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# **“A STUDY OF CUSTOMER USAGE AND SATISFACTION WITH THE FOOD DELIVERY APPS”**

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**BACHELOR OF BUSINESS ADMINISTRATION**

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## **INTRODUCTION**

### **THE GROWTH OF FOOD DELIVERY APPS**

The growth of food delivery apps has been a significant phenomenon driven by technological advancements, changing consumer behaviour, and market dynamics. Here's an outline to delve into this topic:

#### **Introduction to Food Delivery Apps**

- **Definition and concept of food delivery apps.**

Food delivery apps have emerged as a convenient solution for busy urbanites, offering a diverse range of cuisines delivered right to their doorstep with just a few taps on their smartphones. These apps have not only revolutionized the way people dine but have also spurred the growth of the food service industry in India.

With a plethora of options available, food delivery apps in India cater to a wide spectrum of tastes, preferences, and dietary requirements. Whether craving traditional Indian delicacies,

international cuisine, or niche dietary options such as vegan or gluten-free meals, consumers can find a variety of choices at their fingertips. Moreover, these apps often provide features such as user reviews, ratings, and recommendations, enabling customers to make informed decisions about their dining experience.

Beyond convenience and choice, food delivery apps have also opened up avenues for small and medium-sized restaurants to reach a larger audience and expand their customer base. By partnering with these platforms, eateries can tap into a vast pool of potential customers without the need for hefty investments in marketing or infrastructure.

However, the proliferation of food delivery apps has also sparked debates surrounding issues such as fair wages for delivery personnel, quality control, and sustainability. As these platforms continue to evolve, addressing these concerns while enhancing user experience remains a key challenge for stakeholders in the food delivery ecosystem.

In this dynamic landscape, food delivery apps have become an integral part of the culinary experience in India, offering convenience, variety, and accessibility to consumers while presenting new opportunities and challenges for the food service industry.

#### ● **Brief overview of key players in the food delivery app industry.**

In India, the food delivery app industry is highly competitive, with several key players vying for market share. Here's a brief overview of some of the prominent players:

**Swiggy:** Founded in 2014, Swiggy is one of the leading food delivery platforms in India. It operates in numerous cities and is known for its wide range of restaurant partnerships and efficient delivery service. Swiggy also offers additional services like Swiggy Super (subscription-based loyalty program) and Swiggy Genie (hyperlocal delivery service).

**Zomato:** Zomato is another major player in the Indian food delivery market. Originally launched as a restaurant discovery platform, Zomato expanded into food delivery in 2015. It offers a comprehensive database of restaurants, along with features such as user reviews, ratings, and food tracking. Zomato also provides subscription-based services like Zomato Gold and Zomato Pro for additional benefits.

**Uber Eats:** Uber Eats, the food delivery arm of Uber, entered the Indian market in 2017. Leveraging its existing network of drivers and technology infrastructure, Uber Eats quickly gained traction. However, in 2020, Uber Eats India was acquired by Zomato, marking a significant consolidation in the industry.

**Food panda:** Food panda, owned by Delivery Hero, is another prominent player in the Indian food delivery space. It operates in multiple cities and offers a diverse selection of cuisines from various restaurants. Food panda focuses on providing convenient delivery options and attractive discounts to customers.

Dunzo: While not exclusively a food delivery app, Dunzo offers food delivery services along with a range of other hyperlocal services such as grocery delivery, medicine delivery, and more. Operating in select cities, Dunzo aims to provide quick and reliable delivery of food and other essentials.

## Technological Advancements

- **Role of the internet and mobile technology in revolutionizing food delivery.**

The internet and mobile technology have played a pivotal role in revolutionizing the food delivery industry, transforming the way people order and consume food. With the widespread availability of smartphones and high-speed internet connectivity, customers now have unprecedented convenience and accessibility to a wide range of dining options. Mobile apps provided by food delivery platforms have become the primary interface through which users browse menus, place orders, and track deliveries in real-time.

The integration of GPS technology in mobile devices enables seamless tracking of delivery personnel, allowing customers to monitor the progress of their orders with precision. This real-time tracking feature enhances transparency and reduces uncertainties associated with delivery times, thereby improving the overall user experience. Additionally, mobile apps often offer personalized recommendations based on user preferences, order history, and location, facilitating a more tailored and engaging dining experience.

Internet technology has also facilitated the rapid expansion and scalability of food delivery platforms, enabling them to reach a broader audience and establish partnerships with an extensive network of restaurants. Through online platforms, even small and local eateries can gain visibility and access a larger customer base without the need for significant investment in traditional marketing channels. This democratization of food delivery has empowered businesses of all sizes to participate in the digital economy and thrive in a competitive market landscape.

Moreover, the internet has facilitated the seamless integration of various payment options within food delivery apps, ranging from credit/debit cards to digital wallets and UPI (Unified Payments Interface). This cashless transaction system not only enhances convenience for customers but also streamlines the payment process for delivery personnel, reducing friction and ensuring timely deliveries. Furthermore, internet technology enables efficient order management and logistics optimization, allowing food delivery platforms to minimize delivery times, optimize routing, and improve operational efficiency.

Overall, the internet and mobile technology have profoundly transformed the food delivery landscape, ushering in an era of unprecedented convenience, choice, and efficiency for

consumers and businesses alike. As technology continues to evolve, the food delivery industry is poised for further innovation and growth, driven by the relentless pursuit of enhancing user experience and meeting the evolving demands of modern consumers

- **Evolution from telephonic orders to online platforms and mobile applications.**

The evolution of food delivery from telephonic orders to online platforms and mobile applications represents a significant shift in how consumers access and interact with food services. In the past, ordering food involved picking up the phone, dialling a restaurant's number, and placing an order verbally. This method was often time-consuming, prone to miscommunication, and limited in terms of menu visibility and convenience.

The advent of online platforms revolutionized the food delivery landscape by providing consumers with the ability to browse menus, place orders, and make payments through websites or dedicated online portals. This transition facilitated greater accessibility to a wider range of restaurants, improved order accuracy, and introduced features such as user reviews and ratings for informed decision-making

## **Market Trends and Demand Drivers**

- **Increasing consumer preference for convenience and on-demand services.**

Convenience serves as the cornerstone of e-commerce, driving the exponential growth of online shopping in recent years. The allure of shopping online lies in its flexibility—allowing consumers to make purchases at their preferred time and location, using their preferred payment method, and opting for a delivery method that aligns with their preferences.

Given the paramount importance of convenience in shaping consumer behaviour, it comes as no surprise that it is fundamentally altering shopping patterns, as evidenced by the latest research from the National Retail Federation. Consequently, e-commerce brands must recognize that their value proposition encompasses more than just the quality and price of their products. They must also prioritize convenience as a crucial factor in attracting and retaining customers

- **Busy lifestyles and urbanization contribute to the demand for food delivery.**

Busy lifestyles and urbanization have become defining characteristics of modern society, profoundly influencing consumer behaviour, particularly in the realm of food consumption. As people increasingly juggle demanding work schedules, long commutes, and various personal commitments, the traditional practice of cooking meals at home has become less feasible for many individuals and families. Consequently, there is a growing reliance on alternative dining options, such as food delivery services.

Urbanization plays a significant role in driving this demand for food delivery. As more people migrate to cities in search of employment opportunities and improved standards of living, urban areas become densely populated hubs of activity. In such bustling environments, time



becomes a scarce commodity, and the convenience of having meals delivered directly to one's doorstep becomes immensely appealing.

The fast-paced nature of urban life, characterized by hectic work schedules and a constant rush to meet deadlines, leaves little room for leisurely meal preparation or dining out. Food delivery services offer a convenient solution to this dilemma, allowing busy urbanites to enjoy restaurant-quality meals without the time and effort required for cooking or dining out.

- **Impact of the COVID-19 pandemic on accelerating the adoption of food delivery apps.**

The COVID-19 pandemic has had a profound impact on accelerating the adoption of food delivery apps worldwide. With lockdowns, social distancing measures, and restrictions on dining out implemented to curb the spread of the virus, consumers increasingly turned to food delivery as a safer and more convenient alternative. The necessity of minimizing in-person interactions and staying home led to a surge in demand for food delivery services, prompting many individuals who had previously been hesitant to try such platforms to embrace them for the first time.

Restaurants, facing closures or significant reductions in dine-in customers, quickly pivoted to offering delivery and takeout options to stay afloat. This shift in business models further fuelled the adoption of food delivery apps, as consumers sought ways to support their favourite eateries while adhering to public health guidelines. Many restaurants that had not previously partnered with delivery platforms rushed to join them, expanding the variety of options available to consumers and contributing to the overall growth of the food delivery industry.

The pandemic also spurred innovations within food delivery apps to meet evolving consumer needs and address new challenges. Contactless delivery options, enhanced hygiene protocols, and features such as tamper-evident packaging became standard offerings, reassuring customers concerned about safety. Additionally, some platforms introduced initiatives to support local businesses, waive fees for independent restaurants, and provide financial relief to delivery personnel affected by the economic fallout of the pandemic.

As the pandemic persists and evolves, the reliance on food delivery apps as a lifeline for accessing meals safely and conveniently continues to grow. While the accelerated adoption of these platforms may have initially been driven by necessity, many consumers have since formed habits that are likely to endure beyond the pandemic. As a result, food delivery apps have cemented their position as integral components of the modern dining experience, with their influence expected to persist long after the pandemic subsides.

## Expansion Strategies

- **Geographic expansion: Entry into new markets and regions.**

In recent years, the food delivery sector has witnessed an impressive upsurge in growth. This surge can be attributed to the collaborative efforts of delivery personnel and the integration of advanced route optimization technologies, leading to more cost-effective and efficient food delivery services. These factors have been instrumental in fuelling the significant expansion of numerous players in the food delivery arena.

Moreover, recent advancements have seen various platforms embracing a direct-to-consumer model, streamlining the delivery and ordering procedures.

The onset of the COVID-19 pandemic further hastened the uptake of online food ordering, as millions sought out this convenient option during periods of lockdown. Notably, major grocery delivery services such as Instacart achieved their projected milestones for 2023 within the initial weeks of the lockdown period.

For those considering the development of a food delivery app, it's crucial to acquire a thorough understanding of market dynamics, including emerging trends and evolving consumer preferences. Armed with such insights, you can embark on the app development journey with confidence and foresight.

Today, we present you with market insights concerning the food delivery app sector across diverse global regions, along with other pertinent information that will prove invaluable to your entrepreneurial endeavors

- **Diversification of services: Addition of grocery delivery, alcohol delivery, etc.**

The diversification of services within the food delivery industry has been a strategic response to evolving consumer preferences and market dynamics. In addition to traditional meal delivery, many food delivery platforms have expanded their offerings to include grocery delivery, alcohol delivery, and other complementary services. This diversification not only broadens the range of options available to consumers but also enhances the value proposition of these platforms, making them more integral to daily life.

The addition of grocery delivery services allows food delivery platforms to cater to a broader spectrum of consumer needs, particularly during times when access to groceries may be limited or inconvenient. By leveraging their existing infrastructure and delivery networks, these platforms can offer customers the convenience of ordering both ready-to-eat meals and essential grocery items from the same app or website. This integration simplifies the shopping experience and saves consumers time and effort.

Similarly, the inclusion of alcohol delivery services represents a natural extension of the food delivery model, providing customers with the convenience of having alcoholic beverages delivered alongside their food orders. This expansion has been particularly relevant in markets where regulations permit the sale and delivery of alcohol through third-party platforms. By offering alcohol delivery, food delivery platforms can enhance the overall dining experience for consumers, whether they are hosting a gathering at home or simply enjoying a meal with a glass of wine or beer.

Overall, the diversification of services within the food delivery industry reflects a strategic effort to meet the evolving needs and preferences of consumers while capitalizing on new opportunities for growth. By expanding their offerings to include grocery delivery, alcohol delivery, and other complementary services, food delivery platforms can deepen their engagement with customers and position themselves as indispensable partners in everyday life.

## Technological Innovations

- **User-friendly interfaces: Design and functionality improvements in app interfaces.** User-friendly interfaces have become a cornerstone of success for mobile applications, particularly in the competitive landscape of food delivery apps. Design and functionality improvements in app interfaces play a crucial role in enhancing the user experience, driving engagement, and fostering customer loyalty. These improvements focus on creating intuitive and visually appealing interfaces that streamline the ordering process, improve navigation, and provide clear feedback to users.

One key aspect of user-friendly interfaces is intuitive navigation, which ensures that users can easily find what they're looking for and complete tasks efficiently. This often involves simplifying menu structures, minimizing clutter, and using clear labels and visual cues to guide users through the app. By reducing friction and cognitive load, intuitive navigation enhances user satisfaction and encourages repeat usage.

By prioritizing intuitive navigation, appealing aesthetics, and reliable performance, food delivery apps can differentiate themselves in a crowded market and build lasting relationships with users.

- **Integration of AI and machine learning: Personalized recommendations, predictive order processing.**

In the swiftly changing landscape of food delivery, artificial intelligence is reshaping food delivery apps into remarkable culinary experiences. It's revolutionizing the process of ordering and receiving meals, offering tailored menu suggestions and efficient delivery routes. AI integration in food delivery apps enhances the experience for both restaurants

and customers, providing seamless doorstep delivery. This marks the dawn of a new era where convenience meets hunger with a simple tap on a screen. This piece will explore the transformative impact of AI on the delivery app scene, where innovation and culinary cravings intersect to redefine accessibility and ease in dining.

Integrating artificial intelligence into your food delivery app can provide customized suggestions to users. By utilizing machine learning algorithms, you can analyze user preferences, browsing patterns, and past orders. This enables the app to generate personalized recommendations aligned with individual tastes and dietary requirements. Furthermore, AI and ML technology can facilitate suggestions of popular restaurants and cuisines nearby based on the user's GPS location and nearby dining options. Such enhancements not only enhance customer satisfaction and engagement but also contribute to increased sales and revenue.

- **Contactless delivery options: Implementation of safety measures during the pandemic.**

The surge in demand for delivery services has been significantly influenced by the COVID-19 pandemic. Various factors contribute to this uptick. Initially, with curfews in place, individuals are unable to venture outdoors for shopping, necessitating reliance on delivery services.

Moreover, authorities have sanctioned the continuation of food, grocery, and medicine delivery amid curfews, recognizing them as providers of essential goods.

This surge has prompted a substantial overhaul in the operational strategies of all online delivery businesses amidst the pandemic. Essentially, they are compelled to devise solutions that reassure customers about the safety of their delivery services.

Hence, the concept of contactless delivery emerged as a pivotal solution. Presently, a majority of on-demand delivery platforms have integrated contactless delivery measures to ensure the safety of their delivery services

## **Market Size and Revenue Growth**

- **Statistics and data on the growth trajectory of the food delivery app industry.**

The online meal delivery services market is experiencing rapid growth, with a projected compound annual growth rate (CAGR) of 9.8% from 2022 to 2032. In 2022, the market was



valued at US\$ 38,200 million, and it is forecasted to reach an impressive US\$ 97,291.58 million by 2032.

This substantial expansion can be attributed to the increasing accessibility of Internet services, which has led to widespread adoption of meal delivery apps and a surge in demand for home-delivered food services. The success of food delivery aggregators like Swiggy and Zomato in India exemplifies the immense potential of the industry. Societal shifts such as the rise of dual-income households and evolving consumer lifestyles further drive the demand for online food delivery services. Additionally, significant investments in food logistics and evolving consumer preferences contribute to market growth. Fresh, timely delivery, and convenience are key drivers of the expansion of online food delivery services, particularly among younger generations.

While the industry is still in its nascent stages, the presence of numerous meal delivery platforms and evolving pricing strategies are expected to intensify competition. However, challenges such as restaurant limitations on multiple deliveries and operational inefficiencies in managing large order volumes persist.

To address these challenges, the emergence of virtual restaurants and delivery-only kitchens presents lucrative growth opportunities for the industry in the forecast period.

According to Future Industry Insights, the value of the online meal delivery services industry increased by 7.6% between 2017 and 2021.

The proliferation of smartphone usage has significantly contributed to the global expansion of online food delivery businesses. Smartphone users represent a key consumer segment in the food and beverage industry, leading to a surge in online searches for food and beverage options.

- **Revenue models: Commission-based fees, delivery charges, subscription models.**

A food delivery app serves as more than a mere intermediary connecting customers with their preferred restaurants. Rather, it functions as a business entity, with the imperative of generating revenue to sustain its operations. This is where the revenue model of a food delivery app becomes pivotal.

To delve into the revenue model of a food delivery app in a relaxed and uncomplicated manner, let's start with the basics. The primary component of this model is the food delivery app fee, which is levied on the customer. Whenever you place an order, whether it's for a hearty bowl of noodles or an exquisite steak, you'll notice a small additional charge appended to your total bill. This represents the food delivery app fee.

The delivery fee encompasses all expenses involved in transporting your order from the

restaurant's kitchen to your doorstep. While it might seem straightforward, there's a complexity hidden beneath the surface. Beyond compensating the driver for their time and vehicle expenses, this fee plays a crucial role in orchestrating the logistics of the delivery process.

It aids in managing the intricacies of logistics, including route optimization and ensuring efficient delivery, especially during peak hours. It's akin to a delicate balancing act, ensuring seamless operations behind the scenes. Both the service fee and order fee associated with the food delivery app may contribute to this delivery fee. They assist the app in covering operational expenses, maintaining a user-friendly interface, and providing customer support. Additionally, the delivery fee is instrumental in sustaining the drivers' presence on the road, ensuring timely delivery of your food.

The **service charge** is a crucial component of the operational framework of any food delivery application. Behind the scenes, dedicated tech experts tirelessly ensure that your application remains current and devoid of any technical issues. The service charge serves as compensation for these efforts. Think of it as an investment in securing a seamless and trouble-free food ordering experience through your application.

## Challenges and Competition

Competitive landscape: Major players (e.g., Uber Eats, Door Dash, Grubhub) and their strategies.

Challenges faced by food delivery apps: Operational complexities, regulatory hurdles, profitability concerns.

Impact of third-party delivery services on restaurants and delivery partners.

## Future Outlook

Growth projections and market forecasts for the food delivery app industry.

Emerging trends and innovations: Drone delivery, autonomous vehicles, virtual kitchens.

Potential disruptions and opportunities in the evolving market landscape.

Summary of key factors driving the growth of food delivery apps.

Implications for the food industry, consumers, and technological innovation.

Considerations for sustainable growth and market adaptation.

By exploring these aspects, you can provide a comprehensive analysis of the growth trajectory of food delivery apps, highlighting key drivers, challenges, and future prospects in this dynamic industry.

# BACKGROUND OF THE STUDY

The background of a study on food delivery apps would typically include the context in which the research is conducted, including the rationale, relevance, and objectives of the study. Here's how you can structure this section:

## Introduction to Food Delivery Apps

Define what food delivery apps are and how they have become integral to the food industry. Briefly discuss the major players in the food delivery app market (e.g., Uber Eats, Door Dash, Grubhub).

### Rationale for the Study

Discuss the increasing popularity and widespread use of food delivery apps. Highlight the significance of understanding customer usage patterns and satisfaction levels for these apps.

### Research Objectives

Clearly state the main objectives of the study, such as:

- Assessing customer usage patterns of food delivery apps.
- Evaluating customer satisfaction levels with food delivery services.
- Identifying factors influencing customer satisfaction and preferences.

### Literature Review

Provide an overview of existing studies and literature related to food delivery apps, customer behavior, and satisfaction.

Discuss key concepts, theories, and models used in understanding customer satisfaction in the context of food delivery apps.

### Gap in Current Knowledge

Identify any gaps or limitations in the existing literature that your study aims to address. Explain why this study is important for filling these gaps and contributing new insights to the field.

### Significance of the Study

Explain the potential implications and benefits of the study, such as:

- Helping food delivery companies improve their services based on customer feedback.
- Providing insights for marketing strategies and product development in the food delivery app industry.
- Enhancing customer experience and loyalty in the competitive market.

### Scope and Limitations

Define the scope of the study in terms of the target audience, geographical location, time frame, and methodology.

Acknowledge any limitations or constraints that may impact the study's findings and generalizability.

## Research Methodology

Briefly outline the research design (e.g., quantitative survey, qualitative interviews), sampling techniques, data collection methods, and analysis procedures.

Justify why the chosen methodology is appropriate for addressing the research objectives.

## Ethical Considerations

Discuss ethical considerations such as informed consent, privacy protection, and data confidentiality.

Ensure compliance with ethical guidelines and standards relevant to research involving human subjects.

## Conclusion

Summarize the key points discussed in the background of the study.

Reinforce the importance of the research objectives and the potential contributions of the study to the field of food delivery apps and customer satisfaction research.

# Literature Review

The primary aim of this study is to examine and investigate the factors that affect consumers' behaviour and preferences when it comes to online food delivery platforms like Swiggy and Zomato. Fashion, technology, trends, living styles, disposable income, and other related factors all affect consumer behaviour. This research will aid marketers in gaining a better understanding of the changing factors that affect their company.

Consumers often find themselves overwhelmed and uncertain when it comes to navigating the plethora of options available for online food ordering. This is particularly true given the vast array of restaurants listed on food-tech platforms. Notably, a significant portion of the working-class and younger demographic prefer the convenience of ordering food through mobile applications and websites.

Hence, it becomes imperative for these platforms to offer a user-friendly interface that is both intuitive and efficient. Factors influencing customer loyalty to food-tech firms encompass various aspects, including delivery punctuality, packaging quality, as well as the overall user experience and user interface of the mobile apps and websites.

Active engagement with customers through social media platforms such as Facebook, Twitter, and Instagram adds substantial value to businesses in this sector. Moreover, the availability of diverse food delivery options caters to different consumer preferences, with many customers still prioritizing deals and discounts.

Timely and efficient delivery plays a crucial role in fostering customer loyalty, ensuring that the food remains fresh and untainted during transit. Innovation and creativity emerge as vital keys to success in this dynamic industry.



Some businesses even offer the convenience of table booking for customers intending to dine in, thereby fostering mutual benefits for both the establishment and the clientele. Given the rapid evolution of this sector, it is foreseeable that customers will continue to be enthralled by novel and inventive offerings in the realm of food delivery

Businesses operating in the realm of online food ordering and delivery are undoubtedly experiencing significant financial gains. However, customer loyalty appears to be somewhat volatile, influenced by a myriad of factors.

These include but are not limited to, delivery punctuality, the freshness and quality of the food delivered, the user interface of websites and mobile applications, as well as the allure of better deals and discounts offered by competitors. It is imperative for companies to prioritize the analysis of consumer attitudes and perceptions to better understand and cater to their needs effectively. Active engagement with consumers plays a pivotal role in keeping them informed and involved in the process.

Many food-tech enterprises diligently update their patrons on new promotional offers and discounts. However, the impact of these marketing endeavours on consumer behaviour remains somewhat ambiguous, contributing to a sense of uncertainty among customers. The user interfaces of mobile apps and websites are of paramount importance, as they serve as the primary channels through which orders are placed.

Despite the wealth of reviews and ratings available online, some seasoned consumers harbour scepticism, suspecting that certain testimonials may be orchestrated solely to bolster the visibility of particular establishments.

According to Yota Pavlou, a consultant at CPRD, the Covid-19 pandemic caused significant shifts in food consumption and shopping behaviour. With a large number of people turning to online grocery shopping, retailers faced challenges in fulfilling orders satisfactorily. The closure of restaurants further intensified the strain on online grocery services, leading to increased demand for online food delivery. This surge in demand presents a new challenge to the food delivery business, potentially impacting online food delivery services (OFDs) as noted by Keelery (2020). Despite efforts by restaurants and OFDs to meet this demand, many customers remain hesitant to place orders during the pandemic. Despite measures such as requiring delivery partners to use personal protective gear and encouraging contactless payments, customer apprehension persists.

According to Ansar Z. and Jain S. (2016), the growth of the ecommerce industry plays a crucial role in the success of online meal ordering and delivery services. Research indicates that there are over 400 food delivery apps thriving in India, owing to substantial funding of \$120 million from venture capital firms and other investors. With each individual consuming a minimum of three meals daily, the food industry is recognized as a repetitive business sector,

attracting the attention of investors and entrepreneurs.

In his research, Jyotishman Das explores the various factors influencing customers' decisions regarding online food delivery services. He examines the most popular online food delivery service portal among customers and identifies the barriers faced by consumers when using such services. Each food ordering app offers its unique specialties, such as Zomato's discounts and Swiggy's punctual delivery (Poulose, 2019).

Dr. Mitali Gupta (2019) delves into the impact of food delivery apps on restaurants, discussing both the advantages and the positive and negative impacts of electronic food delivery and various online food delivery apps. The study also focuses on the strategies employed by food delivery apps, with particular emphasis on Zomato and Swiggy (Poulose, 2019).

Megha Gera (2018) aimed to explore the application of operations research in the food industry and its potential benefits for both restaurants and food delivery services. The study suggests that operations research can assist businesses in optimizing between various food delivery companies to reduce costs and increase profit margins (Poulose, 2019).

Suryadev Singh Rathore (2018) emphasizes the importance of factors like information quality, mobile application and website design, as well as security and privacy in payment systems, for providing customers with a satisfactory experience. The study also highlights the significance of factors such as merchandise price, payment convenience, and special offers in customer satisfaction (Poulose, 2019).

Sheryl E. Kimes (2011) discovered that both users and non-users value the perceived control and convenience associated with online food ordering services. Non-users, however, express a preference for more personal interaction and exhibit higher levels of technology anxiety when using such services (Das, 2018).

Varsha Chavan (2015) discusses how restaurants have benefitted from smart device-based interfaces for viewing, ordering, and navigating customer orders. The study suggests that wireless communication and smartphone technology have contributed significantly to the efficiency and convenience of restaurant management and service delivery, with

expectations of further industry growth (Das, 2018).

Zulkarnain Kedah (2015) aims to identify the essential success factors of online food ordering services, focusing on aspects like website quality, service quality, and website confidence that influence loyalty in an online ordering environment. The study highlights the importance of efficient delivery, reliable customer service, and food quality in ensuring customer loyalty (Poulouse, 2019).

Ms. Neha Gupta and Dr. Deepali Bhatnagar (2017) concentrate on students' online shopping behavior, finding that students use online portals more frequently than others. Through surveys, they identify respondents' preferences and expenditure patterns. The study reveals that Experimental Uniqueness, Customer Service, and Convenience are significant dimensions influencing customers' preference for online shopping (Poulouse, 2019).

## **INTERNATIONAL REVIEW**

Sowinski (2012) discusses the collaboration between restaurants and the availability of food delivery services. The distance between the customer and the restaurant plays a significant role in food distribution, potentially straining the food delivery service provider (SHIVAJI, 2020).

Sumathy suggests that online food ordering applications can assist hotels and restaurants in expanding their business scope by facilitating online orders. The research aimed to assess consumer awareness, satisfaction levels, and factors influencing their decision to opt for online food ordering. Respondents largely disagree with the notion of exorbitant delivery fees on internet platforms and express confidence in online payment security (Rajalakshmy, 2019).

Chris (2011) notes that rapid promotion doesn't always translate to immediate customer bookings, especially in urban areas with high market saturation. Collaborating with food ordering and delivery systems can help restaurants reach more customers.

Hong Lan (2016) highlights flaws in the online food delivery market, emphasizing the need for better oversight.

Correaa (2017) explores the impact of urban traffic on online food delivery services, finding minimal effects on transaction volume and delivery times.

Alagoz & Hekimoglu (2012) discuss digital service delivery methods and their impact on purchasing behavior.

ÇanakkaleOnsekiz Mart Üniversitesi and GökçeadaMeslekYüksekokulu (2017) discuss issues with fast food delivery in Turkey.

Leong Wai Hong (2016) suggests that technological advancements benefit restaurant competitiveness.

Kimes & Laqué (2011) note the importance of online food ordering services in the restaurant industry, with mobile apps gaining popularity over traditional telephone orders

### **Trust and Security on Food Delivery Apps**

The collective advancements in internet technology, mobile devices, and user-friendly interfaces have ushered in a transformative era for mobile applications. Capitalizing on this innovation, food companies have embraced mobile technology to offer customers an alternative avenue for ordering food online. This research endeavours to identify and empirically investigate the factors influencing consumers' trust in mobile food delivery applications (MFDAs) and assess the consequent impact of this trust on their purchase intentions.

Drawing data from a sample of 372 Indian customers who have utilized MFDAs, the study employs structural equation modelling to analyse the relationships between perceived ease of use, trust propensity, online reviews, and consumers' trust in MFDAs. The findings underscore the significance of these factors in shaping consumers' trust, with a positive and statistically significant association observed between trust and intention to make online purchases. The insights gleaned from this study offer valuable guidance to service providers and researchers engaged in the realm of mobile food delivery applications.

Through a survey involving 337 OFDA users and employing exploratory factor analysis, five risk and two benefit factors were identified. These factors were subsequently subjected to testing in a structural model featuring 31 constructs. The findings unveiled that a multitude of factors, spanning from consumers' overall attitudes and habits to their perceived risks and rewards, play a pivotal role in shaping their behaviour and choice of OFDAs. Furthermore, it was observed that consumers' attitudes towards OFDA usage are susceptible to alterations based on their perceptions of mitigated risks or heightened benefits.

Another academic inquiry cantered on international students enrolled at the Manipal Academy of Higher Education examined the influence of mobile app design elements on decision-making processes within the online food ordering and delivery domain. Utilizing Smart PLS-3 SEM analysis, this study pinpointed several design features that significantly impacted students' behaviours, including the security of personal information, accessible payment gateways, real-time order tracking, customer service accessibility, trending information pop-ups, easy navigation, search functionality, and flexible delivery services.



In a separate investigation, researchers delved into the factors affecting customer satisfaction with food delivery apps in India. Emphasizing meal quality, delivery time, and app user interface as pivotal determinants of customer satisfaction, the study underscored the critical role these factors play in users' overall contentment with meal delivery applications.

Moreover, a study exploring the technological and non-technological components of OFD services delved into their influence on attitudes and behavioural intentions. Analysing the relationship between brand image, brand love, and various factors such as personality, social impact, service quality, and app design, the study highlighted the significant impact of app design on brand image. It also noted that brand image entirely mediated the relationship between app design, service quality metrics, and brand love.

Lastly, an inquiry focusing on the psychological and technological factors guiding consumers' decisions regarding meal delivery apps investigated perceived utility, incentives, information, customer relationship management, and order management system as positive influencers of customer conversions. Contrarily, perceived cost and aesthetic appeal were found to have minimal impact.

In summary, the literature survey offers a comprehensive insight into the multifaceted dynamics of consumer behaviour within the realm of online food delivery services in India. These studies collectively provide valuable insights

into the diverse array of factors influencing consumer behaviour, preferences, and satisfaction within this rapidly evolving sector.

### **Customer Satisfaction studies**

Customer satisfaction can be understood as "a positive emotional response to an individual's perception of their circumstances" (Kondou, 1999, as referenced in Uzir et al., 2020). As highlighted by Yogi Tri Prasetyo (2021), customers are more inclined to invest in services when they perceive their conceptual value, a principle known as the experience economy. The interaction between consumers and service providers generates experiential value, particularly evident in scenarios such as online food delivery systems. Encouraging actual utilization of these platforms is crucial for cultivating a loyal customer base, thereby

enhancing satisfaction and loyalty levels significantly

Perceived ease of use can be defined as the extent to which prospective users anticipate that the target system will be user-friendly (Choi, 2020). As highlighted in a study by Mat Nayan and Hassan (2020), ease of use stands out as a crucial factor influencing the intention to utilize food delivery service systems. This assertion finds support in research conducted by Choti go and Kaponi (2021), which suggests that user experience improves when using an excellent application that is easily accessible, beneficial, user-friendly, and responsive

## Research design

### 1. Research Questions:

What are the factors influencing customers' choice of food delivery applications?

*Factors influencing customers' choice of food delivery applications:*

- **Variety of Restaurants:** The range and diversity of restaurants available on the platform.
- **Delivery Time:** Speed and reliability of delivery services.
- **Cost:** Pricing, discounts, and delivery fees.
- **User Interface and Experience:** Ease of use and navigation within the app.
- **Reviews and Ratings:** Reputation and feedback from other users.
- **Promotions and Loyalty Programs:** Availability of discounts, coupons, and rewards.
- **Food Quality:** Consistency and quality of food from partnered restaurants.
- **Location Coverage:** Availability of service in their area.
- **Customer Service:** Responsiveness and helpfulness of customer support.

What are the primary reasons for using food delivery applications?

*Frequency of usage of food delivery applications:*

- **Daily/Weekly/Monthly Usage:** How often customers utilize food delivery services.
- **Occasions for Usage:** Whether usage is more frequent on weekdays, weekends, or specific occasions.
- **Order Frequency:** Number of orders placed per week or month.

What features do customers prioritize in food delivery applications?

*Primary reasons for using food delivery applications:*

- **Convenience:** Ease of ordering food from the comfort of home or office.
- **Time-saving:** Avoiding the hassle of cooking or going out to eat.
- **Variety and Choice:** Access to a wide range of cuisines and restaurants.
- **Busy Lifestyle:** Catering to busy schedules and work commitments.
- **Social Occasions:** Ordering food for gatherings, parties, or movie nights.
- **Special Deals and Discounts:** Taking advantage of promotional offers and discounts.

How satisfied are customers with their overall experience using food delivery applications?

*Features prioritized by customers in food delivery applications:*

- **Order Tracking:** Real-time tracking of order status and delivery.
- **Customization:** Options to customize orders based on preferences and dietary restrictions.
- **Payment Options:** Variety of payment methods including credit/debit cards, digital wallets, and cash on delivery.
- **Delivery Options:** Flexibility in delivery timings and methods.
- **Restaurant Ratings and Reviews:** Access to ratings and reviews to make informed decisions.
- **Notification Preferences:** Ability to manage and customize notification settings.
- **Customer Support:** Easy access to customer service for assistance with orders or issues.

Are there any demographic factors (age, gender, income) that correlate with usage and satisfaction levels?

*Satisfaction with overall experience using food delivery applications:*

- **Overall Satisfaction:** How satisfied customers are with the service provided by the food delivery application.
- **Satisfaction with Specific Aspects:** Satisfaction levels regarding delivery time, food quality, customer service, etc.
- **Likelihood of Recommendation:** Willingness to recommend the app to others based on their experience.

## 2. Methodology:

- **Research Approach:** Quantitative research approach to gather numerical data on usage patterns and satisfaction levels.
- **Sampling:** Random sampling technique to select participants from the target population (users of food delivery applications).

**- Data Collection:**

Profile Variable	PARTICULARS	N0. OF RESPONDENTS	%
<b>GENDER</b>	MALE	32	32%
	FEMALE	68	68%
<b>AGE</b>	12-18	17	17%
	18-25	63	63%
	25-35	11	11%
	35-50	7	7%
	Above 50	2	2%
<b>Occupation</b>	Business	8	8%
	Homemaker	7	7%
	Service	7	7%
	Student	78	78%
<b>Monthly income</b>	Nil	81	81%
	Below 20k	4	4%
	20k-40k	3	3%
	40k-60k	7	7%
	Above 60k	5	5%



**Results of Confirmatory Composite Analysis, Average Variance Extracted and Construct Reliability**

Constructs and Variables	Factor Loading	Composite Reliability	Average Variance Extracted
Food Delivery Platforms			
FDA1		0.867	0.571
FDA2 FDA3 FDA4	0.748		
FDA5	0.808		
	0.725		
	0.744		
	0.749		
Consumer Perception		0.837	0.563
CP1	0.725		
CP2	0.715		
CP3	0.747		

CP4	0.810		
Consumer			
Satisfaction		0.902	0.647
CS1	0.771		
CS2	0.770		
CS3	0.819		
CS4	0.830		
CS5	0.831		

## Discriminate Validity

	Food Delivery Platforms	Consumer Perception	Consumer Satisfaction
Food Delivery Platforms	<b>0.755</b>	0.774	0.552

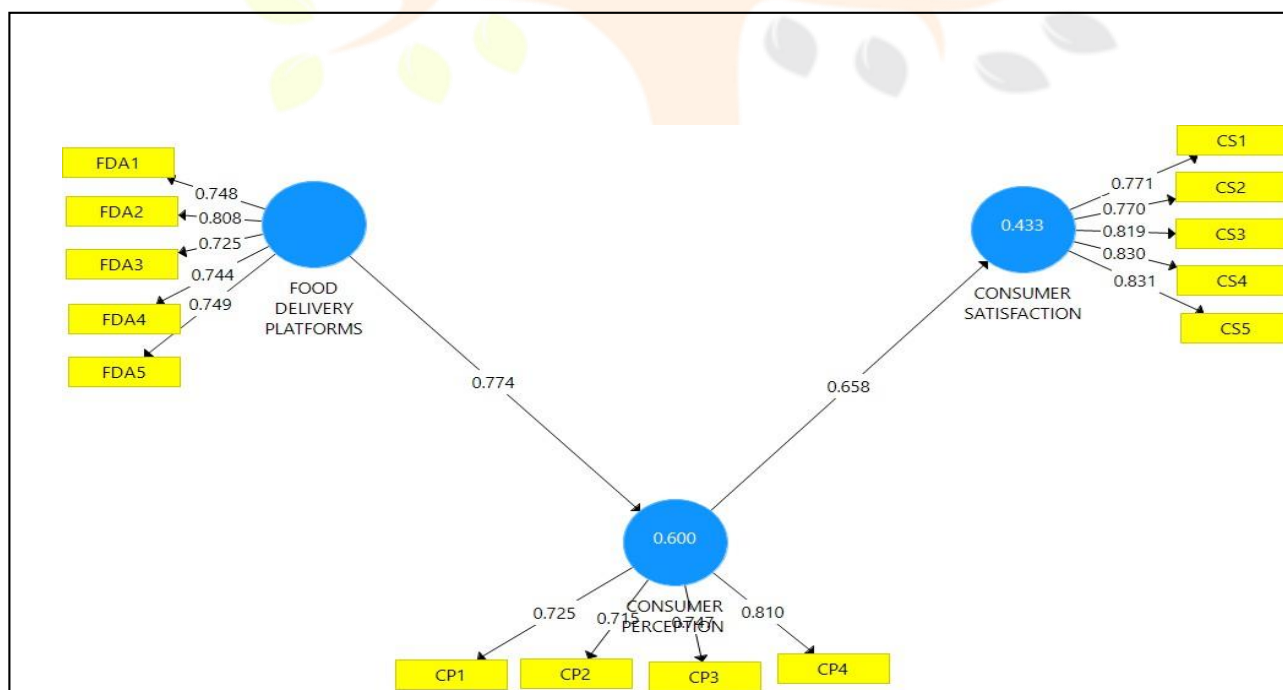
Consumer Perception		0.750	
Consumer Satisfaction		0.658	0.804

Notes: Figures in bold represents Square Root of Average Variance Extracted (AVE) and signifies discriminate validity. Other figures are correlation coefficients.

The results of table indicates that the square root of the average variance extracted (AVE) was higher than that of all crossed construct correlation values, indicating that the study is fit for conduction of final analysis.

## STRUCTURAL MODEL ASSESSMENT

Structural Equation Model was employed in order to establish relationship between the constructs and their



prognostic significance. Bootstrapping process was employed with 5000 bootstraps without changing the sign. This process helped in the identification of p-values for the framed hypotheses of the present study.

**Table 4: Do you use online food delivery apps?**

Options	No of Respondents	Percentage%
a)Yes	87	87%
b)No	13	13%

**Source: Primary Data**

## INTERPRETATION

It clearly highlights that out 100 responses, 87(87%) respondents use online food delivery apps to order food online whereas 13(13%) people don't use online food delivery apps and prefer to go to restaurants.

Factors affect the usage of food delivery apps

**Table 5: Speed of Delivery**

Options	No. of Respondents
a)Strongly Agree	27
b)Agree	50
c)Neutral	9
d)Disagree	1
e)Strongly Disagree	0

- **Variables:** Independent variables may include demographic factors, usage frequency, reasons for usage, etc. Dependent variables include satisfaction levels.

- **Ethical Considerations:** Ensure participant anonymity and informed consent. Adhere to ethical guidelines for research involving human subjects.

### 5. Potential Challenges:

- **Sample Bias:** Ensure the sample is representative of the target population to avoid biased results.

- **Survey Design:** Designing unbiased questions that accurately capture user experiences and sentiments.

- **Data Accuracy:** Ensuring the accuracy and reliability of self-reported data from participants.

- **Time and Resource Constraints:** Allocate sufficient time and resources for data collection, analysis, and reporting.

## 6. Reporting:

- **Research Report Structure:** Introduction, Literature Review, Methodology, Results, Discussion, Conclusion, Recommendations.

- **Visualizations:** Use graphs, charts, and tables to present findings effectively.

- **Implications:** Discuss the implications of the findings for food delivery businesses and recommendations for improving customer satisfaction.

## Conclusion

In conclusion, this research delves into the multifaceted factors shaping consumers' behaviours preferences within the realm of online food delivery platforms like Swiggy and Zomato. It underscores the pivotal role of various influences such as fashion, technology, lifestyle trends, and disposable income in shaping consumer choices. Marketers stand to benefit significantly from a deeper understanding of these evolving dynamics.

Despite the financial gains witnessed by online food delivery businesses, the volatility of customer loyalty necessitates continuous adaptation and engagement. Transparency and authenticity in marketing efforts, coupled with a focus on user interface optimization, are deemed crucial in building trust and retaining customers.

Food delivery apps have transcended mere convenience to become integral components of modern urban lifestyles in India. Offering a diverse array of cuisines and dining options, these platforms cater to the evolving tastes and preferences of consumers while simultaneously providing a platform for small and medium-sized eateries to thrive in a competitive market landscape.



Technological advancements, particularly in mobile and internet technologies, have played a pivotal role in fueling the growth of food delivery apps. Seamless integration of GPS tracking, personalized recommendations, and cashless transactions has enhanced user experiences and streamlined operations for both consumers and businesses alike.

The evolution from telephonic orders to online platforms and mobile applications has transformed the food delivery landscape, making it more accessible, efficient, and transparent. Consumers now have unprecedented control and visibility over their dining choices, while businesses benefit from increased visibility and operational efficiency. Our findings reveal that customers' choice of food delivery applications is influenced by a multitude of factors, including the variety of restaurants offered, delivery time reliability, pricing and promotions, user interface intuitiveness, and the quality of customer service.

These aspects collectively contribute to the overall user experience and satisfaction.

Moreover, we have identified the primary reasons driving customers to use food delivery applications, with convenience, time-saving benefits, access to diverse culinary options, and promotional offers emerging as key motivators. Understanding these drivers is essential for businesses to tailor their services and offerings to meet consumer needs effectively.

Furthermore, our research underscores the significance of features prioritized by customers within food delivery applications, such as order tracking, customization options, diverse payment methods, and flexible delivery options. Meeting these expectations is crucial for enhancing user satisfaction and fostering loyalty. Importantly, our study explores the correlation between demographic factors such as age, gender, and income with usage patterns and satisfaction levels. By elucidating these relationships, businesses can devise targeted strategies to cater to specific demographic segments more effectively.

Our research provides a comprehensive understanding of the factors influencing customers' choices, usage patterns, and satisfaction levels regarding food delivery applications. Armed with these insights, businesses can optimize their services, enhance user experiences, and cultivate lasting relationships with their customer base in this competitive and rapidly evolving market landscape.

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## ANNEXURE

### Customer Satisfaction and Perception on Online Delivery Apps

1. Gender
  - ☐ Male
  - ☐ Female
2. Age
  - ☐ 12 – 18
  - ☐ 18 – 25
  - ☐ 25 -35
  - ☐ 35 – 50
  - ☐ Above 50
3. Occupation
  - ☐ Business
  - ☐ Homemaker
  - ☐ Service
  - ☐ Student
4. What is your current monthly income?
  - ☐ Nil

☐ Below 20k

☐ 20k - 40k

☐ 40k - 60k

☐ Above 60k

5. Do you use online food delivery apps

☐ Yes

☐ NO

6. Following factors affect the usage of food delivery apps

1. Strongly Agree

2. Agree

3. Neutral

4. Disagree

5. Strongly disagree

☐ Speed of Delivery

☐ Minimum Order and Criteria

☐ Quality of Service

☐ Payment Option

☐ Discounts and Offers

☐ Time Saving

☐ 24\*7 Availability

☐ Choice of Restaurants

☐ Ease and Convenience

☐ COVID Safety Measures

7. Following factors affect the perception of customer regarding food delivery apps

1. Strongly Agree

2. Agree

3. Neutral

8. Disagree Which Food app do you prefer to order

☐ Zomato

☐ Swiggy

☐ Both

9. Service Satisfaction

1. Very Satisfied
2. Satisfied
3. Neutral
4. Dissatisfied
5. Highly Dissatisfied

- ☐ Packaging
- ☐ Active Service
- ☐ Offers and Discounts
- ☐ Quality Services
- ☐ Offers Choice of Restaurants
- ☐ Low Delivery Charges
- ☐ Mode of Payment
- ☐ Customer Support Services
- ☐ Staff Professionalism
- ☐ Overall Satisfaction

