

An Analysis of Popularity of Food Delivery Applications among the Youth in Jaipur

Dr. Kuldeep Sharma¹, Mr. Attendra Sharma², Mr. Shivam Sharma³

Abstract

The technological advancements have contributed the Indian food industry to come up with the concepts of online food delivery system. The online food delivery application services are stepping into tier 2 cities too. The present study is based on primary data to find the popularity of food delivery application in Jaipur. The food delivery applications used for this study are Zomato, Swiggy, Ubereats & Foodpanda. The collected data is analyzed using Garrett Ranking test technique.

Keywords: Online Food Ordering, Food Delivery Applications, Garrett Ranking Test.

INTRODUCTION

The Indian food industry is growing exponentially every year and with the development of technology, the growth has taken off even faster. Every year new food start-ups are emerging and changing the direction of the market. Due to the technological advancements, the Indian food industry has come up with a new concept of online food delivery applications which was non-existent in previous years. The factors lying behind the growth of online food delivery market in India are urbanization, changing lifestyle, young population, increase in disposable income, women workforce and increasing use of smart phones with faster internet connection (Imarc, 2019).

Online food ordering is the process of ordering food through the restaurant's own website or mobile app or through a multi-restaurant's website or mobile app. A customer can choose to have the food delivered at his location or pick-up from the restaurant (Kimes, & Laque, 2011). The process consists of a customer choosing the restaurant of their choice, scanning the menu items, choosing an item, and finally choosing for pick-up or delivery. Payment is then administered by paying with a credit card or debit card through the app or website or in cash to the delivery man or the restaurant when going to pick-up. The website of the restaurant or food

¹ Assistant Professor, School of Business & Management, Jaipur National University, Jaipur.

² Assistant Professor

³ Assistant Professor

delivery application inform the customer about duration of food preparation and when the food will be ready for pick-up or the amount of time it will take for delivery.

According to a study carried out by Market Research Future Business Consultancy, the online food ordering market in India is expected to grow at over 16% per year to touch USD 17.02 Billion by the year 2023. The study showed that Bengaluru tops the position with highest number of online orders followed by Mumbai, Pune, Delhi and Hyderabad. (Indian online food ordering market set to grow at 16.2%, to touch \$17.02 billion by 2023, 2019) It is found that Bengaluru based online food delivery provider Swiggy leads the market position with approx 36% market share followed by Zomato.

Food Delivery App Scenario in India

New advancements in service industry across the world have impact on Indian economy too. Online food delivery platforms are providing customers with convenience and wide variety of food options to order with a single tap on their phone. Therefore, the customers are shifting from websites to mobile phone for ordering food. It is found that China, US, UK, India and France are the top five countries which are generating maximum revenue in food delivery industry (Bansal, 2019). The Indian food delivery market has made its mark in the Indian economy. Indian customers are being served by several food delivery apps such as Zomato, Foodpanda, Swiggy, UberEats, Just Eat, Domino's Pizza, Freshmenu, Faasos, etc. (Deepanker, 2018)

Companies included in this study are:

1. Swiggy
2. Zomato
3. Foodpanda India
4. Uber Eats

Swiggy

Swiggy was started by two BITS Pilani alumni Nandan Reddy and Sriharsha Majety in August, 2014. Swiggy initially started with 6 executives and 25 restaurant partners in Bengaluru. In the time of 3 years, it has scaled up with over 6,000 delivery executives across India in more than 8 cities like Delhi-NCR, Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata, and Pune.

Zomato

Zomato, which started as Foodiebay, was established in July 2008 by Deepinder Goyal, and Pankaj Chaddah, IIT Delhi alumni from different Batch. It is one of the top start-ups in India.

Zomato has its presence in 23 countries including India, Australia and the USA. Zomato was valued at USD 1 Billion in 2016 (10-year milestone reached but Zomato gets hungry for more, 2018).

UberEats

Uber started UberEATS in 2014 in Los Angeles by Jason Droege. But in India it was launched in May 2017 initially at Mumbai. Currently UberEats is present in 37 cities of India and grown in the market such as Hyderabad, Chennai and Pune. (Kashyap, 2017)

Foodpanda

Foodpanda is a German Mobile food delivery marketplace headquartered in Berlin, Germany, operating in 40 countries and territories. Foodpanda is India's most convenient online food ordering site. It connects people with the best restaurants around them. Delivering in Delhi, Bangalore, Chennai, Mumbai, Hyderabad and over 100 other cities, foodpanda has the widest reach in India. They believe that food is a pleasure and food ordering should be fast and definitely a fun experience. Foodpanda India Corporate office is located at Gurgaon, Haryana. (Foodpanda: about us, 2019)

Benefits of Using Food Delivery Apps

Convenience: The use of online food delivery apps is very convenient for the customers. It saves their time and sometimes a lot of money too. Companies are enhancing the user interface for the ease of access for the customers. Customers can make their choices among hundreds of restaurants and dishes with just a click of their smart phones. They do not need to go anywhere to get their food (The Benefits Of Online Food Delivery Apps, 2018).

- **Digital Menu Card:** Food delivery apps are allowing restaurants to place their menu cards online to be offered to their customers.
- **Flexible Payment Methods:** Online food delivery system offers a number of payment methods to their customers. Customers can make payment with the help of online wallets, credit / debit cards, UPI, internet banking, etc.
- **Online Tracking:** Food delivery applications are equipped with real time GPS tracking system, which enables the customers to track the movement of their food and delivery person on their smart phones. On the other hand, the delivery person can also track the exact location of the customers for faster delivery.

- **Reward Points and Discount Offers:** Reward points and discount offers keep the customers motivated for making repeat purchases using the apps. These reward points can be used to get discounts on future orders.
- **Effective Customer Support:** Mobile food delivery apps are offering 24*7 customer support facilities using online chat or phone calls to resolve any query/complaint immediately.

Review of Literature

Parashar & Ghadiyali conducted a study on customer's attitude and perception towards digital food App services. In this study they found the relation between facilities and the purchase behaviour. Secondly most popular app in the food delivery industry and understand as to how have technology played an important role in the restaurant industry. The data were collected from Gen Z from 129 respondents. Cronbach Alpha, Chi Square, Weighted average and Descriptive analysis research tools were used by them to draw a tentative conclusion. The finding shows that Food panda and fast food delivery apps are the most preferred food apps by consumers followed by Swiggy and Zomato.

Bagla & Khan (2017) point out the responsible factors for growing the popularity of online booking and ordering of food in India, expectations of users and their satisfaction level. The data were collected from respondents by using non probability convenience sampling as primary data and then descriptive research was considered by them. The paper offered customers' expectations and relative importance of the factors like lack of time to prepare food, availability of variety, rewards and cashbacks. There is an extent for improving customer satisfaction by understanding their expectations.

Jacob, Sreedharan & S. (2019) focus on influence of online food delivery apps on its user. They proposed a new concept "Diffusion of Innovation". According to this concept, idea of buying food online rather than going to a restaurant and waiting for food spreads or diffuses among the public and gains popularity and momentum. In order to ensure this, a mixed approach of quantitative and qualitative method is use. Data is collected by survey method and different articles, journals etc. Finally, they concluded that the changing lifestyle of the consumers and expansion of online activity in India has undoubtedly transformed the trends in online food ordering scenario.

Preetha and Iswarya (2019) studied about the factors that lead to the intension to use the apps and to distinguish the quality of FOOD (Food Online Order and Delivery) apps. Data is collected through questionnaires and different test are applied on it like Karl Pearson's coefficient of correlation, one way ANOVA on SPSS 20. Finally they concluded that all respondent are not tending by the demographics, age, and occupation etc. s towards their intension to order in FOOD app. The various factors that affect FOOD apps are Service quality, information quality, system quality, on-time services, prompt responses, packaging, personalized and professional services.

Gawande, Pachaghre & Deshmukh (2019) focused on online ordering system which is newly launched in Amravati city. The main factors which they covered in their paper are application designing & user interface, interactive offers by various restaurants, providing security, providing secure payment system, measurement of distances using maps, estimation of service and delivery time, packaging & transporting food, using safe routes & equipment's for delivery people and retention of customer satisfaction.

Trivedi (2018) stated that in consumer perception is moulded in this age of information and technology towards online food delivery. He founded that majority buy fast food online from 150 respondents and for payment believes in cash on delivery method while purchasing food online. The young population of India is moving towards online food ordering and it is paced with the availability of smart phones.

Memon (2019) studied different factors which are considered by Millennial & Gen Z when they ordering food online and also why they prefer a particular restaurant's or company's app over their competitors. He concluded that Swiggy is the most preferred online food delivery app followed by Zomato, Uber Eats and Dominos.

Research Objectives:

1. To understand the popularity of online food delivery apps in Jaipur.
2. To understand the impact of factors affecting the popularity of online food delivery apps.

Research Design

This research is based on primary data and secondary data. The primary data was collected using an online survey using a structured questionnaire prepared on Google forms. Whereas, the secondary data is collected through various online journals, articles and books for the purpose of literature review and finding the research objectives. The geographical location covered under

this research is Jaipur (Capital of Rajasthan State). The factors selected for comparison were the outcome of the review of literature. During the literature review we learned about the various factors that affected the popularity of online food ordering apps. The selected factors are as follow:

1. Ease of access
2. User Interface
3. Offers and Benefits
4. Delivery Services
5. Customer Service
6. Complaint and Issue Handling

Sample Size

The sampling techniques used for this research is purposive sampling. For the collection of primary data, a total of 175 Google forms were sent via email. Out of total received 137 responses, 31 forms were discarded as they were partially filled. The final number of valid respondents is 106.

Data Analysis

To understand the popularity of online food delivery apps in Jaipur, primary data is collected and analyzed using Garrett Ranking Test. This test was formed by Henry Garrett. This ranking technique is used to find out the most significant factor which influences the respondent.

On the basis of frequency of responses under every individual factor of comparison the following tables are formed for further comparison:

Food Delivery Application	Rank 1	Rank 2	Rank 3	Rank 4
	Frequency of Responses			
Zomato	168	119	107	87
UberEats	132	110	139	92
Swiggy	91	148	153	67
Food Panda	79	51	58	160

Applications:	Zomato	UberEats	FoodPanda	Swiggy
Factors				
Ease of Access	1	2	3	4
User Interface	1	2	3	4
Delivery Services	2	1	4	3
Customer Services	1	2	4	3
Offers and Benefits	1	2	4	3
Complaint / Issues	1	2	4	3

The Percentage Position and Garret Value

The garret ranks were calculated by using appropriate Garret Ranking formula, based on the Garret ranks the garret value was calculated. The Percentage Position were calculated, which were hence used to find the Garrett Value from the Garret Table.

$$\text{Percentage Position} = \frac{100 (R_{ji} - 0.5)}{N_j}$$

R_{ji} = Rank given for the i^{th} variable by the j^{th} respondent

N_j = Number of variables ranked by the j^{th} respondent

From the above calculation following values were obtained:

Position Percentage	$100 (R_{ji} - 0.5) / N_j$	Calculated Value	Garrett Value
1	$100 (1 - 0.5) / 4$	12.5	73
2	$100 (2 - 0.5) / 4$	37.5	56
3	$100 (3 - 0.5) / 4$	62.5	44
4	$100 (4 - 0.5) / 4$	87.5	27

Calculation of Garrett Value and Ranking

In order to obtain the Garret Value and Ranking, the Garret Value from the above table were multiplied with the total number of ranks obtained by the individual during the survey.

The obtained results are mentioned in the table below:

RANKS	1	2	3	4	Total	Total / Total Number of respondents	Final Ranks
Zomato	12264	6664	4708	2349	25985	245.14	1
UberEats	9636	6160	6116	2484	24396	230.15	2
Swiggy	6643	8288	6732	1809	23472	221.43	3
Food Panda	5767	2856	2552	4320	15495	146.18	4

The collected data showed a variation in popularity depending upon different factors, Zomato came out to be the most popular online food delivering app followed by UberEats, Swiggy and Foodpanda.

This study showed that different applications have different USPs which are used to attract more customers. One of the factors which affected customer perception the most was Discounts and Offers. People were switching between online food deliveries looking for more discounts and offers.

Future Scope of the study

With the growth in online food delivery apps, there is a notable increase in the restaurant business as well. The research is restricted to Jaipur only among user age of 15-30. This study can be continued at different locations also to create a broader perspective of consumer perception about online food ordering systems. This perception can be used by the online food ordering systems to develop more dynamic and better marketing strategies. The sampling technique used in this study is non-probability purposive sampling. The scope of this research can be enhanced with the use of random sampling. The vibrant nature of products is often expected attract more customers in the food industry.

CONCLUSION

After the analysis, it can be concluded that Zomato is found to be the most popular online food ordering application among the youth in Jaipur. With a huge market reach and customer base, Zomato retains its customers by developing new strategies, updates in the interface to develop

ease of access and various offers and benefits to attract and retain customers. This kind of continuous improvement helps Zomato to be on the time (statement made on the basis of data collected during the time of study). This study is based on some factors which are discussed above. Any changes in those factors may directly impact the popularity of the online food ordering systems. All online food ordering companies come up with various improvements and benefits and offers to attract more customers and maximize revenue. Any strategic changes in the above factors may affect the popularity of the company for short or long-time duration.

References

- Bagla, R. K., & Khan, J. (2017, Nov.). Customers' Expectations and Satisfaction with Online Food Ordering Portals. Prabandhan: Indian Journal of Management, 10(11).
- Bansal, A. (2019). Food Delivery Industry still promises 31.76% CAGR Retrieved from <https://jungleworks.com/food-delivery-business/>
- Deepanker (2019, July 18), 8 Best Food Delivery Apps to Order Food Online in India, Retrieved from <https://techlomeia.in/top-apps/best-food-delivery-apps/>
- Foodpanda: About us (2019). Retrieved from <http://www.foodpanda.in/contents/about.htm>
- Gawande, N., Pachaghare, G., & Deshmukh, A. (2019). A Study of Customer Perception about Online Food Ordering Services in Amravati City. International Journal of Latest Technology in Engineering, Management & Applied Science (IJLTEMAS), 8(4), 114-116. Retrieved from <https://www.ijltemas.in/DigitalLibrary/Vol.8Issue4/114-116.pdf>
- Imarc (2019). India Online Food Delivery Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2019-2024. Retrieved from <https://www.imarcgroup.com/india-online-food-delivery-market>
- Indian online food ordering market set to grow at 16.2%, to touch \$17.02 billion by 2023. (2019, March 26) Retrieved from <https://www.businesstoday.in/current/economy-politics/indian-online-food-ordering-market-set-to-grow-at-162-to-touch-1702-billion-by-2023/story/331156.html>
- Jacob, A. M., Sreedharan, N. V., & K., S. (2019). Consumer Perception of Online Food Delivery Apps in Kochi. International Journal of Innovative Technology and Exploring Engineering (IJITEE), 8(7S2), 302–305. Retrieved from ijitee.org/wp-content/uploads/papers/v8i7s2/G10520587S219.pdf

Kashyap, S. (2017, May 2), UberEats launches in India. What does this mean for likes of Swiggy and Zomato? Retrieved from <https://yourstory.com/2017/05/ubereats-launches-in-india>

Kimes, S. E., & Laque, P. (2011). Online, mobile, and text food ordering in the U.S. restaurant industry [Electronic article]. Cornell Hospitality Report, 11(7), 6-15.

10-year milestone reached but Zomato gets hungry for more. (2018, Jul 18). Retrieved from <https://economictimes.indiatimes.com/news/company/corporate-trends/10-year-milestone-reached-but-zomato-gets-hungry-for-more/the-origin-story/slideshow/64942723.cms>

Memon, F. (2019). Consumer Preference towards 'Online Food Delivery Apps' In Mumbai & Its Suburbs with Special Reference to Millennials & Gen Z. International Journal of Technology and Management (IJTM). 4(1) 164-169 Retrieved from: http://www.tqijtm.com/Master%20Pages/PDF/TQIJTM_Vol_4_Issue_1.pdf#page=164

Parashar, N., & Ghadiyali, S. (n.d.). A study on customer's attitude and perception towards digital food app services. Retrieved from https://www.amity.edu/gwalior/ajm/paper_5.pdf

Preetha, S., & Ishwarya, S. (2019). An Analysis of User Convenience towards Food Online Order and Delivery Application (FOOD App via Platforms). International Journal of Management, Technology And Engineering, 9(1), 429–433. Retrieved from <http://ijamtes.org/gallery/53.jan.19ijamte-kp.pdf>

The Benefits Of Online Food Delivery Apps. (2018, August 31). Retrieved from <https://www.vanndigit.com/benefits-of-online-food-delivery-apps/>

Trivedi, S. (2018). Consumer Perception About Online Sales of Food in Indian Consumer Market. In Academics World 99th International Conference. Paris, France. Retrieved from http://www.worldresearchlibrary.org/up_proc/pdf/1943-154098510427-29.pdf