIENT

A Pearson product-moment correlation was run to determine the relationship between occupation of the respondents and satisfaction with the search options and page display of online food delivery app

Correlations			
		Occupation	Search options
Occupation	Pearson Correlation	1	.065
	Sig. (2-tailed)		.307
	N	250	250
Search options	Pearson Correlation	.065	1
	Sig. (2-tailed)	.307	
	N	250	250

The data showed no violation of normality, linearity. There was a positive correlation between occupation of the respondents and satisfaction with the search options and page display of online food delivery app, which is statistically significant (r = 0.065, n = 250). The Pearson correlation coefficient, r, is 0.065, and that this is statistically significant

SUGGESTIONS & RECOMMENDATIONS

- ☞ Brand name and promotions both together account for a company's awareness among the people in any online business scenario. Still cut throat competition prevails which urge to increase the promotion through various promotional strategies are the great ever challenge stood before almost all the online food delivery companies
- ☞ The most preferred factor for decision making is trust worthiness; many respondents in this study said lack of trust in online food order make them to restrict buying from online food companies. The company should promote in

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such a s way to acquire customer goodwill

- ☞ Online food companies should focus more on improvising the sales force to maintain an effective follow up and improve CRM practices as promotional technique while going for their campaigns.
- ☞ Customer care services also act as a major determining factor while deciding upon a company. Therefore it should be used as an after sales services tool as well to retain customers and to enhance referrals.
- ☞ Family and peers act as a major influence while decision making while purchasing a product. Advertisements targeting the kids or family head will prove to be fruitful. positive word of mouth communication acts as a major promotional factor to stand ahead of competitors
- ☞ Competitors strategies are also to be closely watched to enhance the products and services of online food companies
- ☞ Referral bonuses and discounts can be announced to make customers stay with the company and to acquire new customers
- ☞ Repeated customers can be rewarded with coupons
- ☞ Campaigns on corporate can be made to get more users

CONCLUSION

The study carried out in Chennai among IT people and students, analyses the factors that prompted the customers to choose online food companies from its competitors for ordering food online and search restaurants. The major outcome of the study was the actions and corrective steps that need to be initiated by the company for every factor and reason that prompted the consumers to select a particular online food ordering company.Thus the report on “competition analysis” enables the companies to know where they are in market and what their competitors are doing. This is achieved with

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the help of structured questions from the respondents who were from Chennai metro. The top players were Swiggy, Zomato, Dunzo, Faasos and few other local based online food ordering companies. This study also list out all the essential aspects to be considered for preventing the customers falling in the hands of the competitors. Satisfaction is the major factor that binds a consumer to stick on to a brand. Which is clearly understandable from the study, Swiggy wins the competition in Chennai market. But more and more promos and brand establishments are to be done to prevent customer leakage. The competitors are also spreading their business wings very swiftly. This is the time for the company to stay awake and win the game .

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