

Analysis of Impact of Monthly Income of Customers of Online Food Delivery Services and their Perception on Service Factors

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Abstract: This study aims to assess the impact of monthly income of customers of online food delivery services and their overall perception on factors such as tangibility, reliability, responsiveness and empathy. The study mainly based on primary data collected from 350 respondents using a structured questionnaire. Data were analysed using ANOVA and found that there is no significant difference between the perception of customers with different income group towards online food delivery services in terms of its tangibility, reliability, and empathy except responsiveness. It is concluded that the online food delivery services customers belong to different monthly income group have similar perception that the online food delivery services are tangible, reliable and responsible.

Keywords: Customers' perception, Mobile application, Online food delivery service, Service quality factors.

1. Introduction

On those days people use to go to the hotels and restaurants to have food. When the days changed according to the needs of the customers the fast-food restaurants and multinational restaurants like (KFC, Dominos, Pizza Hut, etc.,) use to give home delivery on a call. When the technology started booming the mobile application brought the changes in the market. They have conquered the market through their few-click technology (mobile application). Technology is playing a major role in revolutionizing the food delivery service, it has made changes in customer's preferences as their dependency of technology has influenced them to do everything online comprising getting cooked meals delivered to their doorstep. The vague of online food delivery services is steadily growing, expectations of the users are also increasing. This research paper is directed to inquire into customers' point of view about the services they receive from online food delivery platforms. This paper will help the service providers to understand the relationship between the customers' perception and the income of the customers on the basis of result of a survey.

2. Statement of Problem

In current scenario all essentials for the people are sold through online mobile applications through doing the few steps

the thing gets delivery service to our home directly. On those days people use to go to the hotels to have food when the days passed according to the needs of the customer some hotels started delivering their food to home on a phone call. Today everything had got updated to online mobile applications so the food aggregators had launched the mobile food delivery platform. During covid-19 these online food delivery platforms played a major role in service market.

3. Objectives of the Study

- To analyse the customer's perception towards online food delivery services.
- To offer suggestion based on the findings of the study.

4. Review of Literature

Anupriya Sexana student of Amity university, Ultra Pradesh (2019) conducted research in the title an analysis of online food ordering application in India: Zomato and Swiggy. It was published in research gate. The main objective of the study is to analyse the concept of online food delivery application to identify the pros and cons of applications from the point of view of restaurants and customers. The researcher used both primary and secondary data. The researcher used two types of questionnaires one is on the point of view of customers and other on point of view of restaurants to collect data. The major findings of the study are main features that attracts consumer is door step delivery at any place and at any time consumer are motivated through rewards and cash backs the factors that block the customer is bad past experience, reviews, word of mouth. But the service and concept of business is effective and innovative which can help to expand the business to other cities having more youngsters.

B. Selva Kumar, S. Swetha, B. Sudharshana, S. Sundeep Kumar (2020) has done research under the title Swiggy and Zomato: An analysis of covid safety measures taken in online food delivery companies and its customer satisfaction rate. The journal got published in international journal of advance research and innovative ideas in education. The main objective of this research is to analyse the customer satisfaction rate

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regarding various precautionary measures that has been taken by food delivery application, frequency of food ordering before and onset of covid customer satisfaction rate regarding point of delivery existing safety and hygiene measures and to identify the safety and hygiene measures which will make the customer feel safe. The researcher used primary data by conducting survey 85 response have been collected by the convenient sampling technique and the secondary data has been collected through analysing various online sites regarding safety measures that need to follow during covid precautionary steps that need to be followed by delivery partners as well as customers. The researcher used MS Excel for percentage analysis to analyse the data and SPSS software has been used to conduct correlation and Chi-square test. Weighted average test is done manually. The major findings of the study are more respondent orders food through online and it indicates before onset of covid customer used these online applications more when compared to after onset of covid the customer prefer swiggy more when compared to zomato and also customers feel that precautionary measures taken by swiggy is more satisfy when compared to zomato.

Anita Abraham (2021) in his research article titled “A study on the effectiveness of online food application on registered restaurants”. The research got published in international journal of creative research thoughts. The objectives of the study are to study how restaurants manage the cost of products delivered via food apps, the impact on sales after online food apps have been introduced, and to identify whether the restaurants corporate image has improved through the use of technology. The researcher has collected both primary and secondary data. The researcher has used questionnaire method from various registered restaurants to collect primary data. And the secondary data collected from different publications, magazines, newspapers, etc., The sampling technique used is judgmental sampling. Mathematical and statistical tools are used for analysis. The major findings are the study found that among these online applications, Zomato is preferred by most of the restaurants, because it improves sales of the restaurants through offers and reducing their commission. It is observed that most of the restaurant’s states that they incur service cost more for serving the customer needs. Labour cost material and maintenance cost are only constituting a smaller part of total cost. The respondents state that these costs are affordable for providing online services along with direct delivery. The study shows that when compared to offline mode of service the total cost involved in offering products using online food delivery application has moderately increased. It is notified that majority of the restaurants gets a turnover of 100000/- or more during a month after adopting online platform. Majority of the restaurants has been increased their corporate image by registering on this online food delivery application like zomato and swiggy along with providing quality food to the customers.

Aditya Tribhuvan (2020), has conducted research under the title” A study on consumer perception on food apps”. The research got published in international journal of advance research and innovative ideas in education. The objectives of the study are to examine the consumer perception regarding

online food delivery apps and also to analyse the factors that have influenced consumer perception towards online food apps. The researcher used both primary and secondary data. The primary data is collected from 143 respondents using structured questionnaire it was prepared a google form and circulated through various social media platforms. The researcher has framed 5 hypotheses under TAM model to carry out the research. Percentage analysis is used to analyse the data. The major findings of the study are the most preferred app is Swiggy and cash on delivery is the fastest and most secure form of payment. The study also states that all age groups use food apps, and they are happy with the service quality, hygiene, and packing system, which make people order from food apps. And the study also finds that some people prefer old fashion way of ordering over the telephone and overall people get influenced by offers and variety of food apps. The study enhances the understanding of people’s preference, the efficacy in time management, affordability, food preferences, discounts available and door-to-door service without compromising on quality.

5. Research Methodology

The study is mainly based on primary data. Primary data were collected from 350 respondents using a structured questionnaire. Primary data were analyzed using statistical tools such as percentage analysis, Mean, Standard deviation, ANOVA and Chi-square Test.

6. Analysis and Interpretation

Table 1
Profile of the customers

AGE	NO. OF RESPONDENTS	PERCENTAGE
Up to 25	105	30.0
26-30	125	35.7
31-35	61	17.4
Above 35	59	16.9
Total	350	100.0
GENDER	NO. OF RESPONDENTS	PERCENTAGE
MALE	163	46.6
FEMALE	187	53.4
Total	350	100.0
EDUCATIONAL QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
Up to HSC	48	13.7
UG	135	38.6
PG	120	34.3
Professional	47	13.4
Total	350	100.0
OCCUPATION	NO. OF RESPONDENTS	PERCENTAGE
Government Employee	42	12.0
Private Employee	160	45.7
Business	46	13.1
Professional	77	22.0
Others	25	7.1
Total	350	100.0
MONTHLY INCOME	NO. OF RESPONDENTS	PERCENTAGE
Below 20,000	117	33.4
Rs.20,000-40,000	132	37.7
Rs.40,000-60,000	66	18.9

Above Rs.60,000	35	10.0
Total	350	100.0
ONLINE FOOD DELIVERY SERVICES	NO. OF RESPONDENTS	PERCENTAGE
Zomato	149	42.6
Swiggy	133	38
Eat sure	19	5.4
All the above	49	14
Total	350	100.0
MEAL OF THE DAY	NO. OF RESPONDENTS	PERCENTAGE
Breakfast	15	4.3
Lunch	105	30.0
Evening snacks	47	13.4
Dinner	79	22.6
All the above	104	29.7
Total	350	100.0
PERIODICITY	NO. OF RESPONDENTS	PERCENTAGE
Once in two days	44	12.6
Once in a week	194	55.4
Once in a month	112	32.0
Total	350	100.0
PLACE OF ORDER	NO. OF RESPONDENTS	PERCENTAGE
At home	171	48.9
At office	27	7.7
Both	152	43.4
Total	350	100.0
AMOUNT SPENT PER MONTH	NO. OF RESPONDENTS	PERCENTAGE
Below Rs.1000	123	35.1
Rs.1000-2000	151	43.1
Above Rs.2000	76	21.7
Total	350	100.0
FOOD DELIVERY CHARGES	NO. OF RESPONDENTS	PERCENTAGE
Low	10	2.9
Medium	167	47.7
High	173	49.4
Total	350	100.0
TYPES OF FOOD	NO. OF RESPONDENTS	PERCENTAGE
South Indian	81	22
North Indian	70	20
Fast food	74	21
Chinese	42	12
Shakes and desserts	46	13
All the above	37	12
Total	350	100.0
TYPES OF RESTAURANTS	NO. OF RESPONDENTS	PERCENTAGE
Vegetarian	88	25
Non-Vegetarian	105	30
Newly launched	25	7
Pocket friendly	53	15
Top Rated	21	6
Cheap Rated	11	3
All the above	47	14
Total	350	100.0
PAYMENT OPTION	NO. OF RESPONDENTS	PERCENTAGE
Credit or debit card	35	10
UPI payments	123	35
Cash on delivery	140	40
Application generated wallets	7	2
Coupons	7	2
All the above	38	11
Total	350	100.0

DIFFERENT OCCASIONS	NO. OF RESPONDENTS	PERCENTAGE
Festivals	18	5
Party time	28	8
Health issues	53	15
Pandemic situation	39	11
Something to try new	63	18
Weekends	105	30
All the above	44	13
Total	350	100.0

7. Perception of Customers Towards Online Food Delivery Services

The mean and standard deviation have been calculated to find the perception of customers towards online food delivery services and presented in the following table.

Table 2
Perception of customers towards online food delivery services

PERCEPTION OF CUSTOMERS	MEAN	STANDARD DEVIATION
Performing promised delivery accurately	4.65	.513
Quick delivery	4.12	.348
Quality of delivery	4.19	.415
Online food delivery applications are reliable	4.37	.517
Cleanliness of the delivery boys	4.30	.501
Own transport facility of the delivery boys	4.24	.426
Packaging of food is good	4.38	.492
Food items delivered are hygiene	4.29	.472
Prompt customer service	4.17	.416
Avoid keeping customers waiting for no apparent reason	4.45	.531
The willingness of the service provider to respond to customer's request	4.33	.508
Response to customers problems	4.25	.505
Response to customer's complaints	4.13	.416
Caring	4.31	.522
Individual attention to customers demand	4.15	.453
Delivery boys obey the words of customers	4.27	.516

Source: Computed data

Interpretation:

Based on mean score, performing promised delivery accurately (4.65) is the important factor on perception of customers towards online food delivery service, followed by avoid keeping customers waiting for no apparent reason (4.45), packaging of food is good (4.38), online food delivery applications are reliable (4.37), the willingness of the service provider to respond to customers request (4.33), caring (4.31), cleanliness of the delivery boys (4.30), food items delivered are hygiene (4.29), delivery boys obey the words of customers (4.27), response to customers complaints (4.25), own transport facility of the delivery boys (4.24), the least factor is quality of delivery (4.19) followed by prompt customer service (4.17), individual attention to customers demand (4.15), response to customers complaints (4.13), quick delivery (4.12).

The main factor on perception of customers towards online food delivery service is promised delivery accurately when compared response to customers complaints because the

customers are highly satisfied with accurate delivery time of these online food delivery services.

8. Difference Between the Overall Perception of Customer’s Towards Online Food Delivery Services with Respect to the Monthly of the Respondents

To analyse the relationship between the overall perception of customers online food delivery services with respect to the monthly income of the respondents.

H0: There is no significant difference between the overall perception of customers towards online food delivery services and the monthly income of the respondents.

H1: There is a significant difference between the overall perception of customers towards online food delivery services and the monthly income of the respondents.

From the above Anova table 4 shows that there is no

significant difference between the tangibility perception of customers towards online food delivery services with respect to monthly income of the respondents, Since the p value is more than 0.05(0.070)

From the Duncan table 5, it is noted that among those respondents who earns above 60,000 has the slight difference with respect to tangibility perception of customers towards online food delivery services.

From the above table 6 shows that there is no significant difference between the reliability perception of customers towards online food delivery services with respect to monthly income of the respondents, Since the p value is more than 0.05 (0.74).

From the Duncan table 7, it is noted that among those respondents who earns above 60,000 has slight significant difference with respect to reliability perception of customers

Table 3
Showing mean and standard deviation

OVERALL PERCEPTION OF CUSTOMERS		MONTHLY INCOME			
		BELOW 20,000	20,000-40,000	40,000-60,000	ABOVE60,000
Tangibility	Mean	17.24	17.35	17.20	17.74
	SD	1.11	1.01	0.86	1.42
Reliability	Mean	17.09	17.26	17.06	17.69
	SD	1.17	1.31	1.25	1.59
Responsiveness	Mean	21.09	21.21	21.55	22.14
	SD	1.44	1.36	1.58	1.88
Responsibility	Mean	12.47	12.88	12.83	12.89
	SD	0.90	1.04	1.14	1.21
Overall perception of online food delivery service	Mean	67.88	68.70	68.64	70.46
	SD	3.54	3.57	3.71	5.25

Source: Computed data

Table 4
Showing ANOVA

OVERALL PERCEPTION OF CUSTOMERS (TANGIBILITY)	SUM OF SQUARES	Df	MEAN SQUARE	F	Sig
Between groups	8.123	3	2.708	2.375	0.70
Within groups	394.394	346	1.140		
Total	402.517	349			

Table 5
Duncan table for monthly income of the respondents

MONTHLY INCOME OF THE RESPONDENTS	NO. OF RESPONDENTS	SUBSET FOR ALPHA=0.05	
		1	2
Below 20,000	117	17.24	
20,000-40,000	132	17.35	
40,000-60,000	66	17.20	
Above 60,000	35		17.74
Sig.		0.444	1.000

Source: Computed data

Table 6
Showing ANOVA

OVERALL PERCEPTION OF CUSTOMERS (RELIABILITY)	SUM OF SQUARES	Df	MEAN SQUARE	F	Sig
Between groups	11.500	3	3.833	2.328	0.74
Within groups	569.6888	346	1.646		
Total	581.189	349			

Table 7
Duncan table for monthly income of the respondents

MONTHLY INCOME OF THE RESPONDENTS	NO. OF RESPONDENTS	SUBSET OF ALPHA =0.05	
		1	2
Below 20,000	117	17.09	
20,000-40,000	132	17.26	17.26
40,000-60,000	66	17.06	
Above 60,000	35		17.69
Sig.		0.407	0.55

Source: Computed data

Table 8
Showing ANOVA

OVERALL PERCEPTION OF CUSTOMERS (RESPONSIVENESS)	SUM OF SQUARES	Df	MEAN SQUARE	F	Sig
Between groups	35.013	3	11.671	5.259	0.001
Within groups	767.855	346	2.219		
Total	802.869	349			

Table 9
Duncan table for monthly income of the respondents

MONTHLY INCOME OF THE RESPONDENTS	NO. OF RESPONDENTS	SUBSET FOR ALPHA = 0.05	
		1	2
BELOW 20,000	117	21.09	
20,000-40,000	132	21.21	
40,000-60,000	66	21.55	
ABOVE 60,000	35		22.14
Sig.		0.92	1.000

Source: Computed data

Table 10
Showing ANOVA

OVERALL PERCEPTION OF CUSTOMERS (RESPONSIBILITY)	SUM OF SQUARES	Df	MEAN SQUARE	F	Sig
Between groups	12.373	3	4.124	3.858	0.010
Within groups	369.915	346	1.069		
Total	382.289	349			

Table 11
Duncan table for monthly income of the respondents

MONTHLY INCOME OF THE RESPONDENTS	NO. OF RESPONDENTS	SUBSET OF ALPHA=0.05	
		1	2
BELOW 20,000	117	12.47	
20,000-40,000	132		12.88
40,000-60,000	66		12.83
ABOVE 60,000	35		12.89
Sig.		1.000	0.785

Source: Computed data

towards online food delivery services.

From the above table 8 shows that there is a significant difference between the responsiveness perception of customers towards online food delivery services with respect to monthly income of the respondents, Since the p value is less than 0.05 (0.001).

From the Duncan table 9, it is noted that among those respondents who earns 40,000-60,000 has significant difference with respect to responsiveness perception of customers towards online food delivery services.

From the above table 10 shows that there is no significant difference between the responsibility perception of customers towards online food delivery services with respect to monthly income of the respondents, Since the p value is more than 0.05 (0.010).

From the Duncan table 11, it is noted that among those respondents who earn above 60,000 has the slight significant difference with respect to responsibility perception of customers towards online food delivery services.

9. Findings and Suggestions

- The study reveals that more than one third of the respondents (35.7 per cent) belong to the age group of 26 to 30.
- The study states that female respondents are using this online food delivery services when compared to male.
- The analysis reveals that more than one third of the respondents (38.6 per cent) are undergraduates who avail

this online food delivery services.

- The study says that more than two-fifth of the respondents surveyed (45.7 per cent) are private employees who are using this online food delivery services.
- More than one third of the respondents (37.7 per cent) using online food delivery services earn monthly income of more than Rs.20,000 but less than Rs.40,000.
- Zomato is the highly preferred application for online food delivery services among the respondents when compared to other applications like Swiggy and EatSure.
- Nearly one third of the respondents (30 per cent) order their lunch through online food delivery applications.
- Majority of the respondents (55.4 per cent) use online food delivery services once in a week.
- Nearly half of the respondents surveyed (48.9 per cent) use online food delivery services while they are at their home.
- More than two-fifth of the respondents (43.1 per cent) are spending Rs.1000 to Rs.2000 per month to buy food using online food delivery services.
- Nearly half of the respondents surveyed (49.4 per cent) of the respondents feel that the online food delivery service charges are high.
- Most of the customer’s order south Indian food through this online food delivery services when compared to other foods like north Indian Chinese, fast food etc.
- Nearly one third of the respondents (30 per cent) prefer to order in non-vegetarian restaurants when compared to vegetarian and pocket friendly restaurants.

- Two-fifth of the respondents (40 per cent) prefer cash on delivery option while ordering food through online food delivery service applications.
- More than one-fourth of the respondents (30 per cent) order food using online food delivery service applications during weekends.
- The application of Anova implies that there is a significant difference between the responsiveness perception of customers towards online food delivery services with respect to the monthly income of the respondents, Since the p value is less than 0.05(0.01) and there is no significant difference between the tangibility, reliability and responsibility perception of customers towards online food delivery services with respect to the monthly income of the respondents, Since the p value is more than .0005(0.070,0.74 and 0.010).

10. Suggestions

- The customers feel that the delivery charges charged by the online food delivery services are high, so the delivery charges may be reduced.
- Respondents feel that there are issues in delivery service like low quality and less quantity of food they feel dissatisfied with these issues so it should be solved.
- The price of the food is high when compared to dine in price. Customers feel dissatisfied with the price so it can be reduced.

11. Scope for Further Research

- A study on perception of delivery persons towards online food delivery services.
- A study on perception of restaurants towards online food delivery services.

12. Conclusion

In current scenario all type of services are offered through online mode. The study mainly concentrated on the perception of customers towards online food delivery services and income of the customers. Since, there is no significant difference between the tangible, reliable and responsible perception of the customers towards online food delivery services with the income of the customers, So, it is concluded that the online food delivery services customers belong to different monthly income group have similar perception that the online food delivery services are tangible, reliable and responsible.

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