

A Study On Consumer Analysis And Market On A Food Delivery App-Zomato(Chennai)

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ABSTARCT

Digital services are anything that can be delivered through an information infrastructure such as the internet, in various forms i.e. applications, web pages, social media, etc. In the paper the major focus will be on the various apps that are available either by 3rd party for delivery purpose or by restaurants themselves for various purposes like delivery, pointing system, in house app ordering, etc. Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions. From this research paper the shift of consumer's behaviours with the introduction of technology and what are the different kinds of applications that consumers are satisfied with and what makes them happy and satisfied about the service can be understood. The main objective of the paper is to understand the relation between facilities and the purchase behaviour. Secondly to find the most popular app in the food delivery industry and understand as to how have technology played an important role in the restaurant industry. Now, finding a great place to eat, ordering food, reserving tables, and giving positive or negative feedback for a restaurant has become very easy and accessible for the consumer. The pioneer and leader of this segment in India has been Zomato. Zomato is a brand, which every consumer would associate to when he thinks of an e-food platform.

Keywords: Consumer behaviour, Food delivery app, zomato , e-commerce.

INTRODUCTION

Zomato is an online discovery guide for restaurants, bars, pubs and clubs and for dine-outs. The registered users are required to post reviews and rate (on a scale of 1 - 5 stars) the restaurants on the basis of their choice, visit and experience. The website helps in defining the restaurant/pub/club on the basis of presence or absence of air conditioning, smoking area, WiFi Internet, stag entry, live performances and outdoor seating or whether non-vegetarian food and alcohol are served or not. Zomato also provides information related to cuisines served, operation timings, approximate cost of a meal for two, credit cards accepted or not. In today's world service sector contributes 64.80% in GDP.

Zomato is one of the most popular applications that provide services to the user to discover restaurants. The rise of digital technology is reshaping the industries. With the increased use of technology, the number of people engaging into the digital sector are rapidly increasing. Even Consumers are accustomed to shopping or even ordering online through apps or websites, with maximum convenience and transparency, expecting the same experience that they would get from the outlet itself. To match up with the consumer's expectations apps are providing increased facilities and services to the customers.

REVIEW OF LITERATURE

A research on the changing market for food delivery (Carsten Hirschberg et al 2016) indicates that online's penetration of the total food-delivery market broke 30 percent in 2016. We believe penetration rates will grow further as the market matures, eventually reaching 65 percent per year.

According to gloria food: The advantage of online ordering and the reasons for the growth of food delivery app industry are Convenience, Simpler menu to manage, significant savings, no hassels etc. FoodPanda is an introduction to the newest food sensation that's here to stay (Shiyin Chan, 2015). Foodpanda is a global online food delivery marketplace headquartered in Berlin, Germany. Fun fact - they're also known as hellofood in other places in the world.

Bhavna Singh (2015) said that Foodpanda has been present in the Indian market since May 2012. Foodpanda first major move was acquisition of TastyKhana, which was launched in the city of Pune in 2007. Together with TastyKhana and JUST EAT, it is now present in over 200 cities and partners with over 12,000 restaurants. She also talked about JUST EAT was launched in Denmark in 2001 and was traded publicly on the London Stock Exchange. Their Indian business was launched as Hungry Bangalore in 2006. It was renamed in 2011 when JUST EAT acquired a majority share in the business. Today, the company partners with over 2,000 restaurants.

According to DeepinderGoyal, Zomato CEO and co-founder told TechCrunch that he expects to reach 10,000 restaurants in India in a few months. "We have a sales team of around 300 in India and 5,000-odd advertisers... these partners know the volume we bring to them so it is quite easy for us to launch this new service."

According to a recent sectoral report published by IBEF (Indian Brand Equity Foundation), Food has been one of the largest segments in India's retail sector, valued at \$490 billion in 2013. The Indian food retail market is expected to reach Rs 61 lakh crore (\$894.98 billion) by 2020. The Indian food processing industry accounts for 32 percent of the country's total food market, one of the largest industries in India and ranked fifth in terms of production, consumption, export and expected growth. The online food ordering business in India is in its nascent stage, but witnessing exponential growth. The organised food business in India is worth \$ 48 billion, of which food delivery is valued at \$15 billion. Investment in food startups, which mainly include food ordering apps, has increased by 93 percent to \$130.3 million, comprising 17 deals till September 2015, as against only five deals in 2014.

According to a January 28 report in The Times of India, Rocket Internet backed Foodpanda has not found a buyer even with a rock bottom price tag of \$10-15 million. The company laid off 300 people in December 2015, about 15% of its workforce. In September 2015, TinyOwl had fired 100 employees in its Mumbai and Pune offices. And in October, Zomato sacked 300 workers. UK based Just Eat entered and exited the market faster than you would order and receive pizza.

OBJECTIVES

The objectives of this research paper are:

- To study and understand the branding and marketing strategy of Zomato
- To analyze the current positioning of the brand as per consumer perception
- To suggest scope of improvement for the brand as per consumer responses .

RESEARCH METHODOLOGY

DATA COLLECTION

The data has been collected by primary sources. Primary data includes information collected through questionnaire based on attitude and perception of customers using food delivery apps in India.

SAMPLE SIZE

The total sample size was 129 respondents from Chennai district, out of which a major portion was people of the age group 20-25 years.

RESEARCH TOOLS

Following research tools were used to do analyses and to draw conclusions.

- Cronbach alpha
- Chi square
- Weighted average
- Descriptive analysis

HYPOTHESIS

- Ho1: There is no significant relationship between factors affecting usage and the food apps
- H1: There is a significant relationship between factors affecting usage and the food apps.
- Ho2: There is no association of popularity with the awareness methods used.

H1: There is association of popularity of an app with the awareness methods used.

- Ho3: There is no most popular app for food delivery among samples.

H1: There is a most popular app for food delivery among samples.

ANALYSIS AND INTERPRETATION

To understand the behavior of customers regarding usage of food delivery apps, socioeconomic characteristics of the customers were studied. They are the important variables as they decide the consumption pattern and customer behavior regarding these apps. Generally it is believed that, as the income, age and education of the customer varies impact the usage pattern of mobile apps. The following table 4 represents the socio-economic pattern of the selected sample.

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Category	No: of Respondents	Percentages
GENDER		
Male	94	27%
Female	35	73%
AGE		
20-25	115	89%
25-30	8	6%
30-35	4	3%
35 above	2	2%
PROFESSION		
Unemployed	2	2%
student	116	90%
working	7	5%
Self employed	4	3%
INCOME		
50000-100000	61	51%
100000-170000	25	21%
170000-250000	14	12%
250000 Above	19	16%
CONSUMPTION		
Less than 1000	74	57%
1000-1750	28	22%
1750-2500	12	9%
2500-4000	9	7%
4000 above	6	5%
TOTAL	129	100%

Out of the given table it is understood that the major group of gender category involved are males than females ,under which the age group among 20-25 are the highest. Students are the highest among profession category earning income around 50000-100000 per annum

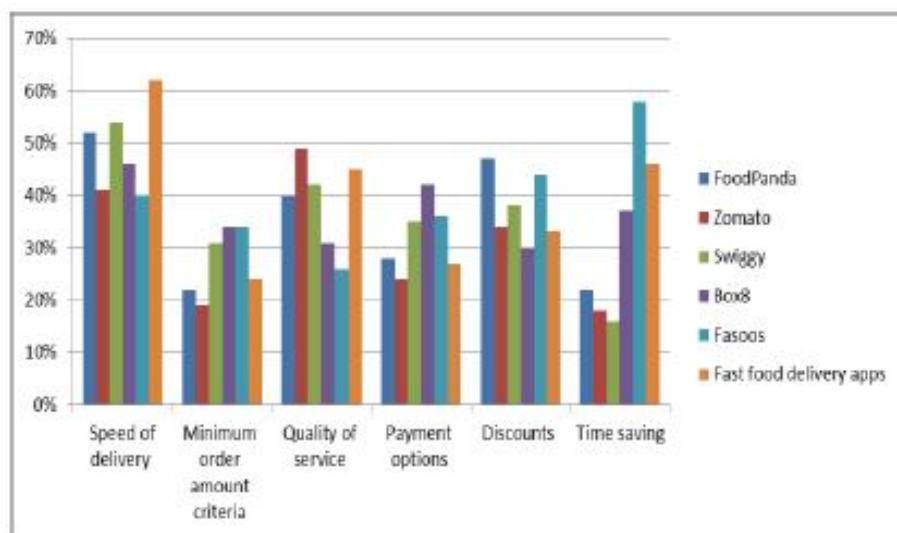
consuming are less than 1000 as per the given sample. The responses of the customer about the usage and the factors affecting usage were tabulated and analyzed to understand their behavior.

Frequency of usage of Food Delivery apps

The table below shows the usage of different food delivery apps among the selected samples. As per the data collected we can analyze that food panda and fast food delivery app are among the most preferred food apps by consumers followed by Swiggy and Zomato.

- USAGE OF APPS AS PER THE RESPONDENT'S

APPS	USAGE
FoodPanda	72%
Zomato	62%
Swiggy	65%
Box8	47%
Fassos	58%
Fast food delivery apps	76%
others	9%

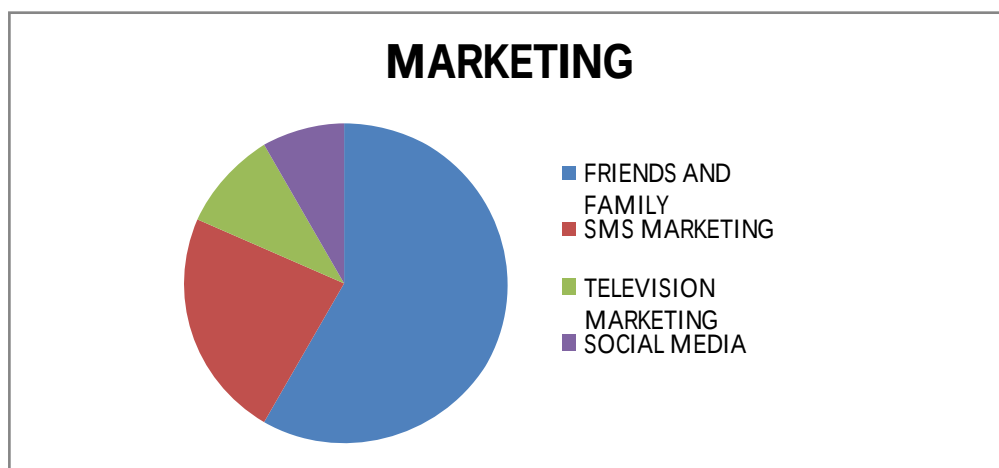


FACTORS AFFECTING FOOD DELIVERY



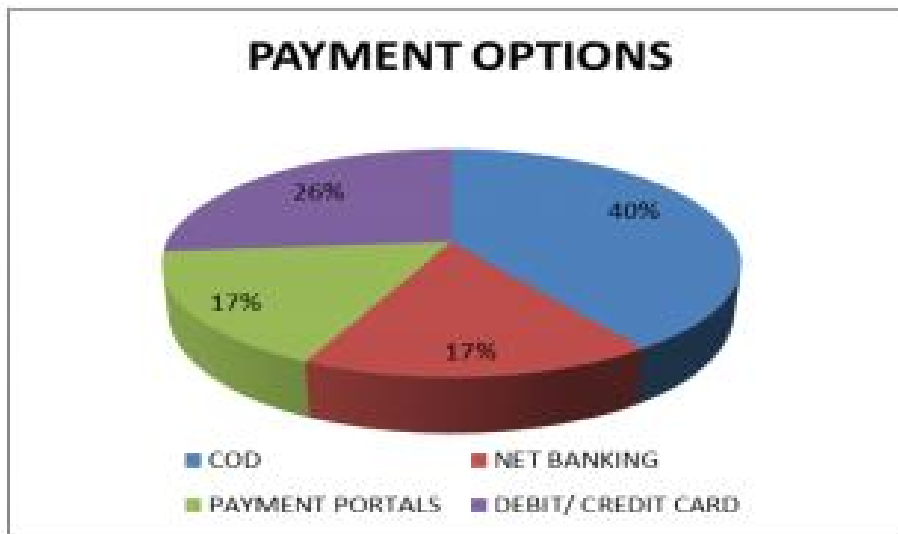
The main objective of this research is to find out factors influencing customers regarding usage of food delivery apps. From Graph 1 we can analyze that speed of delivery is the highest attractive feature on Food Panda, swiggy, box8 and fast food delivery apps. The second highest feature preferred by the consumers is the quality of service provided by the apps and the ordering experience. Discount is considered one of the most important factor while ordering from food panda and fassos.

Marketing effectiveness



An examination of data reveals that being majority of the responds from Gen Z, the source of information regarding mobile food apps, there is usage is basically via social media platform or friends and families.

Chart 2: the most commonly available payment options for food app customers

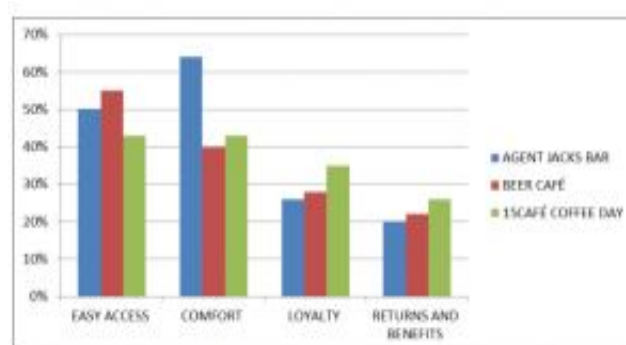


Further analysis says that majority customers prefer credit/debit card payment or cash on delivery, very few customers prefer online payment mode. The payment options open to customers are cash on delivery, net banking, payment portals and debit or credit cards. Out of these from our research we find that cash on delivery is most preferred by the customers 40% followed by debit/ credit card payments- 26%.

Special Apps

Special apps are those apps which can be used in the restaurant; they are not basically the delivery app but restaurant apps. Agent jacks bar, Beer café and 15cafe coffee day are among the most used special apps. Gen Z use beer café app because of easy access whereas agent jacks bar because comfort in using. Similarly they prefer 15cafe coffee day for loyalty points.

- Comparison of the most attractive feature between all the special apps



Chi Square test between Factors and Food apps

The research also tries to test the relationship between factors affecting usage of food apps with different apps available in market. Cronbach alpha is used to check reliability of the data set. The Cronbach alpha of the data came .967 which is considered to be good. The Chi square test between factors affecting the usage and the apps comes somewhere around 73.7 with 5% level of satisfaction and 30 degree of freedom. The chi square comes more than table value therefore we reject null hypothesis and accept alternative which says that there is significant relationship between factors affecting usage and the food delivery apps.

Particulars	Chi-square	df	P value
Speed of delivery	53.345 ^a	3	.000
Minimum order amount criteria	29.946 ^b	2	.050
Quality of service	46.324 ^a	3	.000
Payment options	53.459 ^a	3	.000
Discounts	46.865 ^a	3	.000
Time saving	46.564 ^a	3	.000

CONCLUSION

With continuous influx of professionals in cities and rapid urbanization of Indian landscapethe fooddelivery and restaurant segment is now thriving at a blistering pace. Adding to this scenario is an increasing number of smartphones and food delivery apps. Food delivery apps have now become a big hit with tech-savvy individuals across India. There are several food delivery apps in India that one can download on smart phones to order food on the go and from the comfort of homes. The present study found a significant relationship between factors considered important while selecting a food delivery app. And from the analysis it was also found that the facilities offered play a major role in making a purchase from an app. Social media should be the most desired tool for marketing by firms. Currently cash on delivery is the most preferred option of payment by the respondents but other digital techniques are also in the growth stage. Firms must also make sure that the apps are comfortable and user friendly. The special apps are a convenient way for the consumers to place orders and for the company to attract further more consumers but the comfort of usage must be given a higher preference.

RECOMMENDATIONS

It was found that social media platform is not being properly utilized. The Facebook page should be more active to interact with consumers. Also, Zomato needs to keep innovating. New features like virtual tour of restaurants should be added. Live video shots from café/pubs can be added if some famous band is performing over there. The brand should build on its

most used features. It must ensure that Authenticity of the reviews should be maintained. Paid reviews should not be encouraged, as it will dilute the brand.

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