

# An Analysis Of Customer Preference Towards Digital Food Ordering Applications In Uttar Pradesh

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**Abstract:** Modernization in the lifestyle of a common Indian is very much in favor of digital food delivery applications. The shift of youth to metro cities, extended working hours, high commutation time are a major motivational factor for eating out or ordering food digitally. Everyone needs to have food at regular time intervals which ensure repeat in demand and growth in the Market. Eating out is also an available option but due to time constraints and high on the pocket, this option is not as in demand as Digital food ordering apps. There is populous digital food ordering portals are available for online food delivery. To succeed digital portals have to understand the needs, tastes, and preferences of customers. In this research paper customer preference towards 10 different digital food ordering applications is analyzed. Friedman rank test and Chi- Square Test is done on a sample of 1000 from Uttar Pradesh. The study results concluded that Zomato and Swiggy are the most preferred digital food ordering apps in customers and customer preferences vary on one to other applications.

**Keywords:** Customer Preference, Digital food ordering applications, Friedman rank test, Online food delivery, Uttar Pradesh, Zomato

## 1. INTRODUCTION

The digital food ordering applications are the mediator by which restaurants, home chefs, hotels, canteen, in fact, a Reddi wala (Roadside food cart) can parcel his food to consumer's footsteps. Presently customers are more attracted to Digital food ordering apps as compared to specific restaurant food delivery channels. This is due to a variety of cuisine, restaurants, and Chef special menus all available on a single platform. So now people need not carry or save pamphlets of a particular place to order food. These apps can be directly downloaded to any Smartphone and after registration of address, profile, payment options food is on a click of a button. Every other food delivery offers varieties of discounts, services, features, and competitive prices. In the year 2019 Indian food business was \$ 350 billion and going to expend \$420 billion in 2020. Previous order history, most ordered, customers review, Palette suggestion are some attractive features that make online food ordering talk of the town. This platform is coming up with innovative concepts to give their customers a more satisfactory, convenient and world-class experience. Initially, investors were dicey about the success of this concept but after seeing the boom in online food and take away many players has entered the market. Zomato, Swiggy, Food panda, Uber Eat, Just eat are few players of digital food ordering apps. Whereas Dominos, Pizza hut, faasos, KFC, Mc Donald is having their delivery chain.

## 2 REVIEW OF LITERATURE

Sheryl E. Kimes (2011), concluded that perceived risk and convenience both are important for online food ordering

services. Non-users require more personal attention and also have a dicey attitude towards the use of internet technologies and risk associated. Serhat Murat Alagoz & Haluk Hekimoglu (2012), stated that e-tailing in the food industry is exponentially growing worldwide. They have found that the Technology Acceptance Model (TAM) is a base to study the acceptance of digital food ordering apps. They stated that the convenience and usefulness of online food ordering platforms are the major factors for success. Out of box ideas, their trust in websites is also a factor As per Varsha Chavan, et al, (2015), the customer and website interface to order online, view and follow their parcel has helped restaurants or chefs to deliver food conveniently. The growth of the internet and the increase in the number of smartphones are giving support to the service industry. Ease of order, fast service, and convenience are inculcated by food apps. Apps are getting better day by day. H.S. Sethu & Bhavya Saini (2016), attempted to record the perception, behavior, and satisfaction of students towards digital food ordering applications. Their analysis showed that digital food ordering and delivering applications are time savvy due to availability at ease. Availability of different cuisine, food visibility at tip level is a major factor. Low internet data tariff promotes too. According to Leong Wai Hong (2016), the introduction of new technologies to a business promotes profit margin and production. Digital food ordering applications are enriching restaurant businesses and nurturing them too. It facilitates retails to cater to online customers and total use of their manpower and space. Harshleen(2016)concluded that Portals should allow new features to maintain innovativeness. Review authenticity should be maintained. Zomato has excellent Brand equity. Zomato is fulfilling the needs of customers. Kanupriya and Anupreet Kaur (2016) in their study ascertained that flexible shopping hour, less time evolved, shopper convenience, many product displays are the key factors that influence and promotes customers to opt for online shopping over the retail stores. Payal Upadhyay and Jasvinder Kaur (2016) concluded in their study that detailed information, perceived effectiveness, easy process; perceived shopping experience and cyber security are the dominant factors which promote customer to do online shopping. Pritam P. Kothari and Shivganga S. Maindargi (2016) in their study ascertained

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that cognition, comfort to use, sensed usefulness, sense of enjoyment and security are the five reasons that induce a customer to prefer Online shopping. Saranya and Anandh (2016) in their study ascertained that easy access, attractive display of products and clearly described details about the product promote customers towards e- shopping. Also studied that customer prefers to purchase cosmetics, fashion products followed by electronics items, footwear by online shopping. Khushboo Makwana(2017) in their study ascertained that “less time consuming”, “best-offered price”, “quick delivery”, “exciting offers”, “COD option availability” and “any time access” are the motivating factors to opt for online shopping. Rifaya Meera, R. Padmaja and R. Mohammed Abubakkar Siddique (2017) identified in their study that the presence of various brands, variety of offers and discounts vouchers, any time availability, exclusive products display are the main reason for the success of the online medium. Dr .M. M .Goyal (2014) has surveyed that more and more people are going for online shopping. However, it is a common trend that consumers find out discounts online but purchase offline. The reverse trend has also started where consumers get the physical touch of the product in the retail stores but purchase online. 35% of their respondents said that they research offline and make purchases online. On the other hand, 47% of their respondents are doing research online but make purchases in the stores. This shows that consumers still use online portals to get information and compare prices but feel comfortable to purchase the goods in the brick and mortar<sup>1</sup>. Vijay, Sai. T. & Balaji, M. S. (May 2009), revealed that Consumers, all over India, are shifting from the crowded retail stores to the one-click online shopping portals. However, despite of the most convenient way, online shopping is far from being the most preferred form of shopping in India. A survey among 150 internet users, including both users and non-users of online shopping, was carried out to understand why some preferred online while others do not. The results revealed that convenience and saving of time motivate Indian consumers for online shopping; while security and privacy concerns stop them from doing so. Prof Kalpana Singh (2014) concluded that traditional kirana store competes with organized retail in terms of prices, variety, and quality. Modern retail offers convenience in shopping experience to customers and affects kirana and small traders. Kirana stores will survive and can become part of modern retail by organizing themselves and getting adding them into the organized sector. In the opinion of some experts, in India, the so-called mom-and-pop retailer is a very relation savvy businessman and has customer relationship skills and service levels that are very hard to beat. Park and Regan investigated home delivery services create greater complexity in supply chain function. When the customer is not at home at the time of delivery of goods it's become the most critical factor for the success of home delivery operations. Many home deliveries involve customer demands that are extremely time-sensitive. These problems cause higher operating costs for couriers and lower customer satisfaction. Sajjad Nazir and Arsalan Tayyab (2012) said when consumers have to make purchases online to buy any particular; he is affected by assorted factors. The main deciding factors have been identified as price, confidence, security, convenience, time, after-sale service and discounted deals. The price factor exists because the prices are often lower in online shopping as compared with brick and mortar in the market. Online shopping purchases can be of great benefit to the consumer in

terms of convenience, saving time and money. Jayendra Sinha and Jiyeon Kim (2012) study identified particular demographics (other than just gender) that might have an impact on Indian consumers' online shopping behavior patterns. The findings of the study helped online retailers to better understand the psychology of consumers and prepare themselves to attract consumers towards the online platforms. They could target money back guarantee, insured and assured delivery to alleviate risk factors. It would help managers understand the online consumer's requirements better and work towards a new area of retail in India as Internet shopping would help retailers present a potentially low-cost alternative to brick and mortar options. Dr.HenrikB.Okhm (2013) survey reveals that problems related to free home delivery services are the main reason for not buying online goods. Delivery-related problems are responsible for 68 per cent of the situations where e-shoppers have added items to their shopping cart, but suddenly face unexpected delivery costs that are considered too high. The second most important reason is that delivery times are considered too long to get the goods. His survey also shows that delivery conditions impact repeat purchases. At least 90 percent of e-shoppers mention low delivery prices and convenient return options as important for their decision to buy from the same web portal repeatedly. 'Free' delivery or flexible and convenient deliveries timing are also important (mentioned by 85-90 percent of e-shoppers) Statement of the Problem Splendid growth of online food e-tailing has attracted many startups and international investors to enter into the Indian e food business and capture the niche and potential market. For this, the new entrant needs to understand their preexisting competitions. And the existing business has to introduce new ideas to sustain their position. Customer preference towards any particular digital food ordering apps gives the idea of the same to both new entrant and existing ones in Uttar Pradesh.

## OBJECTIVE

- To identify customer preference (Nominal) towards digital food ordering apps in Uttar Pradesh.
- To rank customer preference (Ordinal) towards digital food ordering apps in Uttar Pradesh.

## 3 RESEARCH METHODOLOGY

Data collection Primary data collection is done by the Questionnaire method. Sampling Data sampling method is Non –Probabilistic convenience sampling. Sample Size Sample size is taken 1000 based on the 'items to response' method by Hair et al. (2003) To ascertain customer preferences Top 10 digital food ordering applications are taken. Sample area Uttar Pradesh is taken as a sample area. Tools Friedman test, Chi square test, Rank test, Average arithmetic mean (Non –Parametric tests) have been done along with percent analysis of Nominal data.

### Analysis of data

#### Nominal classification

**Table- 1 Gender wise classification**

Gender	No. of Respondents	Percentage
Male	565	56.5
Female	435	43.5
Total	1000	100

**Table- 2 Age wise classification**

Age	No. of Respondents	Percentage
Below 25	244	24.4
25-35 years	481	48.1
35-45 years	148	14.8
Above 45 years	127	12.7
Total	1000	100

**Table- 3 Occupation wise classification**

Occupation	No. of Respondents	Percentage
Professional	46	4.6
Government worker	109	10.9
Private Worker	557	55.7
Businessman	98	9.8
Students	128	12.8
Others	62	6.2
Total	1000	100

## Ordinal Classification

**Table- 4 Customer Preference towards digital food ordering Applications Friedman Rank Test**

Applications	High	Moderate	low	AWM	Mean Rank	Rank
Food Panda	771	104	125	26.4	1.354	3
Zomato	862	122	16	28.4	1.154	1
Swiggy	774	158	68	27.06	1.294	2
Ubereat	246	687	67	21.79	1.821	6
Dominos	597	252	151	24.4	1.554	4
FoodKartz	49	177	774	12.75	2.725	10
Just Eat	156	375	469	13.7	2.313	8
Faasos	312	246	442	18.7	2.13	7
Pizzahut	484	412	104	23.8	1.62	5
Freshmenu	109	405	486	16.23	2.377	9
						1-10 ranking

From the mean rank, we can easily understand the most and least preferable portal among the ten portals. Therefore Zomato (1.154) is most preferable and Foodkartz (2.725) is the least preferable portal.

**Hypothesis**

Here the hypothesis to be tested is as follows:

H<sub>0</sub> =The Customer acceptance levels of all applications are the same.

H<sub>1</sub> = The Customer acceptance levels of all applications are not the same.

Friedman test Statistics

$$(\chi_r^2) = \frac{12}{b \times t \times (t+1)} \sum_{i=1}^t R_i^2 - 3b \times (t + 1)$$

Number of blocks (b) =1000, Number of treatments (t) =10, i=particular treatment level, degree of freedom = 9, Significance level = 5%,

**Chi -Square calculated = 21**

Here tabulated Chi-Square value is 16.92 which is less than the calculated value 21. Therefore the null hypothesis is rejected, that is customer preference of all digital portals is not the same.

**Findings**

1. Customer preference towards all online food delivery portals is not the same.
2. Zomato is the most preferred followed by Swiggy, Food panda and Foodkartz is the least preferred online food portal in Uttar Pradesh.
3. With the help of Nominal data ,it can be inferred that Male, aged 25-35 and private employee are the main consumers of digital food ordering apps

**Suggestion**

- By providing uninterrupted and hassle-free doorstep delivery this innovative concept can attain acceptance easily.
- In further expansion plan companies can expand this concept of food delivery in Tier 2 cities, where the online food delivery concept is not yet reached.
- Reduce negative food delivery experience, ratings, negative word of mouth. All of these withdraw old customers and block new consumers.
- Facebook pages can be more utilized for advertisements.
- Zomato and other applications can introduce innovative ideas like Virtual tour of food places, kitchen.
- Any celebrity event, a performance artist in the area can be updated on apps.
- Quiz, vouchers, loyalty program can be introduced.

**4 CONCLUSION**

- From the above discussion, it is totally visible that digital food ordering apps are quite famous between youngsters and the future of this segment is very bright. Zomato and Swiggy are expanding their market and profits by touching the untapped areas and concepts .Cost-saving, Hassel free deliveries, 24\*7availability are the major factor for their success. Brand loyalty can be maintained by offering rewards, cash back, and loyalty points to existing customers. Brand Authenticity should be maintained. By inculcating innovativeness in applications customers can be added in the future. This is a segment which has come up with an array of restaurants under a screen for customers.

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