A Review Study on Influential Factors towards Online Food Delivery Services Adoption

Nikita [1], Dr. Nitu Nimbrain [2]

[1] PhD Research Scholar, [2] Assistant Professor

Institute of Management Studies and Research (IMSAR), Maharshi Dayanand University (MDU), Rohtak, Haryana, India

Abstract

Advent of technology and internet has redefined the process of acquiring food that has contributed to the popularity of online food delivery services exerting profound changes in the lives of people. Consumers now can purchase their favourite food instantly with instant e-billing and fast delivery at their doorstep. Owing to which Indian food-tech market has made presence in more than 500 cities and estimated to cross $21.41 billion by 2026. The expansion of such services often leads to a question as to what are the factors which influence the consumers to adopt online food delivery services. To answer this question, this paper reports the findings of descriptive study to get insights about the concept of online food ordering and delivery services and to identify which factors are influencing the consumers to order food online. This is a review paper which is based on descriptive study and data is sourced from articles, journals, news etc. It has been found from the literature that the factors behind its adoption and popularity are convenience, doorstep delivery, reduced time & efforts, plethora of options, changing lifestyle and demographics, better promotional offers, ease of payment, presence on social media, effective customer relationship management.

Keywords: Online Food Delivery, Technology, E-commerce, Food Ordering Portals

Introduction

Recent colossal development of technology and innovation has boosted the extension of e-commerce. The wings of e-commerce have expanded in such a way that it has blurred the line between digital and physical spheres of business enabling the customers to experience extreme comfort zone. After making the triumph marks in multifarious sectors of e-commerce like e-banking, e-insurance, e-ticketing, e-supply chain, e-learning, e-health etc. the technology start-ups are gratifying the appetite of Indian consumers through e-food delivery services. Numerous of business models are prevailing in the Indian food-tech arena such as on-demand delivery, concierge, cloud kitchen, full stack, quick service restaurants etc. The most in-demand, unexplored and future oriented model is online food ordering and delivery model. Online food ordering is done through website or mobile applications provided by food aggregator companies who set up an online food menu of every food outlet. Food ordering on internet is conceptually different from the traditional manner whereby consumers go to restaurant or food outlet, order manually and collect order themselves by paying manually in cash or by card. But, using online food delivery services consumers can use single portal to search and order their favourite cuisine from

their favourite food store by paying electronically and get their order delivered at their place in just few clicks. Though this concept was initiated by a few companies some years ago, now more and more companies have commenced their operations in this framework. Restaurants and other food outlets are also indulging in mass to collaborate with these companies to expand their reach. Some multinational companies like Domino's, Pizza Hut etc. have set up their own online food delivery format. New entrants are capturing the food market with their innovative strategies such as catering to the demands of health-conscious consumers, sick consumers, gym-diet, home cooked food or special diet. Despite being in early stage, online food delivery platform is showing a rigorous growth and gaining tremendous popularity among the modern consumers in India. Nowadays, consumers seek utmost comfort with a plethora of options of food to get delivered at their doorstep. In the fast pacing and accelerated life style, every person is busy with their jobs and find no time to cook food for themselves, they prefer to order from online food delivery portals instead of cooking at home. Because of the reckless lifestyle, consumers have been engaged towards online lifestyle which paves way to these companies to gear up their business with innovation and differentiated technology to make others' lives more comfortable. Also because of the emergence of pandemic novel virus COVID-19, consumers are preferring to order online rather than to dine out in order to reduce the foot fall in the restaurants and to be on the safe side which will add up huge number of new users making it more popular (Brewer & Sebby, 2020).

Background of the Study

The first ever online food order took place on PizzaNet, a digital food ordering hub from Pizza Hut, US in 1994 (RestaurantNews.com, 2014). In 1995, World Wide Waiter, now named as Waiter.com commenced its online food order service in northern California, US (Corcoran, 2000). In India, Zomato launched in 2008 (then FoodieBay) as online restaurant finder website which got renamed as Zomato in 2010 providing food delivery and discovery services being the India's first online food ordering service (Inc42, 2019). In 2014, start-ups like Hello Curry (Kalavalapalli, 2015), Dunzo (Bansal, 2019), Swiggy (Singal, 2018), launched in India. With the passage of time and surge in internet and smartphone usage, many other online food delivery companies got launched. Per year mentions of online food delivery on Google Scholar went 834 in August, 2021 from 193 in 2018 which shows the popularity of these services in recent years (Wikipedia). The authors attempted to know the factors which influence the consumers to opt for online food delivery services and popularity of the same. The existing literature suggests that the most influencing factor is the perceived convenience that a consumer gets in getting the food delivered at his doorstep and without going out and standing in long queues or looking for a parking space for his vehicle. Perceived innovativeness regarding the website or application interface are also the major factors for its usage. Indian customers now have choice to select their favourite cuisine from plethora of options from different kitchens and restaurants while browsing a software application or website sitting at their own place plus having number of offers to save their money. This research article will contribute to systematically organise the factors influencing the usage of online food delivery services.

Objectives:
- To develop the understanding of the concept of online food ordering and delivery system.
- To identify the factors which influence the consumers to order food online.

Research Methodology

Review of literature in research is a tool which helps us in understanding the concepts and the phenomenon. A systematic review is a research method and process of identifying and appraising the relevant research critically and collecting and analysing the data of research (Snyder, 2019). The present paper is purely based on existing literature. In this research paper, we reviewed the literature related to online food delivery services and factors influencing the consumers to use the same. For this purpose, we explored online databases such as Scopus, Web of Science, Google Scholar and their reference lists, to identify all articles published in the field of online food delivery services. To find out the studies in this area, we used the keywords like online food delivery, online food order, electronic food delivery services, consumer behaviour towards e-food ordering. This search returned with 729 articles. The scrutiny of these articles was done on first stage after reviewing. Further, the selection criteria confined to include those articles only which focused on the theme online food delivery services and influencing factors of consumers to use these services. Overall then, we identified and included 52 articles in the review which are useful for the study.

Review of Literature

Online food delivery services are basically connectors of restaurants and end-consumers. Requirement of finer services was the ground which led the formation of this service industry called online food delivery (Whitten, 2018). These were initiated as start-ups in India by tech-savvy young brains who are capturing the Indian food industry with their innovative ideas. (Kanteti, 2018). These services have made ordering food more enjoyable and fashionable allowing easiness and convenience to consumers as it is in their fingertips giving control over technology for getting favourite food wherever and whenever they want (Panse, et al., 2019).

In India online food delivery industry is in inceptive stage but showing tremendous growth and the same has been estimated by many agencies also. Indian online food delivery market has reached a value of US$4.6 Billion in 2020 and anticipated to grow at more than 28.94% CAGR (Compound Annual Growth Rate) to reach US$ 21.41 billion by 2026 (Research and Markets). Report of FICCI 2017 claimed that Indian food service industry, organised as well as unorganised is going to grow at more than 10% over coming five years to reach nearly Rs. 5,52,000 crores.

The following key factors influence the decision of consumers to opt for online food delivery services.

Convenience is the major driver that influences the consumers to order food online and also the vital factor because of which online food delivery business is growing. (Chawan, 2015; Kapoor, 2019). Convenience associated with online food services are important for users as they need less human interaction. (Kimes, 2011). To modern consumer convenience plays major role as it requires few clicks to get your food at your place, for those also who don't want to cook. Consumers do not need to get ready and leave home or travel too long to find and get their food (Rathore, et al., 2018). These services offer convenience of direct comparison among prices, quality, rating, offers etc. and to choose at one portal. (Gera et al., 2018). Various facilities provided by such user interface are designed to make its access convenient. (Adithya et al., 2017). Convenience acts as a boon as it helps in searching and

comparing and selecting the restaurants and food in just few clicks. People are using it more often as they want to lead their life more comfortably with innovativeness.

Doorstep Delivery is said to be the highlighting factor that encourages consumers to choose online food delivery services (Das, 2018) with 'time saver concept' as they render services to consumers in very short time (Gawande, et al., 2019). Consumers can experience variety of cuisines available with internet on various food stores which are delivered using innovative models like 30-minute delivery or free, drone delivery, no touch delivery etc. without stepping out (Kanteti, 2018). These services are growing fast in India as people don't find enough time to prepare food in this fast-paced environment and to get food delivered at your place in no time when there is no plan for what to eat and where to eat. Online food delivery services help in managing the time of students and working consumers in a better manner to get the desired food at any time (Sethu, 2016). These services are frequently used as they involve less wastage of time in going to market, searching, and taking order, wrapping it up then retuning back to your home through miles of traffic. Rather than consumers can order in few clicks and get their food delivered at their place in just some minutes.

Changing Lifestyle and Demographics of consumers have unquestionably mutated the trends in the scenario of online food delivery (Jacob et al., 2019) as consumers are becoming more aware and educated about the use of technology these days. Indian population is the youngest population and most of the demand for online food and beverages comes from here (AIMS Institutes). Changing food habits, busy women, higher disposable income, lack of time for family, urbanisation (Thamaraiselvan, et al., 2019), increased per capita income, internet penetration at large have resulted in adoption of online food delivery services to get cooked food at doorstep (FE Bureau, 2019). In addition to this more families have become nuclear with double income earners having no kids (DINKS) (Netscribes (India), 2018). All these things have changed the mind-set of consumers which led to the choice of these services to order food online.

Interactive Offers like cashbacks, discounted prices, premiums, prizes, coupons, and other commercial schemes are inducing consumers in frequent buying from online food delivery apps and specially those consumers who rely on others for money are always in search of better offers (Prabhash, 2020). Better discount is that variable which induces almost every customer to be satisfied (Modak & Sinha, 2019). Most of the consumers use online food delivery services in order to avail such offers to make the most of it (Beliya, et al., 2019) with the purpose to save money (Shareef & Baba, 2019) as price plays a major role in attracting consumers as everyone wants to save money and get the maximum value and utility by paying minimum. Consumers use to switch among various service providers in search of better offers (Sharma, et al., 2019). Such sales promotion tools of online food delivery services catch the eyes of customers and influence them to order food online rather than to order in traditional manner.

With the **Hectic Working Schedule** in cities, online food delivery industry is also booming at rapid pace (Saxena, 2019). Online food delivery applications have gained a huge consumer base of tech-savvy individuals across India (Parashar & Gadhiyali, 2017) among which mainly students and IT company employees constitute a large part (Chorneukar, 2014) and by those who stay at staff quarters or in rented home without cook or institutional hostels. (Mohan & Gayathridevi, 2019). Because of the influx of the

professionals in the urban areas mainly in IT and operational management companies working far away from home, ease and time efficiency happen to become their main concern which led them to consider it better to order food online instead of going out to have meal (Gawande, et al., 2019; Iyer, 2019). Students' life is also none less than professionals' who always remain indulged in their studies and find no time to cook or to go out to have meal on time.

Ease of Payment is the biggest advantage to consumers who opt for online food delivery services (Jadhav, 2018; Saxena, 2019). These services provide a variety of options to pay for your order and also it is the need of the hour to pay hassle-free. Secured modes of payment have made the online food ordering very trendy, consumers feel secured and safe in making payment through online modes such as debit card, e-wallet, credit card, UPI payments etc. (Sumathi & Josephin, 2017). In addition to the online payment medium, there is also the facility of cash on delivery payment for people who do not want to get entangled in online payment problems and want to make convenient cash payments and it proved as the helping hand to such customers (Sudha & Raghunath, 2019). Various payment options have become one of the primal factors that influence buying behaviour (Kumari, 2019). All these options have build-up trust and enhanced the ease of payments.

Efficient Customer Relationship Management techniques of these service providers are influencing the customers to stick to them. Customer support system helps in resolving the complaints and answering the query of consumers which is available 24/7 with a few clicks (Gupta, 2019). Consumers can always give and see others' feedback, reviews, rating about the services and they are relying on the published consumers' reviews, ratings, photographs etc. for the choice of food and restaurants (Sharma & Waheed, 2018). These companies are successfully utilising the social networking sites not only to do marketing and but to interact with their customers which is available 24×7 hours and it has seen that consumers are investing plenty of time in interacting and sharing their experiences with these companies. Use of social media platforms to interact and attract consumers is resulting in high satisfaction (Mehta, 2019) as information regarding food quality, services, contests, offers and interesting feed, uploads are always available there. (Fathelrahman & Basarir, 2018).

Plethora of Options with respect to variety of cuisines (Kumar, 2020), choice of restaurant, at any place, at any time, choice of payment medium, choice of communicating channel i.e. by chat or call, choice of interface etc. are offered by online food delivery services which attracts the consumers. The report by Google and Boston Consulting Group (BCG) claimed that different types of cuisines availability is one of the major reasons for recurrent use of online food delivery services. All these benefits attract a huge consumer base spending more than they would spend ordering telephonically or personally.

Some other factors are also there which proliferated the number of consumers who use online food delivery services like internet reach has increased because of which consumers have become habitual of using internet all the times. Also, consumers take no time in adopting new technology whatever comes to the market. Easy and friendly user interface given by these services providers attracted a bunch of people because of perceived use of easiness and order hassle-free. (TechSci Research, 2018) Experiences shared by friends and peer groups on social media and works as stimulators for others to

use them. Moreover, behaviour of delivery agents or valet also induces to opt online food delivery services as they are trained to serve customers politely and make good relationships which helps them to retain old customers and add new customers.

Conclusion and Discussion

After reviewing the literature, it can be clearly said that the food delivery system has successfully transited from the traditional manual phase to online phase. New trends like railway station delivery, drone delivery, no touch delivery etc. are attracting the consumers making it more enjoyable and fashionable. The change in technology as well as lifestyle of people has contributed to the success of online food delivery services. Though this concept was introduced few years back but consumers have quickly utilized the unconventional but convenient way of getting cooked food at the doorstep. Considering all the factors it can be said that online food delivery service industry is going to flourish in India in coming years.

References

1. R. Adithya, A. Singh, S. Pathan, V. Kanade. (2017). Online food ordering system. International Journal of Computer Applications, 180(6), 22-24.
2. S.M. Alagoz, H. Hekimoglu. (2012). A study on TAM: Analysis of customer attitudes in online food. Procedia - Social and Behavioural Sciences, 62, 1138-1143.
3. A. Beliya. (2019). Satisfaction of consumers by using online food services. International Journal of Humanities and Social Sciences (IJHSS), 8(4), 35-44.
4. P. Brewer, A.G. Sebby. (2020). The effect of online restaurant menus on consumers' purchase intentions during the COVID-19 pandemic. International Journal of Hospitality Management, 94 (2021) 102777, 1-9
5. V. Chavan, P. Jadhav, S. Korade, P. Teli. (2015). Implementing customizable online food ordering system using web-based application. International Journal of Innovative Science, Engineering & Technology, 2(4), 722-727.
6. J. Das. (2018). Consumer perception towards 'online food ordering and delivery services': An empirical study. Journal of Management, 5(5), 155-163.
7. E. Fathelrahman, A. Basarir. (2018). Use of social media to enhance consumers' options for food quality in the United Arab Emirates (UAE). Urban Science, 2(3), 70, 1-9. https://doi.org/10.3390/urbansci2030070
8. N. Gawande, G. Pachaghare, A. Deshmukh. (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.
9. M. Gupta. (2019). A study on impact of online food delivery app on restaurant business special reference to Zomato and Swiggy. International Journal of Research and Analytical Reviews (IJRAR), 6(1), 889-893.
10. B. Iyer. (2019). A study of consumer behaviour towards food ordering through mobile apps. International Journal of Advance Research, Ideas and Innovations in Technology, 5(4), 360-366.
11. A.M. Jacob, N.V. Sreedharan, K. Sreena. (2019). Consumer perception of online food delivery apps in Kochi. International Journal of Innovative Technology and Exploring Engineering (IJITEE), 8 (7S2), 302-305.

12. S. Jadhav. (2018). Food ordering mobile applications – A new wave in food entrepreneurship. International Journal of Latest Technology in Engineering, Management & Applied Science (IJLTEMAS), 7(4), 110-115.

13. V. Kanade, et al. (2017). Online Food Ordering System. International Journal of Computer Applications, 6(180), 374-378.

14. V.L. Kanteti. (2018). Innovative strategies of start-up firms in India - A study on online food delivery companies in India. International Research Journal of Management Science & Technology, 9(3), 17-23.

15. D. Kapoor. (2019). Online food aggregators- Changing market for food delivery: A study to understand customer's perception. Elk Asia Pacific Journal of Marketing and Retail Management, Special Issue - 4th nternational Marketing Conference Reimagining Marketing – Confluence of Creativity and Technology, IBS- Mumbai, 234-241.

16. Karishma Sharma, Kareem A. Waheed. (2018). Consumption of online food app services: An exploratory study among college students in Dubai. Middle East Journal of Business, 13(4), 4-11. https://doi.org/10.5742/mejb.2018.93500

17. K.S. Kumar. (2020, January 29). India's online food app industry to grow rapidly. Asia Times. https://asiatimes.com/2020/01/indias-online-food-app-industry-to-grow-rapidly/

18. V.K. Kumari. (2019). A impact of customer behavior towards online food services. International Journal of Recent Technology and Engineering (IJRTE), 1C2(8), 497-499.

19. R. Kumawat, Pooja R., Urmila S., P.H. Lohale. (2016). Online Food Order System. IJRASET, 4(I).

20. G. Mehta, T. Iyer, J. Yadav. (2019). A study on adoption of social media by Food Ordering & Delivering companies for successful development of Relationship Marketing. International Journal of Research and Analytical Reviews (IJRAR), 6(2), 53-63.

21. K.C. Modak, K. Sinha. (2019). A logistic regression model of customer satisfaction for online food delivery services. Unnayan: International Bulletin of Management and Economics, 11, 320-326.

22. Mohan G.R., Gayathridevi K.S. (2019). Consumer's motivation to order food online with reference to Coimbatore. International Journal of Management and Commerce Innovations, 7(1), 115-123.

23. C. Panse, S. Rastogi, A. Sharma, N. Dorji. (2019). Understanding consumer behaviour towards utilization of online food delivery platforms. Journal of Theoretical and Applied Information Technology, 97(16), 4353-4365.

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

25. Prabhash A.M. (2020). The consumer perception on online food delivery system among youth in Kerala. EPRA International Journal of Multidisciplinary Research (IJMR), 6(2), 96-100.

26. R. Priyadarshini. (2017). Consumer perception towards MNC fast food outlets in Coimbatore. International Journal of Applied Research, 3(3), 273-240.

27. S.S. Rathore, M. Chaudhary. (2018). Consumer's perception on online food ordering. International Journal of Management & Business Studies (IJMBS), 8(4), 12-17. http://www.ijmbs.com/Vol8/issue4/2-suryadev-singh-rathore.pdf

28. A. Saxena. (2019). An analysis of online food ordering applications in India: Zomato and Swiggy. International Journal of Research in Engineering, IT and Social Sciences, 9, 13-21.

29. H.S. Sethu, B. Saini. (2016). Customer perception and satisfaction on ordering food via internet, a case on foodzoned.com, in Manipal. Proceedings of the Seventh Asia-Pacific Conference on Global

Business, Economics. Finance and Social Sciences. Kuala Lumpur, Malaysia. Paper ID: KL631, 1-13.

30. M.S. Shareef, T. Baba. (2019). Consumer perception towards online food ordering service in Hyderabad. India Review of Research, 8(9), 1-8.

31. K. Sharma, A. Sharma, S. Sharma. (2019). An analysis of popularity of food delivery applications among the youth in Jaipur. Think India, 22(4), 2512-2521.

32. Sheryl E.K. (2011). Customer perceptions of electronic food ordering. Cornell Hospitality Report, 11(10), 6-15.

33. H. Snyder. (2019, March). Literature review as a research methodology: An overview and guidelines. Journal of Business Research, 104, 333-339. https://doi.org/10.1016/j.jbusres.2019.07.039

34. V. Srivastava. (2016). Exploring service quality perceptions of online shoppers: Evidence from India. International Journal of Marketing and Communication, 5(2), 1- 5.

35. Sudha K.M., Raghunath G. (2019). From selling to supporting-leveraging mobile services in the field of food retailing. International Journal of Scientific Research and Review, 8(1), 925-929.

36. Sumathi A., Josphin, S. (2017). A study on prospect concernment towards food adjures app. International Journal of Applied Research, 3(2), 4905-4910.

37. N. Thamaraiselvan, G.R. Jayadevan, K.S. Chandrasekar. (2019). Digital food delivery apps revolutionizing food products marketing in India. International Journal of Recent Technology and Engineering (IJRTE), 8(2S6), 662-665.

38. A. Vinaik, R. Goel, S. Sahai, V. Garg. (2019). The study of interest of consumers in mobile food ordering apps. International Journal of Recent Technology and Engineering (IJRTE), 8(1), 3424-3429.

39. Financial Express. (2019, October 11). Online food delivery may touch $12.53 billion by 2023. https://www.financialexpress.com/industry/online-food-delivery-may-touch-12-53-billion-by-2023/1732353/

40. Mathews Joao Chorneukar. To Study the Customer Perceptions of Electronic Food Ordering. St. Joseph's Evening College – Pondicherry University. http://sjput.in/pdf/Marketing%20sample%20project.pdf

41. Thanakrit Kitthanadeachaorn. (2017, May 8). Customer Buying Decision Process using Online Platform for Online Food Delivery in Thailand. Faculty of Commerce and Accountancy, Thammasat University. http://ethesisarchive.library.tu.ac.th/thesis/2016/TU_2016_5802040971_6042_4649.pdf

42. Indo-Asian News Service. (2020, January 28). Gadgets360. https://gadgets.ndtv.com/internet/news/indian-online-food-delivery-market-to-hit-usd-8-billion-by-2020-google-bcg-report-2171043

43. AIMS Institutes. Online Food Service in India: An Analysis. https://theaims.ac.in/resources/online-food-service-in-india-an-analysis.html

44. TechSci Research. India Online Food Ordering and Delivery Market By Operation Type (Food Aggregators & Restaurant-based). https://www.techsciresearch.com/report/india-online-food-ordering-and-delivery-market/3952.html

45. BusinessLine. (2019, March 26). Online food ordering market to touch $17.02 bn by 2023: Study. https://www.thehindubusinessline.com/economy/online-food-ordering-market-to-touch-1702-bn-by-2023-study/article26643944.ece

46. Research and Market. India 21.41 Billion Online Food Delivery Market to 2026: Focus on Bangalore, Delhi NCR, Mumbai, Hyderabad & Pune. (2021, May 17). GlobNewswire. https://www.globenewswire.com/en/news-release/2021/05/17/2230423/28124/en/India-21-41-Billion-Online-Food-Delivery-Market-to-2026-Focus-on-Bangalore-Delhi-NCR-Mumbai-Hyderabad-Pune.html

47. RestaurantNews.com. Pizza Hut Celebrates 20th Anniversary of World's First Online Purchase With 50 Percent Off Online Deal for Hut Lovers Members. http://www.restaurantnews.com/pizza-hut-celebrates-20th-anniversary-of-worlds-first-online-purchase-with-50-percent-off-online-deal-for-hut-lovers-members/

48. David Corcoran. (2000, December 13). How to Make Lunch an Adventure. The New York Times. https://archive.nytimes.com/www.nytimes.com/library/tech/00/12/biztech/technology/13corc.html

49. Sebastian. (2021, August 15). Timelines Wiki. https://timelines.issarice.com/wiki/File:Online_food_delivery_google_schoolar.png

50. Yogendra Kalavalapalli. (2015, November 11). As food tech industry struggles, Hello Curry eyes national expansion. Mint. https://www.livemint.com/Companies/xprjkXgywq2KAIBDAL5I3H/As-food-tech-industry-struggles-Hello-Curry-eyes-national-e.html

51. Varsha Bansal. (2019, June 5). 'Next quarter, we will start pushing growth in Hyderabad' Dunzo CEO Kabeer Biswas. Mint. https://www.livemint.com/companies/news/-next-quarter-we-will-start-pushing-growth-in-hyderabad-dunzo-ceo-kabeer-biswas-1559642544751.html

52. Aastha Singal. (2018, December 23). Swiggy Timeline: From a Bootstrapped Venture to India's Fastest Growing Unicorn (Infographic). Entrepreneur Media. https://www.entrepreneur.com/article/325292

53. Inc42. (2019, October 11). What's The Story Of Zomato? https://inc42.com/features/whats-the-story-of-zomato-origin-journey-and-evolution/